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PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

Appendix

A Program for Small Business

EXTENSION OF REMARKS
OF

HON. JOHN A. BLATNIK
OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BLATNIK. Mr. Speaker, it is a well-recognized fact that the small individually owned and operated form of business enterprise is the cornerstone upon which our free competitive economy is built. Small business also provides the economic foundation for liberal capitalist democracy in the United States. This is why I have always been very much concerned with the welfare of small business, and, as a Member of Congress. I have always urged the adoption of those governmental policies which would create the conditions necessary for the growth and prosperity of the small business unit.

Since coming to Congress I have noticed that nearly everyone gives lip-service to the needs of small business. At the same time I have observed that no one does anything about finding solutions to the specific problems confronting the small businessmen in America. Hence it seems proper that I take this opportunity to discuss the position of the small business form of organization within the American economic system, and outline what I believe to be a sound program for the preservation and expansion of this form of business enterprise.

THE PLACE OF SMALL BUSINESS IN OUR ECONOMY

Before beginning this discussion, it is proper to define precisely what is meant by small business. According to the Committee for Economic Development, a small business enterprise differs from big business in that its management is independent—usually the manager is also the owner—and its capital is supplied and ownership held by one individual or a group. Moreover, its area of operation is local, and its position is strictly competitive rather than monopolistic.

This last-named characteristic is the one which makes small business so important to the consuming public, and its continued existence so vital to the general welfare. Functioning as a competitive unit in a free market, small business tends to provide better service to the public at lower costs, than does big business operating under semimonopoly conditions.

The relative importance of small business within the American economy may be demonstrated by the following statistics. According to the United States Bureau of the Census, there were approximately 3,317,000 business units operating in the United States in 1939. Of this number over 1,500,000 firms—about 45 percent—were one-man establishments where the owner was the manager, and himself did all the work without benefit of additional employees. Another 1,221,000 firms—about 40 percent—employed three workers or less, and an additional 305,000 firms employed between 4 and 7 employees. Big business—those firms employing more than 50 workers—adds up to only about 52,000 firms.

In other words, 98 percent of all business firms in America employ less than 50 laborers, and can therefore be definitely classified as small business, as compared with 2 percent of the total number of firms representing big business (i. e. those firms employing 50 or more workers). Forty-five percent of all persons employed in business are engaged in small business operations—55 percent are working for big business. Thirty-five percent of the total dollar volume of the Nation's business is conducted by small business firms, as compared with 65 percent on the part of big business. Surely that portion of the American business system which employs 45 percent of all persons in the business world, and does 35 percent of the dollar volume of business transactions deserves consideration by the Congress.

THE SPECIAL PROBLEMS OF SMALL BUSINESS

Small business, operating within the framework of an economic system which is rapidly becoming less competitive due to the continued growth of monopoly, is confronted with special problems and difficulties that are very real. These problems fall under one or another of the following categories:

First. The problem of protection of small business from the inroads and unfair competitive practices on the part of chain stores and monopolies;

Second. The problems of small business management, which includes the problem of securing adequate information on business trends, market conditions, and the need for obtaining the results of economic research in the business field; and

Third. The problem of financing small business, which includes the question of tax relief, and the problem of securing capital and commercial credit for the small business firm.

It is logical to assume that any sound governmental program designed to foster and protect the small businessman, will recognize and be based upon these three special problems which confront him.

A PROGRAM FOR SMALL BUSINESS

The program for small business which I am outlining, is based upon my own study and observations of the special problems of small business, and the advice of outstanding leaders in this field of economic endeavor. It is my opinion that such a program should include the following major proposals:

PROPOSAL NO. 1: STRICT ENFORCEMENT OF THE ANTITRUST LAWS

The strict enforcement of existing antitrust laws, and the strengthening of these laws, in order to check the further growth of monopoly and protect small business from unfair competition on the part of the great chain stores and business monopolies.

The monopoly problem is one of the basic and central questions affecting the welfare and future of the small form of business enterprise in America. During the last 75 years the economic pattern of our society has been changing, and this change is marked by the long-continued trend toward the concentration of economic power in the hands of fewer and larger corporations. This fact is borne out by the report of the Temporary National Economic Committee, and the 1946 Report of the House Committee on Small Business (the Kefauver committee). In this last report entitled "The United States versus Economic Concentration and Monopoly," the following conclusions are set forth:

First, that 250 great corporations and trusts now hold approximately two-thirds of the Nation's usable manufacturing facilities.

Second, that the 250 largest corporations have gained control of 70 percent of the new publicly financed war facilities.

Third, that eight banking houses now control 106 of the 200 largest corporations. The du Pont, Mellon, and Rockefeller families alone control 11 percent of the 200 largest corporations.

Fourth, that the growth of economic concentration which has been taking place is slowly destroying small business enterprise; some 500,000 small businesses folded up during the war, and there are today 160,000 fewer small business units operating than in 1941.

These great monopolies are the No. 1 threat to the continued existence of small business. As a result of the unfair business practices of the great corporations and chain stores, small businesses find it difficult to maintain its competitive position and often many go bankrupt. Many small businesses fall victims to the monopolies as a result of merger and acquisition. According to the report of the United States Federal Trade Commission, some 1,800 small businesses were swallowed up through mergers and acquisitions between 1941 and 1945; the total combined assets of these 1,800 firms was $4,100,000,000 or about 5 percent of the total combined assets of all manufacturing firms in 1943. The Federal Trade Commission also reports that the rate of merger in 1946 was increasing in tempo.

MONOPOLIES A THREAT

In addition to being a threat to small businesses which are so vital to the public welfare, monopolies are definitely detrimental to the entire consuming public. Monopolies mean higher prices on commodities of public consumption, which means exploitation of the consumer. Monopolies also restrict production and employment, and suppress inventions which might be utilized to raise the American standard of living. They are a threat to our free competitive system. As the Kefauver report stated, monopolies are becoming more dangerous, and unless they are checked, there is the danger that the industrial titans will use their economic strength to gain too much power over the political and social life of the Republic, and will eventually stifle our traditionally American free and independent enterprise.

Up to this time, the Federal Government has been unable to check this trend toward monopoly. This failure is due largely to the lack of adequate information facilities to study and discover monopoly practices; the lack of funds for the enforcement agencies of the Antitrust Division of the Department of Justice, and the Federal Trade Commission; and existing loopholes in present antitrust laws.

ANTIMONOPOLY PROGRAM

The correction of these weaknesses in the present antitrust policy, and the development of a sound Government program to check the further growth of monopoly, requires that the following steps be taken:

First. A Presidential Directive should be issued laying down an over-all Government policy regarding monopolies to activize all Government agencies whose work either directly or indirectly touches on the monopoly problem, and to coordinate the work of these agencies in checking monopoly. There is a lack of such a policy at the present time. Some agencies not only have little interest in checking monopoly, but actually follow policies which promote concentration. For example, the War Assets Administration has favored big business in the disposal of surplus war property; the War Production Board and the Army and Navy Departments have favored monopolistic companies in the letting of Government contracts.

A general order from the office of the President would discourage those departments now helping the growth of monopoly, and would coordinate the antitrust policies of the Federal Trade Commission and the Antitrust Division of the Department of Justice. Better liaison between the Department of Commerce, the Federal Trade Commission, and the Antitrust Division could also be accomplished by such an order.

Second. There should be an increase in the research and information facilities of the Department of Commerce to study and report on the growth of monopoly, and the existence of monopolistic practices, as well as follow-up studies on those cases involving antitrust suits to discover whether previous actions actually had the desired effect.

Third. There should be an increase in the appropriation of adequate funds for the Antitrust Division of the Department of Justice so that existing antitrust laws may be enforced effectively. The Antitrust Division of the Department of Justice has always been understaffed, and short of funds, and this has prevented that agency from meeting its responsibilities. For example, the total staff of this agency on April 1, 1947, consisted of 333 persons, of which 143 were functioning in field units, 190 were lawyers, 20 were economists, and the remainder being clerical help. Due to the lack of staff, only 50 antitrust actions take place each year from among an annual average of 650 complaints—a ratio of 1 case to 13 complaints of monopolistic practices.

The annual budget of the Antitrust Division has never exceeded $2,000,000 except on one occasion—yet the Hartford Empire Co. spent over $2,000,000 to defend itself in one antitrust action taken by the Government. In the Madison oil case, the Antitrust Division had five lawyers against 103 for the defendant.

In my opinion, the Antitrust Division of the Department of Justice should have a minimum budget of $5,000,000 per year—the budget of the Federal Trade Commission should also be increased commensurate to their antimonopoly efforts.

Fourth. The present antitrust laws should be amended to plug all loopholes which permit big business to continue certain monopolistic practices. Most certainly section 7 of the Clayton Act should be amended to cover acquisition of assets as well as stock, and other loopholes in these laws should be plugged. Another needed reform is the increasing of penalties for violation of the antitrust laws. Under the present law, a monopoly may make a million dollars as a result of illegal practices and then get off with a fine of $10,000. It is a common practice for such companies to set aside funds for the payment of such fines in advance and then calmly proceed to violate the law, knowing that profits from their illegal acts will more than offset fines imposed.

It is recommended that civil penalties be provided for violations of antitrust laws which will be proportionate to the illegal gains—for example, twice the monopoly profits. This would remove the present opportunity for profit from continuous and deliberate violation of the antitrust laws.

The law should also be amended to provide a mandatory increase in criminal penalties for repeated violations of antitrust laws. Few monopolists ever go to prison for violation of these laws; the courts have authority to prescribe prison terms but they have not exercised this power. If prison terms were mandatory on a second violation, monopolists would be discouraged from breaking the law.

In my opinion, the adoption of these reforms in the Federal Government's antitrust program would go far toward the checking of monopoly, and would remove this threat to the future of small business in America.

PROPOSAL NO. 2: REVISE EXISTING PATENT LAWS

The existing patent laws should be revised to prohibit the present misuse of patent rights by big business to suppress inventions, to restrict production, and to stifle competition.

It is common knowledge that the great corporations, monopolies, and cartels are able to utilize present patent laws to limit the production of new products, or to prevent the production of products which are needed by the public.

The example of the German firm of I. G. Farben and Standard Oil of New Jersey may be cited. These two companies entered into a cartel agreement in 1929 regarding the trade secret for the production of synthetic rubber, and cooperated in preventing the use of this secret to build up the American synthetic rubber industry. This monopoly in synthetic rubber was not broken until World War II when the need for such action was necessary to win the war. For many years the patent on fluorescent lighting was held off the market because it would provide more light per kilowatt-hour than ordinary light bulbs, and thus affect the profits of private power companies.

The Congress should enact statutes preventing further restrictions of use of a patent in violation of antitrust laws, and prevent monopolists from collecting royalties under such patents. Legislation should also be enacted to require compulsory licensing of patents that are not put to full use.

PROPOSAL NO. 3: A FEDERAL PROGRAM OF SCIENTIFIC RESEARCH

The Federal Government should embark on a comprehensive program of scientific research, the results of which would be the common property of the people of the Nation, and be made available to all business. At the present time, one-third of all applied research is conducted by 12 corporations, and big busi-

ness generally controls most of the results of all research for their own profit.

Recently the Eightieth Congress adopted the Science Foundation law, which provides Federal funds for research in the fields of medical, physical, and biological sciences. This program might well be extended to research in applied science and industrial technology, with the findings being made available to the small businessman. I want to say also that the "pork barrel" policy of giving the results of Federal-financed research to a few great corporations should be stopped.

PROPOSAL NO. 4: A SPECIAL BUREAU OF SMALL BUSINESS

A special Bureau of Small Business should be created in the Department of Commerce to provide needed services for small business alone. At the present time there is an Office of Small Business in the Bureau of Foreign and Domestic Commerce, but this agency is understaffed and unable to meet the needs of small business.

This office should be expanded into a well-staffed bureau, which would develop an information program on the facts of business, on improved business methods, on marketing information, and so forth. In other words, this agency would provide facts to business on all phases of their activity, and should be a vigorous and aggressive protagonist for strengthening the competitive position of small business enterprise.

PROPOSAL NO. 5: LIBERALIZE RFC LENDING POLICIES

The lending policies of the Reconstruction Finance Corporation, and other Federal credit agencies, should be liberalized so as to provide capital and credit to small business and equal terms with big business.

One of the major problems of the small businessman is that of finance. It is often difficult to obtain investment capital to start or expand small business; during hard times the great private financial institutions often destroy small business by the indiscriminate withdrawal of commercial credit. The major burden of furnishing investment and commercial credit to small business should of necessity remain private, yet it is desirable that direct Government loans should be available to the small businessman when private funds dry up due to depression.

The present RFC small-business loan program does not meet the needs of small business. The RFC lending policy has been to favor big business, but has ignored the financial requirements of small business. According to the September 1946 RFC field-office report, only 265 direct loans to small business were approved during the month out of 5,518 applications—95 percent rejections as compared to 5 percent loans granted. This alone reveals the anti-small-business bias of the RFC.

It is time that the RFC realizes the importance of small business in our economy, and develop a liberal loan policy with respect to the small businessman. Congress can contribute to such a program by providing additional capital resources to the RFC for such purposes.

PROPOSAL NO. 6: TAX RELIEF FOR SMALL BUSINESS

Congress should adopt a Federal taxing policy whereby the taxing power is used as an instrument of social policy to: (1) Give tax relief to small business establishments so that they may use their profits for expansion, and to maintain their competitive position within our economy; and (2) impose heavier levies on the great family fortunes and giant corporations as a means of checking monopoly.

Under the present Federal tax structure for business, corporations with net assets over $50,000 per year are subject to a 38-percent normal and surtax rate, while business firms with net assets below $50,000 are taxed at a rate of 21 percent on the first $5,000, 23 percent on the $15,000, and increases in percentage up to $50,000 total net assets. The excess-profits tax has been repealed, and undistributed profits are taxed only when such undistributed profits are held to be unreasonable accumulations beyond the needs of the company.

I am convinced that small business would benefit if a greater tax differential is provided. The present corporation tax should be reduced on business firms with net assets of less than $50,000 to enable them to plow back into the business their earnings, and thus help them compete against their chain-store competitors. At the same time, the taxing power might well be used to check monopoly by reimposing the excess-profits tax on the great corporations and broadening the application of the undistributed earnings tax.

PROPOSAL NO. 7: FULL EMPLOYMENT AND BUSINESS PROSPERITY

The best guaranty for the future of small business is—in the last analysis—a program of full production, full employment and general prosperity for the Nation. During periods of depression small business has the highest casualty rate, while the monopolies increase their economic power. On the other hand, during periods of prosperity small business flourishes and prospers.

The proper method of promoting small business, therefore, is to maintain a stabilized economy and maximum production. Congress should enact those policies needed to maintain high purchasing power in the hands of the farmer and the laborer which will, in turn, guarantee prosperity for the businessman. The key to business prosperity is a prosperous citizenry who have money in their pockets to buy the products of the business.

Such a program for national full employment should include the extension of social-security benefits, old-age pensions, a good wage policy, a Federal health program, and long-range Federal housing program. In addition, the Government should formulate a program designed to develop the Nation's national resources—the MVA and the St. Lawrence waterway would be included in this category—and extend the Roosevelt farm program—soil conservation, farm tenant, REA, and farm marketing programs—to provide prosperity to the farmer.

Mr. Speaker, I am convinced that this eight-point program which I have outlined would do much in the way of solving the problems of over 3,000,000 small businessmen in America, and would protect and preserve the small business type of organization which is so essential to the future of American democracy and our free competitive economy.

Polish Soldiers Should Be Allowed To Enter the United States

EXTENSION OF REMARKS

OF

HON. GEORGE MacKINNON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr MacKINNON. Mr. Speaker, while Congress is in recess a Judiciary Subcommittee on Immigration and Naturalization, will make an investigation in Europe of displaced persons in connection with their study of the Stratton bill, H. R. 2910. In this connection I wish to direct the attention of the Immigration and Naturalization Subcommittee to my bill (H. R. 3620), which deals with a similar problem with respect to former Polish soldiers. This bill proposes that we permit the immigration to the United States of those Polish soldiers now outside the Communist-dominated countries, who left their country to fight the Nazis and who cannot now return because of the Communist Government in their home country. This is an exceptionally meritorious group of prospective citizens. They would make excellent citizens for America. If H. R. 3620 is adopted we may find our fair land again favored by a Kosciusko, a Pulaski, and a Paderewski.

Many Members of Congress and of the general public have asked me why these people want to come to the United States. They wonder why these young men are not satisfied in England or Italy, or in some other European country. Since I have received many letters from Polish soldiers and their friends in this country and from Polish soldiers overseas in areas not covered by the Stratton bill, I believe I have the answer to this question.

If these Polish soldiers live in England, they live entirely among strangers of strong nationalistic background. The same is true if they live in Holland, Belgium, France, Italy, or any other European country. But in America they feel they have millions of friends, because here there are millions of their former countrymen. They feel that they would be more at home here than in any country other than their native land. This is the reason they wish to come to America. And I submit that the fine record of citizenship that has been made by the Americans of Polish ancestry in this country is an excellent reason why we should welcome and encourage their immigration.

There is an additional feature that bears on the consideration to be given H. R. 3620. That is the treatment and

consideration they are receiving in England, where most of them are now located. From the information I have received on this subject it appears that many of these former Polish soldiers are occupying the barracks formerly occupied by prisoners of war and that many of them are prevented from going into business. Thus they are more or less restricted to occupations involving physical or manual labor and they are living only slightly above a subsistence income. If these assertions are true is it any wonder why these former fighting men wish to come to America. I request the Immigration and Naturalization Subcommittee during their trip to Europe to go to Great Britain and investigate the status of these former Polish soldiers. We owe that much to our former fighting allies, who showed so much courage during the war. Moreover, I want them to meet and become acquainted with some of these Polish soldiers. I am satisfied that if they do they will report favorably on H. R. 3620.

Under leave to extend my remarks I include the following copy of H. R. 3620:

A bill to provide for the admission to the United States of certain persons who served in the Polish Army, and for other purposes

Be it enacted, etc., That any person (1) who served in the Polish Army under honorable conditions during the period beginning September 1, 1939, and ending May 8, 1945, and (2) who on May 15, 1947, did not reside in Poland, the United Soviet Socialistic Republic, or areas occupied or administered by the United Soviet Socialistic Republic, shall be admitted as a nonquota immigrant to the United States for permanent residence. The wife, and the unmarried child or children, of such person, who are accompanying or following to join him at his request shall also be admitted as nonquota immigrants to the United States for permanent residence.

SEC. 2. As used in this act—

(a) The term "Polish Army" means (1) the armed forces of the government and people of Poland during the period beginning September 1, 1939, and ending September 30, 1939, and (2) the armed forces of the Polish Government-in-Exile which was formed in 1939 in Paris, France; and

(b) The term "Poland," when used in a geographical sense, means the territory subject to governmental control by the Republic of Poland as of May 15, 1947.

SEC. 3. Admissions under this act shall terminate on December 31, 1951.

American Military Strength

EXTENSION OF REMARKS

OF

HON. WILLIAM G. STIGLER

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. STIGLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Evening Star of July 25, 1947:

PATTERSON DEPARTS WITH WARNING UNITED STATES LACKS READY FORCE

Robert P. Patterson headed today for a rest on his New York farm after warning in a farewell press conference as Secretary of War that potentially powerful America is low in "ready military strength."

He said that as a private citizen he would do his utmost to see that universal military training is adopted.

Describing the atomic bomb as "a strong asset" for the time being at least, he urged that the United States continue making atomic weapons until international accord is reached.

SCROLL AND TRAY PRESENTED

Mr. Patterson was honored at a farewell dinner in the Pentagon last night by President Truman and military and civilian leaders of the War and Navy Departments who had worked closely with the retiring Cabinet member.

A scroll and a silver tray—which Mr. Truman personally polished with his handkerchief—was presented to Mr. Patterson by the Army General Staff as a token of high esteem and in appreciation of the privileges of serving "under the inspiring leadership of a great American and a good and loyal soldier."

The tray was engraved with the names of General Eisenhower, Chief of Staff, and other officers.

PLANS TO PRACTICE LAW

Mr. Patterson, who swore in Kenneth C. Royall as his successor yesterday, planned to leave Washington today for his farm at Cold Springs, near Poughkeepsie, N. Y. He said he would "rest" at farming for a few weeks before returning to the practice of law in New York City.

At his farewell press conference yesterday, Mr. Patterson pointed out that the United States "has potential strength of a military character not equaled by any other nation."

But, he said, "on the point of ready military strength the picture is not the same." He added that American armed forces "are scarcely adequate to the discharge of our occupation tasks."

My Report to You on the Record of the Eighteth Congress

EXTENSION OF REMARKS

OF

HON. MARION T. BENNETT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BENNETT of Missouri. Mr. Speaker, it is a real pleasure that, with all due humility, I can report to my constituents with just pride upon the work of the Eightieth Congress and the part I have had in it as their Representative.

As I look back in my mind's eye upon the historic first 7 months of 1947, I realize that no single oral or printed statement could encompass all that I should like to report upon. Anticipating that is one reason why I have tried to keep my district informed, on a weekly basis, through reports over the radio and in the press. Today, however, it is my purpose to summarize the high lights of accomplishment of the first Congress to have a Republican majority since 1930.

We can understand what has been done only by viewing it in its true perspective as it looms up against the background of what has gone before. In November 1946, the people of America overwhelmingly voted for a change—a change for the American way of life. The issues in that campaign were summarized by the historic phrase which appeared on billboards across the land, "Had enough? Vote Republican!"

The bill of particulars epitomized by that short statement was a long and sordid story of mismanagement in Washington. That mismanagement was characterized by confusion, corruption, controls and communism in high places. Sixteen years of New Deal had led us from WPA to war and to a shortage of everything including shortening. Strange to find, after 2 years of peace there was an increasing scarcity of sugar, meat, automobiles, white shirts, toilet tissue, gasoline, soap, farm machinery, lumber, nylon hosiery, and apparently everything else we thought should be a part of American life, including freedom. In place of the necessities of life we were given propaganda, black markets, regimentation, bureaucracy, class exploitation, deficit spending, machine politics, labor violence, questionnaires, CIO dictation and political answers to economic questions.

Republicans promised to get the Government out of the people's hair and back into the people's hands. Republicans promised lower taxes, a labor law putting labor and management on equal footing before the law, elimination of unnecessary wartime controls, a reduction in Federal spending, a balanced budget, and elimination from the public pay rolls of thousands of bureaucrats, especially those with Russian accents or philosophies. Those were the promises. How about the performance? As Al Smith used to say, "Let's look at the record."

The Eightieth Congress elected last November took office January 3, 1947. The record of that Congress will not be complete until its life expires on January 3, 1949. Next January 3 the second session of the Eightieth Congress will take up where the first session, which adjourned as required by law this July left off. The first session broke the ice, I might say, in the beginning, that it is the first time within the memory of most living voters that a political party kept its promises after it won a victory. This elates Republicans and Independent Democratic voters. But, many New Deal radio commentators and news columnists have very red faces indeed. They had said we would fail. They said we were too slow. They tried to make political capital out of the magnitude of their own misdeeds. But, they have been disappointed. No Congress ever worked harder, faster, and accomplished more for the people of America. This was not a rubber stamp Congress for the President or the pressure groups. The Republican Congress this year has:

BUDGET AND DEBT

First. Balanced the budget and reduced the national debt for the 1947 fiscal year by over $11,000,000,000. This debt reduction is the first step necessary to restore the value of the dollar. The budget was unbalanced, the debt grew and your dollar got cheaper every year for 16 years under New Deal control of Congress.

INCOME TAX REDUCTION

Second. The Republican Congress twice voted to reduce personal income taxes for 49,500,000 American citizens. The New Deal Congress in 1946 gave a $6,000,000,000 reduction to corporations but President Truman vetoed the Republican bills for tax relief for individuals in 1947 and 1948 and the Republicans did not have the two-thirds majority necessary to override the vetoes. Had these bills become law, the little taxpayer would have received the biggest saving, which was 30 percent. The average taxpayer would have been given a 20 percent reduction and the largest, 10½ percent. Citizens over 65 years of age would have had an additional $500 exemption. Sixty-three percent of the total reduction would have gone to those citizens earning less than $5,000 per year. This class of taxpayers constitutes 96 percent of the total number of taxpayers thus demonstrating that, contrary to New Deal propaganda, this was genuine tax relief for the small taxpayer. One million two hundred and thirty-four thousand six hundred and forty-four Missouri income taxpayers were denied tax reductions by the President's vetoes. Missouri taxpayers would have saved over $95,000,000! The President's partisan vetoes of the tax reduction bills cost the little taxpayers of the 11 counties of the Sixth Missouri District the following savings, according to the House and Senate Joint Committee on Internal Revenue and Taxation:

Barton	$145,000
Bates	243,000
Cass	286,000
Cedar	111,000
Greene	3,316,000
Henry	359,000
Johnson	246,000
Pettis	628,000
Polk	183,000
St. Clair	94,000
Vernon	323,000
Total	5,934,000

It is to be hoped that in 1948, being an election year, the President will change his mind on this subject. The British people, whose experiment in socialism and whose Government is being maintained with American gift-loans, have had their wartime taxes reduced. Our Canadian neighbors have enjoyed two tax cuts since VJ-day. One wonders how it is that if we cannot afford to give American citizens relief from heavy wartime taxes the administration feels we can afford to give so many billions away to the foreigners. A constituent wrote me the other day suggesting that the so-called flying disks or flying saucers we have been hearing so much about are actually round, silver American dollars being thrown across the Atlantic by this administration.

LABOR LAW

Third. The Republican Congress has passed, over Presidential veto, a bill to put labor and management on equal footing before the law, reduce the causes of industrial strife, to increase production, prevent workers from intimidation from any source, and preserve collective bargaining. This bill specifically exempts railroad labor which is covered by a law enacted by a previous Republican Congress and which has worked so well no responsible person has ever proposed its repeal. The new labor law, among other things, provides for a congressional committee to make a continuing study of the law and changes which may be required in this field in the future to promote friendly industrial relations and full production. How well the law works, however, depends largely now on how fairly the President, as Chief Executive, administers it.

Fourth. The Republican Congress has enacted a law making illegal the portal-to-portal lawsuit racket, which would have bankrupted industries and destroyed jobs.

PRESIDENTIAL TENURE

Fifth. The Republican Congress has passed and submitted to the States a constitutional amendment to limit to two terms the tenure of any man holding office as President. Half of the States necessary to make this amendment effective, including Missouri, have already ratified it.

CONTROLS

Sixth. The Republican Congress passed legislation abolishing approximately 270 wartime controls. Already this action has given the American people more sugar, more housing, and other necessities of life. Dates have been set for an early end to remaining controls.

Seventh. The Republican Congress has completely reorganized and streamlined the legislative branch of Government, pursuant to direction of the Legislative Reorganization Act. It will thus serve you more efficiently and effectively than in the past.

ECONOMY

Eighth. The Republican Congress has kept its promise to reduce unnecessary Government spending, the greatest single cause of inflation. It has reduced all departments of Government, requiring, in spite of the determined opposition of pressure groups and the administration, that every department bear its proportional share of the reductions which total approximately $3,000,000,000. We have reduced the high price of Government without impairing essential services. This is a good start and I hope to see further reductions made next year. It is pertinent to note right here, that by opposing any substantial reduction in Government expenditures and by vetoing the tax reduction bills, the President presumes to lay down the principle that he, the Executive, and not the people's Congress, shall control the Nation's purse strings. A substantial majority in Congress does not accept that principle which is contrary to our system of constitutional government.

BUREAUCRACY

Ninth. The Republican Congress has eliminated from the public pay roll thousands of unnecessary employees, over 1,000 of them Communists. It is continuing its investigation of all Government employees suspected of subversive activities, either Communist or Fascist.

Tenth. The Republican Congress has supported a bipartisan foreign policy.

VETERANS

Eleventh. The Republican Congress has done well by the veterans of America by increasing Spanish, Indian and Civil War pensions 20 percent, to bring them in line with World War I and II pensions. Over opposition of the President, we voted to pay the World War II GI terminal leave bonds in cash to 9,000,000 veterans. We increased the Federal grants to veterans in agricultural training to put them on the same basis as those taking industrial training. We doubled the amount of Federal money authorized as a revolving fund for loans to veterans for vocational rehabilitation courses and passed some 24 other veterans' bills, one appropriating $35,500,000 for construction of housing for veterans, supplementing $438,462,814 already provided for this program.

The President in his budget message recommended that Congress quit passing veterans' legislation because the cost of these benefits now exceeds $8,000,000,000 per year, the largest cost of our Government except maintaining the armed forces. Congress did, however, pass those bills which seemed necessary to do justice to the veterans and made very little, if any, economy in the Veterans' Administration budget. Veterans are agreed, however, that the greatest benefit their Government can provide is an economically strong and prosperous America.

ADEQUATE NATIONAL DEFENSE

Twelfth. The Republican Congress has provided the strongest Army, Navy and Air Force in this Nation's peacetime history and has united these branches of armed service as recommended by the Secretaries of War and Navy and the Joint Chiefs of Staff. In 1939, just before the war, our annual military expenditures were $1,074,000,000. In 1948 they will be $11,256,000,000. It will be seen that victory in the war did not lessen the crushing burden of armaments but increased it over eleven fold. However, in the unsettled state of the world, Congress felt it necessary to maintain our national defenses. Congress hopes that the Administration will promptly conclude the peace treaties and take steps to promote world disarmament.

CORRUPT ELECTIONS

Thirteenth. The Republican Congress has investigated instances of political graft and corruption and has conducted an honest audit, insofar as records to audit were available, thus saving the taxpayers millions of dollars and bringing many culprits to justice. While demanding free and honest elections in countries abroad we have demanded investigation of stolen elections in our own country, such as the latest disgraceful Pendergast-Truman scandals in Kansas City, Mo., where gangsters have stolen the fraudulent ballots constituting evidence necessary adequately to prosecute election thieves, as demanded by a grand jury. The Democrats in the Senate and House filibustered for 2 weeks and thus prevented congressional investigation of this national scandal which was whitewashed by the Attorney General, the district attorney and the President who admittedly

restricted the FBI investigation. It was only the demands of Congress which resulted in appointment of a special prosecutor to take the matter out of the hands of the Attorney General and district attorney. This filibuster was a confession of guilt. If the Administration had nothing to hide it would raise the iron curtain of concealment and welcome this investigation of corruption in the Justice Department.

SCIENTIFIC PROGRESS

Fourteenth. The Republican Congress has established a National Science Foundation to help keep America in the lead among nations of the world in all scientific developments important to national health and security. This Foundation which will provide funds for scholarships for the brightest young minds of America and for research projects of a military nature, will also wage an all-out fight to abolish those killers of mankind such as cancer and heart disease. I am especially proud of this progressive achievement because it was accomplished by the Committee on Interstate and Foreign Commerce, of which I am a member, and is in accord with the recommendations of reputable educators, scientists, and others who have studied public policy along this line. Confiscatory tax policies of the New Deal have made it impossible for many years for huge gifts to be given to scientific research by private individuals and government must now sparkplug such efforts. While America is leading the world in applied science, we do not lead it in basic science.

IMPORTANT MISCELLANEOUS LEGISLATION

Fifteenth. The Republican Congress has many other legislative accomplishments to its credit which are too numerous and technical for discussion here. Some of these which I will just mention in passing include:

Reincorporation of the Export-Import Bank to aid war-devastated countries and to stimulate our own foreign trade.

Amendment of the Federal-Aid Highway Act to give States more time to develop road plans and utilize funds allocated under the act.

Provision was made for retirement and other inducements to stimulate voluntary enlistment in the Regular Army after expiration of the Voluntary Recruitment Act of 1945.

Extended the life of the Commodity Credit Corporation which carries out the commitments of Congress with respect to the farm price-support program.

Froze present postal rates, saving $205 000,000 in postal revenue.

Authorized our participation in the International Refugee Organization which will take over the duties of UNRRA in dealing with displaced persons and require other nations to share this burden with us.

Established a bipartisan Commission of 12 members to investigate and report to the Eighty-first Congress in 1949, on the present organization and methods of operation of all executive departments, agencies, boards, bureaus, and so forth, with recommendations for change.

Froze the social-security taxes at the present 1 percent rate through 1949 and continued the State-Federal program of old-age assistance and aid to blind and dependent children.

Retained and extended veterans' preferences in Federal employment and housing.

Passed the Presidential succession bill providing that the Speaker of the House and then President pro tempore of the Senate shall be next in line of Presidential succession after the Vice President.

Provided for a national stock pile of strategic minerals.

Appropriated adequate funds for flood control.

Consolidated the duplicating Federal Housing Agencies into one bureau to be known as the Housing and Home Finance Agency.

Established a Congressional Aviation Policy Board to study and encourage development of a national aviation policy and safety in air navigation.

Extended until June 30, 1948, Federal aid to schools still overburdened with war-incurred enrollments.

Extended the scope of the Federal mine safety code.

Passed a bill to permit home owners to borrow up to $1,500 for property repairs and alterations from Federal savings and loan associations without having to take out mortgages.

Established several investigating committees to inquire into matters which will be the subject of legislation next year. These subjects include, among others, housing, foreign aid, labor racketeering, agriculture, occupation policies, surplus property, social security, immigration, and aviation.

The Republican Eightieth Congress has enacted around 400 laws in the 7 months of the first session. While we cannot correct in 28 weeks all the mistakes of 728 weeks of New Deal control of Congress, this is a commendable beginning. It might be noticed in passing that there have been 133 roll calls in the House this year. I have not missed a single vote on a bill.

PRESSURE GROUP LOBBYING

My friends, I would be less than frank and honest if I left the impression that this list of impressive accomplishments, and others which could be outlined if time permitted, was unattended by difficulties. There is a trait of human nature to demand something and then to be dissatisfied when you get it. There was a cartoon in the newspaper the other day picturing a delegation of constituents demanding that their Congressman vote for economy. But it also pictured the same delegation after the election, denouncing their Member for cutting out of an appropriation bill some worthy project in his own district. They suggested he start the economy wave somewhere else.

All Members of Congress know how much to the point that cartoon is. Most people have not learned to take the "me" out of economy. They want Government economy at expense of the other fellow. They say: "Don't cut the funds for this and that. Don't cut the funds for subsidies. Don't cut the funds for new post offices. Don't cut the funds for airports, and so forth." Everyone seems to have some pet project which allegedly should not be cut and seems to be getting Federal checks or aid in one form or another. If all of these requests for exceptions were granted, there would be no economy. The Government is indeed engaged in many worthy projects it is a shame to have to cut. But we cannot have our cake and eat it, too. We cannot reduce taxes and the debt and restore the purchasing power of the dollar and at the same time maintain the past high rate of Government expenditures. Do not forget that was agreed on November 1946. If we get this Government back on its feet financially and the Nation on a sound basis economically, maybe we can restore some of these programs. But this is the acid test of whether or not a people's government can survive or whether it will be wrecked on the rocks of unsound fiscal policy. Every Republic in history has died when its people insisted that it live beyond its means and that the government support the people instead of the people supporting the government. We are fortunate in that we have the object lessons of history before our eyes. Let us profit by them. To do otherwise is the arithmetic of folly, which will surely lead to socialism, which is the politics of poverty. If the spending bug has bitten so deep that we are cash-crazy and beset with an allergy toward saving money, we will have to go back to the deplorable conditions of 1946 which I outlined in the fourth paragraph of this speech. It requires political courage and devotion to the common welfare to practice democracy as well as to preach it.

COMMITTEE AND OFFICE WORK

I have been talking about the work of Congress as a whole. I want to make brief reference to my own committee work. For 4 years I was a member of the Committee on Veterans' Affairs and in that capacity helped write the GI bill of rights and all other basic legislation now on the lawbooks for veterans of World War II. This year I was promoted to membership on the Committee on Interstate and Foreign Commerce, the third oldest committee in the House, and the one with widest jurisdiction. Our work concerns all legislation touching such vital subjects as aviation, telephone, telegraph, radio, interstate commerce, foreign commerce, public health, the Weather Bureau, interstate oil and gas, securities and exchanges, railroad labor and railroad retirement and unemployment, inland waterways, Bureau of Standards, and all the other numerous bureaus and commissions touching the aforementioned subjects.

We have worked very hard on this committee this year. Of the 173 measures referred to my committee, 34 were reported and 12 have become public law. Forty-one other bills and resolutions were disposed of in connection with these. Hearings on 20 will be continued at the next session. Thirteen hearings covering 35 bills and resolutions and one investigation have been printed as public documents, representing a total of 6,247 pages. Ten additional hearings are later to be printed.

In consideration of the measures before the committee it held hearings on 112 days involving sitting for 361 hours.

Beyond this, of course, the committee has engaged in time on the floor of the House, in conference sessions, with the Rules Committee, in the writing of reports and in numerous informal conferences and discussions obviously not subject to tabulation.

In addition, the work of my congressional office has been unusually heavy. I have three competent clerks who have put in long hours, 6 days per week, helping to carry this load. Correspondence has been especially heavy this year, at a rate of around 8,000 inquiries per year, which must be answered by first-class mail.

My office will remain open in Washington throughout the congressional recess and I will divide my time between it and the district. A congressional recess is not a vacation. It is required by law in order that Congress may be as close as possible to the people it represents. During the recess I will visit each of the 11 counties of the Sixth Missouri District on dates to be announced through the press. I will be available for personal consultation on official business by any constituent who does not desire to take his problem up with my office by correspondence.

FOREIGN AFFAIRS

I will close this brief report by reference to foreign affairs which cast their shadow across the future. It is some years since the end of war to stop tyranny and assure freedom from want and fear, freedom of speech and religion, for all people everywhere in our time. While it might be too much to expect that complete world peace and prosperity would be restored so soon, it was proper that we should expect substantial progress along the road.

Our hopes have not materialized. Our expectations have been frustrated. Our good intentions have been maligned. Our generosity seems to have earned only ill will. Our candor has been met with stubbornness. Our insistence on self-determination for small nations has been sabotaged by secret diplomacy, police terror, infiltration and psychological aggression. Generously have we provided out of our own assets to soften the obstacles to peace, but we have had poor cooperation. One loan or gift seems to call for another. We have given the foreigners $20,000,000,000 since VJ-day and are still shelling out to them at a rate of $21,000,000 per day. This money comes out of the pockets of American taxpayers. This assistance seems to have left foreign nations just as close to hunger and in many cases closer to communism than before. The results we hoped for are meager indeed. It would further appear that war is still in progress and that its operations have merely been transferred for the time being from the military to the diplomatic front. Conduct of foreign affairs is not the province of Congress for the Constitution puts that duty on the President. But, as a practical matter of fact, Congress has a great deal to do with foreign policy after it has been determined by the President for Congress must provide the money to make it effective, if money is involved.

In the years of New Deal control of our Government the same party in power has led us from its original position of extreme isolation to extreme intervention and internationalism. It is leading us, apparently, from appeasement of Russia as practiced at the big power secret conferences, to a get-tough policy with Russia just as we followed the same appeasement-to-fight policy with Japan and Germany. Where are we now?

Under foreign policy set by the administration and followed in good bipartisan spirit by Congress, we have been slapping Russia and kissing her at the same time. I have cast some protest votes against this confusion in purpose and against a bypassing of the United Nations. I have voted to help starving and homeless people of the world but I would like to see more consistency, plan, and purpose in our dealings with them. It is important not only to the peace of the world, and to the freedom of the world, but to the budget of the family which has to buy its groceries at the corner food market. Inflated prices of food, goods, and services in this country cannot and will not be brought down as long as we export, at expense of the American taxpayer, all of those things of which we are in short supply. There are some people who are for the continuation of huge gifts of goods and dollar credits to keep surpluses off of our own markets and to keep prices high. Under this policy we lose both goods and dollars. Prices are now too high. They are at the peak which often precedes the fall into depression. We must make a choice, and soon. It is a difficult decision for those of us with Christian compassion for those less fortunate than our own citizens and with a desire to stop the ruthless march of communism. Constituents would do well to express their views on this choice to their Congressman for it will be the great issue of the next session.

KEEPING FAITH WITH THE PEOPLE

In conclusion, I would suggest the thought that there is good reason for the common man to have high hope in a political party which knows where it is going and actually goes there, and which looks before it leaps. It has also given new hope to millions of Americans to know that political promises once made will be kept, that with due regard for the demands of one's neighbors in the world, we have now a Congress which has not forgotten the folks at home.

It is weaning time for the bureaucrats and they are crying loudly. Their cries should be music to yours ears. The Republican Congress has delivered.

The Senate's Visitor

EXTENSION OF REMARKS
OF
HON. WILLIAM G. STIGLER
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. STIGLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Evening Star of July 25, 1947:

THE SENATE'S VISITOR

There seems to be some doubt whether President Truman's surprise visit to the Senate was unprecedented, or whether George Washington paid a similar call on the legislators on a hot August day back in 1789. But if Mr. Truman is the first to break down the unwritten rule that a President must avoid the Senate floor as a burned child avoids the fire, he has achieved something for which he merits a figurative pat on the back.

After all, why should not the President—especially when he has been a Senator himself—drop in on the Senate from time to time for a friendly visit? Surely that is not going to break down our form of government or wipe out the constitutional distinction between the Executive and legislative branches. Yet, giving George Washington the benefit of the doubt, it had not been done for 158 years until Mr. Truman called on his former colleagues this week.

This is not an incident from which one can distill any significant conclusions. It does not herald the dawn of a new day in the relationship between President and Senate. Nor does it mean that party lines have been broken or party divisions closed. The President is still a Democratic President and the Senate is still securely in control of the Republicans.

All that this incident signifies is that our President and Senators are human beings. Sometimes we tend to forget this. Upon occasion or so it seems, we expect of our high officials a perfection of performance that could come only from supermen. So it is a good and wholesome thing to be reminded that they are pretty much like the rest of us, to know that the President of the United States, with all of the cares and responsibilities of that office, can yearn for his old associates and find time to drop in for a visit with them.

Address of Archibald Henderson

EXTENSION OF REMARKS
OF
HON. CARL T. DURHAM
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. DURHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article:

ARCHIBALD HENDERSON IN ADDRESS BEFORE DUKE BAR—LEGAL PROFESSION FROM LAYMAN'S STANDPOINT APPROACHED BY SPEAKER; ATTITUDE IS ATTACKED

Archibald Henderson, retired head of the University of North Carolina mathematics department, approached the legal profession from a layman's standpoint in a speech before a luncheon meeting of the Duke Bar Association yesterday and, taking cases from the early history of the State of North Carolina, pointed out what, to him, was the fundamental difference between the equities of law and natural justice.

Taking his citations from the famous property disputes immediately preceding and following the American Revolution, involving the title to the territory now comprising North Carolina, Tennessee, Kentucky, and the vast mass of the other Southern States, Dr. Henderson pointed out that natural justice did not triumph when faced with the technicalities of the law. He stated that there are "three great events in North Carolina history, the War of the Revolution,

landed estates, and the Grand River district case."

Dr. Henderson gave some of the historical background of the land holdings of the Earl of Granville's family, as a result of a grant from the Crown, which included most of what is now the State of North Carolina. It was in this territory, at what is now Hillsboro, that the War of the Revolution broke out in 1765 as the result of overcharges by certain court officials in the drafting of deeds to property. The case, which was carried to the highest court of England, resulted in absolving the court officials involved on legal technicalities, despite the open unrest and rioting of the defrauded public. "This," said Dr. Henderson, "illustrates to me, as a layman, a basic difference between equity and justice."

Dr. Henderson then explained the problems which arose when the courts decreed that all English landowners who had held land in this country could reclaim their land following the American Revolution. The claim of the Granville family to their property in North Carolina was pursued through the courts for a long period of years, Dr. Henderson said before it was finally dropped, and only by that unexplained event did it happen that North Carolina property today is not subject to the power of absentee owners in England.

The last great event discussed by Dr. Henderson was the purchase by North Carolina businessmen of most of what now comprises the State of Kentucky, bought by a Hillsboro firm from the Cherokee Indians. During the American Revolution, the courts of Virginia decided that the State of Virginia could exercise complete sovereignty over that territory, basing its claim upon original grants by the Crown. And so, Dr. Henderson explained, this property was confiscated by the State of Virginia, without a cent of the purchase price ever having been paid to the Indians, the courts treating the purchase by the North Carolina firm as having put an end to the title of the Indians, but ignoring the debt which was still due them. Dr. Henderson said, "This is another great example of the difference between equity and natural justice."

Presiding at yesterday's luncheon was Robert Horne, Cordele Ga., president of the Duke Bar Association, student organization at the Duke University School of Law. Prior to the main address Henry Foss, Salisbury, chairman of the athletic committee of the organization, presented the association tennis trophy to Manley Fuller, Whiteville, for winning the association tennis tournament.

Dr. Henderson was introduced by Frank Snepp, Raleigh, chairman of the professional committee of the law students' organization.

Working Farmers From Europe

EXTENSION OF REMARKS
OF
HON. THOMAS L. OWENS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. OWENS. Mr. Speaker, on July 18, 1947, the gentleman from South Dakota [Mr. CASE] extended his remarks at page A3618 of the Appendix and included therein an article from the Saturday Evening Post of July 19, 1947, entitled "Europe Can Send Us Working Farmers." I advocate that the article be read carefully by Members of the House because it constitutes a brief but accurate statement that thousands of competent workers can be found in many countries of Europe, particularly in Germany, Belgium, Holland, Austria, Czechoslovakia, Hungary, and France, and may I add Poland, who could come here to work on our farms, and who are thoroughly tractable. The author of the article points out that they have had too much of political and economic isms and that they now want food and an opportunity to work and live. He did not mention the Scandinavian countries, probably because he feels that they would not desire to leave their homelands at this time.

At the conclusion of the article the author asks a question. He says:

We have brought many scientists and technicians from Germany to assist in fields in which we already lead the world—physics and chemistry. Is there any reason why we cannot bring more humble Europeans to help us till our soil? Is there any reason why we should import scientists to help us prepare for war, when we can't at the same time bring in farmers to help us feed a hungry world?

Therefore, I support the suggestion made with reference to our securing working farmers from Europe. However, I say we should exercise a very careful screening process, to the end that all persons who espouse any theories that are Nazist, Communist, or subversive in any way to our theories of government, may be rejected. Only a comparatively small number can be admitted, and we can afford to be very careful in our selection. When I say careful in our selection I do not mean with regard to educational standards, as is now being stressed by our State Department. The past has proved that possession of diplomas by emigrants is not proof of either their character or their ability to work. The vast majority of those who came here had little education, but they loved freedom and desired to be citizens of a nation which would grant that love and which would give them a chance to work, build their homes, and raise a family. Our Nation was built by such type of people, and no mistake can be made if we now open our hearts and our homes to many of those in Europe who are worthy and deserving, but whose outlook for the future is dark and dreary. We can aid ourselves by aiding them.

Restoration of Powers of the States

EXTENSION OF REMARKS
OF
HON. JAMES O. EASTLAND
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a very fine article entitled "States of the Union: Time To Start Restoring Their Powers," written by Hon. Julian P. Alexander, a member of the Supreme Court of the State of Mississippi, and published in the January issue of the American Bar Association Journal.

This article exceeds in length the limit of material which can be printed without an estimate from the Public Printer. I have obtained such an estimate. The Public Printer estimates that the cost will be $213. I ask unanimous consent that the article be printed in the RECORD notwithstanding the cost.

Without objection, the article was ordered to be printed in the RECORD, as follows:

STATES OF THE UNION: TIME TO START RESTORING THEIR POWERS

(By Julian P. Alexander, of the Supreme Court of Mississippi)

In a plethora of magazine articles and speeches, many leaders of our public thought have bewailed the gradual eclipse of the rights and functions of the States of the American Union. The time is now ripe to stop merely viewing with alarm and to begin to act with vigor. A new Congress and a reconstituted Supreme Court challenge us to action. Through the action or acquiescence of these distinguished bodies came the processes of evolution and erosion. They chiefly hold the key to the return of the States into the domains whence they have been evicted.

Before offering some specific suggestions, I shall sketch briefly the scope of reserved powers, the processes of their gradual erosion, and the means available now for their restoration.

The Declaration of Independence recognized the solemn truth that unalienable rights are possessed, by natural or divine endowment, by men only and not by governments. The designation of the Colonies as "States" had not yet taken place. The declaration was that "the United Colonies are, and of right ought to be free and independent States." The Colonies eagerly and proudly assumed both the name and the status. "The United States of America" was here born. The Constitution was ordained to form a "more perfect Union" of the component States than the Articles of Confederation had been. Its chief novelty was its Federal system.

The coagulation of the people into colonies was natural; the machinery for the complete Union of States was artificial. Later the people were to find that the barriers they built against Federal aggression hedged them within a stockade and that the keys were taken over by the central government and deposited for safekeeping with the Supreme Court.[1]

"States rights" was not a slogan of a particular section but the fetish of all.[2] The sovereignty which had created the States created the Union. To it "we, the people" vouchsafed such powers as pertained to a nation. All other powers were expressly reserved to the States, respectively, or to the real sovereignty—the people of the States. Their reservation bespeaks their prior possession.

Under the Constitution[3] the geographical boundaries of the States cannot be changed without consent of the people acting through the Congress. Yet their boundaries of political power have not infrequently been changed by shifting the solid foundations of

[1] This tribunal was true to its trust when in *Texas* v. *White* it not only refused to unlock the bonds of their union, but held that they had not of their own volition severed the forged links because they could not. That the union was held to be indissoluble was of no less significant than that it was composed of States that were indestructible. In the handwritten original of the Declaration of Independence its title significantly makes illegible, save upon close view, the qualifying phrase "of the thirteen united" (States).

[2] Compare Woodrow Wilson's observation: "It (the right of secession) was an assumption the theory of which would hardly have been questioned while the generation lived which made the Union." (A History of the American People, vol. IV, p. 201 (1902).)

[3] Art. IV, sec. 3.

the Constitution with the powerful leverages of judicial construction.[4]

GREAT VOICES FROM OUR HISTORY

Upon the beetling granite heights of Mount Rushmore a grateful people have carved in stupendous grandeur the faces of four great Americans. Both the medium and the magnificence symbolize truths which, like these eternal hills, are "rock-ribbed and ancient as the sun." Let us give those massive lips a voice.

Washington speaks: "If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no usurpation." [5]

We hear Jefferson as he dictates the Kentucky resolutions: Each State "shall take measures of its own for providing that neither these acts nor any others of the general government, not plainly and intentionally authorized by the Constitution, should be exercised within their respective territories."

Now Lincoln: "Whatever concerns the whole must be confided to the whole, to the general government, while what concerns only the State should be left exclusively to the State." [6]

Finally Theodore Roosevelt is heard: "Both jurisdictions (State and Federal) together composed only one uniform and comprehensive system of government and laws; that is, whenever the States cannot act, because the need to be met is not one of merely a single locality, then the National Government, representing all the people, should have complete power to act. * * * It was in the same spirit that Marshall construed the law." [7]

THE STRUGGLE OF THE STATES FOR THEIR INTENDED POWERS

Throughout the years the States have wrestled with the Federal Government in an arena in which their chosen referee has been seen from ringside seats in the role of antagonist rather than arbiter. It is true that now and then the gong of war or depression has sent each to his corner for a brief respite while the demand for a common effort suspended the match.

The exceptional powers needed in great national emergencies must be isolated from the problem. The safety of the people must remain the supreme law. Yet it is in such emergencies that centralized power has so successfully consolidated its gains. Peace often leaves the Government with a lot of surplus laws along with war matériel. Somehow the tendency has been to redistribute the cannon to the lawns of the State capitols, but to retain the new laws in Washington. Power, like wages, turns on a ratchet, it follows a one-way course. The loss of State power in 1865, 1898, and 1918 was one of the casualties of those wars, even as it is proving to be at the end of World War II.

Among the powers delegated by the States to the Union there were no "unalienable rights." We have delayed too long in emphasizing that no rights were vouchsafed to the Union but only powers. The retained right of amendment, rising, if need be, to the abolition of its governmental structure, gave to the National government only solemn yet revocable privileges.

The ninth amendment was an attempt to forestall invocation of the doctrine of "expressio unius est exclusio alterius" in the enumeration of rights retained by the people. Let us suggest some that were considered as reserved by the States since not prohibited: Police powers in the accepted sense; immunity from coercion by the Federal Government; establishment of religion; abolition of trial by jury; limitation or extension of qualifications for suffrage.[8] There was no demand for uniformity among the States. Its later tendencies thereunto have been dictated by expediency in which the several States found mutual advantage.

The States may not secede from the Union; may the Federal Government secede from the States? Accession of undelegated power by the Union has much in common with secession by the States.

THE EXERCISE OF DELEGATED POWERS

The body which alone had authority to roam the shadowy no man's land of dispute and to make effective its views was the Supreme Court. At the first opportunity, this tribunal showed that it did not have to put its identifying finger upon a definite provision to justify the assertion of national power. The moving finger of the Court could not only point but could write, and having written moved on to expanding opportunities for enlargement.

John Quincy Adams satisfied both parties when he said in his first annual message to the Congress: "The exercise of delegated powers is a duty as sacred and indispensable as the usurpation of power not granted is criminal and odious." [9] Yet he saw to it that Marshall, the able high priest of federalism, was named to be Chief Justice.

There are many, of course, who assert that the Supreme Court has not added any new powers to the Union.[10] It may save the personal integrity of the Court, although not the political integrity of the States, to phrase it that if the Court has not added new powers to the Union it has discovered many which the States did not know had been delegated.

THE STATES ABDICATED THEIR POWERS

The reasons for these accessions of power cannot be simply stated. As safe a judgment as any is that the Union has expanded its powers because the States have spoken too often of States' rights when they should have been pondering States' duties. Usurpation of power by the National Government has developed because: (1) It has recognized new duties; and (2) because the States have ignored old duties. The Union has picked up a lot of loose powers which the States left lying around.

The multiplication of national activities, bewailed as harbingers of dictatorship or heeded by sensitive ears as the rumble of the distant drum of advancing State socialism, must be diagnosed as to their causes before we seek panaceas. The bureaucrat is not implausible when he pleads in his defense both laches and estoppel against the States. It is increasingly difficult to accuse with vehemence those who have reclaimed fields abandoned by the States and who have occupied them for the general welfare beyond a reasonable prescriptive period.

Between the admitted sectors of powers granted and powers reserved lay a disputed area of "implied powers" and of powers deemed "necessary and proper." Into this penumbra, the judiciary guided the steps of the executive and legislative branches with a flickering light which, while sufficient to locate and stake its claims of preemption, unfortunately cast foreboding shadows.

The "interstate commerce" clause [11] has been a golden gate of opportunity through which have poured the forces of Federal usurpation under the aegis of "implied powers." Practically every activity is seen as being "affected with a public interest." I need not trace the history of a tendency that has been given repeated impulses and only token set-backs throughout the intervening years. [12]

By 1935, a Federal court had asserted boldly that the States had virtually surrendered all powers they could not efficiently exercise.[13] It was held in June of 1942 [14] that Congress can regulate the wages and hours of work of anyone engaged in any occupation necessary to the production of goods not in, but for, interstate commerce.

THE SUPREME COURT AND "NEW FEDERAL AUTHORITY"

No one need question the integrity and open frankness of the Supreme Court in pronouncing, without circumlocution, that legislation must be construed "in the context of the history of Federal absorption of governmental authority over industrial enterprise" [15] and the admission, nay the assertion, that the act is one of those which "radically readjusts the balance of State and National authority." [16] To press these disclosures to a consistent though thought-provoking climax, I quote further: "To a considerable extent the task is one of accommodation as between assertions of new Federal authority and historic functions of the individual States." [17] Whence this "new Federal authority"? Were such powers reserved, not to the States, but to the Union, after all? Bryce was right—the Constitution has not been broken—but its elasticity has met every requirement of the Federal Bureau of Standards.[18] Well may the States bewail the disclosure that the Union is more "indestructible" than they. These observations upon

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[4] There is moderation in the prophecy of Bryce: "We must be prepared to expect that the American Constitution will, when its present condition is compared with its fire-new condition, prove to have felt the hand of time and change." (The American Commonwealth, vol. 1, p. 362 (1892).)

[5] Farewell Address, Sept. 17, 1796.

[6] Holcombe: State Government in the United States, page 7 (1928).

[7] Quoted by Governor Pinchot: 129 Annals 72.

[8] "Except in the cases specified (by the Constitution) the National Government has no right whatever of interfering either with a State as a commonwealth or with the individual citizens thereof, and may be lawfully resisted should it attempt to do so." (Bryce, op. cit. supra, p. 338.)

[9] 2 Richardson, A Compilation of the Messages and Papers of the Presidents (1912) 877.

[10] Bates and Field, State Government (1939) 15.

[11] U. S. Constitution, art. 1, sec. 8.

[12] *U. S.* v. *De Witt*, 9 Wall. 41 (1869) (the exercise of police powers is peculiarly a function of the States); it was stated in *Sullens* v. *State*, 191 Miss. 856, 871, 4 So. (2d) 356: "The citizen has the constitutional right to be vulgar." Ex hypothesi a State has a constitutional, if not a moral, right to be illiterate or cultured, intemperate or sober. (See notes 22, 25 post.) "That the course which a State is following is pernicious, that its motives are bad and its sentiments disloyal to the Union, makes no difference until or unless it infringes on the sphere of Federal authority." (Bryce: op. cit. supra, p. 321.) These are strong words, but it is the strength of truth.

[13] *R. C. Tway Coal Co.* v. *Glenn*, 12 F. Supp. 570, 589 (W. D. Ky. 1935).

[14] *A. B. Kirschbaum Co.* v. *Walling*, 316 U. S. 517 (1942).

[15] Id. at 523.

[16] Id. at 522.

[17] Id. at 520.

[18] President Roosevelt had given no little impetus to this tendency in a radio speech March 2, 1930: "The United States Constitution has proven itself the most marvelously elastic combination of rules of government ever written." A lone dissent by Justice Roberts in the cited case voices the protest that since every local activity somehow affects interstate commerce, the Government has pre-empted the field of labor and industry. Or is the inference from the controlling opinion justified that labor and industry have taken over the Government?

judicial trends are not criticism but comment. For the moment I am not concerned with theories but conditions.[19]

Bureaucracy cannot be destroyed simply by railing at it; nor is it justly accused by those who refuse to trace its paternity. Those who would cast the first stone would be wiser to use their own legislatures as practice targets.

THE STATES HAVE AN INFERIORITY COMPLEX

The States are distinctly in the grasp of an inferiority complex. They have allowed themselves to become short-circuited so long and so often that the people have begun to lift their eyes unto the hills of Washington, whence cometh their help. This has developed in the citizens a sort of chronic farsightedness which has thrown out of focus their own State capitols.[20] There are already those realists who seriously advocate the abolition of the States as such.[21] Others have proposed a reduction of the number of States to only a few provinces. The States are denied due process of their own laws under the Federal Government's guise of assuring due process to its citizens. Federal control or discipline in such matters will have to involve the concession that the States as such have the primary duty to act, because they have the primary right.[22]

The conventional function of the States under the Constitution involved administrative cooperation in such matters as tended to preserve the integrity of the Union as a political entity. There are, however, inherent functions which the States must perform if they would preserve their sovereignty at all. I do not refer to measures which are designed to foster a formal adherence to a sentimental concept of States rights. I refer to functions which are a part of the duty of the States to their own citizens, the performance of which increases the weight of power upon the scales in favor of State authority. Indeed, the purpose of the Constitutional Convention was to devise a plan whereby the States could be held to their duties, while at the same time restraining Congress.[23] The tendency of Congress has been to restrain the States by assuming their duties. For appearances, it has kept some of these powers in the States' name.

THE STATES SHOULD NOT BE DEPRIVED OF LIFE

The Union ought not to deprive the States of their life as they choose to develop it, their liberty as it was in the beginning, and their pursuit of happiness according to the temper and ethos of their own people. The problems of labor, including wages, hours, collective bargaining, and picketing, and the social economic needs, including relief, old-age pensions, child labor, housing, compensation and social security, are of national concern only in the sense that they are of universal interest. It was repeated with the regular insistence of a refrain during the debates on the Constitution that government of the people was to be left to the States as far as possible.[24]

The mores of the people, the diversity of climate, industrial conditions, traditions, and religion not only gave to each State an individuality which is at once its heritage and its destiny, but suggested the inadvisability of adjusting these diversities to a common pattern. They were to be left free to work out their own salvation, albeit in the occasional fear and trembling of their sister States.[25]

It was not contemplated that there should be a complete separation of Federal and State administration. On the contrary, it was the view of Madison that the central Government would avail itself of the States in administering its affairs. Charles Pinckney, who was one of the signers of the Constitution, felt that the States would be "the instruments upon which the Union must frequently depend for the support and execution of its power." Even Hamilton thought that the States would be "rendered auxiliary" to enforce the laws of the Union.[26]

FEDERAL FUNDS HAVE BOUGHT SUBSERVIENCE

Federal aid to the States has contributed much to the States financially and has purchased much from them in dignity and sovereignty. The fields preempted are no longer those involving a national concern. The peculiar function of the State was to administer its police powers for the welfare of its own people. Such powers comprise every activity and every avenue along which the citizen may proceed in his pursuit of happiness, which indeed is the end of all government.

Charity, which reputedly should begin at home, begins in Washington. If all our roads do not lead to this eternal city, they at least originate there. The immediate personal needs of our people are ministered to, not by their natural parens patriae, the State, but, by their uncle on the Union's side. The benefactions, placed in outstretched hands which should have been attending to their own business, are marked "Made in Washington." Highways are Federal highways; Federal aid and Federal loans are freely given, regardless of how much the States have contributed.

The fact outweighs the propriety of its analysis here. Let it suffice that the central Government, aware of the growing atrophy of State government with respect to the general welfare of its citizens, has "first endured, then pitied, then embraced" them. Its attitude has progressed from presumption to prerogative, seen successively as expediency, then need, and finally as a right. One should not hastily criticize the national Government for taking over these functions. The point is that we should criticize the States for allowing it to become necessary. Concededly, there are fields of assistance that are national in scope and beyond State ability to administer. However, these fields are fewer than the States today seem willing to admit.

Federal spending for non-Federal causes received its accolade in *Massachusetts* v. *Mellon*,[27] and the Federal Government left unbolted the gates of its Treasury. The eager, outstretched hands of the States have been tied with Federal purse strings. It is a difficult and embarrassing feat for a mendicant State to reach for largesse and draw the sword of States' rights at the same time.[28]

SOME PRACTICAL EXPEDIENTS

The growing acceptance of regional compacts between States having common problems is to be commended, not only as an efficient method for administering regional interests but as a means whereby mere geographical lines can be ignored without losing autonomy or invoking Federal aid and its consequent control. Such compacts were known to the colonists[29] and are not only practical but form regional pill boxes against Federal invasion.

The adoption of uniform laws to effectuate a common procedure demonstrates that there is a fundamental distinction between unanimity and unity. Such laws standardize practices, and rather than subtracting from State power, stress that they must be established by the States as such to enforce powers which belong to them.[30]

The States lose no dignity nor prerogative in lending themselves as laboratories in what Justice Holmes called their "insulated chambers"[31] for worthy social experimentation. Yet they should do so as States; not as a prelude to national regimentation, but as a means of qualifying their leaders for greater independence as political experts. It should be recognized that the Union becomes stronger when the States themselves become stronger.

The conferences of the governors of the several States are harbingers of a growing unanimity of sentiment which tends to the solution of problems which are not confined within State borders and which can be solved without impairment of, but rather in the recognition of, State sovereignty.

Normally, the functions of the States and their powers should be coextensive. There is no reason why the reserved and inherent rights of the States should not be kept adequate by the invocation of powers "necessary and proper" to their exercise. It was never contemplated that inalienable rights (and the power to assert and guarantee them) were being delegated. The Constitution did not seek to create State power, but sought rather to restrain the States from denying such rights to the citizens. To assure full sovereignty to the States to this end, the Constitution guarantees to them a republican form of government.[32]

The time is ripe for the States to take action upon the guaranty.

THE STATES MUST RESIST CENTRALIZATION

The States must foster a spirit resistant to the tendencies of centralization, not in deference to a sentimental regard for the rubrics of a political ritual, but because of the simple truth that, though the National Government is the head of the body politic, the State is its heart. The States should not allow a system whereby they are mere dues-paying members of a benevolent or fraternal organization. The rights of the States are no greater than their power to enforce or utilize them. It is time for the States to examine, not what the Government cannot do, but what they can do. Let us

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[19] For a compilation of decisions indicating the trend, see *A. B. Kirschbaum Co.* v. *Walling*, supra, note 14, at 522, note 2.

[20] Prof. J. W. Burgess sees the Nation and the people as the only natural elements in our system. The States are ground between the upper and lower millstones. Cf. Holcombe, The States as Agents of the Nation (1921) I Southwestern Pol. Sci. Quart. 307.

[21] The suggestion was first made, however, in the debates on the adoption of the Constitution. 5 Elliott's Debates 182, 194, 211, 256. See also Wallace, Our Obsolete Constitution (1932) 185. See Graves, the Future of the American States (1936) 30 Am. Pol. Sci. Rev. 24.

[22] The subject of antilynching legislation is too controversial for discussion here. Let it suffice that any control effective against human conduct must be exercised, if at all, against the States or those who as their agents act under color of their laws. A helpful discussion is found in 28 Am. Pol. Sci. Rev. 436 (1934). See ante note 8.

[23] Hart, Formation of the Union, 1750–1829 (1925) 133.

[24] Elliot's Debates 161, 164, 168, 170, 176, 193, 194, 217, 238, 248, 320, 462.

[25] It is not the job of the Federal Government to protect the people from the sins of their State government. Cf. I Bryce, The American Commonwealth (1931a) 332.

[26] The prescience of both Madison and Hamilton broke down in forecasting that the Union would utilize State officers in the execution of Federal powers, and that the number of Federal employees would be small compared to those of the State. Cf. Holcombe, op. cit. supra, note 21, at 309, 310.

[27] 262 U. S. 447 (1923).

[28] For a full discussion, see Harris: The Future of Federal Grants-in-Aid (1940) 207 Annals 14.

[29] Elliot's Debates 114, 208. For modern trends, see Routt, Interstate Compacts and Administrative Cooperation (1940) 207 Annals 93.

[30] Mott, Uniform Legislation in the United States (1940) 207 Annals 79.

[31] Such also was the view of Mr. Justice Brandeis in *New State Ice Company* v. *Liebman* (1932), 285 U. S. 262.

[32] U S Constitution, art. IV, sec. 4; Corwin, The Constitution and What It Means Today (7th ed. 1941) 140, 141.

distinguish between Federal assistance to the States and State assistance to the Federal Government. The States lose neither dignity nor integrity in the latter function.

STATE AND LOCAL RULE IS NEEDED

In an age when novelty is acclaimed as wisdom, it is no wonder that in the realm of government, political heresies should masquerade in the garbs of freedom. When change is confused with progress and license is confounded with liberty, the problem becomes one peculiarly for solution by home rule. This means of course, by those units of government which alone are capable of moral consciousness. Such units are primarily the people themselves and their localities.

The big controversial questions of child labor, disease, poverty, wages, and the problems of capital and labor, are too completely integrated with morals and the ethos of the people to be separated. It is fanatic to insist that the salus populi, which is the supreme law, is lacking in the ingredient of plain justice of which morals is the core.[23]

It is the undoubted function of the States in this field to employ as much of their administrative machinery as the Constitution and the laws will vouchsafe to their police powers.[24]

The States must reexamine both their rights and their duties. They have the right to discharge all their duties. They have equally the duty to assert all their rights.

Such is a too brief sketch of trends and their explanation. We must now be practical. As heretofore stated, the governmental powers, wisely separated into executive, legislative, and judicial, have become strangely united in a common cause, albeit not by connivance, to further the absorptive processes of Federal power.

WHAT WE CAN HELP DO NOW

Since the States themselves are chiefly to blame, they should lead their own fight to reclaim what was constitutionally theirs. Most of the attacks on the taking away of State powers have been made with the sword of the Constitution, but by individual litigants. It has not been difficult for the Supreme Court to view each assertion of the constitutional boundaries as the isolated wail of individuals who, advancing singly, can be easily disposed of. Yet it must not be overlooked that so long as the Constitution stands, true sovereignty remains with the people who have the power of amendment.

The States as such speak through their legislatures and act through their Representatives in the Congress. Concerted action can come through them. Legislative resolutions and memorials have value as expressions of public opinion and ought to be encouraged, not only as a defense against estoppel by the States, but as a legitimate demand for action.

The power of the press is no less an effective weapon. Its influence upon national spokesmen has been too frequently exercised to be discounted. The Supreme Court, composed of wise humans, need not be expected to be immune to the presence and pressure of public opinion when recognizable as a definition of public welfare. In those areas in which "domestic tranquillity" is to be defined, not by precept, but by policy, the Court would be neither wise nor human not to borrow from the people their own concepts.[25]

It is the Congress which has been chiefly responsible for crystallizing these trends into statute. The power of these enactments has been expanded by judicial interpretation. It is obvious, therefore, that public opinion must challenge Congress to action. The States must utilize the forces which have undermined them and turn them to their own ends.

The Sherman Act has been a dam against which the increasing floods of Federal power have been impounded. When insurance was judicially declared to be a subject of interstate commerce,[26] the Court, although divided upon the legal phases, was practically united in its anxiety lest existing State structures, erected with its tacit approval, be dislocated. Congress thereupon passed the McCarran Act[27] which practically suspended the force of the decision in the South-Eastern Underwriters case until the several States could readjust their tax structures. The Court eagerly and unanimously sanctioned this practical expedient.[28] The Congress, with the aid of the Court, has power to give force and vitality to the tenth amendment, yet its will to do so must be controlled or influenced by those whom it represents.

Apathy must yield to action, words to deeds. The Union must again become beholden to the States. Today the States by a unique inversion of logic consider themselves beholden to the Federal Government because of its accommodating discharge of functions with whose surrender by the States passed also their own powers.

The States by neglect of their functions and duties have created a need which has been the mother of Federal invention. The States owe it to themselves and their own citizens again to shoulder all local burdens. The Federal Government owes them the duty to allow them to do so. Bureaucracy itself is a symptom of diseased function.

Congress can, of course, undo what it has done. Our representatives may well borrow the vigilance of those who in the past have assayed each bit of legislation for traces of Federal usurpation, and then, alert to the dangers, firmly reject any which give aid and comfort to the enemies of the rights of the States.

It is the duty of the States as life tenants of this magnificent estate to commit no waste thereon of our rights and dignity, and in the interest of good husbandry to hand it over to the coming generations, which are our remaindermen, in the condition and spirit in which we took possession. The excepted wear and tear upon its institutions must be only that which is reasonable. There must be no dissipation by our neglect, nor may the use of new growths be denied to the States which would mark their boundaries anew with identifying fences. Encroachment upon their domain must still be accounted a trespass.

Those symbols in the blue field of our national banner are stars, in which galaxy none gleams more brightly than its fellow. They are not mere planets blinking with a borrowed light. They lose neither brilliance nor identity by acknowledging obeisance to a central sun, about which they revolve and which should be content to exert no greater control than necessary to keep them in their ordained and glorious orbit.

[23] "The standards or patterns of utility and morals will be found by the judge in the life of the community." (Cardozo, The Nature of the Judicial Process (192), p. 105.)

[24] Many State constitutions contain provisions correlating good morals with good government. For example, Miss. Const. (1832) art. 7, secs. 5, 14: "* * * religion, morals, and knowledge, being necessary to good government, the preservation of liberty and the happiness of mankind, schools and the means of education shall forever be encouraged in this State." See also Delaware Const. (1776), art. 22; Massachusetts Const. (1780) part I, arts. II, III; *Chance* v. *Mississippi State Textbook R. & P. Board*, 190 Miss. 453, 200 So. 706 (1941).

[25] "Judges must let the welfare of society fix its (justices) path." (Cardozo, op. cit. supra, p. 67.)

[26] South Eastern Underwriters' case (1944) 322 U. S. 533.

[27] March 9, 1945.

[28] *Prudential Insurance Co.* v. *Benjamin* (No. 207, June 3, 1946, — U. S. —).

United Nations Charter Amendment

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. HOLIFIELD. Mr. Speaker, there has been in recent months much criticism of the United Nations. Much of it stems from the inability of the United Nations to take action because it is blocked by the excessive use of the veto power. I have joined in the chorus of those who deplore such a state of affairs. However, since the United States was one of those nations which insisted upon retaining the right to a veto, I feel that we as a country share to some degree, the responsibility for the uncertain functioning of the United Nations, I would like to see the United States, by action of her Congress, announce to all the world that we are ready to learn from experience, and are now willing to work out with all other member nations a revised Charter of the United Nations, in which we reserve to ourselves no absolute veto. There are other resolutions before the Congress suggesting other changes in the Charter. All such suggested changes will come to nothing without removing the present veto provisions. I think an official statement from the United States reversing the position we took at San Francisco on the veto, would be a most heartening event to all people everywhere who believe, as I do, that we must hold to the United Nations, working always to strengthen it, only recognizing its faults in order to correct them.

I submit the following resolution:

Whereas all the peoples of the world desire to live in peace; and

Whereas the United Nations was formed as a means of settling those differences between nations which finally end in war; and

Whereas the experience of the United Nations in its present form has shown that a one-power veto is an insuperable barrier to its successful operation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President of the United States should immediately inform the United Nations that the United States is ready to waive its right to a veto at such time as all other nations relinquish the same right. The President should further state the willingness of the United States to take such steps with other member nations as are necessary to amend the charter of the United Nations to that end.

Ode to the People of the Missouri Valley

REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 15, 1947

Mr. RANKIN. Mr. Speaker, in view of the attacks now being made on the Tennessee Valley Authority, and the apparent attempt to turn us back to the

days of Insull, I think the following ode to the people of the Missouri Valley is not inappropriate:

When dust storms sweep from every field and fill your eyes and nose and throat,
When all your steamboats are aground or all your houses are afloat;
When your communities have grown as primitive as Noah's Ark;
When all your industries are dead and all your people in the dark;
When all your soil is washed away and all your livestock starved to death;
When all the opposition's gone and all their speakers out of breath;
The Congress then may see the light, for which we plead, "God speed the day"
When the people of the Middle West at last will get an MVA.

Federal Research Agency

EXTENSION OF REMARKS
OF
HON. J. M. COMBS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. COMBS. Mr. Speaker, I call attention to a bill, H. R. 4356, I introduced to provide for the establishment by the President of a Federal Research Agency for determining explosion and fire hazards of chemicals, explosives, gases, dusts, etc., and for the development of effective safety measures. I have introduced the bill in these closing hours of the session and call attention to it at this time in order that those interested in the subject may have ample opportunity to study it and make suggestions between now and the time the second session of the Eightieth Congress convenes.

The horror of the disaster at Texas City, Tex., last April, in which several hundred people were killed, including many firemen engaged in fighting the fires, and in which the property loss has been estimated at $40,000,000, has aroused the entire Nation. The tragedies resulting from this unfortunate occurrence will long be remembered and create constant anxiety as to when and where the next similar disaster may occur.

This catastrophe at Texas City has been attributed by the various investigators to explosions of ammonium nitrate fertilizer aboard two ships where it was being stowed. Ammonium nitrate is an excellent source of nitrogen for all crops and is one of the most concentrated forms of nitrogen fertilizer. The investigations of the Texas City disaster indicate that the violence of these ammonium nitrate explosions under the conditions of stowage was unparalleled. We are told that there have been no previous explosions of this material in the United States to compare with this disaster, and it is very evident from the reports of the various investigations that the determination of the fire and explosion hazards of ammonium nitrate fertilizer require further research and investigation. Further technical knowledge must be required regarding the handling and storing of ammonium nitrate and all other chemicals of this nature, and further research investigations are necessary to develop effective methods for fighting fires involving chemical materials of this character to afford proper protection to our firemen in the performance of their duties. A large number of firemen were killed during the fire fighting operations at Texas City.

We are living in a chemical age in which the discovery of new chemicals is of almost daily occurrence. The fire and explosion characteristics of many of these new chemicals is not known. The investigations of the Texas City disaster indicate that it would not have occurred had those handling the shipping and dealing with harbor regulations known that under certain conditions the fertilizer materials with which the French ship was loaded would explode with such terrible force. This matter is of vital importance and urgency to the entire Gulf coast area of Texas and Louisiana and the congested areas of the Atlantic seaboard, where so many great chemical industries are located, and it is also of importance to every section of the Nation. In this day and time chemicals of one kind or another are stored in warehouses in every city, town, and hamlet of the Nation, and are being handled and transported daily.

Realizing the national importance of this matter, I have today introduced H. R. 4356, which authorizes and directs the President, in order to provide technical and research assistance to the fire-fighting services of the Nation in fighting fires involving explosive materials, to establish, equip, and maintain a research laboratory to conduct researches and investigations on the explosion and fire hazards of chemicals, fertilizers, and agricultural materials, explosives, gases, dusts, and similar flammable and explosive materials endangering life and property, and for the development of effective safety measures for the prevention of explosions and fires in chemical, agricultural, and other industries and in shipping areas where flammable and explosive materials are being handled in shipping and transportation.

Some years ago the gentleman from Illinois [Mr. DIRKSEN] did some fine work promoting the establishment of a small research organization in the Department of Ariculture on dusts, explosives, and fire prevention. Much good resulted from the work of that organization. I feel certain that he, as well as many others of you, are vitally interested in the objectives of this bill.

The bill would provide a Government agency which could and would serve the fire departments of our Nation in much the same way as the FBI now serves the law-enforcement agencies, by acting as a clearinghouse of information in making scientific tests to determine the causes of fires and explosions and in disseminating information concerning the latest approved fire-fighting methods and techniques—particularly in dealing with fires and explosions caused by chemicals. Such a program would save untold millions of dollars' worth of property and safeguard the lives of our firemen as well as the general public.

As stated previously, I introduced this bill at this time with the thought that between now and the convening of the second session of this Congress next January, ample time will be afforded for the study of this bill by the fire departments, fire-prevention associations, industrial research organizations, Government agencies, and others interested in the subject.

In introducing this legislation, I am following out the recommendation of the President's Conference on Fire Prevention held in Washington last May in which it was recommended that continuous research in the field of scientific development and in human behavior with respect to fire and safety to life is essential in order to provide the latest information for intelligent fire-prevention work and for the modernization of law, ordinances, and regulations.

This bill would authorize the President to cooperate with State agencies and institutions, counties, cities, business organizations, universities, technical, and scientific societies in the establishment of research and service programs to promote full cooperation among Federal and State agencies, manufacturers, industrial organizations, labor, fire services, and the public in research on fire and explosion prevention.

Taking Sex Out of Pay Checks

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mrs. DOUGLAS. Mr. Speaker, why should women be discriminated against?

Why should women be paid less for doing the same work that men do?

This is neither just nor equitable.

The following is an article by Malvina Lindsay which appeared in the Washington Post on November 12, 1946. This is what she had to say on the matter:

TAKING SEX OUT OF PAY CHECKS

(By Malvina Lindsay)

The old argument over whether a woman is worth as much as a man in the same type of job has been touched off again by the British Royal Commission's unfavorable report on the equal pay issue.

American women, who are rallying their forces for a drive on the next Congress for an equal pay bill, had been happily thinking that opposition to their cause had gone the way of the dodo. In hearings on the bill in the last Congress, not a single witness appeared to protest. The bill was reported favorably in both Houses, but missed a floor vote in the legislative jam before adjournment.

Now, women leaders in the equal-pay fight are on the alert to rebuff any echoes of the Royal Commission's pronouncements that might drift here. British women workers, who tangled early in the war with Prime Minister Churchill on this issue, also are vigorously continuing their fight, despite their set-back.

Women's organizations and unions pushing the equal-pay bill have not as yet sighted

any definite opposition in the new Congress. But they well know there are some Congressmen, and some employers, secretly eager to roll on their tongues the Royal Commission's phrase "unsound in principle" when the equal-pay issue comes up. Also, they recognize that a conservative tide is running.

What is more, if England, sorely pressed for workers, can hold out against equal pay for women, opposition in this country would likely come out in the open if a business recession brought a drop in employment. That is why Labor Secretary Schwellenbach has advised the equal-pay proponents to strike while they have the power.

The familiar argument that men workers are more adaptable and versatile than women figures in the Royal Commission's report. This largely ignores the extent to which machinery is taking over the heavy work in industry. Moreover, the equal-pay proponents are asking only that a woman be paid for what she produces, that she receive the same pay as a man when her job content equals his. Industry committees would set up work standards and judge job performance.

They cite particularly the injustice of paying men more than women to teach school, fit shoes, sell goods, be clerks, secretaries, supervisors, operate drill presses, do mechanical work in which skill is more important than strength.

Some British employers gave adverse testimony before the commission against women as compared with men workers. Probably they were of the old-fashioned type, prevailing more generally in England than in America, that finds women employees extra trouble in their need of rest rooms, dressing room, special safety and hygienic precautions, and even tactful handling. But modern industry is recognizing that men workers need conveniences and understanding direction quite as much as women, and increase their output when they have these.

At the back of much opposition to equal pay for women is the tradition that women are dilettantes who work for pin money, and are not so urgently in need of pay checks as men. Yet 75 to 80 percent of all working women support themselves, and in most instances contribute to the support of others. The last census showed women the sole support of more than 5,000,000 families. This is increased now, due to war's toll.

Equal pay proponents are now stressing that the removal of sex discrimination from pay checks is urgently needed to protect men workers and the whole national economy. If women have to undercut men in wages to stay in the business world, men's wages and jobs will be imperiled.

Also, lower wages for women mean lower living standards, less consumption and buying. American production, when it gets into high gear, will need above all, purchasing power—unless 1929 is to be repeated.

I have introduced a bill, Mr. Speaker, which provides equal pay for equal work for women.

I hope this bill will have the attention it deserves from the Republican leadership of the House.

For the convenience of the Members, I include at this point in my remarks the text of the bill:

A bill providing equal pay for equal work for women, and for other purposes

Be it enacted, etc.—

PURPOSE AND TITLE OF ACT

SECTION 1. (a) The Congress hereby finds that the existence in industry of wage differentials based on sex is an inequity in compensation standards which constitutes an unfair wage practice and (1) leads to labor disputes; (2) depresses wages and living standards of employees, male and female; (3) interferes with and prevents the maintenance of an adequate standard of living by such workers and the families dependent on them for support, and in particular has serious detrimental effects on the standard of living of families of deceased or disabled veterans; (4) prevents the maximum utilization of our available labor resources and plant capacity essenttial for full production, and (5) endangers the national security and the general welfare, and thereby burdens, affects, and obstructs commerce.

It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States, to correct and, as rapidly as possible, to eliminate discriminatory wage practices against women based on sex.

(b) This act may be cited as the "Women's Equal Pay Act of 1947."

PROHIBITION OF WAGE-RATE DIFFERENTIALS BASED ON SEX

SEC. 2. It shall be an unfair wage practice for any employer engaged in commerce or in transactions or operations affecting commerce—

(a) to discriminate in the payment of wages between the sexes by paying wages to any female employee at a rate less than the rate at which he pays wages to male employees, except where such payment is made pursuant to a seniority or merit increase system which does not discriminate on the basis of sex—

(1) for work of comparable character on jobs the performance of which requires comparable skills; or

(2) for comparable quality and quantity of work on the same or similar operations; or

(b) to lay off or discharge or in any other manner discriminate against any employee because such employee has filed any charges or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee.

ADMINISTRATION

SEC. 3. (a) The Secretary of Labor may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions under this act, including an Administrator, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

The Secretary may utilize the service of Federal, State, and local agencies and may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. The Solicitor of the Department of Labor may appear for and represent the Secretary in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General.

(b) The Secretary shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks and books of reference, and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this act.

(c) The Secretary of Labor shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this act and to issue rulings, interpretations, and bulletins relative to the scope, meaning, and application of this act which shall be entitled to recognition as being prima facie valid in judicial proceedings hereunder.

(d) The Secretary shall submit annually a report to the Congress covering his activities for the preceding year, including such information, data, and recommendations for further legislation in connection with the matters covered by this act as he may find advisable.

INVESTIGATORY POWERS

SEC. 4. For the purpose of all hearings, surveys, inspections, and investigations, which, in the opinion of the Secretary, are necessary and proper for the exercise of the powers vested in him by this act—

(a) The Secretary or his duly authorized agent shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question, and shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question, before the Secretary or his duly authorized agent conducting the hearing or investigation. The Secretary or any agent or agency designated by him for such purposes may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

(b) In case of contumacy or refusal to obey a subpena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Secretary shall have jurisdiction to issue to such person an order requiring such person to appear before the Secretary or his duly authorized agent, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(c) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Secretary, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(d) Complaints, orders, and other process and papers of the Secretary or his duly authorized agent, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post-office receipt or telegraph receipt therefor when registered mail and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Secretary or his duly authorized agent shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(e) All process of any court to which application may be made under this act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

(f) The several departments and agencies of the Government, when directed by the President, shall furnish the Secretary, upon his request, all records, papers, and information in their possession relating to any matter before the Secretary.

RECORDS AND REPORTING

SEC. 5. Every employer subject to this act or to any order issued under the act shall make, keep, and preserve such records of the persons employed by him and of the wages and wage rates thereof, job classifications, and other terms and conditions of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom as the Secretary shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders issued thereunder.

ENFORCEMENT

SEC. 6. (a) The Secretary is empowered as hereinafter provided to prevent any person from engaging in any unfair wage practice as provided in this act or any order issued thereunder. This power shall be exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

(b) The Secretary, or his duly authorized agent, on his own motion or a charge to that effect, shall have power to issue and cause to be served upon any employer a complaint stating that the employer has engaged in or is engaging in an unfair wage practice in violation of this act or any order issued thereunder, including any provision of any order issued pursuant to section 7 (c) of this act, and containing a notice of hearing before the Secretary or before a designated agent, at a place therein fixed, not less than 10 days after the serving of said complaint. Any such complaint may be amended by the issuing officer or the designated agent conducting the hearing at any time prior to the issuance of a final order based thereon. An employer upon whom such complaint has been served shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the time and place fixed in the complaint and, where the complaint alleges violations of an order issued under section 7 (c) of this act, shall have the right, by a timely pleading, to assert any defense which he may have against the application of such order to him. In the discretion of the issuing officer or the designated agent conducting the hearing, any other person or organization having a substantial interest may be allowed to intervene in the said proceeding and to present testimony. In any such proceeding the rules of evidence prevailing in courts of law or equity shall not be controlling.

(c) If, upon all the testimony taken, the Secretary shall be of the opinion that any person named in the complaint has engaged in or is engaging in an unfair wage practice in violation of this act or any order issued thereunder, he shall state his findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violation and to take such affirmative action, including reinstatement of employees with or without payment of back pay, as will effectuate the purpose of this act. Such order may further require such person to make reports from time to time showing the extent to which he has complied with the order. If, upon all the testimony taken, the Secretary shall be of the opinion that the person named in the complaint has not engaged and is not engaging in such an unfair wage practice, he shall state his findings of fact and shall issue an order dismissing the said complaint as to him.

(d) The Secretary shall have power to petition any circuit court of appeals (including the United States Court of Appeals for the District of Columbia) or, if all the circuit courts of appeals to which application might be made are in vacation, any district court of the United States (including the United States District Court for the District of Columbia), within any circuit or district, respectively, wherein the unfair wage practice in question occurred, or wherein the person in violation resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and the order of the Secretary.

Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Secretary. No objection that has not been urged before the Secretary or his duly authorized agent shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because or extraordinary circumstances. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Secretary or his duly authorized agent, the court may order such additional evidence to be taken before the Secretary or his duly authorized agent, and to be made a part of the transcript. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and shall file his recommendations, if any, for the modification or setting aside of his original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(e) Any person aggrieved by a final order of the Secretary granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair wage practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Secretary be modified or set aside. A copy of such petition shall be forthwith served upon the Secretary, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Secretary, including the pleading and testimony upon which the order complained of was entered and the findings and order of the Secretary. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Secretary under subsection (d), and shall have the same exclusive jurisdiction to grant to the Secretary such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part; the order of the Secretary as to the facts, if supported by substantial evidence, shall in like manner be conclusive.

(f) The commencement of proceedings under subsection (d) or (e) of this section shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order. The court shall not grant any stay of the order unless the person complaining of such order shall file in court an undertaking with a surety or sureties satisfactory to the court for the payment to the employees affected by the order, in the event such order is affirmed, of the amount by which the compensation such employees are entitled to receive under the order exceeds the compensation they actually receive while such stay is in effect.

INDUSTRY COMMITTEES

SEC. 7. (a) With a view to eliminating unfair wage practices in violation of section 2 of this act, the Secretary or his duly authorized agent may appoint an industry committee for each industry or subdivision thereof in which such practices may exist. The provisions of section 5 (b), (c), and (d) of the Fair Labor Standards Act shall govern the establishment, functioning, and procedure of such industry committees.

(b) The appropriate industry committee in the designated industry or subdivision thereof shall consider the problem of eliminating wage-rate differentials based on sex in the industry as well as any particular questions relating to this problem that the Secretary, or his duly authorized agent, may propound. The Secretary, or his duly authorized agent, may require such industry committee to study and report on practices related to the training for employment of persons of either sex, as such practices affect their ability to qualify for and obtain jobs in such industry at wage rates customarily paid to the opposite sex. To this end the committee may conduct investigations and may hear witnesses and receive evidence. It shall report findings and make recommendations to the Secretary, or his duly authorized agent, which in its judgment will eliminate or tend to eliminate wage-rate differentials based on sex. Such findings and recommendations may include evaluations of job content, job classifications, standards for training and employment, and appropriate wage-rate ratios between job classifications or defined units of work.

(c) The industry committee shall report to the Secretary, or his duly authorized agent, its findings and recommendations with respect to the matters referred to it. On the basis of the report and recommendations of the industry committee and subject to section 4 of the Administrative Procedure Act (Public, No. 404, 79th Cong., 1st sess.), the Secretary, or his duly authorized agent, may frame one or more orders to carry out the purpose of this act in the industry or subdivision thereof, which may include provisions prohibiting employers in the industry or subdivision thereof to which the orders may be applicable, from engaging in any practices which the Secretary finds may result in the commission of an unfair wage practice as defined in section 2 of this act. The Secretary or his duly authorized agent may reconvene the industry committee or appoint a new industry committee in the same industry at any time.

(d) Due notice of any hearings before an industry committee may, and before the Secretary, or his duly authorized agent, shall, be given in the Federal Register and may be given by such other means as the Secretary deems reasonably likely to give general notice to interested persons.

CRIMINAL PENALTIES

SEC. 8. Any person who shall (a) willfully resist, prevent, impede, or interfere with any

officer, employee, or agent of the Department of Labor in the performance of his duties prescribed by this act or (b) willfully violate section 5 thereof, or who shall make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder knowing such statement, report, or record to be false in any material respect, shall, upon conviction therefor, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or both.

GOVERNMENT CONTRACTS

SEC. 9. Unless the Secretary shall otherwise determine and permit in an order issued by him, no contract shall be awarded by the United States or any agency thereof to any person found to have violated any of the provisions of this act or to any firm, corporation, partnership, or association in which such person has a controlling interest, until 3 years have elapsed from the date when it is determined that such violation has occurred. The Comptroller General is authorized and directed to distribute a list to all agencies of the United States containing the names of such persons.

DEFINITIONS

SEC. 10. When used in this act—

(a) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(b) The term "employer" includes any person acting directly or indirectly in the interest of an employer in relation to eight or more employees, but shall not include the United States, or any State or political subdivision thereof, and shall not include any labor organization, except when acting in the capacity of employer.

(c) The term "employee" includes any individual employed by an employer.

(d) The term "wages" means all remuneration for the performance of service for an employer by an employee whether paid by the employer or another, including the cash value of all remuneration paid therefor in any medium other than cash.

(e) The term "wage rate" means the basis of remuneration for the performance of services by an employee for an employer and includes time, piece, commission, or any other basis of remuneration.

(f) The term "unfair wage practice" means a practice in violation of the provisions of section 2 or an order of the Secretary issued under the authority of section 7 of this act.

(g) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia or within the District of Columbia or any Territory, or between points in the same State but through any other State or Territory or the District of Columbia or any foreign country.

(h) The term "affecting commerce" means in commerce, or burdening or obstructing commerce, or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

SEPARABILITY

SEC. 11. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

Veterans' Legislation

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MACKINNON. Mr. Speaker, attention should be directed at this time to certain veterans' legislation upon which action has not been taken during this session. I refer particularly to the bill to increase the subsistence allowances to students under the GI bill and to modify the on-the-job-training limits and to my bill, H. R. 3974, to authorize the RFC to acquire GI home loans. I feel that both these bills are necessary to a well rounded veterans' program and am hopeful that when the Members return they will bring with them a conviction that this legislation is necessary.

An Appreciation—And To Keep the Record Straight

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. MURDOCK. Mr. Speaker, I cannot let pass this opportunity to express my appreciation to the leadership of the House and to my colleagues on the committee for the support given me in this session toward the passage of H. R. 1597, known as the Gila reclamation project bill. Hearings were held this spring by the committee, toward the very end of the session at a time when the program was crowded. Had it been necessary to present Arizona's side of the whole Colorado River controversy, much more time would have been devoted to the hearings. Therefore, the committee was considerate in reporting on the bill without such extensive hearings as were held in the last session on a similar bill. By moving swiftly and taking advantage of every opportunity to have final action on the bill—which was only possible through the consideration and consent of the leadership—the measure was brought to the House and passed on July 23 in the closing hours of the session. In view of the tremendous significance of this legislation, the people of Arizona and of the Nation have reason to be grateful as I am grateful for all help given.

And now to keep the record straight, let me comment on some matters connected with this Gila bill which undoubtedly will be referred to later in connection with other measures for reclamation in the lower basin of the Colorado River. I notice in the Appendix of the CONGRESSIONAL RECORD, pages A3715–A3716, our colleague the gentleman from California [Mr. POULSON] extended his remarks under the title "Colorado River Controversy Should Be Settled in the Courts," in which the gentleman put forth his views, with some of which I differ. It is to point out these differences that I wish to conclude this statement. Congressman POULSON, in the first two paragraphs of his extension, has indicated the basis of the controversy. I must take direct issue with him in his statements in the third paragraph, especially with these sentences, "But Arizona, after vigorously supporting the Mexican treaty, is not willing to stand the consequences of her generosity" and "She is desirous of improving her economy, even though, to get more water from the Colorado put to use within her borders, she must invade the water supplies long set apart by contracts made by the United States for projects in California." I have repeatedly said that to supply the Gila project with the water required for it will in no wise take from California any of the water which is rightfully hers. The gentleman himself practically concedes that fact, showing plainly that he is afraid other legislation may harm California.

Furthermore, it is my contention and my firm conviction that when the Gila project is fully developed under the law which we passed on July 23, the treaty burden of water to be furnished Mexico can be furnished without the harmful effects which the gentleman from California assumes to be inevitable. He chides Arizona for supporting the water treaty with Mexico, but he must be aware that because of that treaty there are some distinct benefits to our country which will benefit each and every one of the seven Colorado River Basin States, as well as the whole Nation. Yes, supplying that quantity of water to Mexico will be a burden, but the burden will be lessened and minimized by the proper handling of the newly developed Gila project which our recent enactment makes possible. The secret of this benefit coming from the Gila project through lessening the treaty burden is that a large share of Mexico's water can be furnished her after it has been used for irrigation in the United States on the Gila project. Accordingly, there will be just that much less of the very scarce and precious water which must be supplied Mexico out of storage on the river. That fact has an important bearing on later developments on the river.

Further on in the statement of Congressman POULSON, he quotes a part of the committee report on the Gila bill and leaves the impression that the language of the report was unanimously adopted. Before quoting the two paragraphs from the report, our California colleague says, "After full deliberation, the subcommittee unanimously adopted and the full Public Lands Committee approved and placed in its report the following statement: * * *". This would indicate that both the bill and the report were unanimously voted. Not so. I voted for the bill but not for all the language of the report quoted because part of it was superfluous and part had no bearing on the bill.

Having been present at the closed session of the Subcommittee on Irrigation

and Reclamation which considered this bill on Saturday morning, July 12, sending the bill to the whole Committee on Public Lands, and also having been present at the Public Lands Committee's open session on July 14, which reported the bill to the House, I feel it my duty to make a statement for the record. Now, these are the pertinent facts: The subcommittee on July 12 did vote without a dissenting voice to recommend the Gila bill to the main Public Lands Committee. On July 14 the Public Lands Committee in open session, as the record will show, did vote to recommend the bill to the House without a dissenting voice. Please note that in both votes just mentioned the unanimous vote was on reporting the bill without a change in language. But this is not to say that any specified language in a report was accepted unanimously. The language of the bill itself was approved unanimously, but not all of the language put into the report was unanimously approved. I myself protested the language of the report quoted by Congressman POULSON, and voted against it. Why did I oppose that language?

I think it is hardly fair to say that the subcommittee after full consideration and debate agreed upon the language which is quoted from the committee report. When I myself heard suggested language that this water controversy between Arizona and California should be settled by court determination, I protested the use of such a statement on the ground that it was not germane to this bill—and for other reasons. One of the other reasons was that the subcommittee hastily suggested that language for a tentative report, had not heard Arizona's side of the whole water controversy. Another reason was because there was need for haste if this emergency bill was to be enacted this session, and because the passage of the Gila bill did not involve all the legal technicalities of the whole water controversy between Arizona and California, I and the Arizona witnesses had not seen fit to present Arizona's side of the total controversy. Our feeling all along has been that existing law is sufficiently clear to be carried out without any need of Supreme Court action. Therefore, I feel that a clever attempt was made by opponents of another bill to have the committee prejudge a case which did not involve this bill, but rather involved another bill which was not before the committee, and therefore the language was illogical and not germane.

Therefore I protested against the suggested language and voted against its being made a part of the report in the subcommittee. However, the vote carried to include it as an expression of opinion of a majority of the committee. The proceedings of the full committee on July 14 are a matter of record. The language of the tentative report was not read at that time. I want to make clear that the unanimous vote in both cases, that is, in the subcommittee on July 12 and the full committee July 14, was to recommend that the bill be passed as it passed the Senate. I at no time approved the language in the report which recommended court action as the final means of solution of this problem in controversy between Arizona and California, if agreement could not be reached by the two States. I feel that if full and complete hearings of both sides of this question could be had by the committee, legislation could supplement existing law, and no court action would be necessary.

A Novel Journalistic Undertaking

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. LUDLOW. Mr. Speaker, Eugene C. Pulliam, owner and publisher of the Indianapolis Star and one of the foremost of the progressive editors of the country, and Mrs. Pulliam, left New York last Tuesday on the first leg of an airplane trip around the world that will be unique in journalistic annals. Their trip will embrace every continent and will include 28 countries.

Their first stop was in England, where they were guests in a brief visit with our former colleague, Lewis W. Douglas, of Arizona, and his family. Their itinerary includes other European countries, the Near East, Africa, and South America and they will return via Miami, reaching Indianapolis on October 5. On November 17 they will start on the second leg of the trip, which will include China, Japan, and the Philippines.

What makes the reportorial mission of Mr. and Mrs. Pulliam especially novel is that they are going as private citizens, wholly detached from any official connection, and they will get most of their information entirely outside of official channels. Consequently, it may be expected that the series of articles which they plan to write on their return will present a true picture of the thinking of the masses of the people of the countries which they visit. They will make their own independent investigations, unhampered by official barriers. Mr. Pulliam will get the views of people on the streets, in the factories, and on the farms. Mrs. Pulliam will concentrate on interviews with women.

They want to know what the people themselves think of America. Are the people of the totalitarian countries totalitarians by choice or do they have a concept of freedom, however feeble it may be? Do they regard Uncle Sam merely as a generous Santa Claus, whose leg is to be pulled at every convenient opportunity, and what becomes of the money we are spending for rehabilitation? They will try to find out what the people of the world think of America's new foreign policy, as outlined in Secretary Marshall's program. Are Americans as unpopular as they are represented, or is there in the hearts of the people of foreign lands the basis of world accord?

Arrangements for the tour were made with meticulous care, if I may quote from a letter I received from a good friend of the editor a few days ago. It is recalled that Tom Marshall once complimented President Wilson by telling him that he—Marshall—was the President's only vice. Mr. Pulliam's only vice is smoking and this friend says that he saw to it that supplies of smokes are sent to him in advance at various stopping places so that he will never be out of his favorite brand of cigars.

It is conceivable that the articles which will be written by these two excellent reporters, Mr. and Mrs. Pulliam, will be of more aid to Congress and the State Department than a dozen high-powered governmental missions, by giving a truer view of world opinion than would be possible under official auspices. If those who have the capacity and the facilities to do likewise will follow the example of Mr. and Mrs. Pulliam the problems of the Congress and the diplomats will be simplified and differences which menace the peace of the world will begin to fade away in an atmosphere of mutual understanding.

The Little Foxes

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Joseph and Stewart Alsop appearing in the Washington Post of July 25, 1947:

THE LITTLE FOXES

(By Joseph and Stewart Alsop)

The country is due for a barrage of pious platitudes about the accomplishments of the departing Congress, from partisans who wish to paint a charming picture. There will be a holy silence, however, about one feature which has been as conspicuous as it is uncharming. In the presence of lobbyists, the Eightieth Congress of the United States has behaved like a blowzy chorus girl just starting on her second pint of rye.

The fact is vitally important, and not merely to the American progressives who can hope that the triumphs of the lobbyists today will prepare for the triumphs of progressivism tomorrow. Sensible American conservatives must realize that holding a lobbyists' carnival at the Capitol is not a wise way to serve long-range conservative interests. Yet at this session, something very like the beginning of a lobbyists' carnival has been plainly discernible.

"You can't take a deep breath around here," remarked one disgusted Republican Senator, "without getting a lung full of utilities lobbyists."

Although the large ranchers, real estate, wool, and one or two other lobbies have been rather more conspicuously successful, the best introduction to what has been going on is the story of the blatant power lobby.

The power lobby is the most active, and most conspicuously well-heeled in Washington. Its grand panjandrum, the high-powered P. L. Smith, representative of the National Association of Electrical Companies, gets a salary in the Hollywood class—

$65,000 annually, with an ample expense account. But even the prosperous Smith is less important than the numerous officials of the large utilities companies. These converge on the Capitol at frequent intervals to make the boys on the Hill see the power question in "the old, free-enterprise way." And behind these larger operators there is a whole network of lawyers with retainers from the utilities, bankers with deposits from them, and other influential figures. These speak from the voting districts to Washington with voices of authority.

Besides stirring up the sordid attack on David E. Lilienthal, the power people have scored major successes at this session with the Appropriations Committees. These committees are a natural field of operations, because of their views on public power held by the two chairmen, roaring old JOHN TABER, of New York, and his more slick opposite number in the Senate, STYLES BRIDGES, of New Hampshire.

Through the Appropriations Committees, in fact, the Federal power program has been put into a slow stall, by snipping here and chopping there at vital projects. The great Bonneville project, for example, is so undermaintained and overloaded that the transformers are literally being cooled by having hoses played on them. Yet the Bonneville construction funds were cut almost in half, and the funds for operation and maintenance reduced from $4,700,000 to $2,500,000. Thus the present thoroughly dangerous condition will continue.

Again, extension of power supply from the Shasta Dam to several important California municipalities was neatly prevented by the simple deletion of funds for a transmission line. And the Southwest Power Administration, which has to contend with especially strong political counterinfluences in its Texas-Oklahoma-Arkansas area, also had its funds for transmission lines drastically cut. Thus the benefits of the national investment in the Denison and Norfork Dams, on the Red and White Rivers, will be denied to many potential power users.

These achievements at the present session are obviously intended, however, to be only the hors d'oeuvres—the little snacks at the beginning of a much larger meal. For the first time in a good number of years, the more unenlightened utilities leaders have been openly trying to put the clock back with legislation. The result has been a crop of strikingly significant bills—the Rizley bill, to free natural gas from regulation; the Dondero bill, to limit sales of public power and to deprive the public power-minded Interior Department of its jurisdiction; the Thomas bill, which would have the effect of forbidding Government construction of any further transmission lines; and the bills of Representative MILLER, of Connecticut, which would liberate from regulation large numbers of utilities companies now regulated.

None of these bills has yet passed. But this does not trouble the power people. Their strategy obviously is to put on their real pressure drive later on, when the election is over and, as they hope, an intensively conservative Congress will listen to them even more complacently. In that happy period, the body of Federal power legislation is to be revised.

The public power advocates among Federal officials are to be quietly dropped down the political oubliette. And everything is to be as it was before the hated name of Roosevelt was heard in the land.

Fortunately, such Republican leaders as Senators VANDENBERG and TAFT show none of the responsiveness of the congressional rank and file to these "little foxes that spoil the vines." But as the party of business, the Republicans have got a very big, very difficult decision to make because of this onslaught of the little foxes upon Washington.

Clare Hoffman, Patriot

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. KNUTSON. Mr. Speaker, a Michigan friend has sent me an editorial from the News-Palladium, a most excellent daily paper with a wide circulation, published at Benton Harbor, Mich., by Stanley Banyon and a corps of top-notch newspapermen.

The editorial is entitled, "Hoffman in Washington." It reads:

HOFFMAN IN WASHINGTON

The Washington columnists seem to be finding out new things about our one and only Congressman—CLARE E. HOFFMAN—almost daily.

The other day we were reading the trivia of one of these space fillers and he made quite a piece out of the fact Mr. HOFFMAN doesn't have any pockets in his coat.

The reason, according to this writer, is that when the Fourth District Congressman makes a speech he has a habit of flailing his arms and hand through the air and if there were pockets in his coat he might encase his hands in these receptacles, to the great detriment of the effectiveness of his speech.

Well, maybe this is just as good an explanation for the absent pockets as any that we've heard, including the one that none of the HOFFMAN garments possess a pocket and therefore the Congressman can't carry any "jack" around and therefore isn't tempted to spend any.

(As a downright fact all HOFFMAN pants—at least those we've seen—do contain pockets and when it comes to campaigning, he does spend his own money.)

Another bit of Washington chit-chat we picked up was that our CLARE was seen in downtown Washington asking a stranger the location of one of the best known hotels. The inference of this, apparently, that despite the 12 years he had been in Washington this Michigan solon still doesn't know his way around.

We don't know how well the Congressman knows downtown Washington, but he sure knows his way around the Capitol. And he isn't lost in the House—or in rough and tumble debate. For better than a decade he ceaselessly needled the Roosevelt regime until the New Dealers prayed nightly some misadventure would take him home to his ancestors. Strangely enough—or was it, in view of what Jim Farley has been writing—HOFFMAN was on very friendly terms with the orthodox Democrats of the House.

Outside of Senator VANDENBERG, HOFFMAN is probably better known at large than any other member of the Michigan congressional delegation. He's been dubbed a labor baiter, an insolationist, and generally "an aginner." But we never heard even his angriest enemy charge that he talked one way and voted another. In every campaign he tells the voters if they don't like him they should fire him and get a "new hired man." His best friends defend him, but they can't explain him.

He's a showman with a bunch of firecrackers thrown in, just to add a dash of pepper to the ensemble.

Certainly, Mr. HOFFMAN is probably as well known over the country as any Member of the House, and his renown is due to his many sterling and outstanding attributes.

This is my thirty-first year in Congress and those who have been here since our popular colleague joined us in 1935 know of his courageous fight against the New Deal; his persistent insistence at all times—sometimes when some grew tired of it—that we should adhere to constitutional government and avoid foreign entanglements which many Members predicted would get us into difficulties which might imperil our future welfare, even our security.

We, in Congress, have no difficulty in explaining HOFFMAN, even though, as the editorial states, "His best friends can't explain him."

We know him to be a sincere, hard-hitting, indefatigible working servant of the people, whose almost sole interest is in preventing the dissipation of our national resources and the undermining of those principles of government which have made our Nation supreme.

His colleagues need no explanation of CLARE E. HOFFMAN. They take him as he is—an honest, hard working, intelligent, patriotic American trying to do his job well; and he has succeeded to a marked degree.

The Eighth Person

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Harding College Monthly Letter of July 25, 1947:

THE EIGHTH PERSON

Did you know that you're working 10 days out of every month for the Government? Well, you are. That is the extent to which we have allowed activities of the Government to grow. Perhaps, as a nation, we can see that the business of government has expanded. But when we get to looking at the books, the chances are we find a good deal more mushrooming than we imagined.

Look at this another way. If you may be considered an average person, you pay taxes at the same rate as if your employer paid you no wages 10 days out of each month, but instead paid the check over to the Government. This comes from the fact that right now Federal, State, and local taxes consume about one-third of all the dollars earned in the United States. That's a burden on our necks that merits attention.

Now, don't think you can get out of this by pleading innocent. You're just a wage earner, you say? Not a high-bracket man who turns over three-fourths of his net income to the Government? Sure, you know the take is high, but you say he's the man who does the squawking? Listen. While you may not be paying directly your 10 days of wages to the Government, you're paying just the same. The bill is made out every fiscal year, and you are helping pay it.

Whether you pay that much directly or not, you are sharing the burden of the costs of Government. This bill is made out to the Nation, and you're part of America; aren't you? If perchance somebody pays more of

this bill than you do, just remember that your share comes back to you.

Where does all this money go, you ask? Of course, we have a lot of expenditures in Government, besides paying salaries and other kinds of allowances to individuals. Yet one out of every eight workers in America in 1939 drew his salary from the Government. Leaving the city and the State governments out of the picture, it is estimated that one out of every eight persons in the country is on the Federal pay roll right now in one form or another.

Stand eight average people together—one of them gets a check regularly from Uncle Sam. Amazing, isn't it? And remember, you are footing the bill. This includes civilian employees, those receiving old-age assistance, veterans, dependents of veterans, those in the Army, Navy, and Coast Guard. This is a total of more than 16,000,000 people receiving monthly checks from the United States Government.

This means that every seven persons must supply a check for the eighth each month. It is indeed a difficult task to decide where we'd like to start cutting. But we must, or our Nation is in definite danger. If we do not, we shall be in the position of the Roman Empire, which lasted only little more than 400 years. Rome had too many folks on her pay roll. She soon was dust. Historians are saying America has already begun to decline. I will not agree with this viewpoint, provided we come to our senses.

It is not easy to say, Whoa! It is difficult to get out from under tax burdens once they're yoked upon us. But we must adopt a definite policy of reducing Government expenditures. We must set free our industry, and investment capital as well, from the overburden of taxes. We must have genuine prosperity. And when we keep asking the Government to spend, let us remember that power-out-of-purse is soon power-out-of-hand. It's an easy but sure way to national ruin.

Report to the People of the State of Arizona on the First Session of the Eightieth Congress

EXTENSION OF REMARKS

OF

HON. RICHARD F. HARLESS

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HARLESS of Arizona. Mr. Speaker, it was quite evident when the Eightieth Congress convened that there were wide and divergent views and opinions prevailing as to the fundamental issues affecting the domestic and foreign affairs of our Nation. As this session has progressed, these various attitudes and concepts have crystallized into legislative form. We have had some far-reaching laws adopted since January 3, 1947, and there are other matters pending which are of equal magnitude and must be resolved in the second session of this Congress.

In this brief summary of the accomplishments of the Eightieth Congress, I shall, as near as possible, confine my remarks to those matters which more or less affect the people of Arizona and their relationship to the Nation and the world.

WATER LEGISLATION

Of prime importance to the people of Arizona is the legislation now pending with respect to the waters of the Colorado River. One major accomplishment for Arizona was the passage of the Gila-Wellton-Mohawk irrigation project. This has been the first major irrigation project adopted by Congress, which establishes a project irrigated by the waters of the Colorado River, since 1937. This tract of land comprises some 75,000 acres located near Wellton and Mohawk in Yuma County.

Still pending in Congress is the bill filed by each member of the Arizona delegation which would bring water into central Arizona from the Colorado River. Many routes have been proposed for the diversion of this water. However, after a survey by the Bureau of Irrigation and Reclamation it has been determined by Arizona authorities, indicated in this bill, to construct a dam at Bridge Canyon in order to provide electricity. Due to the excessive costs of construction at this time, it has been proposed that the tunnel which would divert the water from the proposed Bridge Canyon Dam to a canal some 70 miles south of Bridge Canyon be temporarily substituted by a pump lift to be installed at Parker Dam. This pump lift will bring the water to the canal at a point which would intersect with the proposed tunnel, thus carrying the water in the planned canal to a point north of Phoenix at Granite Reef Dam. This project has been approved by the engineers of the Bureau, and pertinent evidence has been taken before the subcommittee of the Senate Committee on Public Lands. It is the next major project to bring Colorado River water onto Arizona soil. Arizona can expect active opposition to this project because of the interest of other States.

Legislation has been proposed to litigate the rights of various States to the Colorado River. Bills are pending in both the House and Senate which would require the Attorney General of the United States to interplead all of the States of the Colorado River Basin into a lawsuit in order to determine the water rights of each respective State of the basin.

Efforts will be made by various interests to force the issue on this proposed litigation, before the further consideration of Arizona's rights and claims to Colorado River water.

The rights of Arizona to Colorado River water will be further pressed in the second session of the Eightieth Congress.

It is not only essential to acquire Arizona's share of the Colorado River water as soon as possible but it is likewise extremely important to secure Arizona's share of the electricity produced at the dams on the Colorado River as early as possible. Electricity as well as water means additional wealth for our State.

AGRICULTURE

Hardly had the Eightieth Congress convened when the Nation was shocked with the discovery that an epidemic of hoof-and-mouth disease had broken out in our neighbor nation of Mexico. There were indications that traces of the disease had been found in the United States. It was quite evident that it was necessary for the United States to cooperate with Mexico in the eradication of this disease, otherwise every herd of cattle and other known cloven-hoofed animals in our country would be threatened with this disease. Emergency legislation was passed, and appropriations were made for this purpose, and the work is now under way. In order to protect our land from an invasion of the disease and to guard against unlawful activities on the border, I introduced a bill (H. R. 1460) which would require the State Department to complete a fence along the United States-Mexican boundary.

It is my considered opinion that the Eightieth Congress has been penny-wise and pound-foolish in agricultural matters. It is evident in this Nation that our natural resources are dwindling. Conservation of such is one of our chief problems. Unfortunately the majority group in Congress has seen fit to cut drastically the appropriations for soil conservation. This same majority group has also materially reduced appropriations for the support-price program for agricultural products.

Also of prime importance to the people of Arizona was the passage of the Wool Bill. It was unfortunate that the bill which originally passed Congress contained certain tariff features which made it necessary for the President to veto it. However, the subsequent bill which was enacted into law will protect the wool growers of America by means of the support-price program. It is of vital interest to the State of Arizona.

MINING

Along with agriculture, one of the main sources of income in Arizona is mining. During the war, unfortunately, the price of copper was stabilized too low at the fixed price of 15 cents per pound. Mines were permitted to apply for premiums, if it could be shown that the cost of production was greater than the fixed price of 15 cents per pound. There is an extreme shortage of copper in the country. In order to assure a sufficient supply, the Congressmen of the western mining States compromised with the Congressmen of the eastern manufacturing States and removed the copper tariff for 2 years. However, there was a concerted effort on the part of certain interests to abolish permanently premium-price payments to copper, lead, and zinc producers. I am pleased to report that the premium-price legislation has passed Congress, and this program will be continued for a period of at least 2 years. It guarantees the miners of copper, lead, and zinc a profit. It means salvation for small mine owners and continued employment for many thousands of workers; it means increased prosperity for Arizona.

During the war many small mine owners in the United States were encouraged to make investments in order to increase production. Express and implied contracts were made by Government agencies with many of the mine owners in

order to encourage them to do exploratory work and increase their production. Some of these mine owners stood a chance to lose heavily unless they were reimbursed for these investments which were carried out at the insistence and request of the War Production Board or other Government agencies. In order to protect these small mine owners adequately and justly I introduced H. R. 1285, which authorizes prompt settlement of these claims by the Government.

At the beginning of World War II it was quite evident that our Nation was short of strategic metals and minerals. We had no stock pile of such materials as copper, lead, and zinc. In order to insure our country against a recurrence of this unfortunate condition I introduced H. R. 1284, which establishes a Mineral Resources Division within the Department of the Interior. This Division is empowered to carry on experimentation, investigation, and other research in order to encourage the production of strategic metals and minerals in this country. It authorizes this Division to create stock piles of metals and minerals which are in short supply.

I also introduced H. R. 1246, authorizing the Reconstruction Finance Corporation to make mining, milling, or smelting loans. It is my sincere hope that these last three measures will be adopted by Congress at the earliest possible time in order to insure the healthiest possible conditions in our mining industry, and the adequate national defense of our country.

INDIAN AFFAIRS

Although I am not a member of the committee handling Indian affairs, I have been concerned with their welfare for many years and have recently made an extensive study of Indian matters, particularly those relating to the Navajos. I have found some conditions which I sincerely hope will be corrected in the near future. Out of more than 60,000 Navajos, less than 20,000 of them can speak the English language. They are living in a condition of destitution and possible starvation, because of the improper treatment they have received in the past. With the cooperation of the newspapers it has been possible to arouse the interest of the people of Arizona and the Nation in the plight of the Indians; we have already made considerable headway.

I have conferred with the Commissioner of Indian Affairs and have presented various aspects of the Indian problems on the floor of the House of Representatives. Through my efforts, a bill has been modified to give citizenship to all Indians who are born in the United States in the future. I firmly believe that the Indians of our Nation have been woefully neglected, and it is now time to adopt a policy to make these native Americans full-fledged citizens capable of living a happy and constructive life in America. My efforts toward this end will be relentlessly pushed.

Through my efforts, the Department of Agriculture has approved the furnishing of surplus commodities, particularly potatoes and other vegetabes, to the Indians in order to supplement their meager diet.

EDUCATION

At the beginning of 1947, one of the great disasters of our Nation was the deplorable scale of wages paid to the teachers in our schools. I have been vitally interested in the enactment of legislation granting Federal aid to education. I sincerely believe that in the near future Congress will see fit to adopt this measure. I have been helpful, through my committee, the House Committee on Interstate and Foreign Commerce, in enacting the bill for creating a National Science Foundation. Due to the ravages of the war on the youth of our country, we are faced with a woeful shortage of trained scientific and technical personnel. The National Science Foundation will do much to overcome this handicap.

I have been deeply interested in the School Lunch program, and I am pleased to report that it has been continued for another year.

This Congress has enacted into law the continuation of supplementing educational funds for war-swollen communities which have not yet adjusted to overgrown conditions brought about by the shifting nature of postwar activities. Due to the great increase in the population of Arizona communities, it has been necessary to aid our communities in the construction of school buildings and educational facilities. I have worked diligently with the Federal Works Agency and War Assets Administration in getting funds, equipment, and buildings to supplement existing facilities. This has all been done in wholehearted cooperation with the educators of Arizona with the view of supplementing their splendid efforts.

NATIONAL DEFENSE AND FOREIGN POLICY

During these critical times, when the world is still explosive and in a state of readjustment from war to peace, it is important to keep the people of our country informed on the progress of matters affecting their security and national defense.

Our President is to be complimented on the appointment of such capable and respected men as Marshall, Eisenhower, Lewis Douglas, and others to key positions to guide our international affairs.

The world picture has changed so rapidly, and it has been necessary to keep our foreign policy up to the minute. We have been dealing with elements in the world which are unpredictable. We must be prepared to meet any eventuality, and this preparation must of necessity affect our Armed Forces. I am pleased to report that the Eightieth Congress has passed a bill merging our armed forces and setting up all the Department of Defense under one Secretary. We now have a Department of War, Navy, and Air Forces, all operating under a single Secretary of National Defense. This has been brought about by the relentless and consistent efforts of President Truman. In order to keep abreast of the times and prepare our country properly for the dangers that ars lurking in the world today, the President has urged Congress to enact legislation which will train every young man to defend our country.

There are various views on how this program should operate. Whatever program is adopted, I sincerely hope that it will not interfere with the schooling and home life of the American youth. This legislation has not yet been enacted. Our study will continue. It will probably be considered in the second session of the Eightieth Congress.

LABOR AND TAXES

Two of the major conflicting issues in the first session of the Eightieth Congress were Labor and Taxes.

The matters affecting labor-management relationships were temporarily disposed of in the Taft-Hartley labor bill. It has been my contention that, although this bill contains several desirable features, it has some provisions which will soon aggravate friction between labor and management. However this is now the law of our land and we must adhere to it until the representatives of the people find it necessary to alter it. Although the adoption of a Constitutional Amendment outlawing the closed shop by the voters of Arizona may be considered a mandate of the people on this subject, I sincerely believe that the majority of the people of Arizona would not have wanted many of the punitive and restrictive features of the Taft-Hartley Bill. There are already indications that this bill cannot bring about industrial peace. Since this bill was adopted, Arizona has experienced one of the greatest strikes in its history in the construction trades.

The second controversial issue of prime importance to the people of our State and Nation was the reduction of taxes. I voted to sustain the President on his veto of the bill which would reduce taxes in 1947, because I sincerely believed the people were willing to pay taxes which the country still needed during this year. Although I do not like some of the features of the second bill, to reduce taxes in 1948, as passed by the House and the Senate and vetoed by the President, it was my firm belief that it was the best tax bill that this Congress would pass. Under existing conditions, I believe the people of this Nation are entitled to have relief from the wartime taxes which were imposed upon them. Therefore, I voted for the reduction of taxes in 1948.

I realize that many other issues have been acted upon and by necessity will receive further action in the second session of the Eightieth Congress. Space limitations preclude a discussion of these matters at this time.

DEPARTMENTAL WORK

Along with the legislative duties, a Congressman is engaged in other duties which are of prime importance. In order to obtain justice and rights for the people of Arizona, it is frequently necessary to contact the various Departments of the Government in order to adjust matters affecting individuals, groups, municipalities, counties, and the State.

It has been my duty to be in frequent contact with the White House and the many other departments of Government which have a bearing on the interest of our people.

I have frequently contacted the Civil Aeronautics Administration and Civil Aeronautics Board with reference to

various matters affecting Arizona people. Of particular importance has been the establishment of feeder air-line service in Arizona and the Southwest. It is hoped that this problem will be satisfactorily resolved in the near future. These activities were a natural supplement to my work as a member of the Civil Aviation Subcommittee of the House Committee on Interstate and Foreign Commerce. I also introduced H. R. 1245 which provides for a national system of air markings for the facilitation, encouragement, and safety of aviation.

In the matter of disposition of surplus properties located in Arizona, I have had frequent contact with the War Assets Administration. It has been my aim to preserve as near as possible for useful purposes such properties as Luke Field, Fort Huachuca, and other surplus installations.

I realize that there are many subjects and matters which are of interest to the people of Arizona that cannot be treated here. I always welcome comments and observations of the people from back home which will enable me to represent Arizona in accordance with the wishes of its people.

The Tragedy of Poland

EXTENSION OF REMARKS

OF

HON. THOMAS S. GORDON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. GORDON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article appearing in the National Broadcasting company's publication, Talk, on the Tragedy of Poland. It is a vivid and unbiased portrayal by the former American Ambassador to Poland, the Honorable Arthur Bliss Lane:

THE TRAGEDY OF POLAND—OUR SO-CALLED LIBERALS ARE LIBERAL IN CONDONING, UNDER SOVIET DOMINATION, WHAT THEY FORMERLY CASTIGATED UNDER NAZI DOMINATION

(By Arthur Bliss Lane in his first broadcast after resigning as Ambassador to Poland)

Recently, I submitted to President Truman my resignation as Ambassador to Poland. As ambassador I could not properly discuss publicly the Polish situation. Feeling it my duty to give the facts to the American people, I asked the President to relieve me of my post so that I could write and talk freely regarding the tragedy of Poland.

The tragedy of Poland is in reality a series of tragedies. The first tragedy was the signature of the nonaggression pact between Nazi Germany and the Soviet Union in August 1939. World War II was the result. The tragedy of the weeks following the conclusion of this pact resulted in the complete military defeat of the heroic Polish Army against a far greater foe.

The next tragedy was the conclusion of the treaty of September 1939 between Nazi Germany and the Soviet Union, partitioning Poland. This destroyed all semblance of Polish independence. Concentration camps at Majdeneck, Oswiecim and Buchenwald, soon became notorious for their infamies, their refined and unrefined tortures, their asphyxiations and cremations. Over 3,500,000 Jews perished in those camps.

The next tragedy was started by the insurrection of the people of Warsaw against the Nazi invader on August 1, 1944. This insurrection was encouraged by exhortations from the Soviet radio. It was waged under the most difficult conditions and was a glorious page in Polish history. All of that part of Warsaw occupied by the insurrectionists was subjected to terrific bombardment from the air and by artillery. Thousands of Poles were killed, maimed, and rendered homeless. But to the Pole, physical suffering is not a major factor in life. To him, freedom and liberty mean far more than absence of physical hardship.

But the greatest tragedy which the Poles suffered during this insurrection was that no help came from the Soviet forces. At that time, they were only a few miles away, on the east of the Vistula River, which runs through Warsaw. The Poles could not believe that their ally, on whom they had counted, failed them. Finally, after 63 days, they were forced to surrender. Food, arms, and ammunition had given out and the moral tragedy of surrender was followed by a terrible physical tragedy. The Nazis forced all inhabitants of Warsaw to leave the city. The city was then destroyed from the ground by incendiary bombs—house by house, block by block. Only buildings used by the Nazi officials were spared. Warsaw was left the worst ruined city of Europe. The destruction was due not to military necessity, but to diabolical vengeance. This did not kill the spirit of the Poles. They still looked to the Red armies for the liberation of Poland. They expected they would have a government of their own choosing. Instead, a committee, hand-picked by the Soviet Government, was set up in Lublin as the governing body. This committee was recognized by the Soviet Union as provisional government of Poland, in January 1945.

The United States Government had asked that recognition should be delayed until the Yalta Conference should meet. Our request was refused. Then came the Yalta Conference in February 1945. It, too, was a tragedy for Poland. It did not definitely provide that a democratic form of government should be established. It gave merely the assurance that free and unfettered elections would be held. That promise has not been kept. According to the Yalta decision, conversations were to be held at Moscow between the three powers to reach an agreement on the setting up of a Government. No agreement was reached. Why? Because Soviet Russia wished no agreement except on its own terms.

As soon as the newly-formed National Provisional Government of Poland arrived in July 1945 there was immediate talk of elections. In August 1945 President Bierut assured members of a congressional committee of the United States that it would not be possible to hold elections during the winter because of difficulties of transportation. The President indicated that the elections would be held in the spring or early summer. Although a referendum was held on June 30, 1946, it had no relation to the elections. The falsification of the counting of votes in the referendum and acts of intimidation indicated that the same practice would be used in the elections. The Communist-controlled government was playing for time. The elections were not held until January 19, 1947, in the midst of the most severe winter which Poland had experienced in 15 years.

Many peasants were unable to vote because of transportation difficulties. It is significant to bear in mind this situation in view of President Bierut's statement to our congressional committee, almost 1½ years previously, that elections could not be held fairly during winter conditions.

There is no use in my repeating what the United States Government has already stated in its notes to the Soviet and Polish Governments regarding the intimidation, coercion, and violence which characterized the preelection period. It is significant, however, that the notes protesting the preelection activities were delivered prior to, and not subsequent to, the elections. This shows that, even if the voting and counting of votes had been fair and correct, the elections would not have represented the free will of the Polish people. How can one blame the father of a family for voting the Government list if he was threatened with the loss of his job and of his living quarters? In many cases he was so threatened unless he agreed to sign manifestos which were circulated, expressing approval of the regime in power.

Far more cruel methods of intimidation were also employed. Many persons were brutally beaten by the police to persuade them to change their political allegiance. Many were arrested. Others were forced to remain in ice-cold water up to their hips until they agreed to vote the government ticket or until they collapsed. The Polish people has been suffering treatment of this sort since the inception of the provisional government.

The conditions of which I speak were not confined merely to the preelection period. The same terror of a knock on the door in the dead of night, exists today as it did during the Nazi occupation. But today when a person is removed to secret police headquarters there is often no certainty in the minds of his family where he is detained or whether he is dead or alive.

An additional tragedy is the passage on February 20, of what is known as the "Little Constitution." This concentrates the control of Poland in a series of state councils presided over by a national council in Warsaw with supreme control over the lesser councils. It is a virtual establishment of Soviet rule without mentioning the word "Soviet." This constitution legalizes the ruling of the country by decree. It virtually destroys the power of Parliament. Even though the Parliament was illegally elected, it had been hoped that it would be a check against despotic measures such as censorship and political arrests. This is clear indication that the so-called democracy and freedom which our Government promised the Polish people, has been rendered void. Through the decision of the Communist-controlled puppet government, with the backing of its masters in Moscow, we now know that free speech and free elections have been made impossible.

What shocks me is that persons in the United States, who hide under the cloak of liberalism, should give the impression that the people in Rumania, Bulgaria, Yugoslavia, and Poland are enjoying a democratic way of life under Soviet domination. These so-called Liberals are indeed liberal in one sense—liberal in condoning, under Soviet domination, what they formerly castigated under Nazi domination.

To us freedom-loving Americans, intimidation, physical torturing, arrests, and murders for political purposes are abhorrent. Let us have no hesitation in condemning such crimes against humanity, whether they be committed under the emblem of the swastika, the hammer and sickle, or under the emblem of the crownless Polish eagle, which is today the symbol of the tragedy of Poland, and which can well be the tragedy of us all if it is to be permitted to proceed unchecked.

Work, Remedy for a Sick Nation

EXTENSION OF REMARKS
OF
HON. DONALD L. O'TOOLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. O'TOOLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of His Eminence Francis Cardinal Spellman, at the luncheon of the New York Building Congress, held at the Hotel Astor, New York City, on Tuesday, May 27, 1947:

Belief in my fellow Americans, belief in their common sense to do a common job for their own common interests, which are synonymous with the common good of America, and faith in their determination to go forward together, to live and to work together, impel me to appear before you today and speak to you as I do. Solicitude for my country, for the welfare and peace of my fellow countrymen as well as the fear of a common danger, urge we to present for your heedful consideration some observations which I believe to be all important to the survival of each and every American and to the unity of America itself.

I come before you, a son of the soil of America, begot from the loins of sons of toil that have helped make our country great. Fortified by the feeling that you believe in my love of this America, I am assured that you will consider my reflections with friendly ears and open minds.

It is a great and grave mistake to assume that any one class of Americans is naturally and inevitably hostile to any other class, that the wealthy and the workingman, employers and employees, are destined to live in mutual conflict. Citizens by birth or choice of a common country, we have in war and in peace fought together in common causes against common dangers, shared common sorrows and sufferings, triumphed in common successes. The independence and liberty which we now possess are the works of combined councils and united efforts, resulting in mutual benefits. This unity is the source of our strength, the core of our liberty, the foundation of peaceful living—and these we must guard with zealous, jealous anxiety and affection, for our own survival, for our children's protection, and in memory of those who worked, fought, and died to purchase for us this peace and freedom.

On many occasions, through the years, and throughout the world, I personally have known, seen, and heard well-meaning people do honor to men who faced and solved the great problems of the past, while, paradoxically, they decried and denounced those who were trying to meet the problems of the present in the same spirit which inspired the successful solution of similar crises of other times. What use for us to pay lip-loyalty to the mighty men of the past unless we sincerely endeavor to apply to the situations of the present the qualities which enabled them to meet those crises?

Forecasting America's struggles and difficulties even unto our own day, it was Abraham Lincoln who foresaw their solution. "I hold that while man exists it is his duty to improve not only his own condition, but to assist in ameliorating mankind," he said. "Labor is prior to, and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration."

That was Lincoln's caution to the capitalist. But, in his wisdom, charity, and justice, never did he see or argue one side unmindful of the other, an invaluable example for us to follow in the evaluation and recognition of human rights—the very issue which confronts us today.

Now, then, let us give equal heed to his warning to the workingman. "Capital," Lincoln said, "has its rights, which are as worthy of protection as any other rights. * * * Nor should this lead to war upon the owners of property. Property is the fruit of labor * * * property is desirable; it is a positive good in the world. * * * Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

With Theodore Roosevelt, I believe that:

"Property shall be the servant and not the master of the commonwealth and the citizens of the United States must effectively control the mighty commercial forces which they have themselves called into being. I recognize the right and duty of our generation to develop and use the natural resources of our land; but I do not recognize the right to waste them, or to rob, by wasteful use, the generations that come after us. I ask of the Nation that it behave as a good farmer behaves with reference to his own children. That farmer is a poor creature who skins the land and leaves it worthless to his children. The farmer is a good farmer who, having enabled the land to support himself and to provide for his children, leaves it to them a little better than he found it himself."

And I believe that this same principle applies to every man within a nation.

Every man should have a fair chance to make of himself all that in him lies; to reach the highest point to which his capacities can carry him and to get for himself and his family substantially what he has earned. This equality of opportunity means that the Nation will get from every citizen the highest service of which he is capable. The right to regulate the use of wealth in the public interest is universally admitted. But let us admit also the right to regulate the terms and conditions of labor, which is the chief element of wealth, in the essential interest of the common good for the common man.

In the interests of the workingman himself we need to set our faces like flint against mob violence just as against corporate greed; against violence and injustice and lawlessness by wage earners just as much as against lawless greed and selfish arrogance of employers. If I could ask but one thing of my fellow countrymen, my request would be that whenever they go in for reform, they remember the two sides, and that they always exact justice from one side as much as from the other."

Not new words these, but words that down through the years have lived to give the lie to all who would deny that in unity reside the strength, wealth and peace of our United States and all its varied people, who, living and working as one, have made and kept our country one. Yes, the words belong to others, but in full accord with the ideas and ideals set forth and all they mean, I make them mine. And I hope and I believe they are the ideals of every American living within the grand and glorious framework of our Constitution and its Bill of Rights.

Especially should these principles be practiced today when we are in a period where not only employer and employee alike, but our very country itself and every man within it, suffer from shortages and stoppages which threaten our economic strength and stability. Many people feel it imprudent to make commitments for capital expenditures because of rising costs of both labor and materials, and, as a result, a great number of projects, involving hundreds of millions of dollars, have been abandoned or postponed. I believe if this policy is continued and extended it can lead only to the stalling of the wheels of our domestic economy, resulting in stagnation and depression. It is based on a premise, not necessarily true in fact, that prices are bound to come down and that the withholding of enterprise will aid beneficially in the process. Whether or not this is true no one can say with any degree of assurance. It seems to me, however, that the thinking that leads to such a conclusion necessarily precludes the most fundamental principle in American life—the will to go forward to happiness, prosperity, and victory, united by confidence in America's destiny. To delay longer or retrench will not alone impede prosperity but invite inflation, deflation, stagnation, and defeat.

For myself, I am determined to go forward, though I have made it a rule—and steadfastly observed it throughout my life—personally never to spend $100 unless I had $100, and officially, as Archbishop of New York, never to undertake the construction of a building unless I had on hand half the amount of money necessary for its completion. It is unprecedented for me to break this rule established by myself for myself, and go counter to the advice of those who counsel me to wait until the cost of construction drops. I have decided to break my own rule, determined to act contrary to those who have bid me wait, because I believe that this crisis in the life of our Nation is a challenge to all men who love America to come forth and help her. Yes, America has need of us and I want to be among the first to give further proof of my abiding trust in the high worth of our people, their industry, thrift, courage, and determination to continue in the American way of life. This faith, with my faith in God, I yield to no man. If this country's economy is to be weakened or destroyed by catastrophic influences I do not want to stand supinely by and watch its downfall. I do not endorse any such philosophy of fear. If such there is, and if justified even in the slightest degree, I do not want to retire to an ivory tower and there in anguish bemoan the coming of an evil day. Rather, I want to take my place in the front ranks and fight to counteract defeatism as well as the false economic theories that challenge our true destiny. I abhor defeatism. Mine is the philosophy of action. I would emulate the intrepid Foch: "My center gives way, my right recedes. The situation is excellent. I shall attack."

And today I call not upon a few, but upon all, not alone upon the citizens of New York City but of every city and every State; I call upon all to unite in attack on this most vital problem which affects us all alike, for we are all Americans, and our common concerns are as broad as our beloved continent. Let us rouse ourselves and help, lay our shoulders to the wheel, for the prosperity of our people and the welfare of our Nation are at stake. Let it be told to future generations that in mutual hope and trust, every true and loyal American, alarmed at one common danger, came forth to meet and to resolve it. The burden and solution of the problem belongs jointly to all. It matters not where you live, or what rank of life you hold, be you rich or poor, Negro or white, Protestant, Jew, or Catholic, employer or employee, by your works you must prove your faith in your country and your fellow humans. He who lags at this time, when cooperative action can save a whole people, is but a coward courting ultimate disaster. He whose heart is firm, and whose conscience approves his conduct, will go forward and pursue his principles even unto death.

My own line of reasoning is to myself as straight and clear as a ray of light. I put my trust in God and in man. I appraise this critical situation and see the remedy: Work based upon confidence, the one antidote to fear and panic—confidence in ourselves, our economy, and our country; work rendered to one another in mutual obligations, good will, good faith, and justice; work inspired by friendship and fellowship, dedicated, in the common concern of all Americans, to cultivate peace, not war, as the framework of society; work pledged, in a steadfast concerted effort to render a dollar's worth of service for a dollar fairly paid.

Through work, founded upon confidence in our country's destiny, America has recovered from every crisis that has threatened her. Therefore, with confidence I shall go forward and hope and pray that others, in equal confidence, will follow. Believing in me as a priest, thousand of Americans have entrusted to me in contributions and pledges, millions of dollars, with which to build churches, schools, hospitals, and other institutions. These funds I hold in sacred trust, and, as a proof of my own conviction in the rightfulness of what I have today presented and proposed to you, my fellow Americans, I do now give you my promise to expend $25,000,000 for buildings to be constructed within the archdiocese of New York. Next week ground will be broken for the Archbishop Stepinac High School which will cost $4,000,000 and for which we have on hand one million. I promise also to go forward immediately with the building of the Alfred E. Smith Memorial Hospital, which will cost $7,000,000 instead of the estimated three which have already been subscribed. I promise to begin construction on the New York Foundling Hospital, which will cost $3,000,000, for which, after the sale of the old institution, the payment of debts and the acquisition of a new site we shall have available $600,000.

All this do I promise because I have faith that the good will and good works of capital and labor, of employer and employee, of all Americans of every station in life, will be commensurate with my own, herein pledged and proven.

Danger of Proposed American Authors' Authority

EXTENSION OF REMARKS

OF

HON. JAMES DOMENGEAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. DOMENGEAUX. Mr. Speaker, under unanimous consent to extend my remarks, I include an analysis of the proposed American Authors' Authority by the board of directors of the American Writers' Association, which is composed of outstanding authors of this country who are interested in maintaining their literary and individual freedom and are justly opposed to the communistically proposed American Authors' Authority. I think it would be well that Congress acquaint itself with this nefarious program.

The analysis follows:

The plan to set up an Authors' Authority similar to Petrillo's authority over musicians, which was temporarily defeated last fall, has been brought forward again by the Screen Writers Guild of Hollywood.

This new plan is couched in cool legal language, but it gives the proposed Authority the same absolute power over the work of writers that was so dangerous in the first plan.

BACKGROUND

In the dog days of July 1946, James M. Cain sprang on an unsuspecting writing world the proposal for a so-called American Authors' Authority. The plan had been worked out by a committee of the Screen Writers Guild of Hollywood. The SWG passed a resolution in its favor and began a terrific pressure campaign to have it passed by the three other guilds constituting the Authors League: The Authors Guild, the Radio Writers Guild, and the Dramatists Guild.

The Cain plan proposed a centralized authority to represent all American writers (except those in daily journalism) in their business dealings with publishers, editors, and the radio and motion pictures industries. No distinction was made between the specialized problems of the screen writer, who is usually the salaried employee of a corporation, and the problems of free-lance writers, poets, novelists, or the author of a textbook. The whole scheme reflected a determination to put control of writers of all types, and the solution of the most diverse problems, into the hands of a single authoritarian body.

Almost overnight several hundred writers all over the country organized the American Writers Association to fight this dangerous proposal. An aroused public opinion recognized the danger to the free word and to creative independence. The threat of quick acceptance by the other guilds, under minority pressures, was for the time being averted.

There were some optimists, indeed, who thought that the plan was defeated—an illusion in which they were encouraged by widespread reports that it was being "revised" to meet the Nation-wide objections.

THE "REVISED" VERSION

Now the illusion is ended. An AAA committee of SWG has issued a special supplement to the April Screen Writer. This gives the proposed articles of incorporation and bylaws for the AAA, which turn out to be entirely in conformity with the original Cain document. More than that, when the plan is reduced to formal articles of incorporation and bylaws, the dangers of the scheme are even more starkly revealed. The Cain plan has not been revised, but simply translated into a legal document. Every one of the fears aroused by the original proposal is justified and, in some cases, deepened by the more detailed document.

Ten thousand copies of the supplement have been sent out by the SWG where they might do most harm. With a great show of Socratic objectivity, the controversial issues are taken up in question-and-answer form. Again the document appeals adroitly to grievances of the American writer, again without special reference to his particular field. The risks involved in monopoly control of all literary products are again dismissed casually.

The AAA plan does not give the American writer a vote in the authority. Nor does it give him any other direct means of influencing its actions. He would not be a member of the authority. He would not, in the accepted sense of the word, "join" it—he would merely submit to its ministrations. The Authority would protect him by becoming the legal trustee of his creative property, that is of his life and livelihood as a writer.

To be sure, the bylaws say any writer may withdraw his work from the Authority—but where will he peddle it? Once the author has assigned his legal rights to the Authority he has made his works unsalable elsewhere. Let there be no double talk on this score. The instigators of the plan make it very clear that they mean to control the market and to dictate to everyone concerned. "We think if we put our literary properties into a cage," says the supplement, "and make it difficult for them to get literary properties anywhere else, that eventually they (the publishers and producers) will get hungry enough to go in there where anybody could tie a bell on them." It does not add that, in a market thus centrally dominated, the meekest and most helpless of all would be the individual writer.

LEGAL POWERS

Let's break down the plan and look at some of the most important provisions. The heart of the proposed articles of incorporation is in the following paragraphs describing the purposes of the AAA:

"3. To hold in trust for the creators, the copyright, title and all forms of interest and ownership in, literary properties of all kinds, and to assign, deal in, transfer, dispose of, license, lease and grant interests and rights of all kinds in such properties.

"4. To act as trustee, representative, or in any other capacity on behalf of creators of literary properties and owners of interests therein, including, without limiting the generality of the foregoing, to take all lawful steps to preserve, enforce, and protect rights arising out of, or under, copyright, title, or other interests in literary properties, to sue, defend, arbitrate, enter into contracts, give quittances and releases."

In other words, the AAA, whose oligarchic form of organization we shall discuss later, is both a holding company and a closed shop. Whatever the arguments for the closed shop, there can be none in the field of creative effort.

The new plan, like the old, rests on a total surrender by the writer of his properties in his works. The authority, as the Screen Writer Supplement makes quite clear, would take legal ownership of both copyrighted and uncopyrighted works. It alone would close all financial deals, collect all funds, cut a slice from earnings and payments for its own uncontrolled use.

The author could not sign any contracts of his own choosing, and neither could his agent. He could not compel the authority to sign a contract; thus his works might lie unused and he could do nothing about it. He could not appeal to the courts because the authority—not he—would have legal title to his works.

CONTROL OF WRITERS' PROPERTY

The impudent totalitarian presumption of this scheme is incredible. No one in American labor has ever suggested that the AFL or the railroad brotherhoods should acquire legal title to the labor power of their members. No one has ever suggested that the United States Chamber of Commerce should demand legal title to the business firms of its members.

But the AAA demands just that. It demands legal title to the creative property of the writer. This then would enable the authority to control a substantial portion of the output of the country's writers. The centralization of so much power in one set of hands would be truly horrifying in the domain of creative thought and clashing ideas, where maximum independence for the individual thinker and creator, especially for the unpopular and nonconformist writer, is the essence of freedom. The danger of the misuse of such power to corrupt the writing craft and especially to intimidate the individual writer is obvious. Its leverage could be exerted for political and personal pressure to set the direction of writing on all issues, from atheism to Zionism.

It will be said "But the writer can stay out if he wishes." True, just as a musician can stay out of the Petrillo organization or a small business can stay out of a cartel which dominates its particular field. Once the authority is set up, even in part of the

writing field, the independent writer will be helpless against the slightest whim of the authority. With legal title to writers' works, the authority will attain controls which will enable it to dictate terms to leading publishers and producers, as well as the individual literary craftsman. Then the writer can stay out by starving or finding some other trade.

RELATION TO OTHER WRITERS' ORGANIZATIONS

Throughout their statement the planners assume that the present professional organizations of American writers—the four guilds, the Authors League, the American Pen Women, the American Writers Association—are unable or unfit to fight for the rights of writers and to protect their interests. Those are voluntary organizations, whose officers are elected by the direct vote of their members. Their members have a direct say in their management. It is this which the AAA would cure.

We of the American Writers Association believe that there is nothing the AAA can do for the American writer which his professional, voluntary, democratic organization cannot do better. We believe that the demand for the surrender of all writers' rights to an oligarchic machine is intolerable; we believe this authorization demand means intellectual suicide for creative writers.

The authority, according to its published plan, could conduct "battles" for "improvements in the copyright laws, separation of rights, revision of tax laws, protection of civil rights all on a scale that neither the individual guilds nor the Authors League itself is currently prepared to handle."

Some of these suggested improvements may be highly desirable. But, the Authority, being a monopolistic cartel, would have far less effect on Congress and on public opinion than the various professional organizations of writers, or individual writers. There is justified mistrust of great power aggregates. Monopolies engaged in lobbying hide behind as many voluntary organizations and individuals as they can corral. Pressure on Congress and other official bodies is obviously most effective when it comes from a multitude of organizations, interests and people, rather than from a single power center.

This also goes for contractual relations between writers and publishers, producers, radio stations and networks. The screen writers, let us say, may prefer to lease their creative properties instead of selling them outright. They can achieve this through their existing guilds, along democratic lines of collective bargaining.

An authority representing writers in all fields, concerned with purposes far removed from the specific conditions affecting the screen writer, and subject to the distrust that attaches to any cartel, cannot win for them advances so effectively as an organization of the screen writers themselves.

The dramatists guild has a program for protecting the rights of their members and improving their business relations. But playwrights are members of their guilds and have a vote and a say if they wish to exercise it. How could their position be improved when their guild is superseded by an overall authority not subject to control by its depositors?

Some of the professional organizations of authors and writers have neglected the economic interests of their members. Others have not been sufficiently active or firm. But that is not because their constitutions do not give the officials enough power; it's simply because they are badly run. One might as well propose that labor authority be set up to supersede all trade unions, or an industry authority to supersede all business organizations, because some unions and businesses do not measure up to their responsibilities.

ORGANIZATION

Now let's look at the actual organization, the electoral and administrative apparatus of the proposed AAA.

Who will actually run the AAA? The answer is a board of 17 governors, 4 elected by each of the 4 guilds with the president of the Authors League as ex officio chairman of the board. The actual administrator, Mr. Cain's tough mug, will be a national director, aided by an executive signatory who holds all the contracts. The director chooses his whole slate and the governors are free, Russian fashion, to vote for it, or not vote.

No writer can join or be a member of the AAA, as he can of a voluntary professional organization. He has no vote in the AAA, no voice in its administration, no legal, or for that matter, moral control of any kind. All he can do is to assign his property rights as a writer to the authority to handle as it pleases. Should the authority attain the monopoly over the written word which it seeks, all the writer can do if he does not like the way his interests are handled is to withdraw his property from the "trusteeship"—and sell it precisely where the dissenting writer used to sell it in Nazi Germany, which is nowhere.

In theory the members of a guild would have a shadowy influence twice removed through the four board members of their particular guild. In practice we know too well that such indirect control is worthless and therefore a species of make-believe and deception. But writers not in the guilds, or in other authors' organizations now existing or arising later, would not have even that theoretical shadow of influence. Many writers have refrained from joining the guilds or have resigned for reasons that they consider adequate; why should they be subjected to a monopoly dictation set up by others?

The proponents of the AAA assert that those writers who are not in any of the guilds (and they are the great majority) would be "like depositors who are not stockholders in the bank." The analogy shows their contempt for the intelligence of the American writer. Even the members of the various guilds would not be "stockholders" in the AAA, either in fact or analogy, because they are not members, and have no say in its operations. A depositor, when he withdraws his money from one bank, can put it in another. Where will the writer "deposit" his product when he withdraws it from the AAA in a market dominated by the AAA? The whole point is that the authority is organized as a monopoly and aims to become one in economic fact.

THOUGHT CONTROL

No matter how the scheme is disguised or what alibis for its excessive power and ambitions are advanced, the authority would be an oligarchy over the American writer. It would be in a position to exercise political as well as economic dictatorship. If, in two guilds, militant minorities elected the Governors they could take and hold control of the authority even though their total membership was a lot smaller than that of the other two guilds. Thus a small minority could have a strange hold on all literacy output. The very concentration of power would make possible, nay, inevitable, the use of this enticing leverage to favor ideological friends and silence undesirable and unmanageable writers.

The American Writers Association would be recreant in its duty to its members and to public opinion if it did not frankly point out that the AAA is the brainchild of communists and their fellow travelers in the Screen Writers Guild. The scheme is evil in itself and dangerous in the hands of any political group, right or left. Indeed, 17 angels led by a seraphic tough mug would be corrupted by the possession of so much authority in the realm of ideas. But it happens to be a notorious fact that those who hatched the plan and those most energetic in pushing it are of the pro-Communist persuasion.

This does not mean that anti-Communists and innocents have not been enlisted in the proposal. (It is only fair to say that Mr. Cain himself does not seem fully aware of the implications of the plan but to have been the carrier of other men's ideas.) Some writers are politically naive; the economic promises of the AAA to redress real grievances sound good to them. Anyone even slightly familiar with Communist and fellow-traveler techniques of domination knows how cleverly they exploit real problems and the good will of honest men.

The fact remains that the very AAA Committee of the SWG includes several open Communist Party members, a number of fellow travelers and a number of notorious "innocents." Let us repeat the warning of John Dos Passos, one of the great libertarian voices in American letters today, to his fellow writers:

"It is very much too bad (that) many American writers remain ignorant of and indifferent to the political movements that are shaping the world we live in. This ignorance is the main stock in trade of the fanatical Communists who do the work behind the Screen Writers Guild and the Hollywood center of pro-Soviet propaganda. They launched the AAA as part of a carefully worked out campaign, which has been partly successful, to take over the direction of American thought. The motivation of the non-Communist Hollywood writer involved was a little different, more that of the fox in the fable who had lost his brush and tried to induce all the other foxes to cut theirs off, too. Their ignorance of and indifference to politics have made them the willing dupes of the Communists in what is basically a campaign to destroy the American form of government and with it all free institutions."

We writers should be forewarned by the experience of the CIO, a typical example of political innocence. We see today the heroic struggle of its rank and file members to free themselves from control by a Communist minority through its transmission belts. It is a struggle which could have been avoided if the totalitarian minority had been headed off at the outset. Other organizations which have been similarly infected have faced the same heartbreaking struggle for liberation. It is easier to surrender democratic rights than to retrieve them.

Is it not absurd that American writers at this late date should fall victim to the same disease? The AAA plan, as now revealed in detail by its proponents, is ideally suited for capture and control by a tiny clique of self-perpetuating insiders. This is not an accident. We believe it was planned that way by people whose imaginations are fired by the vision of minority control of intellectual and creative life in this country.

The American Writers Association supports every measure that will help improve the position of the writer. For this very reason it is unalterably opposed to a devious effort to fasten on American writers a dictatorship over their property as writers and their functions as creative workers.

SUMMARY

Let us sum up:

1. The Authors Authority, as set up in the supplement to the March 1947 Screen Writer is not new or even revised. It is the original Cain plan in detailed organizational form. It meets none of the objections raised by writers throughout the country, obviates none of the dangers which alarmed American public opinion.

2. The proposed AAA aims to set up monopoly domination of the whole field of

writing, by making it impossible for publishers or producers to get material from writers except through their authority. This closed shop is an obvious threat, not only to the livelihood but to the creative and ideational independence of the individual writer.

3. A body exercising such immense power in the domain of ideas would possess a propaganda machine ready to put over on the American people any social philosophy or political program which it happened to favor; it would constitute a direct threat to the freedom of the whole Nation.

4. The AAA is so organized that it makes an ideal object for each capture and permanent control by a militant and highly disciplined minority among the great body of American writers.

5. Like all totalitarian undertakings, the AAA makes wide and handsome promises which it will be unable to fulfil and for which it exacts the price of virtual surrender of the free word. The existing writers' guilds and other writers' organizations can and should deal with the legitimate grievances being exploited by the proponents of the AAA. There is nothing such an authority could do for writers which writers cannot do better, and less dangerously, for themselves.

San Diego River and Mission Bay Project

EXTENSION OF REMARKS

OF

HON. CHARLES K. FLETCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. FLETCHER. Mr. Speaker, the San Diego River and Mission Bay project is both a flood-control and rivers and harbors problem. It is a project that is doubly justified because the Federal Government, having diverted the San Diego River to Mission Bay, should be responsible to some extent for the construction and maintenance of a satisfactory channel to the ocean. I should like to point out that under present conditions devastating periodic floods endanger highly developed areas, some of which are Navy and marine property. It would be possible to dredge Mission Bay to make it temporarily usable, but unless San Diego River is diverted to a separate outlet, the Mission Bay would continue to shoal by the deposit of silt. The project is very much needed to protect private property and life as well as being essential to the improvement of Mission Bay for navigation of small boats.

Under Public Law 525, Seventy-ninth Congress, second session, the Federal Government authorized the construction of a channel 3.3 miles in length, 800 feet wide, with capacity of 87,500 cubic feet per second; construction or reconstruction of three highway bridges, one railroad bridge, and two stone jetties into the ocean. The State of California has also authorized this project in chapter 1514, statutes of 1945. California has voted to cooperate with financial assistance totaling $1,826,000. It is estimated that the Federal Government will give total financial aid for flood control of $2,778,000, and additional aid for navigational features amounting to $3,080,000. With this State and Federal aid, the city of San Diego plans to complete the San Diego River Mission Bay project at a total estimated cost of $16,759,000.

I sincerely trust that the sum of $1,000,000, as requested will be appropriated in this bill by Congress for the preparation of plans and for the construction of this project.

Speaker Martin Accepts Honorary Life Membership in AMVETS

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. ANDREWS. Mr. Speaker, last evening in a beautiful Capitol Hill ceremony Speaker JOSEPH W. MARTIN, JR., took the oath of office as an honorary life member in the AMVETS—the veterans' organization which was recently chartered by the Congress.

The House Ways and Means Committee room was bedecked with flowers and ferns for the occasion. A brilliant 35-piece Army Air Forces Band was one of the highlights of the evening, under the direction of Major Howard.

AMVETS is the only veterans' organization of the recent war to be honored by the Congress of the United States in granting it a charter. It is a great organization and it is growing immensely in power and prestige. Those who witnessed the AMVETS ceremony honoring Speaker MARTIN will long remember it among their fondest memories. It was superb and wonderfully arranged.

I present herewith a printed form of the program and a few remarks that were made at the ceremony, as follows:

PROGRAM AT PRESENTATION OF HONORARY LIFE MEMBERSHIP TO HON. JOSEPH W. MARTIN, JR., SPEAKER OF HOUSE OF REPRESENTATIVES, BY AMVETS POST NO 19, HOUSE OF REPRESENTATIVES, WASHINGTON, D. C., FRIDAY, JULY 25, 1947, 8 P. M., WAYS AND MEANS COMMITTEE ROOM, NEW HOUSE OFFICE BUILDING

7:30 p. m., music by AAF Band.

8 p. m., America, by AAF Band, Major Howard, conducting.

Invocation by Rev. Dr. Bernard Brascamp, D. D., acting chaplain.

Investiture of post commander and vice commander by department AMVETS commander.

Band selection by AAF Band.

Master Sgt. Abrashal Robofsy, soloist.

Presentation of honorary life membership in AMVETS to Hon. JOSEPH W. MARTIN, JR., Speaker of House of Representatives, by Lucian Hunter, Jr., commander, and Allan M. Ames, first vice commander.

On presenting life membership scroll to Speaker MARTIN, Commander Hunter said:

"Speaker MARTIN, it is indeed a privilege and high honor for me on behalf of the Members of the House of Representatives AMVETS Post, No. 19, to present to you this scroll welcoming you into our organization.

"We know that your membership will be a great influence in aiding AMVETS to become the leading organization for the veterans of World War II."

First Vice Commander Allen M. Ames said:

"Mr. Speaker, it is a real pleasure and privilege for me on behalf of the members of this post to present you with this life membership card and to welcome you as a member of our organization."

Speaker MARTIN made a splendid speech expressing his gratitude for the honorary membership and wished AMVETS success and the best of luck.

Commander Hunter then introduced Hon. EDITH NOURSE ROGERS, chairman of the House Veterans' Affairs Committee, who substituted as guest speaker for Hon. SAM RAYBURN, minority leader of the House, who at the last minute was unable to attend the ceremony.

"We AMVETS like to think of Mrs. ROGERS as the adopted mother of the veterans. Because of her gallant crusade for those who served their country we feel that she has justly earned this recognition.

"It is indeed a pleasure to present the Honorable EDITH NOURSE ROGERS, chairman of the House Veterans' Affairs Committee, who will be our guest speaker of the evening."

Commander Hunter had this to say:

"It is indeed unfortunate, ladies and gentlemen, that the House of Representatives Post of AMVETS is not permitted to give but one honorary life membership per year.

"Former Speaker SAM RAYBURN has been a great friend of the veterans and we are deeply grateful to him for his efforts in our behalf."

The meeting came to a close with taps by Major Howard of AAF Band in honor of those who died in World War II.

Benediction by Rev. Dr. Bernard Braskamp, D. C., acting chaplain.

CHARTER MEMBERS, AMVETS POST, NO. 19, HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.

Officers: Post commander, Lucien O. Hunter, Jr.; first vice commander, Allan M. Ames; second vice commander, William E. Brady; third vice commander, Karl Standish; adjutant, Richard G. Jefford; finance officer, Jack W. Watson; sergeant at arms, S. A. Morichetti; legislative counsel, J. H. Leib; chaplain, W. Howes Meade, master of ceremonies.

Charter members: Joseph L. Bowles, James C. Hunter, Richard A. Micheel, Millard B. Rice, Wesley H. Wilson.

HONORED GUESTS

Members of Congress: Hon. CHARLES A. HALLECK, House majority leader; Hon. LESLIE C. ARENDS, House majority whip; Hon. EDITH NOURSE ROGERS, chairman, House Veterans' Affairs Committee; Hon. WALTER G. ANDREWS, chairman, House Armed Services Committee; Hon. SAM RAYBURN, House minority leader; Hon. JOHN W. MCCORMACK, House minority whip.

Officers, House of Representatives: John Andrews, Clerk, House of Representatives; William F. Russell, Sergeant at Arms; M. L. Melettio, Doorkeeper; Frank P. Collier, Postmaster; The Rev. Dr. Bernard Brascamp, D. D., Acting Chaplain; James P. Griffin, Deputy Sergeant at Arms.

National Commander Raymond Sawyer: former National Commander and founder of AMVETS Elmo W. Keel; Andrew Kenny, one of the original founders of AMVETS; Commander of the District of Columbia Department, AMVETS, Robert Leahy; Regis Cole, executive secretary.

Ways and Means Committee room, through courtesy of Hon. HAROLD KNUTSON, Member of Congress, chairman, Ways and Means Committee.

Ushers: Head usher, Patrick Russo; Robert Olsen; William Bassett; Robert Dunn; James Suma; John Lippeatt; Edward Funston.

Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. EDWARD O. McCOWEN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. McCOWEN. Mr. Speaker, under leave to extend my remarks and to include therein my report as chairman of Subcommittee No. 1, measures relating to education generally, on H. R. 2953, I may say that H. R. 2953 was reported from the Subcommittee No. 1 to the full committee by a vote of 6 to 2, and the report was filed with the full Committee on Education and Labor and is now on the calendar of that committee.

The following is the report:

FEDERAL ASSISTANCE TO THE STATES FOR THE PURPOSE OF FINANCING A MINIMUM FOUNDATION EDUCATION PROGRAM AND OF MORE NEARLY EQUALIZING EDUCATIONAL OPPORTUNITIES

Mr. McCOWEN, chairman, Subcommittee No. 1—Measures Relating to Education Generally, submitted the following interim report to accompany H. R. 2953:

The subcommittee of the Committee on Education and Labor, to whom was referred the bill (H. R. 2953) to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes, having considered the same, report favorably thereon and recommend that the bill be adopted.

INTRODUCTION

For a number of years committees of the House of Representatives have held hearings on proposals designed to extend and to make permanent Federal financial assistance to the States for the purpose of improving and equalizing public educational opportunities. The basic idea of Federal aid for public education is not new. From the early days of the Republic, Congress has provided such aid through allotments of public lands and grants of money for special types of education, vocational training, and to meet emergencies arising from economic depressions and wartime conditions. The primary questions, therefore, before the subcommittee have been to ascertain the extent of the need for Federal assistance and to determine how present needs could best be met.

Subcommittee No. 1 of the Committee on Education and Labor of the Eightieth Congress has held hearings extending over 16 days and received testimony from approximately 75 individuals and organizations. The subcommittee has had opportunity to consider all sides of the problem. Much of the testimony, in a convincing manner, underscored the evidence presented at previous hearings. No doubts remain that the Nation continues to have educational slums which the States, regardless of their efforts, have not and apparently will not eradicate without Federal assistance. These conditions were accentuated during the recent war period and during the recent years of economic adjustment.

Never before have the people of the Nation been as acutely aware of the need for extending educational opportunities. Through local and State action the people have assumed willingly many additional financial obligations in an effort to overcome the critical inadequacy of the financial support of schools. These efforts have not kept pace even with the rising costs, the increased birth rate, and the deterioration of school plants. The fundamental educational inequalities remain. It is in the interest of the people as a whole, and upon their insistence, that the Federal Government must assume responsibility for guaranteeing to all American children and youth a defensible minimum level of educational opportunity. These statements are based on evidence produced at the hearings.

I. REASONS FOR THE APPROVAL OF THE BILL H. R. 2953

That Federal aid for education is necessary has already been established by the types and amounts approved by Congress since the early days of the Republic. That the extension of Federal assistance at this time is necessary has been demonstrated by the evidence appearing in many printed reports of the House of Representatives. It is not necessary to repeat this evidence in detail in the present report. In general, the arguments fall into two categories: (*a*) Safeguarding the national interest through the promotion of education; and (*b*) meeting the needs arising from the inadequacies of the financial support of schools.

Safeguarding the national interest through the promotion of education

In the Declaration of Independence, the Constitution, and numerous other documents have been set the basic principles of American Government. That these principles are closely related to the education of the people has been clearly recognized by statesmen since the founding fathers up to the present day.

The Importance of Good Citizenship

Our representative form of government is based upon the literacy and civic competence of its citizens. They are called upon to vote upon public questions, to choose public officials, and to join with their fellow citizens in common enterprises. Today our children are living in a complex American society. Each year millions leave the schools to join with their elders as voting citizens. Through our form of government the popular voice is collected and uttered, and that utterance must represent intelligence and understanding.

Citizens of the States are also citizens of the Nation. There is free movement of people, commerce, and ideas among the States. This exchange has been one of our great strengths, but it has its hazards. The 1940 Federal census showed that 10,000,000 adults had less than a fifth-grade education. Hundreds of thousands of young men were rejected in recent years by the selective service because of educational deficiencies. Many of the future citizens of the States of greatest wealth are being educated or neglected in the less-privileged States. No State can be isolated from the baneful effects of ignorance in a Nation which has extensive mobility of population.

The Preservation of Democracy

Each generation has its duties to perform. It is ours to perfect and to perpetuate the democracy of everyday living and the representativeness of our governmental institutions. These are the matters requiring more than literacy. Our people must understand the principles of American society and be able to apply those principles to current problems. They must love their country and work for its betterment. They must appreciate their opportunities and be willing to share with others. These qualities of the individual citizen, making for the effectiveness and perpetuation of American society, are acquired through education.

But these precious assets of America are not matters solely of domestic concern. We live in a world weighed with perplexity and unrest. Our people must understand the heavy international obligations of the Nation. They must be equipped, physically and educationally, to meet any dangerous challenge to our security. When properly conceived and adequately financed, education is an effective bulwark against totalitarianism and a safeguard to democracy.

The National Welfare

The greatest resource of any nation is its people. Each day finds them in homes, factories, hospitals, churches, business, mines, schools, and on the farms, carrying forward the social and economic processes of life. These human resources will continue to make America great.

For our Nation to increase its economic and cultural strength it must maintain a high level of educational opportunity. Education steps up the living standards of nations. Comparisons made of other countries show that the nations with high income also have high levels of education and great amounts of technical skill. Underlying and making effective such factors as natural resources, adequate labor supply, technical research, and good labor-management relations are the understanding and technical skill of the people as a whole. Productive capacity is increased though training and education.

A nation also must have intelligent consumers. Business and agriculture prosper in a society where the standards of living are high. Uneducated people have few wants. They are satisfied to do without adequate food, proper clothing, good books, sufficient medical care, and other artistic, cultural, and spiritual advantages of modern life. The basic nourishment of the economic processes is to be found in intelligent and educated consumers. It is, therefore, essential that there be an adequate educational opportunity available to every child in every State. The conservation and development of our human resources is a positive contribution to the general welfare of the Nation.

Meeting the needs arising from the inadequacies of the financial support of schools

The primary responsibility of organizing and administering public education in the United States rests upon the States. The States in most instances have delegated large educational responsibilities to their subdivisions (municipalities, counties, and school districts) which operate within the framework of State law. A major part of the financial support for public schools is obtained from local and State taxation. Although the general scope and purposes of public education have shown marked uniformity throughout the Nation, the programs and facilities have been developed or impeded according to the economic resources of the individual States. These differences among the States are still further accentuated during periods of economic depression and of economic readjustment. Some idea of the present financial difficulties was revealed by the testimony of witnesses at the subcommittees hearings.

Deprivation of Educational Opportunity

For many years the Nation has been acquiring an educational deficit. It was dramatized during World War I by the number of young men who were rejected for military service because of their inability to read, write, or understand military commands. It was supported by the Federal census of 1940, which revealed that millions of adult citizens had little or no schooling and that 5,000,000 children and youth did not attend any school. It was further revealed by the number of selectees rejected for service in

World War II. The majority of these deficiencies were found in the States where there are not sufficient economic resources to provide good schools.

Today, primarily because of a shortage in funds for educational purposes, at least 2,000,000 children are suffering a major impairment of their schooling through the professional ineptitude of teachers who possess only substandard qualifications; hundreds of thousands are attending for only part of the school day or for only a few months of the year; additional thousands have had no school to attend or have been offered programs curtailed by the shortage of qualified teachers. Many of these shortcomings in educational opportunity are in addition to the conditions producing educational deficits two or three decades ago.

Critical Financial Problems in Local Districts

In final analysis, education is as good as the individual teacher. Because of low salaries more than 350,000 qualified teachers left the profession between 1940 and 1945. Their places were taken by inexperienced and substandard teachers, or the positions were closed. Studies have revealed that inadequate local salary schedules were the primary cause of the turn-over and the subsequent shortage of a supply of qualified teachers.

Despite local and State efforts to improve salaries in the present school year 1946–47, half of the teachers in public elementary and secondary schools have been paid less than $2,000 for the year's work; 16 percent received less than $1,200. Today, in the wealthier States, the status of salaries and the remote possibility of improvement have discouraged many more young men and women from choosing teaching as a life work than the even lower salaries did in 1940.

In an effort to improve salaries, so as to retain the experienced teachers and to attract competent young people, local school districts have curtailed budget allotments for instructional supplies and the maintenance of physical plants. The result has been a further lowering of the quality of instruction and the postponement of financial obligations which ultimately must be met.

More than 1,000,000 children are attending schools in local districts where annual current expenditures are less than $500 per classroom. A survey in 1939–40 revealed that there were systems so poorly financed that they spent less than $100 per classroom, while the best-financed systems spent $6,000 or more per classroom. This wide variation of 60 to 1 continues even today, according to recent contracts with State departments of education.

Inequalities in the Abilities of the States

The States vary widely in their ability to support education. In 1945 the income per capita ranged from $556 in Mississippi to $1,595 in New York. For that same year the amount of income behind each child of school age ranged from $1,974 in Mississippi to $9,005 in California. Thus the 3-to-1 ratio in the average wealth of the people becomes nearly a 5-to-1 ratio when the number of children to be educated is taken into consideration.

The contrasts in financial ability within States is even greater than the differences among the States. Most of the States have school districts that are financed at a relatively high level; and, at the same time, other districts are operating at poverty levels. To eliminate such differences many States have provided equalization aid and have adopted minimum foundation programs. Many of these minimums are lower than they should be. One of the major purposes of the proposed bill is to help establish a minimum program in every State and, in some States, to stimulate the adoption of minimum levels even more acceptable educationally.

The Fiscal Responsibility of the Federal Government

It is an accepted principle of American Government that wealth, income and privileges should be taxed wherever they are found and the revenues obtained should be expended for public services wherever they are needed. Federal assistance to the States is a logical application of this principle at the national level.

Our Nation is an economic unit. We draw upon physical and human resources with little regard for State lines. Economic progress and prosperity tend to be regional or national in extent and are not confined by State boundaries. The Federal Government should draw upon the economic resources of the Nation in providing for any phase of the general welfare.

The interstate character of business and the various forms of corporation organization are such as to impair, if not to block, the taxing ability of the States. In such instances the Federal Government is the only taxing power commensurate with the economic organization to be taxed. The revenue resources of some States have increased at a much more rapid rate than they have in other States, and only through the Federal taxing power can the benefits of these new resources be made available to all of the people.

The American system is based upon a dual structure of a union of States and a nation of people. Both the States in their respective sovereignties and the people as a whole have a joint responsibility for educating the children who are citizens of the States and citizens of the Nation. The time has come for the Federal Government to assume its full fiscal responsibilites in the field of public education.

II. ANALYSIS OF H. R. 2953

The purpose of the act is to assist the States in equalizing educational opportunities by the allotment of Federal revenues of not less than $3 per child of school age to any State making reasonable effort to provide for the support of its public elementary and secondary schools. In those States where an expenditure of 1.1 percent of the average income payments, for a period of 5 years, will not provide $40 per child of school age, the bill provides for amounts of Federal assistance beyond the minimum $3 allotments.

Limitations on Federal Control

Section 2 specifically prohibits any department, agency, officer, or employee of the United States from exercising any direction, supervision, or control over, or prescribing any requirements with respect to, any school, educational agency, or institution in any State receiving funds under the act. It is further provided that no Federal agency or officer shall attach any term or condition of any agreement or other action taken under the act or attach any limitation or provision in any appropriation made pursuant to this act. These are positive safeguards against the impairment of local and State control over the funds allotted.

Appropriations Authorized

Section 3 authorizes for the purpose of the act the sum of $200,000,000 for the fiscal year ending June 30, 1948; the sum of $250,000,000 for the fiscal year ending June 30, 1949; and for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, the sum of $300,000,000.

Apportionment

Section 4 provides an objective formula for the apportionment of the funds under the act. No discretion is given to any Federal agency or official. The steps prescribed in the formula are as follows:

1. The cost of a minimum school foundation program is computed by multiplying by $40 the number of children in each State, ages 5 to 17, as determined by the Department of Commerce.

2. The average income of the people of each State for a 5-year period is then multiplied by 1.1 percent to determine a reasonable standard educational expenditure for each State.

3. If the cost of the $40 foundation program for any State (1) is larger than the amount of revenue produced by 1.1 percent effort (2) the State is eligible to receive the difference in Federal aid.

4. If the cost of the $40 foundation program for any State (1) is less than the amount of revenue produced by 1.1 percent effort, (2) the State receives an amount equal to $3 multiplied by the number of children ages 5 to 17.

Subsection (d) of the bill provides that any State to receive the full equalization allotments (see (3) immediately above) must spend annually for public schools at least 2.5 of the average of its income payments for a specified 5-year period. Where a State spends less than 2.5 percent, as specified, its allotment is proportionately reduced. The rate of 2.5 percent was the average proportion of income allotted by all of the States for public schools in the decade immediately preceding World War II. This provision is to discourage any tendency of Federal funds to replace State effort, yet it leaves to each eligible State the decision of whether or not it wishes to meet the requirements for full Federal allotments. It is further provided, however, that no State's allotment shall be reduced below an amount equal to $3 multiplied by the number of children, ages 5 to 17, in each such State.

Subsection (f) provides for a pro rata distribution of funds to the States in case the amount appropriated is less than the total amount of the allotments to all States.

Subsection (g) reserves 2 percent of the funds appropriated for apportionment to Alaska, Hawaii, the Canal Zone, Puerto Rico, the Virgin Islands, and Guam. The United States Commissioner of Education is authorized to make these apportionments on the basis of the need of these areas for additional funds for public elementary and secondary schools. The amounts of the allotments will be determined by joint agreements made with their respective educational authorities. These outlying areas were not included in the formula applying to the States because they have unique educational problems and because comparable statistics on income payments and educational status are not available.

Certification and Payment

Section 5 provides that the United States Commissioner of Education shall certify, to the Secretary of the Treasury, the amounts allotted to each State under the act. Payments are to be made to the treasurer or corresponding official of the State, who must account for the moneys received and pay out such funds only on the requisition of the State educational authority.

Availability of Appropriation

Section 6 provides that the funds appropriated under the act shall be disbursed by each State to local public-school jurisdictions, or other State public-education agencies, for all types of current expenditures (excluding interest, debt service, and capital outlay). The funds must be used for public elementary and secondary schools.

The act does not delimit a State in its definition of public education. In States where public revenues are disbursed to nonpublic education, for any of the purposes for which funds are paid under this act, the Federal allotments may be similarly disbursed. However, in any year, no State may allot to nonpublic education a larger proportion of the Federal funds received than it provides from its own State and local revenues.

The purposes of this section are twofold: (1) To avoid Federal control of public education in the States; and (2) to permit the States to disburse the Federal allotments as

State and local revenues are now disbursed under the laws in each State.

State Acceptance Provisions

Section 7 provides that a State, if it wishes to qualify for the funds appropriated under this act, shall through its legislature provide for the administration of the funds received. In the event the legislature is not in session when the act becomes operative, the governor may act in lieu of the legislature until the legislature next convenes.

The legislature is to provide that the State treasurer or other corresponding State official shall serve as trustee of the funds received under the act and report to Congress, through the United States Commissioner of Education, a detailed statement of the amount so received and of its disbursement; provide that its State educational authority shall represent the State in the administration of these funds; provide for an audit by the State educational authority of the funds received and apportioned to local school jurisdictions to such State authority; provide that the State educational authority shall make reports to the Commissioner with respect to the progress of education within the State, which reports said Commissioner shall convey to the Congress.

Section 7 further requires that in States where separate schools are maintained for separate races, the State through its legislature shall provide a just and equitable apportionment of the Federal funds allotted under the act. This apportionment is to be made without any reduction of the proportion of State and local moneys expended for educational purposes during the fiscal year ended in 1947 for public schools for minority races. In section 9 (d) "a just and equitable apportionment, allottment, or distribution of funds" is defined as one which results in an expenditure for the minority group of a proportion of such funds that is not less than the proportion that the minority racial group bears to the total population of the State.

The same section provides that funds appropriated under this act shall be allotted only to those States which provide from State revenues for all public elementary and secondary school purposes not less than the total amount, or the amount per pupil in average daily attendance, actually spent for such purposes in the fiscal year 1947. Furthermore, only those local school jurisdictions shall be entitled to receive funds appropriated under the act that continue to pay, from State and local funds, average monthly salaries to their teachers not less than the average monthly salaries paid as of February 1, 1947, or the nearest date prior when school was in session. This provision applies not to individual salaries but to the average salary paid in the local school jurisdiction. Clearly the intent of these provisions is to prevent the substitution of Federal funds for costs previously paid from State and local revenues.

The State, either through its legislature or through its State educational authority, if the legislature so directs, shall provide for the apportioning of funds under the act in such manner that, not later than the fourth year of operation of the act and each year thereafter, there will be available from all sources to all local school jurisdictions not less than $40 per pupil in average daily attendance for current expenditures (excluding interest, debt service, and capital outlay) for the maintenance of a program of public elementary and secondary education. The bill thereby sets up a minimum foundation program of education providing equal basic educational opportunity for the children and youth of the Nation.

Right of Appeal

Section 8 gives the State educational agency in any State the right to appeal questions of administration to the United States Commissioner of Education and, after 60 days, if not satisfactorily terminated, the right to appeal to a United States district court. Such court shall have jurisdiction as to both fact and law.

Definitions

Section 9 contains certain essential definitions of terms used in the act.

Separability

Section 10 provides that provisions of the act held invalid in their application to any State, person, or circumstance does not affect the application of such provisions to other States, persons, or circumstances.

III. ESTIMATES OF APPORTIONMENT OF FUNDS AUTHORIZED

The accompanying table shows the approximate distributions of the funds authorized by the act. These are estimates based upon the latest available statistics on expenditures, income payments, and the number of school children in each State. No attempt has been made to estimate the payments that would be made to the Territories and other outlying areas.

(First estimate)

National Education Association of the United States, Washington, D. C.—Estimates of Federal aid under McCowen bill (H. R. 2953)

States	Estimated payments to States under McCowen bill after applications of 2.5 percent effort to the equalization funds (calculations based on 1944 data)		
	Equalization ($40 and 1.1 percent)	Non-equalization $3 payments	Total
1	2	3	4
Continental United States	[1] $141,646,000	$55,446,000	$197,092,000
Alabama	13,230,000		13,330,000
Arizona	1,232,000		1,232,000
Arkansas	8,215,000		8,215,000
California		4,356,000	4,356,000
Colorado		735,000	735,000
Connecticut		1,023,000	1,023,000
Delaware		171,000	171,000
District of Columbia		432,000	432,000
Florida	(514,000)	1,356,000	1,356,000
Georgia	10,664,000		10,664,000
Idaho	564,000		564,000
Illinois		4,512,000	4,512,000
Indiana		2,187,000	2,187,000
Iowa		1,503,000	1,503,000
Kansas		1,116,000	1,116,000
Kentucky	12,095,000		12,095,000
Louisiana	7,959,000		7,959,000
Maine	(174,000)	564,000	564,000
Maryland		1,281,000	1,281,000
Massachusetts		2,496,000	2,496,000
Michigan		3,588,000	3,588,000
Minnesota	(548,000)	1,668,000	1,668,000
Mississippi	12,735,000		12,735,000
Missouri		2,253,000	2,253,000
Montana		327,000	327,000
Nebraska	(467,000)	810,000	810,000
Nevada		81,000	81,000
New Hampshire	(125,000)	294,000	294,000
New Jersey		2,415,000	2,415,000
New Mexico	2,824,000		2,824,000
New York		7,206,000	7,206,000
North Carolina	18,766,000		18,766,000
North Dakota	1,213,000		1,213,000
Ohio		4,254,000	4,254,000
Oklahoma	7,210,000		7,210,000
Oregon		675,000	675,000
Pennsylvania		6,246,000	6,246,000
Rhode Island		432,000	432,000
South Carolina	10,686,000		10,686,000
South Dakota	1,080,000		1,080,000
Tennessee	9,556,000		9,556,000
Texas	10,547,000		10,547,000
Utah	1,022,000		1,022,000
Vermont	(211,000)	225,000	225,000
Virginia	3,714,000		3,714,000
Washington		1,092,000	1,092,000
West Virginia	8,234,000		8,234,000
Wisconsin		1,980,000	1,980,000
Wyoming		168,000	168,000

[1] The total of column 2 does not include the amounts in parentheses. These parenthetical amounts are equalization sums which are less than $3 per child guaranteed payments shown in column 3.

Personal Appraisal of Potential Republican Presidential Candidates in 1948

EXTENSION OF REMARKS

OF

HON. LEROY JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. JOHNSON of California. Mr. Speaker, a year from now the two great political parties of our country will have nominated their candidates for the office of President. The American electorate will be busily engaged in trying to appraise the relative claims of the candidates to the support of the voters of the Nation.

It seems obvious to me that the candidate of the Democrat Party will be President Truman. To refuse to nominate him would be a repudiation of his administration, and, consequently, a confession that the Democratic Party, which controlled the executive branch of our national Government, had failed in its trusteeship. To repudiate the Vice Presidential nominee who had been selected in 1944 as the heir apparent to the Presidency and who later became President, would be tantamount to saying "We now realize that we picked the wrong leader in 1944, but give us another chance and we will give you another one whom we believe will be a successful President."

Far be it from me to offer or suggest any petty or partisan criticisms, such as have been voiced by prominent Democrats in my State and in other places. The problems with which the President must deal almost every week are so stupendous and so fraught with danger or benefit to our people and to mankind everywhere that we can only hope that he may have the wisdom and the courage to handle them in a manner that will benefit us and posterity. The way he handles these complicated questions, whether it be merely for the duration of his present term or for a longer time, may affect the course of history and the happiness of men everywhere for generations. But irrespective of how we may feel, he is handling and attempting to solve the questions now before the country, and it must be obvious that his party must renominate him as its standard bearer or practically forfeit its chances in the 1948 campaign.

Consequently, it is interesting to survey the field of personalities from whom, it now seems obvious, the Republicans will select their standard bearer. To help me personally get a correct appraisal of these men, I shall venture to discuss briefly the group of persons from which the Republicans will obtain their candidate for President in 1948. In this group I think also will be found the Republican candidate for Vice President.

This is the group that I think contains these candidates: Dewey, of New York; Taft, of Ohio; Warren, of California; Bricker, of Ohio; Stassen, of Minnesota; Vandenberg, of Michigan; Joseph Martin, of Massachusetts; Edward Martin,

of Pennsylvania; Saltonstall, of Massachusetts; Lodge, of Massachusetts.

The order in which I arranged this group has no significance whatever. Dewey was mentioned first because he was the Republican standard bearer in 1944 and is most mentioned as the probable candidate of the party in 1948.

My appraisal and comments on these men are not based upon any special research concerning any of them or their records. It is based upon general reading, discussions, speeches I have heard, and run-of-the-mill comments and discussions I have heard in Washington and other parts of the country. Nor have I talked to any of these men personally about this statement, nor have I asked their permission to say or not to say anything about them.

Let me then give you my brief comments about these individuals.

GOV. THOMAS E. DEWEY, OF NEW YORK

Dewey became a prominent national personage very early. Whether by design or by circumstance, he became a potential Presidential candidate at a very young age. In 1940, when only 38, his name was presented to the Republican Convention. As a prosecutor he made a great record. What I admire about this record is that he did not make a pretense at law enforcement by arresting the prostitute, the small gambler, and so forth. He drew the curtain aside and went after the "big fish" of the underworld and convicted them. Having had a little experience in the enforcement of the law, I know what a tough job that is and what great ability and courage a prosecutor in a great city like New York must have.

From all I can learn, Dewey is a fine administrator. At any rate, the people of New York endorsed his first 4 years by reelecting him by a tremendous majority in 1946. He appoints good men and insists that first consideration in asking for a public appointive job is that the applicant must have the ability to handle the job well and must have integrity. There are so many diverse opinions as to Dewey's personality that I have not been able to determine whether he gets along with people, is tolerant, and approaches his job with true humility. Most of the various criticisms that I have heard made by Republicans are items that I learned, over 6 months before the convention, would be used by the Democrats if Dewey was the Republican candidate. They were, for instance, that "he is a prosecutor"; he is a "dandy"; "he speaks so perfectly that he is not human"; he is a "small man," referring both to his size and character (he is the size of the average American in stature, and taller than Chiang Kai-shek and Stalin); he would be "autocratic and in constant collision with Congress and his subordinates." It was really amusing to hear Republicans whose favorite was not nominated, parrot this Democratic propaganda. Tolerance, vision, courage, and a basic understanding of the problems and dangers facing us and mankind are necessary, especially during the next few years. The degree to which Dewey measures up to these are manifested by his record as a public official, which is good. As to the personal equation, I am not sure nor am I convinced that the critical observations I have heard from people in whom I have confidence are well founded.

Mr. Dewey is a man to be reckoned with. His attainments cannot be written off by any petty criticisms.

SENATOR TAFT, OF OHIO

One thing that has impressed me about Senator TAFT is that every man whom I have met who knows him intimately is a great admirer of his. This applies to men who are violently opposed to some of his ideas. They all seem to grant that he is intellectually honest and frank. It is a long time since we have had a man who is a potent candidate for the nomination for President who speaks out so frankly and definitely on controversial issues of the hour. On practically every issue in national politics Senator TAFT has clearly and publicly expressed his thinking. On universal-military training and on the matter of the war-crimes trials he has not been afraid to state his views, although it was unnecessary to do so until these issues were before him as a Senator.

As far as I can determine, he takes his position on controversial issues without rancor or prejudice. His method seems to be to learn the essential and basic facts about a problem, the setting of the particular problem in the over-all group of problems confronting the country, and after study and reflection to determine what is the correct course to pursue, in the particular issue under consideration, to best serve the public welfare.

In many ways, Senator TAFT is like his distinguished father. He is more of a judge than he is a politician. He approaches the solution of a public problem like a judge approaches a decision he must make in a legal dispute. Instead of applying the law to the facts, as a judge does, Senator TAFT applies his conception of what plan, when applied to the problem to be solved, will best serve the public interest and correct the abuse that the hearings or facts disclose. Men may differ with his conclusion but I have found no one who disputes that the Senator approaches public questions with an open mind and fearlessly makes his decision.

It has been stated that Senator TAFT, who now espouses Federal aid to education, was once violently opposed to such a plan. But his studies of the problem convinced him of the soundness of the position he now maintains on that issue. Also the Wagner-Ellender-Taft bill represents an evolution in the Senator's thinking on the housing problem. The present bill is one designed to give public aid to housing, especially to the low-income groups. I have heard important persons express surprise, and in some cases disappointment, that Senator TAFT should be the coauthor of such a bill. He seemed to suffer no qualms in changing his thought and publicly admitting it when he once was convinced that his present position was right.

GOV. EARL WARREN, OF CALIFORNIA

In 1946 when Earl Warren was reelected Governor of California, he was the second Governor to be reelected in 60 years. The other was Hiram W. Johnson. More than that, in the election of 1946, Warren received the nomination of both parties, the first Governor to receive this honor. Warren has captivated the California electorate as no other man ever has. I predict that if he should be the nominee of the Republicans, he would captivate the American electorate and the election would be a landslide for the GOP. Why is this? He does a good job; he is thoroughly honest; he is a good administrator; he knows how to get along with people. These are reasons why he is a successful Governor and has been a successful public official. But they are not the main reason for his vote-getting ability. He has political "it"; that undefinable type of character and personality that captivates the interest of the electorate and holds their loyalty. He is a big man; he is handsome; he is friendly; he enjoys people and gets along with them; he understands and personifies the common man who has no spokesman at the capital.

Mr. Warren has courage. During his first term he recommended a law providing a system of health insurance. The doctors and other groups resisted the recommendation. Many of the local politicians criticized the Governor, and the Governor finally lost the battle. The Governor successfully sponsored a change in the unemployment-insurance law providing for the payment of benefits due to sickness. It was curious to hear some people in California and in the National Republican Party organization, in 1945 and 1946, suggest that perhaps Earl Warren would have difficulty in getting the Republican nomination for Governor. He not only got it, but the Democrats also selected him as their candidate. In California, the primary is really a group of elections, one for the members of each separate party, who are registered 40 days before the election, so the real Democrats picked him and they gave him more votes than his Democratic opponent got in both the primaries.

Warren is progressive. He lives on the "shores of the Pacific," and, consequently, fully realizes that we are part of the "family of nations." Every day planes leave California for Pacific points, reaching them in hours, where formerly it took days and weeks. He knows the world is small and still shrinking. Alaska and California are closely bound together by trade. Warren knows that the world is round and that trouble can come from over the top of the world or around the side of it. California got a "close call" in 1941, when Pearl Harbor was attacked. It might have been attacked and an invasion might have followed. Warren, a doughboy in the First World War, is keenly alive to the security problems of today.

During the war California was a regular arsenal of war activity. Army, air and naval installations covered the State. Troops of all kinds trained there. Millions went through the State "on the way over." Following the war, hundreds of thousands of former servicemen have returned and will make their home in California. In all, over 2,500,000 new people have settled in California since

the 1940 census was taken. Every problem that has faced the Nation has been presented to California. Housing, readjustment, labor problems, shipping, mining, reclamation, including irrigation, hydroelectric development; agricultural problems, presented by the dozens of special crops, and so forth. To be governor of such a State presents almost every problem that a President must meet, except that of foreign relations. Sometimes Members of Congress suggest that California must be a foreign State because in practically every problem that is considered by Congress California has some kind of a stake or interest.

Warren is not a candidate, or at least he has no organization. He was not active as a candidate for governor before his nomination. His friends were anxious for him to run. When he did enter the race the war was on and he stated frankly at the start that in view of that fact he would run and if elected would have a nonpartisan administration. He carried this policy out, appointing members of both parties to various offices, much to the discomfiture of many politicians but to the satisfaction of the people.

His friends now wish to help make him a Presidential candidate and may do so. They feel this coming election is too serious a matter to have any candidate take the nomination by default. They want the people to have a chance at the best man. Also, some feel that the election is not a cinch, but one way to make it a certainty for the Republican Party is to have Warren.

Warren's family life is reminiscent of Theodore Roosevelt. The Warrens have six children. Instead of this being a burden to the Governor and his wife, it is merely one round of pleasure, with every member of the family taking part.

HAROLD STASSEN, OF MINNESOTA

Harold Stassen, more than any other candidate, typifies the younger element of the American electorate. He is only 40 years of age, yet he has had a hand in some of the greatest events of this changing and transitory age.

When only 31, he was elected Governor of Minnesota. The labor organizations fought him, because they considered him antilabor by virtue of the fact that he stated that if elected he would pass a law providing a plan for the mediation and settlement of labor disputes. He was elected. He kept his word and had the law passed. The law proved so successful that in the next election, the labor leaders, who had formerly denounced him, supported him.

While still Governor, the war broke out. Shortly thereafter, he resigned the Governorship and entered the United States Navy. He rose to the rank of captain and participated in some very important engagements. He was a staff officer on Admiral Halsey's staff and he has had experience which makes him know what modern warfare is like.

He was selected by President Roosevelt as one of our delegates to the United Nations Conference. It was generally conceded that he made more of a hit with the news correspondents than any other member of our delegation. He has a frank, disarming way in meeting people and meeting groups. You go away from a discussion with him feeling that he has disclosed his thinking, rather than trying to hide his thinking, by what he says.

He is thoroughly imbued with the idea that we are in a so-called international age. We are in a position of leadership whether we wish to be or not and we must find some way to bind the nations together to make peace secure. Stassen, perhaps, more than any other candidate, realizes the implications and the awful consequences of modern warfare.

He is not only outspoken for international collaboration, but he has gone one step further than any other candidate in either party. He thinks to bring about true international relations there must be an understanding, not only between the governments, but also between the peoples of the various nations. He is not advocating world government, but he does believe that if the people of the various nations can have their way, they will understand each other. What he hopes will result is that governments may become more representative of the people who must pay the taxes and fight the wars. If that is true, it is his conviction, that there will be no more war, because the average man gets nothing from it but tragedy and sacrifice.

In 1940, Harold Stassen was the floor leader of the Willkie forces at the convention which placed Mr. Willkie at the head of the Republican ticket. He is a shrewd, poised, and experienced party leader and worker. He has probably done more to awaken interest in the young voters in the Republican Party than any candidate now being considered. Through the Republican forums, which he organized, he has tried to get our young voters to understand what the important problems of today are. He also suggests, on the public platform and otherwise, what he considers the correct solution of the major problems facing the Nation, and he hopes that the party, of which he is a member, will offer solutions that will appeal to the minds and the hearts of the young voters. He is a strong peace proponent, and has had enough practical experience in politics and public affairs to understand the long and tedious road that we must travel in order to bring about a stable world.

Mr. Stassen is thoroughly frank. He admits that he is a candidate, but he states that he is merely a candidate in the sense that if the people believe in his ideas, he would like to be their representative to carry these ideas out. No matter what may happen to him with reference to the nomination for President or Vice President, he has made a tremendous contribution to the Republican Party and to American thinking, in the direction of world peace. The important part of his life is still before him, and he will undoubtedly be heard of in the future, even though he may not be on the ticket in 1948. In the 1944 convention one delegate stated to me that, "The Stassen people are the only group that I have met who know what they are here for and know exactly what their candidate stands for." This was a great tribute to a young man who has made a tremendous mark on the American political scene. He is more a man of the people than he is a polished professional party leader.

SENATOR BRICKER, OF OHIO

For 3 terms JOHN BRICKER served as Governor of Ohio. Prior to that time he had held State elective offices. Certainly the people of that great State approved of what he did and had plenty of time to become familiar with his record before giving their endorsement of it.

Whether the problems which confronted Governor BRICKER were problems that would help him understand the national problems of this day is doubtful. Undoubtedly fiscal problems, involving balancing the budget and taxation, developing a State highway system, the regulation of utilities and other matters in which BRICKER was active as Governor would be excellent experience in handling our national domestic problems. But the broader problems of our national and international security, our relations with foreign countries, our policies looking toward world unity to bring peace are problems with which State executives do not need to cope, except incidentally. The experiences of Senator BRICKER, since 1946, will help him grasp these special problems.

As a Vice Presidential candidate BRICKER made a great impression on many people. He discussed largely the domestic problems of the country, such as reducing our bureaucracy, lowering taxes, eliminating waste, balancing our budget, stopping excessive use of Federal power, and so forth.

He must have charm and magnetism as the press reports of his speeches indicated that he captivated great crowds. Coming from a pivotal State such as Ohio and having been repeatedly reelected to high State office it is obvious that he has made a deep and perhaps lasting favorable impression on the voters of his State. In the event that Senator TAFT should not be Ohio's candidate it seems quite certain that Bricker will be Ohio's favorite son in 1948.

SENATOR VANDENBERG, OF MICHIGAN

Senator VANDENBERG is perhaps the most conspicuous example of a well-known public character who has almost completely reversed his viewpoint within a few years. Before the war he was classed as an "isolationist." Starting before the war's end the Senator made it plain that he believed that the only course open to us, if we wished peace in the world, was via international collaboration. Furthermore, he led the movement to make our foreign-relations program a nonpartisan and bipartisan program. As he said with reference to our foreign policy "partisanship stops at the water's edge." He held the key position as the ranking Member of the Senate Foreign Relations Committee, and later as its chairman. Without his help the administration would have been hopelessly bogged down in their efforts at building a world organization.

As one of our delegates at the United Nations Organization meeting in San Francisco he had a tremendous hand in writing the Charter. In many other ways he worked hand in glove with the administration in trying to weave a foreign policy that would stabilize the world and bring peace. Probably no man in our country has a better grasp of the problems facing this country in the field of foreign relations. He has learned the problem from our own representatives at the conference table and, more important, in the numerous conferences in which he has been a key figure, he has learned the viewpoint of the leading nations with whom we must deal to bring accord and perhaps peace. Interwoven with the effort to bring about agreements and mechanisms that will bring peace is the problem of security, economic, military, and political. No man in our country has a deeper grasp of these problems because his information and knowledge has been forged in the crucible of discussions and arguments of rulers, foreign ministers, and representatives of the countries involved.

I have never heard anyone doubt the ability of Senator VANDENBERG to successfully handle the office of President. The only doubt which I have heard is that his age might make it inadvisable to thrust upon him the terrible responsibilities which our next President must bear. Were he elected in 1948 he would at the time he took office be almost 65 and at the end of his term would be within 3 months of 69. Very few, if any, of our Presidents have been that old during their incumbency. Whether Senator VANDENBERG has the requisite health and vigor to handle the job would be for the electorate to consider from the evidence at their command. Judged by his apparent health and vigor as of today he will be a virile character for a long time to come.

SPEAKER MARTIN, OF MASSACHUSETTS

JOSEPH W. MARTIN, Jr., is one of the most tolerant men I have met. Many of the men that I have met in the House, when they first meet Mr. MARTIN, wonder how he ever became the Republican leader and finally Speaker. Time always gives the answer, because the longer they know him, the more they realize his capacity for getting along with men, of harmonizing their differences and of respecting their viewpoints. JOE MARTIN is a man that wears well. He has that fundamental sense of fairness and fair play that characterizes the real leader. Furthermore, he is not the type that takes himself too seriously and has no delusions of grandeur. He has that sound common sense and good judgment that is essention in a political leader.

He has had contact with national politics in many different ways and for a long time. I can now understand why Mr. Willkie selected him as the man to manage his campaign. He possesses political intuition to an extraordinary degree. Mr. MARTIN has a broad grasp of national public problems. He has heard them discussed for over two decades, almost daily. JOE MARTIN is known at every Republican political headquarters in the United States because of his contact with national campaigns and through his chairmanship of the national committee.

He states that he is not a candidate and undoubtedly he is not a candidate in the sense that he is drumming up an organization to drum up delegates for MARTIN. However, it is very likely that the convention may have difficulty in agreeing on one of the candidates, especially the ones that are now in the lead. In that event, a compromise candidate will be brought forward. In such a situation, JOE MARTIN or Earl Warren, of California, could easily emerge as the one selected and as agreeable to the contending factions who may have tied the convention up. A man like JOE MARTIN would have a tremendous lot of personal friends. There is not a member of the Republican group in the House that would not be delighted to do something for him in the event he were on the ticket. They would do this more as a personal tribute, perhaps, than as a party responsibility. Every Member of the House has been accorded fair treatment and as far as humanly possible, Mr. MARTIN has tried to meet their personal wishes. I have yet to find a Member who has ever made a serious complaint about any treatment accorded him by Mr. MARTIN as the Republican leader or as Speaker.

Mr. MARTIN has a broad conception of the important problems facing our country. For years, he was on the Foreign Affairs Committee of the House. He knows the legislative road that leads to laws, as he was on the Rules Committee for a long time.

SENATOR SALTONSTALL, OF MASSACHUSETTS

Senator SALTONSTALL is one of the group of Members in the Senate who has served as governor. As the Governor of Massachusetts he was a distinct success. He had wide experience in governmental affairs in Massachusetts and culminated his service to the State with three terms as Governor of Massachusetts.

Since coming to the Senate in 1944, the Senator has been exposed to and gotten a good insight into the national problems facing us at this time. He is listed as a forward-looking, progressive type of individual. He has a broad grasp of our international problems and the incidental problems of security which are tied to our foreign policy. The Senator is a very personable individual and one can readily understand how he remained in public office for so many years.

Senator SALTONSTALL's family is, like the family of Governor Warren, of California, a large, happy family. It is very possible that the Senator, in the event of a deadlock, might be considered seriously for the top spot and probably even more likely that he might be considered as a running mate of the one who would be selected for the nomination for President.

SENATOR EDWARD MARTIN, OF PENNSYLVANIA

Senator MARTIN is the oldest man in this list of names. He has had an interesting and colorful career as a soldier and as a public official.

Undoubtedly, Senator MARTIN will be the favorite son of the Pennsylvania delegation at the national convention. This delegation has 70 votes and constitutes a very strong group in the event that trading between the various candidates should occur.

EDWARD MARTIN rose from the rank of private to become a major general in the United States Army. He served with distinction in World War I and with distinction in World War II. He has been awarded the Distinguished Service Cross several times and he also wears the Purple Heart, symbolic of the fact that he was wounded in action.

As a public official of the State of Pennsylvania, Senator MARTIN has made an excellent record. In the numerous State offices in which he has served, he has performed well. He was the Governor of Pennsylvania for 6 years and proved to be an excellent administrator as well as an excellent chief executive of that great State. Undoubtedly, that training would be a splendid background for the administrative duties of the President of the United States. The Senator has been Adjutant General of the State of Pennsylvania which, in addition to his active participation in the last two wars, qualifies him as an authority on the matter of national security. He is thoroughly aware of the problems facing the country in a military sense. Since our foreign policy and national security are so interwoven in this age, all this experience is valuable to him in trying to help shape a course that will lead us to peace. He knows the explosive and interdependent world in which we are living today and is anxious, like every other public official, to try to lay down a pattern of relationship between ourselves and the remainder of the world which will lead to a peaceful horizon. No man who has not had the combat experience of Senator MARTIN can realize how a combat soldier hopes and prays and is willing to sacrifice for peace.

It may be that in the event a comparatively young man is nominated for President, the Republican Party would look to an older man to balance the ticket, such as was the case in 1944. Senator MARTIN, from the large State of Pennsylvania, would be an ideal candidate for Vice President in that contingency.

It is unlikely that the convention would nominate a man of his age for President. Should he be nominated for President and elected, he would be 69 years of age at the time he took office, which is generally considered to be too advanced an age for the strenuous job which the Presidency entails. At any rate, he would prove to be a tremendous drawing power in his own State and the populous East, where he is a member of the ticket, and it would not surprise anyone who has thought about the matter, to find him on the ticket as a candidate for Vice President.

SENATOR LODGE, OF MASSACHUSETTS

I also include the name of Senator HENRY CABOT LODGE, JR., as a possible candidate. As a very young man he showed tremendous vote-getting capacity by being elected to the United States Senate. While a Member of the Senate, and a very intelligent one, the war came on. Without any fuss or feathers, or without seeking to gain pub-

licity for his decision, he resigned from the Senate and entered the armed services. He had a magnificent war record in combat. He returned when his military service was over and again ran for the Senate in 1946 and was elected over the veteran campaigner Senator Walsh. It is perfectly obvious that a man of his age, with these attainments, and with his vote-getting capacity, must be reckoned with. He would add to any ticket, and it might very well be that in trying to select a young man with strong public appeal and a most excellent record, the convention might select Senator LODGE. He is young enough so he can be a prominent leader on the national scene for many years to come. We have often heard it said that coming events cast their shadows forward. The shadow of Senator LODGE on the national political scene is already clearly discernible and it may very well grow larger and more intense as the history of the next 15 years unfolds. On the pressing problems of the day, such as international questions, matters of security, and the building of an organization that will bring world peace, his record is excellent. This man is well trained, widely traveled, and equipped in every way to handle almost any job in the gift of our Nation. He is marked for a high place in the leadership of his party, as well as in the leadership of our Government.

There are other men who may develop into candidates. One is General Eisenhower. Another might be General MacArthur, although his age is against him. General Eisenhower is leaving the Army, entering the field of education in the city of New York, and it could very well be that there might be a strong enough movement to draft him so that the Republican Party, assuming that he is a Republican, might select him. However, it is unlikely that a military man will be selected. With all the military problems that have confronted the Nation in the last few years, I believe that the electorate still is a little uncertain as to the wisdom of selecting as a candidate a man whose entire career has been devoted to military problems. But times have and are changing and it might be that the people who have 15,000,000 veterans in their midst might lay aside their general feeling against military men in public office and decide to take such a leader.

Progress Versus Criticism

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. CANNON. Mr. Speaker, under leave granted to extend my remarks I include an editorial from the pen of Mr. Robert M. White II, editor of the Mexico Ledger, of Mexico, Mo.

It is a pertinent and piquant comment on congressional policy and statesmanship and is particularly timely and accurate in its summary of the attitude of public sentiment on the session just closing.

The editorial appears in the July 23, 1947, edition of the Evening Ledger as follows:

INVESTIGATIONS

The coming political year—the homestretch run for "48"—promises to be a year of congressional investigations.

Rubbing their hands with glee, the Republican Congress is planning to investigate such agencies, issues, and actions as the Reconstruction Finance Corporation, the immigration system, organization of the executive branch, wartime profiteering, economic condition of the country, high prices, housing shortage, foreign needs and domestic resources, lobbying activity by Federal employees, propaganda and publicity activity by executive agencies, Voice of America, policies of all lending and spending agencies, enforcement of the new labor law, taxes and tax policy, social security, un-American activities, flood control, etc.

Even investigations will be investigated.

Some of this probing is desirable.

The fact that it can happen is a needed restraint on some not-too-responsible bureaucrats. However, investigations are a negative way of getting things done. They are time-and-energy-consuming and while they correct some policies they mainly disclose the true character of past performance.

Naturally, the main reason the GOP Congress has held back its major investigations until the coming year, is political. Any and all disclosures of inefficiency in Government will be used as political ammunition in '48. This, of course, is all a part of the game. However, the country will not be fooled. The past Democratic administration were eras of progress. And eras of progress get more votes in the long run than eras of investigations. While investigations make history more accurate, they don't make history.

The Record of Congress on Housing

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared on the record of the present session of Congress in connection with providing adequate housing facilities.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HOUSING AND THE EIGHTIETH CONGRESS

When this session of Congress began in January we all knew that this Nation faced as one of its major problems a housing crisis. It was a problem which affected every element of our society but the group which it undoubtedly hit hardest was the veteran. Veterans wanted and needed housing desperately. They needed housing to fit their limited incomes. There were several concrete proposals put forward which would have gone a long way to meet the problem. But these proposals were not accepted by this Congress and today we find that the fate of the homeless veteran as well as other citizens who need a place to live is not only no better but in many respects considerably worse than it was when this Congress began its deliberations.

The action of this Congress on housing has been negative. Franklin D. Roosevelt, Jr., national housing chairman of the American Veterans Committee (AVC), an organization of World War II veterans which has shown creative leadership in the housing field, said in January that the veteran asked three things from this Congress in regard to housing: (1) Passage of the Taft-Ellender-Wagner long range housing bill; (2) continuation of rent controls without increases; and (3) the continuation of the limitation on commercial building and the channelling of critically short materials into veterans' housing.

Let us take a look at the record of Congress on these three minimum proposals.

The Taft-Ellender-Wagner bill has been endorsed by an impressive group of civic and church organizations in addition to the CIO, AFL, AVC, and VFW. The need for it has been demonstrated in the cold figures of statistics as well as the heart-rending stories of broken families with which we are all familiar. The Bureau of the Census has reported that from 30 to 40 percent of married veterans are living in rented rooms or doubled up with in-laws. The survey also demonstrated that most veterans could not afford the housing which was being erected. The median weekly income of veterans was shown to be between $40 and $50. In the majority of cases they cannot afford to pay more than $40 a month rent, and they cannot afford housing costing much over $6,000.

The Taft-Ellender-Wagner bill provided financial aids and guarantees which would expand rental and sale housing construction. It would have brought the cost of housing down. I do not intend to go into the details of the bill. Actually, in the eyes of the AVC and VFW it was a conservative proposal considering the proportions of the housing crisis. The AVC urged, for example, that the period of amortization loans for housing be extended to 50 years and the interest rate reduced to 3 percent. The effect of these provision would be to reduce a $60 monthly rental to around $48. The AVC proposed numerous other concrete amendments which would have broadened and improved the bill. I point this out to make it clear that it was not for a lack of a well-thought-out housing program that this Congress failed to act. The program which would have provided a large part of the solution was there—but it was rejected.

Instead of adopting a positive program Congress chose to listen to the siren call of the powerful real estate lobby. While the Wall Street Journal was reporting that over-all building costs were up 86 percent over 1939 and at an all-time peak, Congress was busy removing the last of the essential controls which were protecting a veterans' housing program. The American Veterans Committee protested during the last session of Congress concerning the results of the removal of price controls prematurely. Today we find that it has become general economic opinion that many controls were removed too soon. But in the face of a housing crisis and of skyrocketing housing prices Congress gave the green light to commercial builders in removing the last of the needed controls in the so-called extension of rent-control bill.

It already appears that we can kiss goodby to any hope of housing in the next year that veterans can afford. Housing builders are reported to be curtailing their programs up to 90 and 95 percent because of the increasing cost caused by the competition of commercial building.

At the same time that veterans groups were urging steps to reduce the cost of housing, the Congress chose to extend rent controls with phony provisions leaving the door open for increased rents. Actually landlords were making more money than ever before. Net operating income of landlords increased 30 to 40 percent since 1939 because

of the almost complete absence of vacancies and the savings landlords have made in maintenance costs. But Congress chose to accept the proposal of the National Association of Real Estate Boards calling for a 15-percent increase in rents for landlords who give their tenants a year's lease. Again, the consideration was not for the millions of veterans and other citizens looking for a place to live at rents they could afford but for the profiteering group represented by the National Association of Real Estate Boards.

Today it does not require extended investigation but merely a few conversations with veterans to discover they are not happy about the current housing picture. Veterans have been reasonable and patient in their housing demands. They have endured a multitude of extreme hardships in living in substandard housing makeshifts which have threatened their health and that of their families. They have doubled up with in-laws under circumstances which have caused general unhappiness and in many cases broken homes. But despite the patience and fortitude of our veteran population no American can escape the conclusion that it is the Nation's duty to make a sincere and hard-hitting effort to face and solve the housing problem.

This Congress has not faced the housing problem. I have tried to show that in the proposals of AVC and other groups we have had concrete suggestions. The program was there. We rejected it. As we return to our home States this summer I wonder how we are to reply to the question of the veterans who come to us and ask: "Why can't I get a place to live?" Can we with any sincerity say that the program of the National Association of Real Estate Boards which we have adopted will provide the housing that veterans need? If we do succeed in locating a house for sale can we point it out triumphantly to the veteran and say "Look what we have done for you?" I fear not, because the only houses on sale now range from $10,000 to $20,000 in cost and the veteran is apt to laugh a bit bitterly when we point out that kind of proposition to him.

I am confident that the Members of this body are going to do a lot of thinking about housing in the next few months since they are going to get some very pointed questions. I hope the thought is productive of a courageous attempt next January to get housing and not simply to assure the profits of a small and selfish group.

Regulation of Gas Transmission Companies

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Gas Bill's Cost Estimated at Fifty-two and a Half Million," written by Ruth Finney and published in the Scripps-Howard newspapers of July 25, 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAS BILL'S COST ESTIMATED AT FIFTY-TWO AND ONE-HALF MILLION—PUBLIC WOULD PAY, COMPANIES COLLECT

(By Ruth Finney)

WASHINGTON, July 25.—Natural gas transmission companies have a big dollars-and-cents stake in the Rizley Bill which would hamstring the Federal Power Commission's regulation of their rates.

The bill passed the House recently and will lay over in the Senate until next winter.

The Federal Power Commission released estimates today showing increased charges that 10 companies would be able to make if the bill becomes law.

Consumers in Pittsburgh, Ohio, Chicago, Detroit, Missouri, Kansas, Nebraska, Iowa, Minnesota, South Dakota, Oklahoma, Colorado, Wyoming, Indiana, Tennessee, Arkansas and Mississippi would pay $52,500,000 extra.

HIGHER PROFITS

The Commission said the added revenues would mean substantial increases in the earnings of transmission companies. The estimates were:

Cities Service, 14 to 24.3 percent.

Colorado Interstate Gas Co., 26.4 to 79.4 percent.

Natural Gas Pipeline Co., 11 to 33 percent.

Panhandle Eastern Pipeline Co., 18.7 to 33 percent.

Southern Natural Gas Co., 11.3 to 22.3 percent.

Mississippi River Fuel Corp., 17.4 to 25.4 percent.

When the Senate Interstate and Foreign Commerce Committee voted last week on the Rizley bill, it had not yet received the Federal Power Commission's report on the effect of the bill. The measure failed to receive approval by only one vote.

COMMISSION'S CONCLUSIONS

This is what the report said:

1. The bill would seriously hamper effective regulation of rates and service, to the detriment of consumers.

2. The Commission's report on its inquiry into all phases of the natural gas industry will soon be submitted to Congress. Therefore, it would be unwise to enact legislation now.

3. Many administrative difficulties would be inevitable because of contradictions and ambiguities in the bill.

4. The bill gives no assurance that the various States would have any authority to regulate.

Housing

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. HILL. Mr. President, this evening at 7:45, our distinguished colleague, the junior Senator from Louisiana [Mr. ELLENDER], delivered an important speech on housing, over the Mutual Broadcasting System national hook-up, speaking here in Washington. I ask unanimous consent to have his speech printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am grateful for the opportunity of talking to you about housing. It is of deep regret to me, however, that the occasion for this opportunity is the illness of Mr. LaGuardia. I know all of you join me in hoping for his speedy and complete recovery.

I regret Mr. LaGuardia's absence tonight for still another reason. I agree with his view, often expressed, that the failure of Congress to enact comprehensive housing legislation is a calamity. I consider—as he does—the reasons for this failure intolerable and shocking. It is the very sort of situation, in short, which calls for the full play of Mr. LaGuardia's unparalleled abilities for vivid analysis.

One of the main reasons why we do not now have comprehensive housing legislation has perhaps been best summed up by the President in a message to the Congress last month. In this message he said:

"One of the most stubborn obstacles in the way of any constructive housing program has been the opposition of the real-estate lobby. Its members have exerted pressure at every point against every proposal for making the housing program more effective. They have constantly sought to weaken rent control and do away with necessary aids to housing. They are openly proud of their success in blocking a comprehensive housing program.

"This group has sought to achieve financial gains without regard to the damage done to others. It has displayed a ruthless disregard of the public welfare."

As many of you know, I have been closely identified in the Congress with housing legislation for at least a decade. For many years, I served on the Senate committee which dealt with legislation relating to housing for low-income families. In 1944 and 1945, I was a member of the Special Senate Committee on Housing and Urban Redevelopment, of which Senator TAFT was chairman. Over a 2-year period, we carried out the most exhaustive and painstaking investigation on housing ever made in this country.

This investigation showed that our present housing conditions are not due to the war but have roots which go far back into the prewar period. We found that, long before the war, private enterprise—and I say this not in criticism but as a matter of simple fact—had been unable under existing aids to provide decent housing not simply for the lowest income third, but even for a substantial portion of our middle-income families. We found that most of the housing that was being built—before the war as well as after—was priced for sale or rent beyond the financial means of the great mass of our moderate and low-income families. We found that slum conditions had spread to such a large extent in most of our communities, large and small alike, as to gnaw at the very vitals of their well-being.

It was on the basis of the unanimous conclusions of that committee that Senator TAFT, Senator WAGNER, and I introduced S. 1592 in the last Congress, and its successor bill, S. 866, in this Congress.

Now, the basic point I want to make is that the efforts of those of us who served on the Senate committee, and of the Senators who participated in the drafting or consideration of these bills, were governed by a single fundamental objective. Simply stated it was that private enterprise must be given every opportunity and every encouragement to do as much of the total housing job as it possibly could, and that all governmental aid and activity in the housing field had to be predicated on this approach. Toward this end every private trade and related group interested in housing was canvassed

at least three times for their suggestions as to how private enterprise could best be enabled to do as much of the job as possible. We then incorporated in the bills the various suggestions made by these groups. In fact, our bill went immeasurably beyond the proposals advanced by these groups in assuring that private industry should have every opportunity and every encouragement to do as much of the total postwar housing job as possible.

The result was that 90 percent of the programs in S. 1592 last year, and S. 866 this year, were devoted to encouraging private construction of homes, whether for sale or rental. Public housing endeavor under these bills was clearly and explicity restricted to an area where there could not possibly be any competition with private enterprise, and only after being favorably acted upon by the elected officials of the governing body of the community applying for Federal assistance. Also, it was severely limited insofar as the total number of housing units that could be provided.

It is, of course, with a deep sense of irony that I tell you all this. For our expectation was that, since the bill gave every possible incentive and aid to private enterprise, and included the very programs suggested by the real estate and allied groups, we would naturally have their wholehearted support in securing the enactment of our bill. Under the circumstances, I think you will agree that would be the normal expectation of any group of fair-minded men.

You all know how mistaken that expectation proved to be. Primarily because of the fact that the bill provided some aid for our poorest families, the representatives of real estate and allied groups—who have, without any right or authority, sought to arrogate to themselves the role as the sole spokesmen for private enterprise—have bitterly and viciously fought the enactment of the bill.

But the views expressed by the representatives of the real estate and allied groups are not representative of the views of private enterprise. Let me make that clear by just one example. In testifying before the Joint Committee on the Economic Report this month, Mr. Jerome Ney, the chairman of the board of the American Retail Association, said:

"Now a final word on the controversial issue of public housing and the Taft-Ellender-Wagner bill. Again let's put good sense ahead of emotion. A substantial portion of the Nation's families at the bottom of the income pyramid simply cannot afford adequate housing. We agree with Senator TAFT that subsidized public housing, at least for a time, is the only sensible answer to this problem. We cannot agree that this type of public housing contains the threat of socialism in the housing industry. On the contrary, we believe that the greatest threat to private enterprise in housing is the failure to meet the housing problem head-on."

There has never been any doubt in my mind that had we left out of the bill the provisions for a limited program of aid for our poorest families, it would have been passed long ago. But neither Senator TAFT, nor Senator WAGNER, nor I, would agree to sponsor a program which extends aid to all groups of our citizens except those who need aid the most. This has never been the American way, and I hope it never will be.

Last year, as you know, these real-estate groups were able to prevent a vote on the comprehensive housing bill in the House. This year, they have directed their high-pressure tactics, misleading propaganda, and complete distortion of the facts toward preventing any action by the Congress on the bill.

Let me give you a few typical examples of the way in which these groups operate. This year representatives of the real-estate groups came before the Senate Banking and Currency Committee and testified that there really is no housing shortage. They said a fictitious picture of housing shortage has been created by Government propaganda. (Senate hearings on Reorganization Plan No. 3, p. 30.) We have been faced with the sorry spectacle of the representative of one of these groups stooping to make the categorical charge that the program of Government market guaranties for prefabricated housing undertaken as part of the veterans' housing program was, in fact, a calculated scheme to create a public-housing program. In proof of this, the group unequivocally stated that, as part of this calculated scheme, the Government has been purchasing these prefabricated units and storing them in warehouses until they got enough of them to go ahead with a gigantic public-housing program. As it happened, the committee requested facts. And what do you suppose this witness said when the facts were so requested? He said, and I quote, "I was mistaken about that." (Senate hearings on Reorganization Plan No. 3, pp. 26, 27, and 63.) But the important fact is that this incident is typical of the tactics employed by the representatives of these trade groups in spreading propaganda which they know is without any basis in fact, with the hope that it would mislead the Members of the Congress and the public generally.

An equally shocking spectacle was when representatives of these groups came before the Banking and Currency Committee and opposed the plan to organize the housing functions of the Government on a sound, permanent basis, on the ground that it was a mere subterfuge to promote public housing. In proof of this, figures were cited to the effect that this year's budget for the National Housing Agency was greater than its budget for last year. (Senate hearings on Reorganization Plan No. 3, p. 37.) On actual checking, we found that the increase cited was due to a very substantial increase for private housing aids, while, at the same time, there was a substantial decrease in the funds for public housing. In addition—and this caps the climax—when the House of Representatives cut out this increase for private housing, these same spokesmen then took their hats and brief cases and went down the hall to the Senate Appropriations Committee and asked that the reductions be restored on the ground that these services were essential to private enterprise. (Senate hearings on H. R. 3756, pp. 219-221.)

These groups have not only sought to sabotage all proposals for an adequate housing program; they have striven for legislation, and have engaged in litigation against the Government, designed to remove existing safeguards that the Congress has imposed in the public interest, in connection with the various aids it has made available to private housing enterprise.

This has been particularly true in connection with the Home Loan Bank System.

The result was that just last month, on June 23, the Supreme Court decided a case where the Federal Home Loan Bank Commissioner's action to conserve the assets of a Federally chartered savings and loan association was attacked as arbitrary and unconstitutional. By unanimous opinion, the Supreme Court found it necessary to state, and I quote: "It would be intolerable that the Congress should endow an association with the right to conduct a public banking business on certain limitations and that the Court at the behest of those who took advantage of the privilege should remove the limitations intended for public protection."

It is evident what these short-sighted groups are aiming for. They want all the rights, all the privileges, all the benefits, and all the aids, that they can get from the Federal Government. But, they want absolutely none of the limitations or obligations that go with these benefits and aids and that Congress has found necessary to protect the public. Moreover, they not only want all they can get, but they want to be the only ones to get it.

On the basis of the record, the present picture is discouraging and disheartening. But I can tell you, on the basis of my many years of experience as a legislator, that no short-sighted and ill-advised groups, or any combination of them, can continue to thwart the public interest if the public refuses to let them. The Congress in the long run is always responsive to the public interest, and the more active and determined the fight put up by the public, the quicker the response will be. With the closing of the present session, and the return of Congressmen to their constituencies, there is an admirable opportunity for you to make clear to your Congressmen what your desires and demands on housing are. I hope that the people will take full advantage of that opportunity.

Good night.

The Third Party

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two outstanding editorials written by Hon. Josephus Daniels, editor of the Raleigh (N. C.) Observer, and published in that paper. The editorials deal with the subject of a third party.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

WHY NO THIRD PARTY

Some people, who wish to see a third party, think they see the breaking up of old party ties and the emergence of a party that, no matter its name, will follow the course of the Labor Party in Britain. They argue that when Lloyd George organized a government, with conservatives in control of the military and fiscal branches, he lost the support of labor and the more militant liberals. The result was that the Liberal Party became a poor third. Its more conservative members voted with the Churchill imperialist party and the others either joined the Labor Party or gave it the votes necessary to enable the Labor Party to overwhelmingly defeat Churchill and the conservatives.

In view of the fact that some Democratic Senators and even more of the Democratic Representatives voted for the tax bill desired by the big boys, and the labor bill, and many from the South voted to override Truman's vetoes, it is said that they are opening the way for the swallowing up of the Democratic Party by an American Labor Party. There might be something in that if conditions in America were similar to those in Britain. The southern Democrats who refused to follow the Democratic President in his vetoes have no thought of leaving the Democratic Party. They know such a course would drive them out of office. In an off year they may vote for conservative or even reactionary measures in Congress, but in a Presidential year they will support the nominee because party fealty is strong and because they know

that the liberal sentiment in the South is much stronger than appears in the recent votes of legislators.

History will repeat itself. Most of the politicians in North Carolina were opposed to the nomination of Cleveland in 1884 and in 1892, and the delegates to the national convention both times cast the vote of the State for another. But every time North Carolina gave the electoral vote to the nominee, there always being a strong element for Cleveland and reform.

In 1896 the solid North Carolina vote was cast for Bryan, and also in 1900 and 1908—every time he ran. The "embattled farmers" were then liberal and militant and demanded liberal candidates and policies.

In 1904 the conservative wing controlled and advocated the nomination of Parker. They later favored candidates who did not appeal to the rank and file of the party. Every time the Democrats have nominated a conservative it has invited the defeat that followed.

In 1912 most politicians in North Carolina and in all other Southern States except South Carolina and Texas opposed the nomination of Woodrow Wilson. But this State, under liberal leadership, led in the nomination of Wilson in 1912 and 1916. He defeated the conservative Democrats in the convention and at the polls. If Wilson had not rung true for militant liberalism he could not have been nominated in 1912 or elected.

There were not wanting Democrats in North Carolina who were lukewarm supporters of Roosevelt each of the four times he was nominated and elected. Some came out for conservatives as the nominee and some joined the Liberty League to defeat him. But in all that period the militant liberals were so powerful that Roosevelt received the largest majorities ever cast for a candidate in North Carolina.

What does all this prove? That North Carolina Democrats—and most other southern Democrats—cannot be seduced into a third party or to favor the nomination of any candidate whose record is not progressively militant and liberal. Truman's vetoes of Republican legislation has strengthened him. No Democrat can be elected who does not get the militant liberal vote.

If, however, the Democratic Party should reject its Jeffersonian, Jacksonian, Wilsonian, and Rooseveltian sound liberalism and uphold the reactionary measures passed by this Congress, it would merit and invite the utter defeat that followed the nomination of Parker and Davis, who had the misfortune to get the kiss of death from big business, which on election day voted Republican.

The conservative and reactionary vote in the country at large is tied hand and foot to the Republican Party which does its bidding. When Democrats, failing to stand true for the old Democratic doctrine of "equal rights to all and special privileges to none" nominate a so-called middle-of-the-road candidate they march down the road to certain defeat.

No. There will be no incentive to let a Labor or other third party follow what occurred in Europe. The Democrat Party in 1948 will ring true for dynamic progressive and liberal policies and will attract the vote of all who repudiate the reactionary policies of this Republican Congress, and will hold the support of all the regular Democratic States.

THIRD PARTY IN 1948?

About this time of an off year when big issues divide men, in one of the parties much talk is heard of the probable organization of a new party in the Presidential election. The present predictions of division are not new. When a party has been in power for a long time there is certain to develop differences on policies. These became so acute in the last term of Cleveland that when Bryan was nominated in 1896 the Cleveland element nominated Palmer and Buckner on a gold-standard ticket. The Third Party ticket made a poor showing, for its members were so hostile to Bryan and so strong for the gold standard that in order to make Bryan's defeat doubly sure most of the Palmer and Buckner supporters voted for McKinley on election day.

After a tenure from 1897 to 1912 there arose serious divisions in the Republican Party. Under Taft the party enacted the worst tariff measure in history and became so reactionary that in 1912 Theodore Roosevelt and other Republicans refused to support the regular nominees. They organized a new party with militant leaders—Theodore Roosevelt and Hiram Johnson as candidates—and in that year this new party—called Progressive—carried six States. Roosevelt would have been elected if the Democrats had not nominated a fighting liberal. The division in the Republican Party assured Wilson's big majority, but in that year he would have won if there had been no Republican split. In that election Roosevelt received 88 electoral votes to Taft's 8, Wilson getting all the others.

There has been no serious attempt to form a third party since 1924 when the La Follette-Wheeler ticket of the Progressive Party failed to carry any State except Wisconsin.

Will there be a serious movement to form a new party in 1948? Harold L. Ickes left the Republican Party in 1912 to support Theodore Roosevelt, returned to it later, but refused to remain in the party when it returned to old-time reaction and supported Franklin Roosevelt in 1932, 1936, 1940, and 1944. He says: "I am very much in favor of two strong major parties. I do not want to see the Democrats scared to death. So I assure them that there will be no third party in 1948."

Mr. Ickes, having affiliated with three parties, ought to be as good an authority as lives on the question of a third party. He thinks the real threat to Democrats comes from the Democratic administration itself and not from an imagined third party that lacks organization, money, or leadership.

It is true today, as Wilson said in his day, that 75 percent of the Democrats were liberal and 25 percent conservative, whereas the proportion of Republicans was 75 percent conservative or reactionary, while 25 percent of the Republicans were liberals. Judging by the votes in Congress at this session the proportion of Republicans who are liberal has decreased, and in the Senate there are less than half a dozen and probably not more than that proportion in the House. In 1948 the Republicans will be dominated by the element that has shaped reactionary legislation and will nominate candidates who are in the bag for the big boys, but who will talk progressive as Dewey did after reaching the Pacific coast in 1944. Nobody believed his belated liberal talk was sincere.

The Democratic Party must and will be militantly liberal and make the issue as clear-cut as Wilson and Roosevelt did. If it caters to the so-called conservative vote it will invite the same fate that defeated it when it nominated Parker, Davis, and other candidates who received the kiss of death from some of the big boys.

Rent-Control Legislation

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Letting the Cat Out?" published in the Pittsburgh Press of July 24, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LETTING THE CAT OUT?

Congressman JESSE WOLCOTT recently made some interesting comments on the new rent law which he engineered through the legislative mill.

The Michigan Republican advised tenants who feel their landlords aren't entitled to a 15-percent rent increase to sit tight.

But under the law which Mr. WOLCOTT sponsored, such a tenant will face the possibility of an unlimited rent increase or eviction, come next March, unless he agrees to the rent boost now so he can get a longer lease.

To brush off this threat, Mr. WOLCOTT told reporters that Congress has no intention of forcing tenants into the streets next spring. If the housing shortage is still bad, he said, rent controls won't be permitted to expire February 29, as scheduled.

Well, could it be Mr. WOLCOTT is letting the cat out of the bag?

The one-sided rent law, which brandishes the threat of eviction next spring over the tenant who refuses to give his landlord an immediate rent increase, was passed under pressure of the real-estate lobby.

But Mr. WOLCOTT'S statements are significant.

It leads one to wonder whether this rent law wasn't just a gesture of appeasement to satisfy the landlord lobby and win the votes of the real-estate men in the 1948 election.

Having sewed them up, the Republicans then could very well say to the real-estate interests—just before rent controls expire next February:

"We gave you the chance to get a 15-percent rent increase. Now we're going to extend the rent controls another year."

And hope that that will give them the votes of the tenants too.

Or maybe Congressman WOLCOTT already has seen the handwriting on the wall if rent ceilings are lifted. For the housing shortage certainly isn't going to be licked by next spring. And if rent controls are permitted to expire, thousands of tenants will face eviction with no place to go.

Should this come to pass, the Republicans might very well find themselves with a housing problem of their own. They might have to move out of Washington.

Resource Development and Valley Authorities

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have inserted in the RECORD an able address on the subject, Resource Development and Valley Authorities, by Hon. C. Girard Davidson, Assistant Secretary of the Interior, before the Valley Authority Conference in Washington, D. C., July 18, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today as never before this country must concern itself with the vital problem of con-

serving and developing its basic resources. The full utilization of our resources is necessary for the progressive development of our economy and the achievement of higher standards of living for our people.

Many countries of the world are also depending upon the basic resources of the United States to assist them in bridging the gap until they can support themselves through the development of their own resources. At the direction of the President, two committees of Government economists and experts and a committee of private citizens are studying this problem. They are trying to appraise the effects of a comprehensive program of foreign aid and reconstruction on our own resources and the impact of such aid on our economy.

Despite the prodigal fashion with which we have exploited our resources in the past, this country is still basically very wealthy. There are vast areas in the country, particularly in the West, where we have barely scratched the surface in the development of our resources. In addition to providing this country and the world with the materials and supplies they require, the full development of these underdeveloped areas will provide millions of additional jobs, business and farm opportunities for our citizens.

As the President said in his State of the Union message to Congress, "The major opportunity of our generation to increase the wealth of the Nation lies in the development of our great river systems." Of course he meant the construction of multiple-purpose dams that will harness the waters of our rivers for flood control, irrigation, navigation, fish and wildlife propagation, and recreation. But he also meant when he spoke of increasing our wealth that these river systems should produce cheap and abundant supplies of hydroelectric power. As he said at Kansas City last month, "We have a long-standing policy that public power resources should be developed for the benefit of the people."

I do not want to minimize the need for flood control and other benefits of water development in the Missouri Basin and on other river systems in the West, but I want to emphasize that such flood control and other benefits must be achieved without sacrificing the productive benefit, the creative benefit of hydroelectric power.

Just as a century ago the railroads opened up the West, so cheap power will develop its resources. But the difference will be that instead of making the West a colonial empire of the East by carrying away its movable assets, cheap power, if we maintain our present public power policies, will bring a balanced development and a prosperity based upon a diversified economy.

Advancing technology places increasing reliance upon power for the production of the things we use and for processing the raw materials of our mines, our fields, and our forests. The electric furnace and the electrolytic cell are our means of overcoming the depletion of our high-grade mineral reserves because through them a large variety of our low-grade mineral ores can be made to yield their metals and chemicals, if cheap power is available. Electricity today is an indispensable raw material of production.

Even though these last hundred years have seen us skim the cream of our western minerals and forests and land resources, we have the tools whereby those resources that remain can be made to continue the enrichment of the American economy. For instance, the application of cheap power to our forest resources opens up vast potentialities for economic activity in plastics, alcohol, and other chemicals. We can make the full tree become a producer of wealth, instead of one-third lumber and two-thirds waste. This development is already well under way in the Pacific Northwest where a variety of products are now being processed from what was once wood waste.

The same principle applies to our fishing industry. At the present time we discard at our fish canneries almost as much value in vitamins and proteins as we process. Given adequate research and the application of cheap power, we will some day be producing synthetic fibers, artificial leather, and a variety of pharmaceutical substances from the scrap of the fishing industry.

The availability of abundant cheap power means not only the conversion of resources now wasted or untapped into useful products but the diversification of the raw-material economies of our underdeveloped areas. As an area begins to process some of its own raw materials, its prosperity increases and it becomes a better market for the goods manufactured in the other regions of our country. The diversification of industry reduces the reliance of a region upon the exploitation of its basic raw materials. Consequently, there is more opportunity for the conservation of the region's basic resources without impairing its prosperity.

The same dams which produce the power so important to the economic progress of our underdeveloped areas store the water and make it available for irrigating arid lands. Through land reclamation we can provide additional acreage to grow the food needed, in ever greater quantities, at home and abroad.

In addition to increasing our supply of arable land by irrigation and reclamation projects, we must conserve our soil resources and restore the fertility of land already under cultivation. For this purpose, farmers are demanding ever greater quantities of phosphate fertilizer.

In the Northwest there is almost an infinite supply of phosphate awaiting development by the fertilizer industry. Through the electric-furnace process developed by the TVA, we believe that low-grade phosphate shale may be used as effectively in the production of plant food as is the high-grade rock under the other methods. Here again the availability of the abundant supplies of cheap hydroelectric power can assist in the development of a mineral vitally needed for conserving one of the Nation's most valued resources.

In recognition of the importance of the development of our western phosphate reserves, the Department of Interior undertook to develop a coordinated program involving most of its 12 bureaus and divisions. Our phosphate program involves the surveying and testing of western phosphate deposits, the study of commercial feasibility, the transmission of power to the areas slated for development, adjustments in our mineral leasing policy to facilitate development, the study of transportation, market, and other factors influencing the production of phosphate and the coordination of the agencies responsible for those various functions. We are also working cooperatively with the Department of Agriculture and the TVA on this project.

The coordination of Interior agencies involved in the program was facilitated by the Pacific Northwest Coordination Committee which had been established by the Department to pull together and correlate the programs of the several bureaus in that region. The execution of the phosphate program in proximity to the people of the region affected has given added impetus to the development.

This kind of approach to the problem of resource development has demonstrated the value of intensified efforts to coordinate existing agencies of Government in the area within which the work is to be done, both within and between the several departments.

I am not citing this example of an effective attack upon a resource problem in order to lead this conference away from its subject. Nor is this an attempt to prove what you already know—that competent, earnest people working on the solution of a problem for the public benefit will do a good job irrespective of organizational difficulties and administrative hurdles. I am aware that the problem to which this conference addresses itself is not whether we should have coordination in the development of our resources or why we should have coordination, but how this can best be done.

We are seeking the most effective, efficient, and economical method of doing our resource conservation and development jobs. We are seeking the most competent vehicle for the planning and administration of these programs. We are seeking a method that will not depend merely upon the good will of a few good people. We want machinery that will facilitate—not frustrate—the good work of good people.

I have been fortunate in having had a rare opportunity to observe the various approaches we have used in developing our resources. I was employed by TVA for several years, during which much of the initial planning and construction were under way. After a period in private law practice I then went to work for the Bonneville Power Administration in Portland, Oreg., and had an opportunity to observe the problems of resource development in the Columbia River Basin. The Bonneville Power Administration of the Department of the Interior, as you undoubtedly know, is the power marketing agency for dams built and operated by the Corps of Engineers and the Bureau of Reclamation on the Columbia River. Currently, here in the Department of Interior, as I have indicated, we have attempted to coordinate the bureaus and divisions of the Department to achieve our conservation and resource development objectives.

Out of this experience has come a conviction that the planning of resource development should be on a river-basin basis; and that the most speedy, efficient, and economical method for carrying out both the planning and execution of the program is by a regional development agency which has ultimate authority and responsibility for the total job to be done. The budget process through which our national resource agencies must operate is such that it is well nigh impossible to achieve the dovetailing of plans and programs of work in a given river basin. Even if the agencies should submit budgets which are properly related to common objectives in river basins, there is no guaranty that the various congressional committees which will consider the programs and requests for funds of the several agencies will coordinate their actions. Moreover, national agencies have broad interests in relation to which the problems of any one river basin are relatively less important. Consequently, responsibility should be concentrated in a regional agency which is solely concerned with the development of the resources of that basin.

The establishment of a valley authority does not require the replacement of the Federal agencies with special competence, which perform those functions in the area which are clearly a part of a general national program. But under the unified planning of a valley authority which is responsible for the results achieved and is vested with the ultimate authority to get the job done, the timing and scope of these agencies' respective programs would conform to the requirements of the valley's development.

A good example of the lack of such unified attack on a river basin is represented by the Rio Grande Valley, which constitutes one of the most acute problems in the country. In this valley, the water supply is inadequate and irregular. From time to time, spring or summer floods cause extremely heavy damage to rural and urban properties and transportation facilities. The flood danger is

steadily becoming worse, due to the rising level of the river bed caused by the ever-increasing deposits of sediment. The river bed is already several feet higher than the adjacent valley land over long stretches of the river. It is at least several feet higher than the main business and industrial section of the city of Albuquerque. The present levee system becomes less and less effective as the bed of the river rises.

The aggrading river bed is causing the water table underlying the adjacent valley land to rise, and is rending the present drainage system more and more ineffective. Irrigated farmlands are being abandoned as they become waterlogged or are covered by sediment brought down by the floods.

To put an end to the devastation and property damage caused by soil erosion, floods, and deposits of sediment requires a completely integrated valley program. The developments on the main river for downstream flood and sediment control, irrigation, and power must be related to the developments for upstream erosion control and the rehabilitation of the resources on the watershed. Plans for the downstream program are the primary responsibility of the Bureau of Reclamation, the Corps of Engineers, and of several other cooperating agencies. Plans for the upstream and watershed development are the primary responsibility of the Department of Agriculture. Funds were approved by Congress for carrying forward the reclamation and downstream flood-control investigations and plans during the war. Appropriations and work on the upstream flood control or watershed investigations by the Department of Agriculture were suspended during the war.

The reports and plans of the Bureau of Reclamation and the Corps of Engineers were scheduled for completion July 1 of this year. Investigations of the upstream phases of the problem by the Department of Agriculture have not been resumed as of this date, and reports and plans will not be completed short of 2 years or even longer if funds for this purpose are not made available for the fiscal year 1948. All three reports should have been prepared, been fully coordinated and presented at the same time so that there may have been laid before Congress a complete over-all plan for the middle Rio Grande Valley.

Similarly, other rivers are broken up into special problems and attacked upon a piecemeal basis.

Only the development of the Tennessee Valley stands out in sharp contrast to the development of our other great river basins. While the Rio Grande Valley problem still awaits a solution, the Tennessee Valley has achieved watershed control in step with dam construction so that the river now runs clear and the soil in that valley stays on the land.

If we have learned the lesson of the intimate relationship between natural resources that permits their unified development, it is largely because of the example of the Tennessee Valley and the TVA. It would be extremely dogmatic to assert that a river could not be developed except by a valley authority modeled after TVA. But it is irrefutable that despite the long years of effort by our other resource development and construction agencies, and the millions of dollars of expenditures, the Tennessee is the only river that has been completely harnessed and controlled in the interests of the people.

Compare the Tennessee Valley with its neighbor, the Missouri. In the past few weeks we have witnessed some dramatic contrasts between the two regions—the one devastated by floods; the other secure from such depredation and ready to benefit from the storage of the waters derived from heavy rains by releasing them through turbines to generate electric power.

There are other significant, if less dramatic, bases for comparing the Tennessee and Missouri Valleys. During the 10-year period 1930 to 1940, the Tennessee Valley gained 12 percent in population; the Missouri Valley lost one-half of 1 percent of its population. The value of manufactured goods produced in the seven Tennessee Valley States increased 27.7 percent, and industry expanded; in the Missouri Valley during the same period the number of manufacturing plants decreased from 20,000 to 17,000, representing a loss of employment for 110,000 wage earners. Land values which had been on a parity in the two valleys in 1930 increased from about $39 per acre to an average of $46.30 per acre in the Tennessee Valley and decreased to $25.28 in the Missouri Valley. In other respects, the economic well-being of the people of the Tennessee Valley improved during the 10-year period with resulting benefits to the entire Nation. The Missouri Valley, which comprises one-sixth of the land area of the United States and is vastly richer in other natural resources, does not carry its proportionate weight in the national economy.

These comparisons demonstrate that it is important not only that we make the necessary investments in the development of our basic resources but that we do it in such a way as to achieve a balance of interests. The active participation of the people of the region in the planning for the development of the resources, on which their future well-being depends, helps materially in formulating and crystallizing the common purpose in relation to which conflicts can be resolved in the public interest.

Most of us have agreed upon the desirability and even the necessity of developing our river basins through valley authorities. But just because this is the most sensible plan doesn't mean that it will be easy to achieve. All of us remember the years it took the late Senator Norris to secure the passage of the "lame duck" amendment which made good sense and hurt no one. In addition to being right, he had to work at it. We can do no better than to follow his example. We should do no less.

The Crisis Facing Agricultural Commodities

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. PEPPER. Mr. President, in spite of the unprecedented prosperity which we have today, a real crisis faces many of the prominent agricultural commodities of this country unless we can expand our foreign markets so that they may be absorbed. I recently delivered a radio address on the subject. I ask unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are now at a point of farm and industrial production and prosperity unprecedented in American history. Corporation profits and farm income today are generally higher than ever in the past. Yet, at this very time, a number of important agricultural products face a truly grave market emergency and threaten bankruptcy or serious losses to thousands of efficient farm producers.

This market crisis faces a substantial number of farm products produced in a great number of our States—citrus fruits, dried fruits, potatoes, including sweetpotatoes, certain of the canned vegetables, dried milk, dried eggs, and others.

These products, until this year, were partially sustained by large Government purchases and by foreign exports. Today Government purchases and the foreign market have greatly dwindled. This situation has been permitted to develop despite the fact that the Government has been spending many hundreds of millions of dollars to feed the hungry people of the world and particularly those in our zones of Army occupation. In the spell of a false economy, we have been buying for that purpose such foodstuffs as grains which provide the greatest calorie content for the smallest expenditure of dollars. But in this process, we have been promoting the upward spiral of prices in the relatively tight supply products, while we have permitted other products in heavy supply to go to waste and rot and to fall to dangerously low price levels. And the very products now being ignored in our Government purchasing programs are the ones which are of vital importance in providing a balanced diet. I believe, if we are to help feed starving foreign peoples, as, indeed, we must and should, that we should do it as efficiently and providently as we can. But our purchasing program should give thought to the need for a balanced diet. I contend the purchasing program should avoid aggravating the unbalanced condition of our agriculture; that it should not inflate prices of certain commodities to unprecedented highs; that it should not permit other commodities like citrus fruits, potatoes, dried milk, et cetera, to fall to dangerous lows.

Let me illustrate this problem by a more particular reference to the citrus-fruit situation.

In four of the great States of our Union, California, Texas, Arizona, and my own State of Florida, the citrus-fruit industry is of basic importance. That industry now faces the most serious market situation in years.

During the war years, in response to the Government's need for greater production of food, citrus crops were increased very substantially in our four citrus States. The Government bought as much as 48 percent of the total processed citrus juices during the war, for our Army and Navy, but in the last 2 years, Government purchases have been drastically reduced to less than 2 percent, and the citrus industry has been unable to sell all the fruit it has produced. Prices have dropped sharply and some producers are receiving less for a box of fruit than it cost them to produce it. Other producers, fearful of a further decline in prices, have abandoned their crops, which will remain unpicked this year. The Department of Agriculture estimates that in Florida alone, 3,800,000 boxes of citrus have been left to rot on the trees because the growers could see no profit in hiring labor to pick them.

America and the world unfortunately are not without experience in the matter of letting fruit rot on the trees and grain wither on the stalks. But, generally, that happens only in times of acute economic crisis when the people are without funds and the Government without the will or the resources to bridge the gap between the oversupply and the unsatisfied needs of the hungry. But now, we are at a point of prosperity unprecedented in American history. Now, corporation profits and farm income generally are higher than ever in the past. Yet it is now that the citrus industry, as well as a number of other agricultural products, faces a truly grave market emergency.

On the other side of the water, millions of people are going hungry. Millions of children are going undernourished and are being doomed to disease-ridden foreshortened lives for lack of necessary vitamins and minerals in their diet. Citrus fruits would be an ideal

food to insure a healthful balanced diet. Great Britain, for example, is so concerned about the lack of balance in the national diet, that she dips regularly into her meager stock of dollars to buy from the United States citrus juices for use in feeding children and expectant mothers.

Here, then, is a great need for our products on the other side of the water and a surplus supply on our side of the water.

We must find a bridge between their needs and our supplies. Every consideration of political and economic advantage dictates that we do this. Well, what can we do about it?

Last week a number of Senators from the citrus-growing States—Florida, California, Texas, and Arizona—had a conference in the Capitol with the then Assistant Secretary of War Petersen. Mr. Petersen was in charge of the Army's food purchases for the feeding of the foreign populations in our zones of occupation in Germany and Austria. We urged upon him a policy of buying those farm crops that were in heavy supply and for which there was an insufficient home market, including citrus fruits, dried fruits, potatoes, certain of canned vegetables, dried eggs, and dried milk. We pointed out that Army purchases at present were being concentrated on certain grain products, such as wheat, which are especially high in calorie content. This results, of course, in sending up the prices of those foods to record high levels, while the prices of other foods are permitted to fall below the cost of production. Secretary Petersen was quite familiar with the problem. He was mindful that Army purchases of certain products in comparatively short supply were helping spiral prices of those products. He indicated that he would prefer, other things being equal, to buy commodities in heavy supply, like citrus fruits and dried fruits, eggs and milk, since this would give assistance to American producers who need it most and would help to maintain a balanced farm economy. But he pointed out that he was limited by a small appropriation which required him, in the interest of obtaining the maximum calorie and protein content for his money, to concentrate on grain foodstuffs in comparatively tight supply.

The Senators who made up the group which had the conference with Secretary Petersen have done me the honor of naming me to head up the work of further negotiating with our Government departments with a view to obtaining the necessary relief for the American citrus industry. With their aid and support, for which I am deeply grateful, I shall continue to press for the inclusion of a fair proportion of citrus products in the goods we ship abroad on loan and credit. I shall fight for an adequate school-lunch program.

But in the economic interests of the people of my State, I shall fight generally against the danger of drying up the foreign market for all American goods.

The business papers are full of warnings by economic experts that our current prosperity is being precariously maintained and will be short-lived. They argue that the recessions that have followed every previous war in our history constitute an inevitable pattern, which the present postwar period cannot escape. I am not one who will accept supinely the inevitability of economic depression.

I understand that we have not yet discovered the exact formula guaranteeing economic stability, but I do assert that we have learned a lot since 1929. We have discovered much about what makes the wheels go around in our economy. We have identified some of the weak spots which are the first to give way when prosperity turns the corner down the accelerating road to depression. We also know where some of the strategic spots are, the spots where Government measures, applied in time, can head off a depression or cushion it if it comes and speed recovery.

Now, I say that the problem faced by the citrus industry and by other major farm crops in heavy supply—dried fruits and certain of the canned vegetables, potatoes, dried eggs and dried milk—is a stop, look, and listen signal. It warns us of the danger involved in the delicate balance of our current prosperity. But, if we heed that warning, we will find that the danger is also an opportunity for our agricultural producers. One of the principal reasons for the plight of the citrus industry and the other farm products in heavy supply is the loss of the foreign market. That market has not been lost to competitor nations, who are out-producing or out-selling us. The grim fact is that in most of Europe, farm production is far less than it was before the war. In addition to reduced harvests, transportation difficulties have cut deeply into supplies. No, we have lost those markets because they do not have the dollars to pay for our food stuffs.

Now, not only the American farmer and citrus grower have relied heavily on the export market. It is the considered judgment of all our economists that the recent high level of exports has been one of the most powerful contributors sustaining our current prosperity. Export markets have absorbed all the goods which American business and American consumers were unwilling or unable to purchase. Wheat is doing remarkably well today, but it must be noted that the heavy American exports of wheat are just equal to the surplus in the American wheat crop over normal home requirements. In other words, if we did not have foreign markets for the unusually heavy wheat exports we are now shipping abroad, our surplus would be so great that the price would drop to a dangerous low, which would bankrupt many of the wheat-growing farmers of America and, in the process, drag down many of the businesses which depend on a continued prosperity of the wheat farmer. Now, the foreign consumers of our surplus wheat do not have the dollars to pay for it. They are getting that wheat through our Army purchases to feed foreign peoples in the occupation zones; they are getting it through American loans, grants, and credits.

But there are clear indications that the foreign markets, which have contributed so much to stabilizing our own economy and to preserving the prosperity of the bulk of our farm population must be expected to shrink in the very near future. Foreign countries have, for some time now, been scraping the bottom of the barrel of dollars, and rising prices have bitten deeply into their meager dollar supplies. The English loan, for example, will be exhausted a year earlier than was anticipated. We are exporting to foreign countries about $16,000,000,000 of goods this year, but those foreign countries will earn no more than $8,000,000,000 through the sale of goods and services to us. A deficit of about $8,000,000,000 in the balance of trade faces them. To meet it, they will have to draw upon their dwindling gold and dollar assets and new American credits. Unless means are found to replenish the supply of dollars, a sharp drop in the level of exports would appear unavoidable. If that drop occurs, we may expect, because of the special and profound effects of exports on business activity, that a general economic depression will be touched off.

The current rate of American exports means about 7,000,000 jobs for American workers—jobs in the better paying industries, because they are the ones that generally produce for the export trade. For thousands of American businessmen and farmers, that export trade means the difference between staying in business and failure. For thousands of others, the margin of exports is the difference between red ink and black ink for certain of their lines of business. But these direct benefits of exports do not begin to measure their beneficial effect upon our whole economic structure. Ours is a dynamic economy and exports are one of the important catalysts in the business process. The development of recession in the export sector of our present business would precipitate a downhill snowballing reaction in the other sectors. For example, if our exports of machine tools should drop sharply, thousands of machine-tool workers would be laid off. But that is not the whole story, because, when the income of these workers is cut off, they would be unable to buy the products of farmers and factories and the home market, and thus the chronic vicious cycle of our economy is set up again.

There are those who say that we cannot afford to make the loans and advance the credits required to maintain the export level required for our prosperity. There are those who think the Marshall plan will waste our precious American substance abroad. This, I suggest, is the false economy of the pound-foolish policy. For many reasons, America cannot afford to let Europe go down.

Six years of bloody war and then 2 more years of continued hunger, cold, and privation have left Europe on the verge of a fatal collapse. If that collapse is permitted to occur, if chaos and desperation dethrone stability and hope, who can say what new tyranny and dictatorships would spring up? We must be concerned with economic freedom and justice quite as much as with political freedom and justice. We know that the freedom and the liberties of the people must have a sound material basis if they are to survive and expand. In the past 20 years, we have seen too many examples of hungry and insecure men pawn their freedom for bread and shelter. We have seen how little free speech means to a mouth that is crying for bread. We know that, in the whirlpool of depression and mass unemployment, it is not only economic opportunity that gets sucked under, it is liberty and democracy itself. We are truly devoted to the democratic faith. Then, we must prevent the kind of depression that swept the world in the thirties and left tyrannous demagogs, like Hitler, in its wake. We must not play politics with hunger and starvation, with peace and war. We must not risk our birthright for what is merely a mess of pottage, the proposed untimely and unjust tax cuts. We must not, for lack of courage and vision, lose the world we fought so hard to save.

To many of us, the preservation of a peaceful democratic world is justification enough for a bold program of American lending and investment abroad. But such a course is dictated also by every consideration of self-interest. America cannot afford, cannot afford in dollars and cents terms, in bread and butter terms, to let Europe go under. Europe has never been self-contained or self-sufficient, so far as its needs of foodstuffs and industrial goods is concerned. Europe has always turned to American farmers and businessmen for food and raw materials and industrial machinery. European purchases have been one of the major factors making for American prosperity and industrial supremacy. If we let Europe go under, therefore, we undermine directly one of the foundations of American prosperity and industrial might, as well as the peace and security of the world.

What I am calling for is a return to the enterprise, vision, and courage, which made American business the envy and despair of all competitors. All I am asking is a return to that great American heritage—a tradition that goes back to the earliest days of the American Republic, to the days when it was still weak and untried, the American tradition of holding out a helping hand to the struggling peoples anywhere in the world, who ask our aid in their fight for a new and better life.

United Nations' Useful Open Forum

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "UN's Useful Open Forum," published in the Pittsburgh Press of July 24, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

UNITED NATIONS' USEFUL OPEN FORUM

Stressing the need for amendments to the United Nation's Charter to curtail the veto power, the American Legion calls the UN's Security Council "a perpetually hung jury."

The Legion admits this may not be the time to make fundamental changes in the Charter. But it indicates a goal which it feels must be attained before the UN can be "fully effective."

This, we think, is a proper approach to the problem. The UN cannot be fully effective so long as there are major conflicts between the two blocs which now divide the world. It is essential to recognize that fact, but just as essential not to dismiss the organization as an institution of no great value.

Something like a "hung jury" results from every clash between the Soviet and the western viewpoints. But discussions before the Security Council put the spotlight on troubled areas and so contribute to public understanding of international controversies and to creation of a world opinion that can become a mighty force for peace.

A charter amendment to eliminate the Soviet veto would not itself bring a change in Russian foreign policy. However, continuing abuse of the veto will tend to reveal the real Soviet objectives. If these are not in harmony with Soviet propaganda, misuse of the veto will defeat its own purposes.

Kicking Russia out of the UN would settle nothing, tempting as that thought might be. We've got to live with the Soviets, like them or not, in or out of the UN; so long as they stay in, they can be called on to explain their conduct before the world. The UN's open forum can be useful if we make the most of it.

A Tax Cut Proposal

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. FORAND. Mr. Speaker, under leave to extend my remarks I include a bill which I have just introduced suggesting a fair distribution of tax relief when and if we are to have tax reduction. This bill was prepared in collaboration with my colleagues, the gentleman from Michigan [Mr. DINGELL] and the gentleman from Pennsylvania [Mr. EBERHARTER], whose names would appear on the bill as coauthors if the rules of the House permitted it.

The Forand bill would: First, eliminate wartime excise-tax rates on a large number of items; second, repeal the tax on transportation of property; third, raise individual income-tax exemptions by $100 per capita; fourth, reduce individual income surtax rates by 1 percentage point in each bracket; and fifth, allow married persons in non-community-property States the same tax treatment as husbands and wives in the 12 community-property States.

The income-tax provisions of the bill carry an effective date of January 1, 1948. When Congress convenes next January we can determine whether the time for tax reduction has arrived. The Secretary of the Treasury has advised the Committee on Ways and Means that a period of tax reduction is approaching. This bill provides for tax reduction in accord with the principle of ability to pay—which is the only fair and equitable theory of Federal taxation. If fiscal requirements and inflationary threats make tax reduction inadvisable on January 1, 1948, then my bill can be held until that happy day arrives.

The estimated annual loss of revenue would be somewhat over $4,000,000,000—or approximately the same over-all tax cut provided by the Republican tax-reduction bill. The bill, however, would provide greater benefits for persons in the lowest income groups.

The text of the bill follows:

A bill to reduce Federal income and excise tax rates, to equalize Federal income taxes upon married persons, and for other purposes

Be it enacted, etc., That this act may be cited as the 'Tax Reduction Act of 1948."

REPEAL OF WARTIME EXCISE TAXES AND WARTIME EXCISE TAX RATES

SEC. 2. (a) Sections 1650, 1651, 1652, and 1653 of the Internal Revenue Code (relating to war taxes and war tax rates) are hereby repealed.

(b) Section 302 (b) (2) of the Revenue Act of 1943 (period applicable to increase of tax with respect to billiard and pool tables and bowling alleys) is hereby amended by striking out the period at the end thereof, and by inserting in lieu thereof the following: ", and continuing through June 30, 1948."

(c) Section 309 (b) of the Revenue Act of 1943 (relating to draw-back on distilled spirits) is hereby amended by striking out the period at the end thereof, and by inserting in lieu thereof the following:

", and ending on the first day of the first month which begins more than 20 days after the date of enactment of the Tax Reduction Act of 1948."

(d) The term "rate reduction date" as used in chapter 9A of the Internal Revenue Code (relating to war taxes and war tax rates) means the first day of the first month which begins more than 20 days after the date of enactment of this act.

(e) The amendments made by subsection (a) shall be effective on or after the first day of the first month which begins more than 20 days after the date of the enactment of this act.

REPEAL OF TAX ON TRANSPORTATION OF PROPERTY

SEC. 3. (a) Subchapter E of chapter 30 of the Internal Revenue Code (relating to the tax on transportation of property) is hereby repealed.

(b) The amendment made by subsection (a) shall apply to amounts paid on or after the first day of the first month which begins more than 20 days after the date of the enactment of this act for transportation on or after such first day.

INCREASE IN PERSONAL EXEMPTIONS

SEC. 4. Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out "$500," wherever appearing therein, and by inserting in lieu thereof "$600," and by striking out "$1,000," and by inserting in lieu thereof "$1,200."

REDUCTION IN SURTAX ON INDIVIDUALS

SEC. 5. (a) Section 12 (b) of the Internal Revenue Code (relating to the rates of surtax) is amended by striking out the tax table contained therein and by inserting in lieu thereof the following:

"If the surtax net income is:	The tentative surtax shall be:
Not over $2,000	16 percent of the surtax net income.
Over $2,000 but not over $4,000.	$320, plus 18 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$680, plus 22 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,120, plus 26 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,640, plus 30 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,240, plus 34 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$2,920, plus 39 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,700, plus 43 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,560, plus 46 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,480, plus 49 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,460, plus 52 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$7,500, plus 55 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$9,700, plus 58 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$13,180, plus 61 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$16,840, plus 65 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$20,740, plus 68 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$24,820, plus 71 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$31,920, plus 74 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$39,320, plus 77 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$47,020, plus 80 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$55,020, plus 83 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$63,320, plus 85 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$105,820, plus 86 percent of excess over $150,000.
Over $200,000	$148,820, plus 87 percent of excess over $200,000."

(b) Section 12 (g) of the Internal Revenue Code (relating to limitation on tax) is amended by striking out "85½ percent" and by inserting in lieu thereof "84.55 percent."

EQUALIZATION OF FEDERAL INCOME TAXES UPON MARRIED PERSONS

SEC. 6. (a) Section 51 (b) of the Internal Revenue Code is hereby amended by striking

out the third sentence in said section and substituting in lieu thereof the words: "If a joint return is made, the tax shall be twice the tax computed on one-half of the aggregate net income shown on the joint return, and the liability with respect to the tax shall be joint and several."

(b) Section 23 (aa) (1) of the Internal Revenue Code (relating to the optional standard deduction for individuals) is amended to read as follows:

"(1) Allowance: In the case of an individual, at his election a standard deduction as follows:

"(A) Separate return with adjusted gross income $5,000 or more: Except in the case of a joint return by husband and wife, if the adjusted gross income is $5,000 or more, the standard deduction shall be $500.

"(B) Joint return with adjusted gross income $5,000 or more: In the case of a joint return by husband and wife under section 51, if the aggregate adjusted gross income of husband and wife is $5,000 or more, the standard deduction shall be $1,000 or an amount equal to 10 percent of such aggregate adjusted gross income, whichever is the lesser.

"(C) Adjusted gross income less than $5,000: If the adjusted gross income is less than $5,000, the standard deduction shall be an amount equal to 10 percent of the adjusted gross income upon the basis of which the tax applicable to the adjusted gross income of the taxpayer is determined under the tax table provided in section 400."

CHANGES IN TAX AND WITHHOLDING TABLES

SEC. 7. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax tables) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in sections 4 and 5 of this act.

EFFECTIVE DATE OF INCOME-TAX AMENDMENTS

SEC. 8. The amendments to the Internal Revenue Code made by sections 4, 5, and 6 of this act shall become effective with respect to taxable years begininng after December 31, 1947

The Valley's Need

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "The Valley's Need," published in the Friday, July 18, 1947, issue of the Idaho Sun.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE VALLEY'S NEED

The logic for the establishment of a Columbia Valley Authority is pure and simple. As ex-Senator Hugh Mitchell, president of the CVA League has stated, it is no more complicated than that which inspired the Tennesse Valley Authority, an authority of proven worth. However, with Senator GLEN H. TAYLOR of Idaho about to introduce a bill for a CVA into the Senate with sponsorship of four other solons, both the simplicity and purity of the logic will be apt to disappear in a furious flurry of opposition.

So while we still have the simplicity let us point out the simplest fact of all, that with an authority for the Columbia River Valley the advancement of the entire area will receive far more interested attention followed by cohesive action than can ever be found under the present set-up.

Let us refer again to the words of Mitchell as regards CVA:

"We who work for a Columbia Valley Authority say that the valley authority is the appropriate instrument for this task. We have before us the Tennessee Valley Authority as the greatest demonstration project in the world for conserving and developing natural resources. Flood control is only a small part of the work to be done in building up the soil and generating power for industry. But the TVA does its work well because it has a multi-purpose unified program for the region and the mechanism for intelligent administration. The Tennessee, under TVA management, is the best-controlled river system in the world * * *

"And because all or some of the multitude of Federal Bureaus operating in the Pacific Northwest had failed in their jobs, we had a spectacle at Walla Walla which could well make one wonder at the efficiency of our democracy. * * *

"The question at issue should have been simply one of determining why fisheries planning had not kept up with irrigation, power, navigation, and flood-control planning. If the so-called inter-agency committee could assign blame for this failure and correct the difficulty it might service some useful purpose.

"Despite congressional action over the years the salmon propagation program has been regretfully slow. The problem was known even before the first great step toward the building of Grand Coulee and Bonneville. Congress has repeatedly asked the agencies in charge what they needed. But in the face of a favorable congressional attitude the fisheries agencies still ask for 10 or 15 more years.

"Why wasn't the job done in the last 15 years? I say it was because there was no agency urging speed upon the fisheries experts. They were more interested in problems of Alaska, or of New England, or of the Gulf of Mexico.

"The agency which should have been working and fighting for orderly development in the interest of the Pacific Northwest is the Columbia Valley Authority. Any CVA board sitting down to review our problems would have known immediately that a settlement of the salmon problem was one of first priority.

"But there was no CVA. There was no other agency doing a Pacific Northwest program checking job. Therefore, there was no one to say that the salmon propagation problem had to be settled and settled quickly. * * *

"The economic development of a great region is at stake. It is a program for jobs and farms. It is a program for a better Nation by building a better Pacific Northwest. * * *

"According to the Bureau of Reclamation 238 projects are involved, 238 projects which will bring water to 5,500,000 acres of land to provide some 70,000 new farming opportunities. These in turn would provide new employment opportunities for 1,000,000 people.

"It's a program too of producing 55,600,000,000 kilowatt-hours of firm energy with its great job potential.

"The annual cost to the Nation would be less than $300,000,000 during the 50-year amortization period but the projects would bring an estimated monetary return of more than $385,000,000 each year, even during those 50 years. Once construction costs have been paid the annual profit to the Nation would approximate an estimated $300,000,000 each year.

"The feasibility of the program is based on the relationship of power development to industralization. Once again we have demonstrated the tie-up between farm and industry. The industrial use of power at reasonable rates promises a sufficient return to help along the weaker irrigation projects. Industry helps to build agriculture. When both are healthy and strong, jobs are many and markets are good.

"Such an important program cannot proceed in an orderly and efficient manner by the pulling and hauling of special interests and of overlapping agencies. We need an organization that can analyze all the problems and mesh the parts into a balanced whole. We need continuity of policy and program by an organization working for the people. In short we need a Columbia Valley Authority.

"We work for a CVA because we desire that nature be mastered for the benefit of people. Our human resources will derive vigor and strength from intelligent organization of our natural resources. For all people we seek the creative opportunities that lead to good living and lend dignity to the human spirit."

We of Vancouver and Clark County, who have by the grace of God been established on the banks of the mighty Columbia and its enfolding fertile lands have a binding interest in a CVA. We are coming more and more into the habit of looking futureward, of realizing our potentialities. A firm and intelligent control of the valley will do much to further the development of our entire area so let us work for it diligently.—V. M. S., 2d.

Correspondence Between Hon. Scott W. Lucas, of Illinois, and Emerson P. Schmidt

EXTENSION OF REMARKS
OF
HON. SCOTT W. LUCAS
OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. LUCAS. Mr. President, sometime ago, in a colloquy with the Senator from Alabama, I quoted from a statement that was made by Mr. Emerson P. Schmidt, director of the Economic Research Department of the Chamber of Commerce of the United States of America. I unfortunately misquoted Dr. Schmidt, and he has addressed a letter to me calling my attention to that fact. By a rather strange coincidence, Dr. Schmidt was testifying before a committee in the House of Representatives, and he also misquoted something that I said on the floor of the Senate about a year ago. I addressed a letter to Dr. Schmidt, replying to his letter addressed to me as of July 14. I ask unanimous consent that both letters be incorporated in the Appendix of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, July 14, 1947.

The Honorable SCOTT W. LUCAS,
Senate Office Building,
Washington, D. C.

DEAR SIR: We were somewhat disturbed at what you said on the floor of the Senate on

Friday, July 11, about the Chamber of Commerce and particularly myself. Frankly, I do not see how you Senators get as much work done as you do and remember facts and figures as well as you do.

In this case, unfortunately, what you said (CONGRESSIONAL RECORD, July 11, 1947, p. 8662, third column, middle paragraph) about my testimony of September 4, 1945, appears to be the exact opposite of what I said. You say:

"I distinctly recall that in 1945 * * * we heard Mr. Schmidt testify that in his opinion by the following spring of 1946 we would have 15,000,000 to 20,000,000 persons out of employment. Mr. Schmidt placed the unemployment figures higher than did any other expert who appeared before our committee * * *. I must confess that I have little confidence in Mr. Schmidt's estimate since that time."

If you have the time, I wonder if you would turn to the testimony of 1945, (hearing before the Committee on Finance, United States Senate on S. 1274) page 520, third full paragraph, where you will find these words:

"The factors mentioned in 8 above, plus the widely publicized deferred demand and the existence of billions of liquid 'savings' are more likely to lead to excessive purchasing, rather than to the reverse."

Then on page 521, third full paragraph, you will find these words in my testimony:

"Thus, whether we look at the side of deferred consumers' demand or for producers' goods and equipment, or at the picture portrayed by the money liquidity positions of American business and individuals, we cannot help but conclude that a great boom is pending. I am not predicting its indefinite continuation, although I think it may continue for several years."

If you will examine the rest of the testimony, you will find that it runs in a similar vein. In fact I have never in my life made any predictions on the size of unemployment. That is too hazardous.

For this reason I wonder if you have any suggestion as to how best to clarify to your colleagues the unfortunate impression that may have been left in the minds of some people by your statement on Friday.

Incidentally, the quotation from my testimony of July 9, 1947, on page 8662 of Friday's CONGRESSIONAL RECORD, introduced into the RECORD by Senator SPARKMAN contains an error in the second sentence, although the error was in the transcript which Senator SPARKMAN had in his possession. The sentence should read:

"If a recession does take place, which I doubt, I think the tax reduction would be well-advised."

The transcript of my testimony used the phase "ill-advised," but I can understand how the stenographer could confuse "well-advised" and "ill-advised." At a later point in my testimony this same issue came up and I made the same argument that the tax reduction might help to obviate depression.

Very sincerely yours,

EMERSON P. SCHMIDT.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C., July 26, 1947.

Dr. EMERSON P. SCHMIDT,
Director, Economic Research Department, Chamber of Commerce of the United States of America, Washington, D. C.

DEAR DR. SCHMIDT: This will acknowledge your letter of July 14.

Upon examining the hearings to which you refer, I find that I was misled by the beginning of the statement you inserted at page 514 of the hearings on the emergency unemployment compensation legislation, and upon more careful reading I agree you are correct. I shall try to correct this in the RECORD before the session ends.

We all make mistakes, and I wish to call to your attention an incorrect interpretation by yourself of my position on the minimum-wage legislation in the last Congress. Recently, in your report of the Committee on Economic Policy, page 16, and also in your statement before a subcommittee of the House Labor and Education Committee on July 8, 1947, you quoted me as saying: "* * * if this bill should become the law of the land, it would constitute, in my humble opinion * * * inflation. * * * I am compelled to vote against it * * * for what I conceive to be the best interests of the people of America."

I made that statement, but it was not based on the theory on which you were presenting your argument.

You will recall that the cost-of-production amendment for farm products was offered in connection with this bill, and a thorough examination of my remarks on the bill will disclose that I debated this amendment at quite some length on March 28, 1946, and on other occasions prior to the vote on the amendment on March 29, 1946.

Although I had argued that the amendment was inflationary and completely at odds with the agricultural parity program, we had so carefully worked out, and which had been so successful, the cost-of-production amendment was agreed to. Consequently, when we arrived at a vote on the bill it would have been necessary to approve this objectionable amendment in order to vote for the bill, and that is the reason I made the statement to which you refer.

Later, on May 13, 1946, you will find that I had the following colloquy with Senator PEPPER, of Florida:

"Mr. LUCAS. Mr. President, will the Senator from Florida yield?

"Mr. PEPPER. I yield.

"Mr. LUCAS. I should like to have the RECORD show, and to have the Senator corroborate, that I favored the minimum-wage bill.

"Mr. PEPPER. I am sure of that.

"Mr. LUCAS. I supported it to the utmost, even as against my agricultural interests, in attempting to defeat adding the cost of labor to the parity formula, because I knew that if that went in, the minimum-wage bill would not become law in this country.

"Mr. PEPPER. The Senator is quite correct. His record has been excellent in both respects I have mentioned."

A careful reading of all my remarks on the bill and the amendment will leave no doubt as to my reason for making the statement which you quoted. It was made solely because of the cost-of-production feature of the bill about to be voted on.

Will you please advise me that you are making proper corrections in the report in which you quoted me?

Yours very truly,

SCOTT W. LUCAS.

The Immigration Problem

EXTENSION OF REMARKS
OF
HON. JOHN SHERMAN COOPER
OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement made on June 20, 1947, by Ugo Carusi, Commissioner of Immigration and Naturalization, before the Subcommittee on Immigration of the House Committee on the Judiciary.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Much has been said and written of late on the subject of immigration. Unfortunately some of the writings and utterances are false and misleading. A recent example is the address delivered by Paul H. Griffith, national commander of the American Legion to the Daughters of the American Revolution in Washington, D. C., on May 22, last. Because of the prominence of Commander Griffith's position, these assertions of misinformation and gross exaggeration were given wide circulation in the press. Failure to challenge the commander's statements and to meet them with facts, may give them undeserved weight in the public appraisal of the immigration picture.

Attorney General Clark properly insists that the people of this country should know exactly what is going on in the field of immigration, and I am happy, at his direction, and through your courtesy for this opportunity, to set forth in this memorandum a statement of official fact which he and I are confident will lead to a better understanding and appreciation of our immigration problem, and what the Department of Justice and its Immigration and Naturalization Service are doing in the administration and enforcement of our immigration laws.

Inasmuch as Mr. Griffith in his recent address had something to say on each of the important aspects of immigration, I have chosen in this memorandum to take up each point as he has raised it.

LEGAL IMMIGRANTS

Mr. Griffith says: "Legal immigrants are entering this country at a rate of 154,000 a year."

The largest number of immigrants to come to this country in any one of the last 10 years was 108,721, in 1946. The annual average in the last decade is 55,157, of whom the quota immigrants comprise 29,463, and the nonquota immigrants (mainly immigrants from Western Hemisphere countries and spouses and minor children of American citizens) number 25,694. The actual number of quota immigrants in the fiscal year 1946 is extremely close to the annual average for the past decade, it being 29,095. The nonquota immigrants in 1946 showed a decided increase over prior years, due primarily to the 45,496 war brides and their alien children who entered during that year and boosted the nonquota figure to 79,626. So far the figures for the present fiscal year indicate that the number will be slightly higher.

Mr. Griffith's assertion that 154,000 immigrants are entering legally each year may be explained by the fact that the immigration quotas fixed under law total 153,929 each year. He may have assumed without verification, that every one of those quota numbers connotes an actual immigrant when, in fact, in the last 10 years 80 percent of the quota has not been used.

ILLEGAL IMMIGRANTS

Mr. Griffith says: "But for every legal immigrant for whom Richard opens the door to America, there are at least 10 illegal immigrants—black market immigrants, if you please. They belong to the 'Sneak-into-America' 1947 World Club."

Based on his statement that 154,000 are entering legally each year, his figure for illegal immigrants must be 1,540,000 per annum. Continuing on that basis he adds, "Every day thousands of foreigners run our borders or skip our laws in illegal entries into the United States."

The largest number of illegal entries is over the Mexican border. Almost to a single man or woman or child, those illegal entrants are Mexican laborers or members of their families. No evidence has come to the Immigration and Naturalization Service that

that border or the Canadian border is being used by persons from other countries seeking to enter the United States surreptitiously, in other than rare, isolated instances. The vigilance and cooperation of the Mexican and Canadian Governments have had much to do with this result. On the Canadian border most of the illegal entrants are Canadians coming into the country to work, shop, or visit without strictly following the legal requirements. The experience of the Immigration and Naturalization Service has shown that persons who seek to "slip by" the immigration bars at our seaports are limited to less than 2,000 a year. In the past year about 1,400 of them were stowaways. All but a handful had been apprehended by the master of the vessel and turned over to the immigration officers at the pier. A few who succeeded in getting ashore have been apprehended and subjected to deportation proceedings.

In his reference to illegal border crossers, Mr. Griffith says "Outlanders from the four corners of the earth run our borders daily along the Canadian and Mexican boundaries and over the Caribbean waters, making a mockery of our meager patrols."

It has already been pointed out that the illegal crossers are almost exclusively Mexicans and Canadians. As for the mockery which they are making of our meager patrols, it is sufficient to say that in the first 10 months of the fiscal year 1947, the border patrol and other officers of the Immigration and Naturalization Service have brought about the apprehension and expulsion of 171,703 deportable aliens, of whom 15,313 were deported and 156,390 were made to depart at their own expense in lieu of deportation. Of this number more than 90 percent were Mexicans; the next largest number were Canadians. In 1946 the number was 116,320. It may be of interest to know that this large number of expulsions has brought about a labor shortage in the States bordering Mexico; this is convincing proof that the expulsions are now exceeding the entries. Indeed, in order to meet the labor shortage, agreements have been reached between the United States and Mexico by which Mexican agricultural labor is now being recruited and imported in compliance with our immigration laws. The largest estimate of illegal entries which can be made from the number of apprehensions (including the large number of Mexicans) clearly shows that Mr. Griffith's figure of 1,540,000 is about 800 percent too high.

SEAMEN

Mr. Griffith says: "Seamen, many of them that only in name, are jumping ships in American ports."

In the past 10 years there have been 7,665,342 arrivals of alien seamen at United States seaports. Of this number 45,100, about two-thirds of 1 percent deserted. The records of the Immigration and Naturalization Service show that most of them have either been apprehended, deported, or reshipped foreign. Desertions in the fiscal year 1944 were 5,811; in 1945, they totaled 5,577; in 1946 they totaled 4,365. In the first 6 months of the fiscal year 1947, the number is 1,860. This shows a definite downward trend of desertions; our most recent figures tally closely with those of the prewar years. In speaking of desertions by seamen, we must not overlook the fact that this is a technical term and does not, in many instances, indicate that the seaman has left the vessel with the intention of abandoning his calling or remaining in the United States. If a seaman arrives at the pier just too late to sail with his vessel he is counted as a deserter although he departs on her next sailing or, indeed, on a sooner sailing of another of his employer's vessels.

VISITORS AND TRANSITS

Mr. Griffith says: "Foreigners arriving in transit on the way to other lands make it a permanent sit in the good old United States of America" and "aliens dropping in on visitors visas manage to get lost in our wide-open spaces."

The three largest groups of legal nonimmigrants are the visitors for pleasure, who have averaged 40,642 for each of the past 10 years; visitors for business, 29,525; and aliens in transit through the United States to other countries, 33,060. Other nonimmigrants are: Resident aliens who are returning from trips abroad; foreign government officials, their families and servants; students; and treaty traders. The complete nonimmigrant figures for the fiscal year 1946 are:

Government officials, etc	17,031
Temporary visitors for business	74,913
Temporary visitors for pleasure	59,913
In transit	31,124
Treaty traders	378
Returning residents	13,306
Students	5,855
Members of international organizations (United Nations delegates and families)	658
Other classes	291
Total	203,469

As of April 30, 1947, there were in the United States in legal status 78,543 visitors and 11,391 transits. During that month more visitors and transits departed than entered; 53,090 visitors had entered and 55,357 had departed; 14,348 transits had entered and 13,336 had departed. These figures are cited in connection with the assertion that visitors lose themselves here and transits just sit. Of course, many visitors and transits do seek to extend their stays here and some attempt to remain permanenly. The experience of the Service has been, however, that most of them seek to accomplish it by legal means; that is, by asking for extensions or change of status. Inasmuch as such applications are granted only in cases of real merit and where the application is obviously made in good faith, the number of denials of applications runs between 80 and 90 percent.

A check-in and check-out system is maintained by the service in order that illegal overstays may be detected and appropriate action taken. Our field officers are alerted to act promptly to bring about the departure of those who seek improperly to extend their stays. The law does not require nor does limited personnel permit the checking of every person who leaves this country, particularly persons who leave by train or automobile. Consequently, while we have accurate statistics on the number who enter the country legally, the recorded number of departures is always less than the actual departures. However, in order to be safe, we proceed upon the assumption that a person whose departure is not of record is still in the United States. On that basis, our records as of April 30, 1947, showed that 85,471 visitors and transits were possibly in the country in illegal status. In the past 2 months we have assigned additional personnel to the task of checking these records. As a result, the number is dwindling fast. Already a large number have been found to have departed, confirming our judgment that the majority of them had departed at the expiration of the time for which admitted. We hope to complete this survey in the next few months.

STUDENTS

Mr. Griffith says: "Overseas students come here to study and make it life jobs."

In the past 10 years the yearly average of student visitors has been 2,302. The number to come in the fiscal year 1946 was 5,855. Periodic checks are being made by the Immigration Service to determine whether the student is continuing his studies at the university in which he was enrolled. Some instances have been found where students have left the school to go to work or have taken up unauthorized employment while going to school. In those instances the status of student is declared breached and appropriate action taken.

We are watching the student cases very closely, and requiring reports from the school officials as the activities of each alien admitted as such.

GENERAL COMMENT

I have tried in the foregoing to give specific information as honestly as I can on those observations of Mr. Griffith which he would term "factual." It has not been my purpose—nor do I feel it appropriate—to comment upon his general views or characterizations. I do add this thought, however: To the extent that he infers that the officers and employees of the Immigration and Naturalization Service are acting dishonestly, carelessly, and without regard to the public good and their oaths of office, with the result that there is—in his words—"skulduggery * * * under our existing laws," and that "immigration in 1947 has run amok," Mr. Griffith unfairly condemns a large group of loyal and efficient public servants, a very large number of whom are members of the great organization which he presently heads.

What About Eisenhower?

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "What About Eisenhower?" published in the July 1947 issue of the Churchman.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT ABOUT EISENHOWER?

As we go to press it is announced that Gen. Dwight D. Eisenhower will step out as Chief of Staff of the Army on January 1, 1948, to become president of Columbia University. An announcement by the War Department admitted that such an offer was made, but declared that General Eisenhower had no intention of leaving his post "during the current year."

The fact that the famous war leader will quit his military career for a civilian position at a time of international tension caused immediate speculation in regard to the implications concerning our national defense policy, as well as to possibilities in the election year of 1948.

Eisenhower's intention to quit his job as Chief of Staff is a disturbing fact to many of us who are deeply concerned over the way in which our policy makers in Washington are handling world affairs. From the day of his homecoming, in June 1945, General Eisenhower has consistently raised his voice to strengthen the effort for peace and international understanding. He stressed this point of view when he received the Churchman award last December, and in recent months he has stated that those who are plotting war will make themselves guilty of the greatest crime to mankind. It is possible that Eisenhower stood in the way of certain plans which are reported as being hatched by influential groups in the State and War Departments?

Brig. Gen. H. C. Holdridge, in his sensational article "American Militarism," in

the Christian Century of March 19, 1947, accused certain military cliques of preparations to solve our domestic problems "with bayonets." The courageous general wrote:

"We are being sold a bill of goods on 'national security' by our armed forces. When delivery is made and we open the package we shall not find security but militarism. We shall find that we have traded our birthright of freedom and democracy and morality for a mess of militaristic pottage."

Did General Eisenhower oppose such a policy, and is this the reason why he intends to step down from his influential post? There are two possibilities. Either General Eisenhower intends to quit on his own initiative, or he has to give up his job due to certain conflicting views on our present foreign policy. Whatever the reason might be, to the average American this resignation will appear as another signal that we are going a step nearer World War III.

Eisenhower is the last one in a top position who was closely acquainted with the postwar ideas of the late President. When the general steps down, it will be another blow to the cause of peace. A peace-minded general as Chief of Staff is a greater asset for the American people than a peace-minded head of an American university.

Record of Hon. James J. Davis as Secretary of Labor

EXTENSION OF REMARKS
OF
HON. WILLIAM LANGER
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement of the record of Hon. James J. Davis when he was Secretary of Labor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF LABOR, HON. JAMES J. DAVIS, SECRETARY, MARCH 1921–DECEMBER 1930

During the 10-year administration of the Department of Labor by Secretary James J. Davis, the Department was divided into administrative units as follows:

1. Office of the Secretary.
2. Bureau of Labor Statistics.
3. Bureau of Immigration.
4. Bureau of Naturalization.
5. Children's Bureau.
6. Women's Bureau.

Office of the Secretary also included:

7. Conciliation Service.
8. United States Employment Service.
9. Bureau of Industrial Housing and Transportation.

The act of Congress creating the Department of Labor effective March 4, 1913, provided that its purpose should be "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

Outstanding achievements of the Department of Labor during the decade in question are three, namely: the activities of the Conciliation Service in promoting and preserving peace in industry; the restrictive immigration act which stemmed the flood of European immigration which threatened to swamp us, thereby preserving the available jobs for American workmen; and third, the introduction of the 8-hour day by abolishing the 12-hour day and the 7-day week in our basic industry, the far-flung iron and steel industry. This latter achievement was the greatest advancement for labor in many a year. It marked an epoch in the life and labor of the American workman.

During the decade in question, the Department was diligent in the discharge of its responsibilities under the provisions of the act of Congress setting up the Department. Practically all its activities were concerned with promoting the welfare of wage earners. The Bureau of Labor Statistics was the central source of statistical and other information concerning labor. The Bureau of Immigration enforced the laws enacted in large part for the protection of American wage earners. The Bureau of Naturalization dealt with immigrants who were seeking United States citizenship. The work of the Children's Bureau was devoted in part to the problems of young wage earners, and the work of the Women's Bureau was devoted entirely to the welfare of women in industry. The Conciliation Service was devoted to promoting and preserving peace in industry. The United States Employment Service aided the unemployed to find employment

The United States Housing Corporation was engaged largely in disposing of homes built for workers during the period of World War I, and the Department library was built up to one of the finest collections of material relating to labor.

The Secretary of Labor also served as chairman of the Federal Board for Vocational Education which cooperated with the States in promoting vocational education and the rehabilitation of disabled men in industry. During his incumbency in office, appropriations for the Department of Labor increased year by year.

During this 10-year interval, the Conciliation Service exercised its good offices in a total of 5,117 trade and industrial disputes, strikes, threatened strikes, and lockouts, securing an amicable adjustment in a total of 3,620 cases for an over-all average of approximately 78 percent. The United States Employment Service placed in employment an average of 1,500,000 men and women annually during this same period.

Because of the tremendous number of immigrants involved, the Bureau of Immigration was the major administrative responsibility of the Department. The Bureau of Naturalization also reached into the lives of hundreds of thousands of alien immigrants who came to this country to make it their permanent home. Since the overwhelming majority of these newcomers to our shores were prospective workmen, and future citizens, it seemed logical that the first two departments of government to come into contact with them as they began the journey which would place them in a job and eventually make them citizens of the United States, should be part of the Department of Labor. These two very important Bureaus, however, were transferred from the Labor Department to the Department of Justice under the President's Reorganization Plan No. 5, effective June 14, 1940.

Upon assuming office in March 1921, Secretary of Labor Davis found more than 5,735,000 workers temporarily unemployed. Vessels engaged in bringing in aliens had a carrying capacity in excess of 1,250,000 annually. The number of immigrants admitted to the United States mounted from 141,000 in the fiscal year 1919 to 430,000 in 1920, and to 805,000 in 1921. Immediate action to restrict the number of entrants from foreign lands, no matter how worthy they might be, was vital to supply work for those of our own workers unemployed and to prevent the importation of hundreds of thousands of immigrants who would otherwise surely come seeking jobs that were not then available.

For this reason, the Department recommended and laws were enacted to restrict European immigration, which effectively stemmed the onrushing tide of immigration and contributed largely to the early solution of our unemployment problem. By this action immigration from Europe was reduced to an average of 156,000 in 1930.

The 10-year period in question marked a decrease in working hours, a betterment of working conditions, and increases in wages in nearly all sections of the country, with the consequent benefits of better homes and improved standards of living for our people. At the beginning of this period the United States Employment Service was functioning in a limited manner.

The Secretary carried on a continuous activity in industry for a saving wage for workers because he believed the traditionally accepted living wage was not sufficient to make the worker's house a home. He also waged a continuous campaign urging every major industry in America to liberalize and humanize its labor-relations policies. The iron and steel industry was the first major enterprise to be approached by the Government with respect to this program. A conference was called by the President of the United States and attended by leaders in this giant industry. They were advised that the 12-hour day must go. Industrialists maintained that the industry would go broke if the 12-hour day was abolished. The Secretary of Labor maintained that it should go broke if management could not operate on an 8-hour day. The conference ended with favorable response on the part of the industrialists. This was the beginning of the 8-hour day in the iron and steel industry, and eventually throughout the Nation.

During this period the Secretary prepared the first wage-and-hour bill. The railroad labor bill was passed during this period with the support of the Secretary of Labor and the approval of the railroad brotherhoods.

The Secretary constantly urged the introduction and expansion of collective bargaining in those industries where collective bargaining was not accepted, especially in the steel industry. He urged putting teeth into the railroad labor bill since he felt the old law was more or less voluntary. Secretary Davis himself was always a stanch advocate of collective bargaining and organized labor. He received the full support of the American Federation of Labor in his campaign for the United States Senate in 1930 and in subsequent campaigns. The first piece of legislation he introduced upon assuming his seat in this legislative body was for the benefit of the workingman and was known as the Davis-Bacon bill, March 3, 1931.

Department activities during the administration of Secretary Davis as recorded in his annual reports for the years in question were:

FISCAL YEAR ENDING JUNE 30, 1921

Conciliation Service handled 457 trade and industrial disputes; 338 were settled amicably, with 593,006 workers directly or indirectly involved.

Settled vast packinghouse workers' strike March 1921 and the marine strike June 1921.

Recommended that the appropriation for Conciliation Service be approximately doubled.

Percentage Act restricting immigration enacted and placed in effect June 3, 1921.

Immigration into the United States the first year of operation of this act was reduced by more than a half million immigrants.

Bureau of Immigration inspected 2,117,502 immigrants, nonimmigrants, and seamen.

Naturalization citizenship training extended to 3,526 communities, a greater number than in any preceding year.

Research work in the Bureau of Labor Statistics becoming increasingly important in the dissemination of labor news.

Sheppard-Towner Maternity and Infancy Act adopted November 23, to be administered by the Children's Bureau.

Reorganized the United States Employment Service. Recommended that the appropriation for this service be increased to four times that of previous year. First Federal survey of the unemployed.

FISCAL YEAR ENDING JUNE 30, 1922

Conciliation Service handled 360 cases of trade and industrial disputes, 266 adjusted amicably.

Nation-wide coal strike which began in April involving 450,000 bituminous and 150,000 anthracite miners settled in August in the bituminous fields and September in anthracite fields.

Bureau of Immigration examined a grand total of 1,532,565 immigrants, nonimmigrants, and seamen.

Eight hundred five thousand, two hundred and twenty-eight immigrant aliens were admitted during fiscal year 1921. Without percentage immigration laws, conservative estimate for fiscal year 1922 would have been more than 1,000,000. Actual total number alien immigrants admitted fiscal year 1922 was 309,566.

Secretary's Board of Review to hear immigration appeals created in January.

Bureau of Naturalization handled a total of 436,149 initial and final petitions for naturalization. Conducted citizenship training activities in 3,625 communities throughout the Nation.

Enactment of act September 22 providing independent naturalization status for married women.

United States Employment Service in cooperation with the several states placed in employment a total of 1,458,746 men and women.

Development of the USES industrial employment survey. Monthly reports on employment by industrial groups and geographical divisions. President's conference on unemployment.

Development of program of Federal aid to the States for the welfare and hygiene in maternity and infancy under Sheppard-Towner Act of 1921, administered by the Children's Bureau.

Secretary recommended to Congress erection of a permanent building to be occupied exclusively by the Department of Labor.

Secretary recommended to Congress an amendment to the Federal Constitution to permit the establishment of minimum standards of child labor.

FISCAL YEAR ENDING JUNE 30, 1923

Department was instrumental in abolishing the 12-hour day and 7-day week in the iron and steel industry and the substitution therefor of the 8-hour day and 6-day week.

Out of 534 trade and industrial disputes, Conciliation Service secured 426 amicable settlements. Three hundred ninety-five thousand six hundred and seventy-eight workers were involved directly or indirectly. Aided in settlement of railroad strike. Also major conciliation activities in the pottery and garment trades.

Bureau of Immigration examined 522,919 immigrants. Recommended the enactment of an "Alien Code" to include annual enrollment of all aliens so long as they remain alien.

Bureau of Naturalization handled 296,636 declarations of intention to become citizens, 158,056 petitions for naturalization, and conducted citizenship training activities in 2,461 communities through the United States.

United States Employment Service, in cooperation with the several States, placed 2,156,466 men and women in jobs.

Forty States now cooperating with the Children's Bureau under the Maternity and Infancy Act of 1921.

Nurses institutes on maternal and infant care conducted in 17 States by Children's Bureau.

Women's Industrial Conference held in Washington in January, attended by representatives from 40 different States.

Various special studies on women in industry conducted by the Women's Bureau.

Secretary Davis in his annual report to Congress stated:

"During the last year we took one great step forward through the elimination of the 12-hour day and the 7-day week in our great basic industry, the steel industry."

FISCAL YEAR ENDING JUNE 30, 1924

Conciliation Service handled 544 trade and industrial disputes, 415 of which were adjusted amicably. Four hundred and ninety-seven thousand four hundred and sixty-nine workers involved directly or indirectly.

Secretary appointed an all-colored commission of five to make a study of industrial and economic conditions in the Virgin Islands.

Continued progress toward establishment of 8-hour day and 6-day week in certain industries operating on a 12-hour day 7-day week basis.

Called conference in Washington of manufacturers of paper boxes to reduce working hours per day and days per week in this industry.

Special commission appointed and headed by the Secretary of Labor made an extended on-the-spot survey of emigration conditions in European countries.

Proposed to House and Senate, bill known as Immigration Act of 1924, a bill to limit immigration of aliens into the United States, and provide a system of selection in connection therewith. Better known as the "Selective Immigration Act."

Participated in International Conference on emigration and immigration in Rome, Italy, May 15–31.

Selective Immigration Act of 1924 approved by Congress May 26. Provided permanent quota system.

Bureau of Naturalization handled 424,540 declarations of intention to become citizens, and 177,117 petitions, a total of 601,657, highest peak since act of 1906 became operative. Conducted citizenship training courses in 3,023 communities in the United States. Two thousand five hundred industrial firms were assisted in various ways in furthering training for citizenship of their foreign-born employees.

United States Employment Service, in cooperation with the several States placed in employment a total of 1,806,990 men and women.

Constitutional amendment submitted by Congress to the States in June "to limit, regulate, and prohibit the labor of persons under 18 years of age."

Arkansas first State to ratify constitutional amendment on child labor.

Secretary of labor recommended to the Congress:

The necessity of giving the Department of Labor authority and the means to enable it to undertake industrial safety research work.

Increases in pensions and annuities paid to retired employees.

Permanent legislation to provide for general supervision by the Federal Government of an adequate system for the clearance of labor between the States, and financial aid on a fixed percentage of the appropriation made by each State for employment activities.

Reorganization of and expansion of its general wage work studies in the Bureau of Labor Statistics, and that funds be provided to maintain a division of labor safety in the Bureau.

Increased appropriations for the expansion of the Conciliation Service.

Expansion of the Children's Bureau so that the public would have more benefit of the reports and findings of that Bureau.

That the United States Employment Service be made a statutory bureau of the Department of Labor.

FISCAL YEAR ENDING JUNE 30, 1925

Conciliation Service handled 559 trade and industrial disputes, affecting 334,009 workers directly or indirectly. Three hundred and ninety-two of these disputes were settled amicably.

Two Negro commissioners of conciliation were added to the staff of mediators in the division of conciliation.

Immigration Bureau examined a total of 458,435 aliens, 274,314 of whom were immigrants.

Restrictive immigration law went into effect July 1, 1924, limiting European immigration to an annual total of 153,714.

Adopted system of examining immigrants abroad before embarking for United States instead of upon arrival in United States.

Immigration Border Patrol organized July 1924.

Secretary again recommended to Congress the enrollment of registration of the alien following his arrival in the United States, with provisions for an annual census of the unnaturalized and a system of education in Americanism which would give every alien an opportunity to learn the English language and something of American history, traditions, ideals, and institutions.

Bureau of Naturalization handled a total of 277,218 declarations of intention to become citizens and 162,258 petitions for naturalization.

United States Employment Service in cooperation with the States placed in employment 1,609,977 men and women. Farm Labor Service placed 400,000 seasonal workers compared with 70,000 in 1921.

Forty-three States and Hawaii now cooperating with Children's Bureau under Maternity and Infancy Act.

Conference of State directors of maternity and infant hygiene held at Children's Bureau in October 1924. Thirty-six States represented.

Secretary recommended and urged ratification of the child labor amendment by the various States.

Secretary again called attention of Congress to necessity for the passage of a more liberal retirement law for retired employees of the Federal Government.

FISCAL YEAR ENDING JUNE 30, 1926

Conciliation Service handled 551 industrial and trade disputes, strikes, threatened strikes, and lock-outs. Three hundred and thirty-seven of these, including the anthracite coal strike in February, were amicably settled. Four hundred eighty-five thousand six hundred and ninety-eight workers were directly or indirectly involved.

Immigration Bureau examined a total of 496,106 aliens admitted to the United States, of which 304,448 were immigrants, and 191,618 were nonimmigrants.

Bureau of Naturalization handled 277,539 declarations of intention and 172,232 petitions for naturalization.

One million seven hundred ninety-one thousand three hundred and eighty-one men and women were directed to employment by the United States Employment Service.

Bureau of Labor Statistics issued 23 bulletins and 12 issues of the regular monthly Labor Review, a total of 7,846 pages.

Organized the Industrial Accident Prevention Conference to meet in Washington in July 1926.

During the year 43 cooperating States and Hawaii held 1,945 prenatal and child-health conferences, 15,524 child-health conferences and 2,686 prenatal conferences. One hundred

and thirty-five combined prenatal and child-health centers were established, 140 child-health centers, and 8 prenatal centers.

Women's Industrial Conference, January 18–21: Delegates represented 107 national organizations, 41 States, District of Columbia, and Philippine Islands.

FISCAL YEAR ENDING JUNE 30, 1927

Conciliation Service handled 545 trade disputes. Three hundred and ninety-five cases were adjusted amicably; 575,723 workers affected directly or indirectly.

Forty-eight-hour week now obtains for practically all branches of labor, with a very considerable number on a 44-hour and a 40-hour week.

Bureau of Immigration examined and admitted a total of 538,001 aliens, of whom 335,175 were immigrants, and 202,826 were nonimmigrants.

Bureau of Naturalization handled 258,295 declarations of intention to become citizens and 240,339 petitions for naturalization.

United States Employment Service through its cooperative service placed in employment a total of 1,688,476 workers.

Bureau of Labor Statistics as in previous years continues to be the clearing house for information concerning the activities of the various State boards and commissions administering the workmen's compensation laws of the various States.

Agreement worked out by the Bureau and all manufacturers of dangerous small articles of fireworks containing white or yellow phosphorus to cease manufacture of such articles not later than August 15, 1928.

Industrial Accident Prevention Conference held by Secretary of Labor in Washington July 14. Representatives attended from 33 States.

Fourth Annual Conference of State directors of maternity and hygiene held at Children's Bureau January 11. Attended by representatives from 37 cooperating States, 3 noncooperating States, and Hawaii.

Forty-five States and Hawaii now cooperating with the Children's Bureau under the Federal maternity and infancy act.

Women's Bureau completed several extensive studies in the interest of wage-earning women.

President Coolidge in his message to the Congress stated:

"In the industries the condition of the wage earner has steadily improved. The 12-hour day is almost unknown."

Secretary of Labor in reporting to Congress stated:

"There is no such thing as separating the economics of the Negro from those of any other group in America. At this time I am firmly convinced that the industrial and economic interests of the Negro are indissolubly a part of those of all the American people."

Also taken from the Secretary's Annual Report to Congress:

"During the past generation marvelous changes have occurred in the living and working conditions of the American laborer. Twenty-five years ago the 60-hour week was general for all classes of labor, with many workers on a 72- and 84-hour week. Now, the 48-hour week obtains for practically all classes of labor, with a very considerable number on a 44- and even a 40-hour week. The 60-hour week is gone. The 72-hour week is confined to a very small percentage of workers, and the 84-hour week, which meant 12-hour days 7 days a week, is virtually abolished."

FISCAL YEAR ENDING JUNE 30, 1928

Conciliation Service handled 478 industrial disputes; 307 were settled amicably by the Commissioners; 352,028 workers affected directly or indirectly.

Adoption of 8-hour day now nearly Nation-wide.

Bureau of Immigration examined 307,225 alien immigrants and 193,376 nonimmigrants, a total of 500,631.

Recommended changes to the Congress in the immigration laws to meet the industrial and economic needs of the country.

Enactment in May of an Immigration Act to enable foreign resident members of families of United States citizens to be reunited.

Secretary's board of review passed upon 71,698 cases, approximately 250 for each working day.

Bureau of Naturalization handled 254,588 declarations of intention and 240,321 petitions for naturalization.

United States Employment Service through its cooperative service placed in employment a total of 1,412,645 men and women.

Adoption March 6 Senate resolution authorizing annual unemployment survey by the Bureau of Labor Statistics, annual appropriation to be $100,000.

Program developed by Children's Bureau cooperating with the States has resulted in the establishment of permanent educational centers and a great saving in life and improvement in the general health of mothers and babies.

Fiftieth annual conference of State directors of maternity and infancy work held at Children's Bureau in April. Forty-six States responded by sending representatives including three States not yet accepting Federal aid.

FISCAL YEAR ENDING JUNE 30, 1929

Conciliation Service handled 522 cases. Three hundred and eighty-five were adjusted amicably.

Five-day week becoming prevalent in American industry. Adopted by the building trades in New York City early in 1929.

Bureau of Immigration examined 279,678 immigrants and 199,649 nonimmigrants, a total of 479,327.

Immigration from Europe down to 158,598 as a result of quota immigration laws enacted in 1924.

Secretary recommended consolidation of the various laws relating to immigration into a comprehensive statute.

Two hundred and twenty-four thousand seven hundred and twenty-eight aliens became citizens through naturalization. Bureau handled 280,645 declarations of intention and 255,519 petitions for naturalization.

Naturalization laws amended by Congress in March upon recommendation of the Secretary of Labor.

Enactment by Congress of act affording relief for those aliens who entered the United States prior to June 3, 1921, who could find no record of their legal admission under the immigration laws.

Farm Labor Service in United States Employment Service placed 559,571 seasonal workers.

Negotiations initiated by United States Employment Service with the Veterans' Administration for establishing an employment service specifically to aid ex-service men and employment.

During past 9 years Federal Board for Vocational Education rehabilitated 40,000 disabled persons so as to restore them to earning power. Work of this Board steadily expanded.

Conference at Children's Bureau, February, of State departments of public welfare. Thirty-two States represented.

Several extensive studies of women wage earners completed by the Women's Bureau, including a study of working conditions of Negro women in 15 States.

FISCAL YEAR ENDING JUNE 30, 1930

Conciliation Service handled 557 cases, adjusting 386 amicably.

Immigration Bureau examined a total of 446,214 aliens.

Naturalization Bureau handled 62,138 declarations of intention and 131,151 petitions for citizenship.

United States Employment Service directed a total of 1,345,936 men and women to employment. Farm Labor Service directed 611,598 workers to employment in the harvest fields. This Service has increased from only one permanent office in 1921 to 19 permanent offices in 1930.

Specialized employment service for veterans now functioning. Secretary recommended setting up veterans employment service in all principal industrial centers.

In the field of employment statistics, Bureau of Labor Statistics succeeded in having included for the first time a questionnaire on unemployment in the decennial Federal census which was started in April 1930.

Secretary of Labor was vice chairman of the White House Conference on Child Health and Protection.

End of the first decade of the Women's Bureau as a permanent agency.

November 1930, Secretary Davis elected to the United States Senate.

December 1930, Secretary Davis assumed his seat in the United States Senate.

Call to Action by Hon. William Langer, of North Dakota

EXTENSION OF REMARKS

OF

HON. OLIN D. JOHNSTON

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a call to action issued by the Senator from North Dakota [Mr. LANGER].

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON CIVIL SERVICE,
July 26, 1947.

To All the Relatives of Civil-Service Employees:

As chairman of the Senate Committee on Civil Service, I introduced S. 637; and, in order to keep it on a bipartisan basis, I had Senator CHAVEZ, former Democratic chairman of the Senate Committee on Civil Service, join me in the sponsorship of the bill. The committee reported the bill out by a vote of 12 to 1.

In spite of my best efforts, we were unable to get the bill passed. There was money for foreign countries. There was an attempt to reduce the taxes of men receiving incomes of $100,000 or more a year by tremendous amounts. There was money for nearly everything except for the civil-service employees. All we heard was that there were too many civil-service employees—that it would cost the Government too much money to provide for the widows and orphans or for annuities for civil-service employees.

Now, the Hatch Act applies to the employees who are actually working for the Government, but it does not apply to their wives and relatives. Therefore, I am enclosing herewith "A Call to Action", which I, as chairman of the Senate Committee on Civil Service, am asking them to read carefully; and I hope that after they have read it they

will sign the pledge contained therein and send it to me. I tell you frankly that it is my experience that the only way your folks are going to get justice which has been long delayed is by organizing and fighting for it politically.

Hoping to hear from you soon, I am

Your friend,

WILLIAM LANGER,
Chairman of the Civil Service Committee.

The People and Roosevelt

EXTENSION OF REMARKS
OF
HON. JOHN J. SPARKMAN
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "The People and Roosevelt," written by Ralph McGill and published in a recent issue of the Atlanta Constitution.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PEOPLE AND ROOSEVELT

(By Ralph McGill)

People go into the little chapel near the Warm Springs Foundation and kneel down to pray.

You may see them almost any time you go there.

They come from everywhere. They say nothing. They drive up, park the car, go in, and kneel and pray.

Some seem to go about it so directly you know that for them it is something they have planned for a long time. They have rehearsed it in their minds so much that when they reach the chapel they know just what they must do.

Not far away, down the winding road, is the small clapboard cottage which was called the Little White House. There is a fence before it.

It is interesting to watch there, too. There is hardly a day that at least two or three persons do not come there and stand for awhile looking at the house. Some are merely curious. Others stand there looking with eyes full of tears. Now and then one will kneel and pray. Still others will bow their heads over the fence, close their eyes and remain there in meditation and prayer.

For all of them Franklin D. Roosevelt meant something very personal. It may be that it was a home or a farm saved. Or, it may be just a memory of those terrible, dark days which now seem like a dream and which many conveniently forget, when despair sat like a great black raven above the door of every heart, and the only voice with courage and faith in it was his. Whatever it was, it brings them to Hyde Park in greater numbers than go to any other national monument or memorial.

CRITICS

And so it is at the Little White House in Georgia. A writer named Van Loon once wrote a book called Geography. In a frontispiece, in an effort to create a picture of the immensity of time and of eternity, he wrote something like this:

"In a far-off place stands a great mountain of granite. Once a year a small bird comes and sharpens his beak on the stone. When that bird shall have worn away that great mountain of stone, one day shall have passed in eternity."

The critics come every day to the granite of Roosevelt's memory, calling him charlatan, Communist, and worse. They sharpen their beaks on the mountain of his deeds and his name, but, somehow, they leave no impression.

From the dusty eons of bygone years there comes the sound of loud and mocking laughter from those who record the passing years. All that was said of him was said of all others who have answered something in the hearts of men, and the granite of their names and deeds remains. You cannot see where the many shrilly carping critics have come to sharpen their beaks. Their droppings wash away in the great warm rains of gratitude to the man; or dry into dust in the suns of affectionate memory, and are blown into fields to enrich weeds that grow in wheat or corn to plague the man who values honest grain.

FAULTS

His faults were many. Great men have great faults. And the critics who saw away on their fiddles of wrath make a great and squawling noise about these faults.

But, somehow, the people come to pray.

Never think you can do much to damage the name or memory of any man or any woman who has answered, even in part, some great yearning and some great hunger in the human heart.

He was all they say.

He was ambitious. He pussyfooted at times. He was impatient. He played politics, and he was skilled at it. He used corrupt machines if they were going his way. His code of political morality did not include party loyalty if it meant abandoning what he believed to be a great issue. He would fret about small, personal things, and be casual about great things. He had his share of vanity. He liked to lead and be followed. He was not good at taking advice. He was all this, and more. (And so are much lesser men. One wonders if the critics ever examine their own?)

Yet, if you take pencil and paper and add it up and put down the result, you will see that the same total will be found beneath the names of all those who have been projected by destiny and the fell clutch of circumstance to a place in the blazing sun of history. And none in all our history was ever so sharply projected as he.

GREATNESS

And, so, having added all the petty faults and the great faults, you are confronted with the immensity and the soundness of his accomplishments.

A world, quite literally, was going to pieces about us. Revolution, and worse, swept the world. Kingdoms and governments fell or were scattered like tenpins in the bowling alleys of history.

And, when the messenger came to take him to Charon's boat he left a country which had intact every single one of its institutions, unimpaired, strong and free. And he left a people bereft of not a single guaranty under a constitution written generations before in hope and confidence.

Nowhere else in the whole wide world could that be said.

And so, they come to pray, and in Georgia the place where he came to rest, and to die, becomes a memorial park and, for millions, a shrine.

The people know what the critics know, but will not admit.

But time and history will. And the people always have.

Memorial Address by Hon. Oscar Zapf Before Nevada Veterans of Foreign Wars

EXTENSION OF REMARKS
OF
HON. GEORGE W. MALONE
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD a memorial address delivered by Hon. Oscar Zapf, judge advocate of the Nevada Department of the Veterans of Foreign Wars, before the Nevada Veterans of Foreign Wars at Elko, Nev., at their thirteenth annual convention, on June 12, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Comrade Commander, sisters of the Women's Auxiliary of the Veterans of Foreign Wars of the United States, comrades, distinguished guests and friends, three times in the half century last past, our bravest and best were sent to foreign lands to stem and turn back the tides of tyranny that threatened to engulf the world. Three times our comrades returned bearing their shields or borne upon them.

We are met here today to honor our comrades who returned borne upon their shields. Each year by these memorial services the Veterans of Foreign Wars of the United States keep forever green the memory of our absent comrades. It is fitting and proper that we should do this.

What we say here in honor of their memory is of little moment, but ten thousand times ten thousand free men enjoy that freedom because of what they did on land and sea and in the air—at Santiago and El Caney; at San Juan Hill and at Manila Bay; along the banks of the Meuse and the Marne and in the forests of the Argonne. The saga of their heroic defense of human liberty is written in blood in the fox holes on Bataan and the isles and atolls in the Pacific. The crimson-stained sands of Anzio, Salerno, and Normandy record their valor.

Our absent comrades are not dead. Indeed, they cannot die so long as one single human heart throbs responsively to a longing for freedom, and so long as their work remains unfinished.

Words alone are not enough with which to pay homage to our absent comrades. It is by our acts and by our deeds that we honor them.

It is for us, the living, to reaffirm our undivided allegiance to the Government of the United States, and to our American institutions and ideals.

It is for us to keep America united and strong in order that America can remain free. Lacking unity and strength, freedom cannot long endure.

It is for us to hand down to our posterity, unimpaired and undiminished, the rights, the privileges and the blessings of liberty which are our heritage. It is for us to emphasize and to reemphasize this truth: That these rights, these privileges, and these blessings of liberty were born in agony and paid for in blood. That they exist and will continue to exist only so long as freemen voluntarily assume and fulfill all the duties and all the obligations which are the foundation upon which rest these rights, these privileges, and these blessings of liberty.

Because personal freedom and dictatorship cannot both exist at the same time and in the same place, it is for us to say in plain, blunt language that we will not tolerate any attempt to establish a dictatorship in this country, whether that dictatorship be called nazism, fascism, bureaucracy, big business, or a dictatorship of the proletariat. A dictatorship is a dictatorship regardless of its name.

We advance this proposition: That any problem that confronts this people can be solved with equal justice to all, if we first diligently seek guidance from Almighty God, and then apply common sense, coupled with a four-letter word that means to labor, to the solution of that problem.

At a cost in treasure that staggers the imagination and at a cost in more precious lives, we have learned that the threatened destruction of liberty anywhere is the concern of freemen everywhere.

And, finally, it is for us to keep faith with our absent comrades. As their devotion to the cause of liberty and freedom was measured only by the span of life itself, it is for us with equal devotion and like fidelity to that cause to dedicate ourselves to complete the work in the furtherance of which they gave up their lives.

And then, at some golden daybreak, when the war drums are forever silent and the battle flags are unfurled no more, we will read more clearly the meaning of these sacrifices and our absent comrades will know that their sacrifices were not in vain.

Strengthening the United Nations

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an excerpt from an address by Dr. Frank P. Graham, president of the University of North Carolina, dealing with the needs for strengthening the United Nations.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Human society with an atomic bomb in its bosom cannot lag in adjustment to its explosive power. Mankind, with his swift scientific inventions and his slow social adjustments, has, with much economic progress and much human misery, muddled through to this fateful hour. Confronted with the atomic bomb, men and the nations through cooperation now are to master this modern mechanical civilization or be destroyed in its unregulated self-destruction.

The one world needs an international authority in line with the Baruch-Acheson-Lilienthal report for inspection and control of the sources and manufacture of atomic power; a world court with jurisdiction over the crimes of individuals against the United Nations subject to the guarantees of an international bill of rights; an international police force responsible not to separate nations but to the United Nations; and the shifting of legislative power from the Security Council to the Assembly of all the United Nations, weighted for representation of the peoples of the world.

The atomic bomb in the hands of the absolute state is the greatest threat which has come to man. With regard to the other dangerous lags, we have the freedom to struggle for freedom and hope for a better day. With the lag of the idea of the absolute national state in an atomic age we may have no world in which to struggle or hope or even to live. The one world truly begins at home, but without the one world we may have no home in which to begin.

Blunder Out of China

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. JUDD. Mr. Speaker, some months ago, the Book of the Month Club chose as its selection Thunder Out of China, which purported to be the work of experts on China, and to be solely a factual unbiased report and analysis of events and people in China, debunking all the alleged myths about Chiang Kai-shek, the Communists, and so forth.

Quite understandably many Americans accepted the book as straight reporting of facts, instead of clever selection and manipulation creating an impression quite unwarranted if the total picture in its historical setting is viewed with balance and perspective. That is, even if all the particular incidents the authors chose to report were true, the total impression given is grossly false.

Some "debunking" of the supposed debunkers has been done by Mrs. George Fitch, who saw China long before the war years and knows that the basic difficulties in China were not produced by the present Chinese Government; they have been there for thousands of years and are what that government has been struggling with—and on the whole making incredible progress until Japan struck. How many governments in Europe have come through the war and postwar reconstruction without assistance from abroad? Why should anyone be so unrealistic as to imagine the young Chinese Government could suffer more and longer, standing steadfast through 8 long years of cruel warfare and destruction, invasion, occupation, blockade, floods of Japanese paper currency, and an armed rebellion within (of the sort we are at last learning that Communists organize everywhere if possible)—and then carry out postwar reconstruction without sustained assistance from abroad in more substantial forms than advice?

It is as short-sighted and dangerous for the United States to have China come now under Communist—which means Moscow's—domination as it would have been to have China come under Japanese militarism's control.

Mrs. Fitch has made China her home since 1919. She has traveled over much of rural China by sedan chair, junk, Peking cart and train. She has made a special study of the Communist problem in recent years. In 1939 she testified before both the Senate Foreign Relations and House Foreign Affairs Committees, with prophetic statements on the folly of our policy of shipping materials of war to Japan, under the guise of neutrality.

Under leave to extend my remarks I include the following article by Mrs. Fitch, which merits reading in full:

BLUNDER OUT OF CHINA

(By Geraldine Fitch)

To sift the grains from the chaff of hearsay, to note all the exaggerations, inaccuracies, contradictions, and false statements in Thunder Out of China would require another book of equal length. The roar of thunder from Theodore White and Annalee Jacoby might be ignored had not the Book of the Month Club made it echo and reecho across this country, and if its naive and reactionary solution for China's problems were not being advocated by some in high places as a new United States policy toward China.

The authors of Thunder sometimes rise to heights which—could they maintain the eminence—would give them real claim to literary distinction. Two cases in point are the initial description of Chungking, and the later portrayal of the heroism of both Americans and Chinese who flew the hazardous Hump when it was the only crevice in a tight blockade of China.

But through nearly 300 of the 325 pages of their thundering runs a red streak of bias. Most of the time an easy fluency hides an appalling ignorance of China, nowhere more apparent to those who know and love the Chinese people than in the descriptions of these very people. They play on every string of the reader's sympathy in an utterly unrealistic and discordant boogie-woogie about the "beating, whipping, torture, and humiliation" of the peasants of China. Evidently they know nothing of the dignity and self-respect of the country people. They imagine the most peace-loving people in the world to be "seething with revolution"; ready to "set the countryside to flame." That their paeans of praise are reserved for the admittedly ruthless, tyrannical Chinese Communists shows a bias, conscious or unconscious.

I do not assume that the authors are Communists. I think more probably they are not. Such political naiveté could hardly be a pose. But they have imbibed an amazing quantity of the Communist brew, and from here on will be hailed as the best of good fellows in that camp.

No true friend of China denies the need for administrative reform there today, but the real friend sees causes as well as crisis. No country could have suffered 15 years of invasion without grave resultant disorders. What China needs today is aid, not condemnation.

Seemingly impartial in leveling criticisms at both sides (as did General Marshall in his report on China), the authors (unlike Marshall) proceed to interpretations which are both communistic and contradictory. Chinese communism, like Russian communism, advances, not by the support of the people and popularity with them, but by the use of terrorism and intimidation, ofttimes by ruthless purging of opposition. White has made a one-sided selection of evidence, even of his own dispatches, contradicting his appraisals in Life magazine of Chiang Kai-shek and of the military situation in China. He lacks political background and historical and geographical perspective, using the same arguments against Chiang which were used against De Gaulle, making the same excuses for Mao Tze-tung which were made for Tito. He ignores the opinions of those who have had more intimate contact with Chiang, such as the late W. H. Donald and Wendell Willkie, of Henry Luce, Howard Coonley, Ambassador Hurley, General Wedemeyer, and scores of others. White's own appraisal in Life (May 1, 1944) was more consonant with that of Bishop James E. Walsh, long in China, who has said:

"When the history of our age is assessed, the present leader of China will stand revealed as one of its greatest men. * * * A man of the people, he knows their needs and has nothing so much at heart as the promotion of their true welfare. He is neither a dictator nor a figurehead; he is simply a determined man with a conscience, a sense of responsibility, and a deep love of country."

That the book is hurtful to China, all organizations like United Service to China, the Institution for the Chinese Blind, and the churches are discovering as they try to raise relief and reconstruction funds for China.

For the sake of brevity, reference to the authors will be confined to Theodore White, * * *. In order to make the charges against this book specific, this analysis is divided under the following headings: "Half-truths and exaggerations"; "Inaccuracies"; "Contradictions, false statements"; "the Communist slant."

PART I. FROM HALF-TRUTH TO EXAGGERATION

White presents his readers with a great flow of words uninhibited by facts. * * * Readers without Chinese background are hoodwinked by the ease with which half-truths are embellished. Quite rightly White states that Dr. Sun Yat-sen's San Min Chu I (Three People's Principles) is "by all odds the major political theory in the land" and that China's task is like "attempting to devise one solution for the problems of feudalism, the Renaissance and Reformation, the industrial revolution, and the social unrest of today." Not original, but so far so good.

But what White will not disclose is that China's staggering enterprise of going modern has been vastly complicated, not only by 15 years of Japanese invasion, but also by 20 years of subversive activities on the part of the Chinese Communists, directed by Moscow. With every autonomous and semi-independent "armed state within the state" now incorporated into the body politic except the Communist one, White comes forward advocating a return to regional feudalism.

White also refers to the Sun Yat-sen revolution and calls the Whampoa Academy "a school for a host of flaming advocates of revolution," but when he wants to smear the military men who have remained loyal to Chiang Kai-shek through the years he says (p. 42) "the young students of the military academy were decimated in the early revolutionary battle; those who remained were loyal to the Kuomintang before all else, and faithful to Chiang." By innuendo White gives the impression that those killed in the early years of revolution would not have remained equally loyal. A study of White's use of the word "loyalty" would be revealing. Seemingly he cannot comprehend constancy over a period of years. Consistency is an enigma to him, perhaps because he has turned quite a somersault himself.

"Within the areas that Chiang controlled," the author says, "his police butchered Communist leaders; families of known Communist leaders were wiped out." This is oft-repeated, never documented. But if there were such reprisals, what caused them? White should read—as I have done—some of the diaries of central China missionaries describing the massacres by the Communists in those years. In 1927 the young Red leader at Pheng Phi near Swatow had a large sign written in blood over his cave headquarters, announcing that the Russian advisers had instructed the Chinese Reds to kill eight groups of villagers, including religious people of any sect and those who favored a capitalist America. And kill them they did, by the score.

White admits that "by agreement with Chiang Kai-shek they (the Reds, during the united front) were to leave positional warfare to him and wage guerrilla warfare behind the enemy lines," but he does not tell the reader that this was in agreed areas. And, of course, it was to reconquer the country for the Government not for themselves. White becomes lyrical about the Communist record through the war: "One of the most amazing adventures in arms of all times." This is a half-truth with a vengeance, but not in White's meaning. While deployed to free their country from the Japanese, the Chinese Communists increased their army from an agreed 85,000 to 1,500,000. While supposed to be helping their Government, they conquered for themselves territories with a population of 90,000,000. In this opportunism their attacks were often upon Government troops rather than Japanese. In his Vigil of a Nation Lin Yu-tang gives dates, places, and names of generals where this occurred in scores of cases.

As the war progressed, White says a stalemate caused renewed tension between the Government and the Communists. This is merely a fraction of the truth. What caused the break-down of the united front in China? Does White not know of the Hitler-Stalin pact of 1939, which caused a volte face on the part of the Reds in China? He must know that the Chinese Communists, who for 2 years had been calling the generalissimo the George Washington of China, began then to call him dictator, Fascist, gangster, and many similar epithets. And if he knows, it is dishonest to withhold this information from the reader.

Sometimes the flow of words runs to gross exaggeration, rather than to building on half-truth, as when White blandly states that "with the exception of Douglas MacArthur the commanders of the war against Japan in December 1941 were men blinded by an enormous and overweening arrogance" (p. 83). Of course, those who talk in such extravagant terms, given time, will be smearing MacArthur as well. But Nimitz, Halsey, Stratemeyer, Chennault evidently made MacArthur look like a modest violet. The Book of the Month Club chooses this sort of thing for a million Americans to read as choice literature.

"China claimed that she had a government (p. 97)—no election had ever voted it into power * * * they bridged the discrepancy between fact and statement with the Kuomintang's theory of state, a theory that did not work, but was none the less interesting. China was assumed to have not a government of the people but one held in trusteeship for them by the Kuomintang. Sun Yat-sen outlined the party's responsibility in three stages. * * *"

Russia also claims to have a government. Will Mr. White tell us when it was voted in by free election? Later he excuses the totalitarian Chinese Reds by saying: "Mao does not talk of voting." But is White sideswiping the Kuomintang for its peculiar theory of state, or Sun Yat-sen for so outlining the party's trusteeship? Unlike the one-party Government of Russia and Yenan (intended as permanent), the one-party rule of China was temporary. And even as White thunders, China moves on into Dr. Sun's third stage of constitutional democracy.

* * * * *

So with his niggardly tribute to Chinese officers who hungered with their men, marched with them on foot: "they were a handful." His minimizing of China's resistance: "That this army held the line against the Japanese for 6 years is the most remarkable thing of all strange things about it." Strange? Stupendous—glorious. But it was not Communist, so White cannot explain it, and will not praise it.

In Kweichow in 1944: "The troops received 2 days' rations when they dug in, and their mortars had 20 shells to a gun. For 9 days without further food or ammunition, they fought in the cold and freezing weather. The hills were barren of food." But give this Nationalist army at their "Valley Forge" unqualified praise? Never. It is only the Communists who are exalted; the Reds who, instead of fighting for their country, are out expanding their "agreed areas," making hay while their brothers freeze, using the war for a putsch to power. Says White: "The Kuomintang could explain its defects in convincing terms of poverty and weakness." Was the explanation not valid? It could also have charged America with neglecting China on the lend-lease front. But White saves his praise for the Communists trying to usurp the government. He has forgotten his dispatches to Life (May 1, 1944), showing the impossibility of supplying the armies, lacking both food and transportation.

The Communist troops, White admits, could not stop a Japanese spearhead, "did not know how to handle artillery * * * or air corps; knew little of modern signal corps work, mechanization or medical practice, could not maneuver a division in battle." But "the Red army had one quality that made it great—its fighting spirit." The government armies, bombarded from land, sea, and air for three months at Shanghai, must have had some of that spirit, too. That National army which fought 9 days on 2 days' rations in freezing weather must have had some of this fighting spirit. But White's sympathies are not on their side.

He admits the Communists "fought Government troops * * * sounding like the man who claimed he had been hit in the fist with the other fellow's eye," admits that the National Government could not possibly recognize all their opportunistic expansion at the end of the war. Nevertheless, it is the Communists' war record which "is one of the most amazing of all times."

"Stilwell's handling of lend-lease had annoyed him (Chiang)." The grain of truth here is that Stilwell handled it. Suppose we had sent an American to handle lend-lease for Churchill or Stalin. Chiang "privately indulged in one of his famous rages," but White's imagination can describe what is private. "Chiang Kai-shek informed them that he had agreed to have an American commander in chief in China, because China could trust America, but under no circumstances would he permit that commander in chief to be General Stilwell; if America insisted, he would go it alone, retreating farther into the mountains with his loyal divisions before the Japanese advance." Hurrah for the generalissimo. But to White this is just "incandescent fury."

So Wedemeyer came into China to serve under this man of "uncontrollable fury" in the last of eight discouraging years of war, and "Wedemeyer got cooperation where Stilwell met stony refusal." It is true that Chiang refused Stilwell's request to arm the Chinese Communists. (Perhaps Americans would have been wiser to follow Chiang's example instead of our arming Communists, for example, Tito.)

But Stilwell got the only well-trained, well-equipped Chinese troops [1] for the Burma campaign, against the better judgment of the generalissimo who knew he needed them to protect the advance air bases in China. Wedemeyer has said publicly:

"The actual contribution that our Chinese allies made in the recent war has not, in my opinion, been properly evaluated or appreciated. * * * The steadfast determination of the generalissimo as well as the Chinese people to fight on against overwhelming odds saved countless American lives and accelerated final victory."

Is it strange that General Wedemeyer with his appreciation of China's resistance got cooperation?

T. V. Soong, White reports, had to assent to the Sino-Russian treaty of August 1945, "an agreement already roughed out for him by two other powers." No wonder the China Critic of Shanghai said editorially last year: "If Roosevelt and Churchill were so anxious

[1] Trained at Ramgarrh, India.

to please the Russians, why didn't they give them concessions in Alaska or India, instead of giving away what didn't belong to them?" White's admission is a half-truth, however, because White must know that though the Yalta price was high, it bought Russia's promise of "moral support and military aid to the National Government of China" (Sino-Russian Treaty, August 14, 1945), and yet he says: "If we (United States of America) sought security in China by espousing the Kuomintang, the Soviet Union means to counter by espousing the Chinese Communists." He knows Russia promised to espouse the national government. He knows Russia promised to make Dairen an open port. Yet at an IPR luncheon honoring White for villifying China, I heard White say: "Russia has never broken a promise to China."

"China must change or die. * * * China must build the same railroads, open the same mines, clear the same rivers, erect the same steel mills, whether the Kuomintang or the Communists or both control her destiny."

The Communist record is one of cutting railroads, destroying machinery, murdering six Government engineers sent to reopen the Kailan mines, clearing no rivers, erecting no steel mills. China has changed. China will change. China, with the oldest civilization on the face of the earth, will live on when White and his thunder have reased to rumble.

PART II. IGNORANCE AND INACCURACIES

Since the authors did not go to China until after the war had started, they lack the perspective to compare new China (then less than 30 years old) with old China.

Though advertised as a Chinese scholar, White's knowledge of the language, judged by many mistakes in rendering of Chinese names, is extremely limited. With only a smattering of Chinese, he would be unable to converse intelligently with the farmers in their colloquial dialects. Ignorance of the rural Chinese for whom he professes such profound sympathy is apparent in every description of them. "They live in such terrible poverty that they have nothing to lose but their chains. * * * The beating, whipping, torture, and humiliation of the villagers of Asia by officials and gendarmes is part of the substance of Government authority."

The farmer of China is an independent, industrious, cheerful individual. He is not beaten, swindled, and kicked about all his waking days. Reliable statistics, such as Dr. J. Lossing Buck's Land Utilization in China, volume 3, show that a higher percentage of the farmers of China own their own land than of American farmers. Eighty percent of the people live on the land—far too many for the amount of arable land—but heretofore they have been free souls, respected as the second most important group in the nation, never before, to my knowledge, labeled "brood mares" and "beasts of burden." The "land redistribution" slogan of the Chinese Communists is not the solution of the agrarian problem. The land reclamation and better land utilization record of the National Government can be obtained from our own Department of Agriculture, which has aided both surveys and completed projects.

White saw China only during the war. Undoubtedly he saw sad sights and many of them, as in any invaded country. But his descriptions are those of an imaginary proletarian revolution—of the serfs of czarist Russia or the peons of Mexico—they do not fit the farmers of China.

Statistics on land in the book, for which no authority is quoted, are incorrect. Indeed (p. 27), he says, "It is characteristic that this (the peasant's relation to the land) the most overwhelming of all her problems should completely lack adequate statistics." White must mean that he is completely uninformed on the three volumes of Land Utilization, by Dr. J. Lossing Buck, or Free China's New Deal, by Hubert Freyn, or similar authoritative texts by Chinese economists.

White leaves off where the government of Chiang Kai-shek begins: With constructive achievements to improve the lot of the farmer. The people's livelihood is one of Dr. Sun's three principles, and the national government before the war, during the war, and since the war has made marked progress in river conservancy, irrigation projects, reforestation, land reclamation, credit cooperatives, and so forth. It could have accomplished much more but for the obstruction of the Communists.

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Moreover, while White thunders, the national government goes right on in peaceful change, convening the national assembly, presenting the wise laws of a constitution drafted and revised, revised and re-drafted many times—a constitution prepared in the Legislative Yuan under the aegis of Dr. Sun Fo, whom White would concede to be a liberal, and approved last year by the Chinese Communists themselves. By abstention from the national assembly which adopted the constitution, the Communists are the ones who refuse to ease the tension by wise laws. They also are the ones who take the law into their own hands and set the countryside to flames. Not the farmers.

Of the Japanese in surrender, White says: "If anyone had asked why they lost, why they were being forced to sign an end to all their world, they would have advanced a dozen cogent reasons wrapped up in figures on tonnages * * * never entertained a thought that they might have lost because what they had conceived was so hideously wicked that it generated its own defeat."

But, by White's description, what America had conceived was so wicked it should also have generated its own defeat. For "America's war had cut blindly across the course of the greatest revolution in the history of mankind, the revolution of Asia." Wicked America, interfering with world revolution.

China, too, according to White, should have generated its own defeat. He says:

"The story of the China war is the story of the tragedy of Chiang Kai-shek, a man who misunderstood the war as badly as the Japanese or the Allied technicians of victory. Chiang could not understand the revolution whose creature he was."

So Japan, America, and China were all deserving of defeat. They opposed the great world revolution.

When, in contrast, White sings that "the Chinese Communists had the people with them, and with the people they made their own new justice," the reader should note that justice, like democracy, is something the Communists manufacture to suit their ends. To all who understand Communist tactics this will be apparent. But the majority of Americans do not know China, do not know that the new justice includes intimidation, coercion, and purging of opposition. Any government which does not want to go Communist is "reactionary," "Fascist," "inefficient," and "corrupt."

In 1927 the first coalition of Chinese Communists and the Kuomintang came to an end. White says: "What happened in those 3 weeks is a mystery." He is either ignorant of what happened, or glosses over what he does not want to admit—i. e., that the Chinese Communists, with the connivance of the Russian advisers to Chiang's government, tried to usurp the government at Hankow. Chiang broke with them and established the National Government at Nanking. * * *

The Communists had entered the Kuomintang on orders from Moscow to bore from within, just as they do in America, Greece, France, and everywhere else. They had tried to obstruct the northern expedition by seizure of the Whampoa Academy and then the Canton Arsenal. Failing in both, they tried to discredit Chiang by the Nanking incident, when Communist troops attacked foreigners. They fomented strikes and labor troubles in Shanghai and unsuccessful revolts among peasants and farmers.

Chiang was kidnaped in Sian in 1936. White says: "No one has ever recorded in full what actually happened during Chiang's kidnaping." Madame Chiang wrote the inside story; so did W. H. Donald and the generalissimo himself. Does White mean he never read their accounts or that it serves his purpose to ignore them?

He is inaccurate on most statistics. He says the population of 200,000 in Chungking "more than doubled." It was 500,000 before the war. His 7,000,000 recruits who never reached the front is criminally wide of the mark. His figures on delegates to the National Assembly are wrong. He is inaccurate in claiming that Communist terrorism is "in the past." The Reds murdered all the young medics trained by Father Lebbe during this war. This Belgian was another Father Damien, a great humanitarian, himself imprisoned by the Communists, dying soon after his release. The Reds drove 130 missionaries out of Shantung in 1946, destroyed the 80-year-old agricultural project of the Belgian Mission at Shiwantze in the same year, and continue to liquidate property holders to this day * * *.

Sometimes White is more naive than inaccurate, as when he says: "Part of the tradition of the State Department, and an honored one, is for members (like Hurley's staff in China) to report the truth to the American Government." He should have added "as they see it," because Hurley saw it differently from his young, pro-Communist staff. Wedemeyer, too, did not view the Chinese Communists as did the young career men Hurley sent home.

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PART III. CONTRADICTIONS

The number of conflicting statements within the covers of this book is legion, with space here for only a few.

The references to war lords are so contradictory with so many nuances of meaning that one wonders if White knows what a war lord is. China's war lords were military governors of provinces, when the provinces also had civil governors. As they built up independent armies, some of them gained control of several provinces. On page 34 they "were purely destructive"; on page 39 some of them are "repentant war lords * * * who have seen the light"; and on page 49 they are patriotic war lords, choosing to fight with the National Government rather than yield to the Japanese; on page 53 "war lord armies from the south and southwest were marching to join the battle"—brave war lords; on page 58 they are "corrupt war lords" again. Then "commanders of the secondary areas were usually provincial war lords who stood outside the pale of Chiang Kai-shek's confidence," (p. 71), and again, "At one time half of the eight or nine war areas were commanded by men who within the previous 15 years had fought or offered to fight open civil war against Chiang." In other words, four (or four and a half) war lords who had previously been disloyal were now serving the generalissimo.

Most of the former war lords had incorporated their independent armies into the National forces—all but the Communists, who maintain an independent army to this day. Why doesn't White, as reporter, say so if impartial? Why stop short of the Communist war lords? And why, in final solution for China's ills, recommend returning to this feudal system of autonomous regions, where war lords—nothing less—would be independent or semi-independent regional heads?

The Chinese Communists are excused for everything they do against their Government: "They are forced to agitate or die," "keep public support at fever pitch or see it perish," their activity brought them "into

incessant friction with Government units." But when the Government finally had to discipline the Fourth Route Army (Communist) for expanding beyond its agreed area time and again,[2] White calls that a massacre. Of Communist attacks on Government troops, White says: "It was total war; and there were no neutrals." Not even their own countrymen. Anything the Reds do can be rationalized. Nothing the Government does can be right.

One amusing contradiction is that this terrible Kuomintang, this undemocratic party, was riddled with cliques, was "as heterogeneous a political catch-all as the Democratic Party in America." That lets the cat out of the bag. Everyone can see now how ominous, how Fascist, how undemocratic it is.

The CC clique seems to be confined to a membership of the two Chen brothers—all who are ever named. It was "reactionary, it was anti-foreign, it stood closest to the generalissimo, but it was also the only group within the Kuomintang organized from the grass roots up." These are strangely contradictory terms.

"All other groups derive their strength either from their armed forces, or from the personal patronage trough at the capital." No other group besides the Communists has armed forces, and the "patronage trough" sounds like political machines in America. By the time White adds that "in some provinces the tangpu (local Kuomintang) were dominated by the local war lord (sic.) and in other areas the party had definite particularistic provincial tendencies," it would seem that China is pretty individualistic, with no Politburo to tell each Chinese what he must do, how he must vote, or else. The military clique is not powerful enough or else not Fascist enough to "have much power." Maybe China is democratic.

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On one page "Tremendous popular support rolled up behind" Sun Fo; on another, "A few malcontents rallied around Sun Fo." "Less than 10 percent of the party membership was independent of Chiang's will," which might mean 90 percent were loyal—something White would not understand. He acknowledges that Chiang's picture is in every distant hamlet, but will not concede to him popular support. Government administration is under three heads: "All three gave fealty to the g'issimo" and "the g'issimo liked them all." Quite wonderful in a country White thinks barely hangs together. Moreover, Chiang, this man of "uncontrollable fury," "placated and soothed one after the other." But the mutual loyalty implied in their fealty, White cannot understand.

The pen really dipped in venom is reserved for China's great leader, never once called by White the President of China. To Chiang Kai-shek, on the day victory over Japan was being broadcast from Chungking, White pays no tribute. The generalissimo, longer at war than any other leader of Allies or Axis, victorious now, but in plain uniform without military decoration, made the announcement to his people, without recrimination against the enemy, without bitterness or gloating. White was in the studio that day. A friend of mine was there too, and says White was down on one knee hastily scribbling the g'issimo's message as it was read in translation by Hollington Tong. As the broadcast ended and the group went out, most of the people of Chungking seemed to be pressing about the radio station, tumultuously cheering. No police were holding back the people, no bodyguard was there for the g'issimo as he walked down the steps and some little distance through the throng to his car. White, behind the g'issimo, was greatly impressed, and kept saying to my friend: "Isn't this wonderful? Did you ever see anything like it?"

But to picture Chiang Kai-shek as a man of "uncontrollable fury" for a best seller, White curbs his enthusiasm, forgets the thrill of that hour, and brands one of the great men of history with this canard:

"No one could tell that here was a man who had just seen the defeat of his national enemy and who, only that night, was about to set in motion the wheels of machinery that was to engulf the country afresh in civil war."

The Book of the Month Club makes such its considered choice!

White's greatest contradiction is evident if one contrasts his description of General Chiang Kai-shek in his book as a man with a "lust for power, calculating ruthlessness, monumental stubbornness" with his own pen picture in Life magazine of May 1, 1944 (NOTE.—Not in the first year of the war, but after 7 of the 8 years!):

"China has been kept in this war by the leadership of Chiang Kai-shek. * * * This leadership has been unswervingly, unflinchingly and heroically anti-Japanese. It is Chiang who, at the darkest moments of China's loneliness, has held his government and his people to their destined task. He is a man of great intelligence. In his understanding of China he is unsurpassed."

White paid this high tribute to Chiang Kai-shek in Life after 7 years of war. General Wedemeyer gives even higher praise for Chiang during the eighth and most difficult year of the war:

"There are few people who could speak more authoritatively than I do concerning the sincerity, high moral purpose and Christian humility of China's present leader, Generalissimo Chiang Kai-shek. I had frequent, practically daily, contacts with him under the most trying conditions. I can attest to his unselfish devotion to the Chinese people and his earnest desire to provide a democratic way of life within China."

Those who know the President of China know whether the tributes or the canard are the truth. But White cannot have been truthful both times. The Generalissimo did not completely change in the last year of the war. * * *

Many people, knowing little of China, have thought this book impartial because White says something good before he says something bad. But he manages to completely poison the good. Chiang had the "sanctity of a deacon, was a devout and practicing Methodist, reads the Bible every day," but he is made out a hypocrite, still "harsh and ruthless," a man who "sent into battle soldiers doomed before they heard gunfire," a leader who on the night of victory was planning to plunge the nation into civil war.

White concedes that General Stilwell clashed not only with Chiang Kai-shek, but with the British Mountbatten and with the American Chennault. He says he was ill-served by his entire public relations staff, that "he disliked paper work, and the men who did his staff work served him atrociously." There were many frictions, but he was a great guy! Chiang, whose picture admittedly "hung in every village, his name still a magic symbol" in 1944, who got on admirably with the late Wendell Willkie, with Donald Nelson, with Patrick Hurley, with General Wedemeyer, and General Marshall, must have been the difficult one.

Stilwell took a "hell of a beating" in Burma; naturally wanted to train, equip, and clothe a Chinese army to return and retake Burma. The training program at Ramgarrh, India, was not just of the rag-tag remnant which Stilwell led out of Burma on foot. More than 50,000 Chinese were crowded into planes and flown over the Hump to this secret training point. White says: "Chinese opposition to Stilwell's program (of a Burma campaign) is hard to analyze." Things seem hard for White to analyze if he doesn't like the deductions.

When trained and equipped, Chiang wanted those Chinese troops back in China. He felt he needed them there. When, as a result of not having them, the American airfields were lost to the Japs, he probably still felt the same. But Stilwell got those best-trained, best-equipped troops for Burma. Chennault felt "the fighting in Burma was a waste of time." Chennault believed with sufficient air power he could keep the Japanese in eastern China from attacking the air bases; he said: "All supplies should be concentrated on the Fourteenth Air Force and what supplies were left over should be turned over to the Chinese to do with as they saw fit." But Stilwell, who handled lend-lease for China, had his way.

It resolves into a question of which was more important in defeating the Japanese; reopening a difficult and narrow road soon to revert to jungle, or protecting the big airfields so important if the Americans had to invade the coast. White's own description of the demolition of the airfields when the Japs came, fields built at such coast in blood and sweat, gives weight to the theory that Chiang was right. "Stilwell felt he was fighting the Burma campaign alone," says White. At least he had the only well-fed, well-equipped, well-trained Chinese troops. Chiang felt he needed them in China. Chennault thought so, too.

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The Communists, White tells us, had no national congress since 1928, which (White does not reveal) was held in Moscow. Their central executive council met rarely, and the direction of the party lay in the hands of the political bureau dominated by Mao Tze-tung and Chou En-lai. The party and the army unquestioningly executed their decisions. As in Russia, no democratic procedures, no general elections—but criticized for this? Not by White. And yet how he scores the Kuomintang for not being more democratic.

"The political bureau handed down high policy after the leaders had argued it out, and Yenan made no criticism. * * * Unanimity on policy was total * * * a stark contrast to Chungking." White likes this unanimity better: "None of the critical atmosphere of Chungking, where the cynical, civilized bureaucrats of the Kuomintang gossiped and picked each other to pieces constantly." As in America? Well, which is the more democratic, which the more totalitarian?

Of many canards against Ambassador Hurley, White says of his attempt to make peace between the Government and the Chinese Communists: 'This would have required infinite patience, an almost saintly tolerance, vigorous administrative skill, and a deep understanding of China." So Hurley failed. But, between them, General Marshall and Ambassador Stuart possessed all these attributes, and they, too, failed. Cou'd it be that the Communists are at fault, Mr. White?

But the great Americans in China to White are those who would arm the Communists, or force Chiang to grant all they asked. First White admits that "actually no minor number of seats would satisfy the Chinese Communists" and then in direct contradiction, "A government that tried to solve these problems might have granted the Communists only token representation and still won their support." (In the interim government Chiang offered them 13 seats out of 40, when, according to White's own figures, they represented only one-fifth of the population.) Then too "Kuomintang liberals" made a proposal "which might have been accepted a year earlier but the Communists had already launched a campaign for dominance of east China. They were unwilling to settle for anything that would leave them—and

[2] At the time Chiang said he had forgiven the Fourth Route Army "until 70 times 7."

China—subject to the generalissimo's veto power." So they must dominate? They are not content with coalition, or one-fifth representation.

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White's contradictions of his own statements become wearisome. The least a coauthor might have done would be to note these conflicting assertions and suggest revision.

PART IV. TRUE OR FALSE?

Some of the most thunderous statements can scarcely be classified as inaccurate. When they bear no resemblance to the truth, they must be labeled false.

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A wholly false statement is this: "In Shanghai collecting the lifeless bodies of child laborers at factory gates in the morning is a routine affair." I have lived in Shanghai through the early years of China's developing industry when children worked long hours for a pittance, and through the years when the municipal council in the International Settlement and the Chinese Chamber of Commerce in the Chinese areas achieved labor laws and established excellent factory inspection. I submit that White's vilifying statement was never true. Children who died during the war starved because of the Japanese invasion, not as child laborers at factory gates.

When White talks about a fixed station in life "from which there is no escape," he is giving a false picture, for China is remarkably free from distinctions of class or caste. He may not know that the merchant eats in a room back of the shop with his clerks, that the master carpenter dips into the same dishes with his apprentices, that the landowner often works in the fields with his tenants and eats with them around a common table. Many a Chinese Abraham Lincoln has passed the Confucian examinations making him eligible for high official position. Complete ignorance of China's social democracy is inexcusable in one who presumes to write books about the country and the people.

"Officials thundered against the hoarding—but no action was ever taken." Representing Life magazine, White might be expected to read Time reporting the execution of certain unrepentant hoarders.

The white man has "thrust his faith down the gullet of the heathen at bayonet's point." What utter nonsense. Unless White is an anti-Christian Communist, he must be either untruthful or woefully ignorant of the centuries of educational, medical, and evangelistic work of Christian missions, establishing some of the finest universities, many of the best hospitals, helping the Chinese establish schools for the blind, missions to lepers, orphanages, technical institutes, agricultural missions, etc.

Presumably to explain why the Chinese Communists were fighting government troops more than Japanese after the United front broke down, White says: "The campaigns the Japanese fought between 1938 and 1944 were foraging expeditions rather than battles." These years cover battles for Changsha where the foreign correspondents went over the battlefield and acknowledged the heavy loss of life (on both sides); the battle of Ichang (won by the Japanese with poison gas); many Japanese attempts to cross the Yellow River into Shensi; Chinese victories in Burma and at the Salween. * * *

It is untrue to say "all other parties (except the Kuomintang) were outlawed." White knows the parties comprising the Democratic League—including the Young China Party and the Social Democrats—are not outlawed. He knows there was a Communist (Tung Pi-wu) on the Chinese delegation to the San Franicsco Conference; that there were Communist delegates in the People's Political Council of January 1946. He knows that only their own refusal to participate kept the Communists from being in the recent National Assembly which adopted the Constitution. They make themselves "outlaws" by having an independent army, like the former war lords, but it is completely false to say that other political parties (unless armed) would be outlawed.

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White, who lauded Chiang Kai-shek in 1944, now charges that during the 20 years since he broke with the Communists, both Chiang and China have changed. "His one passion now became and remained an overriding lust for power. All his politics revolved about the concept of force." It's a false picture. If it were true, it would show somewhere in the two volumes of his wartime utterances, so remarkably free from bitterness, hatred or vituperation against either the Japanese or the Communists. There one finds a Christian leader, exhorting his people to pray for the enemy, to keep hatred out of their hearts.

Veracity is not with White when he passes off slander against the Generalissimo's personal character by saying he was "infuriated by gossip he would have shrugged off 20 years earlier." Chiang has always resented gossip affecting his wife, such as the idle slander of Lady Chesterton of England in a book about her travels in China. On protest through the British ambassador the book was banned in England until the false assertions had been deleted. Chiang had even greater reason for refuting the slander, referred to by White, spread by irresponsible columnists and radio commentators all over the United States.

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Other vilifying statements, unfair and untrue, are that "7,000,000 men had died of sickness and hunger or because they had deserted to their homes or en masse to the enemy," that "going into the army was usually a death sentence" and that General Ho Yin-ching was responsible "more than any other man except Chiang Kai-shek for the rotting away of the Chinese armies in the field, the starving of Chinese soldiers." It is a long-suffering Chiang Kai-shek that does not sue Theodore White for libel like that. White himself gave a very different picture in Life in May 1944:

"The soldiers of China are hungry. The transportation (lack of it) is such that even if the government could organize an efficient quartermaster corps in the rear there would be no way of getting meats, fresh food, and beans to the front in quantity to feed the soldiers. * * * The great burden of the war has been borne by the armies of the Central Government itself. These armies were responsible for the great victories about Taichehwang and Changsha, for the heroic defenses of Shanghai and Hankow and in recent years the Gorges and Rice Bowl area."

After 6, 7 years of war and blockade there was lack of supplies of all kinds, dreadful lack of communications, calamitous lack of trucks, locomotives, and rolling stock of all kinds. Let Theodore White sit down some time and try to imagine how different the picture might have been if China, like Russia, had had $11,000,000 worth of lend-lease supplies, both war and medical.

White says: "Expropriation had been a cardinal tenet of Communist doctrine in the 1930's, now it was outlawed except in cases of landlords who aided or collaborated with the invader." But missionary John Abernathy, of Shantung Province, says: "The Chinese Communists have terrorized more people and destroyed more property in 1 year than the Japanese did in 8. * * * If a farmer has more than 2 acres of land they call him a capitalist, arrest him, publicly humiliate him, take from him all that he has and turn him out to beg." My conversations with Chinese men from the same province last winter confirm Abernathy's statement. * * *

"China had become a secondary concern of American strategy by the spring of 1945." When I repeated this to General Wedemeyer, he did not hesitate to label it absolutely incorrect. White says Wedemeyer was to train a first-class Chinese fighting machine, but "what the machine was to be used for, who was to drive it, where it was to go, was not Wedemeyer's business." The general put the same label on that one.

White goes on: "Hurley was the No. 1 American in China. Wedemeyer, as No. 2, was harassed and angered by Hurley's petulance and nagging." General Wedemeyer calls Hurley a great American, with whom he did not always agree. But Wedemeyer's directives were from the President and the Joint Chiefs of Staff. Hurley did not give him orders, nor did the Ambassador interfere in any way with the accomplishment of his objectives.

"The Generalissimo gave the kiss of death to all reform hopes." Step by step, if not quite as fast as White's book was selling, China under the Generalissimo's lead was moving forward toward full constitutional democracy. "Of 1,440 delegates (to the National Assembly) 950 were selected before the Japanese war." One should not write in such ignorance as to be open to the charge of falsifying. Originally there were 1,200 delegates. As a concession for unity's sake, 850 new ones, including far more Communists than their numbers warranted, were provided for. Still the Communists refused to participate, but the Young China Party and the Social Democrats sent delegates. It makes White's statement that "the government would not promise to widen the membership of the Constitutional Assembly" one more untruth.

It is wholly misleading to say that the choice in China, either for the Chinese or for America, became "Chiang Kai-shek or communism * * * no one ever mentioned a middle way." All negotiations, whether under Hurley or Marshall, have been predicated on the middle way of a coalition government with Communists, Democratic League members and nonpartisans. But what White advocates, as far as I can make it out, is equivalent to war-lord feudalism, semi-independent provinces again; a weakened national army "that cannot dominate the entire map of China at one time;" "each province responsible for its own internal security," which was the war-lord system. He says the centralization sought in the past is impossible. The great middle group in China "wants peace and will labor for it. * * * If they were well organized they could guarantee peace. * * * But they lack an army * * *." More feudal, party armies advocated for China? Heaven forbid. China is farther along the road to democracy than that.

* * * * *

So with White's false picture of "revolution stirring and shaking every province, every county, every village in the land—working in the columns of hungering refugees, in the bivouac of every soldier." Like many other Americans, the writer's husband has done relief work or worked with Chinese soldiers all through the war. Not only his experience with soldiers wounded once, twice, three times and still eager to get back to the front lines, but his movies taken in many parts of China during the war give the lie to the distorted picture of White's seething proletariat, soldier, and browbeaten peasant. If White wanted to write a book about the peasants of China, he should have become personally acquainted with them first.

PART V. THE COMMUNIST BIAS

As soon as the author charges that "America's war had cut blindly across the course of the greatest revolution in the history of Asia," the bias—conscious or unconscious—is apparent. When White sees his own country as the one that blindly keeps the people

of half the world from freedom, he is wearing Communist spectacles, whatever his religion. Only so could he write of the war in the Pacific: "Japan's plunge into the South Seas was a turning point in the history of subject Asia, so portentous a phase in a revolution of hundreds of millions of men, that the war itself was reduced almost to a detail." World revolution is the thing.

Throughout the book, White approves any expansion of the Communists while the Chinese Government is fighting the Japanese: "In 1943 they were in full tide of expansion again. They had nearly eliminated government influence in the province of Shantung by the end of that year, and the Eighth Route Army in Kiangsu was stronger than ever. The new Fourth Army which the Central Government had tried to wipe out (sic!) in 1941 was also flourishing. It occupied all the central part of Kiangsu and most of the south of that province. Its units stretched inland * * * most of Hupeh and parts of Honan."

Approving the race of the Communists against their government after Japanese capitulation, White says: "Manchuria alone remained in dispute. * * * They did not yield the Yangtze Valley and Shanghai to Chiang out of fear alone; they yielded because they had decided to trade Shanghai for the much richer prize of Manchuria." Who wanted to trade? What right had they to either? "Speeding north in one of the most dramatic marches in all history"—brave, opportunistic Reds!

"A radio and courier network linked all Communist centers * * *." The whole description is like that of Tito making hay while the war raged. All sorts of excuses for the Communists. White admits that they were "not for national war against the Japanese but for power for themselves," that they were "complete masters of brutality when brutality becomes necessary." When is it necessary? He condemns Chiang Kai-shek for ruthlessness or brutality, even though not substantiated.

His excuse for the Communist army not concentrating large numbers of troops "across the Yellow River or along the coast" is that "any such concentration would have been an open invitation to the Japanese to attack frontally in a battle they could surely win." Quite an admission; but the government troops had to attack frontally whether they could win or not.

Another strange admission is that after Stilwell's recall, "for the rest of the war, America's concern in China was politics, not warfare. And politics meant simply an effort to understand and cooperate with the leaders of Yenan." That must have made things difficult for both General Wedemeyer and Chiang Kai-shek.

Admitting that the Chinese Communist Party in the twenties (it was not organized until 1921) had been controlled body and soul by Moscow, its 1927 troubles were partly due to its own immaturity, partly the ignorant advice of Russia (hard on Russia's best advisers, Borodin and Bleucher); from Pearl Harbor on, the United States became more and more important to the Chinese Communists, the Soviet Union ever more remote. The explanation given is: "America had been in Communist mythology a land of predatory capitalism; now by contact with Stilwell they had a new picture of American policy." (The attitude would soon change if they didn't get the lend-lease they were angling for.) "By 1944 the Chinese Communist Party was rooted in its own soil. Sinified, nationalistic. * * *" (Just like Tito's Communists in Yugoslavia.) The Communists loved the American observer group, Col. David Barrett, John Davies, Jack Service, etc. They had great hopes of direct American aid. But we threw the opportunity away. We proved to them that no matter how friendly they might be to us, we would support the government of Chiang Kai-shek against them under any circumstances. Why against them? Weren't both fighting the Japanese? Or could it possibly be that the Communists were fighting Chiang?

"Chiang stood for a moment within reach of statesmanship." If he had assented to Communist terms, the authors think it would have meant peace. Not for a moment. As with Hurley, they would have doubled their demands. "Dissent meant bloodshed, and Chiang dissented." Chiang should have thrown over the unified China planned by Dr. Sun Yat-sen, built up by overthrow of the warlords, and returned to the feudal system of "recognizing regional control."

"Control of individual provinces by different parties could not lessen the unity of China any more than control of individual States by Democrats or Republicans." Do Republicans or Democrats maintain armies? Do we have no centralized control? This business of control of individual provinces is the old feudal warlord system, eliminated by the Chiang government, all over again.

And the presence of the American marines, it is said, helped to prevent the Communist plan. The railroads were protected by United States marines. "Until the government forces moved beyond the protection of that American flag, the Chinese Communists could not attack them." Otherwise they would have, and finally they even ambushed the American marines.

So the authors are quite clearly for the Communists. Up to now the Communist Party has shone by comparison with the Kuomintang. Only if, as a new government, they "move energetically forward to reform, can the Communist protestation of loyalty be tested." Loyalty to what? Their lack of loyalty to their government can be proved by their entire past history. When the Kuomintang was admittedly revolutionary and "moving energetically forward to reform," the Chinese Communists under instructions from Moscow joined it to bore from within. Today similar instructions direct them to break up the good feeling between Chiang Kai-shek and the United States, to do everything possible by civil war to overthrow the government while continuing to negotiate with Gen. George C. Marshall.

White says the Communist leaders "would hesitate as little to demand the ultimate sacrifice of thousands or even millions of peasants as they would to offer their own lives as sacrifice." * * * "They have cheated and broken promises; they are bitterly intolerant of criticism," but nonetheless White is for them, because he is for revolution—world revolution—which makes a Pacific war for our freedom "a mere detail."

He admits that "If we withdrew unilaterally, then in 10 years all China may be under Communist control—and in measurable years—all Asia." But this is not a terrifying prospect to White. "We must come to an agreement with Russia by direct negotiation or by a conference that includes the two great parties of China." By now he has forgotten "the great middle group wherein lies the hope of China." "We must make clear to the Russians * * *" and "Suppose Russia will not cooperate?" Then "We must do what Russia does—offer bread and equality in their daily life, adopt a policy of change. We will not clash with Russia, nor can she menace us." It is nice to have White's assurance. What makes him think that Russia, having broken the August 1945 treaty with China from the moment the ink was dry, will keep a treaty with us about China? Having said that "the open-door policy meant simply that China was 'open' to everyone but the Chinese," I wonder if White would now advocate an iron-curtain policy, which would mean that China is closed to everyone but the Russians?

WORDS WITHOUT MEANING

There is so much about China that White doesn't know, so much he knows which isn't true, that one might be amused by his roaring and rumbling except for one tragic fact. His thunder beclouds the real issue. China is inching toward democracy, but at every inch an armed minority obstructs reconstruction, creates chaos, and prevents unity and political-economic democracy. Failing to sense this, White does not see China's struggle as part of the world's ideological warfare. As China was first in the battle against the aggression of fascism, so China is today in the vanguard against the aggression of communism. And China knows, as White does not, that both are totalitarian, both the enemy of freedom.

Treatment of Displaced Persons

EXTENSION OF REMARKS
OF
HON. JOHN SHERMAN COOPER
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by Secretary of State Marshall before the House Subcommittee on Immigration and Naturalization, on July 16, 1947.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE GEORGE C. MARSHALL, SECRETARY OF STATE, BEFORE THE HOUSE SUBCOMMITTEE ON IMMIGRATION AND NATURALIZATION, JULY 16, 1947

I appreciate the courtesy of this committee in convening especially to hear statements by some of the Cabinet officials in support of H. R. 2910. I speak with a good deal of personal feeling on the subject of displaced persons. As Chief of Staff during the war years I naturally followed the subject very closely. I saw the first authentic and detailed reports on conditions in the concentration camps overrun by our armies. Some of you may recall that, at the request of General Eisenhower, I invited a group of representative congressional leaders to visit the concentration camps at that time. I commend their report to you as an historic document. In the realm of foreign affairs, I have also had a direct association with the problem, as I shall later describe. I believe that the outcome of the discussion on this bill will have an important bearing on our foreign policy. That is why I am here today.

There are about a million displaced persons in and around the displaced-persons camps. Most of them are people who were uprooted primarily from the Baltic States, from the part of Poland east of the Curzon line, now within the Russian borders, and from Yugoslavia. They were forcibly transferred into Germany by the Nazi armies before the end of hostilities. A much smaller group includes the remnants of the Jewish population of Germany and Austria, and also Jewish people, primarily from Poland, who fled into Germany and Austria after the close of hostilities. All of these million individuals are now under the control of the Western Allied Armies in the occupied areas of Germany and Austria and in Italy. It is they who present the problem we are discussing.

From 80 to 90 percent of these people now in Germany were there before the close of hostilities. The remainder were Jewish refugees who entered since that time.

I desire to emphasize at the outset that by supporting this bill, we are not asking

Congress to take on a new problem. The problem of the disposition of these displaced persons is one that Congress already has on its hands. It is a problem that is ours as a result of our armies fighting their way into Germany and Austria and taking governmental control of our zones and with it the fate of these captives of the Nazis. Congress is at present the ultimate governmental authority for the 600,000 of these victims of the war now located in the American zones.

Assistant Secretary Hilldring and other witnesses have already described the character of these displaced persons, their present situation and the four alternatives that appear to confront the Congress in determining their disposition. These alternatives are:

First, forcible repatriation;

Second, closing the camps and turning these victims of the Germans back to the Germans and the German economy;

Third, indefinite separate maintenance in Germany of these displaced persons in assembly centers; or

Fourth, their resettlement in other countries, including the United States.

I wish to make certain observations on each of these alternatives.

As to repatriation: Very speedily after the end of hostilities the western Allied armies repatriated to their countries of origin 7,000,000 persons who had been brought into Germany by the Germans. For the most part, they were western Europeans—French, Belgian, Dutch—and citizens of prewar Russia. We have aided and will continue to aid all others willing to return. A substantial but diminishing number of Poles and a small number of others have gone back to eastern Europe during the past year. But it has now become clear that practically all of the displaced persons now remaining in our hands are definitely and finally unwilling to return. We are therefore confronted with the question as to whether we should return them forcibly against their will. They are, as I have said, primarily people from the Baltic States, from that part of Poland east of the Curzon Line which is now under Russian authority, and from Yugoslavia. In these areas there has been a change in the political and economic system which these displaced persons are unwilling to accept.

There is a sharp divergence of viewpoint between the Soviet Government and our own as to what course should be pursued. The Soviet viewpoint has been vigorously presented in every possible forum—the Control Councils of Germany and Austria, the General Assembly of the UN, and the Council of Foreign Ministers, to mention a few. The Soviet viewpoint is that those persons born in areas now subject to the Soviet governmental authority are Russian subjects and under obligation to return to such territory. They demand that we forcibly repatriate the DP's. Our view is that it is against American tradition for us to compel these persons, who are now under our authority, to return against their will to those or other areas under governments whose political and economic systems they are unwilling to accept.

I have felt that the position which we have taken is in accord with the views of Congress. I earnestly hope that the Congress will reject the alternative of forcible repatriation as a solution of this problem. But this very difference of opinion has been a constant source of international friction. It will remain such a source of conflict and friction so long as these displaced persons remain in Germany and until they can strike new roots elsewhere in friendly soil.

We could eliminate this friction by abandoning our principles. But the principles which we have been upholding are not only our own. They have been adopted by the General Assembly of the United Nations. To adopt the alternative of forcible repatriation would therefore be violating not only our American traditions but also standards of international conduct.

As to the second alternative—abandoning the DP's to the Germany economy: There is quite naturally a fierce resentment between the displaced persons and Germans. The displaced persons know that the Germans are responsible for their present plight. The Germans regard the displaced persons as an uncomfortable burden and a constant source of annoyance. To turn them back to the Germans would be to perpetuate grave tensions and an ever-present threat of internal conflict. It would increase the present difficulty of our occupation and prolong the necessity for it. It would not lessen the international tension over the DP's. Further, from an economic standpoint this alternative is impracticable. The western zones of Germany are already overcrowded with the millions of Germans and people of German stock who have fled or been transferred into Germany since the end of the war. If we should in addition throw these displaced persons onto the German economy, we would have to continue our contributions to their support, though indirectly as an alternative to their starvation.

The third alternative is to continue indefinitely the segregation and maintenance of these displaced persons in Germany with a prolonged contribution from the American taxpayer for their support directly or indirectly through the International Refugee Organization. Quite apart from the dollar and cents burden that this country would thus saddle itself with, I feel profoundly that it is an alternative we should not adopt. So far these people have done well in making the best of their situation. They have been active in such work as it is possible for us to find for them and, indeed, for them to find for themselves. They have created much which is excellent in the life of their small communities. But men and women cannot be cut off indefinitely from any opportunity to help themselves or to plan for their own lives and the lives of their children without an inevitable deterioration. That deterioration would have disastrous effects on these people. That demoralization also would have disastrous effects on the larger problem of the reconstruction of the Europe that will alone make possible a peaceful world. The fundamental American tradition as to all people under our governmental authority is the opportunity to help oneself. To continue to hold these people where there is no opportunity to help themselves and without hope of such opportunity is contrary to that American tradition.

The fourth alternative is the resettlement of these people in the various countries of the world who will be willing to receive them. Determined efforts have been made in that direction. Helpful results have already been accomplished. Belgium is taking substantial numbers. So is France. England has assumed responsibility for the care of the several hundred thousands of the Anders Polish Army and is receiving currently substantial numbers of displaced persons. Norway has admitted some.

The question is naturally asked: Why is it not better for these displaced persons to participate in and contribute to the reconstruction of Europe?

The answer must be: So far as this is practicable, it is desirable. However, for the reasons already outlined, the return of these people from the eastern European areas to those eastern areas for this purpose is not one we can urge. It would take force to do it and a surrender of our principles. On the other hand the western areas of Europe, which are already making arrangements for taking several hundred thousand of these displaced persons, are now densely populated. Their needs, economists tell me, are not primarily for additional manpower. Certain of these areas are on or across the border line of overpopulation. Their need is primarily to replace and bring up to date capital equipment, with the necessary working capital of raw material and subsistence and a restored fabric of trade and commerce, so that available manpower can again effectively produce and the product be effectively distributed. Some expert and experienced top-level technical assistance from the outside might be helpful to them but so far as it might be drawn from displaced persons it would not be numerically important.

I have received from a member of your committee a suggestion that in the plans now being formulated by these countries for their economic reconstruction provision be made for increasing the number of displaced persons they have agreed to admit. As you know, we have suggested to the European countries that they initiate their own survey of their own needs and of steps which might be taken in reconstruction. These countries may well find it possible as part of these new reconstruction plans to convert a larger part of this burden into an asset by the more extensive use of this manpower than they have so far found it practicable to plan. Such efforts will certainly have our support. But the problem is of such magnitude that both we and the South American countries must also take steps to aid in its solution.

We had hoped a year ago that admission of displaced persons into Latin America and other countries outside of Europe would solve the whole problem but we now know that it will not. Shiploads have moved to Paraguay and Brazil and some are now on their way to Venezuela. Other plans are in the making. But we cannot, I feel, sit back ourselves and expect other countries to make all the positive efforts to solve this problem in which we are so directly concerned.

In our discussions with other countries we are constantly met with the question, "What is the United States, which is urging others to accept these people as useful and desirable immigrants, doing about accepting a part of them itself?" If we practice what we preach; if we admit a substantial number of these people as immigrants, then with what others are already doing and will do we can actually bring an end to this tragic situation. In so doing, we will also confirm our moral leadership and demonstrate that we are not retreating behind the Atlantic Ocean.

Although we have left it to other countries to take the lead in active measures to alleviate this tragic situation, yet we are actually in a better position to receive a substantial number of these people than any other nation. We have numbers of their stock already in this country who know their language and who have the resources and interest to assume the task of fitting a relatively small number of their kinsmen into our vast economy, without expense to this Nation in their resettlement, and with a reasonable assurance that they will not become public charges.

I am, it goes without saying, deeply concerned with the readjustment of our veterans into the tasks of peace. Already it has proceeded at a pace far more rapid than anyone believed possible. I do not believe that the great rank and file of our veterans, aware of the facts, would want this relative handful of our allies and victims of the Nazi armies to be forcibly returned to areas where economic and political system alien to our own prevail and which they are unwilling to accept. Nor do I believe that they would desire them to be turned over again to the people who uprooted them and enslaved them or kept them hopeless in these camps.

I urge prompt decision and action by Congress on this question. We must not continue these allies of ours, these captives of the Germans, indefinitely in the camps pro-

longing their abnormal existence and killing their hope.

The tasks that are imposed by a declaration of war are not completed when the guns cease fire. This is one of the tasks which we have not completed. It is for you to determine how it is to be completed.

H. R. 221

EXTENSION OF REMARKS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BULWINKLE. Mr. Speaker, in the early days of the present session of this Congress I introduced a bill now known as H. R. 221. In the Seventy-ninth Congress, some 2 years ago, I introduced a bill H. R. 2536. These are practically similar and both are unique in two important respects.

The first is in regard to the support of the bills from every State and section of the country. I say to you frankly that in the years that I have been in the Congress, since the Sixty-seventh Congress, there has never been a bill pertaining to transportation which has had such unanimity of support from those who rely upon transportation, those who engage in transportation and those who regulate transportation in the public interest. In short, public utilities commissions of the various States, with one exception in the entire United States, those engaged in transportation such as the truckers, railroads, inland waterways, coastwise shippers and bus lines actively supported the bill in the last Congress and in this Congress.

In the second place there is a small minority opposition. This group is composed of some well meaning individuals, some columnists, some in the Government service who do not know what they are talking about and some fellow travelers on the road to Moscow. This opposition is rather peculiar. H. R. 221 has been grossly misunderstood and misrepresented. It is amusing to read what two or three columnists who are allegedly in opposition to the bill have to say about it. One can see by reading their articles that they know nothing about transportation and are very careless about the facts, largely on account of their complete ignorance of the subject.

In mentioning those who favor the bill it is well to remember that in the Seventy-ninth Congress the Committee on Interstate and Foreign Commerce reported the bill favorably. There were 26 members of the committee and only 3 voted against it. In June of this year a bill similar in concept, S. 110, was passed by the Senate after lengthy debate by a vote of 60 to 27. The original House bill, H. R. 221, was reported in July of this year from the House Committee on Interstate and Foreign Commerce by an overwhelming vote. Owing to the shortness of the time before adjournment, it is not possible to consider the bill on the floor of the House at this session. It remains on the calendar and will be considered at the next session in January, or in event the Congress convenes before January the bill will be considered at that time.

I cannot understand the attitude of some in the Antitrust Division of the Justice Department. By their attitude do they mean to assert that the Department of Justice, not the Interstate Commerce Commission, should decide whether or not practices in the field of transportation are reasonable or unreasonable? Do they mean to assert that which is necessary to accomplish the purpose of the Interstate Commerce Commission has all of a sudden become unlawful? Do they mean to assert that even though transportation has been subject to regulation by the Interstate Commerce Commission for more than 50 years it is unlawful? Do they want additional power lodged in the Department of Justice which would give to that Department the veto over the decisions of the Interstate Commerce Commission? Have they forgotten that the Congress has delegated to an agency of its own creation, the Interstate Commerce Commission, the power to regulate transportation? Would they have this power abolished and taken away from the Congress and established in the executive branch of the Government? I wish to remind them, these men in the Department of Justice, that the Congress makes the policy, not the agency to which they belong.

I challenge these men or any other opponents of the bill, to point to one word, one sentence, one paragraph of the bill which aids or abets the evils of monopoly. I challenge them to point out one phrase which permits or encourages discrimination or restraint of competition and trade. Nothing in it has to do with the level of rates or their relationship to each other. The bill only deals with the method by which carriers may discuss their rates before rate proposals are filed with the Interstate Commerce Commission. One will see by reading the bill that the Commission retains its full and complete powers as to the rate which it may approve. The bill makes it clear that no action is authorized in any conference unless it first has the approval of the Interstate Commerce Commission. One will find further that the Commission is denied the power to approve unless it expressly finds, after full public hearings, that the proposal is in the furtherance of the national transportation policy.

I read the other day the astonishing statement that "the bill permitted carriers to get together in secret some dark night." Needless to say this is absolutely incorrect. The bill provides for complete publicity at every conference to protect the rights of the public.

The purpose of H. R. 221 is to make certain that action which is found to be in furtherance of the national transportation policy shall not be deemed a crime under the terms of the antitrust laws. It sets up administrative machinery by which the Commission may determine in each particular case whether or not a given practice or proposal is or is not in furtherance of the national transportation policy. It provides for the continuing supervision of the conduct of carriers and shippers to see to it that whatever is done must be done in the public interest.

This is not a railroad bill only as some of the opponents would have you believe. They forget that there are 22,000 truck lines and a number of bus lines that are vitally concerned in the passage of this bill. These motor carriers touch every city, town, and hamlet in the Nation.

I am deeply concerned in the welfare of transportation whether it be by land, sea, or by air. This Nation must have for its preservation and prosperity efficient transportation systems. Remember it cannot survive without it.

The People's Platform

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio broadcast:

ANNOUNCER. The People's Platform. "Should there be a United States of Europe?" This question has assumed new importance in the light of recent European meetings to plan together for American aid. So Columbia's weekly discussion program considers today the problem of European unity and cooperation. Chairman of the People's Platform is Dwight Cooke. His guests are Senator CLAUDE PEPPER, Democrat, of Florida, Representative HALE BOGGS, Democrat, of Louisiana, and Isidore Lubin, United States representative on the Economic and Employment Commission of the United Nations and former United States Representative on the UN's Devastated Area Commission. For the People's Platform discussion of "Should there be a United States of Europe?" we hear first from Chairman Dwight Cooke.

Mr. COOKE. The Prime Ministers of England and France have answered that question for us in almost identical words. They both said very recently: "Europe must unite or perish." Certainly never has war-drenched Europe been more disunited and wrecked than it is today. All around them Europeans see chaos and starvation and wrecked factories and bridges and railroads and trade. And on top of this they have the dark fear of the two rising suns of the twentieth century, the United States and Russia, that they will be burned to atomic ashes in that kind of a rivalry. If Europe could unite, they'd no longer be any kind of a pawn in such a rivalry. So Europe dreams of unity. And if Europe could unify, it would be an immensely happier, better world for us Americans, too. We'd have order and prosperity and trade; we'd have a climate in Europe in which democracy could grow and an end to the American nightmare of a Russian-controlled Europe from Cherbourg to Dakar. So we, too, dream of European unity. But can it be more than a beautiful dream? That, gentlemen, seems to me the question which we've got to discuss today; find out what kind of a unity we can aim for and get and where Germany fits in that kind of a unity, and, finally, what we do about it, what the Marshall plan has to do with it, what our responsibilities are, and why it pays us to spend

the money in such a project. Now, Mr. Boggs, you introduced a resolution in the House along these lines; did you not?

Representative Boggs. Yes, Mr. Cooke, Senator Fulbright, Senator Thomas, and I introduced concurrent resolutions in the House and in the Senate on the same day, which stated in effect that the Congress favored the creation of a United States of Europe within the framework of the United Nations. We had several reasons for introducing that resolution. I would say the principal one was that we were certain that while the Truman doctrine was an essential doctrine, we felt that it was a negative approach to the problems of Europe, rather than a positive approach, and we felt that only by the unification of Europe can Europe's problems be solved and can we preserve our own economic stability.

Mr. Cooke. Well, there again, you share in this dream of unity. How about the practicality of unity now, Mr. Boggs?

Representative Boggs. Well, of course, Mr. Cooke, it is a very difficult problem. The unification of Europe is an old ideal; it's been, as you say, a dream of statesmen, scholars, and students of the problems of Europe since civilization made its debut on that continent. However, maybe today because of the peculiar problems of Europe the ideal may be closer to accomplishment than at any time in the past.

Mr. Cooke. Senator Pepper, how about this question of the peculiar problems of Europe and European and world unity?

Senator Pepper. Mr. Cooke, we all agree that it's been an aspiration of the people of Europe to get together for centuries. It occurred in the days of the Grecian city-states and the Italian city-states, and since that time that dream has gone on. But it is my opinion that rather than today to try to create a United States of Europe, I believe it's best to use the organization we now have set up, the United Nations Organization, as the best way of promoting the well-being and keeping the peace of the people of the world. I believe that today an effort to set up a United States of Europe would simply make permanent the tragic division which divides eastern and western Europe. It would promote lack of harmony and lack of cooperation, rather than an affirmative harmony and affirmative cooperation. I do not attribute that spirit to Senator Fulbright and to Mr. Boggs, but I do attribute it to men like Mr. Winston Churchill and Mr. John Foster Dulles. Many people who today are talking about a United States of Europe really want only a federation of the western part of Europe, the anti-Russian part of Europe, and they want to make the keystone of that western Europe that they wish to organize a rebuilt Germany. I think that's in the direction of war, rather than toward peace for Europe and the world.

Mr. Cooke. Well, Mr. Lubin, Senator Pepper has brought up quite a number of questions to discuss there, but take the largest question he's brought up. Do you think there's a choice today of European harmony in a United Nations versus European unity and some kind of United States of Europe?

Mr. Lubin. Well, Mr. Cooke, as I see the picture of Europe at the present time, you've got a devastated continent. The first job that must be done is to make it possible for these countries to rebuild their economy so their people can be put on their own feet and be permitted to make their own living.

Mr. Cooke. Why don't we take your point there, Mr. Lubin, and see if the other two gentlemen around the table agree with you. Do you think that's the first that should be done, Mr. Boggs?

Representative Boggs. I thoroughly agree that Europe must be put on its feet. As a matter of fact, there's more than Europe involved in the problem. If Europe isn't put on its feet, I'm afraid that we may be knocked off our own.

Senator Pepper. I believe in economic unity as the basis of world peace, and I want to see that unity achieved through the Social and Economic Council and the other organs of the United Nations.

Mr. Lubin. But the question as I see it is this: You've got specific regional problems. You've got an interrelationship between the economy, Senator, of the different countries of Europe. Now, the Social and Economic Council was cognizant of that fact when they created last spring the European Economic Commission. And the theory there was that these countries could sit down together, work out their own economic problems together, unify their railroad system, so you'd have a central European railroad system.

Mr. Cooke. All this under the United Nations?

Mr. Lubin. All of it under the European Economic Commission. Once, Mr. Cooke, these organizations could get going, you integrate your power, your electric power; some countries have too little, some have surpluses even now; there is no way of bringing these shortages and surpluses together. If you could develop the economic machinery so that you would have a coordinated pattern, such as we have in the United States, each part of the country being interdependent upon the other, it would have gone a tremendous distance.

Mr. Cooke. I think, over and over again today, evidently I'm going to have to emphasize this difference between the "if" and the dream and the practicality. That sounds very nice as you outline it, Mr. Lubin. What happened?

Mr. Lubin. What happened was this—that the Council was just about getting started when the situation in Europe became so acute, because of the fact that Europe did not have the purchasing power, or the foreign exchange to buy the fundamental machines which were necessary to get her agriculture and her industry going; crisis came along * * * let me put it this way: the United Nations created the Europen Economic Commission a little bit too late, and some other instrument had to be brought in, and that instrument right now is the Marshall Plan.

Representative Boggs. Mr. Cooke, I was very much interested in what Senator Pepper said about harmony. All of us want harmony. Talking about ideals, there's no finer ideal in the words of man. Nevertheless, we're up against very practical situations, and it seems to me that our country has certainly demonstrated its good faith.

Senator Pepper. Today the world is like a patient that's very, very sick. There isn't anything known to medical science which will get such a patient suddenly well. The world today has got to be nourished and carefully nurtured back to better understanding and to better cooperation and toward peace and away from war. The only way that can be done is the way you nurse a patient back to health, by constant care and constant sympathetic, understanding effort. But the first step toward doing that is to begin to look at the problem objectively, to get away from this blind prejudice which grips probably them toward us and us toward them today, so that we can't think clearly. We're not thinking with our heads today about world peace and world cooperation; we're thinking with our prejudices; we're thinking about these ideological differences, instead of thinking about people who have to live together, because we're all in the same world.

Representative Boggs. Senator, by the nature of our discussion, as we're talking about a unification of Europe, the Russian question must inevitably be brought up, as all of us have done. It occurs to me, however, that it's awfully difficult to distinguish between totalitarian systems. Now, I recall in '37, '38, '39, and thereabouts, I was one of your consistent admirers when you so eloquently pleaded the cause of democracies as opposed to Fascism as represented in Tokyo and Berlin. And I can remember the day that you were burned in effigy in front of the Capitol. Now, after all, you say you favor liberal approach. From the standpoint of liberalism, how do we distinguish between these totalitarianisms, whether they come from the right or from the left?

Senator Pepper. Well, that's an analogy very commonly made, Mr. Boggs, and I appreciate what you said a moment ago about my efforts. So if the position that I take now is sometimes and in some places unpopular, I hope that I may be vindicated in the future, as you and I were in the position we took in the late thirties. The question is too long to answer in a sentence or two, but I say that my answer is substantially this: you've got a different objective; you've got a different attitude; you've got different ideologies in the present Russian policy from what you had in the Hitler policy. You don't have the race-ism that Hitler had; you don't have the persecution of the Jews; you have respect for the minorities in the Soviet Union; you have a government devoted not to exploitation, but to the building up of the masses of the people. And, although it is, as you say, a totalitarian state, in that it is not like our democracies that it gives full expression to all the people, but instead of trying to exploit the masses, either for conquest or for the riches of the few at the top, as Fascism tried to do, this is a totalitarian state, the aim of which is to provide security for the whole people against such dangers and devastation as they had in the past and to lift up the masses of the whole people. Now, it's an immature democracy, it seems to me, a long way back down the line of history from where we are, but it's moving in the direction of a greater democracy.

Mr. Cooke. Well now, gentlemen, let's get a little closer to the center of our question today, and that becomes, I suppose, because we've been talking about Russia, the question of Russia and this western European unity. As I understand your position, Mr. Lubin, and yours, Mr. Boggs, it isn't that you would not prefer to work with Russia on a great world scale of harmony, but that you both feel that at this point it's impossible.

Mr. Lubin. Well, not only do I, Mr. Cooke, prefer that Russia be part of this unifying Europe, but I feel that eventually she may be part of it. Now, it's because I honestly feel that if she realizes that she has more to gain than to lose by being part of an economic union of Europe, wherein every country still retains its so-called political and cultural integrity—but a system, a union, whereby goods flow freely from country to country, where you eliminate all these trade barriers that stand in the way of economic and agricultural development and that fundamentally means a standard of living of peoples—that she will realize that she has a lot to gain by entering into such a union. Now, I think Russia made the greatest mistake of her life when she refused to become part of the Marshall plan. Everything she did, I honestly believe, will ultimately lend to her own economic hurt, rather than good. She had everything to gain from being part of it.

Representative Boggs. I think, Mr. Cooke and Mr. Lubin, that the best answer to what Senator Pepper has been saying lies in the fact that Russia has been invited to participate and has pointedly refused. Certainly, there's no anti-Russian bias in that situation.

Senator Pepper. I'll say just a word more about that subject, and then I'd like to discuss another aspect of this matter. I think

if we had proceeded through the United Nations Organization, through the European Economic Commission, which functions under the United Nations, where all the nations of Europe are represented, that we never would have had the refusal that later came about from the Soviet Union and some of her associated states. I think they got the feeling that they had never been consulted even informally, as I think they felt—whether that's true or not—we had consulted England and France in that informal way. And then the next thing that was unfortunate about the beginning of the Marshall plan—and I want to say that I'm for it—I agree with Mr. Lubin it was unfortunate that the Soviet Union did not come in. But the invitation was not issued by the United States; it was issued by Mr. Bevin, of Britain, and Mr. Bidault, of France, after they had formally had a private meeting. Now, I think that was a great psychological mistake. The first meeting should have been at least a meeting of the Soviet Union, Great Britain, and France. Not only that, then they proposed—Britain and France—that there be a committee that would tell the nations of Europe how they should participate in the plan. The Russians, I think, took the position that it should be as the Economic Commission of Europe is today, with every nation having a representative upon that commission. That's just a part of that psychological misunderstanding which exists today and which we've got to clear up.

Mr. COOKE. Well now, turning from that psychological misunderstanding to the practicalities of today and tomorrow, as the thing shapes up right now, the proposition seems to be that an effort be made by the 16 nations of some 219,000,000 people gathered in Paris, that they try to get together as far as they can in summing up their needs quite exclusive of eastern Europe or Russia, which seems to be going along a different line now; that, then, we see in the United States what we can do to help that development and hope, in turn and in time, that more nations will come into it. But the question comes right up, Mr. Lubin, is that a practical scheme? Will it work?

Mr. LUBIN. Well, I feel that it'll work only temporarily. I honestly feel that these various nations who are getting together today to determine what their needs are have got to do more than a bookkeeping job. They've got to do more than just figure out what they need, what they've got and subtract one from the other and say "this is what we need from the United States."

Mr. COOKE. Specifically, what——

Mr. LUBIN. They've got to get together and work up some plan whereby they can coordinate their economy. Every country in Europe has its own plan—a 2-year plan, or a 3-year plan, or a 4-year plan, or a 5-year plan. Every one of these plans is being worked up independent of the plans of their neighbors or the welfare of Europe as a whole. In many instances it isn't purposeful; in many instances they just don't know what their neighbors are doing. There's no machinery whereby they can get together and sit down and work out something that will fit into a pattern where one part will help the other.

Mr. COOKE. Well, do you still, then, have a western Europe highly industrialized, without the complement of an eastern Europe and its farm and agricultural products?

Mr. LUBIN. Not necessarily. You have a western Europe which is partly agricultural—a good part of western Europe is still agricultural—and a part of western Europe which is industrialized. On the other hand, if these countries got together and worked out some pattern, the mere increase in their productivity would give them surpluses to sell abroad. These surpluses, in turn, could be sold to eastern Europe and through such trade they could balance each other.

Representative BOGGS. Mr. Cooke, it seems to me that what Mr. Lubin is saying is that economic collaboration is not enough, or he may be saying that there's no machinery for establishing the proper type of economic collaboration. It seems to me that the more you study this problem that more is required than economic collaboration. Sooner or later, if the problems of Europe are to be solved, there must be political unification.

Mr. COOKE. You mean common citizenships, Mr. Boggs; you mean common parliaments in Europe? That kind of an——

Representative BOGGS. Substantially, yes. Just that. And we've talked a little bit about the problems of Germany. Let's look at that for a moment. If we reconstitute Germany, Germany immediately becomes a new menace to world peace.

Mr. COOKE. And by "reconstitute" you mean, Mr. BOGGS, that if we build up the power, the industrial power and factories of Germany?

Representative BOGGS. Exactly. If we build up Germany to a condition substantially similar to that existing prior to the last war. On the other hand, to think about economic reconstruction of Europe without the industries of Germany is an impossibility.

Mr. COOKE. Mr. PEPPER, what do you do with that kind of a conundrum?

Senator PEPPER. I thoroughly agree with Mr. BOGGS that we need to unify Europe, but we don't need to unify Europe any more than we need to unify the world. I'm in favor of a world government. I believe that we should move in that general direction. But I'm afraid that if, instead of using the organization we now have as a sort of a way station on the way to a world government——

Representative BOGGS. Senator, I don't want to interrupt you, but actually I'm sure that neither Mr. Lubin nor I—certainly Senator FULBRIGHT, Senator THOMAS, and I—don't contemplate anything except the use of the United Nations. As a matter of fact, our resolution specifically calls for this program to be worked out within the framework of the United Nations, and while I'm not familiar with the specific provision in the Charter—I think it's section 53—it is so provided in the Charter of the United Nations.

Mr. COOKE. Yes; but Mr. BOGGS, neither the Paris conference nor the Marshall plan at the present time is in operation in the United Nations.

Senator PEPPER. What I was about to say was that if we don't use the United Nations as a way station on the way to a world federation, if we stop now and try to build up a United States of Europe, that's going to emphasize regionalism rather than worldism. What we're going to do if we don't watch out, if we do that, is to substitute a belligerent regionalism, a war-making sectionalism on the part of the nations of the world for this competing belligerent nationalism which has produced the wars of the past.

Mr. LUBIN. Senator PEPPER, I don't feel that we can solve any problems by putting the blame at any particular point. But the opportunity did exist—and we've got to be realistic about this—to use a United Nations agency in Europe last week when these various governments got together. Russia, on the other hand, refused to play ball. She didn't come in and say, "Yes; we think this is all right; we need it, and everybody will agree that it's an essential thing, but we would like to use an instrument that was created by the United Nations, namely, the European Economic Commission, as a way of getting this thing started." Had she done that, I'm sure that the United Nations would have been a party to this.

Senator PEPPER. But, Mr. Lubin, I'm afraid you are overlooking the fact that the very fact that the Prime Minister of Great Britain and the Foreign Minister of France called this other conference meant that they were ignoring and condemning the futility and failure this United Nations Organization which was already functioning. They were the ones that bypassed it and they were the ones that set the pattern.

Mr. LUBIN. But, Senator, I don't believe that even after they had bypassed it, it necessarily had to be a closed deal. I feel that Russia could have come in and insisted: Yes, we are a part of this and we want to use this instrument.

Representative BOGGS. The evidence points in that direction. Russia was invited, Russia participated, Russia refused to go along and, as a matter of fact, denied participation by her satellite nations.

Senator PEPPER. You know, there's one thing, I think that is going to be difficult for these western powers to understand. They think they are still running Europe. And the only way they can do that is to have us help them run it, as a combination against Russia. Today the strongest power in Europe in this new world after this old war is not Britain and France, as it was in the past; it's the Soviet Union. Yet they are still assuming the right to lay down the pattern for Europe.

Representative BOGGS. Senator, who's doing the combining now? You talk about the West combining against the East. Look at the map of Europe. Where are the satellite nations? Can you say that Great Britian has the control over France and the Low Countries and the Scandinavian countries that Russia has over her eastern satellites?

Senator PEPPER. I was saying that today there is a new balance of power in Europe, that after this war, with Japan destroyed and Germany impotent, the strongest nation in Europe is not Britain, which was formerly the strongest, and France, which was formerly the strongest; it's the Soviet Union that occupies a sixth of the earth's surface and has a tenth of the earth's people; yet Mr. Bidault, of France, and Mr. Bevin, of Britain, had a private meeting in Paris and then sent for the Soviet Union, like the tail that was going to be wagged by the French-British——

Mr. LUBIN. Senator, nobody can deny the fact that everything you say is right. Nobody can deny that it was bad strategy, bad international politics. I still insist, however, that Europe has got to be revived. She's got to be put in the position where every citizen there can be self-respecting and have some hope in the future.

Representative BOGGS. I agree.

Mr. COOKE. Now, Mr. Lubin, you said a few moments ago it wasn't a question of blame here, and we aren't trying to reduce this blame. Therefore, let's take a step further. The position that you and Mr. BOGGS have seems to be fairly evident, that you would like to build up this Paris economic union development as far as you can, aided with American resources and dollars, and hope, in time, that this western European economic unity would spread out and become a totally European unity and then a world unity. Now, that you're envisaging doing at this time without Russia. Now let's turn to Mr. PEPPER and let him say——

Senator PEPPER. My position is that we already have a United Nations Organization. It has as its most important function a Social and Economic Council. I believe in world economic unity. I believe that is the basis for world political unity and world peace. I want us, when we build these regional organizations, to build them for the purpose of harmony and unity and peace and not as a division which will divide the world into further disunity. The last thing is I don't want the rebuilding of Germany to be the basis of any such proposal.

Mr. COOKE. Let's ask Mr. Lubin and Mr. BOGGS, Senator, why this whole development

that they see cannot be done through the United Nations Economic and Social Commission, because isn't that the center of the problem here and the disagreement among you?

Mr. LUBIN. Well, Mr. Cooke, I think the answer is simple. The United States Government asked Europe to get together and tell us what it was that they needed. Now, we didn't tell them how to do it. It was up to them to decide. These European countries had an instrument in the United Nations. Apparently Russia took offense because of the fact that two foreign ministers got together without consulting her. I still insist that that machinery could be used even now; in other words, there are certain facilities that could be made available to all these European countries.

Representative BOGGS. I think the answer is pretty obvious. We're just ignoring developments. Six months ago, the President of the United States came before the Congress and asked for $400,000,000 for Greece and Turkey. It's been said that in doing that, the Congress bypassed the United Nations. Maybe it did. But it's perfectly obvious that the other countries of western Europe are going to be asking for money, too, and this thing is a double-edged sword. The economic stability of the United States is just as much involved as the economic stability of Europe. And while I agree with the fundamental principles that Senator PEPPER is talking about, I don't see any alternative that he offers.

Senator PEPPER. I believe that the United Nations can be made stronger by using it and not by by-passing it. I believe that to try to set up a United States of Europe today will not bring more harmony and be conducive to peace; it'll simply make permanent the division that already exists and I believe it's erroneous for many of the proponents of a United States of Europe to want to make a rebuilt Germany the fulcrum of its power.

Mr. COOKE. Well now, what about our own responsibilities? We've talked a lot about how the world should be done. How about our responsibilities under any kind of a unity and harmony? Are we going to have to spend these billions upon billions, fifteen or twenty billions, and why should we, Mr. BOGGS?

Representative BOGGS. Well, I've been talking about that off and on here. I think most certainly we have a responsibility. We fought this war, we spent 350 billion American dollars, we have lost countless thousands of American lives.

Mr. COOKE. And we can't afford not to go on spending the money * * *.

Representative BOGGS. Of course, we can't. We are in the world, and we must stay in the world.

Mr. LUBIN. Let me put it this way: You can't have peace or any desire for peace, as long as people have no hope for the future and they see no future for their kids. There's no chance of having the world go on in a peaceful way if certain parts of the world go hungry while other parts of the world are prosperous and have all of the good things of life. I insist that we, if we want peace, must make it possible for these other parts of the world to reach that stage of economic life where their people will have no advantage from war. As it is, when you're hungry, what have you got to lose when you go to war?

Senator PEPPER. Mr. Cooke, the United States, not only to help the rest of the world but to survive economically itself, to save American agriculture and American industry, must aid the rest of the world to stay on its feet. We must survive through helping others. The best way to do that is to act through the United Nations, is to be based on economic policies, not to wage an ideological war in the economic aid that we give, and not to rebuild Germany to threaten the peace of the world again.

Representative BOGGS. I agree, Mr. Cooke, that this is the ideal. The only point that I have repeatedly made here today is who is making this ideological war?

Mr. COOKE. The central problem here, every time we pick up foreign affairs these days, whether it's a question of European unity, the Marshall plan or what have you, seems to be this matter we all have to decide for ourselves—of who's to blame, if anybody, for what? It keeps swinging back, as it has today, to the question of Russia's good intentions and our good intentions and whether or not we can cooperate with Russia to build a world together, or whether we have to take, however bad it is, the next best alternative, because Russia and the United States simply will not get together and cannot build any kind of a peaceful world.

Thank you for being on the People's Platform today, gentlemen.

ANNOUNCER. You've been listening to the People's Platform, Columbia's weekly discussion program, as it considered the questions: "Should there be a United States of Europe?" Chairman of the People's Platform is Dwight Cooke. His guests today were Senator CLAUDE PEPPER, Democrat, of Florida, Representative HALE BOGGS, Democrat, of Louisiana, and Isadore Lubin, United States representative on the Economic and Employment Commission of the United Nations and former United States representative on the UN's Devastated Area Commission.

Social Benefits of a Mixed Economy

EXTENSION OF REMARKS
OF
HON. WILLIAM LANGER
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Friday, July 25 (legislative day of Wednesday, July 16), 1947

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article prepared by the People's Lobby, of which Benjamin Marsh is the secretary.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From People's Lobby Bulletin of December 1946]

SOCIAL BENEFITS OF A MIXED ECONOMY

A mixed economy is a combination of private enterprise, cooperative associations, and Government-owned industries and other economic activities.

1. PUBLIC OWNERSHIP

Public ownership should be discussed first, as most major nations are increasingly socializing industry.

The Washington Post recently stated editorially:

"No economy in Europe can be expected to copy the free-enterprise pattern of America."

Years ago, a clear-thinking economist wrote that enterprises which, to be efficiently and economically administered must be monopolies—should be publicly owned.

This is a constructive alternative to the proposal to unscramble, or try to, private monopolies which are a threat to American standards of living and to political and economic freedom, by breaking them up into small and unrelated units, on the theory they will compete.

Unregulated competition may be the life of trade, but it is the financial death of most small competitors.

It also does not insure production, fair wages for workers, or lower prices for consumers.

At the end of the war, the United States Government was the largest owner of plants and equipment outside of the Soviet Union.

In America small businesses are often those which have not yet reached the monopoly status to which their owners aspire, and nearly all seek to prevent competition through trade associations.

Among enterprises which must be monopolistic, in order to be efficiently and economically administered, are: Banking; transportation; telegraphs and telephones; extraction, development, and distribution of natural resources—coal, oil, water power, natural gas, and major minerals; the steel industry; the motor industry; the aluminum industry; the chemical industry; life and fire insurance.

Many economists would add the textile industry, the meat-packing industry, the flour-milling and baking industries, the building-materials industry.

The United Press reported this summer that 43 billion-dollar concerns in the United States have aggregate assets of $101,808,600,000.

These include Standard Oil of New Jersey, United States Steel, General Motors Corp., E. I. du Pont de Nemours, and Socony-Vacuum Oil.

The 43 concerns listed include 18 bank and trust companies, 11 life-insurance companies, 6 railroads, the Bell Telephone System, Consolidated Edison, and Commonwealth & Southern Corp.

The 8 largest financial-interest groups control half of the 200 big corporations and have ties with many of the other half.

In 1918 manufacturers with net annual income of less than $250,000 had 24 percent of all manufacturing income, and in 1942, partly due to war conditions, had only 11 percent. In 1918 manufacturers with net annual income of over $4,000,000 had 34 percent of the income of all manufacturers but in 1942 had 51 percent.

The four largest steel corporations control about 63 percent of the steel-ingot capacity in America; United States Steel alone about one-fourth.

Political control avoidable

Public ownership of natural resources, natural monopolies, and basic industries, as part of a mixed economy, does not involve political control or manipulation.

The Tennessee Valley Authority is an outstanding example of nonpolitical management and operation of a vast enterprise under public ownership.

Most of publicly owned enterprises would be administered through public corporations, with charter from the Federal Government but standing on their own feet, and judged by results on three counts:

1. Supply, quality, and price of goods or services.
2. Efficiency.
3. Labor relations.

Labor in such public corporations should be free to organize, elect representatives of its own choosing, and to strike—subject to laws applying to the non-publicly-owned segments of the economy—and the good sense of labor, itself.

Among the benefits of public ownership as outlined are:

1. Since small as well as large plants in any industry will be acquired by the Government, production to meet domestic needs, and supply foreign demands can be better estimated in advance, and therefore met. Boom and bust could be reduced, if not eliminated.

2. Regional planning through regional authorities, or otherwise, will be facilitated, and construction of plant and equipment determined by domestic and foreign requirements, not by the acquisitive urges of custodians of surplus funds for investment.

3. The problem of capital investment for most of industry would be solved, for govern-

ment could utilize its facilities for obtaining capital from the savings of the millions, not rely on millionaires and other wealthy people.

4. Technicians and production engineers who now, as during the war, are highly competent, would be freed from present financial controls and restraints, and enabled to use their ingenuity to increase production and consumption, not to insure profits from finance-made scarcities.

5. Labor would have an added incentive to produce because lower labor costs would mean not pyramiding profits, but higher and better consumption for all.

6. The menace of owners' or managers' lock-outs and refusals to produce would be ended.

7. Present wasteful costs of competitive advertising, amounting to about $2,000,000,000 a year, would be ended, for advertising for products of publicly owned enterprises would be limited to information and would not attempt to change patronage from a good product meeting the public's needs to one with less or even equal merit.

8. Reduction of styles and simplification of products would be facilitated.

9. Participation of workers' and consumers' organizations in management could be arranged more easily than under private ownership.

10. Inventions would be welcomed for use, not suppressed.

11. Employment could be better regularized.

12. Foreign trade with the many nations where it is a government monopoly would be greatly facilitated.

Honest capitalization essential

The present capital structure of many large corporations, and some smaller ones, is highly inflated, since a favorite device of concerns earning a large percent net profit, is to issue stock or split-up stock, to conceal actual percentage profits.

An honest valuation of concerns the Government would acquire in a well-planned mixed economy is essential to prevent a serious handicap to public ownership.

The record of the Federal Power Commission in reducing the capitalization of some privately owned power companies a tenth to over half is highly significant.

Payment should be on the basis of actual prudent investment, justified capitalization, and average earnings over a period of years.

Public ownership would not increase the total debt, for the Government could exchange its bonds, which would not be tax-exempt, for stocks and bonds now outstanding.

As the Government can get money at a lower rate than most private concerns, fixed charges would probably be reduced for many corporations.

Public ownership of natural resources, now extracted, developed, and used very wastefully—partly because small operators, as in coal, have not enough capital—would reduce the costs of raw material, for the cooperative and private enterprise, as well as the publicly owned manufacturing segments of a mixed economy.

II. PRIVATE ENTERPRISE

The Department of Commerce reported in 1939 that there were 3,300,000 operating business firms in all industries in the United States.

Up to the end of 1941, new businesses were constantly being started, but by 1943 there were a sixth fewer than in 1941.

From the last quarter of 1943 till the end of 1945 many new businesses were started, partly because Government was helping many GI's to go into business for themselves, but at that time there were still about 200,000 fewer firms than in 1941.

The War Production Board reports that from June 1940 to September 1944, 18,000 corporations received $175,000,000,000 of contracts from the Government, two-thirds of which went to 100 large corporations while the 10 top corporations, including General Motors, Ford, Curtiss-Wright, and Douglas, got 31 percent of outstanding contracts—with General Motors getting 8 percent of all these contracts—a total of $14,000,000,000.

The Small War Plants Corporation reported that small companies got contracts for only 30 percent of all war production, of which only one-fifth was through prime contracts let by Government agencies. Two-thirds of all Government-owned or financed war plants have gone to less than one-half of 1 percent of manufacturing enterprises.

The concentration of Government orders and Government plants naturally resulted in a similar increase in the number of workers in large establishments.

The efforts of the Senate and House Small Business Committees to get war orders, surplus war plants, equipment and material, and technical advice, and the benefits of research, for small businesses, have not to date, met with much success.

Small businesses, still clinging to the slogan "private enterprise," have received a heavy set-back during the war. Many of them had heavier taxation because small concerns made vastly larger profits than before the war, and so were subject to the excess-profits tax.

They were not as adept, as big corporations, in getting expenditures for postwar good will—such as advertising nonexisting goods—included as costs, and so not subject to taxation.

Inflated prices of land and material, and high wage rates, also militate against small enterprisers as hucksters.

Many GI's who hoped to set up their own businesses have refrained when they realized what they are up against.

What is the field for small business in the world's most entrenched concentration of industry, in a nation soon to enter at least a moderate recession, expected to last 6 to 9 months?

Primarily manufacturing for local or limited area markets, retailing, and services, not requiring large capital.

Small business short-lived

In the past, only about a sixth to a seventh of those starting small businesses have been able to last over 5 years. Political expediency prompts members of Congress to seek Government aid for constituents, regardless of the need for new enterprises, or reasonable prospects for success.

America is well on in the era of big business, big labor unions, and big farming—the war merely accentuated this.

Laws and government subsidies cannot stop an inevitable and world-wide trend—they can fool a few of the people all the time, and all of the people some of the time, but not all the people all the time.

With Government and nongovernment debt considerably more than the fairly appraised national wealth and, in the aggregate, increasing rapidly, failure to recognize the inevitable, will not solve America's problems, it will merely aggravate them.

III. COOPERATIVES

The status of producers' cooperatives in an American mixed economy will probably be, chiefly, similar to that of small private business—manufacturing for localized areas, distributive and service. Excepted are farmers' cooperative marketing associations already established which will probably expand, as less efficient farmers are forced out of commercial production, and concentration of farm ownership and wealth increases.

Consumers' cooperatives will probably increase membership and amount of business, and may go into manufacturing, as has already been done in refining and selling the output of cooperative oil wells.

Both producers' and consumers' cooperatives will doubtless, like labor and farmer organizations, be represented by experienced members on the boards of directors of public corporations operating publicly owned enterprises.

Agriculture

Enormous and far reaching changes have taken place in agriculture during the war.

Highly significant is the reduction of the number of operated farms by about one-tenth, from the 6,100,000 when war started. Mechanization, despite shortages, has increased and displaced millions of workers.

The United States Department of Agriculture reports that at least 1,500,000 too many farm families are trying to produce commercially.

The Department's committees on postwar programs stated in January 1944:

"The agricultural production of the United States should be adjusted to national requirements, with due regard for export demand and desirable imports.

"We believe that private property is a public trust, and that whenever public or private interests in land use conflict, the public interest should prevail."

Half of farms produce about 86 percent of all farm production, while even with prices of farm products at war peaks, and prices farmers must pay for supplies at present levels, 14 or 15 percent of farm production could not provide even a fair living for 2,750,000 farm families.

Poor and small farmers cannot afford machinery; and if they could, would create some years an unmanageable surplus.

In a mixed economy for agriculture, while a majority of farmers will probably operate their farms under ownership or lease, there will be a large increase in cooperative and Government farms.

An over-all plan

A mixed economy cannot adequately raise and maintain living standards of all without an over-all plan for the Nation.

Such a plan must determine the location of industries in relation to sources of raw material, power, labor, transportation, and climate.

America is in too precarious a position, internationally, to have its growth and development determined by property owners and money barons driven by greed, without regard to public welfare.

The Federal Government has assumed the responsibility of seeing that people don't starve—at least too fast—so we have started unemployment compensation, old-age pensions, public works, etc.

Private enterprise has also been provided with many crutches. The corollary of these measures, is the maximum of preventive constructive direction by Government to reduce the drain upon the national income.

The only way to maintain a high standard of living is by increased production of things people need—not gadgets and luxuries—economically planned, with such distribution of income, as will make it possible for consumption to approximate production out of current income.

This can be done only under an over-all plan.

For 16 years we have postponed domestic disaster by living off future generations—through the issue of interest-bearing long term bonds.

The war merely increased our dangerous dependence on the unborn.

A mixed economy must end our policy of passing so much of our bills to posterity.

Taxation

With costs of government, Federal, State, and local, now approaching one-third of the national income, and the national income falling, taxation is of major importance.

A mixed economy does not change the incidence of taxation.

Under such an economy, it will be true as now, that the three taxes which cannot be

shifted to consumers are direct taxes on land values, personal incomes and nonmonopoly business, and estates or inheritances.

It will equally continue to be true that lower interest rates, lower prices for goods, and lower charges for power, increase the selling price of land, and under our present tax system, will increase the tribute landowners, farm as well as city, can extort from consumers in higher rents, and higher prices for all goods.

To make a mixed economy of greatest good to the greatest number, taxes on consumption must be ended and transferred to taxes on land values, incomes, personal and corporate, and estates.

A Voters' Revolution

EXTENSION OF REMARKS
OF
HON. WAYNE MORSE
OF OREGON
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "A Voters' Revolution" by Roscoe Drummond, reprinted from the magazine '47.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A VOTERS' REVOLUTION—THE NATIONAL PRESIDENTIAL PRIMARY CAN BE FORCED DOWN THE THROATS OF THE PARTY BOSSES—HERE IS HOW

(By Roscoe Drummond)

In the May issue of '47 I wrote a piece urging direct national Presidential primaries. Quite a few guns, large and small, went off. Here's how the battle looks at the moment.

Briefly the politicos don't want you to choose your own Presidential nominees in 1948. They're going to insist that papa knows best. They're going to complain that it's just too complicated to remove the nominating machinery from the hands of the party managers and place it in the hands of the party voters. They do not appear to be enthusiastic about giving up power.

To my premise that the President is not truly the people's choice unless the nominees are also the people's choice—there was almost total agreement.

To my statement that convention nominations are undemocratic, are sometimes rigged, have been stolen outright—no significant dissent.

To my natural conclusion that the major parties simultaneously conduct binding, national preconvention party primaries so that Vox Pop can really talk up—vigorous support from reader-voters, anemic support from a few politicos.

Evidently we, the voters, won't get our rights by asking. We'll have to do something positive about it. Even more than they fear the opposition party, the politicos fear organized voters within their own party. That's our cue: Hit them where they scare easiest.

Do you feel outraged at being denied the means of choosing your Presidential nominees? Then let your Congressman and Senator know about it. For their names and addresses, consult the Congressional Directory in any library, or ask your local board of elections. Also let the Democratic and Republican National Committees know that the voters want to select as well as elect their candidates for President. The Democratic National Chairman is Robert E. Hannegan, care of Democratic National Committee, Mayflower Hotel, Washington, D. C.; the Republican, Carroll Reece, Republican National Committee, 1337 Connecticut Avenue, Washington 6, D. C.

The party professionals are driven to put their opposition to a direct, binding national primary on technical grounds. They suggest that the voters might not vote. They suggest that State rights might be invaded. They suggest that so many candidates might run that the outcome wouldn't express majority opinion. They suggest that it would be too complicated. They suggest it might be better to forget the whole thing.

Not all of the political professionals are opposed to the idea. Edward J. Flynn, the Bronx boss who managed Franklin Roosevelt's fourth-term campaign, can hardly be accused of ignoring political realities. He is ready to give his backing to a national primary movement.

"In its general purpose," he wrote, "I think the thoughts expressed (in the article, A People's President, '47 for May) are excellent. Something I have always maintained is that the one way of obtaining proper nominees for public office is through the direct primary. Unfortunately, it is always difficult to impress the average voter with the great advantages that are his under this system. To suggest that he or she vote in a primary is usually met either with ridicule or wonder. They will vote in the general election, but that is like closing the barn door after the horse has been stolen."

Werner W. Schroeder, of Illinois, is a political manager of wide experience on the Republican side. He is vice chairman of the Republican National Committee. Mr. Schroeder sees a direct national Presidential primary as a source of strength to the party itself.

"I am in agreement with the principle of the article," he wrote. "The party conventions would be in much better position to conduct a campaign if an accurate and dependable recording of sentiment were made prior to the nominations.

"I agree that the convention situation as now developed is highly unsatisfactory. It stems from the original idea that a political party was a purely voluntary association and could nominate its candidates in any manner it pleased. Through 50 years of legislation we have gotten away from this idea in the States but it still prevails in national affairs."

Nearly 30 years ago Senator George Norris, of Nebraska, introduced a resolution advocating the direct national primary. When political realists like Ed Flynn and Werner Schroeder can join with an idealist like Senator Norris there is sound reason to believe a national primary is more than a pipedream.

There is nascent support in the Senate today for action which would bring the national Presidential primary into being. Senator WILLIAM LANGER, of North Dakota, recently sought to attach an amendment to the Presidential tenure bill which would have made the direct national primary a constitutional requirement.

Republican Senator GEORGE D. AIKEN, of Vermont, is one of the leading advocates of the national Presidential primary.

He understands the behavior of the professionals. The practice is for delegates to national conventions to be nominated at State conventions by local delegates. These are chosen at caucuses attended by only a small percentage of the voters in their respective precincts. These caucuses, any honest politician will admit, are generally controlled by political party bosses.

I know of one State political boss who, as casually as though he were disposing of a couple of sacks of potatoes, told how he had sold half his delegation to one Presidential candidate and the other half to the opposing candidate.

Some of the principal questions raised by the proposal of a direct national Presidential primary, together with what seem to me to be fair answers, are these:

Haven't State primaries proved that they elicit only a light vote, and wouldn't there be a risk of minority nominations because of light voting?

When elections are significant, voters show that they are ready to get out and vote. A national party primary would be a vital, educative process. It would force the party's national figures into the open arena. It would produce a vivid and significant national debate, thereby clarifying issues. Under such circumstances, a small vote is improbable. Give the voters the chance—let them prove or disprove the fear that a small vote would rule.

Might not the direct primary produce a fickle choice of Presidential nominees, the result of passing emotion or the excessive influence of a temporarily popular personality?

The question is based on a premise which experience has disproved. The premise is that the judgment of the American people as a whole cannot be trusted. The opponents of the direct national primary say that the strongest candidates of the convention system—Hoover, Franklin Roosevelt, Willkie, Dewey—corresponded to the public will. Opponents also admit the nominations of Harding in 1920 and William Howard Taft in 1912 flouted public will. It was respectable public judgment, wasn't it, to prefer Teddy Roosevelt over Taft, and anybody over Harding? I believe the American people can be trusted.

Wouldn't an open direct primary put a lot of nondescript candidates in the running and risk a hopelessly divided vote?

No; because there would be required a substantial Nation-wide petition to enable an aspirant for the Presidential or Vice Presidential nomination to get on the primary ticket.

Since the fixing of voting qualifications and the conduct of elections rest within the jurisdiction of the States, would a national Presidential primary require a constitutional amendment?

Not necessarily. A constitutional amendment would be needed to achieve a uniform Federal primary law applicable to all States and to all parties. It is possible that a simple act of Congress requiring the States to hold primaries on a certain date but at the expense and under the management of the respective States would be sufficient. Qualifications for voting would continue to be determined by the States.

In actual political practice it would be no more complicated for all States to hold a meaningful national primary simultaneously than for a few States to hold such meaningless primaries as they now do.

Next year the real nomination contest will be among the Republicans. President Truman will be renominated whether by convention or by primary. Wouldn't it be better for the Republican voters themselves to decide whether they want Dewey, Stassen, Taft, or Vandenberg—or Warren, Saltonstall, Lodge, or Bricker—than to have the party professionals decide for them?

The direct, binding national Presidential primary would have to be tried to prove its full worth and workability.

Is it too dangerous to put a little more rule into the hands of a free people?

If we want to make more democracy work we can do it. If we, the voters, demand our party rights as well as our electoral rights vigorously enough, the party professionals cannot long deny our demand.

It's up to us.

American Family

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article appearing in the May 23, 1947, issue of American Outlook, a publication which attempts to inform the people of Great Britain about trends and policies in the United States.

The article, entitled "American Family," describes the living conditions of an average American family on the west coast, and its difficulties in meeting the cost of living under present circumstances.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN FAMILY

(EDITOR'S NOTE.—We asked one of America's shrewdest social observers to give us this picture of an average workingman's family problems today in Oregon, which is as far as London from the eastern coasts of America.)

Plenty of chickens fill the refrigerated showcases at the corner grocery shop. Doris McLane never buys them. She considers 55 cents a pound too great a drain on her husband's pay of $44 a week. A 6-pound bird would swallow 7½ percent of the entire weekly income.

Doris, dark and petite, is 27 years old. Her lean and angular husband, Donald, is 31. They have two children—Doreen, aged 4, and Douglas, who is only 19 months old. Donald McLane's forebears crossed the Atlantic from Scotland half a century ago. Doris is of German ancestry. The McLanes live in Portland, Oreg., a city of 405,000 on the Pacific coast. With an annual income of $2,288 they are a typical American family. Seventy-two percent of all families in the United States have an income of less than $3,200. The McLanes belong within the largest subdivision of this group, for 27 percent of America's families earn between $2,000 and $3,000. At prewar purchasing-power parity that would be between £400 and £500 a year.

Donald is a bookkeeper for the National Biscuit Co., which has employed him ever since 1939. Although Donald is a Republican, he believes in trade-unions and is shop steward for the Office Employees Union (American Federation of Labor) in the Portland plant of the National Biscuit Co. In 1945 Donald came home from 2 years and 9 months of service in the Army to find his job open for him. Most of his service was in Texas, and part of the time he was able to have his family with him.

In the stores where Doris McLane shops, practically every possible food item is heaped in abundance—oranges, pineapples, hams, hens, ribs of beef, bunches of bananas and asparagus, crisp stalks of celery, lamb chops, golden bottles of whipping cream, pork roasts, cans of anchovies. Few such delicacies find a way into the McLane refrigerator, however. Doris buys a few fresh oranges, but these are for the children. She and her husband drink canned fruit juice, which is much cheaper. Perhaps "once in a month of Sundays" (as they also phrase it) they treat themselves to a bottle of whipping cream, and then Doris bakes a strawberry shortcake. She says she experiences no sharp pangs of denial as she walks past the goodies she cannot afford to buy. "It is a little hard at times," she admits, "to buy stew meat when a wonderful four-rib roast is only a few inches away, but our meals taste good to us, and we certainly aren't jealous of neighbors who eat better than we do." Neither of the McLanes drinks, and there is no alcohol in the house. Donald smokes Camel cigarettes, which he buys for 14 cents a package at a chain grocery store. One package lasts him 2 days. The family seldom buys sweets. A 10-cent chocolate bar is a treat.

HOUSEHOLD ECONOMICS

Doris must budget carefully when she does the shopping. Although Donald's pay is slightly lower than it was a year ago (because of the elimination of overtime work on Saturdays), the cost of living in the United States has risen sharply since the summer of 1946. The McLanes feel they would be better off had price controls been continued. They are not sure which political party to blame for the increase in food prices. Although he believes President Truman is "weak and colorless compared with President Roosevelt," Donald thinks that Senator TAFT, of Ohio, probably did more than anyone to end the Office of Price Administration's controls. The McLanes say they definitely would not vote for TAFT in 1948, but they doubt if they would vote for Truman either. "Doris and I hope to see in the White House," says Donald, "a progressive Republican like Harold Stassen or our own Senator MORSE, of Oregon."

Every day the McLanes are conscious of the vast rise in the cost of food. Doris allows herself only 50 cents daily for meat to feed four mouths. This means that she rarely buys select cuts. Only at Christmas or Thanksgiving do they eat roast beef, sirloin steak, or turkey. Doris generally buys round steak or hamburger, which she mixes with noodles or vegetables to stretch into extra helpings.

Donald's income amounts to approximately $190 a month. Doris spends approximately $60 of this for food. This includes five dozen quarts of milk at 17 cents a quart. She buys one loaf of bread a day. At the start of the war this cost 10 cents; now it is 17 cents. The McLanes prefer butter but do not use it. Butter is 72 cents a pound, margarine 43 cents. "Yet get accustomed to margarine."

The McLanes overlook no opportunity to economize. They buy fresh eggs from a fellow worker at National Biscuit, who has a chicken coop in his backyard. They pay him 55 cents a dozen instead of the 63 cents charged at the store. A neighbor has a vegetable garden and gives Donald lettuce, potatoes, and peas in return for assistance with the hoeing. In their own postage-stamp sized yard, the McLanes have an apple tree and a walnut tree. Doris preserves applesauce. This is a typical day's meals:

Breakfast: One egg for Donald, canned orange juice, oatmeal, toast, home-made blackberry jam, coffee or milk.

Lunch: Scrambled eggs, peanut butter sandwiches, home-canned cherries, and biscuits which Donald gets at a reduced rate from the National Biscuit Co.

Dinner: Beef stew with carrots and boiled potatoes, shredded raw cabbage, home-canned pears, biscuits, bread and margarine, coffee or milk.

BUYING THE HOME

The McLanes are buying a home. It is a small, 3-room wood-frame structure. They are paying $4,650. Before the war such a home in Portland could be bought for approximately $2,400. The monthly payment is $40. Of this, only $22 is principal; $18 a month goes to the mortgage company for interest and insurance. More than 17 years will elapse before purchase is completed. In that time they will pay one-third as much to the loan company as to the former owner of the dwelling.

The house has an automatic thermostat-controlled fuel-oil furnace. Donald estimates the annual cost of fuel at $90. Portland has a damp, mild climate not unlike that of North Sea countries in Europe. The McLanes own an electric refrigerator, electric washing machine, small radio set and electric iron. Their monthly electricity bill is $3.50. The power comes from Bonneville Dam, a great Government project on the Columbia River, but is sold to them through a private utility corporation.

ECONOMY BEGINS AT HOME

They have to cut many corners on their expenses. Haircuts in Portland are $1 each, but only 40 cents at the Barbers' College where apprentice barbers are trained. Donald gets his hair cut at the Barber's College. Doris has only one permanent wave a year. It costs $6.50. She does her own hair the rest of the time. She makes the children's clothes, and gets reach-me-downs from two grandmothers. Donald wears clothes he had before he went into the Army.

The McLanes like films but the movies are expensive. Donald belongs to the auxiliary police force. This pays no salary, but entitles him to enter cinemas free of charge. If a show is good he tells Doris, and she tries to go to a matinee when prices are cheaper. Neighbors come in as "sitters" with the McLane children when the parents spend an occasional evening at a show or church social. The McLanes are members of the Presbyterian Church and Donald sings in the choir. Church dues are $1 a month.

On their home the McLanes pay an annual property tax of $47.23 to the State of Oregon. The Federal Government's income tax on Donald's salary is $15.60. His three dependents keep this to a minimum. Yet both McLanes think this is the wrong time to reduce any taxes. They believe the Government debt should be paid off first.

Group insurance at the National Biscuit Co. costs Donald 50 cents a month for $1,500 worth of protection. He also spends about $60 annually for another $3,500 in insurance. The McLanes have a garage but no car. They expect to spend their vacation this summer adding the garage to the house, in order to provide an extra room. Now, the two children sleep in double-decker bunks in the parents' small bedroom. Donald built the bunks himself.

Donald goes to work by train. He pays 25 cents for three journeys. The collection of refuse and garbage costs the family $1 a month, and the McLanes have a telephone on a four-party line with three other families. The monthly phone bill is $3.75. Doris cooks on gas and has a gas hot-water heater. The local gas company charges them $4.50 a month. Water is furnished by the city for $6.60 a year.

LIFE AT THE MARGIN

The McLanes have no savings. They put Donald's pay checks in the bank, and by the end of the month they usually have paid out the full amount. It generally all goes. They pay $3 monthly to the Oregon Physicians' Service for prepaid medical care. When Douglas was born the child's doctor bill was $40. Because of his military service Donald is eligible for attention at the local veterans' hospital.

The McLanes do not have much time to read. They subscribe to the Oregonian, a local newspaper, and this costs $1.50 a month. They also read two national magazines, Life and the Saturday Evening Post. Donald takes American Sportsman. He is interested in fishing, hunting, baseball, and other sports. He follows closely the fortunes of the home-town baseball team. Occasionally Donald plays golf on a municipal links, where the fee is $1 for 18 holes. He goes on the bus or tram, taking his clubs with him.

THE POLITICS OF THE PEOPLE

Although they supported Franklin D. Roosevelt when he ran for President, the McLanes have never considered changing their voters' registration from Republican to Democratic. They regarded Mr. Roosevelt as a special case and not symbolic of the average Democratic politician. They think a Republican President would be good for the country because they feel one party should not occupy the Presidency too long. They hope the Republicans will nominate a progressive, but the way they feel now they would vote for any Republican except Senator TAFT.

Neither Donald nor Doris is sure about President Truman's program for financial and military aid to Greece and Turkey. "I guess the Russians have got to be stopped," comments Donald, "and probably the only language they understand is force. Yet we've heard so much about the United Nations, and now right off the bat we refuse to let the United Nations handle a dangerous situation."

Despite their realization that financially they are living on a thin shoe-lace, the McLanes are not dismayed about the future. Donald hopes to take enough training to become a certified public accountant and specialize in tax problems. He is loyal to his company and claims it offers reasonable chances for advancement.

Donald and Doris read in their newspaper many predictions of a depression in the United States. They have few reserves, and are aware that a sustained period of unemployment would leave them without money for food or payments on the little house. But they are certain they will get along.

Treatment of Displaced Persons

EXTENSION OF REMARKS
OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement relative to the possibilities in regard to the future treatment of displaced persons in Europe. The statement was made by Lt. Col. Jerry M. Sage, United States Army, before the House Committee on Immigration and Naturalization.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY LT. COL. JERRY M. SAGE, UNITED STATES ARMY, HEADQUARTERS OF EUROPEAN COMMAND, FRANKFURT, GERMANY, BEFORE THE HOUSE SUBCOMMITTEE ON IMMIGRATION AND NATURALIZATION

I am a lieutenant colonel in the United States Army and have been called here from my station, the Headquarters of European Command, in Frankfurt, Germany, where I work with displaced persons as Chief of the Field Contact Section. In that capacity I have been in most of the 300 DP assembly center groups which contain nearly 500 installations in the United States zone of Germany. During the past 15 months I have worked and talked with every variety of DP there. I was selected for my job on the basis of qualifications obtained through wartime experiences as an operational officer for the OSS, as a prisoner of war, and as a worker with various underground resistance groups, both before and after several escapes from the Nazis and their prisons.

Prior to our entry in this war I had had very little contact with Europeans. I lived in Spokane, Wash., and married a girl from Tacoma, Wash. After graduation from the State College of Washington, in 1938, I worked as a salesman and sales supervisor for Procter & Gamble on the Pacific coast. I held a Reserve commission in the Infantry and was accepted for active duty in the Army at the Presidio of San Francisco a few weeks before Pearl Harbor.

To my surprise, in April 1942, I was called to Washington by telegram to work with General Donovan of the OSS. At that time a handful of officers had been picked on the basis of both scholastic and physical qualifications to aid by sabotage and intelligence in undermining the activities of the Axis Powers, particularly in occupied countries. We were trained to infiltrate by parachute or submarine, to demolish objectives with high explosives, and to bring back needed information. The first eastern Europeans with whom I came in contact were OSS students who were destined to become part of the resistance movements. In 1942 I worked very closely with a group of Yugoslavs who were especially trained in sabotage and in strategic and tactical intelligence. I also met my first Czechs and Poles at this time.

I operated from England in this type of work in the summer of 1942, and later in the year was in command of a unit which went to north Africa. Activities there behind the German lines resulted in my being shot up and captured early in 1943. Then, as a prisoner of the Germans, I had my first actual contacts with what we now call displaced persons. Although the British and American officers were kept carefully segregated from other groups, we often saw labor being driven like cattle outside the barbed wire of our camps. I remember very vividly the feeling of frustration and impotence engendered by standing behind double rows of barbed wire and machine guns and helplessly watching SS guards whipping Polish women who were being forced to work in the fields for the Nazis. In order to get out of German hands on various escape attempts, I tried to learn as much as possible of the eastern languages, including Polish, Russian, Czech, Hungarian, and Yugoslav.

I made my first actual contacts with the forced labor in Germany on escape attempts in 1943. I well recall the assistance that a little Ukrainian laborer gave me when I was trying to walk from near Berlin to the Czech border, 2 days before the Gestapo caught me, on one of three abortive attempts. When my final escape was actually successful, I was greatly assisted by Poles and developed considerable admiration for that country's underground resistance.

In October 1945 I was sent to Columbia University for 3 or 4 months for a refresher course on the over-all European situation. I returned to Germany in March 1946, and was assigned to my present job with displaced persons.

My job in Frankfurt includes not only a certain amount of staff work at the policy level in the headquarters of General McNarney and General Clay, but also a great deal of personal investigations and inspections of displaced persons and displaced persons installations. In the latter capacity, I found it extremely helpful to be able to speak a few words with the people in their own languages or in the rather basic German which nearly all prisoners or forced laborers acquired during the war.

On my return to Europe in 1946, I learned that of the about 8,000,000 displaced persons that the German armies had forced into Germany from other countries of Europe which they had occupied, approximately 7,000,000 had returned, with the aid of the western allied armies, to the areas in which they formerly lived. In the zones of the western allies in Germany, Austria, and Italy, there were at the first of this year slightly over a million displaced persons in the hands of the western allied armies. Between 80 and 90 percent of these had been forced into German territory by the Nazi armies before the end of hostilities. The balance were persecutees, for the most part the Jewish people who fled into our zones in Austria and Germany, almost entirely from Poland, in 1946. This movement was greatly accelerated by the murder of 40 Jews at Kielce on July 4, 1946. At this point I should like to clarify a misapprehension which has arisen in previous discussions of this bill.

It has been erroneously stated that 80 percent of the displaced persons entered the occupied zones after the end of hostilities. As I have indicated above, the true situation is exactly the reverse. I do not know how this misapprehension came about. It may possibly stem from the fact that millions of Germans and persons of German ethnic origin (Volksdeutsch) have fled or been transferred into the western zones of Germany from eastern Germany or from eastern European countries where they formerly resided. It is not with these people that we are concerned as they are Germans and have become a part of the German economy.

Of the million displaced persons remaining, Lithuanians, Latvians, Estonians, Poles, Jews, Yugoslavs, Ukrainians and stateless persons, of whom we are talking here now, the United States has control of about 600,000 in Germany, Austria, and Italy. Of this number, I have been vitally concerned with those residing in the United States zone of Germany, a total of over 500,000. When I left Germany a month ago, there were 354,000 of these displaced persons in assembly centers in our zone and about 150,000 living outside centers, either in labor units working for the United States Army or working in the German economy.

The United States Army has been charged with the responsibility for this group of half a million people. We have endeavored, with the assistance of UNRRA workers, to feed, clothe, and rehabilitate these people to the best of our ability and resources.

But we are continually asked one question and it is one we continually ask ourselves: What is to become of these people—the ones our Army took under its control and still has under its control?

The four alternative solutions presented by General Hilldring are not new. They have been discussed, considered, and elaborated on, around our conference tables in Germany for many months. But the United States Army in Germany, although charged with the responsibility for displaced persons within American zones, cannot make the decision as to what we are to do with these people in the future. That decision, we are fully aware, must be made by the United States Government—by the Congress—the ultimate governmental authority over them.

There are four possible alternatives:

1. Forcible repatriation.

2. Closing the camps and telling the displaced persons to become Germans and fend for themselves as best they can in Germany.

3. Continuing to maintain them separate from the political and economic organization in Europe, indefinitely, in the little communities which they form in the assembly centers.

4. Endeavoring to secure their resettlement in countries where they can rebuild their lives and strike new roots.

All I am here for is to give you briefly such of my observations of these people as you might feel to be useful to you in reaching your decision as to which of these alternative courses is to be pursued.

I shall endeavor to answer any questions which occur to you and to develop more fully any aspect that you may desire.

REPATRIATION

The alternative of repatriation must, at this point, be definitely termed "forcible repatriation." As has just been pointed out, a tremendous job has been done in returning 7,000,000 persons to their homelands. Over the past 2 years every opportunity has been affording to those now remaining in our zones to return. From my observation, those whom we still have on our hands are essentially a hard core of nonrepatriables who will not return to their place of origin because the map of the area where they formerly lived has been redrawn and a government alien to them is in power. They fear a lack of political freedom, and have a real dread of persecution. I can certainly testify as to the presence of those fears. It is not unusual in the United States zone of Germany, when a movement of displaced persons is contemplated from one installation to another for better accommodations or to meet a military exigency, that rumors immediately begin to circulate about the camp and the fear is developed that transportation is coming to repatriate the displaced persons against their will. On several occasions it has been part of my job to visit such installations to quiet the panic among the people by giving them the true facts about the movement and reiterating that it has not been and is not the policy of the United States Government to force displaced persons to return to the area from which they came. There are still a few people who are accepting our continuing offer to aid those who are willing to go. They receive, when they reach their destination, a 2 months' ration to insure their subsistence until they get their feet on the ground and become reestablished. Those who have gone during the last year and those who may still be willing to go are mainly Poles who came from that part of Poland which is still Poland. But the vast majority of displaced persons now in our hands have convinced me that they will not go back. I cannot number the occasions on which I have asked every variety of DP, "Why don't you go home—to the piece of ground you know, the members of your family and old friends, to the place where you can use your native tongue?"

These are the answers I receive, and I receive them every day from people of nearly every walk of life. The Baltic peoples—the Lithuanians, Latvians, and Estonians—have said to me, "I would rather die than return to my home—it is no longer mine. It is in the hands of the same people who took away every right I had in 1940 and 1941, and who took away friends and relatives of mine whom I never saw again."

Many of the Poles and Ukrainians who formerly lived in Poland east of the Curzon Line, now Poland no longer, say, "I will not return to land now held by the U. S. S. R."

The Jews in our camps tell me: "The Nazi teachings were far reaching. I am still attacked in eastern Europe, as well as in Germany. Let me go to Palestine."

I recall a remark by a Yugoslav DP who was in the same prison camp with me in 1943. "Should I go home to a political regime I hate and fear—to be tried by Tito, who accuses me of being a collaborator during the time I was spending 2 years and 50 pounds of flesh in German prison camps? The only one with whom I could have collaborated was God."

Such observations, multiplied hundreds of times, are heard not only by me, but by every person who works with displaced persons in our zone. It does not do any good to say to these people that 7,000,000 displaced persons have gone back to where they came from; why don't you? The answer is too simple and too clear. Naturally, the millions of French and other western Europeans went back home. Naturally the millions of Russians who believed in the Russian economic and governmental system went back. Naturally, also, anyone who believed in, or was indifferent about, the new systems of government in other eastern areas went back. The ones who have gone were the ones who were willing to go. Their experience is no guide for those who are now unwilling to go. Is it reasonable to expect the DP Balts, for example, who are bitterly hostile to the political and economic system which they experienced in 1940 and 1941 and which now rigidly controls their countries, to feel that it is safe for them to go back, carrying their hostility with them, to work against communism? The very fact that they go back unwillingly is enough to endanger them. Or are we to expect and demand of them that because their native countries have changed hands, they must, therefore, change their beliefs and accept communism as their way of life? We believe that these persons unwilling to go back would have to be rounded up by the United States constabulary or German police and forced into repatriation trains with gun and bayonet.

SHALL WE CLOSE THE CAMPS?

The second alternative is to close the camps and tell the displaced persons that they should become Germans and get such work or relief as the Germans might provide. From my contacts with these people I have observed several aspects of this alternative which you gentlemen may wish to consider in determining what course to choose. The first is that the great body of these people would regard it as a return to imprisonment to be turned back to the Germans whose armies brought them into Germany for forced labor or into prisoner-of-war or concentration camps. It has been equally apparent from my contacts that the Germans do not want the displaced persons in their midst. The Germans have not forgotten the Nazi indoctrination which looked on the non-German as an inferior person to be exploited by the "master race." This feeling appears as one of our difficulties in finding often the German administrator of a labor office discriminates against the displaced person applicant, at least by passive, if not active means. These ingrained antagonisms would be a perpetual source of conflict. They would prolong and make more burdensome our task in the occupation of Germany.

In addition to these deep-rooted antagonisms, there are factors in the economy of the western zone of Germany, as we over there observe it, which also have a definite bearing on the practicability of this second alternative. There are slightly over 500,000 displaced persons in the United States zone of Germany alone. Can we expect the economy of the zone to absorb this half million? Before the war, this area contained about 14,000,000 people. In addition to that population we have had to accept 1,500,000 expellees (ethnic Germans) from eastern countries such as Czechoslovakia, Hungary, and Poland. Another million people have been added to the German economy in our zone under the classification of German refugees—Germans displaced from their homes in either the Russian zone or in the area presently under Polish administration. Thus, excluding the displaced persons, the total population of our zone has now been brought to about 16,500,000. When one considers that at least 30 percent of the housing in the United States zone has been destroyed and its industries for the most part destroyed or collapsed; that even before the war, under the extreme food production efforts of the Nazis, this area had to import 20 percent of its food requirements for a normal population of 14,000,000; that 2,500,000 Germans have been added to the area, and that it is also supposed to feed a million persons in the United States sector of Berlin, the reason why American taxpayers have the alternative of contributing heavily to the support of this surplus German population or letting it starve is apparent. Merely to close the camps and add these half million non-Germans to the already surplus Germans in our area would give us only an apparent but no real relief from the situation we created when we conquered Germany and took these victims of Germany into our hands.

INDEFINITE MAINTENANCE

The third alternative is to continue to keep these displaced persons alive by maintaining them indefinitely in assembly centers, in the hostile environment of Germany. This obviously is no solution. It merely perpetuates a heavy charge on the American taxpayer. It keeps these victims of the Germans in a situation where they cannot help themselves, without plan or hope of building new lives for themselves or their children. These people, as I have lived among them, are fundamentally not so different from you or me. You can picture without any aid from me what that situation would mean to us if we were in it and determine whether this is the alternative you propose to adopt.

RESETTLEMENT

To aid in your consideration of the fourth alternative to the solution of the DP problem, I shall endeavor to answer for you, from my personal experiences, the following questions, plus any additional questions that you may wish to ask.

How are we sheltering and feeding the displaced persons under our care in Germany this summer of 1947?

What kind of people are they?

What are their basic political and religious beliefs, their attitudes toward employment, the state of law and order in their communities, their occupational skills, their health, and morals

And in addition, what are other countries doing about these displaced persons?

The shelter is the best we can provide in view of the destruction during the war of 30 percent of the housing in our zone and the great increase over the prewar population. It varies with each locality of the nearly 500 different installations. We try to do the best we can with what we have and perhaps get accustomed to it, but I don't believe that you would like the looks of some of our necessarily overcrowded conditions. Our largest assembly center at Wildflecken, Germany, houses about 15,500 Poles and Polish Ukrainians in a cluster of huge barracks and apartment buildings. Some larger rooms have to accommodate a number of families—from 20 to 30 persons. Other installations are composed of groups of long, low, wooden barracks built for the German armed forces. Still others are former prisoner of war and concentration camps. I have inspected two DP camps which had been POW "homes" of mine in 1943 and 1944. The barbed wire and machine guns have been removed and great improvements have been made, but the environment you would not regard as conducive to a normal family life. At times at one installation it has been necessary to shelter as many as 250 men, women, and children in one very large room. Fortunately we have passed that stage. We try to get down to one family to a room or partitioned part of a large room and sometimes can do better.

A typical DP room has a row of double-decker wooden bunks around the sides of the walls, a makeshift table, a few wooden chairs, a small wood-burning stove, and what other articles of furniture the DP's can make from scraps of material they dig up. Rarely is any quantity of material found available which can be furnished for floor and window coverings or to provide some of the innumerable comforts of home which we take for granted in this country. But the DP's make a little go a long way. It is surprising how with a

few odds and ends of personal belongings the atmosphere of a separate family center can be given to that particular corner of a large room which a father, mother and several children have curtained off as their own.

We are able to furnish to displaced persons sufficient food to maintain health, with a normal consumer ration of 2,000 calories per day. Supplements are granted for various categories; such as growing teen-age children, pregnant and nursing mothers, hospital inmates, and certain workers. These supplements bring the average caloric intake to 2,400 in our zone. I would estimate that the average American adult consumes between 3,000 and 4,000 calories a day. The daily bill of fare is in the main starchy foods—grains and potatoes. It is sustaining and puts on weight Except for vegetables grown in the small gardens which are tilled in every patch of ground the DP's can find, there is naturally little opportunity for variation in this diet.

The primary fact to be borne in mind is that they are above all else working people. That is because the Nazi Labor Office which accompanied the German armies was interested in bringing into Germany only those people who were capable of working in the factories and on the farms. Therefore, they selected for deportation to Germany primarily persons in the younger age groups and those physically qualified to do manual labor. It is noteworthy that in the average DP camp one will find relatively few old people or physically handicapped people. Further, it was hard for any without great moral and physical stamina to survive the experiences they went through. As working people in their own countries they were accustomed to long hours of toil. In German labor camps they worked long hours on short rations. Today, in the DP camps, as employment can be found for them, they are still working willingly and industriously in the maintenance of the camp, improving the physical appearance, and in outside employment in Army units and in the local economy. In the administration of the employment program in DP camps, the problem has not been so much that of inducing people to work but of finding work for them to do, for reasons which I will presently point out. Secondly, in the general picture, I must say that I have been continually surprised by the resiliency of the vast majority of these displaced persons. I have seen, in my present tour of duty, the same prisoners and forced laborers of the Nazis who had been with me in Germany in '43 and '44, still residing in the depressing atmosphere of the abnormal camp-type life described above, and have been amazed at their ability to make the best of their situations by studying, working, and striving to improve themselves.

In order to further the rehabilitation of the DP's, to respond to their urgent desire for something constructive to do, and to save the expense of our own personnel, we have turned most of the administration of the assembly centers over to the DP's themselves.

In order to give you a clear picture of the DP, I shall describe as accurately as possible a typical assembly center and what goes on there.

This cluster of buildings was probably built for the German Army and has a wall or fence around it. At the main gate you will find a man wearing an arm band or an old GI helmet-liner hat, with the inscription "DP police" on it. These police are trained by military personnel operating directly under my office. Their functions are much the same as those of policemen in a rural town. They preserve internal order in the camps, keep out personnel who try to enter for illegitimate business, and assist our military law-enforcement agencies in apprehending wrongdoers.

And here I'd like to give some observations on the state of law and order among DP's. DP's have always been a good sources of news. An incident involving DP's which is handled by our military agencies attracts much more attention than a similar incident involving Germans which is handled by German police. Consequently I have run into some exaggerated reports of DP misbehavior. My office happens to have a direct responsibility for supervising law and order among DP's, and maintaining records of incidents involving them. Of course, there are law violators among DP's. I have personally assisted in arrests of them and in prosecutions resulting in court sentences from several months to several years. However, the numbers of those jailed or cited for offenses in the United States zone, taken from statistics of the German Bureau of Criminal Identification and Statistics, indicate that non-Germans have not committed more than a proportionate share of the total crimes in the first few months of this year. In fact, the last figures I have available on offenses against German criminal law show that non-Germans have committed proportionately less than the Germans. From the standpoint of immigration into the United States, the records we have, covering a period of 2 years, would give an unusually good opportunity to screen out the lawbreakers.

Continuing with the DP policeman on your way to the administrative office in our sample camp, you will notice that there is considerable evidence of repairs and reconstruction of the buildings. The majority of our assembly centers are in areas in which countless bombs of the Allied Air Forces dropped. After liberation the DP's who were gathered together in a partially demolished installation went to work on it. Some of the buildings in a camp you visit will have been almost entirely rebuilt from salvaged bricks and odd pieces of steel, glass, and lumber. In an effort to brighten the surroundings, the inhabitants usually make a neat and ornamental design of whitewashed stones and a few flowers near the entrance to the camp.

In a nearby building labeled Administration, you get a good general picture of the political and social views of the people. Since soon after liberation, it has been our policy to allow the inhabitants of each Assembly Center to elect their own leaders and camp committees. The precise form of the elections has not been prescribed, but a survey of a few months ago showed that the typical camp election followed a pattern of nomination of candidates by petition and voting by secret ballot. Some camps have direct election of the leader, and others elect the camp council, the members of which choose the camp leader from among their number. These people have in the past served as advisers and executive intermediaries for the official camp administrator, and generally have proved so responsible that they have been constantly given additional authority.

While we are thinking about this community, which elects its leaders in much the same way as a small town in this country, you may be interested in my observations on DP "isms." If I were asked to point out the community which I considered the least susceptible to, and the most thoroughly indoctrinated against nazism, fascism, and communism, I would not take you to the isolated "100 percent American" small town in the Middle West. I would take you to a DP center in our zone of Germany. The vast majority of the people of the United States definitely dislike these "isms" but have not had a great deal of intimate contact with them. The DP who describes his being rounded-up at night, torn from his family and brought to Germany to labor; the DP who shows you the tattooed concentration camp number on his arm, are certainly actively indoctrinated against any form of nazism or fascism.

As for communism, the very fact that they are ready to accept any fate rather than be sent back to Communist-dominated countries shows their attitude toward that "ism." Further, if I may say so, I have had a wide opportunity to be among them and I know their attitude. These DP's do not take democracy for granted. They have seen these "isms," can recognize them, and violently oppose them.

To return to our visit to the administration building, we find that the keeping of records, all stenographic work, maintenance work, in fact all phases of the operations of the camp are actually conducted by the displaced persons themselves.

In some camps one of the DP committeemen is the labor representative for his community. The strides that have been made by the DP's themselves in finding employment have been considerable, although they have been faced with two or three serious handicaps.

We have been forced to place DP's in whatever housing is available. We do not have the material to build special laborers' housing near works projects, and in Germany transportation is almost nonexistent, with the result that many DP's cannot get to the jobs they would otherwise jump at. A prime example is our largest camp in Germany, Wildflecken, which I mentioned previously. Wildflecken is a large unit providing much-needed space for 15,000 people, but it is distant from any projects which could furnish employment. The agricultural fields nearby are already producing full-time for the local economy. Wood cutting is about the one opportunity for out-of-camp work, and many are kept busy at this work.

Representatives of DP's, welfare agencies, and the Army, who have exhaustively studied the possibilities of numerous manufacturing projects that would utilize the vast quantity of skills available in the DP population, have run into the terrific handicap of having no raw material with which to work. There has also been a reluctance on the part of many DP's to work for a German or the German economy, after having been forced to do so under oppressive conditions for several years. They are eager to work for the Allied occupying authorities, however. Despite these handicaps, the majority of employables residing in DP centers from 16 to 65 years of age are at work.

Of those residing outside the camps, the United States Army has 40,000 DP employees organized in labor-service companies. These companies can be broken down into the following categories: Watchmen, engineer construction, engineer maintenance, engineer dump truck, ordnance depot, quartermaster depot, quartermaster truck. Of this group, all of the engineer and quartermaster construction and trucking companies contain 90 percent skilled labor.

Those displaced persons not under direct care in assembly centers or in labor-service companies are working and eking out an existence in the German economy. But it must be pointed out that these people are also displaced persons and should not be lost sight of in the determination of the solution of the problem.

As our armies advanced into Germany, General Eisenhower appealed to the displaced persons to remain where they were, if they had a roof over their heads and a place to work, rather than to further congest the badly overcrowded DP centers. I have handled countless petitions from these displaced persons residing outside of centers who say that they will remain where they are, where they have shelter near a job rather than to come into a center, but who make urgent appeals for documents showing them to be displaced persons and not Germans. With the return of the German prisoners of war and with the influx of the German expellees,

many thousands of these out-of-camp displaced persons lost their outside jobs and shelter to the Germans in 1946 and had to enter our assembly centers. This movement was stopped, however, in the United States zone of Germany by the closing of assembly centers to new entrants on the 1st of June 1947.

In our average camp, you can learn from the displaced persons' representative, the various skills available there. These are listed in a card in a card index so that a prospective employer can readily find a person with the skill he requires. An over-all survey of the occupational skills of 366,553 employable displaced persons in assembly centers in Germany, Austria, and Italy was made in the summer of 1946. Another survey covering 237,727 employable DP's, in the United States zone of Germany only, was completed just prior to my departure from Frankfurt a month ago.

The following figures show the percentage of the employables surveyed last year, 366,553, in each general classification of occupational skill. The more recent survey in just the United States zone of Germany indicates approximately the same percentages.

A list of the approximately 140 specific skills represented under the 17 occupational categories presented below is attached to this statement.

General classification:	*Percent of total surveyed*
Construction and maintenance	6.7
Administrative, clerical, commercial	11.3
Agriculture, forestry, dairy, food processing	24.5
Health and sanitation	3.2
Miscellaneous services	9.1
Tailors and seamstresses	6.2
Domestic and related commercial services	10.0
Communication, transportation, supply	7.6
Artists	1.5
Professionals	6.4
Recreational workers	.2
Metal trades	2.1
Mining, chemical, and processing	.4
Miscellaneous processing	4.5
Laborers	2.4
Inexperienced persons	2.3
Students	2.1

Excellent vocational training courses are continually supplementing these skills available among DP's. In our zone alone, there are over 16,000 displaced persons receiving vocational training. There is at least one training course in each assembly center; however, the majority have a minimum of five different courses. In addition to the assembly-center schools there are seven formal vocational-training installations in the United States zone of Germany, offering a total of 24 different courses, lasting approximately 2 months each, and attended by 1,000 displaced persons.

If you leave the administration building of the typical camp with which we are concerned, you will probably see a long low warehouse building or former shop of some kind which has been refitted as a vocational school. There you will see DP's working at a forge and anvil pounding out the tools, the bolts, the locks, and practically all the metal equipment which is needed in the camp and perhaps for a neighboring camp which does not have a blacksmith shop. Adjacent you can see the carpenter shop where various items of furniture are made and where apprentices learn to aid in the maintenance and reconstruction of parts of the camp.

The supply of fuel presents a terrific problem in Germany today. One of the prime projects in the summer and fall is to see that sufficient trees are cut from the forests and chopped and stored in the camps for the winter. The DP's do this work themselves.

The next building in our DP camp may be a hospital which is operated by displaced persons. The DP head doctor will proudly show you his health charts and the cleanliness of the institution. We have found excellent nurses among the DP women, and others have been trained to hospital service. The majority of the doctors are DP's who make regular checks on the health of each member of the center population. There are 10,500 hospital beds available for long-term illnesses, and four special tuberculosis sanitariums located at strategic points in the United States zone. Both mass radiographic surveys and hospitalization checks agree on the following figures on tuberculosis in the United States zone: active TB 0.4 percent; inactive TB 2.5 percent.

The over-all health conditions of DP's is considerably better than that of the Germans. No serious outbreak of any disease has occurred from the beginning of the DP operations, probably as a result of using the same immunization procedures that are used in the United States Army. Medical supplies for all purpcses are drawn from the United States Army medical stocks.

There is a slow increase of weight in DP's from month to month and almost no incidence of edema despite the preponderance of starchy foods in their diet. The weight of displaced persons averages about 2 percent over the normal, based on United States Army standards.

The center doctor may point with pride to the fact that the incidence of venereal disease is negligible among his patients. A contributing factor may be found in the devotion of DP's in general to a family life. The birth and death rates of DP's are comparable to those in the United States. The young children are the healthiest that I have seen anywhere.

Near the hospital you will probably find the building which houses both the grade school and high school. In our zone nearly 70,000 children attend these schools, taught by DP instructors. In addition to the usual basic courses, one or two other languages, nearly always including English, are taught.

Another prominent place in the camp is the church. Each group worships under its indigenous religious leader. It is amazing to walk into that church in a former bombed-out building and see the beauty that has been wrought from bits of cloth woven into tapestries and altar cloths, from scraps of tin for chandeliers or candle holders, and the beautiful carving in wood.

When you visit the rooms of DP's themselves, you will find today in addition to the minimum equipment furnished them, which I described earlier, samples of the work of their hands and imagination. Woven from worn-out stockings and other salvaged articles of clothing are tiny rugs, tapestries, or sweaters for the children.

I recall one small Ukrainian center where 70 women were working in one large room, all knitting gloves and mufflers which were distributed not only to inhabitants of their camp but to others in the vicinity. We have several such self-aid work projects in the zone, again handicapped by the lack of raw material.

In 12 assembly centers DPs have organized factories which are using material from captured enemy stocks or surplus Army stocks, converting them into boy's suits, girl's dresses, children's overcoats, baby dresses, baby blankets, boy's overalls and baby's sleeping bags, which are distributed to other displaced persons. Equipment for these factories consists of many skilled DP hands and sewing machines on loan from the United States Army or procured by voluntary agencies abroad and brought into Germany.

The average DP is physically fit, is a person who longs to have and to participate in political and religious freedom, is a person who abides by the rules of the community, and has skills, ingenuity, and strength which he wants to put to use in a new permanent home. Another point which you gentlemen may feel to be important is that the DPs still residing in the assembly centers of the United States zone are in many respects a picked and carefully seeded group. In the first place, as I have mentioned earlier in discussing law enforcement, we have put criminals in jail. In the second place, a tremendous screening program has been undertaken and accomplished by the United States Army throughout our zone. A total of 375,310 DP's have been screened to remove from the centers those persons who may have been Volksdeutsch, volunteer members of the SS or Gestapo, and collaborators with the enemy. A total of 37,207 persons, about 10 percent, have been found ineligible and removed from our care. I hope I have given you a clear picture of those who remain.

In general, as I have outlined, the DPs are making the best of the situation. But at best that situation is a grim one quite apart from the physical overcrowding and other matters I have described. There is not work enough available to keep them all occupied, for the reasons I have pointed out. There is no opportunity for them to plan for their future, for the future of their children, or to help themselves and their families to rebuild their lives. They have kept going in the hope of getting out of the camps and out of Germany and having a chance to fend for themselves. If the decision is that they are to stay on indefinitely in the camps, hopelessness and deterioration cannot, as I have observed the situation, much longer be averted.

OTHER COUNTRIES' VIEWS

What do the other countries of the world think of DP's?

Officers of our headquarters have done a great deal of work in conjunction with the Intergovernmental Committee on Refugees, with representatives of other nations on the negotiations for the resettlement of dispaced persons.

Most of the western European countries and some South American countries are taking at least a few DP's. I understand that England is taking considerable numbers from the British zone of Germany, in addition to assuming the responsibility for 200,000 Poles of the Anders army.

In our zone 2 or 3 months ago we watched a group leave for Norway, laughing and crying with pure joy to be leaving Germany. A short time later a friend of mine in Norway gave me an informal report that the Norwegians were happy to have them.

The Belgian Government has contracted to take 20,000 workers with their families, a probable total of from sixty to seventy thousand DP's, in the next few months. I worked very closely with the Belgian representative in charge of this operation and visited him in Belgium about a month ago. He reported that the first 3,000 workers were already producing in the economy and that the Belgian employers are completely satisfied with the arrangement. In DP camps I have picked up letters from these DP's to their families in Germany who will soon join them in Belgium. The letters, which I have here with me, indicate the great happiness of the DP immigrants to be at work again, to be producing, to be able to take the money that they had earned from their pockets and put it on a shop counter for food and clothing, rather than have it doled out to them.

Holland is very much interested in taking skilled nurses. Small groups have already entered the Dutch city hospitals as nurses' aides, paid by the city. Holland may also take 8,500 single men and women, artisans and industrial workers.

The French apparently like the caliber of our DP's since members of the French Army

have proselyted 300 woodworkers plus 180 family members from Augsburg in our zone and persuaded them to enter the adjoining French zone of occupation for work under the French Army. This is done on an informal basis but indicates the acceptability of DP's to those who know them.

Sweden and several South American countries are negotiating for DP's to augment their labor pool. Shiploads of DP's have gone to Brazil and Paraguay. One is on the way to Venezuela. But all the efforts and agreements now in sight will not solve the problem. They are hopeful indications of what might be accomplished if we joined in. Representatives of other governments definitely indicate that they are waiting to see if we are going to do so.

In attending international conferences, we are constantly met with this question: "What is the United States going to do about these people?"

The Belgian representative said to me, "My country has a population density 8 or 10 times as great as your country's, yet we can handle some DP's; why don't you?" To this question we had no answer.

It does seem clear, however, that the fourth alternative, to finally liquidate the DP problem by a wide resettlement program, can succeed only in the event that the United States aids in it by admitting a substantial number.

CONCLUSION

I have tried to give you my observations which bear on your choice of the various alternatives as outlined by General Hilldring. I fully appreciate that this is a matter for the Congress and not the soldiers to decide. The American occupation forces have 600,000 DP's under their control. It is for the Congress to determine by its action whether or not the Army is to be directed to turn back these people who were victims of the Germans to the Germans. It is for the Congress to determine whether or not the Army should be directed to round them up and send them back against their will to the areas of eastern Europe. It is for the Congress to determine, by action or inaction, whether or not they shall continue indefinitely to be maintained in the present camps with such support as the United States taxpayers and those of other countries may contribute. It is for the Congress to determine whether or not resettlement in friendly countries, where they can strike new roots, is a desirable solution, and whether or not it will take steps to participate in that resettlement in a way to make this solution possible.

ATTACHMENT

Summary of occupational skills of 366,553 employable displaced persons surveyed in assembly centers in Germany, Austria, and Italy showing the percentage which each skill classification comprises of the total

Total of employable displaced persons surveyed	366,553
General classification:	*Percent of total*
Construction and maintenance (architects, bricklayers, carpenters, construction machine operators, furnacemen, dredgemen, draftsmen, electricians, enginemen, glaziers, masons, blasters, painters, plumbers, riggers, riveters, sawmill operators, steel workers, surveyors)	6.7
Administrative, clerical, commercial (auditors, bookkeepers, business executives, office clerks, sales clerks, office machine operators, office managers, stenographers, interpreters, typists)	11.3
General classification—Con.	*Percent of total*
Agriculture, forestry, dairy, and food processing (farmers—all types, lumbermen, hunters, fishermen, millers. N. B.: This does not include agronomists, who are listed under "Professionals")	24.5
Health and sanitation (dentistry, dietitians, hospital attendants, midwives, nurses—all types, optometrists, ophthalmologists, pediatricians, physical therapists, physicians, surgeons, pharmacists, sanitary engineers, veterinarians, X-ray technicians)	3.2
Miscellaneous services (barbers, blacksmiths, bookbinders, butchers, firefighters, jewelers, laundrymen, linotypists, locksmiths, opticians, photographers, piano tuners, policemen, pressmen, printers, projectionists, shoe and harness makers, undertakers, upholsterers, watch repairers)	9.1
Tailors and seamstresses	6.2
Domestic and related commercial services (workers in this category are domestics, waiters, kitchen help, gardeners, bakers, cooks)	10.0
Communications, transportation, supply (airplane mechanics, airplane pilots, auto mechanics, auto body repairmen, drivers, craters, telephone and telegraph repairmen, linesmen, radio operators, radio repairmen, railway workers, seamen, teamsters, telegraph operators, telephone operators, teletypists, tire rebuilders, warehousemen)	7.6
Artists (writers, artists, sculptors, musicians, professional entertainers)	1.5
Professionals (agronomists, clergymen, chemists, child care workers; engineers, civil, electrical, industrial, mechanical, mining; lawyers, librarians, social workers; teachers, academic, vocational, technical; occupational advisers)	6.4
Recreational workers (athletic instructors, recreation leaders)	0.2
Metal trades (electroplaters, foundrymen, forgemen, heat treateres, machine operators, machinists, metalsmiths, millwrights, welders, toolmakers)	2.1
Mining, chemicals and processing (ceramic workers, glass blowers, miners, petroleum workers, steel mill workers, quarrymen)	0.4
Miscellaneous processing (clothing machine operators, coopers, leather workers, paper workers, rubber workers, power plant installers, textile workers, woodworkers)	4.5
Laborers	2.4
Inexperienced persons	2.3
Students	2.1

A People's President in '48

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "A People's President in Forty-eight," by Roscoe Drummond, reprinted from the magazine '47.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PEOPLE'S PRESIDENT IN '48

(A direct challenge to the Republican and Democratic National Committees—a demand that they surrender their monopoly and permit the American people to nominate and elect a President and a Vice President of their own choice in 1948.)

(By Roscoe Drummond)

Mr. and Mrs. American voter, you think that at the next Presidential election you are going to elect a President of your own choosing. Well, you're not—unless something unexpected happens between now and spring.

And if you think it's important to elect the best possible President of the United States next year—one you want, not one whom the politicians let you have—it is not too soon to begin doing something about it.

I'm not talking about whom we should vote for, but whom we have the opportunity to vote for.

The fact so easily overlooked—and the politicians' delight in having us overlook it—is that while the American people do elect their President, they do not choose Presidential nominees.

That is the great and grievous catch in American democracy. And how the major political parties, Democratic and Republican alike, resent and resist having this fact brought sharply into focus. They might be called upon to do something about it.

Why not? And now. Who owns these political parties—the professional politicians or voters?

Politicians think they own the parties. But they can be put in their place. And nothing is better calculated to do it than a healthy voter rebellion in both parties.

The problem is this:

The American people have the opportunity to ratify the party choice, but they do not have the opportunity really to choose the man they most desire for President. They can only select a President from two candidates almost invariably imposed upon them by the party managers.

My question is: Why shouldn't the voters choose their President from 140,000,000 Americans instead of from two?

I should like to put that question to the Republican National Committee, 1337 Connecticut Ave. NW., Washington, D. C., and to the Democratic National Committee, Hotel Mayflower, Washington, D. C.

And I suggest that every reader of this magazine, that every citizen who wonders why he can only ratify instead of choose his President, take time to put that same question to one of the two national committees.

Of course, the professional politicians won't, in the main, like it. They don't like voters getting ideas about more democracy; in fact, they don't like voters getting ideas. But it wouldn't hurt if the professional politicians were asked to show why their closed-corporation method of selecting a Presidential nominee should be allowed to impair the full functioning of democracy.

No need to be timid about annoying politicians. One or two stray voters may get rudely pushed in the face. But when a number of real-life voters get to asking the same question, get to demanding a clear answer, the politician will pay attention.

But something more than protest is needed. Voters must do something concrete and decisive to put the nominations of the people's President into the hands of the people.

Unless something concrete and decisive is promptly done, the voters—the real owners—

of the Republican and Democratic Parties will once again be thwarted by old-fashioned, well-oiled, minority-dominated nominating conventions. They will find that the decisions (the nominations) have already been made for them, not by the many, but by the few; not by the rank-and-file voters, but by the organization leaders; not by democracy, but by machines.

When it comes to selecting between the two major Presidential nominees, the American voters have an uninhibited choice.

When it comes to nominating the two major Presidential candidates, the Republican and Democratic party organizations are monopolies in restraint of political freedom. Their monopolistic practices ought to be abandoned or they ought to be broken. They will not be abandoned until the voters vigorously demand it.

There is, I suggest, a practical and workable reform which could be adopted by both parties and could give either a vitalizing advantage over the other.

The proposal is: That both Republican and Democratic Parties conduct national, preconvention party primaries.

In such a primary the rank-and-file voters—instead of the relatively few national, State, and county professionals—of each party would have the dominant and conclusive voice in the choice of the Presidential nominees.

The primary would be Nation-wide and simultaneous for all parties.

The outcome would be binding upon the party conventions, which might still be the instruments for drafting the national platform. The runner-up in each party should be the Vice-Presidential nominee. (The time has passed when the country can afford weak and unwanted Vice-Presidential candidates.)

It is useful to ask ourselves these questions, and then add them up and ask them of the Republican and Democratic National Committees:

Do you recall ever having an opportunity to register a firm, clear-cut, individual vote for the candidate you would like to have your party nominate for the Presidency of the United States?

When did you last have an occasion to exercise visible influence on your party's choice of its Presidential nominee?

Can't you cite at least twice as many occasions when your party has been manipulated into selecting the nominee least desired by its rank-and-file membership, instead of the one most desired?

The fact is that while the voting machinery of the Nation is rightly arranged to give us a full voice in electing a President, the nominating machinery is nicely rigged to prevent us from having hardly any voice in determining the Presidential candidates.

Let us look at some unhappy examples.

Warren G. Harding wasn't the man the Republican voters wanted to nominate in 1920. He was the man the party professionals put over after they refused to nominate either of the candidates who showed popular strength, Maj. Gen. Leonard Wood, or Gov. Frank Orren Lowden.

John W. Davis wasn't the man the Democratic voters wanted to run against Calvin Coolidge in 1924; he was the choice of the party professionals after they had turned aside the choices of the rank-and-file Democrats, William McAdoo and Al Smith.

A nomination like that of Wendell Willkie in 1940, when the party is coerced into acceding to the public demand, is the exception.

The time is at hand when it ought not to be accidental that the Republican or Democratic Parties choose Presidential nominees whom the true proprietors of the parties, the rank-and-file voters, really want.

The time is at hand when the voters in each party should pick the team as a right, not as an accident. The voters should be the insiders, not the outsiders who have to hire the Western Union to send usually unheeded appeals to the conventions.

Degrading examples of party dictatorship over American democracy go back earlier than the twenties. A particularly bald, shameless, but representing illustration was the Republican National Committee's theft of the Presidential nomination for William Howard Taft over Teddy Roosevelt in 1912.

In the late spring, just before the GOP national convention, one after another of the great Republican States—Massachusetts, Pennsylvania, Illinois, Ohio, and the Missouri Valley—through the popular primaries, were unanimously demanding that Teddy Roosevelt be chosen. Rank-and-file sentiment was alive with the feeling that he alone could rescue the party from the debacle which awaited the bungling Taft.

How the Republican professionals averted every opportunity to accede to the Republican voters' wishes is told with vivid insight and detail by William Allen White, in his autobiography (The Macmillan Co.). What happened in the Republican National Convention of 1912 should have been a five-alarm warning of what was to happen later.

"It was plain," writes Mr. White, "that we had the Republican sentiment of the country, as it was uncovered by direct vote of Republicans in State primaries, rather overwhelmingly for Colonel Roosevelt.

"It was also clear that the Republican National Committee having the South, one-third of the convention, as its pawn, was instituting contests in convention States which would probably give the national committee an opportunity to organize the national convention. The committee seated such contestants as they deemed worthy or necessary to promote their plans."

Thus the Taft conservatives, by controlling the national committee, were able to shape the convention. That was how the nominating convention of 1912—and more than one subsequent convention—was manipulated.

Mr. White concludes with burning words which force all who support American democracy to ask: Must it happen again in 1948?

"It was done," Mr. White recalls, "with obvious malice prepense, with a sort of Gargantuan impudence, profligate and heroically indecent, which angered the Roosevelt majority in the country and turned Michigan Avenue, where the delegates milled up and down between the hotels, into a hell's broth of wrath.

"I knew, and I suppose the whole world of American politics knew, that Taft and his following were only a small minority of the Republican Party."

Isn't it time for minority rule in choosing Presidential nominees to be brought to an end?

If it isn't done, this theft of the people's sovereignty will happen once too often, and there will be a "hell's broth of wrath" not only on the Michigan Avenues but on the Main Streets of the Nation.

Lindsay and Crouse weren't fooling when they put this dialogue into their political satire, State of the Union:

Mary Matthews, wife of Presidential aspirant: "People ought to know where he stands before they nominate him."

Political Boss Jim Conover (angrily): "The people have damn little to say about the nomination. You two have lived in this country all your lives. Haven't you got that through your heads yet? You're not nominated by the people—you're nominataed by the politicians. * * *"

That's it. The President of the United States is not nominated by the people, he's nominated by the politicians.

And why? It is a common fallacy to say, as even Lindsay and Crouse did, that it is "because the voters are too damned lazy to vote in the primaries. Well, politicians are not lazy. Remember what happened to Willkie in Wisconsin."

The politicians are able to impose their Presidential nominees upon both parties not because the voters are too lazy to vote in the primaries, but because there are no adequate primaries in which to vote.

The number of primary elections grows fewer and their influence on the national party conventions smaller. They are consistently used to exploit favorite-son politicians without any reference to serious candidates

Only 13 States now hold Presidential preference primaries. Few of these are binding, and they play a negligible part in the determination of the Presidential nominees.

Consequently, now more than ever, the Presidential election itself is not a method whereby the people really choose their Chief Executive, but rather a method of ratifying a predetermined choice.

This is a subordination of democracy by party dictatorship—and it's time for a change

When this article was written the standing of the leading Republican Presidential aspirants in the Gallup poll, reflecting the preference of rank-and-file voters, was as follows:

Gov. Thomas E. Dewey, of New York, 52 percent.

Harold E. Stassen, of Minnesota, 17 percent.

Senator ARTHUR H. VANDENBERG, of Michigan, 9 percent.

Senator JOHN W. BRICKER, of Ohio, 8 percent.

Senator ROBERT A. TAFT, of Ohio, 2 percent.

That is the present unofficial preference of Republican voters. Most Republican professionals prefer Senator TAFT, would gladly take Senator BRICKER, can't stomach Mr. Stassen, and only with reluctance would renominate Governor Dewey.

There is at present no opportunity for rank-and-file voter preference to be even officially visible; there is no mechanism whatsoever by which the voice of the voter can be controlling.

It is time for a change, and nothing could be better than for the voters to tell their national committees: "Give us a national party primary—or else."

The political professionals don't deliberately prefer to cheat the people. They are just willing to cheat the people if it appears necessary to preserve their own party dominance.

The self-interest of the party professional is not synonymous with public interest. If the voter is to win he must be given the instrument by which he can win.

The instrument of the Presidential nomination is the party convention, which is almost perpetually in the hands of the organization. Its leaders are in a position to choose whether they wish to accept the voters' choice.

The need is to put the instrument of Presidential nomination in the hands of the voters. Their choice will then prevail by right, not by accident nor by gracious gift of the professionals.

A national party primary is a simple, workable, democratic method of determining the Presidential nominees. Its effect would be to transfer from the politicians to the people the right to choose the President.

There would be practical problems to work out to bring a national primary into being, but I know more than one party professional who believes it feasible.

As Lindsay and Crouse put it in the State of the Union, the "politicians have stayed professionals because the voters have remained amateurs."

There is a valuable and estimable role for professional politician, but it is not their role to purloin from the people the means of choosing the President.

Our political leaders have lately and reasonably been calling on the labor leaders to democratize the labor unions.

Isn't it time to call upon our political leaders to democratize their parties?

It cannot be said that the American people democratically elect their President until they democratically choose their Presidential candidates.

Are the Republican and Democratic National Committees for democracy or against it? Let's ask them. Let's ask: Why shouldn't the voters choose their President from 140,000,000 Americans instead of from 2?

National, preconvention primaries for both parties is the means to that end.

Postwar Germany

EXTENSION OF REMARKS
OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. REED of New York. Mr. Speaker, there has come to my attention a very brief speech delivered by former Senator Sinclair Weeks, of Boston, before the quarterly meeting of the New England Council, at Manchester, Vt., on June 20, 1947.

Mr. Weeks had just returned from a trip with 14 leading industrialists to Germany on the invitation of the Secretary of War. These industrialists went over there to study the situation, and this speech by Mr. Weeks is a result of that trip. It so clearly sums up conditions from the viewpoint of an industrialist that I think it ought to be included in the RECORD for the purpose of information to the Members of Congress. Therefore, I ask that it be printed in the Appendix.

A survey of conditions in Germany today fills the observer with an impression of utter confusion A great industrial establishment is dismembered and flat on its back. The country is divided into four zones, one of which, the Russian, might as well be on Mars for all that it presently means to the other three. There is no central government—the people have not enough to eat—transportation is in a chaotic condition—coal supplies are inadequate—as are the supplies of lubricating oil and gasoline. Industry obtains raw materials with extreme difficulty and manufacturing supplies are scarce. And, finally, the people work for a mark which has no stable value, primarily, of course, because there is little or nothing to buy with it. The black market is in the seventh heaven—the cigarette flourishes—morality is at a low ebb—in fact the whole scene makes up into the most frustrating, mixed-up mess that the mind of man could possibly envisage.

To understand the picture one must look back at its beginnings. VE-day came and went and the victorious Allies took control of what had been, short years before, the most powerful military state in existence, but which on the 8th of May 1945 was on its knees—thoroughly whipped—but a shadow of its former self.

In company with our allies our principal objective, as stated in directive 1067 issued to the commander in chief of our occupation forces, was to complete the industrial disarmament and demilitarization of Germany and force a program of reparations and restitution. Such controls upon the German economy were authorized as might achieve these objectives and protect the safety and meet the needs of the occupying forces and assure the production and maintenance of goods and services required to prevent starvation or such disease and unrest as would endanger these forces.

The directive further stated that "except as may be necessary to carry out these objectives, no steps (will be taken) (a) looking toward the economic rehabilitation of Germany or (b) designed to maintain or strengthen the German economy."

There in a nutshell are the stated objectives of the United States and the other occupying forces. At Potsdam the program was further spelled out and implemented, principally by the following restrictions placed on German industry: In the first place, Germany was prohibited entirely from producing any shipping, airplanes, frictionless bearings, aluminum, synthetic oil or rubber, and certain other items; and second, all else produced by the German economy was limited under a so-called level of industry program which specified the various items and detailed the percentage of 1936 production in each item which was to be allowed, ranging from a low in automobiles of 10 percent of the 1936 output to a high of 80 percent in pharmaceuticals.

Morgenthau at Quebec originated this conception, that of making Germany in effect a pastoral country and of depriving her particularly of her heavy industry production. Essentially, it was a development of the New Deal philosophy that peace, prosperity, and the diffusion of wealth may be brought about by people working shorter hours and producing less.

At this point one may ask why should we be sympathetic to Germany's problems and why should we, after enduring the most costly war in history—not to mention the sacrifice in human life and suffering—continue to expend our substance in Europe, and particularly in Germany. Certainly our action in this regard cannot be ascribed to sympathy for the German people who, with their leaders, combined to bring more chaos and confusion to mankind than has been seen probably in the whole course of history.

At the outset we thought Germany should be punished—and certainly we need have no doubt that she has been. Germany, after World War II, has no more relationship to Germany after World War I than has the Moon to the planet Venus. The destruction of its cities is appalling and can never be appreciated unless seen. Picture in your mind's eye, if you can, any one of our large New England cities with some 80–90 percent of its buildings either totally destroyed, or stark, staring skeletons of masonry with neither roof, windows, nor interior, and you have a reproduction of that which exists to a vast degree all over Germany—and more particularly in the Ruhr, the great coal and heavy industry section. The people are leaderless, restless, discouraged. In fact without hope.

Yes—Germany has been punished. But so what? Why are we concerned and interested? First, because of decent humanitarian instincts—because even the defeated have to eat and presumably may expect to live like civilized human beings—and second, because of vital self-interest.

Seventy-one million people in the new Germany, if they would eat, must export. Today even one-third of the starvation diet of 1,500 calories is provided by us. The United States and Great Britain are expending $1,000,000,000 a year to bring food, medical supplies, and lubricating oil into Germany. The bipartite military governments of these two countries hope—but it is only a hope—that German industry may be put back on its feet to such an extent that by 1950 it will be exporting enough to pay this bill. But even that program, if successful, doesn't allow for the importation of the necessary raw materials and other items essential to make the wheels turn to their full capacity once again.

At this juncture we may ask ourselves once more—for what other reasons is it essential that German industry be made to function? In answer you must remember that Germany, particularly from the standpoint of heavy industry, was the industrial heart of Europe and today thoughtful nationals of the surrounding countries are quite convinced that Europe will not recover until the heart begins to beat again. By way of example, Holland, from the standpoint of its economy, was little more than another German state before the war. It found a substantial market in Germany for its food products—a great deal of traffic in and out of Germany passed through its ports. Today Holland has neither the market nor the traffic. From the east and from the Danube Valley food products poured into Germany in exchange for the products of Germany's industrial economy. Sweden and France sold Germany iron ore which was fabricated into the products of heavy industry—these products flowing back into the countries round about which needed them.

So to sum it up, Germany must produce and sell if her people would eat—and she must produce and sell and buy if Europe expects to return to normal conditions.

But above and beyond the motives I have just outlined which impel us to help Germany back on her feet there is another motive which should be, if it is not, plainly apparent to the American people today. You must know that I refer to Russia—one of the four Allies occupying Germany today, one of the four Allies who agreed at Potsdam to treat Germany as an economic entity—the only one of the four which has not lived up to its agreements insofar as the treatment of Germany is concerned.

Finally at Moscow we reluctantly came to the conclusion that Russia could not be expected to cooperate in putting Germany back on its feet, and the United States and Great Britain—and hope and expect France—now intend to proceed with the development of the western zones and let Russia come along or not as she chooses.

In my judgment Russia is convinced that there is not room on this earth for her ideology and ours. She talks, she procrastinates, she obstructs, to help breed chaos and confusion and, in my judgment, to the end that we may, sooner or later, get sick of it and go home.

If we fall for the bait and drop out of the ball game before Europe is back on its feet, communism will take over. And when communism takes over every vestige of freedom departs.

I suggest to you, and to every American who places any value on those ingredients of the free way of life which we, too much, take for granted, that he or she wake up and stop living in a fool's paradise. When we don't like our Government we are free to say so and vote accordingly in the next election. But in Russia, and, as a result of Russia's activities, today in Poland, Rumania, Bulgaria, Yugoslavia, Hungary, and who knows where next, if you don't like your government you're promptly liquidated.

The world is small and getting smaller every hour. Of all the nations on earth we are practically the only one left with the strength and resources which enable us, and should impel us, to stay in this game and see to it that the march of communism is stopped before it engulfs us and the other peoples of the earth.

If we fail to assume our obligations, of what avail the Atlantic Charter and all it stands for, and how completely will we have forgotten and scratched out the sacrifices of those American men and women who gave us all they had, including life itself, that their countrymen might continue to live as freemen and not be afraid.

Joint Housing Investigation

EXTENSION OF REMARKS
OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. JAVITS. Mr. Speaker, the investigation of the national housing shortage by the joint committee authorized by House Concurrent Resolution 104 and its Senate counterpart will fix attention as never before on the Nation's No. 1 domestic problem and Congress' No. 1 domestic "must"—housing. There has been much discussion of the comprehensive housing bill, the Taft-Ellender-Wagner bill—S. 866, March 10, 1947; H. R. 2523, March 12, 1947—and this bill has become the focal point of controversy between those Members, like myself, who believe material Federal aid essential to the solution of the problem, which they regard as a continuance of the war emergency, and those Members who with equal sincerity believe that if let alone private enterprise will end the housing shortage seasonably. Many Members have suggested the advisability of making available a summary in nontechnical terms of the Taft-Ellender-Wagner bill so that it may be studied and discussed in their constituencies before the next session and the turning in of the joint committee's report and recommendation. As the sponsor of the bill in the House, with the permission of Senator TAFT, I have assembled a summary of the major provisions of the Taft-Ellender-Wagner bill, and some pertinent questions and answers on its background, and insert them herewith. In doing so and inviting study of the bill I wish to emphasize that it should be examined with a view to its immediate effects in enormously stimulating housing construction, of which I am convinced, as well as its longer-range effects:

I. BACKGROUND OF TAFT-ELLENDER-WAGNER COMPREHENSIVE HOUSING BILL (S. 866–H. R. 2523)

QUESTIONS AND ANSWERS ABOUT S. 866 AND H. R. 2523

1. Question. What is the background of the bill?

Answer. This bill is not a sudden inspiration. On June 1, 1944, hearings were opened on postwar housing by the Subcommittee on Housing and Urban Redevelopment of the Senate Special Committee on Postwar Economic Policy and Planning. These hearings closed on February 7, 1945, and covered more than 2,200 pages. It submitted a unanimous report on August 1, 1945, signed by its chairman, Senator Robert A. Taft, Republican, Ohio, and Senators Robert F. Wagner, Democrat, New York; George L. Radcliffe, Democrat, Maryland; C. Douglass Buck, Republican, Delaware; Allen J. Ellender, Democrat, Louisiana; Dennis Chavez, Democrat, New Mexico; and Robert M. La Follette, Jr., Progressive, Wisconsin. The recommendations in this report were substantially followed in S. 1592.

On July 3, 1945, a unanimous report on postwar public works and construction was submitted by the House Special Committee on Postwar Economic Policy and Planning, William M. Colmer, Democrat, Mississippi, chairman, containing recommendations essentially similar to those of the Senate special committee. This report was based on the study of a subcommittee consisting of Representatives Walter A. Lynch, Democrat, New York; John R. Murdock, Democrat, Arizona; John E. Fogarty, Democrat, Rhode Island; Eugene Worley, Democrat, Texas; B. Carroll Reece, Republican, Tennessee; Jesse P. Wolcott, Republican, Michigan; and Jay LeFevre, Republican, New York.

S. 1592 was introduced in the fall of 1945, and passed the Senate on April 15, 1946. S. 1592 was in the House Banking and Currency Committee when the Seventy-ninth Congress adjourned. S. 866 was reported favorably to the Senate by the Senate Banking and Currency Committee on April 24, 1947, after hearings. The House Banking and Currency Committee took no action on H. R. 2523 at the first session.

2. Question. Who supports the bill?

Answer. The organizations officially recorded in support of the bill include some which are quite conservative in their legislative approach and only infrequently support specific legislation. These include, for example, American Association of University Women, American Council on Education, American Home Economics Association, Council for Social Action of the Congregational Christian Churches of the United States, Federal Council of Churches of Christ in America, General Federation of Women's Clubs, National Board of the Young Women's Christian Associations, National Conference of Catholic Charities, National Congress of Parents and Teachers, National Council of Jewish Women, National League of Women Voters, Veterans of Foreign Wars in the United States, National Council of Catholic Women.

Other great Nation-wide organizations which have endorsed that bill in its entirety include American Association of Social Workers, American Federation of Labor, American Veterans of World War II, American Veterans' Committee, Congress of Industrial Organizations, Family Service Association of America, National Association for the Advancement of Colored People, National Council of Negro Women, National Federation of Settlements, National Institute of Municipal Law Officers, National Public Housing Conference, National Urban League, United States Conference of Mayors.

3. Question. What are veterans' housing needs?

Answer. The Bureau of the Census announced March 18, 1947, the results of a veterans' housing survey which it made between July 1946 and September 1946. The surveys were made in 70 selected cities and reveal some of the facts about the veteran's housing desires and his income which must be taken into account in considering any housing legislation.

The survey concretely presents the housing problem when it shows that from 30 to 40 percent of married veterans are living in rented rooms or doubled up with in-laws. In Los Angeles County, Calif., for example, fully 50 percent of the married veterans in that area are without desirable living quarters. In the New York City area some 44 percent of the married veterans fall into this category. For the New Orleans area in Louisiana, the Detroit area of Michigan, and the Philadelphia area of Pennsylvania the figures are respectively 32, 51, and 43 percent.

The survey also vividly demonstrates that veterans cannot afford either the rental or purchase cost of new housing. The median weekly income of veterans is shown to be between $40 and $50. In the majority of cases they cannot afford to pay more than $40 a month rent, and they cannot afford housing costing over $6,000.

4. Question. What are the best estimates of the total needs the bill seeks to supply?

Answer. The hearings before the Senate subcommittee and before the Senate Committee on Banking and Currency indicated that the housing needs from 1945 to 1955 would call for the construction of approximately twelve and a half million nonfarm dwelling accommodations. About half of this volume was based upon the needs of the net addition of families, while the other half was represented by construction needed in order to replace, during this 10-year period, about half of the number of substandard units in our existing supply of housing. More recent estimates are even higher. Mr. J. Frederic Dewhurst, of the Twentieth Century Fund, in the hearings before the Senate Special Committee to Study and Survey the Problems of Small Business Enterprises, has estimated that 19,500,000 nonfarm dwelling units should be built during the 15-year period 1945 to 1960. In the Housing Symposium recently published by Duke University, an article by two officials of the United States Bureau of the Census estimates that the needs for housing call for the construction of from 18,000,000 to 22,000,000 units during the same 15-year period.

5. Question. What would the program actually cost the Government?

Answer. Most of the funds used under S. 866 would be repayable loans and would cost the Government nothing. The only items that would represent nonreimbursable outlays would be represented by the contributions for the urban low-rent, the rural, and the land-assembly programs. After 5 years these contributions would reach a maximum of about $150,000,000 a year, or about 1 percent the total proposed Federal budget for 1948, exclusive of national defense and veterans' benefits items.

Attention is also invited to the report on the bill of the Senate Committee on Banking and Currency—report No. 140, Eightieth Congress, first session.

II. BRIEF SUMMARY OF TAFT-ELLENDER-WAGNER BILL (S. 866 AND H. R. 2523)

Title I, declaration of national housing policy: "The Congress hereby declares that the general welfare and security of the Nation * * * require a production of residential construction and related community development sufficient to remedy the serious cumulative housing shortage, to eliminate slums and blighted areas, to realize as soon as feasible the goal of a decent home and a suitable living environment for every American family, and to * * * enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power."

Title II, National Housing Commission: This title provides for a permanent National Housing Commission composed of an Administrator (with his administrative staff) and a Coordinating Council composed of the Administrator, the heads of FHLBA, FHA, FPHA, and representatives of the Department of the Treasury, the Department of Agriculture, the Veterans' Administration, RFC, and any other Federal agencies that the President might designate. All of the powers of the Commission are vested in the Administrator. The Coordinating Council, which is an advisory body, provides the means for working out harmonious relationships with respect to the housing functions of the participating agencies. (NOTE.—This title is no longer necessary, due to the adoption of the President's Reorganization Plan No. 3, which creates an over-all Housing and Home Finance Agency, having the same general effect as title II.)

Title III: This title is no longer necessary, due to the adoption of the President's Reorganization Plan No. 3, which creates an over-all Housing and Home Finance Agency, having the same general effect as title III.

Title IV, housing research: "To assist in increasing the production of better housing and progressively reducing housing costs, and in making available data on national housing needs, demand, and supply," the National

Housing Administrator shall engage in technical research and provide technical advice and guidance to communities for local housing studies, surveys and planning.

Title V, existing home ownership and rental housing aids: Strengthens the existing tools of the Home Loan Bank and Federal Housing Administrations to enable them to service moderate-income families and veterans more effectively. For the Bank Administration, it (1) expands the lending powers of the home loan banks and of federally chartered savings and loan associations to permit their full participation in the FHA insurance and GI bill of rights home-loan programs, and (2) improves the insurance protection provided by the Federal Savings and Loan Insurance Corporation. For FHA, certain perfecting amendments are provided which relate to all three of its basic existing programs (home modernization and repair, home ownership, and rental housing), including, for example (1) a provision with respect to the lapsing of debt service payments when necessary as a result of unemployment or other misfortune beyond the control of the home owner, and (2) provisions to help FHA to cope with the problems created by higher construction costs.

Title VI, home ownership and rental housing for families of lower income: Contains a basic plan for enabling private enterprise to serve middle-income families who have been largely in a "no man's land" between private and public housing activity. In connection with new homes where the mortgage principal is not more than $5,000 (or $6,000, if required because of higher costs—the homes themselves would cost about $5,300 to $6,300 or less), the title adds three innovations to the FHA system: (1) to make initial purchase easier, the insured loan would cover 95 percent of the cost of the house (as compared with a present 90 percent maximum); (2) to lessen the monthly financing charges, the maximum period of repayment would be extended to 30 years instead of the present 25, and the maximum statutory interest rate would be reduced from 5 to 4 percent; and (3) to encourage participation by builders in this low-priced house program, the FHA would be permitted to issue firm mortgage-insurance commitments to builders up to 85 percent of the value of the house. The title VI plan would likewise assist private enterprise to serve middle-income families with rental or mutual ownership housing projects. It provides for 90 percent FHA insured loans; 40 years maturities; and a maximum interest rate of 4 percent. The title contemplates the FHA will collect premiums to cover both estimated losses and administrative expenses on these new insurance plans.

Title VII, yield insurance for rental housing: This title provides for a special program of yield insurance, to be administered by FHA, designed to encourage direct investment by institutional and other large-scale investors (such as large industrial concerns) in rental housing for families of moderate income. It guarantees a minimum return of 2¾ percent per annum on outstanding investment (plus 2 percent amortization of the full capital investment) until such time as only 15 percent of the original investment remains unamortized, in consideration for the making of such an investment on an annual-return basis upon outstanding investment ranging from 3¼ to 4 percent. As in the case of FHA's other programs, a self-sustaining program made possible by appropriate premium charges is contemplated. Altogether a billion-dollar insurance program is authorized.

Title VIII, land assembly and preparation for redevelopment: This title sets forth a program for Federal aid to localities for the clearance of slums and blighted areas so as to make such areas available for redevelopment with the active participation of private enterprise. The essence of this plan is that Federal and local aid will be combined to bring the cost of land acquisition and preparation for redevelopment down to the point where its reuse in accord with sound planning principles will be feasible. This write-down is to be accomplished by Federal and local contributions with the requirement that the local contributions must equal (1) at least one-third of the net project cost (i. e., the difference between the cost of the project and the new capital or reuse value of the land comprising the project area), and (2) at least one-half the Federal subsidy base. Federal aid under this plan extends only to the acquisition and preparation of the land and the write-down of its cost to its reuse value and not to the various building undertakings that will be put on the land as it is redeveloped. The title requires feasible methods for both the temporary and permanent relocation of the families who are displaced as a result of the clearance of the redevelopment area.

For this plan the title provides $500,000,000 in temporary Federal loans, which must be repaid in full with interest within 5 years, and for a 5-year program in permanent loans at the rate of $50,000,000 a year, repayable in full with interest in not more than 45 years. These Federal loans would cover only part of the projects costs; most of the borrowing would be local. For the Federal contributions to help cover the write-down, the bill authorizes annual contributions to be contracted for at the rate of $4,000,000 a year for each of 5 years next following the enactment of the bill, involving a maximum commitment by the Federal Government of $20,000,000 a year in annual contributions at the end of the 5-year period. Such contributions would run for not more than 45 years. These aids would be enough to cover about one and one-half billion dollars of land acquisition and preparation for redevelopment.

Title IX, urban low-rent housing: This title provides for the resumption of the public low-rent housing and slum-clearance program where local need is demonstrated by showing, first, that private enterprise cannot meet the need locally, and, second, that a gap of at least 20 percent has been left between the family income which will qualify for admission to the public low-rent housing and the family income required to pay the lowest rents at which private enterprise is providing locally a substantial supply of decent, safe, and sanitary housing. In order that the current higher costs of construction may not prevent the provision of housing needed for veterans and others of low income, the section (following the pattern established in title V with respect to FHA's programs) authorizes certain increases in cost limitations.

For the Federal contributions to help reduce rentals so that they will be within the means of low-income families, the title authorizes annual contributions to be contracted for at the rate of $26,400,000 a year for each of the 4 years next following the enactment of the bill, involving an additional maximum commitment by the Federal Government of $105,600,000 a year at the end of the 4-year period. Such contributions would run for not more than 45 years, as compared with a present statutory maximum of 60 years. This title would cover not more than 500,000 units of public low-rent housing built over a 4-year period.

(NOTE.—Congress has just passed S. 1361, introduced by Senator MCCARTHY of Wisconsin, permitting cities to make capital grants to local housing authorities, in order to permit them to go ahead with low-cost housing projects. These grants are necessary to make up the difference between statutory-cost limitations contained in the United States Housing Act of 1937 and the total development cost of such property at today's high construction costs.)

Title X, farm housing: The title provides for assistance by the Department of Agriculture to provide for farm families who cannot otherwise obtain adequate housing. For families on farms potentially capable of providing an adequate income, the title authorizes 33-year loans by the Secretary at interest not exceeding 4 percent, with limited subsidy assistance, where needed, for a period not exceeding 10 years, in the form of a partial credit against loan interest and principal. For families on farms not potentially capable of providing an adequate income, the title authorizes special loans or grants by the Secretary for minor improvements to meet minimum health standards. For the purposes of this title the Secretary of Agriculture is authorized to undertake loans totaling $250,000,000 for a 4-year period, and contributions or grants reaching a maximum rate at the end of 4 years of $10,000,000 a year.

Title XI, rural nonfarm housing: This title provides for rural nonfarm families who cannot otherwise obtain adequate housing. For such families, the title authorizes assistance by FPHA under a variant of the established public-housing program through which it is adapted to the special needs in rural areas. For the purposes of this title, FPHA is authorized to contract for annual contributions at the rate of $5,000,000 a year for each of the 5 years next following enactment of the bill, involving a maximum commitment of $25,000,000 a year at the end of the 5-year period.

Title XII, disposition of permanent federally owned housing: War housing may be sold by FPHA to local public agencies (who would be required, in selecting tenants, to give preference to families of servicemen and veterans) after the President finds that it is no longer needed for purposes of war and "when the governing body of the locality involved finds that it would be in the best interests of the community or of the families of servicemen and veterans therein to make such housing available as low-rent housing for families of low income."

(NOTE.—H. R. 3492, which provides for the disposal of war-housing projects built under the Lanham Act, by transferring such projects to the Federal Works Agency for supervision of such sales, was passed by the House but was not reported out by the Senate Banking and Currency Committee.)

Title XIII, miscellaneous provisions: This title contains various technical administrative provisions and standard miscellaneous provisions.

Agricultural Research in Alaska

IN THE HOUSE OF REPRESENTATIVES

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. DIRKSEN. Mr. Speaker, Congress has just passed the Agricultural Appropriation Act for the fiscal year ending June 30, 1948. Included in that bill is a provision somewhat unusual, but by no means unprecedented. I refer to the provision establishing an agricultural research program in Alaska under the administrative control of the Secretary of Agriculture. The bill withholds the customary annual appropriation of $44,940 for payment to the Territory of Alaska for allotment to the University Agricultural Experiment Station and makes instead an appropriation of $144,940 to the Secretary of Agriculture to enable him to conduct research on problems affecting agriculture in Alaska.

The unusual provision referred to is that the University of Alaska is required to make available to the Department all of the lands, buildings, and equipment heretofore used by the university experiment station and provides further that all Territorial funds available to the experiment station, including any such funds which may have been appropriated by the Territorial Legislature, shall be available to the Secretary of Agriculture for augmenting the fund of $144,940 appropriated by Congress.

This is merely a reversal of the practice heretofore followed, where the Federal funds appropriated for grant to the Territory, under the several land-grant college acts, have been merged with those appropriated by the Territory, the whole amount having been expended under the sole administrative authority of the university. Thus, the actual result of the provision under discussion is to let Uncle Sam occupy the driver's seat for a limited period, instead of the university, while a research program for Alaskan agriculture, deemed to be of present national need, is gotten under way on a much larger scale than such research has ever been carried on in the past.

ACTION A NATIONAL DEFENSE MEASURE

The primary, all-compelling reason for the action taken in this matter is wrapped up in the important consideration of national defense. In the present posture of world affairs, Alaska has become a highly strategic bastion of the outer ramparts of America, and will, no doubt, continue to be for some time an important link in the chain of our national security.

In this connection it is of the highest military importance that Alaska be made, as nearly as possible, self-supporting with respect to agricultural products. I have in my possession a letter from the then Secretary of War, Robert P. Patterson, emphasizing this point. This consideration is also emphatically underscored by the recent near-famine conditions which obtained in Alaska as a result of the shipping strike, as well as the situation during the war when the threat of enemy action to cut off sea communications necessitated the expenditure of large sums of money in the construction of the Alcan Highway. If, which providence forbid, there should be a third world war, Alaska might well turn out to be another Pearl Harbor. Steps to minimize such a possibility should be taken without delay.

Those were the reasons, Mr. Speaker, which, in the main, impelled our committee to report the provision now in the bill for a single, integrated program of agricultural research in Alaska under the sole administrative authority of the Secretary of Agriculture, who is directly responsible to the Congress.

UNIVERSITY EXPERIMENT STATION NOT TO BE ABOLISHED

This action does not contemplate the abolition of the University Experiment Station, nor the permanent discontinuance of making appropriations of Federal funds for grants to the Territory under the Hatch, Adams, Purnell, and Bankhead-Jones Acts for use by the university. The usual amount of such grants has been included in the total appropriated to the Secretary of Agriculture by this bill and the Secretary is under definite instructions, by the language of the committee's report to the House to "continue, so far as consonant with the over-all integrated program, the several lines of research in existence at the time of taking over," so that when the operation of the station is returned to the university, there will be possible an uninterrupted continuity of land-grant college research.

Thus, Alaska is required, under the provisions of the bill, to subordinate to the national interest for a brief period her rights to home rule as respects this matter which she enjoys under the act of Congress setting up a territorial form of government. I am sure, Mr. Speaker, that the overwhelming majority of the people of Alaska, who are so courageously engaged in the conquest of this vast wilderness of the north, will gladly accede to the necessities of the Nation of which Alaska is so important a part. It is my conviction, Mr. Speaker, that some day, in the not too distant future, Alaska is destined to be received into the great sisterhood of States in the American Union, a felicitous event so ardently desired by her brave people.

ADMINISTRATION OF STATION CONDEMNED BY FARMERS AND BY STAFF MEMBERS

A secondary, and by no means unimportant, consideration prompted the action of our committee with reference to this item. Several weeks before the committee hearings were begun, I received reports of a most disturbing nature touching upon the character of the administration of the agricultural experiment station by the authorities of the University of Alaska. By correspondence and otherwise, I carried on an extensive inquiry for the purpose of checking up on the accuracy of these reports.

I learned, among other things:

First. That among the farmers and farm leaders in Alaska the work of the university experiment station with respect to the value and usefulness of its agricultural research is generally in very bad repute. I quote from resolutions of farm organizations:

It is the consensus of the organization that it appears to have been the policy of the university to operate the experiment station farm with an eye to the production of food for the university, with research being a secondary consideration. It has also been the observation of the members of this organization that competent research people will not stay and attempt to carry on research work under difficulties of this kind and this has resulted in a very rapid turnover of research personnel and a constant break in the continuity of research projects. (Tanana Valley Farmers' Association, Inc., Fairbanks, Alaska.)

It is recommended by the grange that agricultural research and experimental work be under Federal control. (Northern Pioneer Grange, Palmer, Alaska.)

Second. That the consensus of the technical and supervisory personnel presently or formerly on the staff of the experiment station is that the president of the university and the director of the experiment station are wholly lacking in qualification for or interest in the carrying on of effective agricultural research; that their principal objective has been to produce food for the university dining table, that the research projects have been set up for that purpose, with research being a secondary consideration, and that this policy has resulted in a very high turn-over of research personnel, with disastrous results to the continuity and effectiveness of research projects.

The foregoing is substantiated by letters now in my files. Those who are no longer at the station say they left because of the conditions described, and those who are still on the station staff have declared they do not intend to remain if the conditions are not rectified.

CONDEMNED BY MEMBER OF TERRITORIAL LEGISLATURE

I also have in my files, Mr. Speaker, a letter from a member of the Territorial legislature, who says:

I feel that all money should be expended under the administrative control of the United States Secretary of Agriculture and in no case under the University of Alaska. I further believe that the control of experimental stations should be taken away from the University of Alaska.

REACTIONS OF ALASKANS TO PROVISION IN HOUSE BILL

After our bill was reported to the House, Mr. Speaker, word of its action with reference to agricultural research in Alaska and to placing the university experiment station under the control of the Secretary of Agriculture was soon disseminated by press and radio to the people of Alaska.

From the editor of the Anchorage Times came the following:

I am sure all Alaskans who are acquainted with the problem realize that you are acting wisely and for the best interest of the territory as well as the Nation.

From the Business and Professional Women's Club at Fairbanks:

We are vitally interested as a club in securing funds for agricultural research for the Territory of Alaska, and certainly hope the bill passes whereby the research work will be done under the Department of Agriculture rather than our local university.

From the Matanuska Valley Chamber of Commerce, Palmer, Alaska:

Bill placing Alaska agricultural experiment stations under United States Department of Agriculture has our wholehearted endorsement. University of Alaska administration definitely not interested in agricultural research.

From the Tanana Valley Farmers' Association, Inc., Fairbanks:

Farming public rejoice Department of Agriculture directing experiment station. Research under University of Alaska experiment station has been a failure. The farmers have no confidence in any program conducted by the university under its present administrative head.

From the Northern Pioneer Grange, Palmer, Alaska:

Farmers in Matanuska Valley heartily endorse agricultural research under United States Department of Agriculture auspices. Future of agricultural development here will be determined by your measure.

From the Wasilla Grange No. 2, Wasilla, Alaska:

Wasilla Grange No. 2 unanimous in support of House bill. Senate bill unsatisfactory.

"VICIOUS PIECE OF LEGISLATION"—BARTLETT

Mr. Speaker, my very good friend, the Delegate from Alaska [Mr. BARTLETT] in a recent press release denounced the provision of the bill relating to agricultural research in Alaska as "one of the most vicious pieces of legislation affecting Alaska which has ever been passed by the Congress of the United States." It would seem that a great many people in Alaska do not agree with that characterization.

Mr. BARTLETT was in the House on the day the bill was read for amendment. He did not avail himself of the privilege which a Delegate enjoys of speaking against the provision or of offering a motion to amend. It would seem to me, Mr. Speaker, that if he believed it to be a vicious piece of legislation and unfair to Alaska he should have made his voice heard at that time.

No, Mr. Speaker, I believe the record indicates that the good farmers of Alaska who are laboring under such adverse natural conditions have been made the victims, for, lo! these many years, of some pretty vicious administrative practices on the part of certain Territorial authorities, and that they are only too glad that Congress is enabled, through the provisions of this bill, to bring them some measure of relief.

More American Dollars—For What?—Let Us Not Waste Our Assets

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, American dollars alone will never restore order in this chaotic world. The United States of America financed two World Wars in 25 years. And between wars we loaned billions of dollars to refinance the same nations whom we assisted in war. Now we are considering the possibility of huge expenditures in an effort to prop up the economy of the whole world. What assurance is there that we can accomplish our purpose in view of our failure so to do in the past? It is not reasonable for us to pour money down that proverbial "rat hole" when there is every indication that our money alone cannot bring a just peace or economic stability to the world. The past record is bad; what can we expect in the future?

Mr. Speaker, the people should know what we have been spending for foreign aid in recent years. I have just received a report from the Department of Commerce that states, and I quote, "During the past 7 years the United States Government committed itself to an unprecedented expenditure for foreign aid totaling $73,590,000,000." We have spent $20,000,000,000 in the 2 years since the end of the war. I shall not take the time to break down these figures but they are factual, not fictional. No one knows, Mr. Speaker, or has any idea just what requests will be made in the future or how much they will amount to in dollars. Billions and billions are no doubt involved if we are to believe the experts.

Mr. Speaker, the great need in Europe and in other parts of the world is a good big dose of self-help. And in addition a willingness to spend its own resources to stabilize economic conditions. There is something wrong somewhere. People everywhere seem to have lost initiative and the will to work. We know today that socialism and communism have in many countries destroyed the will to work because these ideologies have promised the people less work and more rest on the theory that the government will provide for them. Hitler, Mussolini, and Stalin have looked after their people in their own way. The result was enslavement and ultimate destruction.

Consider, Mr. Speaker, the productivity, or lack of it, in British coal mines. In May 1946, just before the three-and-one-quarter-billion-dollar loan was approved, the mine force numbered 699,000 men. Their productivity per week was about 3,700,000 tons of coal. That output was 300,000 less than the amount needed for national survival.

Now, Mr. Speaker, 1 year later, May 1947, the number of miners had increased to 714,000. Thus, there were 15,000 more men in the mines than 1 year ago. Yet what happened? The mines were taken over by the government in May of this year—in short they were socialized—and immediately the workweek was reduced from 6 days to 5, with the result that production dropped from 3,700,000 to 3,500,000 tons, or 200,000 tons per week, even though 15,000 more men were employed. This does not make sense.

In France, Mr. Speaker, the situation is also disturbing. Early this year it received a total of $275,000,000 in advances from the new World Bank and from the International Monetary Fund. These advances were designed to assist France in solving her basic economic difficulties. But shortly after Communist-led strikes paralyzed her economy.

Mr. Speaker, it is obvious that more loans or gifts of money or goods will not solve the problem of coal production in Britain or stop strikes in France. These problems must be solved by the French and British people themselves.

If out of the conferences now under way in Europe come more suggestions or schemes for State controls and further regimentation—in short, plans for more socialism—our Government should refrain from giving more help. Why should the fruits of the American private enterprise system be used to advance the cause of socialism? The people of this country should not be called upon to water the roots of this foreign ideology, the progenitor of Communism.

Mr. Speaker, there are a good many signs that the American people—even though they are greatly misinformed or uninformed—will not appropriate more money for gifts and loans until they have a satisfactory answer to the question: For what?

Proponents of the so-called Marshall plan, Mr. Speaker, will have to convince the American people that the spending of additional dollars on European recovery will produce more tangible results than it has in the past 25 years. Our resources are limited and the time has come to stop the reckless spending of our national assets.

The Eightieth Congress—Its Record

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mrs. DOUGLAS. Mr. Speaker, the hour of recess is at hand and we are about to return to our respective districts to give an accounting to the people we were elected to represent. A casting up of accounts appears to be in order.

Let us see what such a statement, in terms of the welfare of the American people, would look like.

I shall limit myself to a consideration of our domestic policies.

Of course, both domestic and foreign policies are so closely interwoven that in effect they are one. For example, if we have a collapse and depression here in the United States within the next several years, it will affect our foreign policies. Already, domestic fears of shrinking markets, surpluses and depression have threatened our whole foreign policy of promoting world trade. The health or sickness of our domestic economy and our political and social standards will tone up or drag down the health of the rest of the world. Therefore, domestic conditions are of the utmost importance. What has the Eightieth Congress done to strengthen or weaken the home front.

First, let me make the preliminary statement that the credit or the blame for what has been done, left undone or badly done belongs to the Republican Party. That Party has a clear working majority in this Congress. In this House, it has the tightest control since the days of Speaker Uncle Joe Cannon.

Legislation to be considered in committee must be given the green light by the Republican leadership.

In order to have legislation brought to the floor of the House, it must be given the green light by the Republican leadership.

The Republican leadership in Congress is able to pass any legislation it wants to pass and to block any legislation it wants to block; unlike the Democratic majority in the Seventy-ninth Congress which lacking sufficient majority to protect it against a handful of Democrats who voted consistently with the Republicans found itself frequently outvoted.

Again and again, President Truman and the spokesmen for the minority in

this Congress have warned that we are rushing down a steep road into the sea. We have proposed comprehensive, carefully thought out and related legislative programs to balance the human budget for prosperity and peace, as provided for in the Employment Act of 1946.

The Democratic Party opposed the Republican attack upon organized labor.

It opposed the raid upon the Federal Treasury for the benefit of the Nation's biggest taxpayers, contending that tax reduction should wait until a substantial payment had been made toward reduction of our national debt.

Mr. Speaker, the Republican majority proposes to govern by fear—fear of labor, fear of other nations, fear of foreigners, fear of Communists and communism, fear of the future.

In fact, it seems that the Republican majority in this Congress has been afraid of nearly everything and everybody in this country and in the world except runaway prices, profits, and inflation itself.

This fear complex is, I submit, absurd. It would be funny if its results were not likely to be so tragic. Here we are, the richest, most powerful nation in the world, with the longest and strongest tradition of freedom and democracy, in danger of frightening ourselves into depression and isolation. And this, at a time when we should be like "young men who delighteth to run a race." We have the resources and the know-how, the food, the machinery, and the money to help the world to health and a peace of free men, to an age of shared abundance in which all peoples can afford and enjoy both security and personal liberty.

But, no, we are afraid, we draw back. We offer too little and too late. We are afraid to admit to this great country, already suffering from a lack of manpower, some 400,000 displaced persons who should come in under the accumulated unused immigration quotas. We need them; they need us. More important, we need to set an example to other nations, of willingness to do our share in delivering these victims of totalitarianism from the 8 years of hell to which they have been subjected. They are homeless and afraid, with reason; we are secure and afraid, without reason. Our fear is shameful.

Again, while unseen monopoly draws its silken noose tighter around the American economy and, particularly in a period of inflation and runaway prices for scarce materials, strangles small business and new business, the Republican Party frightens itself and some of the public into fits about the menace of communism. To fight communism and Communists, they have rammed through the House the Rees so-called loyalty bill which proposes to adopt the secret-police and star-chamber methods of the Russian Okhrana, the GPU, the OGPU, the Nazi Gestapo, and the Fascist Blackshirt Militia.

At a time when America is in the world's mind and in literal fact the exemplar and defender of personal liberty and opportunity, of the civil rights of fair trial for the individual citizens, the Republican-sponsored Rees bill would deprive American citizens of the basic civil right to be considered innocent until proven guilty. It would deprive American citizens of the right to trial in open court, of the right to know the evidence against them and to confront their accusers in open court, of the right of counsel and of trial by a jury of their peers.

Mr. Speaker, the leaders of the Republican Party are not really afraid of communism, nor of the admission of 400,000 displaced persons. They are, I submit, afraid of the American people. They are afraid that, if the pandemonium of fear is let down long enough for the American people to hear themselves think, they will add up what the Republican-controlled Eightieth Congress has done and intends to do to their welfare and hope for a future of security, opportunity, and personal freedom.

Now, let us see just what has been going on and what is about to happen to the hopes and plans of the average American family:

Mr. Speaker, in the early days of the war, when there was considerable opposition to the late President Roosevelt's indivisible seven-point anti-inflation program, opposition to which resulted in the defeat of some of its features and the weakening of others, one of the principal opponents of the Economic Stabilization Act, Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, expressed the view that a little inflation would not do us any harm.

He joined with others, including the head of the Grange and the Cooperative Milk Producers Federation, in proposing that prices be allowed to rise to their natural level in the open market. One of these gentlemen expressed the view that, even with short supplies, prices could be used to ration, even to a surplus.

At the time, these smooth words were denounced as a proposal for limited starvation, for pricing millions of our people out of the market, so that they could not buy what they needed for the proper nourishment and clothing and housing of their families.

Under such a system, the rich would have rapidly become richer on rising prices, but the consumers would have fallen out of the market. Demands for higher and higher wages, made in a continuous attempt to chase the devil of inflation around the stump would have disrupted industrial relations, caused strikes, and interrupted and cut down war production.

Fortunately, these gentlemen's recommendations did not prevail.

We did have the Economic Stabilization Act.

Wages were stabilized.

Prices were stabilized to a substantial degree, though not as firmly as wages.

Because of the pressures of business and industry, the act's provision for stabilization of profits was honored more in the breach than in the observance.

Why was the suggestion that a little inflation would not do us any harm put aside as bad advice?

There were many reasons.

We had a great goal and we had vision and determination and a high degree of unity.

We had a war to win.

Most of us, including most of the 12,000,000 members of the armed services, most wage earners and, I am convinced, most businessmen, then believed that the winning of the war was the first stage in the making of a lasting peace based on the Atlantic Charter and the "four freedoms."

We were going somewhere, going forward, and we were fighting, working, planning together.

We were blessed with a leader, democratically chosen and elected, who gave the immediate goal of 50,000 planes, 75,000 tanks, and 8,000,000 tons of shipping.

I need not name the leader of the other political party, a man recommended for his youth and genius as an administrator and statesman, who said with little faith that this goal was fantastic and impossible of achievement.

It is enough to say that goal was reached and doubled and that the war was ended years earlier than it would have been on a timid business-as-usual basis—if, indeed, it could have been won at all that way. Millions of families have their men back because that goal was reached and doubled (as rapidly as it was).

But, Mr. Speaker, there was another reason why the advice of a little inflation was put aside.

It was because Franklin D. Roosevelt told the man who proposed it that there was no such thing as "a little inflation."

He said that a little inflation was like a little cocaine. A litttle led to a little more, and more and more, until it became a habit; a vicious, debilitating, degrading, deadly habit, growing by what it fed on until in the end the ravaged addict either had to accept a drastic cure or die.

Such boldness in planning, in the statement of goals, in the formulation of ways to attain them, such plain speaking to those who stand in the way are needed today.

President Truman has tried again and again to assert such leadership in the 2 years since VJ-day.

His task has been made more difficult, first, by believers of business as usual in the various war agencies who started a reckless, irresponsible decontrol stampede the day after VJ-day, ignoring the fact that effective controls should have been continued until the transition to peacetime production had been made and supplies and demand were in approximate balance.

These men also appeared to ignore the tremendous task of aiding the war-stricken world to get back to economic, political, and social health, back to a condition where the principles of the Atlantic Charter and the four freedoms could become everyday practice.

Aiding and abetting this stampede were those in the Congress who, to quote the present chairman of the Ways and Means Committee, thought we should "return to normalcy." During the war Members of this persuasion had compelled the President to install in the war agencies, particularly in OPA, persons who thought as they did and who, with the outbreak of peace, strove to plan and talk and act on a business-as-usual basis.

This is the reason for the $5 a ton increase in steel, the $200 and $300 increase in automobile prices, and the price escalators installed for many other items.

Despite this weakening of the stabilization program by these price bulges, it was not broken until a year ago, when the Congress gave the President a cynically contrived and wholly unworkable price-control bill with an "or else" ultimatum. He signed it with a gun at his head, only because of the very real danger of civil disorder if August 1, 1946, had arrived with no control to prevent wholesale rent increases and evictions.

Between then and November, 1946, the American people were the victims of a two-pronged blitz by the National Association of Manufacturers and the meat industry, both working for the election of a Republican majority in Congress that would remove what little economic stabilization was left, reduce Government expenditures for necessary economic and social services, cut taxes on high incomes and deprive labor of certain hard-won rights and protections in collective bargaining with employers.

Here let it be noted that (a) 1946 profits were running ahead of wartime peaks, and (b) labor had already been beaten in its attempts during the strikes of 1946 to maintain wartime take-home pay and the real purchasing power necessary to support a stable and healthy market for postwar full production.

This was not enough.

We had to travel the full route, all the way back to "normalcy" to the boom-and-bust of the twenties and early thirties.

Powerful reactionary forces in and out of Congress had forgotten nothing and learned nothing in 25 years.

The NAM offered the bait of lower prices if price control and other stabilization measures were removed.

The meat industry held back meat and went on a sit-down strike 60 days before election.

And the Republican Party put in electric lights against the night skies the taunting question that may yet boomerang against it and its candidates—"Had enough?"

Well, the campaign of cynical propaganda and deliberate confusion—most of it paid for with taxpayers' money in the form of deductions from income taxes—was successful.

A majority of those who voted 12,000,000 less than the nearly 47,000,000 who voted in 1944 said "Yes" to the question, "Had enough?"

The American people had paid for their own poison.

Now the Republican Party, having won a victory, having won a clear-working majority in the Congress, was stuck with that victory. It had to try to deliver, and to do so in such a way as to insure control of both the Congress and the Presidency in 1948.

How has it succeeded, to what extent and in what respects?

In achieving the immediate objectives of the NAM, the real-estate lobby, the railroad lobby, the private-power lobby, and the coalition of special interests comprising the antilabor lobby, the Republican Party has succeeded to an extent that must be gratifying to them.

I know that the gentleman from Michigan has complained that his party has sold out to the New Deal because the Republican majority did not in the first 90 days sweep away all vestiges of the National Labor Relations Act and other New Deal laws which, in his view, are abominations.

But I think the gentleman from Michigan is too impatient.

He does not understand or is not attentive enough to his party's problem of winning the 1948 election. In surgery, there is a difference between a saw and a scalpel; in medicine there is a difference between curative drugs administered orally and the hypodermic needle.

Leaving aside for the moment the question of wages, prices, and profits, on which the NAM and the Republican Party made certain promises, let us look at the record:

The year 1939 has been adopted as the basic point for Government program and expenditures.

In 1939 we had about 9,000,000 unemployed as compared with full employment today; our national income was $72,500,000,000 as compared with $199,500,000,000 in 1947; our population was 130,880,000 as compared with 143,338,000 today.

In 1939 we should have had in progress at least seven, not one, wealth-producing developments such as TVA, which later supplied the margin for victory in aluminum, fertilizers, and atomic energy.

Today the Republican Party proposes to try to shrink our Government's role in the economic and social rehabilitation of our country back to 1939 levels.

The Republican program does not include provision for the vast program of needed public works which should be authorized, planned, and blueprinted now, to be held in reserve for the time when supply and demand for consumer goods and housing come into balance and such projects are needed to maintain full employment and increase our productive resources and markets.

By action of the Democratic administration in the executive branch, the budget has been balanced and more than balanced.

The surplus for the fiscal year ended June 30, 1947, was $754,000,000.

For the present year, it is estimated to be at least $4,000,000,000.

This, as President Truman would be the first to state, is larger than it should be.

It is no fault of President Truman and his administration that a substantial part of this surplus is not being used today to balance the human budget, to balance the housing budget, the health budget, the educational budget, the budget for our senior citizens and those disabled by accidents and disease, the soil-conservation budget, the irrigation budget, the reclamation budget, the power budget, the reforestation budget.

The Democratic Party has consistently stood for balancing of the human budget, when necessary, putting it ahead of balancing of the money budget.

We can owe money to ourselves, but how can we rest easy knowing that we have a budget surplus achieved at the cost of human lives and human health, happiness, and opportunity for millions of our people?

Since we have this surplus, one would have assumed that the Republican Party, long an advocate of reducing the national debt, would have been the first to agree with President Truman on the wisdom of applying the surplus to a reduction of that debt.

The Republicans cried havoc and galloping ruination when the national debt in 1939 was $40,000,000,000; today, with a national debt of $258,300,000,000, they turn a blind eye to it and propose instead a tax reduction that would give $1,200,000,000 to 682,000 taxpayers with incomes above $10,000 and divide $2,900,000,000 among 49,000,000 taxpayers with incomes below $10,000.

What price debt reduction now?

I will go into the answer to this question when I discuss the matter of wages, prices, and profits.

I have put this matter of so-called economy and tax reduction first because the Republican Party put it first. It is important for a reason which I intend to make abundantly apparent.

More important in the record of Republic performance, in my opinion, are these items:

First. Wrecking of the veterans' housing program.

Second. Wrecking of all emergency housing programs by premature removal of priorities, allocations, and price ceilings on scarce materials.

Third. Wrecking of effective rent control and the deliberate exposure of 50,000,000 Americans to the legalized hijacking of rent increases. This obedience to the real-estate lobby is made more contemptible by the pretense that such increases must be "voluntary." Lacking Government enforcement, this hypocritical limitation has the strength of a piece of wet paper.

Fourth. Stalling on Federal aid to education until next year, when an inadequate ersatz bill may be passed in the hope of catching votes in the 1948 primaries and elections.

Fifth. Stalling on even the ersatz health program to be limited to charity cases; put off to next year for the same reason, to catch votes.

Sixth. Stalling on any long-range postwar housing program; probably killed by the real-estate lobby.

Seventh. Stalling on FEPC, on anti-poll tax and antilynch legislation until 1948, when one or more may be enacted depending on the Republican estimate of the election prospects.

On education, health, housing, and the civil-rights bills, the Republican majority could have legislated at any time in the past 6 months. Had there been the will, the way was open.

The Republican Party had the majority. It had the responsibility. It cannot avoid the blame.

In the other body, enough Democratic votes were available to adopt cloture and get a sure majority vote for the enactment of the three basic civil-rights bills.

Eighth. Systematic chopping down of services to farmers, ranchers, miners, and wage earners in reckless reduction of the appropriations for the Departments of Agriculture, Interior, and Labor.

Reclamation has been cut at a time when hundreds of thousands of veterans want farms and when a hungry world cries for food.

Irrigation development has been cut.

Power development has been cut, in the face of a present power shortage in the West and a shortage throughout the Nation, blighting industrial development, employment, markets, and hope for continuing prosperity.

Rural Electrification Administration funds have been cut, although 4 out of 10 of our farms still lack electricity.

Contradicting the fine phrases of friendship for labor that accompanied the Taft-Hartley bill, the various bureaus and services of the Department of Labor have been made a shambles.

The United States Employment Service has been weakened; the Bureau of Labor Statistics has been reduced so that facts needed by both labor and management in peaceful collective bargaining cannot be promptly and accurately assembled and made available while they are still timely; the Bureau of Labor Standards is down and very nearly out; the Wage and Hour Division, with an impossible administrative load imposed by the so-called portal-to-portal amendments, has a pitifully inadequate budget with which to attempt the job.

Ninth. Cutting back low-cost public power development by a set of bills that would require such projects to sell electricity at the generating point, at the same time exempting a large proportion of privately owned utilities from the regulation of the Federal Power Commission.

No neater formula for delivering consumers of electricity to the tender mercies of the private power interests at the private utilities' own price could be devised.

Tenth. Attempting to divide, weaken, and destroy labor unions by the Taft-Hartley Act which, in its various provisions, carries the seeds of the sort of industrial war this Nation suffered in the twenties and early thirties, when strong corporations attempted to club, gas, shoot, and terrorize workers into employment on the employers' own terms.

This is only a hasty and partial listing of the major achievement of the first Republican Congress in 16 years.

I have not dealt with the special raids, such as the gas utility bill, the bill to exempt the railroads from the antitrust laws, the bill to repeal the increased benefits of the Railroad Retirement Act and many others.

I have left what I consider the most important and sinister characteristic of the Republican performance, reserving it for final reference.

Earlier, I mentioned the Republican proposals for tax cuts, a little for the low-income, much for the high-income few. Tied in with tax cuts are prices, profits, wages, and adequate supplies of needed goods.

We are about to take off on another round in the inflationary spiral. With other nations crying for food, farm and industrial machinery, and materials, supply continues to be below the real demand at home and abroad. At the same time, millions of people, here and abroad, are being priced out of the market for food, clothing, cars, refrigerators, washing machines, farm machinery, and the heavy capital goods necessary particularly for rehabilitation of productive plant in other nations.

While prices continue their upward trend, with wage rates lagging, the monopolistic steel shortage throws tens of thousands of auto workers out of work for weeks at a time and cuts the workweek of other thousands to 4 days and $30 in wages.

Recent floods, the most disastrous in history because the Congress refuses to apply the successful experiment of TVA to the Missouri and other valleys, have cut our expected production of corn, pork, and other meats, aggravating the world-wide competition for what food supplies are going to be available.

These shortages of steel, foods, and other essentials boost prices so that, while inflation continues, deflation has already set in for millions of people, here and abroad. They are being priced out of the market.

Our economy, careening along on a dizzy spree, is building up to a big letdown. The economists tell us the bust that will follow the present boom will not be a little depression. It can be big, stubborn, and long-lasting. It can deliver the rest of the world to the final desperation of totalitarianism and put democracy in danger here at home. If, for example, the steel industry's shortsighted estimates of future steel capacity should be allowed to come true, we would have, by 1950, some 14,000,000 unemployed and a few years later as many as 20,000,000 unemployed.

So alarming is the prospect that the very man who a few years ago suggested that a little inflation would not do us any harm made the suggestion to a congressional committee a few weeks ago that it might be wise to restore price control.

"Not a chance," said the leader of the Republican majority.

Just like that. Instantly. Without a moment's hesitation.

Mr. O'Neal made the suggestion in speaking of the serious cuts in food production caused by the recent floods and the resulting danger of new increases in food prices in the months to come.

At last, 4 years later, Mr. O'Neal was afraid of inflation. Apparently he recognized that a little inflation was like a little cocaine. A year ago he had been for taking off price and rationing controls. But, after a year's experience, he had had enough and he was afraid.

But the Republican Party is not afraid. Oh, no. Not yet, or perhaps it is very much afraid and is determined to carry through the inflationary cycle until—well, until after the 1948 elections.

Intentional or not, that is the effect of the work of this Republican controlled Congress.

"Let prices rise to their natural level in the open market"—a market tragically short of need, actual human need as distinguished from purchasing power that shrinks as prices rise.

Let consumers with the longest purses buy new cars at $500 premiums and used cars at fantastic prices.

Let them buy all the food they want at any price while other nations, our allies in the war to make one world, reduce their rations below the wartime levels and share among themselves to stave off mass deaths by starvation.

Let the steel industry hold down production and refuse to enlarge its plant capacity out of fear of oncoming depression and gather the black rosebuds of high prices while it may.

Let landlords and tenants "voluntarily" negotiate higher rents—with a housing shortage of at least 2,000,000 units.

And, meantime, hamper and weaken labor in its efforts to negotiate wage increases that will keep the worker's family at least within sight of the soaring cost of living.

Chloroform the Wagner-Taft-Ellender housing bill.

Strangle the veterans' housing program.

Give novocaine to the bills for a 65-cent minimum wage, to more nearly adequate social-security payments to the aged, the handicapped, the mothers, and children.

Put a cheap charity mustard plaster over our national health needs.

Offer the cotton candy of civil rights bills, passed by the House but not by the Senate.

All this is consistent with the trickle-down theory of prosperity that has failed again and again in our history.

Let $17,000,000,000 and more in profits, after taxes, boil to the top and, say the proponents and addicts of this theory, inevitably it will trickle down to the many on the bottom.

But already there is proof that these profits are not trickling back down fast enough.

Already it is apparent that the circulatory system of our $225,000,000,000 economy is dangerously out of balance that profits are not getting back into wages, salaries, and purchasing power fast enough for the masses of our people to buy back what they produce and what they need to maintain an American standard of living.

Last Tuesday, July 22, this House confessed this fact when it adopted a prohibition against Government curbs on installment selling.

Is not this where we came in?

Installment selling, which has increased at an unprecedented rate in the past year as the NAM fell down on its promises of lower prices if controls were removed, can now be expected to soar to new levels. It will rise, as in the twenties, until the time comes when too many Americans have run out of money to pay any more first installments.

Mr. Speaker, with the adoption of this measure taking the lid off installment selling, this Congress will have completed the planning for inflation, for another boom and bust.

The easy resort to the cocaine of inflation, which we resisted during the war

because of President Roosevelt's warning and because we as a people were united in a purpose and a plan, has now been made the national diet. It has been asked for by short-sighted special interest groups and lobbies, greedy for immediate profits, whatever the long-run damage to the national economy, to the American people, and to their own long-run interest and survival as free enterprisers.

It has been prescribed and administered by this Republican-controlled Congress over the protests of a minority of Members who still remember the last depression and how it came to pass.

"A little inflation is like a little cocaine," said President Roosevelt.

Today our economic system is being dosed daily with the deadly drug of inflation.

Perhaps it will work. Perhaps the Republican Party can keep the patient feeling fairly happy until the 1948 elections are safely past.

If that happens, the Republican Party may win, but the American people and the people of the world who look to us for leadership and help will lose.

And we, all of us, will go down in history as Members of the inflation Congress, a cocaine Congress.

Mr. O'Neal has made his peace with his own conscience and with history. But the leaders of the Republican Party have waved aside his suggestion as ridiculous.

Theirs is the awful responsibility.

In support of certain statements I have made in the course of my remarks, I am inserting in the RECORD the following items:

First. An Associated Press dispatch published in the Washington Star, July 25, 1947, entitled "Wholesale Prices Climb 0.6 Percent Over Old High."

Second. A report in the Washington Post for July 26, 1947, quoting BLS findings that between May 15 and June 15, retail food prices rose from 187.6 to 190.5 percent of the 1935–39 index.

Third. An article by Thomas L. Stokes in the Washington Daily News, July 25, 1947, entitled "Mr. Truman's Appraisal."

Fourth. A letter from Elizabeth S. Magee, general secretary of the National Consumers League, published in the Washington Post, July 26, 1947, entitled "Postponed Minimum Wage Boost."

Fifth. A Washington Post editorial, published July 25, 1947, entitled "Last Chance" and making a final appeal to the House to act upon the Stratton bill to admit 400,000 refugees.

[From the Washington Star of July 25, 1947]

WHOLESALE PRICES CLIMB 0.6 PERCENT OVER OLD HIGH

Wholesale prices hit a new postwar peak last week.

The Bureau of Labor Statistics reported its index, based on the 1926 average, stood at 150.3, topping the previous postwar high of last March by 0.6 percent.

Substantially higher prices for farm commodities and a number of industrial goods were responsible for an increase of 1.3 percent in average wholesale market prices during the week ended July 19.

Farm products and foods rose 2.4 percent and 1.3 percent, respectively.

Food prices were 1.6 percent below the March peak but 18.3 percent higher than a year ago.

[From the Washington Post of July 26, 1947]

FOOD PRICES RISE 1.7 PERCENT IN MONTH HERE

Retail food prices in Washington rose 1.7 percent between May 15 and June 15 of this year, according to the Bureau of Labor Statistics, while in 56 other cities, the average increase was 1.5 percent.

The retail index here climbed from 187.8 on May 15 to 190.9 on June 15, a rise of 31.2 percent over June 15 of the previous year and 103 percent higher than the August 1939 index.

Nationally, the retail food price index rose from 187.6 to 190.5 percent of the 1935-39 index, the Bureau said. This was 31 percent above mid-June 1946, the last month of extensive Government price controls.

The sharp rise in the national family food bill was due mostly to an 8-percent increase in the prices of red meats and a 2-percent seasonal advance in eggs. These increases offset declines of 6 percent for fats and oils, 2 percent for coffee, and 1 percent for fruits and vegetables.

The Bureau found in its survey that food prices had risen during the last month in 46 of the 56 cities surveyed. In nine cities, prices were down, and in Denver, Colo., they were unchanged.

Advances ranged from 0.5 percent in Jackson, Miss., to 4.4 percent in Providence, R. I. Declines varied from 0.1 percent in Mobile, Ala., to 1.5 percent in Los Angeles and San Francisco.

[From the Washington Daily News of July 25, 1947]

MR. TRUMAN'S APPRAISAL

(By Thomas L. Stokes)

We are a $225,000,000,000 Nation—but we don't act like it.

That, in effect, is the reaction of at least one reader to President Truman's comprehensive and detailed economic report to Congress.

Sixty million of us, and a few over, have jobs, an all-time peak. This shows what we can do. There's no reason why we can't go on doing it for, as the President said, our country "has the physical resources, the technological skills, the managerial genius, and the trained labor for a steady expansion of national output."

But, as he pointed out, there are businessmen who still make decisions on the theory that "the consumption capacity of the country is severely limited * * * the occurrence of periodic depressions is unavoidable" * * * who seek relief from business difficulties by "limiting the capacity of their plants and industries and by withholding new production techniques." Some go as far as to "urge that a considerable volume of unemployoment is necessary in order to induce workers, under the threat of lay-offs, to produce efficiently."

As for labor, the President pointed out there are some there who believe the volume of available work is limited, so they resort to familiar practices to hold onto their jobs—slow-downs, made work, feather-bedding, soldiering on the job, which contributed to the enactment of labor regulatory legislation.

Despite present high prosperity and employment, there is real danger of recession or depression, which comes from our failure to act like a $225,000,000,000 nation. The President, singled out the sure signs of trouble that are ahead unless we take care. This, too, reveals a shortsightedness that is not complimentary to a $225,000,000,000 nation, for the President and his Council of Economic Advisers pointed out the same things 6 months ago.

Brains we have in plenty, which the President reemphasized. But, along with that, as he stressed again, is the need for discipline and restraint and willingness to adopt business and labor policies that will keep the economy in balance—willingness, too, to do certain things in Government.

As for Government's part, President Truman played over again the record of 6 months ago, a little late now, with Congress hurrying to recess and get away. He offered then a short-range program for this session of Congress, as well as a long-range program.

That part of the short-range program designed to check inflationary pressures, which was maintenance of present tax rates and use of the surplus to pay off the public debt, he got only by vetoing the same tax bill twice.

Nothing at all has happened on the part of that program designed to spread income to absorb our rapidly accelerating production and to open up new job opportunities, which included a comprehensive housing program; raising of minimum wages and extension of coverage; increase in social-security benefits to meet higher living costs. The other item, maintenance of rent controls, Congress disregarded to the extent of the 15 percent voluntary boost.

[From the Washington Post of July 26, 1947]

POSTPONED MINIMUM WAGE BOOST

The leadership of the House of Representatives withdrew last week from its earlier-announced decision to increase the 40-cent minimum wage in the Fair Labor Standards Act this summer. This is another example of the cynical indifference to the public welfare exhibited by the Eightieth Congress.

The controversy over restrictions on union labor has diverted attention from congressional policy affecting unorganized workers. The Fair Labor Standards Act, enacted in 1938, has provided basic protection for these unorganized workers, but the flat minimum of 40 cents per hour is now inadequate to meet even subsistence needs. In the closing days of the Seventy-ninth Congress, the 65-cent minimum wage bill, which had been passed by the Senate, was defeated in the House. This would have seemed to be one of the first items of unfinished business for the new Congress when it met in January. Senator TAFT, chairman of the Labor and Public Welfare Committee, however, has repeatedly given the same answer to queries as to action on minimum wage, "We do not know whether we will have time to get to minimum wage this session."

But the Congress had time to enact the extremely dangerous Gwynne-Donnell bill, which reduces to 2 years the period in which claims for wages due under the Fair Labor Standards Act (as well as other Federal wage laws) can be collected and, by various devices, undercuts the effective enforcement of the law. The Congress also had time to cut the budget for enforcement of the Fair Labor Standards Act—both its wage and child-labor provisions, the former by 25 percent and the latter by 60 percent.

The movement for minimum wage in this country began in the States in the early part of the century. It gained momentum during the depression years when wages fell to unbelievably low levels, when decent employers were caught in the competition with substandard employers and when public relief funds were used to supplement low wages. Twenty-six States and four Territories have adopted minimum-wage laws. The enactment of the Fair Labor Standards Act brought thousands of men and women under the protection of a Nation-wide, statutory minimum, and it established the principle of Government responsibility for minimum wages, which has been upheld by the courts and supported by public opinion.

The greatest number of the underpaid are among the unorganized workers. They are the people we forget when we hear about the wage increases secured by unions. They are the people who are hardest hit by rising prices because the major portion of their income must be spent for food and clothing. If they are to keep their heads above water, if they are to remain self-supporting consumers instead of recipients of relief, there must be an increase in their hourly wage rate

Increased productivity makes increased wages possible. But it does not insure them. The history of American industry shows that, in the absence of controls, either of effective collective bargaining or legislation, increased productivity was not adequately reflected in the pay envelope. During the 6 years preceding the crash of 1929 productivity per man-hour increased 24 percent and wage rates only 3½ percent in manufacturing—a disparity which undoubtedly contributed to the collapse.

Congressman HARTLEY, chairman of the House Labor Committee, says: "It's all off until next January," but he makes no promise of action then. Must we wait for a new mandate of the people?

ELIZABETH S. MAGEE,
General Secretary,
National Consumers League.

CLEVELAND.

[From the Washington Post of July 25, 1947]

LAST CHANCE

The cartoon on this page gives an impression of the hopelessness that will be caused among the displaced persons by our vacated Congress. The hungry sheep are looking up and are not fed. This seems their lot as the result of the shelving of the Stratton bill to admit 400,000 refugees. The bill may come up next year, but in that event there would have to be another round of testimony to disprove all the arguments which have been marshaled against it.

Evidently the latest and principal argument is Representative GOSSETT'S. This is that 100,000 DP's are Russian Jews whom the Soviet Union is deliberately trying to plant in this country for fifth-column activity. This is quite untrue. The resort to such an argument shows an opposition bereft of either logic or bowels in resisting a measure which has Nation-wide backing. The fact is that of the 600,000 DP's, Jews of all nationalities number only about 130,000, and they are mainly Polish Jews. They are refugees, not missionaries—refugees from Nazi suppression and Communist repression alike. The Russians, far from wanting them to spread the Marxian gospel, are anxious to see them repatriated to what the Russians euphemistically call their homelands. The reason for this anxiety is in some cases that they are proscribed for anti-Communist activity, in others that they know too much about the kind of government in Russia or in the countries under Soviet sway, and could many a tale unfold. If this cannot be done, the next best thing from Moscow's point of view is to "put them down," as Deputy Foreign Minister Vishinsky is reported to have said to Secretary Byrnes at the Paris Conference, with a thumb-down gesture expressive of extermination.

In point of fact, it is not the Jewish DP's who want to come to America. Judging from the evidence of those who have visited the islands of refugees in Germany, the Jews have only one promised land in mind, and that is Palestine. The Balts and the Poles, who preponderate in the DP's camps, will go anywhere that promises a chance of life, liberty, and the pursuit of happiness. For 150 years this country, to its great benefit and greater glory, has been affording this chance.

Even the critics of the Stratton bill have withdrawn their case against inundation. The Stratton bill would admit 100,000 a year for 4 years. It would not do the slightest violence to our quota system, but would accommodate these people through an adjustment of the quotas, which have not been filled in respect of some nationalities for years back. The candidates for admission would not be in their present predicament if they were not more or less our kind of people. It is distressing to those who have seen these folk in their camps to read the epithets that have been hurled at them by opponents of the Stratton bill. One remembers such sights as the pioneer-looking woman presiding over her kitchen in the Wiesbaden camp for Balts. She fled from the tyranny in which she had to live and work as professor of home economics at Riga University when the Russians came in. That she and the others like her are no-goods is no gross an insult that the aspersion reacts upon any person making it.

For God and humanity, as Mazzini would say, let some member of the Judiciary Committee ask that the Stratton bill be called up before adjournment, so that Congress may reassert our moral leadership in a world of tumbling values. The jurisdiction of conscience has never yet stopped at the frontier. It will mark the eclipse of our civilization when it does.

Hearing Denied

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. PHILBIN. Mr. Speaker, the chairman of the House Armed Services Committee on July 21 presented a list of organizations and witnesses which testified for and against the subject of universal military training.

It ought to be clear that the great bulk of these organizations and witnesses testified in 1945, almost 2 years prior to the recent hearings. Many organizations which were heard 2 years ago have raised a question about the propriety of excluding them from public hearings this time. They point out that in 1945 we were in a state of hostilities, that the report of the President's Commission on Universal Training was not then before them, that there is an entirely different international situation now which requires comment and discussion. Furthermore, they point out that the bill which the Armed Services Committee considered was not printed until Thursday, July 10, 1947, and they therefore have had no opportunity to study or present testimony on it.

Among the organizations which were not granted time to be heard were the National Education Association, the National Grange, the National Farmers' Union, the American Association of University Professors, the Presbyterian Church in the United States of America, the Methodist Church, the National Association for the Advancement of Colored People, the International Association of Machinists, the Brotherhood of Railroad Trainmen, and other groups. Several of these groups through representatives who were at the recent public hearings before the subcommittee stated that they had even been promised a hearing by the chairman of the committee.

That the House may know the individuals and organizations who were heard in the recent hearings, I append a list of the dates and persons who presented testimony before the Committee and Subcommittee on Armed Services:

GROUPS AND INDIVIDUALS WHO TESTIFIED FOR OR AGAINST UNIVERSAL TRAINING BEFORE COMMITTEE OR SUBCOMMITTEE ON ARMED FORCES, 1947

Dr. Karl Compton (for universal military training), June 11, 1947.

Rev. Edmund A. Walsh (for universal military training), June 18, 1947.

Rev. Daniel Poling (for universal military training), June 19, 1947.

Mr. Truman Gibson (for universal military training), June 19, 1947.

Citizens' Emergency Committee for Universal Training, Justice Owen Roberts testifying (for universal military training), June 27, 1947.

Philadelphia Committee Against Peacetime Conscription (against universal military training), July 7, 1947.

Women's Committee to Oppose Conscription (against universal military training), July 7, 1947.

American Legion Auxiliary (for universal military training), July 7, 1947.

Socialist Party (against universal military training), July 9, 1947.

American Legion (for universal military training), July 9, 1947.

American Veterans' Committee (against universal military training), July 9, 1947.

Progressive Citizens of America (for universal military training), July 9, 1947.

Synagogue Council of America (against universal military training), July 10, 1947.

Father Dan Laning, individual, from Texas (for universal military training), July 10, 1947.

Woman's Christian Temperance Union (against universal military training), July 10, 1947.

Dr. Blake Van Leer, individual, president, Georgia Tech, (for universal military training), July 10, 1947.

CIO (against universal military training), July 10, 1947.

Rabbi Michael Aronson, DAV (for universal military training), July 10, 1947.

Representative ADAM CLAYTON POWELL (against universal military training), July 11, 1947.

Southern Baptist Convention (against universal military training), July 11, 1947.

Association of Junior Colleges (against universal military training), July 11, 1947.

Post War World Council (against universal military training), July 11, 1947.

Dr. Allan Bates, scientist, from Chicago (against universal military training), July 16, 1947.

Veterans of Foreign Wars (for universal military training), July 16, 1947.

The War Department, three officers (for universal military training), July 17, 1947.

The Navy Department, three officers (for universal military training), July 17, 1947.

The Marine Corps, two officers (for universal military training), July 17, 1947.

The Northern Baptist Convention (against universal military training), July 17, 1947.

Mr. Speaker, clearly the peacetime draft bill was jammed through the committee without giving an adequate hearing to very many groups which desired and had requested an opportunity to be heard. No good purpose can be served by this procedure. I hope that the next session of Congress will insist upon full hearing on this vital matter.

Many Happy Days, Mr. President

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. CANFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Times-Herald of today:

MANY HAPPY DAYS, MR. PRESIDENT

We have been thinking of our President and the wistful gesture he made the other day—walking into the Senate, and with senatorial permission, sitting down in his old chair there.

Said our President, "I sometimes get homesick for this seat. I spent what I think were the best 10 years of my life in the Senate."

We think his return there might be arranged.

Some time ago Representative GORDON CANFIELD (Republican, New Jersey) proposed to the House that ex-Presidents, one and all, be given life jobs as Senators at large.

Such ex-Presidential Senators would sit with the regular body and would receive senatorial pay and mileage allowances. They would have no vote.

Right there, we think, is a practical and dignified way for Mr. Truman to assure himself many more days with his senatorial cronies, beginning perhaps in 1949. The bill will have to be passed first, of course. If Mr. Truman has any difficulty in this respect, we suggest that he call on practically any GOP Senator or Representative. They'll all be pleased to oblige.

United Nations' World Language Problem, America and the Philippines

EXTENSION OF REMARKS
OF
HON. C. JASPER BELL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Maximiano Marmito Villareal:

UNITED NATIONS' WORLD LANGUAGE PROBLEM, AMERICA AND THE PHILIPPINES

(By Maximiano Marmito Villareal, former director of the Esperanto Association of North America and life member of the little Congress of the United States, House of Representatives Office Building, Washington, D. C.)

The author has been, for several times, member of the Washington delegation attending the Congresses of the Esperanto Association of North America, including that of July 1947 congress which took place at World Fellowship Center, Inc., Conway, N. H. As a delegate of the congress he made an extensive good-will tour of Canadian cities, representing both the United States and the Philippine Esperantists.

The Philippine and American comradeship during the Second World War was proven in the field of battle. That comradeship will forever be recorded by the historians in the future for generations to come. It is hoped that these splendid and brilliant records in the field of battle be made a permanent pattern for the two peoples and nations at the peace table conferences in solving vital world problems.

It is because of this that official representatives of the Philippines and that of American republics are sincerely urged to do their utmost to join their untiring efforts and powers in solving the vital problem in the adoption of one and absolutely neutral language for the official use of the United Nations at its future assemblies.

It is deemed as an inescapable task for the representatives to the United Nations to demonstrate their powers and fearless leadership toward reaching the goal of finding the solution by adopting an international language for the use of this important world organization.

In the democratic world of today the average citizen plays an important part in the problems that affects him and the world at large. The average citizen should feel it his patriotic duty to do his utmost in solving world problems by urging his United Nations representatives to vote in favor of the adoption of the international language Esperanto for official use of that organization.

Mrs. Eleanor Roosevelt, as American delegate to the United Nations, should be highly congratulated by the whole world for her fearless utterances in influencing the world forcefully in the matter of solving the language difficulty in the United Nations. While attending the United Nations Conference in London, the press of the Old and the New World commended her highly for her great efforts in trying to encourage leaders of the world to find ways and means of solving the very old problem of language difficulty.

The defunct League of Nations, in which the late President Woodrow Wilson devoted his efforts, and the present substitute, the United Nations, in which the great late President Franklin D. Roosevelt and President Harry S. Truman also devoted their efforts, faced the same difficulty in trying to solve the problem of a universal language.

Where Are We Drifting?

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SABATH. Mr. Speaker, where are we drifting?

Are we going to forget our 170 years of glorious liberty and freedom and go back to the days of the czars, the kaisers, the Austro-Hungarian emperors?

Let us open our eyes to the facts.

Under the hysteria whipped up by a few professional Red baiters from the subversive smear bund, who day in and day out inject their poison of discord and disunity into our national life, we are faced in this country with such restrictions of thought and speech and writing as we have not known since the days of the Sedition Acts.

According to these reactionaries, many of whom are open disciples of Hitler and Goebbels, every liberal and progressive-minded person is recklessly charged with being a Communist.

Some of these smear artists who masquerade as patriots are open advocates of the Nazi-Fascist ideologies.

Others are merely dupes who make themselves victims of the race baiting and the bigotry of the zealots.

The net effect is to attempt to drive from public life every progressive and to use any legal or even illegal weapon at hand without scruples.

The latest sordid episode in the decline of human freedom in our beloved country is the conviction of Carl Marzani.

I know nothing about Marzani except what I have read in the papers.

I have never, so far as I am aware, seen him or spoken to him.

I express no sympathy for or against him personally, or for or against his views, for I do not even know what his views are.

I do know, merely from the record of the trial as published in the daily papers and in weekly magazines, that the circumstances of his prosecution are dangerous to political freedom, and to economic freedom, and even to religious freedom.

Marzani was fired from the State Department weeks after he had resigned, and was not indicted until 2 months after he had submitted his resignation.

He was not charged with treason, or with sedition, or even with perjury. He was, instead, indicted under a statute which this Congress adopted to safeguard the Government against fraud by war contractors.

Mr. Speaker, I am inserting in the RECORD part of a report on the Marzani case written by I. F. Stone, one of the most brilliant journalists in the United States, and published in a liberal weekly, The Nation, of July 12, 1947.

As I said before, I have no personal knowledge of the Marzani case, but I do have personal knowledge of what life can be under a rigid despotism. I love this country very much. I love it because it is free. I want it to stay free. I hope you will read this report, and ponder carefully what Mr. Stone says, that we may not risk the precious heritages of our Constitution and its Bill of Rights.

The report follows:

Marzani is Italian born, the son of a minor anti-Fascist official who came to this country in the early twenties and settled near Scranton, Pa. Marzani worked his way through school and went to Williams, where he was editor of the college literary paper and won a scholarship. He had 2 years at Oxford, visited Loyalist Spain—a damning fact in Washington today—and returned in 1939. He and his wife settled on the East Side, and he taught economics for a while at New York University. He did not come to public attention until last fall.

Marzani, to put it mildly, hardly fitted into the State Department. His own opinions—opinions he did not hide—were pretty much those of a fellow traveler. He was uncomfortable in the Department, to which he had been transferred with the remains of the Office of Strategic Services. Efforts were made to get him fired immediately on his transfer there in the spring of 1946. Marzani wanted to resign but was urged by his superiors to stay on. He began to organize a business to make films for labor unions and took leave of absence last summer to do a film, Deadline for Action, for the United Electrical Workers. General Electric and other firms bought prints to show at a private meeting as a horrid example of red propaganda. The film was attacked in the New York World-Telegram as "com-

munistic." The heat was on. Marzani resigned from the State Department in November after being assured that he was not resigning under fire. But a month later the department informed him that he had been discharged, and in January he was indicted. He has been sentenced to from 1 to 3 years in jail and denied bond pending appeal.

The indictment was framed in terms calculated to make the hair bristle on the heads of southern Congressmen, and reflect credit on the sleuths of the State Department. Marzani was accused of falsely denying that in 1940 and 1941 he did "counsel and instruct Communist Party members to sow resentment and discontent among Negroes by agitating the question of racial discrimination." It was charged that he did "instruct divers party members concerning a plan, policy, and program * * * for * * * disintegration of the morale of the military forces of the United States * * * to the end that the Communist Party might gain control thereof and thus bring about a revolt against the capitalist system." It was charged that he did "urge Communist Party members to protest to their Congressmen against the passage of an antistrike bill." The nature of the indictment—not for Communist activities but for false statement to Government investigators—made possible rulings which fatally handicapped the defense when Marzani came to trial. The prosecution could lug in an inflammatory matter of this kind to show how Marzani served the Communists, but the defense was limited to character witnesses and Marzani's denials.

Marzani's defense never really got into the record. The jury was told that in 1940 and the first half of 1941 Marzani operated on the East Side of New York as a branch organizer and section educational director for the Communist Party under the name of Tony Whales. During the last half of 1941 and the early part of 1942 Marzani, under his own name, was active in the same area as executive secretary of the East Side Conference to Defend America. Thus many people must have seen and heard him in both capacities, and one wonders how he could have been cleared for Government employment in 1942 if he had been openly active as a Communist official under such circumstances. The transcripts of Marzani's questioning in 1942 and 1943 by the FBI and the Civil Service Commission show that the Government knew of the Tony Whales charge. Marzani admitted then that he had once circulated a Browder petition but denied having been a member of the Communist Party under the name of Whales or any other. The upshot of the rather extended investigations and hearings at that time was his clearance for Government employment. He went into the OSS, first as a civilian, then with military status as deputy chief of the branch which prepared complex data for quick presentation to the General Staff. He went to the State Department when it absorbed the OSS. Marzani's war record, highly commended by his superiors, was not challenged.

The key witness against Marzani and the only one who testified to the highly improbable speeches which formed the basis for the more horrendous sections of the indictment was a New York City policeman, Archer S. Drew, who was assigned to spy on radical activities on the East Side. Drew's testimony showed that he also acted as an agent provocateur. He is a Negro, and one of the organizations he was to watch was the National Negro Congress. When he found no branch in existence on the East Side he proceeded to form one and to recruit Negroes for it. Drew's reports were the source of the Whales story, and these were available to other Government investigating agencies at the time. One is forced to assume that the FBI and the Civil Service Commission did not put much stock in those reports or Marzani would never have been cleared in 1943. But Marzani was unable to subpena the records of these agencies, and the judge, Raymond B. Keech, kept the question of the past inquiries out of the trial.

Judge Keech also barred evidence which seems to indicate that even the New York City police in September 1941, did not credit Drew's identification of Marzani with Whales. At that time Drew's reports were available in the Police Department. Marzani had just been made executive secretary of the East Side Conference to defend America. The organization was investigated by Inspector O'Brien, and he told the chairman, Meyer Goldberg, then a Republican member of the city council, that he had information showing Marzani was a Communist. Goldberg, now a member of Dewey's State Labor Mediation Board, came to Washington prepared to testify that he went with Marzani to O'Brien's office. The inspector withdrew his accusation and apologized after talking with Marzani. In February 1942, O'Brien voted to elect Marzani executive secretary of the Office of Civilian Defense on the East Side. Judge Keech refused to let Goldberg testify, and shut Marzani off with a rebuke when he tried to get the O'Brien incident into the record.

Drew could not have been produced as a witness at the Civil Service Commission hearing given Marzani in April 1943, because that would have ended his usefulness as a spy. But later that year Drew was exposed and expelled from the Communist Party as a police spy, and if the Government believed his Whales story it should then have tried Marzani for perjury. That it did not do so but on the contrary retained him in a confidential post leads one to believe that checks by other investigating agencies had failed to support the identification with Whales.

Here we come to the crucial point in the Marzani case. Under the statute of limitations the Government last winter was no longer able to prosecute Marzani for perjury. It got around this by using an act passed by Congress in 1944 to extend the statute of limitations until 3 years after the termination of hostilities in the case of fraudulent war-contract claims. If the Marzani conviction is upheld on appeal, the Government can use this same statute to send other liberals or radicals among its present or past employees to jail. As in the Marzani case, it need not prove attempt to defraud or misconduct in Government employment. It need only show misstatement in the original interrogation under oath to which all Government employees are subject. And if, as in the Marzani case, a jury can be persuaded to believe what the Civil Service Commission disbelieved, the unlucky Government employee faces penalties of up to 10 years in jail and a $10,000 fine for each misstatement. That's what hysteria is for.

Ships for Germany and Japan

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mr. WEICHEL. Mr. Speaker, at the request of the War Department I have introduced a bill to authorize the Maritime Commission to charter vessels to persons not citizens of the United States. The bill provides for the chartered use of Liberty-type ships, that is other than collier or tanker, and vessels designed or convertible for fishing purposes, owned by the United States, and under the jurisdiction and control of the Maritime Commission, which are not necessary to the defense of the United States or the promotion and maintenance of the American-owned merchant marine. The purposes of the proposed legislation is claimed to effect a substantial economy in supplying food to Germany and Japan by authorizing execution of a plan suggested by Mr. Herbert Hoover in his report to the President upon the completion of an economic mission to Germany and Austria, which he undertook at the request of the President.

The plan provided for the manning and operation of Liberty ships, now laid up, by Germans who would transport in these vessels food supplies for Germany. Later this proposal was extended to aid Japan. All of the cost of operation of these vessels with the exception of fuel and certain necessary expenditures at United States ports, could under this bill be paid for in marks or yen, respectively. Further, the plan provided for the chartering of vessels designed for or convertible to fishing purposes. The basis of this recommendation for Germany is that, although adequate supplies of fish are to be found, the present German diet is sadly deficient in protein content because the Germans have lost a considerable part of their deep-sea fishing fleet. It is claimed if the Germans obtain fishing vessels, not only would the German food supply be materially augmented by their catch of fish, but the German requirements for foodstuffs with high protein content, which must now be shipped largely from the United States at great cost, could be materially reduced. It is further claimed that a comparable situation exists in Japan.

Further, the War Department estimates that a minimum saving might be expected by the operation of 75 Liberty ships by the Germans, of about $14,000,000 for the first year of operation. In addition to that figure, it is also claimed that a similar saving would be possible in supplying Japan. While there have been no estimates given with reference to saving by the chartering of fishing vessels to the Germans and Japanese, it is claimed that it would be very substantial.

Mr. Speaker, the bill was introduced at the request of the Secretary of War, together with the representations made as to savings to the taxpayers of the United States in carrying out the relief and economic program to Germany and Japan.

Unjust Tax on House Trailers Should Be Repealed

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. McDONOUGH. Mr. Speaker, the Federal excise tax levied on house trailers is an unjust tax and should be repealed.

House trailers today are recognized as housing, and are being purchased to provide housing facilities when other types of housing are not available. They are purchased by people in all walks of life. In most cases they are used as permanent or semipermanent residences. In many cases they are purchased by people who do not even own an automobile. Yet they are taxed as automotive equipment.

Seventy percent of all house trailers are sold to veterans, and the present excise tax discriminates against them since this tax is not levied on any other segment of the housing industry. The housing situation continues critical throughout the Nation in spite of all the efforts which have been made to speed construction and the production of necessary building parts. Prices are high for all housing, and the house trailer or trailercoach is far less costly than any other type of housing. In many instances it offers the only housing within reach of the ex-serviceman.

Housing is not a luxury and no tax of this type is levied on any type of housing, prefabricated or otherwise, except on house trailers. Trailers were definitely classified as housing by the Federal Housing Administration which classified them as residential and gave their construction a priority over commercial building.

To continue to define trailers as automotive equipment for the purpose of levying excise tax is ridiculous in view of their widespread use as housing. H. R. 3878, introduced by Mr. GRANT of Indiana, a bill which is now pending before the Ways and Means Committee, would remove this unjust excise tax from house trailers. It would end discrimination against those who purchase trailers for use as housing, and I believe it should receive the support of the Members of the House.

Achievements of the Eightieth Congress

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. LANDIS. Mr. Speaker, with the approaching adjournment of the first session of the Eightieth Congress, I wish to discuss the outstanding achievements made by this legislative body this year and extend my remarks with reference to my personal voting record.

The first Republican controlled Congress in 16 years has carried out its program by balancing the budget, cutting unnecessary Government expenditures, eliminating many government controls, enacting remedial labor legislation, and tried conscientiously to reduce individual income taxes.

A few weeks after the new Congress convened, many radio commentators, columnists, editors, and New Deal spokesmen, who advocate a continued New Deal policy of wasteful spending, inefficiency, and regimentation, termed the present Congress a "do-nothing Congress." However, the facts disclose that just the opposite is true.

It is true that the legislative machinery was delayed for nearly 4 weeks during the month of January but this delay was made necessary by the adoption of the Legislative Reorganization Act of 1946, passed by the Seventy-ninth Congress, which necessitated a complete overhauling of committees and committee assignments in both the House and the Senate. Since that time the Congress has enacted a program worthy of high commendation.

On two occasions attempts were made to enact measures which would give tax relief to our taxpayers, but in both instances the measures encountered Presidential vetoes which were sustained. The omnibus labor bill also was vetoed by the President, but this particular veto was overridden. The fact that key bills were ruthlessly vetoed in this session is not a matter over which the Republicans had any control and for which they cannot be blamed.

Through economy efforts the Government for the first time in 17 years has finished a fiscal year with a surplus budget. The surplus for 1947 was almost $754,000,000, which has been applied to the national debt.

The President's $37,500,000,000 request for appropriations for Government operating costs have been substantially reduced, still leaving adequate funds for efficient Government operation.

The Congress has unregimented the American people by doing away with many war controls, to which the executive branch was clinging tenaciously. The worst of these have been wiped out—some by congressional action, others by the President himself before the Congress could act.

As of this date approximately 250 bills have been enacted into public laws. In the field of major legislation, aside from the appropriation bills for departments of the Government, the following bills were acted upon this session:

First. H. R. 1030, to continue excise taxes.

Second. H. R. 1353, to extend the period during which veterans might reinstate their national life insurance.

Third. House Joint Resolution 27, to limit the tenure of the President to two terms.

Fourth. House Concurrent Resolution 20, to place a ceiling on Federal expenditures for 1948.

Fifth. H. R. 2157, to restrict portal-to-portal pay suits.

Sixth. H. R. 1, to reduce individual income taxes effective July 1, 1947. Later, H. R. 3950, which was identical to H. R. 1, except that the tax cut would be effective January 1, 1948, was passed.

Seventh. H. R. 3020, omnibus labor bill—so-called Taft-Hartley bill.

Eighth. House Joint Resolution 153, $350,000,000 general foreign-relief bill.

Ninth. H. R. 3203, housing and rent-control bill.

Tenth. S. 938, $400,000,000 Greek-Turkish aid bill.

Eleventh. H. R. 3342, to provide for information and cultural program abroad—Voice of America bill.

Twelfth. S. 350, to extend the Credit Commodity Corporation chiefly for the purpose of continuing the price-support program for agricultural products.

Thirteenth. H. R. 3961, to increase pensions of Spanish-American War and Civil War veterans and their dependents.

Fourteenth. H. R. 49, Hawaiian statehood bill.

Fifteenth. H. R. 4017, providing cash payments for veterans' terminal-leave bonds after September 1.

Sixteenth. S. 564, Presidential succession bill.

Seventeenth. H. R. 3813, to provide for investigation of loyalty of Government workers.

Eighteenth. H. R. 29, to abolish the poll tax as a requisite for voting.

Nineteenth. H. R. 4127, to liberalize civil-service retirement provisions.

Twentieth. Senate Joint Resolution 148, to terminate consumer credit controls.

Twenty-first. S. 526, to create a National Science Foundation.

Twenty-second. S. 758, armed forces merger bill.

Twenty-third. H. R. 3682, to continue Federal assistance to schools overcrowded by war-incurred enrollments.

Twenty-fourth. Senate Joint Resolution 130, to establish a Federal mine safety code.

Mr. Speaker, during the 1944 elections there were many false and misleading statements made about my voting record in Congress. For that reason, I wish to list my votes on major bills in the first session of the Eightieth Congress so that the people of my district will have the facts. I also wish to explain my reason for various votes on some of the controversial issues. I have made an honest effort to keep my campaign pledges and represent the people of my district to the best of my ability. Of course, I realize that it is impossible to please everyone, but I believe that the majority are in accord with my actions on most of the major issues.

First, an early vote on the measure to continue certain excise taxes on furs, jewelry, liquor, and so forth, was made necessary because the uncertainty of extending said taxes was retarding the buyers' market for luxuries by those who were anticipating a removal of luxury taxes. I voted for continuation of excise taxes which provided more than $1,000,000,000 in revenue to apply on the national debt and would have helped make possible a reduction in individual income taxes.

I supported legislation to outlaw portal-to-portal-pay claims except when required by contract or custom. This measure exempts employers from retroactive claims not filed within 1 year of the period for which pay is claimed. Had not this action been taken many claims suits already filed would have forced an alarming number of businesses into bankruptcy, particularly small concerns struggling for existence.

I supported the Republican-sponsored bills which carried out a campaign promise to reduce individual income taxes and provide tax relief from oppressive wartime tax levels; in addition to providing an incentive for investment capital

which would stimulate business expansion and maintain high production levels. The bill would have increased the take-home pay for approximately 49,000 000 individuals ranging from 30 percent in the lower-income groups to 10.5 percent for persons in the highest-income groups.

Remedial labor legislation was needed to create better labor-management relations and to protect our public in strikes involving their health and safety. I am certain that the public, and particularly the people of my district, are disgusted with strikes which have crippled production. They want to curb the power of arrogant, ambitious, and self-seeking labor leaders. They want protection from Nation-wide strikes which paralyze the country and endanger their own safety and health. They want labor peace. For these reasons I supported the so-called Taft-Hartley labor bill which resulted in enactment of the Labor-Management Relations Act of 1947.

As a member of the House Labor Committee for the past 9 years and as one of the conferees on the labor bill, I have worked hard and long to have a reasonable bill enacted into law. While the Labor Management Relations Act of 1947 may not be a perfect law, it certainly is not a vicious antilabor measure as many radical labor leaders have tried to make the rank and file of labor believe. The fundamental rights of both labor and management are protected in the act and I am convinced that if government, labor, and management will make an honest, faithful effort to comply with the provisions contained in the law, that it will provide the system for industrial peace and prosperity. The Presidential veto of this measure was overridden in the House by a vote of 331 to 83, and in the Senate by a vote of 68 to 25, which indicated a heavy demand for legislation of this kind.

I voted against the administration's request of $350,000,000 for the purpose of providing further relief to foreign countries for this proposed measure granted permission through an appointed commission to use a blank check method of spending the money in any country it chooses. During debate on the bill it was pointed out that the State Department had planned to spend a portion of the money in communistic-dominated countries which shows inconsistency on the part of the Government by asking to help communistic states in one move and in another appropriate money for Greece and Turkey in order to stop communism. Furthermore, no other country joined us in this proposed foreign-relief program and the entire burden of financing and assisting foreign countries rests with the United States alone. From a humanitarian standpoint we should be willing to aid people in devastated countries abroad with our surplus food and materials, however, we cannot continue to consistently finance the rest of the world without eventually bankrupting our own country.

I also opposed the Greek-Turkey loan which had as its aim a military adventure for the purpose of stopping Communist aggression. It is needless for me to say that I now and always have opposed any attempt to force any kind of totalitarian form of government upon our people and I have never hesitated to speak against Communist aggression and call attention to the menace of that foreign ideology. However, I voted against the Greek-Turkey loan for I believe that the situation in Greece and similar problems in the Middle East and elsewhere are in the realm of the United Nations responsibility and not that of the United States or any other one country alone. No one knows how much the new foreign policy we are embarking upon will cost or when that cost will end. Demands for aid will come from many other countries who will contend that they are endangered by Communist aggression. I believe it is of far more importance that we first try to set our own house in order by combating communism here at home. Instead of authorizing huge gift-loans for foreign countries I believe we should give first consideration to providing adequate hospitalization and medical care for our disabled veterans and better welfare benefits for our elder citizens.

Rounding out my votes on major legislation, I supported the following measures: First. To limit the tenure of office of the President to two terms; second, to increase pensions for Spanish American War and Civil War veterans and their dependents; third, the Voice of America bill; fourth, to permit former enlisted men to cash their terminal-leave bonds; fifth, the anti-poll-tax bill; sixth, to liberalize civil-service retirement provisions; seventh, Presidential succession bill; eighth, to provide for investigation of loyalty of Government workers; ninth, to create a National Science Foundation; tenth. all appropriation bills for operation of Government departments.

The first concern of every American is the security of the Nation. The American people are determined that their Government shall henceforth make proper provision for the continuous maintenance of such security. I have consistently opposed compulsory military training in peacetime for this practice is un-American and out-of-date in an era of atomic energy. As an alternate proposal I have introduced a resolution in Congress urging the President, the Secretary of State, and the United States Delegate to the United Nations to work unceasingly for an international agreement to abolish peacetime conscription on a world-wide basis. I have recommended the following defense program for our national security:

First. Seek an agreement between the nations of the world to abolish systems of compulsory military service. This would be greatly conducive to that restoration of peace which is so profoundly desired by all the plain peoples of the world and would release their energies and resources for rebuilding their war-devastated countries.

Second. Outlaw the atomic bomb throughout the world for war purposes.

Third. Establish a Federal school, similar to West Point and Annapolis, for scientific research on atomic energy and bacteriological warfare.

Fourth. Establish first-aid training schools throughout the United States.

Fifth. Establish a diplomat school, similar to West Point and Annapolis.

Sixth. Develop a plan to give us the strongest Air Force in the world.

Seventh. Create adequate stock piles of critical war materials.

Eighth. Place an embargo on oil and other strategic war materials.

In this session I introduced a bill to establish a code of health and safety in the coal mines and was instrumental in having the measure enacted. Under the bill Congress places squarely upon the States the burden of making the mines safe and keeping them safe for the protection of men underground until Congress has had an opportunity to study the problem thoroughly, and makes it clear that if the States do not guard the safety of the miners, the Congress will act further. The adoption of safety standards with respect to ventilation, rock-dusting, storage and use of explosives, roof and rib support, the use of water or other means of dust control where mining operations raise an excessive amount of dust, and prevention of fires, all within underground workings of mines, would go far toward effectively preventing further disasters such as occurred at Centralia, Ill.

Another bill I introduced which received favorable consideration in this Congress was a measure to continue Federal assistance to certain schools that are still overburdened with war-incurred school enrollments and which are unable to provide through local revenue and State contributions adequate schooling for this increased enrollment. During the war period thousands of war workers and their families migrated into war areas, greatly increasing school attendance and imposing severe financial burdens on local school systems. My bill will extend Federal assistance for 1 year to these areas and will include assistance for Perry School Township of Martin County for Crane, Ind., located in the Seventh Indiana Congressional District. Without such assistance many of these schools would have to close or reduce their school term to 4 to 6 months.

I feel that the matter of liberalizing and extending old-age assistance is one of the most outstanding problems confronting this country. Ever since I have been a Member of Congress I have advocated and worked for a reasonable, uniform Federal pension for our elder citizens. In this session I have introduced legislation for this purpose, and although the measure was not considered, I was given an opportunity to appear before the House Ways and Means Committee to testify on this subject. The committee has received other similar testimony and should be in position to act on this important matter next year.

In my testimony I pointed out that the costs of living have soared to a point where the pitiful allowances of the old folks in the form of old-age pensions have become so meager that it is a disgrace to the world's richest nation. Our executive agencies of the Government continue to come to Congress with requests for more and more money to spend in foreign countries to improve living conditions abroad. However, this

country has a tremendous domestic problem in caring for its own needy people, and I believe our Government should give first consideration to the matter of extending and liberalizing our social-security system so that the elders of America can maintain themselves in conformity with the American standard of living. Our responsibility is the elimination of poverty, insecurity, and unemployment in the midst of plenty.

Other legislation which I introduced was a bill to continue 90 percent of parity support loans on agricultural products, including dairy products; a proposed salary increase for elementary and high-school teachers; and a proposed increase in the minimum-wage rate.

The Eightieth Congress, like all preceding Congresses, has not enacted a program entirely satisfactory to everyone. It still has left much to be desired. The fact that cannot be discounted, however, is that the Republican Congress has carried out its promised program—a program that should win wide acclaim by the majority of the people of the United States.

There are many deserving flood-control projects in my district that I would liked to have seen approved. I have been vitally concerned with this particular subject and have appeared before the House appropriation flood-control committee urging that the needed projects be approved and funds appropriated for their construction. Personally I would have liked to have seen more consideration given to legislation dealing with old-age pensions, housing, minimum wages, education, and other matters, in addition to flood control. However, most of these subjects have been considered by various committees where careful and painstaking investigations and hearings have taken place, thereby giving the committees a clear and accurate account of what should be done along these lines which will enable them to be considered next year.

Aid to Foreign Countries

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. SPRINGER. Mr. Speaker, much has been said during the past several weeks regarding our aid to foreign countries, and in the debates in the House this question has taken a very prominent place. I know the people are greatly worried and distressed over this very question. They have read and studied over the many and various conferences; they have read of the huge loans made to many and various countries, and they have become advised of the many irregularities discovered in the extension of relief under the administration of UNRRA. Many of these operations have been very unwholesome, and they have reacted to the ultimate detriment of our own country. In other words, we have been the paymaster—while the people who administered this "supposed-to-be relief" certainly made a miserable failure in the performance of their task. Then, more recently a proposal was presented to the Congress for a rather large appropriation of money for the Voice of America—a plan to advertise the United States of America to Russia, and to other foreign countries. We must not be unmindful that this same Voice of America has been operated during the war, but at a much less cost than was requested for the future operations in time of peace. However, be that as it may, the kind and type of broadcasts, and advertising, that have been engaged for this particular work have been entirely inferior in character, and under such a plan the presentation of our country, our people, our activities and our enterprises were utterly and wholly misrepresented. The purpose of that character of advertising is without any considered judgment on the part of those presenting it.

Mr. Speaker, if Russia could hear, or see, this kind and type of advertising—I doubt if it would reflect any glory upon our country or our people. However, Russia does not get to hear or see that advertising because she has "the iron curtain" which prevents the subjects of Soviet Russia from hearing or seeing anything except that which the Kremlin approves. Therefore, the people of Russia do not get to hear or see any of this advertising. We do not reach the people that we desire to reach, and there is no method whereby they can be reached through this Voice of America.

Mr. Speaker, the fallacy of this position appeals to me because we are in a great financial distress in our own country. We have sickness, hunger, and distress within our own borders; we have the aged people—those who have worked throughout the years and who have helped build our country and make it great—but who have reached the age at which they cannot secure employment; we have distress on every hand; we have the very great problem of housing for our veterans, and for our people—and this problem must be solved in the interest of the people—housing must be provided at a low and a reasonable cost; we have unemployment—we have children who are underfed and undernourished; all of these problems are our problems, and we must solve them. Yet, we have those in our country, and in our Congress, who would, apparently, yield everything to any or every foreign country—and let our own people continue in their distress. That policy is far flung from my own way of thinking—because I have ever firmly believed that we should take care of our own people first, and then from any excesses we might collect—or from any surplus funds we might have—we can aid and assist in the distress in other countries. We have now reached that state at which we are in grave danger of a great financial disaster; no one can predict just what may happen in the future; but, if and when we suffer because of the great generosity of those in power, and those who seek to share that same generosity—while all will suffer together—yet, those who have aided in bringing about such a disaster will have to answer for it. I am happy to say that I will not be in that group, because my record is crystal clear in my position of trying to aid our own people, and to save our own country, without making unjust and unfair promises and commitments to others who are well able to support and sustain themselves during these days of reconstruction.

Mr. Speaker, I firmly believe in my own country, and in our form of government. I believe in our own people, and it is my sole purpose to aid them in their distress. This should be done—and this should be done first. And, too, I am not unmindful of the sad plight of those nations in distress—but many of them were in that same sad plight long before World War II, and they will continue to be in a very sad plight regardless of the money, aid, and sustenance we may give unto them now or in the future. Many of those nations are in far better financial condition than we, and many of them can and should begin to make their own way, again—and without looking to Uncle Sam for a continuous hand-out.

Ours is a great Nation. We must guard it—we must exercise care—we must look to the future. We must not sap away our resources to the extent that we will become weak and dependent. We must wage the fight to continue to be strong. And if and when we become involved in a debt that is too great—when our own people have a desperate struggle to continue to live—when the weight of the burden becomes too heavy and the people give up in despair—then the point of grave danger has arrived. Under those conditions we cannot continue to be great and strong among the nations of the earth. Let us guard carefully against those perils.

The International War of Nerves

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BENDER. Mr. Speaker, I trust that every Congressman is well aware that the dozens of "help Europe" speeches and the current international circus which our newspapers daily report are altogether and entirely for the psychological benefit and the adult education of the Members of this House.

Mr. Speaker, to borrow a phrase, it seems that a war of nerves is being waged by our State Department on an international scale against the 435 men and women who have the honor to represent the American taxpayer here in the Capitol of the United States.

The Greek-Turkish fiasco convinced the bright boys at the State Department that the Congress needs not only a propaganda barrage from all over the country but also an international propaganda heat-up.

For my part, I had a bellyful of their psychological war of nerves during the Greek-Turkish military alliance deal.

All of us know today that the Greek-Turkish program is a failure. The three hundred million we voted can never accomplish its purpose because political democracy does not exist in Greece and there is no way to reconstruct the economy of Greece until the present corrupt and vicious monarchy is abolished and a goverment established which has the support of the great majority of the Greek people. Obviously also, the $100,000,000 which we are pouring into that international cesspool of greed and treachery, namely, Turkey, will never change the basic situation in the Middle East.

That famous and nauseating heat-up with which the President surrounded his Greek deal was designed to hide the basic fact that the whole business had one purpose; namely, to consolidate British control of the great tremendous oil reserves in the Near and Middle East.

The country did not like the smell of British oil. The whole policy was driving prices up and living standards down. Upon second thought, the State Department has decided to bury the Truman doctrine and we are now being treated to another psychological war of nerves labeled the Marshall plan.

This time, Mr. Speaker, the President and the State Department, along with the Government of Great Britain have decided that the Congress needs a 6 months' build-up, a campaign to persuade us that we have got to rob the American taxpayer for the benefit of God knows what.

The great psychological warfare now under way will come to a climax in October and November. The Council of Foreign Ministers will meet in November of this year to decide finally what to do with Germany.

Of course, there is nobody in the House who has ever seen a clear and definite statement concerning the so-called Marshall plan. There is nobody that has any specific idea of what is intended by this famous Marshall plan. There is nobody that can say where such a program begins or where it ends and there is nobody who has suggested what the effect of such a plan will be on our domestic economy. No one has said what the Marshall plan will mean to John Q. Citizen, the American taxpayer, in terms of new taxes. No one has said whether we will be able to reduce taxes. No one has mentioned the fact that a foreign Santa Claus program of five to ten billion dollars a year will reduce American living standards and push prices up.

It is a curious thing, Mr. Speaker, that the Administration expects to blame the Republican Party for the present inflation throughout America in the 1948 elections while, at the same time, the Administration by its foreign policy, is pushing prices up and up.

Where does the program begin and where does it end? What will its effects be? What, in fact, is the Marshall program? Does any Member of the House know the answers?

Well, Mr. Speaker, it seems that the Congress will have to wait until France, Britain, Portugal, and Luxemburg have had a series of meetings encouraged by our State Department and we will have to wait until they present a bill of particulars concerning what they want us to give to them and on what terms. In this connection, I wish to protest the exclusion of Lichtenstein from this circus.

Mr. Speaker, all of us, I think, are grown boys. We dislike being played for suckers. The Truman doctrine guaranteed the British by force of American arms their holdings of the great oil reserves of the Near and Middle East. Now, I would like to suggest to the House that the sum and substance of the entire hullabaloo currently called the Marshall plan is nothing but an effort to put the Ruhr, industrial base of the Nazi war machine, back into full production of coal, iron, steel, and armaments for the prime benefit of the British Empire.

Actually, Mr. Speaker, in international affairs there are only a few important economic elements. There is oil. The Truman doctrine and the Greek-Turkish deal took care of oil for the British. Second, Mr. Speaker, there is coal and iron. Who has got the coal and iron? Well, Mr. Speaker, the British saw to it that they got the Ruhr. Russia, Britain, the United States, and France were unable to agree at Moscow on what should be done with the Ruhr.

So, Mr. Speaker, the vast fog of words and headlines actually hides one basic purpose—to cover up the fact that Great Britain wants to put the Ruhr back into operation for its own benefit and for the furnishing of coal, steel, iron, and armaments to Britain and France. This is the substance, this is the beating heart, this is the real intent of the Marshall plan.

Mr. Speaker, some people have said that the Marshall plan is basically different from the Truman doctrine. This, of course, is nonsense because the foreign policy of the administration is very clear in its intent. That foreign policy is a military policy of entangling alliances. It is a policy which calls for the rearmament of every dictatorship and reactionary government in the world. It is a policy which called for the rearmament of South American governments, regardless of whether they are dictatorships. It is a policy which pours out billions upon billions of American wealth every year here at home on useless and obsolete arms of all kinds. It is a policy demanding universal military conscription. It is a policy which basically bypasses and undermines the United Nations and the entire concept of collective security against aggression.

To this end, the Truman foreign policy is daily committing the United States to maintain the British Empire. Our armaments are standardized; we lend billions to prevent British collapse; we commit our men to defend their oil reserves; now we are undertaking to build up the Ruhr for their benefit. The key to the entire Truman foreign policy is a complete alliance with the British Empire.

The devilish stupidity of pulling British chestnuts out of the fire is nowhere better illustrated than the events of the present moment. Bevin is talking about the terrible Russians in Paris while the British trade mission in Moscow reports excellent progress. At the same time that our State Department pushes hard against the eastern European governments, the British are daily making business deals with them. Is it possible, Mr. Speaker, that the British tell us how horrible the Russians are in order to get us to finance the rebuilding of the Ruhr for their benefit; and is it possible that they tell the Russians what terrible people we are so that the Russians do business only with the British? Is it possible, Mr. Speaker, that the British are playing both the Russians and us for suckers? Is it possible, Mr. Speaker, that the British in 1949 or 1950 will begin to wage economic and political warfare on us once they are back on their feet? Is our State Department being led around by the nose; is its policy based on British Empire security instead of on our genuine national interest? In my opinion, the Greek-Turkey deal was arranged for British security rather than ours. Likewise the present proposal to reconstruct the Ruhr.

In the meantime, terrible damage to world peace is being done. The Truman-British Empire alliance policy is daily eating away the vitals of the United Nations—the one and only hope of mankind for enduring peace. The Marshall plan and, as a matter of fact, the original Marshall speech of June 5 at Harvard, does not once mention the United Nations. I called the attention of the House to that fact immediately following that speech. And now as the great psychological war of nerves is waged against the Congress, do we find any single speech by any one of the dozens of State Department propagandists mentioning the part which the United Nations will play in this proposed Marshall plan?

As a matter of fact, Mr. Speaker, the United Nations has a European commission in which all European nations are represented. Any plans developed by that commission can be adopted by majority vote. No nation is in a position to block those plans and yet President Truman and Secretary of State Marshall have chosen to institute entirely new machinery outside of the United Nations. Why, Mr. Speaker? Because the basic intent of the Marshall plan, just exactly as the basic intent of the Truman doctrine, is nothing other than the bypassing and undermining of the United Nations. Our intent is to consolidate a world economic and military alliance with the British Empire. And all of these parts and pieces, Mr. Speaker, of the Truman foreign policy mean basically one thing—higher taxes, higher and higher prices, lower and lower living standards for the American people. This administration, because it is committed to a policy which destroys the United Nations, and to a policy which will lead to ultimate war, deserves the defeat which the American people will give it in November 1948.

Sanity needs to be restored to our foreign policy as well as to our domestic policy. The first premise, the only premise on which American foreign policy can function, is the building up, the growth, and development of the United Nations for collective security for peace. The Marshall program absolutely, completely is opposed to such a position. It is another part of the entire Truman

military alliance policy which can only lead to the division of the world into two armed camps.

Mr. Speaker, I trust that the current international war of nerves being waged for the benefit of the 435 Members of this House will end in dismal failure. I trust that the House, when it returns to Washington in October or November, will once and for all make absolutely clear its basic disagreement with a policy which drives taxes and prices up, living standards down; a policy which destroys the United Nations and launches this country on an unlimited armament race.

First Session of Eightieth Congress Aided Veterans

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SPRINGER. Mr. Speaker, as we approach the close of the first session of the Eightieth Congress, I desire to commend the Members upon the forthright step that has been taken during this session, on behalf of the veterans of our wars; and especially do I wish to commend all of the Members who have so consistently, and so diligently, contributed to the passage of legislation which will redound to the benefit of those who have borne the brunt of battle in the past. I am particularly proud of the fact that the Congress has corrected one very grievous error, which was made in the past—an error that was prompted in the other body by the attitude of the administration—and an error that was prompted by the President—whereby the Senate declined to pass legislation which would pay to our GI's of World War II their terminal leave in cash. May I say that one of the very potent factors involved in this legislative matter was the fact that all of the commissioned officers had been paid their terminal leave in cash—but the GI's, the boys who fought World War II—the boys who lived in fox holes and who endured every element of danger and distress—were denied this payment in cash. There was but one exception, and that exception was that they could apply their bonds, which were payable in 5 years, to the payment of the premiums on their Government life insurance policies. That was the sole and only circumstance under which they could receive a credit for their bonds. Under every other circumstance these boys, the veterans of World War II who had not been fortunate in that they were commissioned as officers, were compelled to wait for a period of 5 years before they could cash those bonds which were issued to them.

Mr. Speaker, this appeared so unfair, and so unjust. Many of the GI's needed that money when they were discharged; many of them had wives and famililes, and they desired to establish a home, purchase furniture, or to engage in some business whereby they could support themselves and their families; but by the attitude of the administration in power, they were denied that right—a right which was merely simple justice to them. The Eightieth Congress, by the bill which was approved by the Armed Service Committee, and which was sponsored by Representative BLACKNEY, the able chairman of the subcommittee reporting out that measure, this wrong was corrected, and it was a high privilege and a distinct pleasure for me to aid in every possible way to secure the passage of that worthy piece of legislation. It was one of the must pieces of legislation upon my calendar—and I made my contribution to the end that this praiseworthy legislation was passed by the House.

Mr. Speaker, may I say that the first session of the Eightieth Congress has passed many beneficial pieces of legislation for our veterans. When one scans the scroll of legislative matters, passed by this session, the information will be revealed that this session of this Congress has given real aid to our veterans. And, may I say, that it has been my very great pleasure to aid in each and every piece of legislation for their benefit. We owe that great debt of gratitude to our veterans—a debt which can never be repaid—and the very least we can do is to make life a little easier for them, to heal their wounds insofar as possible, and to give them a pat on the back at every turn in the road—this we can do, and we should certainly do no less for them.

Fruits of Loyalty

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Fort Wayne News-Sentinel of July 24, 1947:

FRUITS OF LOYALTY

Whenever organized labor makes gains in higher wages and shorter hours, it can never realize the maximum from those benefits if they are unattended by good relations with management.

It is, of course, a two-way proposition. If management concedes grudgingly it may not get the better results that more pay ordinarily would be expected to bring.

Or if unions browbeat management into submission, they cannot expect to have achieved a friendly relationship.

The entire problem resolves itself into a question of loyalty. No group of workers has found a more timely recognition of this truth than the Wisconsin State Federation of Labor (AFL).

It is distributing a poster on which appears these words from the pen of Indiana's Abe Martin:

"If you work for a man, in heaven's name work for him. If he pays you wages which supply your bread and butter, work for him—speak well of him—stand by him and stand by the institution he represents. If put to a pinch, an ounce of loyalty is worth a pound of cleverness.

"If you must vilify, condemn, and eternally disparage, resign your job and when outside damn to your heart's content, but as long as you are a part of an institution do not condemn it.

"If you do so, then you are loosening the tendrils that are holding you to the institution, and at the first high wind that comes along you will be uprooted and blown away and probably will never know the reason why."

It's an entirely different kind of wind—a refreshing change—that's blowing this solid philosophy into the offices of 1,100 Wisconsin locals.

And it goes without saying that more of the same could roll away the misunderstanding and rankling that often cloud management-employee relations in many other States, including our own.

Depression Breeders

EXTENSION OF REMARKS
OF
HON. FRANK BUCHANAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BUCHANAN. Mr. Speaker, under permission to extend my remarks, I include a letter entitled "Depression Breeders" that appeared in a recent issue of the Washington Post:

DEPRESSION BREEDERS

The Republican Congress has designed a five-point plan for lasting depression in the price-control, tax, labor, rent, and wool bills.

By prematurely removing price controls, the road to depression was opened as a dislocation in the supply-demand situation made real income gravitate to the investing class and away from consumers. Then, to pave the road to ruin with rationalization, the Congress argued that, since taxes are raised on a graduated basis, they should be reduced likewise. This in the face of the removal of price controls which has already returned a disproportionate share of the national income to the "haves" while usurping the war savings and current earnings of the "have nots."

These two measures in themselves were almost sufficient to successfully bring on a depression. But the tax bill was vetoed and there still was the uncontrolled labor variable. So, while the archengineers of freak legislation were being variously photographed in the press with victory grins of maniacal intensity, the Taft-Hartley bill was sent to the President and plans were being laid to resubmit the tax bill. Thus, while prices remained high, labor's efforts to obtain comparable wages could be blocked.

It is hard to explain the rent bill except as the product of a group of minds geared toward developing a depression. For, unlike the price-control, tax and labor bills, the rent bill does not aid the rich and hurt the poor; it hurts everybody except the real estate owners. By taking away part of the consumers' dollar for rent (as a starter), his purchasing power would decline and he would have less to spend on manufactured products. This would result in curtailed production, increased unemployment, lower manufacturing profits, decreased reinvestment because of lower profits and shrinking markets It would help "bust" the economy in a most adequate fashion.

But these measures are all domestic. We have an internationally minded Congress. These American leaders now realize that, in order for the free-enterprise system to function, international trade is a basic essential.

Therefore, the wool bill, which, unvetoed, would have been a wonderful step toward crushing free trade and would have given Russia's quest for European hegemony greater inspiration than the sound of "no" gives to Gromyko.

In addition to the master five-point plan, little side efforts like undermining veterans and low-cost housing and practicing false economies, from slashing funds for Internal Revenue investigators to holding up appropriations for European construction, have contributed to the "Drang Noch Depression."

Naval Appropriations

EXTENSION OF REMARKS
OF
HON. JOHN DAVIS LODGE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. LODGE. Mr. Speaker, although I regret the reductions in naval personnel at this time, I believe that the managers for the Senate and the managers for the House, in conference on the Navy appropriation bill, have, in many respects, achieved a fair and satisfactory solution of their differences.

In some areas the resulting bill provides less money than I believe necessary in the light of the world situation. It is less than that recommended by the President in his budget message in January of this year. Since that time the world situation has not improved.

The Moscow Conference has been held and was adjourned without the minimum accomplishment of a treaty with Austria for which the United States had hoped. The recent coup in Hungary, the war in Indonesia, and the guerrilla fighting in Greece symptomize the explosiveness of the international scene. The withdrawal of the Russians from the Paris Conference is further evidence of the dangerous implications of the foreign dilemma. We shall ignore these ominous portents at our peril. Nevertheless, much good was accomplished in conference. It is my understanding that the appropriations provided by the conference report will permit a Navy of 395,000 enlisted men and 43,000 officers. This is all to the good.

Indeed, the original House action was based upon a budgetary error. The President's budget message submitted to the Congress early in January 1947 recommended that the Navy, for the ensuing year, should be comprised of an average of 425,000 enlisted men and 90,000 enlisted marines, together with proportionate officer complements. It was contemplated that an active fleet would be maintained of nearly 900 ships, of which over 300 were in a combatant category. It was contemplated further, that over 8,000 aircraft would be maintained, of which 6,130 would be allocated for regular air operations and approximately 2,000 allocated for Naval Reserve training.

The President's budget message called for $3,663,000,000 in cash appropriations as well as $170,000,000 in contract authority for new aircraft, and $90,000,000 in contract authority for high-priority public-works construction. The amounts recommended in the budget were considered to be the minimum necessary in 1948, provision for items not absolutely necessary being deferred until a later date.

An examination of the hearings and reports of the House and Senate Committees on Appropriations reveals that the funds requested in the budget message would not have provided for the numerical strength I outlined a moment ago. Part of the discrepancy might be attributable to the almost impossible task of making firm estimates of dollar requirements months in advance, during a period of substantial and rapid price increases.

The Senate committee which was able to continue its study of the whole problem until a few weeks ago took testimony that the budget would in fact have provided funds for an enlisted strength of only 400,000 enlisted men in the Navy and 80,000 marines, with a reduced complement of officers. The budget message on the basis of current information would have provided for an active fleet of only 850 ships, 293 in the combatant category. It would have provided for the operation of only 5,793 aircraft, in addition to those assigned for Reserve training.

Within the limits of funds that would have been provided by an appropriation of the full budget request, we find, therefore, that naval strength already had been effectively reduced below the numbers contemplated as necessary at a time when the world situation was far less critical than today.

The action of the House, as a result of testimony heard in January and February of this year, reduced the Navy's funds for 1948 to $3,285,000,000, plus certain contract authority for construction of aircraft. Based on information available to the Congress this action had the effect of reducing the average number of enlisted men in the Navy to 355,000 although providing for an average of 80,000 marines. It had the effect of reducing the ships of the active fleet to 765, of which only 269 would be in the combatant category. The personnel reduction would have reduced the number of operable aircraft to 5,541, but with the rising maintenance and operation costs the funds provided would have permitted only 5,100 aircraft to be maintained in an operable condition. This certainly was not the intent of the House when the Navy's appropriation bill was passed. Our intent, I believe, was clearly stated by the distinguished chairman of the Naval Subcommittee on Appropriations when he was quoted as saying that it was not the intent of the committee to take a ship out of the fleet or a plane out of the air.

I am quite agreeable to practicable and economical reduction in expenditures consistent with national security. I believe that this was the motivating factor in the Senate committee's desire to keep the Navy within an expenditure limit somewhat below that which would have resulted from the House bill.

In attempting to make a distribution of funds which would keep naval expenditures from exceeding those allowed by the House, the Senate was faced first with the problem of determining the amount required to maintain the necessary naval personnel. The Senate committee report indicates that an average of 395,000 enlisted men and 43,000 officers would be maintained in 1948. Within these numbers it was, I believe, contemplated that the Navy could, by doing its utmost to achieve proper utilization of its personnel, maintain the number of ships in the active fleet and the number of operable aircraft that would have been maintained had the President's budget request been accepted without changes.

While restoring 1948 funds for the support of a Navy of this size, the Senate decided to make rescissions of certain usable funds which had been appropriated in prior years. It was felt that by an analysis of all of the work now under way in the Navy, certain projects could be curtailed to offset the funds restored in the 1948 bill. Accordingly, the sum and substance of the Senate action was, it seems to me, to use new funds and old funds to provide the greatest strength for 1948 within the expenditure limitations. I am gratified that this vital question has been answered in the conference report which is now law.

The original House action reduced the budget request by some $377,000,000. Senate action on the bill restored about $176,000,000 in 1948 funds but rescinded $161,000,000 of usable funds appropriated in prior years. The conferees reduced the amount of the Senate restoration by some $40,000,000 resulting in a net restoration in 1948 funds of some $136,000,000 but agreed to require the full rescission of $161,000,000. Over-all the amount of usable appropriations available to the Navy is therefore $400,000,000 less than contemplated in the President's budget message. The real gain was not in money but rather in a redistribution of funds among the numerous appropriations to achieve greater effective Naval strength in 1948 than would have been provided by the original House bill.

The reduction in total usable funds available makes it imperative, however, that provision be made for some degree of flexibility among the numerous appropriations in order that the country may get the maximum security out of this reduced sum as changing circumstances may require.

For this reason the Senate bill provided that—

> The Secretary may transfer not to exceed 5 percent of any of the foregoing appropriations to any other appropriation or appropriations made by this act, but no such appropriation shall be increased more than 5 percent as a result of such transfer: *Provided*, That a quarterly statement of any such transfers shall be transmitted to the chairman of the Appropriations Committees of the House of Representatives and of the Senate.

Both the Secretary of the Navy and the Chief of Naval Operations feel that in providing for the Navy during this uncertain period, the Secretary of the Navy should be granted flexibility within the limits of appropriated funds in order that there may be maintained a proper balance between the optimum fighting

forces and the shore establishment required for their support.

I note that the Navy had this authority during the past year and on inquiry I believe they used this authority prudently and reasonably. As a matter of fact, such transfers aggregated only $4,700,000, although 5 percent would have permitted transfers up to $235,000,000. It was used primarily to help provide for items required as a result of congressional action after passage of the 1947 Appropriation Act.

The Senate hearings provide a most logical reason:

In problems of fiscal management, the relationship of the Navy to the Congress is similar in many ways to the relationship of a management unit of a large corporation to its board of directors. The board of directors of such a corporation allocate to the management unit specific sums for specific purposes but allows the management units discretion to make minor adjustments between the allotments to meet unpredictable events. Good corporate business practice offers a sound analogy for the fiscal administration of a Government department.

It is vital that in the troubled times ahead—when the Congress is in recess—the Navy should, within the limits of the funds made available, have this moderate flexibility. I hope that this defect in the final bill may be corrected in the next session. This is no time to cut down on our own capacity for effective action.

Labor Relations

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. KEATING. Mr. Speaker, one of the most valuable parts of the Labor Management Relations Act of 1947 is title IV, creating a joint committee to study and report on the basic problems affecting friendly labor relations and productivity. It is provided that this committee shall report to the Senate and House of Representatives not later than March 15 next year, giving the results of their study and investigation and recommendations, if any, as to necessary legislation.

Probably no one who voted for this bill would contend that it is perfect or cannot be improved. Time alone will demonstrate the merits and deficiencies of the legislation. Certainly to date the inaccuracy of the charges that it is a "slave labor bill," that it will "destroy collective bargaining," or that it will "strike a death blow at labor unions," has been indicated by the fact that, following its passage, the workers in the coal mines throughout the Nation under the leadership of Mr. John L. Lewis have negotiated a contract which has been widely acclaimed as the most favorable in the union's history.

It is my earnest hope and sincere conviction that this measure will yield rich returns to the working men and women of this country, both within and outside labor unions, in happiness, properity, and freedom from restraint and that it will advance the best interests of the general public by reducing industrial strife. In any respect in which it proves to fail in achieving these objectives I shall be in the vanguard of those seeking alteration of its provisions.

There is one respect, however, in which, I have already been convinced, amendment is needed. In section 304 of this law it was sought to amend section 313 of the Federal Corrupt Practices Act, which had theretofore prohibited contributions by corporations to political campaigns. By amendment we provided that the same restriction should apply to labor organizations and in making that change we added the word "expenditure" to the word "contribution" in this section. The question has been raised whether, under the wording we have adopted, a labor newspaper is prohibited from advocating the election or defeat of a candidate for Federal elective office.

In my home city the Labor News is published weekly and is designated as the official publication of the American Federation of Labor Unions of Monroe County, affiliated with the Central Trades Labor Council. It is regularly entered as second-class mailing matter at the post office, has a control board, consisting entirely of union officials, a business manager, an advertising manager, and an editor. It carries general news, although predominantly informative material regarding the doings of various labor unions. It carries paid advertising and sells at 5 cents a copy, receiving subscriptions from the general public. I understand, however, that it is delivered free to many, if not all, of the members of labor unions affiliated with the Central Trades and Labor Council. The dues paid by members defray in part the cost of publication.

The Labor News in the last campaign officially opposed my candidacy in its news columns and in vigorous editorials. So far as I am aware, such continues to be the editorial policy of this paper.

On June 30 the editor wired for my views on the right of a labor newspaper under the Labor Management Act to publish political comment. My reply was as follows:

Provision in new Labor Management Relations Act amending Corrupt Practices Act to apply same prohibition against political contributions or expenditures to labor organizations as has applied to corporations does not, in my opinion, prevent editorial comment by any legitimate labor newspaper. Ban only applies, as I interpret new law, to so-called house organs financed entirely by corporation or labor organization funds. To construe statute otherwise would, in my judgment, be violative of constitutional bar against abridgment of freedom of press. In voting for this bill I have supported a measure which I conscientiously and sincerely feel will advance the cause of the workingman, strengthen collective bargaining, improve industrial relations, and react for ultimate benefit of labor, management, and consuming public. If, however, legitimate labor newspaper disagrees I shall defend to the limit its right to publish any fair comment in opposition. As a lawyer, I would welcome the opportunity to defend Labor News, without compensation, against any charge that its publication of a truthful attack upon me or other Members of Congress who voted for the bill violates the law. I may sometimes disagree with your views, but in the words of Voltaire, "will defend to the death your right to express them."

Various suggestions have been made for legislation which could not possibly be construed as violating the first amendment in abridging the freedom of the press. It has been suggested, for instance, that this entire section be repealed. To do that would be again to open the floodgates and permit corporations to expend unlimited funds in promoting the candidacy of their favorites. To meet a present deficiency we would be creating a greater evil.

Another suggestion is embodied in the amendment proposed by the distinguished Senators from New Hampshire and New Mexico [Messrs. AIKEN and HATCH] in S. 1613 wherein they eliminate from the section in question the words "or expenditure" where they occur. By this change only direct contributions fall within the prohibition of the statute and thereby no restriction is placed on incidental expenditures for political purposes. This probably would meet the specific problem regarding publications by so-called labor newspapers. It would at the same time so narrow the scope of existing prohibitory provisions that the salutary effects of the law both as regards corporations and labor organizations would largely be dissipated. Either could embark on a wild orgy of spending in a political campaign just so long as there was no direct contribution made to a political candidate, political committee or organization.

I have today introduced a bill which I believe on the one hand retains the substantial advantages now embodied in the law prohibiting political expenditures by any group of our economy while at the same time indicating the intent of Congress not to interfere or abridge in any way the free publication of an expression of political views either by corporations or labor organizations. This measure amends section 313 of the Corrupt Practices Act by adding the language:

Provided, however, That it shall not be a violation of this section for a corporation or labor organization to make expenditures in connection with the publication or distribution of a newspaper or news magazine, regularly published at stated intervals not less frequently than monthly.

It may well be argued that this provision is not necessary since a construction of the existing language in such a way as to prohibit such publication would lay this section of the law open to successful challenge for unconstitutionality. In my judgment, we should not wait for possible judicial condemnation of the statute. I am certain that it was never the intention of those who voted for this law to deprive any person or any group of persons of the free and untrammeled privilege of expressing their political views. We should now make that intention clear in a forthright manner by appropriate amendment.

Under leave granted I include editorials on this subject from the New York Times, the New York Herald Trib-

une, and the Rochester Democrat and Chronicle:

[From the New York Times]

AMENDMENT NEEDED

For nearly a quarter of a century it has been unlawful for a corporation to make a contribution for or against a candidacy for national office during a campaign. The theory behind this prohibition was that stockholders pay in their money to corporations for general corporate purposes and that it is improper to allow any part of those funds to be used for political purposes without the specific authority of the stockholders, since the corporation may be spending money in a manner completely opposed to the views of some of the stockholders who supply it. The new Taft-Hartley Labor Act endeavors to extend this prohibition to labor unions, and to expand the restriction to include expenditures as well as contributions. The theory behind this amendment is entirely similar, namely, that employees pay dues to their union for the normal functioning of the union in their behalf, and if the union expends any part of its funds for or against a candidate during a campaign without specific authorization from the dues-paying members it may well be that the union is spending it for a purpose diametrically opposite to the views of some of its members.

The basic principle established here seems to us to be a proper one; but the inclusion of the word expenditure as well as contribution has raised a question which bears on the freedom of press and speech.

During the debate on the new law it was Senator TAFT's view that a union could issue a paper and editorially comment for or against a candidate only if the expense did not come from the union treasury and if the cost of publishing the paper came from subscriptions or sales to the union members, so that the union members would have a choice of purchasing it or not and thus a choice of contributing toward the expense of the publication. He maintained that a union which regularly publishes a newspaper for the enlightenment of its members and pays for the paper out of the union dues collected in the union's treasury is prohibited by the amendment from commenting editorially, because that would be a union expenditure in support of or against a political candidate which would violate the act.

It is at this point that questions arise. In order to be free to comment editorially and express opinions on political candidates during a campaign, is it right to require that whatever is produced by the union for that purpose be individually subscribed for? Has it not become such an integral part of the conduct of a union's affairs to publish a union paper, in order to keep its members informed of their rights, of their union's activities, and of their problems, that it can be considered a regular part of the union's business to publish such a paper and pay for it out of union dues; and if that be so, does not a restriction which prevents editorial comment on a political candidate violate the freedom guaranteed to all citizens by the Constitution? Do not union members recognize that a part of the dues which they pay will be devoted to the publication of such a paper, and that if such a paper were not published the dues could be less? Certainly, in many cases, these questions must be answered in the affirmative.

We do not believe there is justification for the statements made by some of the new law's critics that a corporation which is in the business of running and publishing a newspaper is prevented from editorial comment. It would, however, seem to us to be clear that the evil of infringing the freedom of the press or freedom of speech is so much greater than the evil which the law attempts at this point to correct that this section of the act should be amended, in order to clear away all doubt and make it certain that the inclusion of the word "expenditure" does not interfere with the right to free expression of opinion.

[From the New York Herald Tribune]

REQUIRING CORRECTION

The wording of that section of the Taft-Hartley Act designed to curb the political activities of corporations and unions is a sample of those imperfections in the law which will need either court or legislative correction. As this section reads it would seem to forbid either the general press, corporate-owned, or the labor press from expenditure on ink paper, type, or editorial talent to influence the election of Federal officers or their choice as candidates in primaries, conventions, or caucuses. In other words, as studied by the Department of Justice, it would appear to be a press gag which is clearly unconstitutional and quite as clearly also beyond the intent of Congress in its enactment.

That intent, of course, was to cut off contributions to campaign funds from either management or union labor sources, to reinforce in this particular the corrupt practices statute. Probably there was not a Member of either House in Congress, whether in favor of the law or in opposition, who foresaw an interpretation of this provision which would interfere with the freedom of the press. And one can be fairly sure, when a test of it comes before the courts, they will take the plain intent of Congress into consideration and be guided by the rule of reason. Should they, on the contrary, throw the section out, that will not invalidate the rest of the law's provisions but simply call for an amendment eliminating all ambiguity.

The Corrupt Practices Act of 1925 prohibits national banks and corporations from making contributions toward a Federal officer's election. The Smith-Connally wartime Labor Disputes Act, now dead, included labor unions in the ban, but neither made mention of primaries, conventions, or caucuses. This left a serious loophole which the Taft-Hartley provisions, in addition to preventing organizations from electioneering, would close. It is important that it be closed, but certainly not at the expense of muzzling the press of the country, whatever its political complexion.

All of which points to the wisdom of Congress in providing for a joint committee to study the working of the new law and to suggest changes as the occasion requires. No doubt the need for other changes besides the one we have been discussing will be indicated sooner or later.

[From the Rochester (N. Y.) Democrat and Chronicle]

TOUCHES VITAL RIGHT

Senator AIKEN, Republican, and Senator HATCH, Democrat, have introduced a bill to amend the recently enacted Taft-Hartley bill by eliminating the phrase "in connection with" in reference to political contribution by unions.

This is the phrase on which union leaders and, as we understood, Senator TAFT himself, based their view that it would prohibit a newspaper financed by union funds or one published by any corporation from commenting on candidates for Federal office.

The phrase is one of those which lawyer-legislators love to put into bills; they are intended to capture all the situations which might be neglected otherwise. The New York State antidiscrimination law has such a phrase which we attacked as unenforceable and probably unconstitutional both before and after it was passed.

Senator TAFT told a Knight newspaper correspondent he would be inclined to interpret the phrase liberally, and might be in favor of a clarifying amendment.

As we have said here before, any application of the law which would prohibit anyone, union, corporation, or individual, from writing and publishing freely views on candidates or on any other question would be a direct violation of the constitutional prohibition against Congress abridging the right of free speech or a free press.

The disputed application could not be constitutionally made, in our view, and a proper amendment should specifically exclude publication or other comment as a forbidden object of expenditure.

The free press right is as much the right of the labor press or of any other special press as it is the right of the general press. It is, fundamentally, the right of any persons or group to express themselves in print. Abuses are properly actionable under existing laws.

National Land Policy

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. JENSEN. Mr. Speaker, there is a growing interest in the protection of our Nation's resources. Until we got into World War I, and more particularly World War II, little thought had been given as to whether we would ever run short of food, fiber, coal, oil, copper, and other essential materials. But during the last war period these essentials began to disappear like they were being swallowed up. Now, all earnest thinking people of this country are giving much concern as to how long some of our national resources will last. This is as true for land from which our food and fiber supply comes, as it is for minerals such as copper, oil, and other natural resources.

Our land problem is not new. Congress began dealing with land from the earliest. Many of you know of the debates during the Jackson administration out of which came the land-settlement policy. The question in these debates was, Shall land be sold to the highest bidder or shall the country provide cheap land to settlers who would clear it, make a living for themselves and contribute to the rapid development of the ccuntry? All of you are aware that this latter policy contributed much toward developing our Nation so rapidly and making it a great country.

We are faced with a somewhat similar situation today. We have a great country. To keep it so and maintain leadership in the world, our Nation must adopt a policy that will conserve its land and water resources.

The Federal Government has a great responsibility for doing its part in maintaining food supplies for the people of the country. As you know, the industrial cities, particularly those along the eastern seaboard, depend largely on the midwestern Corn Belt, the Great Plains Wheat Belt, the western ranges, and the vegetable and fruit growing southern and

western parts of the country for much of their food. It is through the Federal Government that the interests of the urban population will be protected so that land resources are maintained for future food supplies. Furthermore, we are now faced with supplying food to war-devastated countries in Europe and the Orient as a means of establishing peace and reducing starvation. All of these demands on the land for food hasten permanent damage to the land by soil erosion and fertility depletion. Therefore, it is most appropriate and urgent that we give immediate attention to the establishment of a national land policy based on the conservation of our Nation's soil and water resources.

Farmers and ranchers are showing great interest in soil conservation. They have learned that to use their land properly and to treat it with the practices and measures that it needs, not only produces more, but increases their net earnings. Therefore, it is in the interests of farmers, the tradesmen, the industrial workers, the professionals, and all the people of the Nation that we give thought to protecting our future food supply. Therefore, I am today introducing a bill which provides that the Secretary of Agriculture be given the responsibility of cooperating with the States through local governing bodies of farmers—soil conservation districts—in carrying out a Nation-wide soil and water conservation program.

The bill provides that technical assistance be supplied to farmers and ranchers in planning and applying conservation practices and measures, that conservation materials, equipment, seeds, and trees be granted where such materials are essential to conserving the land resources but does not provide cash payments. These grants in aid are to be made only after the local governing bodies of farmers determine that they are needed, and only then, when it is found in the interests of the Government that the land and water resources be treated as a protection against damage. I am deeply concerned with this all-important and far-reaching problem, as I know are most of my colleagues in Congress and most of the American people. I want to do all I can to put a stop to the devastating erosion damages taking place on our precious soil, which is the greatest asset of any nation. The only effective way this can be accomplished is by adopting a new land policy based on soil and water conservation:

A bill to provide for a national land policy based on the conservation of our soil and water resources, the orderly development and protection of the Nation's agricultural lands, and for other purposes

Be it enacted, etc., That it is hereby recognized that the lack of a sound national land policy based on the conservation of our soil and water resources as a foundation for other agricultural programs; the wastage of soil and moisture resources on farm, grazing, and wood land of the Nation resulting from soil erosion; failure to maintain and improve soil fertility; improper layout of farm and ranch irrigation systems and use and management of irrigation water thereon; inadequate farm drainage; improper use of land; and development of land unsuited for sustained agricultural use, is a menace to the national welfare.

And that it is hereby declared to be the policy of Congress to provide permanently for using the Nation's land in accordance with its capabilities and the treating of it in accordance with its needs; for the control and prevention of soil erosion; for the maintenance and improvement of soil fertility; for the conservation, proper use, and management of agricultural water resources; and for the sound development and use of agricultural land resources and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, and protect public health and public lands, and the Secretary of Agriculture from now on shall coordinate and direct all activities with relation to soil erosion, soil fertility maintenance and improvement; conservation, use, management, and disposal of farm and ranch waters; development and changes in use of agricultural land, and shall recognize as basic the conservation of soil and water resources in the formulation of other agricultural programs, and in order to effectuate this policy is hereby authorized from time to time—

(1) To conduct surveys, investigations, and research, in cooperation with the State experiment stations, relating to the character of soil erosion, loss of soil fertility and productive capacity, water wastage, land misuse, and the preventive measures needed, to publish the results of any such surveys, investigations, or research, and to disseminate information concerning such methods;

(2) To provide technical assistance to soil conservation districts and other conservation districts deemed by the Secretary to be qualified essential in preparing, carrying out, and maintaining locally developed and adopted programs for soil and water conservation, preservation, and improvement of soil fertility and sound land use of farms, ranches, and other units of land in such districts; for rehabilitation or construction of needed individual small group farm and ranch drainage and irrigation systems and in conserving, managing, and disposing of farm and ranch irrigation water in such districts; and for necessary guidance of a widespread application program of starting conservation practices requiring little or no "on site" (on farm or ranch) technical assistance for those farmers and ranchmen not yet reached in the schedule for assistance in adopting a basic conservation farm or ranch plan or not desiring to participate in the comprehensive program in such districts;

(3) To provide technical assistance, supplementing the educational efforts of the State extension services, to landowners and operators in those agricultural areas not included in soil or other conservation districts in the widespread application of starting conservation practices requiring little or no "on site" technical assistance. In addition, technical assistance may be provided in these areas in the preparation of basic conservation plans on farms or ranches for demonstration purposes on not to exceed 1 percent of such units in the area;

(4) To complete, as rapidly as possible, a conservation survey of the Nation's farm and ranch lands; to analyze, publish, and distribute the inventory thus secured; to provide copies of land use capability maps to landowners and operators for their own units of land and to assist them in interpreting and utilizing such maps; to survey and classify by capabilities for agricultural use the lands in existing, proposed, or potential agricultural development projects or the agricultural parts of multiple-purpose projects; to determine the suitability of such lands for sustained agricultural use; and to provide technical and other aids necessary to, or to clear, level, and otherwise develop project, woodland, cut-over, and other lands needed and suitable for agricultural use; and

(5) To provide such grants-in-aid as may be necessary to supplement the contributions of landowners and operators in carrying out the practices and measures needed to prevent soil erosion, loss of soil fertility, water wastage, and land misuse; and, the technical assistance necessary to assure their proper utilization. Such grants-in-aid may include conservation materials, planting stocks, and seed, use of equipment, and the like, for establishing conservation practices, but shall not include cash payments.

(a) Such grants-in-aid shall be made by the Secretary on the basis of the intensity of assistance needed to prevent irreparable damage to or loss of the Nation's basic soil and water resources and the availability of technical guidance adequate to safeguard efficient use of such grants.

(b) As an aid in determining an equitable distribution of such assistance as may be made available under this act, the Secretary shall, prior to August 1 of each year for the following fiscal year, seek and give consideration to the recommendations of the governing bodies of soil and other conservation districts concerning such grants-in-aid as may be necessary to supplement the contributions of landowners and operators in preventing irreparable damage to and loss of the basic soil and water resources of such districts.

(c) In order to insure local participation and guidance in determining an equitable distribution of grants-in-aid in those counties or portions of counties not now in soil or other conservation districts, the Secretary shall establish a temporary county conservation committee in each such county or portion of a county. The Secretary shall invite the State soil conservation committee (board or commission) established by the State Soil Conservation District Enabling Act, to nominate 10 land-owning and operating farmers or ranchmen and the Secretary shall appoint, and fix the terms of office, of a committee of five from those nominated. The county agricultural extension agent shall be ex officio a member of the temporary county conservation committee. The temporary county conservation committee will function until such time as there is organized in the county, or part of the county, a legally constituted soil conservation district under the enabling act of the State, at which time the committee will be dissolved.

(d) The members of conservation district governing bodies or of temporary county soil conservation committees shall not receive Federal compensation for services rendered or reimbursement for expenses incurred under the terms of this act. This provision regarding Federal compensation and expenses, however, does not preclude their being compensated for their services, travel, and other expenses by the State, county or district. The Secretary shall make available to the governing bodies of conservation districts, and to temporary county committees, necessary administrative, clerical and other help needed to handle the grants-in-aid program.

(6) To provide for the employment of, and with State extension services to jointly select, necessary personnel to assist locally with conservation educational activities primarily (a) in the areas critically in need of conservation treatment not now in districts and (b) in supplementing the county extension staffs in soil and other conservation districts in preparing the way for conservation action on the land.

(7) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act; and

(8) To acquire submarginal agricultural lands, or rights or interests therein, by purchase, gift, or otherwise, and to sell federally owned lands suitable for agricultural use to

neighboring landowners needing additional acreage to complete a sound farm unit, or in family-sized units to veterans and others desiring to engage in farming or ranching using procedures consistent with title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, whenever necessary for the purposes of this act.

SEC. 2. The acts authorized in section 1 (1) and (2) may be performed—

(1) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(2) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 3. As a condition to the extending of any benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) Agreements or covenants as to the use of such lands; and

(2) Contributions in money, services, materials, or otherwise, to any operations conferring such benefits.

SEC. 4. For the purposes of this act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees as he may deem necessary; and any persons with technical or practical knowledge may be employed and compensated under this Act on a basis to be determined by the Civil Service Commission; and

(3) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of lawbooks and books of reference, for printing and binding, for the purchase, operation, and maintenance of passenger-carrying vehicles, and perform such acts, and prescribe such regulations, as he may deem proper to carry out the provisions of this act.

SEC. 5. In recognition of (1) the necessity for technical assistance in determining and applying needed conservation practices and measures, and in assuring the effective use of such grants in aid as may be necessary to supplement the contribution of landowners and operators in establishing such conservation practices and measures; (2) the impossibility of practically separating the responsibility for the conservation of water or the sound use of land from the responsibility for soil conservation and the prevention of soil erosion; (3) the desirability of having all technical action and grant-in-aid programs involving conservation, irrigation, drainage, water development, and flood control on farm and ranch lands, as well as the development of new agricultural lands, technically directed by one agency thereby reducing to the minimum contacts with individual farmers and ranchmen respecting such programs; and (4) the desirability of taking advantage of existing relationships and working arrangements already developed with conservation districts organized under the laws of the respective States, the Secretary of Agriculture shall utilize the agency known as the "Soil Conservation Service" in carrying out the powers conferred on him by sections 1, 2, 3, and 4 of this act and in order that there may be proper coordination of the activities including grants-in-aid involving soil and water conservation, sound land development, and use, drainage, irrigation, and other physical adjustments of farm and ranch lands, the Secretary of Agriculture is authorized and directed to transfer to the Soil Conservation Service such functions, funds, personnel, and property of other agencies in the Department of Agriculture as he may from time to time determine necessary to avoid duplication, achieve economy, and carry out the spirit of this act.

SEC. 6. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary, and the Secretary is directed in presenting his first budget to Congress after the passage of this act to recommend a preliminary conservation time-table, based on currently available information, as a guide to Congress in making appropriations. On completion and analysis of the conservation survey of the Nation's land, the Secretary shall revise and improve the conservation time-table and present it to Congress for use in determining annual appropriation needs.

Truman Foreign Policy

EXTENSION OF REMARKS

OF

HON. HUBERT S. ELLIS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. ELLIS. Mr. Speaker, the story of the fiscal policy of this Government beginning shortly after the advent of the Roosevelt administration and continuing through and up to the Marshall proposal has been fantastic beyond comprehension and the wasteful expending of our resources without compensatory returns has no counterpart in all history.

The spending has been carried on in such a rapid and ever-expanding rate and in sums so enormous that it is difficult for the average citizen to comprehend the seriousness of the situation. Crisis has followed crisis; emergency has followed emergency in rapid succession; and in turn failure has followed failure, and each dismal failure in promises and objectives has been drowned out and covered up by the ever-increasing tempo of administration chestbeaters and propagandists pointing to new objectives, new ideals, new utopias, and new spending.

The story of New Deal spending would require volumes. The story of the administration's cleverness and cunning in covering up its mistakes and directing the people's attention to new ventures, new hopes, new glories, and new spending would require more volumes.

Consequently, in the time I have today, I want to direct attention to the miserable failure of the Truman foreign program and ask the simple question: What right have those who have failed so miserably to ask the American people to follow them again when the record before us gives no basis for hope of success?

It has been noted for the past few weeks that the minority leadership has been very touchy on this subject and were quick to challenge anyone who ventured to ask questions. They were quick to challenge any intimation that the State Department had made serious and very costly mistakes. In this connection an interesting item appears in the morning paper.

An AP item reports Robert P. Patterson, retiring Secretary of War, as saying yesterday that the State Department had overruled a War Department proposal to make public a report on the economic conditions in the American and British zones of Germany.

The former Secretary of War was asked at a news conference if the story describing the report as embarrassing was blocked by the State Department. He replied: "In the main, the story is true."

The Truman foreign policy has been vacillating, negative, and has become the most mismanaged problem that confronts the American people. Not one moment should be lost in bringing to the attention of our people the weakness of a program that has brought us face to face with heart-breaking situations throughout the world.

By agreement at Yalta, it appears, Roosevelt, Churchill, and Stalin, on their own, in utter disregard to history or human welfare, reached private and secret conclusions. Certainly, they forced upon their own countries, unconstitutionally, commitments from which there could be no retreat short of war. All these portents of evil were confirmed by the Big Three at Potsdam. Entirely as a result of these decisions, the world is divided and completely confused. Finland, Albania, Czechoslovakia, Rumania, Yugoslavia, and Poland were surrendered to Russia by agreement. Here the Atlantic Charter and the "four freedoms" went out the window, except they are retained to be held up as ideals to entice America to contribute more billions.

It took the investigation of Mr. Herbert Hoover to bring us to our senses in respect to Germany. Herbert Hoover's report to the President is a direct attack on the Morgenthau plan as a proposal designed to subject the people of central Europe to total absorption in the Soviet Empire. Certain aspects of the Morgenthau plan have received too little attention, but in a document published in the former Secretary of Treasury's book outlining the plan, it is obvious that it was not a design for permanent peace, nor was it in harmony with the Atlantic Charter, nor did it serve the United States.

At the beginning of the third summer, after the close of the war in Europe, it took a detailed investigation and constant hammering by Mr. Hoover before the President decided that the Truman doctrine and the Marshall plan meant nothing and would fail so long as the Morgenthau plan, premised on hate and revenge, continued to be the controlling policy in Europe. Mr. Hoover said:

> We can keep Germany in these economic chains, but it will also keep Europe in rags.

He asked the extremely pertinent question as to how long the American taxpayer can continue to stand the strain of the heavy contributions to Germany. He said:

> The United States, through loans, lend-lease, surplus supplies, and relief in the last 3 years has spent, or pledged itself to spend, over $15,000,000,000 in support of civilians in foreign countries.
>
> Even we do not have the resources for, nor can our taxpayers bear, a continuation of burdens at such a rate.
>
> There is only one path to recovery in Europe. That is production. The whole

economy of Europe is interlinked with German economy through the exchange of raw materials and manufactured goods. The productivity of Europe cannot be restored without the restoration of Germany as a contributor to that productivity.

The measures applied have in general been those of brutal, ruthless, and unintelligent revenge. Now the bitter fruits of this policy is immediately before us. If grinding Germany to fragments were in any way advantageous to us, the operation will be understandable, regardless of the human misery involved.

The American people cannot be blamed for the last war, though certainly the Roosevelt administration did nothing effective to avert it, but we can and will be indicted for a postwar policy which, in effect, has made the ruin of Europe almost complete; its recovery in the foreseeable future is highly improbable. For better or worse Germany is the industrial and economic heart of the Europe that is now dying. That fact seems to have escaped those Americans who have tried to determine Europe's future without taking the pains to acquire any knowledge of its economic past.

Former President Hoover in a letter to the Senate Finance Committee said:

The greatest danger to all civilization lies in the possibility that the United States will impair its economy by drains which cripple our productivity. Unless this one remaining Gibraltar of economic strength is maintained, chaos will be inevitable over the world.

Now, with all this at our door, the administration is requesting the American people to support them in another program of insane spending without looking.

This simple truth was recently stated by Jacob Viner, professor of economics at Princeton University, in an essay entitled "America's Lending Policy," as follows:

As between great powers, it is not the creditor status but rather the possibility of refusing to be a creditor which is a potential source of political strength. A loan, once granted, yields no direct fruit beyond those specified in the bond—and often, as we know, not even much of that. Loans, once granted, rarely command gratitude. * * * Once the loan is transferred, moreover, the power shifts from the creditor to the debtor, since the withholding of repayment can be made to exercise the same manner of influence as the withholding of loans. From the point of view of influence on foreign policy, therefore, past loans should be regarded as water over the dam, and the potency of finance as an instrument of diplomacy—or of strategy—should be appraised in terms of our command over the granting of new loans.

Thus we have not assumed leadership—we have surrendered leadership by an impracticable and uncontrolled spending policy.

The conclusion seems irrefutable that as the result of our rate of giving and lending we are overexporting goods and cannot continue at such a rate with our present production and consumption without further evil consequences to our stability.

American foreign policy should take as its standard the national interest of our country in the meaning of national security and the preservation of peace. It ought to give up ideological objectives which are in contradiction to that conception of the national interest and which, furthermore, may be unattainable or may only be attainable at the price of war. It should marshal the national energies behind a foreign policy clearly defined and capable of wholehearted support by the American people in the light of their national traditions.

Housing

EXTENSION OF REMARKS
OF
HON. HOMER R. JONES
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. JONES of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a resolution passed by the City Council of Seattle, Wash., protesting the passage of Senate bill 1459—Cain-Russell bill—and the provisions of H. R. 3492—Wolcott housing bill:

Resolution No. 14774

Resolution protesting the passage of Senate bill 1459

Whereas Senate bill 1459, known as the Cain-Russell bill, has been introduced in the Congress, which said bill provides for the mandatory sale of all permanent and temporary war housing on or before a date certain; namely, December 31, 1948; and

Whereas there are now in effect Federal laws which provide for the orderly and economic disposition of the war housing, which said laws are being well and properly administered in the city of Seattle; and

Whereas the present laws provide for the disposition of public housing after consultation with local communities; and

Whereas there is still an acute housing shortage in the city of Seattle and it is our considered opinion that said housing shortage would not be alleviated by the passage of the said Senate bill 1459, but on the contrary the orderly solution of the housing problem in this city would be confused and severe, and economic and social problems would be thrown upon the community: Now, therefore, be it

Resolved by the City Council of the City of Seattle (the mayor concurring), That the city council go on record as opposing the passage by the Congress of Senate bill 1459 and/or H. R. 3492 (the Wolcott bill) as being detrimental to the best interests of the city of Seattle and this area; be it further

Resolved, That copies of this resolution be sent to each member of the Washington congressional delegation and to the chairman of the Senate Banking and Currency Committee.

Passed the city council this 21st day of July 1947, and signed by me in open session in authentication of its passage this 21st day of July 1947.

M. B. MITCHELL,
President of the City Council.

I concur in the above resolution.

WM. F. DEVIN,
Mayor.

Filed by me this 21st day of July 1947.
Attest:

W. C. THOMAS,
City Comptroller and Ex Officio City Clerk.
By C. G. ERLANDSON,
Deputy Clerk.

A Layman Looks at United States Foreign Policy

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks, I include the following address, A Layman Looks at United States Foreign Policy, made before the Northwest Institute of International Relations held in Portland, Oreg., on June 19, 1947, by Palmer Hoyt, editor and publisher of the Denver Post:

The address follows:

A LAYMAN LOOKS AT UNITED STATES FOREIGN POLICY

(By Palmer Hoyt, editor and publisher, the Denver Post)

Some years ago, in 1943 to be exact, the well-known columnist and historian, Walter Lippmann, published a book with a most intriguing title. It was United States Foreign Policy, Shield of the Republic. Mr. Lippmann, under that most interesting title, made, of course, a very excellent and interesting presentation. However, the book was written before the war's end and before the atomic bomb. Therefore, in a general way, I think he would agree that the suggestions made as to foreign policy for the United States would not be entirely relevant today.

Mr. Lippmann did point out, however, in no uncertain terms, that the United States had lacked a foreign policy for 50 years or since the Spanish-American War, and thus the United States has found it most difficult to deal satisfactorily with foreign powers either in times of war or in times of peace.

In a general way, the United States operated under the Monroe Doctrine as laid down in 1823, which continued with obvious ramifications up to the time of the Spanish-American War.

DOCTRINE ISOLATIONIST

The Monroe Doctrine was isolationist in effect, for it warned the world that the United States intended to be secure in its own hemisphere. That was feasible in the world of 1823. But in the twentieth century world it became obvious no nation could find security in an ocean barrier. Thus in a shrinking world we found ourselves without a foreign policy.

This lack of foreign policy made it all but impossible for Woodrow Wilson to sell the League of Nations to this country, because we did not know what we wanted. It made it very difficult also for Mr. Wilson to get in the war because we faced both British and German sea power, and it wasn't until the issue was finally resolved on the side of submarines and the general threat of German aggression that we decided to throw our lot with the Allies.

SECURITY REAL GOAL

In Mr. Lippmann's most engaging and erudite study, a point that is extremely applicable today was clearly brought forth. Mr. Lippmann says: "So we must examine our national prejudices and we may begin by asking ourselves whether peace, as so many say, is the supreme end of foreign policy. * * * At the moment it is obvious that the survival of the Nation in its independence and its security is a greater end than peace. * * * If the logic of peace as the supreme national ideal leads to absurdity, then it must be a grave error to think and to say that peace is a supreme end.

• • • They (i. e., national ideals) should express the serious purposes of the Nation, and the vice of the pacific ideal is that it conceals the true end of foreign policy. The true end is to provide for the security of the Nation in peace and in war."

TWO OBJECTIVES SAME

This commentary by Mr. Lippmann is extremely sound. However, today, the two objectives have met and are one.

Because of the complexities of modern warfare in the atomic age, peace and national security become one and the same thing. However, that does not mean that peace must be sought, or can be found through the narrow devices of nationalism. We know that peace and security, if they are to be found in this atomic age, must be attained through international agreement. That does not mean that we should subscribe to any peace at the cost of unilateral disarmament or by abandonment of our obligations or by subscribing to any one of the many Munichs that seem in the offing.

To do any of these things would be not only to eliminate the possible attainment of peace, but would eventually reduce us to slavery status.

So, I think we can say as of 1947 that peace and national security are one and the same, indivisible.

ISSUES ARE CLEAR

Presently I think everyone will agree that we have a desperate need to formulate a foreign policy so embracive, so strong, so unmistakable, that it will furnish and fulfill the promise given in Mr. Lippmann's title of 1943, "United States Foreign Policy, Shield of the Republic."

Today the issues are only too clearly drawn. Initially it is perfectly obvious even to the dullest among us that the U. S. S. R. and the United States of America must agree and reach an accord if the world is to have peace. In other words, Russia and America are the only powers which by joint action could enforce multilateral disarmament, including enforceable decrees concerning the use of the atomic bomb and other ultramodern weapons which threaten to put the human race itself out of business.

The difficulties surrounding any such vital agreement are plain. They appear not only in the past and present history of Russia, but in the basic difference in ideologies between the two states now competing for world leadership.

Mr. Henry Wallace presses the claim as to Mr. Stalin and the Russian newspapers that communism, social democracy, and capitalism can live in the same world side by side. Russia's actions, particularly in recent weeks, would cause anyone with an open mind to seriously doubt that statement. Particularly in view of the conduct of Russia since VE-day 2 years ago, and more specifically in view of the statements made in the Problems of Leninism.

LENIN SAW WAR

In that book, which remains Stalin's principal theoretical work, and as such as a basic document of international communism, Stalin endorsed this passage from Lenin:

"We are living not merely in a state, but in a system of states, and it is inconceivable that the Soviet Republic should continue to exist for a long period side by side with imperialist states. Ultimately one or the other must conquer. Meanwhile a number of terrible clashes between the Soviet Republic and the bourgeois states is inevitable."

If there is any doubt that the above quotation still represents the Soviet view of the world conflict, bear in mind that Dictator Stalin restated it no longer ago than the spring of 1945. Notwithstanding recent interviews which seem to contradict this belief in the inevitability of conflict, it may be seen as a basic motive in Russia's aggressive creation of buffer states along her western borders.

Actually it isn't a question of whether or not communism, social democracy and capitalism can live in the same world. It is a question of whether totalitarianism and democracy can abide side by side in the teeth of this new "wave of the future."

RED INTENTIONS OBVIOUS

Russia's intentions toward countries with any type of popular government as evidenced by the recent coups in Bulgaria and Hungary are quite obvious. The Communist "gauleiter" in Austria recently made it quite clear to Leopold Figl and the other duly elected members of the Austrian government what the Russians have in mind for Austria.

In the case of Austria there is a demonstration of Russia's intolerance for any kind of socialism except her own. Austria, marked as an intended victim of the totalitarian onrush, stands as proof that the central conflict is not capitalism versus socialism—the conflict is rather freedom versus totalitarianism. It is the world of many democratic ideas versus the Soviet one idea.

Everyone is familiar with the recent coup in Hungary (everyone, that is, save Henry Wallace who doesn't believe a word he reads in the American press). But what preceded that famed coup d'etat?

TRIAL DESCRIBED

I would like to quote from a letter received from my son, Palmer Hoyt Jr., after his trip to that unfortunate country in February:

"DEAR DAD: The problem of writing about Hungary is very complex for me. I try very hard to be completely impartial, but I have come up against something here that I have never run into before. The whole situation is so contrary to anything that I have ever seen or experienced, that it frightens me to sit down and write it.

"I went to the trial of the Committee of Seven, the opening day. It was quite evident that these people were going to be convicted. When the Russians 'liberated' Hungary in 1945, they established people's courts. They have no juries, no prosecutors. These men are tried by one of these. The judge does the examining. There are four other men—members of the four important political parties, on the court. Eventually these five men decide as to whether or not the accused die, go free, or go to prison.

"In this trial, the defense had about 3 days to prepare its case, to read the evidence. The defense attorneys were not allowed to talk alone with the defendants.

"The Communists in Hungary control all the police. It is so monstrous and so simple that it is hard to comprehend, or to even think about."

OPPOSITION NUMB

"Frankly, I don't like to write about it. I talk to people. The newspapermen I talk to say that communism is coming in full blast. It certainly looks like it. Others say that this is democracy. These are Communists and leftists.

"It may be democracy, but it's not the kind of democracy that I can understand. The Smallholders are either numb or they are lackadaisical. The explanation I get from our American political observers is that they are afraid to make a definite decision. The rightists are afraid to take a definite stand against the Communists and the other leftists.

"The leftists say the Smallholders Party is crammed with Horthy people—traitors, Fascists—who fought against the Allies. This is partially true. But under the Horthy regime, as under the Hitler regime, and under the Communists—you can't be against me—you've got to be for me or dead.

"This 10 percent minority of Communists is taking over the country right in front of the people who are the majority—and the majority isn't doing anything about it.

"It is almost impossible to believe that a party which alone controls more than 50 percent of the seats in the legislative body can allow itself to be bulldozed and kicked around this way."

RUSSIAN PEOPLE LAUDED

There never has been any doubt as to Russia's concept of inability to get along with capitalism. That has been set down too many times.

When one talks about Russia, there is a grave danger that he will by some be considered a warmonger, that is, unless he subscribes 100 percent to everything that the Russians want to do, and 200 percent to Henry Wallace's vague, nebulous, and unrelated phrases.

I should like to make it clear that I yield to none in my admiration for the Russian people. I go along completely with those who believe that the Russians have more love for their fellow men than any other nationality, and an immediate proof is at hand in the way that the Russian people—the peasants and small farmers—treated the Germans even after they had invaded "holy Russia."

They insisted on feeding these Germans these "supermen" who had threatened to wipe them from the face of the earth, and when questioned by their political mentors, the Russian people gave as an excuse that these men were hungry.

FREEDOM THE ISSUE

However, the fact that the Russians are friendly, curious, peace-loving folk unfortunately has little or nothing to do with the situation. The further and more grim fact is that the Russian people and those people in her satellite states are under the domination of a growing hierarchy, which enforces its will by secret police, efficient, ruthless, and cruel, and there is little chance that the Russians or any people under their domination will soon be able to express themselves.

Actually the issue before us comes down squarely to one: human freedom. In this connection, I would like to quote from a hitherto unpublished essay of Woodrow Wilson:

"There is one thing I have a great enthusiasm about, I might almost say a reckless enthusiasm, and that is human liberty. The individual is indispensably the original, the first fact, of liberty. There is no such thing as corporate liberty. Liberty belongs to the individual or it does not exist."

NOT A DEMOCRACY

That is a subject, human freedom, which I find the Communists, fellow travelers and Mr. Wallace, America's No. 1 dreamer and principal apologist for Russian totalitarianism, strangely unwilling to talk about.

And yet I believe that Mr. Wallace and those "good Americans" who never make up their minds about a foreign matter until they get the party line from their copy of the Daily Worker or their local "gauleiter," do themselves, the United States, and Russia, a great disservice. It occurs to me that we can have enough trouble and that there are enough problems difficult of solution if we view Russia clearly for what she is—a police state now bent on aggression in order to establish communism immediately in Asia and Europe and eventually by her announced purpose, throughout the world.

I would like to say again that we can only do ourselves and our country a disservice by trying to present Russia as a democracy because even Mr. Wallace occasionally has admitted regret as to the absence of civil liberties in the land of the Soviet.

II

The coincidence of the end of the war and the arrival of the atomic age has created a frightful compulsion for peace never before known in man's 5,000 years of recorded history. Never before has informed man realized that he faced the possibility of complete extinction.

And in the mad onrush of science it is not alone the atomic bomb. There are other deadly weapons announced or indicated, such as bateriological warfare, supersonic planes, rockets, and more devastating incendiary bombs.

Only a few days ago Drew Pearson, quoting an Army authority, referred to Russian rockets that would now shoot 1,800 miles with deadly accuracy, and "shooting star" airplanes equally efficient and effective as those developed by us. He also referred to Russia's possession of 300 bombers with a flying range of 15,000 miles.

Within the week also Gen. George C. Kenney, formerly MacArthur's air commander, referred to potential weapons as deadly as the bomb in the form of controlled off range light and sound waves with an unbelievable lethal potential against human life.

TIME RUNNING OUT

Yes, we all must admit that time is running out, and that the sands of sanity are rapidly dropping from the international hourglass.

As a matter of fact, Drew Pearson in his broadcast not only made the remarks which I have attributed to him, but also quoted his source as warning United States officials of the potential of a war in 1 year or 2 years.

There is little time to lose. It is clear that we have squandered a great deal of time. America has survived victoriously in two major wars, neither of which she was prepared to wage at the time they were joined.

In these two wars, because of the vast distances of seas and land, America had a defensive lag in time which we cannot hope for in this atomic age.

III

Unfortunately for the world and history, the United Nations charter was written before the atomic bomb became a fact. I say again as I said on August 7, 1945, that the President of the United States should demand a reconvening of the United Nations to write a charter as streamlined as the bomb and as modern as the other weapons of death which have come into being since the charter was solemnly signed at San Francisco.

But I have no hope nor have you that such an obvious thing will be done. You may remember that the late great Justice Holmes in one way or another was wont to remark that he was continually astonished at the failure of brilliant minds to recognize the obvious.

However, there is what seems to me, as a layman, to be a ray of hope dawning on the international sky, and that is the much maligned and misunderstood Truman doctrine.

TRUMAN DOCTRINE DEFINED

I say and believe that the Truman doctrine properly expanded and properly applied could be that United States foreign policy which would be the shield of the Republic and the buckler of the world.

In its present form, what is the Truman doctrine? As I see it, it is simply this: A statement that the United States will not refuse aid to any threatened country which wishes to preserve its freedom.

What's wrong with that?

I find very little wrong with it unless we in this country which was born of man's desire for freedom are ready to abrogate that very freedom for which our forefathers fought so grimly; unless we are ready to admit that freedom is a vain and foolish thing.

The Truman doctrine—let us call it rather United States foreign policy—is undergoing an expansion which has been greeted with hope and enthusiasm by the still free nations of western Europe. The principle proclaimed in the Harvard speech of Secretary of State Marshall is of great importance. Secretary Marshall has called upon the nations of Europe to collaborate in drafting their own plans of reconstruction, to which the United States would lend its economic strength. The implications of this proposal are tremendously significant. First, it points Europe back on the road to self-reliance. Second, it offers hope that American aid will be used most effectively for the ends we seek in our foreign policy. Finally, it points the way to a peaceful collaboration among the nations of Europe.

POLICY NEEDS SELLING

I'll admit, however, that the Truman doctrine needs not only to be expanded but to be sold to the world. In this connection an article in a recent issue of the Saturday Evening Post by Ernest O. Hauser is highly relevant:

"Ideas will have to be fought with ideas. It is hard to convey to Americans that the people of Europe are more starved for ideas than for bread, but it is nevertheless true. In our attempt to hold the line against Russia in Europe, we have not even begun to use ideological weapons. Recently, in Frankfurt on the Main, I spent a day discussing the Communist surge with a top-ranking American business executive who had just completed a swing through Germany and who was distressed at what he termed the 'unconditional surrender' of the western powers in the ideological field. 'I had always thought,' he said, 'this democracy of ours was a pretty good thing. Why isn't everybody selling it?'

"While most of our ideological outposts in Europe, thus far, consist of tucked-away, inadequately staffed and supplied information centers and reading rooms, struggling along on puny budgets, the sledge-hammer blows of Soviet propaganda fall everywhere. William Benton, United States Assistant Secretary of State for Public Affairs, recently charged that the propaganda amounted to 'psychological warfare' now being waged on a world-wide front against us. Moscow is currently reported spending as much on political advertising—mostly in Europe—as the rest of the world combined, and every ruble pays dividends. And throughout Europe, Moscow can depend on the superb organization of the Communist Party, on Communist domination of organized labor—already a fact in such pivotal countries as Italy and France."

WHY THE DEBATE?

All of these things are well known. And, in view of this situation, it is amazing that there is even any debate in Congress over the Voice of America or the general State Department cultural plan as endorsed by Marshall and Eisenhower.

There should be no question in anybody's mind but that we must have an adequate information service to penetrate those areas where our news services can't penetrate to tell the world how we live in America, about our automobiles and our gadgets, about our civil liberties and the freedoms we enjoy. Speaking of our freedom, may I answer in advance the fellow-traveler line that we have no freedoms in America; that I refuse to believe that everything is right in Russia because some things are wrong in Georgia.

TRUTH BEST WEAPON

It is almost inconceivable that the same Congress that voted $400,000,000 to activate the Truman doctrine initially with aid to Greece and Turkey should refuse to tell the world about it as a very practical part of that same doctrine.

It is interesting to note in this connection that most of the men who are actively opposing the Voice of America in the House of Representatives are the same men who thought you could do business with Hitler.

It is interesting also to note the public flinching from any type of propaganda; those who so recoil forget that the greatest propaganda in which the United States can indulge is the truth itself, and if we could but sell the world on the truth of what we are doing in this country we would have gained a long march in our objective of peace and understanding.

IV

In view of a world situation which no one can predict, and about which there can only be guessing, it is almost unbelievable that we are disarming so rapidly; in fact, I doubt if our people generally understand how weakened is our condition at the present time. Certainly the Truman doctrine will mean little unless the world can see that we are prepared for any emergency.

Currently we have it on the authority of some of the ablest men in the United States, constituting the President's Advisory Commission on Universal Training, headed by Dr. Carl T. Compton, that our military forces are but a hollow shell.

Dr. Compton's committee went further. It said that weakness is an invitation to extermination, and that we might expect a fatal sneak attack within 10 years.

The cost of the universal military training program as advocated by the Commission amounts to $1,750,000,000 a year. It seems a small sum in view of the $300,000,000,000 we spent on the last war, and an even smaller sum when we think of the awful results that the sneak attack mentioned by the Commission might bring.

WHY AID ENEMIES?

In the area of armed might it is stupid, and criminally so, even to think of revealing our atomic formula unless we have at least reasonable safeguards as agreed upon between nations.

The Truman doctrine clearly specifies economic aid to countries in distress, but if we are interested in self-preservation we must withhold American goods and money from any country which will not tell us to what purpose this money and these goods are to be put.

To illustrate, one of the marks of shame on our national record should be the fact that we permitted Yugoslavia to be the principal beneficiary of UNRRA aid when we were supplying 72 percent of that aid.

Because, despite the wails of Fiorello LaGuardia the indisputable fact remains that we did make it possible for Yugoslavia under Tito, the Stalin stooge, to develop a standing army estimated up to 800,000 men, an unfriendly and dangerous army.

Let no one think that we can abandon to any degree the United Nations. I agree that we must support fully the United Nations and the principle of world organization as a final and ultimate hope of permanent peace. I say this, but I say that we should give this support with or without Russia. Our complete and continued support of the United Nations must of course be a permanent and enduring part of United States foreign policy.

It is vital to our over-all objective that our State Department, as a matter of foreign policy, give all aid to our three great news services, the Associated Press, the United Press, and the International News Service, so that they can get more clients and increase their international network. Thus, objective news, American style, will be spread further throughout the world. It is also important that similar aid be given to the press in general, which covers magazines, radio, and motion pictures, as well as newspapers, in the distribution of their products throughout the entire world.

And in the same connection it is vital that we, as a country, seek as a matter of permanent policy all possible unilateral and multilateral agreements to the end that censorships may be eliminated and communications facilitated.

TRADE IMPORTANT

I do not think that anyone here or anyone in this country who has given the matter any thought has any faint or lingering idea that these United States can long continue to exist as an island of prosperity in a world-wide sea of poverty and human distress. And

to that end we should remember that reciprocal trade, free trade between the countries of the earth cannot help but be one of the great basic hopes of permanent accord between nations

There must be increased hope for the world both spiritual and economic. The Communists have plenty to say, they make plenty of promises. We, too, have made promises, but many of our most effective promises have been withdrawn. It must be a part of the Truman doctrine that these promises be restored.

One of these promises was the Atlantic Charter. It came about as a result of the four freedoms expression made by Mr. Roosevelt on January 6, 1941. The charter itself was discussed and drawn up aboard the United States cruiser *Augusta* on August 14, 1942. Its release to the waiting and troubled world was like a tonic. Whether or not Russia would subscribe to it, no one knew. However, the Russians did reluctantly subscribe to the principles of the charter. Then days and weeks marched on. The Atlantic Charter, a Magna Carta of confidence and hope and inspiration to the little people of the world was first kicked out of the window by Mr. Winston Churchill, who said, "I did not become the King's First Minister to sit in at the liquidation of the British Empire."

REAFFIRM PRINCIPLES

Then a few months later, Mr. Roosevelt gave the poor old charter another boot when he said, when asked about the original document, "We didn't even bother to write it down." A more supreme piece of casuistry has never come to my attention.

Make no mistake, the principals of the Atlantic Charter and the "four freedoms" must be in our foreign policy and the world must know it.

We must go back and reaffirm our steadfast adherence to the principles set forth in the Atlantic Charter. There we proclaimed our "hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

To that principle of self-determination of the Atlantic Charter, Russia solemnly agreed in the Declaration of Moscow in November 1943. A month later, at Tehran, Stalin looked forward with Roosevelt and Churchill "to the day when all peoples of the world may live free lives, untouched by tyranny and according to their varying desires and consciences."

And these pledges were recited again and again—at Dumbarton Oaks, at Yalta, at San Francisco, and at Potsdam.

THE FOUR FREEDOMS

Then, too, we should recall our pledge as given by President Roosevelt on January 6, 1941, in an address to Congress:

"In the future days, which we seek to make secure, we look forward for a world founded upon four essential human freedoms.

"The first is freedom of speech and expression, everywhere in the world.

"The second is freedom of every person to worship God in his own way, everywhere in the world.

"The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy, peaceful life for its inhabitants everywhere in the world.

"The fourth is freedom from fear—which, translated into world terms, means a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of aggression against any neighbor anywhere in the world."

V

We must make clear to Russia that we expect the fulfillment of these promises as the basis of peaceful understanding. We can no longer look upon their violation in any spirit of forgiving. We must say to Russia—and mean it—"Thus far and no farther."

The supreme cynicism of the Russians in finding Fascist plots wherever they desire to occupy a country is frighteningly reminiscent of the ability of Mr. Hitler to find plots against the Germans in all the countries he sought to enter. In fact, the mad desire of the Soviet for a cordon sanitaire is entirely too akin to the lebensraum that Hitler demanded.

I have finally come to the firm conclusion that many of you have reached that only by the broad assumption of moral leadership by the United States of America can we have any slight hope for peace.

UNITED STATES ALTRUISTIC

And let us all remember this, that the history of this country, despite its critics and despite those who yowl about Yankee imperialism, has shown a tremendous amount of altruism in foreign affairs. For example, our defense of the open-door policy in China was never borne out by our foreign trade with that great country, which never reached more than 4 percent of total volume.

I believe that when the chips are down that this America, this America of yours and mine, believes basically and tremendously in human freedom, and I do not believe that this America of yours and mine is willing to go along with any total state that proposes in some dim and distant future to achieve a new and very superior type of democracy. By such means losses are made and gains are never achieved.

WHO CAN DISAGREE?

Who will not agree that if the Truman doctrine could be immediately enlarged to include the 10 points to which I have alluded, that it would be an immediately effective instrument of peace beyond our wildest dreams? Let me summarize those 10 vital points:

1. The United States must make known to the whole world that she will give aid to threatened countries who wish to preserve their freedom.

2. This Nation must be kept so strong that she will command the respect of aggressors. Our atomic formula must not be divulged until reasonable safeguards are set up and agreed to between nations.

3. American aid must be refused any country which withholds knowledge of what it does with American money and goods, whether or not they be furnished directly or through the United Nations.

4. The United States must support fully the United Nations and the principle of world organization for peace—with or without Russia. It should be made clear to the world that world peace is the dominating objective in working out details of domestic as well as foreign policy.

5. To carry its message of freedom to all people and to combat the false propaganda of totalitarians, this country must maintain an adequate international information service, which includes "the interchange of persons, knowledge, and skills between the United States and other countries."

6. All possible aid must be given United States news services in spreading their networks of objective news, American style, throughout the world, and to the press in general—magazines, radio, and motion pictures as well as newspapers—in global distribution of their products.

7. The United States must support the broadest possible agreements calling for freedom of press, reciprocal rights for correspondents, abolition of censorships, and elimination of discriminatory communications controls, economic or political.

8. The principles of reciprocal trade must be recognized as sound and basic for international harmony.

9. The United States must work positively toward implementing the principles of the Atlantic Charter and the "four freedoms" and make clear to all nations that these principles are a basic part of the United States foreign policy.

10. We must insist that Russia keep its signed war agreements, with particular emphasis upon those formulated at Potsdam. Safeguarded economic unity for Germany and immediate freedom for Austria are high among the essentials to peace.

These, then, are the issues of the day. Issues so compelling as to demand the immediate attention of every American citizen. Solution of the problems of peace admits of no delay. Our lives and liberties hang in the balance. An adequate United States foreign policy is the first line of defense not only for America, but for the world.

Physical Fitness of American Workers

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MILLER
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. MILLER of Connecticut. Mr. Speaker, during debate on the Federal school-lunch program the statement was made on several occasions that more than 50 percent of the men examined by selective-service boards were found physically unfit for military service, their physical defects being due to malnutrition at the time they were growing up.

I do not want people throughout the world to think that we are a Nation of weaklings. To offset the statements made during debate on the school-lunch program I insert the following quotation taken from the July issue of Good Housekeeping:

Selective-service rejection statistics have been used to prove the deplorable physical state of American workers. Yet in a wartime industry almost 11,000 persons were examined and 93.8 percent were fit for employment. Investigators say that economic usability, not the stringent standards of wartime armed services, should be the yardstick for measuring physical fitness. Wartime women workers were capable of filling 83 percent of the jobs occupied by men. Employee for employee, white, Negro, brown, and yellow workers were equally capable. A study of 605 veterans and 602 men rejected by selective service showed both groups 97.6 percent employable.

Gulf States Fisheries Compact

EXTENSION OF REMARKS
OF
HON. JAMES DOMENGEAUX
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. DOMENGEAUX. Mr. Speaker, congressional consent and approval is needed of the Gulf States marine fisheries compact. This compact would promote, develop, and conserve the Gulf coast fisheries, and for this purpose would establish a continuing interstate

fisheries commission similar to the highly successful Atlantic States Marine Fisheries Commission.

The compact has been developed and approved by representatives of all of the Gulf States. The representatives attending the meetings were legislators, attorneys general, and representatives of the conservation commissions.

The compact has been recently ratified by the States of Alabama and Florida. It provides that Louisiana, Mississippi, and Texas may also join, but imposes no obligation whatsoever on any of those States until they see fit to join. It is expected, however, that these States will ratify the compact at the next session of their legislatures.

It has been the policy of this Congress to encourage the States to handle problems of this type rather than seek a solution through Federal authority or interference. The Council of State Governments has long urged the States to set up the proper agencies whether they be on a regional basis or otherwise to handle problems of this type.

Each State which ratifies the compact will have three representatives on the interstate commission, the head of the State administrative agency responsible for the conservation of fisheries resources, a member of the State legislature, and a citizen interested in marine fisheries appointed by the governor.

The Interstate Fisheries Commission, established by the compact, is empowered to inquire into and report on methods, practices, circumstances, and conditions relative to the prevention of depletion and physical waste of the Gulf fisheries. It is to promote the development of a joint program for the protection of fisheries. It is empowered also to recommend the coordination of State police power and to draft and recommend legislation to further the basic purposes of the compact. The United States Fish and Wildlife Service is designated the primary research agency of the Commission and would cooperate with comparable agencies in each of the compacting States; this being incorporated under H. R. 4365, which I introduced Thursday.

It is believed early congressional action in giving consent to this interstate compact will mean much to the future of the Gulf fishing and related industries and would further the States' control over their offshore resources.

Displaced Persons of Europe

EXTENSION OF REMARKS
OF
HON. GEORGIA L. LUSK
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mrs. LUSK. Mr. Speaker, on Monday, July 7, the President urged the Congress to give special attention to legislation which would revise immigration quotas temporarily, or provide other special means, to allow a substantial number of those unfortunates we call displaced persons to enter this country.

Objections to this legislation are heard in many quarters. To my mind, they represent a total amnesia on the part of the objectors to the historic and generous helping hand offered by the United States to the oppressed of the world. This amnesia, unfortunately, seems to be pervasive enough to preclude an understanding of the situation itself.

The hard, cold facts are that the displaced persons now in European camps are a deterrent to our attempts to bring order out of economic chaos, and a drain on the resources we are able to devote to such attempts. They stand today as evidence, if you will, that we are moving only half-heartedly to fulfill our promises, made during the war, to assist and help in the rehabilitation of those who would make sacrifices in the war against a common enemy.

It is true that the United States does not have the capacity now to assimilate an influx of foreign populations in unlimited numbers, but that is not proposed. It is true that what we formerly encouraged and solicited, we have in recent years limited and discouraged, as a matter of national policy. But that policy of recent years was not formulated with callous disregard for the plight of homeless and dispossessed persons whose plight was brought about by war. It was formulated as an expression of self-interest, not necessity, at a time when this Nation had not assumed its position as one of two leading nations of the world. From policies undertaken during tranquil years of secure, isolated peace and plenty, we can draw no guidance now in making policies for an insecure peace, when the mantle of leadership rests uneasily on our unaccustomed shoulders. Every step, domestic or foreign, we take, now and in the future, must be taken only after mature consideration of the effect it will have on that leadership, which is now ours for better or for worse. Each act of selfishness, of hesitation, of obstruction, placed in the path of that leadership not only undermines the basis of our role but causes us to lose face in the eyes of those nations which have joined their destiny with ours. Conversely, each act of boldness and unselfishness strengthens our leadership and gives us the opportunity to illustrate to the world our faith in the vigor and competence of our democracy.

From the events leading up to the late war, it takes no effort to draw the obvious conclusion that misery and hopelessness and lack of faith are the most potent and prolific breeders of war. There is a point reached by men and women who have lost their hope at which promises—fantastic promises—made by demagogs seem to offer solution for their fate; yet, if those men and women who believe those promises had a single reason to reflect upon them, they would perceive their basic falseness. Recent examples of such promisors include Hitler and Mussolini. And from the examples cited, their memory and the memory of all they wrought so fresh in our minds, it takes little discussion to conclude that conflagrations anywhere in the world will so probably involve the United States as to be almost a certainty.

Entirely apart from the moral and political considerations so ably presented by President Truman, we will do well to reflect upon the possible consequences of the continued existence of displaced persons as such. So long as there is in the world such a situation, so long will there be an open sore ready at any time to become raw and infected with that now more deadly disease—war. To prevent any excuse for another war happening should be our first consideration as Members of the Congress, entrusted with that obligation by the people of the United States.

Believing that it is conceded that we have the obligation, then to use our full effort and resources to achieve the end is no less than our plain duty. To reach the solution of the problem, it will be necessary to act in concert with other nations, but the first steps should be undertaken by an acknowledged leader whose resources can insure success or failure. Immediate remedies, though they be only temporary solutions, are needed so that we will not again be haunted by the expression, "too little and too late." I am pleading now for immediate action, stopgap action, to show the displaced persons and the world our sincerity, good faith, and willingness to assume our share of the responsibility in relieving this situation. The Stratton bill seems to be the best of the temporary solutions put forward.

The objections to the entry of a limited number of displaced persons into the United States are on several grounds: that our economy will be upset; that our precarious housing situation will be that much further from solution; that there is still too much to do for our own citizens before we help others; that isms foreign to democracy will be imported; that the persons who would enter are obnoxious on the basis of race or religion—yes; I have heard these shocking sentiments. Partially to answer these arguments, I point to our great and gallant neighbor, Canada. Without fanfare, she has given haven to a number of displaced persons, and the results of her unselfish action have been encouraging. Her economy has not been upset, her housing situation is no more acute than before the entry of these people, and the answer is that grateful countrymen of those allowed to enter have assumed the burden of seeing that these dire predictions, outlined above, do not come to pass. So here, as provided in the Stratton bill, the priority granted to displaced persons who are relatives of American citizens and war veterans would make a small adjustment proportionately smaller.

To the argument that there is still much to do for our own citizens, one can only say "amen," grateful that those who now advance the argument realize this fact, though formerly some seemed blind to it. There is much to do in the way of providing adequate housing, or finding an equitable solution to ease the hardship caused by the high cost of living, of advancing reclamation projects to reclaim wasteland and prevent recurrence of floods such as we have recently experienced, and others of equal importance. But it seems that such an argument merely begs the question, citing the expense and dislocation of such a pitifully small immigration. Certainly, there will be no more expense involved in trans-

porting these displaced persons here than in maintaining them abroad in camps; it is not beyond the realm of possibility that the skills they possess, unused abroad, could assist in the solution of our pressing domestic problems. Their added production and purchasing power should not cause a break-down in our economy. Certainly, in this great, broad land there is the ability to assimilate a small number of these displaced persons to make them once more useful citizens of the world, and to improve the moral fiber of this Nation by an outstanding act of unselfishness.

In opposition to this plan, it is said that the displaced persons will bring with them isms repugnant to our political beliefs. In that connection, it is important to understand just who these people are, and why they are displaced. For sake of brevity may I say briefly that the vast majority of these people are those who were arrested by the Axis Powers for their dangerous political beliefs, dangerous because politically they understood and were repulsed by the basic philosophy of fascism. Their abhorrence of any kind of state dictatorship has made them suspect by those who advocate communism. Many come from behind the iron curtain, and refuse to return out of fear of the same political persecution they knew under the Fascist powers. Further to allay fears is the careful screening with which we will be able to prevent entry of those undesirable on any ground. But simply because some undesirables might escape detection seems very poor reason to deny the many.

To advance the excuse that we should not permit these persons to enter the United States because of undesirability based on race and/or religion does no more than reflect the warped and un-American attitude of him who advances it. From us, it deserves no answer; but if answered, only contempt. Such an argument deserves no further consideration because it is patently and openly demogogic, unworthy of countenance by this body.

Mr. Speaker, the plight of these desperate people presents the strongest argument for action on our part. The bill introduced by the gentleman from Illinois is in the finest tradition of American willingness to extend a helping hand, to stand before the world as the haven for the oppressed. The greatest assistance we have it in our power to offer these displaced persons is hope; it would ill become a great, proud, and wealthy Nation to withhold that which is so inexpensive to it, but which is more precious than gold to them.

Brooklyn Trust Co. Strike

EXTENSION OF REMARKS
OF
HON. VITO MARCANTONIO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

STATEMENT OF THE UNITED OFFICE AND PROFESSIONAL WORKERS OF AMERICA, CIO, ON THE BROOKLYN TRUST CO. STRIKE

The effects of the vicious Taft-Hartley law have already been manifested in Brooklyn, N. Y. There, a giant corporation has used intimidation, force, and violence to attempt to break the organization of its employees.

On the afternoon that the Taft-Hartley law was finally passed over the President's veto the Brooklyn Trust Co., one of the few organized banks in the country, began its campaign to smash the union to which its workers belong. This union is Local 96 of the United Office and Professional Workers of America CIO.

Within the next few days three union members, one a head teller with 17 years' service, were fired without warning. Union members were transferred to inferior positions. The bank refused to meet with the union to discuss the firings. The bank refused to discuss any adjustments in wages, although workers whose jobs require skill, training, and integrity receive as little as $30 a week. The union proposed the use of the mayor's committee on labor relations or the New York State Mediation Board, but the bank refused.

The workers, in the face of firings, arbitrary and discriminatory transfers, and denial of just wage increases, had no alternative. They went out on strike.

They threw peaceful picket lines in front of the bank's branches. These picket lines were met by squads of armed police. In front of the bank's main office, in a brutal attack that made the headlines of the Nation's press, one union member was so badly beaten by the police that he was hospitalized. Three unions members, including the vice president of the national organization, were taken to jail.

Spontaneous and mounting community protest stopped the police brutality. But it has not made any change in the attitude of the Brooklyn Trust Co. When the New York State Board of Mediation requested a conference the union was there. The bank arrogantly refused to send a representative. All of the striking employees have been notified by the bank that they are fired.

The Brooklyn Trust Co. workers have not given up. They are continuing their fight. They have behind them the support of decent thinking people in their community.

But the giant corporation which is fighting them is supported by money and power. Inspired by the Taft-Hartley law, this corporation considers itself privileged to push its workers around, fire them after long and faithful service, and refuse to discuss their problems with them.

Problems of a 12-Year-Old Girl

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MILLER
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mr. MILLER of Connecticut. Mr. Speaker, it is always gratifying to learn of youngsters who take an interest in what is going on in Congress. It is fine for the youth of America to have confidence in their Government and in their duly elected Representatives.

The other day, however, I received a letter from a 12-year-old girl. I don't want her to lose faith in her Representative but I am frank to admit that I found it exceedingly difficult to compose an adequate reply. I am inserting as part of my remarks this little girl's letter as well as my reply thereto.

If any of my colleagues have time during these busy days to compose a more adequate reply to this letter, I would appreciate hearing from you.

The letters follow:

JULY 17, 1947.

DEAR SIR: Could you please tell me what I could do. And some other children in my block. I live on ——— Street and when my friends and I go to play a game in the back yard we are chased out by the boys, who day and night continually play baseball which gives us girls no chance to play. We go out in front to play a game and we are chased away by the landlord. We go to the park but it is too far away and is a very long walk. I wish you would advise me what to do. Or could you tell me if there's a law against such things?

Another thing I would like to ask you is that most of us girls don't get as much money as the next girl and they think our mothers are mean just because we can't get money all the time. I would like it very much if you told me what to do or say to these girls.

Respectfully,

———, ———.
(Age 12 years.)

JULY 23, 1947.

DEAR ———: Your very nice letter reached me during one of the busiest times a Member of Congress has—the time just before we adjourn—so I have not had a chance before this to sit down and write you the reply such a letter deserves.

It seems to me, Joan, you are facing the same problems which girls of your age have faced from the beginning of time. For some strange reason boys don't like to have girls around when they are your age, but later on they want them around all the time. So don't feel too bad that the boys chase you away right now. Later they will be chasing after you.

But seriously, I know you have a problem of finding a place to play. That's true of girls your age in most big cities. Down here in Washington we have many parks and playgrounds, but there just aren't enough for all parts of the city. That means many boys and girls have a long walk to the park, just as you and your friends do.

As to the other girls who don't like it because you don't have as much money to spend as they think you should have, I wouldn't worry a bit about that. No doubt your mother gives you whatever she can afford and if you take that and use it wisely you needn't worry about what others think.

I know how you feel about that because some of us Congressmen are criticized by our friends because we are trying to save some of the taxes that your parents and other Americans must pay. This year we didn't let the people who work for the Government spend as much as they wanted. They said we were mean, just as some of the girls say your mothers are mean because you can't get money all the time, but that didn't worry us. We know the Government can't spend as much as it has been spending without getting us all into trouble, so we just had to tell the people who work for the Government that they couldn't have as much money as they wanted.

Next time the girls say your mother is mean just laugh and tell them you're helping your parents save their money so they won't have trouble later on. That's what some of us Congressmen in Washington are doing—and we're pretty proud of it.

Sincerely yours.

What About Monopoly?

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. KEFAUVER. Mr. Speaker, it has not been possible to secure any action in this Congress to prevent the alarming monopolistic merger movement which is threatening our free enterprise system. The Judiciary Committee of the House reported a bill which would amend section 7 of the Clayton Act and prevent this unhealthy trend. The Rules Committee, however, refused to allow consideration of the measure. Let us hope that it will be high on the agenda for consideration in the next session of Congress.

Under leave to extend my remarks, I include an editorial of the Washington Post of July 26 which explains the issue succinctly. The editorial is as follows:

MONOPOLY

Congress is about to adjourn without taking action on a bill to amend the Clayton Act so as to permit the Federal Trade Commission to proceed against corporate mergers that unduly restrain trade or tend to create a monopoly. A few days ago Representative KEFAUVER castigated Congress for its failure to plug loopholes in the existing law that enable corporations to acquire the assets of other companies and build up huge vertical and horizontal combines constituting a serious threat to smaller competitors.

Mr. KEFAUVER points out that the FTC has year in and year out vainly petitioned Congress for amendments to the law that would make it more effective. A recently completed FTC survey of merger developments during the past few years reveals a degree of concentration that is truly astounding and in certain aspects alarming, owing to the fact that most of the mergers have been effected through purchase of small concerns by large corporations. Some mergers, of course, are desirable, resulting in gains in efficiency and consequent benefits to the public. But there are types of mergers that because of their sheer size and other strategic advantages in effect strangle competition and lead to the disappearance of small business not merely by absorption but by elimination of competitors and destruction of the incentive to engage in new undertakings. In short, mergers are sometimes as instrumental in destroying free enterprise as outright monopolies.

That being the case, there is unodubtedly need for revision of the law to enable the FTC to arrest the progress of mergers that constitute a threat to our competitive economic system. The FTC already has the power to prevent a company from acquiring the stock of another company if the purchase would lessen competition or tend to create a monopoly. But the purpose of the law is easily circumvented by the purchase of assets. Passage of amendatory legislation would, therefore, not introduce any new principle of control; it would merely make it possible to carry out the intentions of our lawmakers which have been thwarted by interpretative court decisions.

Presentation of Portrait of Hon. Hatton W. Sumners

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HOBBS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following proceedings of presentation of the portrait of Judge Sumners to the Committee on the Judiciary:

PROCEEDINGS IN THE HOUSE JUDICIARY COMMITTEE ROOM ON THE OCCASION OF THE PRESENTATION TO THE COMMITTEE OF THE PORTRAIT OF THE HONORABLE HATTON W. SUMNERS

The Subcommittee on Arrangements was composed of the following subcommittee of the House Judiciary Committee, to wit: ED GOSSETT, of Texas, chairman; SAM HOBBS, of Alabama, and JOHN JENNINGS, of Tennessee, members.

The meeting was called to order by Mr. GOSSETT.

INTRODUCTORY STATEMENT BY MR. GOSSETT

My colleagues of the Judiciary Committee, Mr. Nathan Adams, and distinguished guests, as spokesman for the Judiciary Committee of the House, it affords me pleasure to welcome all of you to this ceremony. We are happy to see in this overflow audience of distinguished visitors and friends of our former chairman, Hatton W. Sumners, the Attorney General of the United States, Hon. Tom Clark, our United States Senators, Hon. Tom Connally and Hon. W. Lee O'Daniel. We are also honored by the presence of Mr. Justice Reed of the Supreme Court. You will note a full attendance of our committee, which in itself is an expression of the esteem in which our former chairman, Hatton Sumners, is held. We are happy that he has honored us with his presence on this occasion.

As master of ceremonies, I want to thank Mr. Nathan Adams, Mr. Waverly Briggs, and other distinguished residents of the city of Dallas, who are today presenting us with the elegant portrait of Mr. Sumners, which you observe hanging just above the chair of the presiding officer of this committee. This portrait is a token of the love and esteem in which Mr. Sumners is held by the people of Texas in general, and the people of Dallas and Dallas County in particular. Mr. Nathan Adams, who served as chairman of the Dallas committee, has long been one of our leading Texans. He has for years been President of the First National Bank in Dallas, and a civic leader in the Southwest. I wish at this time to present to you Mr. Adams.

REMARKS OF HON. NATHAN ADAMS

Mr. ADAMS. Mr. Chairman, members of the Judiciary Committee, ladies and gentlemen, it gives me great pleasure to attend this ceremony in honor of a distinguished citizen of Texas.

The life of Hatton W. Sumners should be an inspiration to the youth of this Nation. He came up the hard way and through his life's work he is regarded as one of the great constitutional lawyers of this country. He represented my district for over 30 years and was elected and reelected without making any speeches. It is true, maybe, that a lady scared him just a little and he decided to retire. [Laughter.]

On his way to Texas he had to stay in my home town in Tennessee in order to catch a train and spent the night with probably the only white Republican family in the county. [Laughter and applause.]

In presenting this portrait we do so knowing that he has fulfilled every obligation to his people with fidelity and courage. We hope he lives many more years to carry on his great fight for constitutional government, the preservation of which in the integrity of its original conception by the founders of this Republic and its steadfast and ardent support and defense by everyone who enjoys its benefits and is sustained in liberty by its stalwart protection, comprise the paramount and absorbing duties of all true and loyal Americans.

Mr. Chairman and gentlemen of the committee, we are grateful for this audience; and realizing the pressure of official responsibilities upon you all—here's where I stop.

Thank you, Mr. Adams.

Ladies and gentlemen, I next present to you a man who has been an able and distinguished member of this committee for more than 10 years, the Honorable SAM HOBBS, of Alabama.

ADDRESS OF HON. SAM HOBBS, OF ALABAMA

Mr. HOBBS. Mr. Chairman, Mr. Nathan Adams, Mr. D. A. Hulsey, Mr. Ben Critz, and Mr. Waverly Briggs, representing the people of Dallas in this presentation of the portrait of Hon. Hatton W. Sumners to the Committee on the Judiciary of the House of Representatives, it is my happy privilege as the designated spokesman of our committee to accept this princely gift from his friends and former constituents.

Before I proceed, I cannot refrain from expressing my own and my party's deep appreciation of the gracious insistence of the chairman and the majority members of our committee that I as a member of the minority should represent the committee in accepting the portrait.

Having been born in Dallas County—though in Alabama, not Texas—and having begun the practice of law in his native Tennessee, and having had the priceless privilege of sitting for 12 years at the feet of this Gamaliel, at least partially qualifies me to accept your gracious gift and attempt to voice the thanks of this committee to you men of Dallas.

There is one amendment to the statement just made which I must concede. None of us who served on this committee under the leadership of Judge Sumners ever had a chance to do much sitting. Particularly is this true of me, for from the outset, because of my peculiar qualification, I was chosen as errand boy. I was in Alabama when I was elected by the House as one of the managers on the part of the House to present the evidence substantiating the articles of impeachment against Judge Halsted Ritter. Upon my return, realizing that the House had acted upon the recommendation of Chairman Sumners, I called on him to express my thanks. When I had done so, he said, "Now, boy, don't you get the big head. Randolph and I talked it over. We knew that we had all the brains necessary to do this job. But we decided that we needed an errand boy and that you had the biggest feet in the committee, so we put you on to run errands."

Isn't it true that some of the genius of any executive manifests itself in putting others to work? We worked our hearts out for him, and in doing so, learned to love him fervently. Isn't that the way of life? Isn't the only way we really learn to love by serving?

That was certainly true of him. He loved you all from the beginning, but that love deepened into a consuming passion by serving you. You put him to work. You kept him at work for half a century—glorifying Dallas. Not only in the mores of the chamber of commerce, but also as your repre-

sentative, your minister plenipotentiary, and your envoy extraordinary. "Birds of a feather flock together," is just as true of congressional representation as in the choice of personal friends. The Nation knows and loves your district because you were the kind o' people represented by Hatton Sumners. We know you not, but know you well. We love you, because we first loved him. And from the depths of that fervent devotion we know how to appreciate this new representation of your Representative, who, at the height of his power and glory, relinquished the official authority you had given him, to wear the crown of private citizen—the only king this Nation knows. In that appreciation our words are weighted with unique significance when we say we thank you.

Proud of our chairmen

We of this committee are proud of each of the 40 men who have led us as chairman. Thanks to our distinguished colleague, Hon. LOUIS E. GRAHAM, who has done prodigious research and written a history of this committee, we have the facts. Beginning with Charles J. Ingersoll, whose brother, Joseph R. Ingersoll later became chairman (the two Ingersoll brothers being the only two members of the same family who have had this distinction), Hugh Nelson, John Sergeant, Daniel Webster, Philip P. Barbour, and James Buchanan and running through the list to Hatton W. Sumners, who served longest, and the distinguished gentleman who now adorns the chair, Hon. EARL C. MICHENER, each has exercised the office with becoming dignity and honor.

Proud of our committee

This committee is also proud of its membership. Three, Franklin H. Pierce, James Buchanan, and William McKinley, have been President. Three other members have been candidates for that high office, John Bell, Stephen A. Douglas, and John W. Davis. James S. Sherman became Vice President, while three others were candidates for that office, George H. Pendleton, Allen G. Thurman, and John Sergeant. Seven were Speakers of the House, Philip P. Barbour, John Bell, John W. Jones, Michael C. Kerr, Thomas B. Reed, David B. Henderson, and Frederick C. Gillette. Three were candidates for that office, Timothy Pitkins, Samuel S. Marshall, and Joseph W. Bailey. Armistead Burt served as Speaker during the absence of Speaker Winthrop. Three served as President pro tempore of the Senate, Allen G. Thurman, Isham G. Harris, and William P. Frye. Fifteen have been Cabinet members, Daniel Webster, James Buchanan, Edward Livingston, Charles Toucy, John C. Spencer, John Bell, William Wilkins, George W. McCrary, George S. Boutwell, Thomas Corwin, Hilary A. Herbert, Edwin Denby, Charles A. Wickliffe, Nathan K. Hall, William L. Wilson. Two served as Solicitor General of the United States, John W. Davis and James M. Beck. Twenty-two served in the diplomatic service, one as an Associatice Justice of the Supreme Court, Philip P. Barbour. Three were circuit court judges, 12 as district court judges, 4 as judges of Territorial courts. One became chief justice of the Supreme Court of the District of Columbia, and one chief justice of the United States Court of Claims. One became Judge Advocate General of the Union Army. John A. Bingham, who also served as special judge advocate in the trial of the conspirators against the life of President Lincoln. Several were Assistant Attorneys General of the United States. Thirty-four were United States attorneys, 49 United States Senators, 37 State governors, while Romulus Saunders was defeated by one vote for the office of Governor of North Carolina. Twenty-five have served as State attorneys general. Ten have served as chief justice of their State supreme courts. Twenty-two became justices of their State supreme courts. Four became presidents of colleges or universities, and many were professors of note. More than 300 of the total number of 588 filled, with honor and distinction, various minor offices.

Judge Sumners gave expression to our self-satisfaction. It was in the lengthy hearings some years ago on his resolution giving the residents of the District of Columbia the vote and a measure of self-government. We had been holding these hearings for 3 weeks, frequently running into the night. The leading proponents including practically every president of dozens of local civic clubs, predominantly feminine, had read to us their testimony. Almost without exception, each statement had begun, like Paul before King Agrippa, eulogizing us and stressing the fortunate lot of the witnesses in having the privilege of appearing before such an able and distinguished group of legislators. Finally the representative of the CIO appeared, late at night, and with the "Harvard accent" usually characterizing such chosen spokesmen, began, "Mr. Chairman and gentlemen of this great committee, during the weary sessions of these long hearings, I have been thoroughly sympathetic with you gentlemen, as witness after witness piled eulogy on eulogy and read page after page of unctuous flattery. But I know that you gentlemen are far too astute and discerning to be swayed in the slightest degree from your high sense of duty by any compliments paid you." At this point, Chairman Sumners broke in, "Buddy, if you have any papers to sell, you'd better sell 'em, for we take judicial knowledge of the fact that we are pretty damn smart." This effectively cleared the atmosphere and sped the hearings after a gale of laughter had swept this crowded chamber, relieving the tension.

This portrait will be cherished here as it hangs in this historic room, for we love the judge and you! It will always serve us as an inspiration; challenging us to remember the Sumners leadership, acclaimed through the years by his colleagues in the Congress, by Chief Justice Taft, who referred to him as "the best lawyer in Congress"; and, "the only man who ever overruled the Supreme Court"; by Senator William E. Borah, who wrote: "You had a delicate and difficult task to perform, and you did it with fine judgment, good taste, and inspiring patriotism." And again, "Your State will be proud of you for what you did and your country will always be indebted to you. Congratulations, from your friend." By Secretary of State Cordell Hull: "Let me take this occasion to express my deepest appreciation to you for your intelligent interest in and exceedingly helpful attitude toward many of the most important phases of our foreign affairs. This cooperation on your part has been of the greatest help and service to the State Department and to me personally." By Attorney General Francis Biddle, in an article in Collier's in 1942: "As a result of a suggestion from Congressman Hatton W. Sumners, of Texas, chairman of the House Judiciary Committee, who was very much concerned with our experiences in the last war (he became a Member of Congress in 1913), I set up a War Frauds Unit in the Department of Justice in February 1942." And in a personal letter, later: "The signing by the President of the antitrust legislation to speed the war effort leads me to take this opportunity of telling you how much we appreciate your assistance on this legislation. Your expert and wise handling of such war measures as the First and Second War Powers Acts and the Foreign Agents Registration Act will, I am sure, in the perspective of history, be found to be a marked contribution to our prosecution of this war."

By Secretary of War Robert P. Patterson, who, when Under Secretary, wrote: "I wish to express to you the warm appreciation of the War Department for the constructive work you have done recently in carrying the small-business bill to a successful conclusion in Congress. Your assistance in this matter, as in many others, has been of great value to the war effort. I am also mindful of the good work you have done over the past 2 years, in Congress and out of Congress, to arouse the Nation to an awareness of the perils forced upon us by the ambitions of the dictators who control the Axis Powers"; by the award of the American Bar Association medal for distinguished service to American jurisprudence—an unprecedented award; by Washington correspondents, who called him "the ablest and most potent advocate in Congress," "wisest as well as smartest."

Not only was he held in such high esteem by these eminent gentlemen but also he won national approbation gained by few.

On the occasion of the informal celebration in the House of the completion of a quarter century of service in Congress of Hon. Hatton W. Sumners—CONGRESSIONAL RECORD of April 7, 1938, pages 4982–4986—several of his colleagues made heartfelt remarks concerning his career. There may be found fuller treatment than propriety permits today.

Again, on the day of the death of the Seventy-eighth Congress, the honor that had come to our committee and to Congress by the award of the American Bar Association medal to Judge Sumners, was called to the attention of the House and the speech of presentation quoted. CONGRESSIONAL RECORD of December 19, 1944, pages 9601 and 9602.

Judge Sumners, when it had to be done, could criticize. And he could be stern. But he always tempered his criticism with humor—that oil that keeps machinery running. The philosophy, both of his private and public life, was that of the "God-fan," as he loves to call himself. He knows beyond cavil or question that God is the "Big Boss" and that neither life nor law can be good unless in consonance with His will and plan. As a pound of example is worth a ton of talk, his life and leadership will always be revered above all other emphasis because he lived and lives his philosophy.

The Honorable EARL C. MICHENER, of Michigan, chairman of the Committee on the Judiciary, when Mr. GOSSETT had thanked him and the committee for the privilege and hospitality which had been granted the group of donors from Dallas, and turned the gavel back to him, made a gracious and graceful response, closing by saying that although not on the program, the occasion would not be complete without a word from Judge Sumners.

Judge Sumners began his remarks by saying that the portrait was a fine work of art, by a great artist, but that it would have been better if the advice he gave the gentleman for whom he was sitting while the work was progressing, that it should be made as little like him as possible.

He continued:

I have not retired from public life. I want to cooperate with the Members of Congress who are working their lives out trying to do a proper job for their country when they are faced with the mightiest issues of all time.

More depends on these men than on any other group in all the history of the ages.

They are doing the best they can in an utterly impossible situation. There is piled up here great volumes of stuff that ought to be left to the States and local communities. Our legislators are ground down by little stuff, by things brought here by people who want to get things done quickly and to escape responsibility.

I have this advantage: I'm not running for office. I don't have to lie. I'm not scared of anybody. I've got a little money and great ability to live off of others. Under the situation there is not and cannot be the high type of statesmanship there would be here if these men had the time to study the great problems. And this is a matter for the Nation to be concerned about.

The Loyalty Question

EXTENSION OF REMARKS
OF

HON. JAMES P. RICHARDS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. RICHARDS. Mr. Speaker, under leave to extend my remarks, I am inserting in the RECORD the following letter and statement from Assistant Secretary of State William Benton, in reply to my request for information concerning certain personnel of the State Department whose loyalty has been questioned on the floor of the House:

DEPARTMENT OF STATE,
Washington, July 25, 1947.

The Honorable JAMES P. RICHARDS,
House of Representatives.

MY DEAR MR. RICHARDS: In response to your request, I am sending you a statement commenting on certain questions about the loyalty of specific personnel in my area of the Department, raised by critics in Congress of the Department's information program.

I shall be glad to have you make whatever use of this material you see fit.

Sincerely yours,

WILLIAM BENTON.

JULY 21, 1947.

To: Mr. Benton, Assistant Secretary of State.
From: Howland Sargeant, Deputy to the Assistant Secretary.
Subject: Criticisms of the loyalty of State Department personnel.

Critics in Congress of the Department's information program have raised questions about the loyalty of specific personnel working on the information program. I am having every allegation investigated.

Here is a report on the charges against four of our personnel made in the House of Representatives.

Since you are responsible for the work of these four persons, I am attaching a report on each person, stating the allegations and the information which I have found.

WILLIAM T. STONE

Biographical sketch

Stone, William T.—A. B., Reed College, Portland, Oreg., 1922; graduate study, London School of Economics, University of London, 1923; reporter, Portland Telegram, 1922; free lance correspondent in Europe, 1923; editor, Foreign Policy Association, 1924-33; vice president, and director Washington Bureau, Foreign Policy Association, 1933-41; assistant director, Board of Economic Warfare, 1943; director, Special Areas Branch, Foreign Economic Administration, 1943-44; Special Assistant to American Ambassador, London, England, and Director, Economic Warfare Division, American Embassy, London, 1944-45; member, Joint Intelligence Committee, United States Joint Chiefs of Staff, Washington, 1942-45; Director, Office of International Information and Cultural Affairs Department of State, since November 12, 1945.

Comments on charges

1. A critic stated that Mr. Stone was a member of the editorial board of Amerasia, 1937-41. He added: "Chairman of this board was Frederick Vanderbilt Field, now a regular columnist for the Daily Worker and a member of the Communist Party. Managing editor was Philip Jacob Jaffe, indicted and fined for the possession of confidential Government documents."

Two articles were quoted from Amerasia, one written by Frederick V. Field in October 1940, the other by Harriet Moore in January 1940. The views in these articles were attributed to Mr. Stone.

My information

Amerasia was founded in March 1937 by a group of writers and scholars interested in the Far East. Mr. Stone was asked to serve on the editorial board because of his reputation as an independent expert on foreign affairs and his position as vice president of the Foreign Policy Association.

Contributors to the magazine included many well-known authorities on foreign affairs, holding many different points of view, among them the following: Samuel Flagg Bemis, professor, international law, Yale University; Erwin D. Canham, editor, Christian Science Monitor; Phillips Bradley, professor, Amherst College; Stanley K. Hornbeck, then Chief, Far Eastern Division, Department of State, later United States Ambassador to Holland; Arthur W. Hummell, Library of Congress; Kenneth W. Colegrove, professor, international law, Northwestern University; Roger S. Greene, vice president, Rockefeller Foundation, director, China Medical Board, and former United States consul general at Hankow, China; Ernest O. Hauser, author and contributor to Saturday Evening Post, etc.; Charles E. Martin, professor of history, University of Washington; Chester H. Rowell, editor, San Francisco Chronicle.

The purpose of the magazine was to serve as a forum for critical discussion of American policy in the Far East representing a cross section of opinion. The editorial board never met as a whole and never functioned in the usual sense of an editorial board, since individual editors were scattered between Washington, Chicago, New York, etc.

Between 1937 and 1941 Mr. Stone contributed three articles, seven brief editorial notes and one book review to this publication. He received no compensation. A critical review of Mr. Stone's writings reveals no trace of communistic leanings and reflect views which differed from those expressed by other members of the editorial group. The full list of articles and editorial notes follows:

Articles: Naval Bases and American Policy in Asia, volume I, No. 4, page 175, June 1937; The Navy as an Instrument of Diplomacy, volume II, No. 1, page 63, March 1938; The Navy and Its Strategic Problems, May 1940, page 111.

Editorial notes and book reviews: American Naval Policy, volume I, No. 2, page 52, April 1937; American Policy in Asia, volume I, No. 7, page 292, September 1937; China's Case Before the League, volume I, No. 8, page 336, October 1937; Neutrality and the Far East, volume I, No. 1, page 3, March 1937; Trend of American Foreign Policy, volume I, No. 9, page 386, November 1937; Fleet Maneuvers and Far Eastern Policy, volume II, No. 6, page 275, August 1938; Neutrality and the Far East, page 98, May 1939; America's Problem of National Defense: Review of Ramparts We Watch by George Fielding Eliot, volume II, No. 10, page 505, December 1938.

Mr. Stone resigned from the editorial board of Amerasia in November 1941, 4 years before the editor of the magazine was indicted under the espionage act.

2. A critic quotes out of the context three sentences written by Mr. Stone in the September 1937 issue of Amerasia. He compares these sentences to the Communist Party line of 1937, as expressed by Earl Browder in an NBC broadcast on August 28, 1946.

My information

Neither the excerpts quoted, nor Mr. Stone's article as a whole, corresponds in any respect with the Communist Party line. On the contrary, a reading of the full article will show that Mr. Stone pointed out the case for invoking the Neutrality Act as laid down by Congress, in sharp contrast to the Communist Party line which at that time favored the scrapping of neutrality legislation and undertaking collective action "against the Fascist aggressors."

3. A critic states that Mr. Stone "is reported to have appointed George Shaw Wheeler, while Stone was in London for the Board of Economic Warfare. Wheeler has a long record of Communist affiliations and activities."

My information

As head of the Economic Warfare Division of the American Embassy in London, Mr. Stone was not responsible for either the appointment or security clearance of FEA employees in London. He was not responsible for the appointment or clearance of FEA personnel assigned to the Army or other United States agencies in London. Mr. Wheeler was sent to London by the FEA in Washington for assignment to the United States control group for Germany, as a civilian employee of the Labor Division, headed by Col. David Morse. When questions were raised about Mr. Wheeler's loyalty, Mr. Stone requested a reinvestigation of the charges by the Civil Service Commission. Pending review of the case by the Civil Service Commission, Colonel Morse had to decide whether Mr. Wheeler should remain in London during the period of the investigation. Colonel Morse sought Mr. Stone's judgment on this point and asked Mr. Stone whether he could vouch for Mr. Wheeler's loyalty. Mr. Stone replied that he did not have sufficient knowledge of Mr. Wheeler's background to pass judgment on his loyalty but that in his opinion and to the best of his knowledge Mr. Wheeler was trustworthy. Mr. Stone's statement was not given or received in lieu of security clearance. The Civil Service Commission, upon reinvestigation, declared Mr. Wheeler eligible for appointment to the United States Government service.

HALDORE E. HANSON

Biographical sketch

Hanson, Haldore E.—Carleton College, bachelor of arts, 1934; teacher in Chinese colleges, 1934-47; Associated Press correspondent in China 1936-39; staff writer for Associated Press, Chicago, 1939-42; appointed divisional assistant in the Department of State February 19, 1942; executive assistant to the Assistant Secretary since December 1944.

Comments on criticism

1. It was stated that the magazine Review of Reviews, February 1937, page 95, contains an article in which Mr. Hanson is referred to as "smuggler, soldier, and diplomat."

My information

As was later pointed out by the same critic, this magazine contains an article entitled "Smuggler, Soldier, and Diplomat." Mr. Hanson is the author. The article describes the smuggling activities of the Japanese Army in north China.

2. It was stated that during the war Mr. Hanson held a position in the Department of Agriculture.

My information

Mr. Hanson has worked for no Government agency except the Department of State, which he entered on February 19, 1942.

3. A critic gave a number of quotations from Mr. Hanson's book entitled "Humane Endeavor," indicating that Mr. Hanson traveled with the Chinese Communist armies, was given safe conduct through their lines, traveled in the commander's motor car, and received Chinese Communist documents.

My information

It was not pointed out that Mr. Hanson's book is a description of the Japanese invasion of China in 1937-38, that Mr. Hanson was writing as a war correspondent of the Associated Press, that he carried press credentials from both the American Embassy and the Chinese National Government, that the Associated Press assigned him to cover the northern Chinese front which was defended by the Communist armies. Mr. Hanson's dispatches, as well as his book, pointed out that the Chinese Communists were still engaged in Communist proselytizing, despite the Japanese invasion. Mr. Kent Cooper, general manager of the Associated Press, sent Mr. Hanson his personal commendation on these reports from the Communist front, and Mr. Hanson's reports were reprinted at length in both Time magazine and Reader's Digest.

4. It was stated that under fire of recent criticism, Mr. Hanson has been transferred to the Political Affairs Committee of the State Department.

My information

Mr. Hanson is still executive assistant to Mr. William Benton, a position he has held since Mr. Benton entered the Department of State.

CHARLES A. THOMSON

Biographical sketch

Thomson, Charles A.—Wittenberg College, bachelor of arts, 1914; Universidad Nacional de Mexico, master of arts, 1922; University of Chicago, 1928-29; Columbia University, 1932-33; United States Army 1918-19, overseas service; Mexican immigration work; Latin American section, Fellowship of Reconciliation, 1929-32; Foreign Policy Association, research associate and specialist on Latin American Affairs, 1933-39, and Washington representative 1936-37; appointed Assistant Chief, Division of Cultural Relations, Department of State, February 15, 1939; Chief, Division of Cultural Relations, July 5, 1940; adviser to the Director, Office of Public Information, January 15, 1944; executive secretary, United States National Commission for UNESCO since September 24, 1946.

Comments on criticism

1. A critic quoted from a study entitled "The War in Spain," dated May 1, 1938, written by Charles A. Thomson, as a staff member of the Foreign Policy Association. This article was called a eulogy of the work of the Communists in Spain.

My information

Foreign Policy Reports, published by the Foreign Policy Association in New York, are balanced and objective statements on current international issues, giving conclusions supported by evidence. Each report, before publication by the FPA, is submitted to outstanding authorities for criticism.

The critic, in his statement, removed three paragraphs from the context of this report by Mr. Thomson. The paragraphs concern the military discipline and organizing ability of Spanish Communists. There was no mention of a number of paragraphs in the same report by Mr. Thomson concerning the work of the Communist political police, including references to assassinations and clandestine prisons. Ambassador Hayes, in his book Wartime Mission to Spain (p. 50), comments on the discipline of the Spanish Communists. He writes:

"The number of outright Spanish Communists had never been large, but they were the one group in Spain, aside from the Falange, which had been efficiently organized and disciplined, which had known precisely what they wanted and which had not hesitated to use any means to achieve it."

2. A critic stated:

"According to Mr. Carlton J. H. Hayes, former American Ambassador to Spain, in his book, Wartime Mission to Spain, Mr. Thomson was responsible for the appointment of Abel Plenn as cultural attaché in Spain. Mr. Plenn's ideology can be determined from his recent book, Wind in the Olive Trees, which is severely critical of every phase of American policy in Spain during the war. His pro-Communist bias is evident throughout the book which has been enthusiastically promoted by the Communist press and Communist book shops."

My information

Abel Plenn never served as a cultural attaché in Madrid. Abel Plenn is not mentioned in Mr. Hayes' book.

Abel Plenn was sent to Spain by the OWI early in 1944 to take charge of picture exhibits. He was ordered home by OWI after 7 months of service in Spain. OWI records available in the Department of State show that Mr. Plenn was terminated involuntarily on January 9, 1945. Charles Thomson had nothing to do with this appointment by OWI.

Ambassador Hayes does mention in his book, page 75, that he wrote to Charles Thomson, requesting appointment of a cultural attaché. He also states on page 77 that Prof. John Van Horne of the University of Illinois, a specialist in the Spanish language and literature, was sent. Ambassador Hayes speaks favorably of the work of Professor Van Horne.

3. A critic stated:

"According to the Daily Worker of July 4, 1946, page 11, Mr. Thomson entered into hearty cooperation with Tom Brandon, producer and distributor of pro-Communist films. This is enough to show where Mr. Thomson stands."

My information

The Daily Worker on July 4, 1946, page 11, does not say Mr. Thomson entered into hearty cooperation with Tom Brandon.

The Daily Worker's story reports that the American Council on Education invited 82 national organizations to discuss an international film program for UNESCO. The article concludes: "The meetings were addressed by Thomas J. Brandon, New York Film Council; William H. Wells, of UNRRA; Charles A. Thomson; and others." This is the only reference to Charles Thomson.

DR. ESTHER CAUKIN BRUNAUER

Biographical sketch

Mills College, A. B., 1924; Stanford University, Ph. D., 1927, specializing in modern European, American-European diplomatic history, and political science; Mills College, LL. D., 1945; international-relations secretary, American Association of University Women, 1927-44; chairman of the National Defense Commission set up by National Committee on the Cause and Cure of War, 1936; chairman of committtee which organized the Women's Action Committee for Victory and Lasting Peace; Women's National Press Club award for public service in international relations for 1946; appointed divisional assistant, Department of State, March 8, 1944; appointed specialist in international organization affairs in Division of International Organization Affairs, November 7, 1945; technical expert on the United States Delegations, San Francisco Conference; technical adviser to UNESCO Conference in London, November 1945; United States representative on the Preparatory Commission of UNESCO, with the personal rank of Minister, February 1946; senior adviser to United States Delegation at General Conference of UNESCO, November 1946, in Paris; now a member of the UNESCO Relations Staff, Department of State.

Comments on criticism

1. A critic stated:

"Dr. Esther C. Brunauer was selected by the State Department as United States representative to UNESCO with the rank of Minister. Speaking over NBC on May 31, 1946, at 6 p. m., she declared:

" 'There are many barriers to the concept of (peoples speaking to peoples). There are the barriers * * * of monopolistic practices to be overcome.'

"What did Dr. Brunauer mean by this? What country was she criticizing? Was she aware of the fact that she was echoing Soviet propaganda against the United States? Has this lady ever taken a critical attitude toward conditions in the Soviet Union?"

My information

This quotation was removed from its context in a broadcast entitled "Is UNESCO the Key to International Understanding?" The quotation is taken from the end of a half-hour broadcast.

Preceding this quotation, Dr. Brunauer had stated in the same broadcast:

"But equally important, if you see UNESCO as a real agency for building the attitudes that will make for peace is to break down the barriers to a free flow of information between countries. It is strictly within UNESCO's sphere to explore what this means and how to achieve it. There are now, I am told, 53 restrictions on the distribution of films in Europe alone. It's up to UNESCO to free the press, movies, and radio of senseless restrictions."

The entire broadcast was discussing the world-wide problem of UNESCO, including freedom of information. It is self-evident that the communications monopoly of the Soviet Union is one of the principal large-scale examples of monopolistic practice in the field of information, and that it constitutes one of the most serious barriers to the free flow of information today.

This statement by Dr. Brunauer could hardly be Soviet propaganda, since the criticism applied more to the Soviet Union than to any other country.

2. A critic stated:

"Evidently again under fire of recent criticism, she has been shifted to the Office of Public Liaison in the State Department."

My information

The Department is not aware of any recent criticism of Dr. Brunauer's political views. She is now in the UNESCO Relations Staff, Department of State.

United Nations Must Be Strengthened

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. KEFAUVER. Mr. Speaker, Members of Congress, the enlightened press, and the people of the country are tremendously interested in the success of the United Nations. There is a great demand for the strengthening of this organization which represents the hope of the peace-loving world. Under leave to extend my remarks, I include an editorial from the Chattanooga Times of July 25, 1947, which clearly expresses the apprehension of many thoughtful

people over the present plight of UN and of the hopes for its strengthening:

THE EMBATTLED UN

World events, great and small, are shaking the bases of the United Nations, founded in hope and nurtured by the peoples of the earth in the belief that man could, through a cooperative effort, make peace instead of waging war.

The explosive Balkan question, of which the fighting in Greece is but the first outward violent manifestation, hangs heavy over the heads of the UN delegates; the sudden outbreak of open war in the Netherlands East Indies will test the wisdom and fortitude of those gathered at Lake Success; and the situation in Palestine grows uglier by the day despite the presence of a UN investigating committee.

Of all problems facing the United Nations, there is none more important than the control of atomic weapons. Yet, where is a solution? None can say. It lies buried beneath the bickering delays of the Russian representative.

Mankind pinned its hopes on the UN. Those hopes are faltering. Perhaps, sickened by war and yearning for peace, we were at fault in believing the UN would accomplish miracles overnight; perhaps, fearful of the future for a world community in which neighbors still snatch at the sword too quickly, we are just as much at fault in feeling doubts of UN's ultimate success.

For the United Nations, we firmly believe, has not failed. If in nothing else it has succeeded in bringing together nations for deliberative actions known and open to the world. This at least affords the possibility of settling differences which might have, in the past, inevitably led to war.

We have witnessed the spectacle of a single nation, apparently possessed of a congenital aversion to peaceful cooperation, hindering and hampering almost every move made by the UN Assembly or Security Council. Statesmen of other nations have had to fight their way, inch by inch, through Russian obstructionism. The adamant Soviet refusal to agree on anything has been made more galling by its tirades of investive and untruths aimed principally at the United States and Great Britain.

Human endurance can be stretched too far, however, and we are thoroughly sympathetic with the British and American representatives who, on Wednesday, answered a Russian speech in language stripped of the usual diplomatic niceties. They called the Soviet statement on Albania "a regrettably offensive production" and added resentment "at the tenor of his remarks."

Russia must be brought up short somewhere. The remainder of the world cannot, in dignity and decency, allow itself to be subjected interminably to the Communists' backbiting refusal to cooperate.

We find ourselves in agreement with the American Legion's apt description of the Security Council as a "perpetually hung jury," applied in the course of its recommendations that the United Nation's Charter be amended in certain respects, particularly as to the veto power.

It is apparent that Russia will not allow UN to function under its present set-up, but we believe that the UN must be made to work if mankind's dream of peace is realized.

I also include an article by J. Z. Howard, managing editor of the Press-Scimitar at Memphis, Tenn., which is as follows:

WAITING FOR INTERDEPENDENCE DAY—PATH IS ALREADY OPEN TO A WORLD FEDERAL UNION OF THE FREE

In 1776, the important thing for America was independence.

In 1947, the important thing for America, and for the other free nations, is interdependence.

When America formed an independent government democratic in principle and republican in form, we set a pattern that was hungarily seized on by freedom-and-peace hungry peoples throughout the world. Many new nations were formed on this pattern, many old nations remodeled themselves to varying extents on the American principle.

The yeast of this great movement for freedom, justice, and peace is still working among the world's peoples. It has been especially active in building up the Atlantic community of nations and their outposts over the globe.

But two World Wars have pauperized man and weakened his spirit. There is still the longing for peace with freedom, but the vigor and enthusiasm—the confident will—to stride forward to this goal against all obstacles has flagged in many lands.

And over the confused, devastated world stalks the war-born monster of the police state, crushing lives and hopes and ideals beneath its red feet.

These, as in 1776, are the times that try men's souls.

BUT THERE IS HOPE

But as the 13 weak and confused and sovereignty-proud States of North America found new strength and freedom and peace by pooling their ambitions and assets in a Federal union, the freedom-loving nations of today's world can still find peace with freedom down the same path that the United States opened when it threw away the futile Articles of Confederation and became e pluribus unum—one from many.

The 13 little sovereign nations that were the seeds of the great United States surrendered much of their sovereignty—but not to any other nation or state. They contributed bits of sovereignty to make a greater sovereignty which served them all. They pooled their tiny pieces of power and built a great power with them.

That is the lesson for the freedom-loving nations of today.

TIME FOR NEXT STEP

It is time for them, including America, to take the next step—a declaration of interdependence.

It is time to advance from the modern Articles of Confederation, the United Nations, to a world federal union of the freedom-loving nations. The United Nations has served a good purpose in bringing representatives of the different nations together and habituating them to peaceable discussion and cooperation. And it has shown which nations belong in a union of the free—and which are not yet ready.

But the UN at best is only a league of nations, each jealous of its sovereignty. To stop a war, the UN by its very nature would have to make war. The Communist rulers of Russia have shown by their obstructive tactics and use of the veto that they have no intention of letting the UN function as anything stronger or more important than a debating society.

TWO WAYS TO ACHIEVE IT

How can a federal union of nations—the United Free States of the World—be achieved?

There are two ways, both of which were blazed by America:

First. The freedom-loving states can send representatives to a convention and draw up a Federal constitution. All participating nations would then become members of the union as soon as their governments ratified the constitution. This is the way the original American Federal Union of 13 States was formed. Other nations could then be admitted to this world union of the free when they became willing and met the admission requirements.

Second. Other freedom-loving nations could be invited to seek admission to the United States of America, or could apply for admission. This is the way 35 of the 48 American States became members of the United States Federal Union.

Perhaps the most practical way of forming the new world union of freedom-loving nations would be for each to be admitted to the American Federal Union. As more and more nations outside this hemisphere were admited to partnership in our union, the American union would of course cease to be the United States of "America" in the present sense, and become the United Freedom-Loving States of the World.

NO LEGAL BARS IN WAY

There is no bar in the United States Constitution to admission of States or other continents. Here are the provisions in the Constitution which bear on the possibility:

Article IV, section 3, clause 1: "New States may be admitted by the Congress into this union."

Article IV, section 4: "The United States shall guarantee to every State in this Nation a republican form of government, and shall protect each of them against invasion."

Think what a guaranty of freedom and security it would give Holland, Belgium, France, Australia, or Finland to become one of the United States, which would be pledged to "protect each of them against invasion."

Of course, it would mean the United States would have to keep strong.

Some pride would have to be swallowed—just as it had to be when Virginia and Massachusetts gave up their independence to become interdependent members of the American Union.

BRITAIN, FOR EXAMPLE

But suppose Britain were admitted to the new Union. It would not be Britain stepping down from her national heights to take a subordinate position as a dominion of the present United States of North America. It would be Britain stepping up with the present United States to create a greater joint nation in which Britain, becoming the most populous State of the new Union, would be relatively stronger than ever—and the United States as a whole and as individual members, gaining strength from the greater pool of power which would result from Britain's joining.

The same for all new nations that might be admitted.

Reconciling the nominal kingships of the democratic monarchies to republican form of government should not be too hard.

When Hawaii—far out in the Pacific, and once an independent kingdom—is admitted to the American Union as the forty-ninth State—which seems likely soon—the United States will cease to be an American Union. When we admit Hawaii, the United States will be on its way to the very world federal union we have been considering.

For the sake of security with freedom and democracy, freedom-loving people in America and freedom-loving peoples all over the world should begin to think hard on this American Independence Day about declaring an early interdependence day.

Red Lake-Clearwater River Project Should Be Started At Once

EXTENSION OF REMARKS

OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HAGEN. Mr. Speaker, for many weeks now newspapers all over the Nation have carried stories of floods in the Missouri and Mississippi River Valleys.

Headlines have told of thousands of acress inundated and hundreds of communities endangered from rising waters and millions of dollars in damages to property, crops, and land.

However, the serious flood conditions caused by the Red Lake and Clearwater Rivers of northwest Minnesota have received only local or State attention in spite of the fact that many thousands of acres have been covered with water and many farm buildings and communities made inaccessible because of the flood and hundreds of thousands of dollars damages suffered.

The stories about the floods along the great Missouri and Mississippi Rivers are dramatic inasmuch as the rivers are surging with tremendous velocity toward the Gulf of Mexico. This rapid flow of flood waters endangers lives along the way and creates human interest articles which hit the headlines.

In the case of the Red Lake and Clearwater Rivers floods the water creeps over the flat land for miles on both sides of the river banks and gives the residents ample warning. The water lies on the fields from a few inches to 2 or 3 feet or more in depth. However, the devastation and the loss of production is far more destructive per capita than is the more dramatic floods along the larger rivers.

The Congress today voted an initial appropriation of $400,000 to straighten river beds and to carry on any other work necessary to control the flood waters of the Red Lake and Clearwater Rivers.

Although this sum will be far short of the amount needed to finish the job, the farmers and the businessmen in the flood area are extremely grateful that a start will be made this year. In cooperation with local committees of farmers and townspeople, I have worked on this project for more than a dozen years. For that reason, I was greatly pleased when this appropriation was approved by the House and the Senate.

Because the House will shortly vote again on another appropriation for this worthy project next year I would like very much to present for the consideration of the Members a statement which I recently submitted to the House Subcommittee on Appropriations for the War Department Civil Functions.

The statement follows:

STATEMENT OF HON. HAROLD C. HAGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. HAGEN. Mr. Chairman and gentlemen of the committee, I am Congressman HAROLD C. HAGEN, representing the Ninth District of Minnesota in which is almost entirely located the so-called Red Lake and Clearwater Rivers project.

I will file a statement giving my views, if it is satisfactory with the committee.

(The statement of Mr. HAGEN is as follows:)

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 9, 1947.

Hon. ALBERT J. ENGEL,
Chairman, Subcommittee on
War Department Appropriations,
Committee on Appropriations,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: In an effort to support this distinguished delegation, I wish to contribute my own written report and statement relative to the urgent need for immediate action in connection with the Red Lake-Clearwater River flood-control project.

Since 1919 a great many public officials, civic-minded citizens, township officials, businessmen, and farmers have cooperated in efforts to secure funds to widen, deepen, and straighten the channels of the Red Lake and Clearwater Rivers and to undertake other measures necessary to prevent frequent floods and occasional drought situations in the area.

The Red Lake River which is the principal tributary of the Red River of the North has its source at the outlet of lower Red Lake in the northwestern part of Minnesota. It flows generally westward through a meandering course for 196 miles and empties into the Red River of the North at East Grand Forks, Minn, and Grand Forks, N. Dak.

The drainage area contains 5,711 square miles, of which about 500 square miles are water surface. The principal tributary of the Red Lake River is the Clearwater River, which enters from the south and east at Red Lake Falls, about 90 miles from the mouth of Red Lake River.

The Chief of Engineers of the United States War Department has completed an investigation of the flood problem on the Red Lake River and its tributaries pursuant to authority contained in the Flood Control Act approved June 28, 1938. This report has been submitted to Congress with a recommendation that a Federal project be initiated for the regulation of floodwaters in that area. This project will include the installation of three hand-operated taintor gates and other appurtenant works. It also provides for the rectification, clearing, and enlarging of the channels of the Red Lake River and Clearwater River.

Many years ago farmers settled in the rich valley, large numbers having been encouraged under the Government's Homestead Act. They built fine homes and worked hard to clear the land and develop the soil into what became known as the "bread basket of the world." During those early years the river beds of the Red Lake and Clearwater Rivers were sufficiently deep to channel the water to its outlet without flood conditions arising.

However, as the years went by, the channels became filled with wind-blown and waterborne soil and vegetation. Each spring the banks would overflow onto the fertile land for many miles outward on both sides of the river banks.

As the years passed, the damage caused by floods increased. In 1940 a report of the United States Bureau of Agricultural Economics stated that farmers and taxpayers along these two rivers and their tributaries suffered a loss of more than $3,384,000 during the years 1919 to 1939, and $8,667,000 for the period 1901-39. Since 1939 the losses have been considerably greater in proportion by reason of eight consecutive flood years. This represents only the direct loss of crops and is only a small amount as compared with the loss of use of potential croplands.

As I stated before, the Office of the Chief of Engineers of the War Department finished their survey. The project was authorized by Congress under the Flood Control Act of December 1944 (78th Cong., Public Law 534).

The War Department has already expended $109,800 in completing plans for this project. These funds were made available by the three following acts: War Department Civil Functions Appropriation Act of March 31, 1945; April 25, 1945; and May 2, 1946.

I was told a few days ago by an official in the Office of the Chief of Engineers that the survey and plans for the project are complete and that construction can be started the latter part of this month (June 1947) providing funds are made available by congressional appropriation.

The War Department has estimated that the total cost of this project will be $2,316,000. It will not be necessary to make this appropriation in its entirety at this time. The Office of the Chief of Engineers has indicated to me that an appropriation of approximately $1,000,000 will permit them to begin construction and carry on their program efficiently in accordance with their plans until such time as the balance of the funds are made available.

Further delay entails great additional loss to the farmers in the flood area and depletes to that degree the economic strength of our Nation.

During the last 2 years the people in my district have naturally believed that this project would be started in 1946 or 1947.

They had been given every reason to think that this would be done. It has been repeatedly stated that this was a worth-while postwar project and that as soon as the war was over an appropriation would be included in the budget. I was very much disappointed when I was informed that the President's budget message did not include an appropriation for this project. I was also told that the President had instructed the Office of the Chief of Engineers not to request an appropriation for any projects which were not already under way. Those of us who have been working on this project for so many years are now compelled to ask for this appropriation which will be over and above the recommendations of the President in his budget message.

I have recently received dozens of letters from farmers living in the flooded area who have indicated that unless Congress takes action this year, they will be compelled to desert their fertile lands and go elsewhere to make a livelihood. These people have expended the best part of their lives in an almost futile effort to conquer the vicious floodwaters. In spite of the tremendous handicaps, their record of production of food and raw materials is to be commended.

It will interest this committee to know that the Red River Valley is situated in the Ninth Federal Reserve district. This district raises approximately 90 percent of the flax in the United States. In fact, Minnesota and North Dakota are the largest producers, each with approximately 1,500,000 prospective acres this year. In addition to that, the Red Lake River Basin contains approximately 8,700 farms totaling over 1,875,000 acres. Besides flax, the farmers produce a great deal of livestock, dairy products, poultry, sugar beets, seeds, small grains, and other farm products.

Other than the flood problem presented by Red Lake and Clearwater Rivers, there is also the problem of an adequate supply of water during the seasons when the shallow river bed has dried up. Permit me to quote from a newspaper article which appeared in the Stephen Messenger on April 19, 1945:

"Mr. Bingham of the Crystal Sugar Beet Co. pointed out that a shortage of water was the main factor in deciding whether more sugar-processing plants should be built in the valley. He stated that plans were under way for two new sugar-beet plants, similar to the one at East Grand Forks, for Crookston and Moorhead as soon as possible.

"Marshall County's main interest in this program is to show the losses due to excessive moisture in the wet years, as well as losses due to inadequate moisture in the dry years. The western two-thirds of the county is affected by flood conditions along the Snake, Middle, and Tamarac Rivers. It is the opinion of those who have been studying these problems that a complete survey by the Army engineers of the whole Red River Valley is the first step in the problem of flood control, drainage, and water conservation, and since the three rivers in Marshall County are a part of the drainage system these rivers will receive due consideration by the district engineers."

I would also like to quote an editorial which appeared in the East Grand Forks

Record on March 28, 1947, also pointing out that flood and drought are invariably associated.

"The significance of the Red River Valley's long-range water problem was driven home to city officials and industrial leaders at the water conference held in Grand Forks, March 20. Progress made so far toward solution of that problem is heartening, but it was made evident that there is still a long, long way to go, and that while the big share of the cost involved in water-conservation projects will be borne by the Federal Government, local communities undoubtedly will be called upon for substantial contributions.

"Most people fail to realize that the average of 20 inches or so of rainfall received here annually place this region under a semiarid classification. Only the topography and type of soil keep this valley green with that small amount of rainfall, and present water supplies are just barely adequate for the present needs. Another dry cycle such as we had in the thirties could create a large-scale disaster unless we provide water reserved beforehand.

"Any hopes for industrial expansion to utilize agricultural products of the valley must depend to a great extent on adequate water supplies, all year every year. The meeting March 20 outlined the work which must still be done to develop the Red River Basin's water resources; it is now up to valley residents to fill in the outline."

I have been informed by officials of the Red Lake Drainage and Conservancy District that they have submitted formal assurances to Col. Walter K. Wilson, district engineer of the Office of the Chief of Engineers in St. Paul, Minn., that they are willing and able to fulfill the requirements of local cooperation set forth in the authorizing legislation.

All that remains to be done at this time is for Congress to appropriate the necessary funds so that the Office of Engineers can start work on the river beds this year. Even though the project is only partially completed this season, the farmers will take heart and feel that their Government is not "letting them down."

Following is a brief on the Red Lake River flood control project prepared by former State Senator E. L. Tungseth, who was chairman of the Red Lake River Flood Control Association in 1943:

"The land and water area of the Red Lake River Basin is some 5,850 square miles. It includes portions of Beltrami, Clearwater, Itasca, Koochiching, Mahnomen, Marshall, Pennington, Polk, and Red Lake Counties. The major tributaries of the Red Lake River are the Clearwater and Thief Rivers. Red Lake River is the outlet for Red Lake, the largest lake wholly within Minnesota. This lake has an area of 440 square miles. The Red Lake Indian Reservation is also within the land and water area of this basin.

"The cities of Crookston (population, 7,161), East Grand Forks (population, 3,511), Red Lake Falls (population, 1,530), and Thief River Falls (population, 6,019), Minn., and Grand Forks (population, 20,228), N. Dak., are dependent upon this source for water. Conservation and control of water levels are essential to the welfare of the Indian population on the said reservation as well as for the large rural communities and cities throughout the territory. There is a total of 24 municipalities in the area.

"Flood-control facilities in this basin will be of benefit to the whole area and in fact to the whole State and Nation. The area contains some of the finest of agricultural land in Minnesota. In 1935 statistics show 8,710 farms in the basin. The total value of these at that time was estimated at $36,340,000.

"The section of this basin which suffers most acutely from flood difficulties is in eastern Pennington, southeastern Marshall, northeastern Red Lake, and parts of Beltrami, Clearwater, and Polk Counties. The distribution per county is approximately as follows: Beltrami, 1½ townships; Clearwater, 2½; Marshall 5, Pennington, 5; Red Lake, 2½; and Polk, 1½. This totals 642 square miles or 462,240 acres. About 30 percent of this flood section is waste or wild land, which in most years is too wet to farm. About 50 percent of the remaining 308,160 acres, or 154,080 acres are seriously affected by most floods. This section is very flat and provides only 0.71 feet per mile fall. The stream beds are exceedingly crooked, frequently extending some 3 or more miles for every mile of actual progress.

"Most of the Marshall and Beltrami County portions of this flood section drain into Mud Lake and Thief Lake (these two lakes now game refuge) and then down Thief River. The remaining part of this flood section is crossed by the Red Lake and Clearwater Rivers, which run almost parallel some 4 to 8 miles apart, a distance of some 18 miles across this flood section. Very frequently floods will cause the two rivers to join as one body of water. The Red Lake River carries overflow from an area of about 2,000 square miles when it reaches this flood section. The Clearwater River also has a comparatively large source area from which it carries surplus water across said section.

"According to flood damage data there have been 15 major floods up to and including 1943. These have occurred in 1901, 1902, 1904, 1905, 1908, 1915, 1916, 1922, 1925, 1927, 1938, 1940, 1942, 1943. Minor floods have occurred in 1903, 1906, 1907, 1909, 1911, 1914, 1926, 1928, 1930, 1939, 1941. (There have been serious floods each year since 1943—added comment.)

"Flood damages cannot be figured in dollars and cents because many of them are intangible. Sanitation, water supply, inundation of basements where food supplies are stored, damage to gardens and stacked hay. Retarding of stock-feeding programs and loss in production from dairy herds and poultry, road destruction, and the many indirect damages to inundated fields and pastures make a compilation of figures only a feeble attempt to present any actual picture."

Attached are two photographs of 1947 flood conditions of the Clearwater River near Gully, Minn. A short time before these pictures were taken this land had been cultivated and seeded. The flood cost this farmer weeks of labor and a large part of his remaining capital.

These pictures are representative of conditions throughout the whole flood area.

In conclusion, I sincerely hope that your committee will favorably recommend the appropriation of funds so that the War Department can begin construction this year.

HAROLD C. HAGEN.

Address of Hon. J. Strom Thurmond, Governor of South Carolina

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EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. DORN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. J. Strom Thurmond, Governor of South Carolina, before the annual meeting of the governors' conference, Hotel Utah, Salt Lake City, Utah, July 15, 1947:

Mr. Chairman, fellow governors, distinguished guests, ladies and gentlemen:

I. WHY PREPAREDNESS IS ESSENTIAL

The paramount problem which today confronts all mankind is finding the formula for a fair and enduring peace. This Nation, these United States, comprising the 48 States and the Territories we here have the honor to represent, is engaged in an all-out effort for peace, not peace in our time but for all time.

We cannot escape the inevitable fact that this peace for which we strive depends upon the prestige and influence of the United States, the world's greatest stronghold of economic power and the Gibraltar of freedom and democratic processes.

Because of the way the world reckons, our prestige and our influence in international affairs depend upon the efficiency with which we attend to our own national security.

We may as well face facts. What has transpired at the council tables of the world during recent months points not to peace but to war. One of our great allies in the recent war has embarked on what appears to be a policy of isolationism. At this very moment, one group of European nations is meeting in Paris in an effort to design plans for the rehabilitation of war-devastated Europe. Another group of European nations under the leadership of the Soviet Union, has remained away from the Paris conference.

This choosing up of sides in Europe, this forming of spheres of economic influences, is following a path that leads to war and not to peace.

We are a peace-loving Nation. We hate war. As a nation we are pledged to peace, but when we see one of the great powers of the world adopting a policy of isolationism, of refusing to join with her sister European countries in preparing a plan for rehabilitation of Europe, and when we see that Government using its veto power to block the effectiveness of the United Nations we in the United States are deeply concerned.

When hostilities in World War II ceased the United States was the greatest military power the world had ever seen. We believed that all of our allies meant what they said when they accepted the charter of the United Nations. We sincerely believed that every nation, including the Soviet Union, wanted peace and would work and sacrifice to attain a just and lasting peace.

The result was an all-out demand for demobilization of our armed forces. Within a few months we permitted our military might to fall away from us. We shed it like an outworn garment.

The recent trend of world events forces us to reexamine our state of preparedness. Seldom in our history has it been adequate and now we find ourselves only a few months after the end of a miraculously victorious war, again in a state of unpreparedness.

It seems that a state of chronic unpreparedness has been always our chief military characteristic.

At a time when war can strike without warning our ground forces have uncommitted only two and one-third combat divisions. Our air and sea forces are somewhat better prepared for any emergency, but both are dwindling so rapidly that they cannot long be regarded as insurance against attack.

We have the word of our respected Chief of Staff, General Eisenhower, that our Army is now a poor second to that of the Soviet Union. He tells us that, while war is not regarded as a probability within the next 12 months, it is regarded as a possibility; that the Army now exerts far less pressure for peace than it did when fully mobilized; and that further reduction of the Army would endanger the safety of the Nation.

In regaining our state of preparedness we will be making a contribution for peace. When our Army dwindled to a few hundred men after we won our independence, George Washington told us that "to be prepared for war is one of the most effective means of preserving the peace."

The wisdom of Washington is more pronounced today than it ever was. We are struggling to build a United Nations that

will assure world security and bring an end to war. The United Nations is passing through its most critical period. We must not let it fail. To assure its success the United States must remain strong and powerful and by all means it must retain respect and influence around the council table of nations.

We must approach this problem not as Democrats or Republicans—but as Americans. Patriotism, not politics, must be the motivating force by which we again attain national preparedness.

II. HOW PREPAREDNESS CAN BE ACCOMPLISHED

What must we do to achieve national preparedness? History and our own experience provide the answers to this question.

1. Total mobilization: World War II brought realization of a basic principle of the Prussian student and practitioner of war, Von Clausewitz—that the way to win wars is to destroy the enemy's ability to make war. This, with improvements in weapons and methods, has brought the civilian populace into the front lines and has made the home and the factory as much a point of contact as the infantry, armed patrol, or the combat crew in the air.

Man in his madness has achieved what can be described only by a new phrase, "total war."

The only answer to the threat of total war is total mobilization.

Experience indicates that we cannot finance another war on the same basis as we have financed other wars. During World War I, we borrowed 30 billions and during World War II, 10 times that much. It has been the history of our major wars that each succeeding one cost 10 times as much as the preceding one.

Furthermore, we are told, and we have reason to believe, that in future wars we will not have the time to mobilize our manpower and our financial and industrial potential in the manner we have before. There will be no time for the recruiting of war workers and there will be no time for the negotiation of contracts for the manufacture of armaments.

It appears possible that if war comes again, we will have to call into national service every man, woman, and child of our Nation in order to provide the weapons of war, supply the combat elements, and maintain the civilian population.

Total mobilization must embrace all of our scientific, industrial, and manpower resources, in accordance with an instantaneous pattern of conversion and mobilization.

We should not leave total mobilization to be written or put into effect if and when war comes. No man or group of men should be left to decide such a vital matter under the shock and confusion of the outbreak of atomic war. On the contrary, we must write into law now the legislation necessary to carry it out, and such legislation should be made self-activating upon the declaration of the existence of a national emergency or state of war.

Total mobilization must embrace the instant conversion of all industry to war production, in accordance with plans and arrangements worked out in advance with each industry, and revised at regular and frequent intervals.

It must also embrace the instant availability on a wartime basis of experienced personnel to operate all war plants and converted industries, in accordance with plans and arrangements worked out in advance with representatives of the working men and women of the Nation, and revised at regular and frequent intervals.

We must also see to it that we have available at once an already organized civilian defense set-up on a Nationwide basis, because local disaster will certainly accompany the initial blow or blows against us, and we cannot know where these blows will fall until they land.

We must revise, reduce to law, and have ready for immediate and automatic activation the measures necessary to insure efficient control of prices, priorities, and rationing of all civilian goods and of the foods in which shortages are likely to develop because of the requirements of the armed services; and regulate wages and limit profits, so that as nearly equal contribution to the war effort as possible will be made by each of our citizens.

Our responsible leaders must give thought to this challenging problem and exert the pressure of public opinion necessary to cause it to be faced and solved.

2. Unification of armed services: Congress is considering legislation to unify our armed services under a single Secretary of National Security. The necessity for unity of command in the field was conclusively demonstrated in World War II, and I am convinced that the principle should be extended to the War and Navy Departments as an integral part of our preparedness program.

3. Organized military strength: Even with a plan of immediate total mobilization and with a streamlined system of command, we must have ready always a balanced striking force capable of defending our homes and industries and of carrying the fight to the enemy's own territory. The constitution of such a force, its scale, and its composition must, and can with confidence, be left to the armed services to handle in the light of their experience in past wars and in view of current and future developments.

However, civilian leadership must realize that the day of so-called push-button warfare has not yet arrived and must see that we remain effective on the ground, on the seas, and in the air.

This they must do in full consciousness of the fact that the largest defensve force may not be the best. The superiority of armies is determined now, as always, less by numbers than by such things as organization, training, leadership, and national spirit. We must be careful to see that our standing Army is a well-trained, well-equipped, and highly mobile striking force; that our Navy is a strong, well-balanced, and well-manned service; and that our Air Force is second to none in training, equipment, and constant development. We must also see that such organizations as the National Guard, the Organized Reserve, and the Naval Reserve are promoted, so that trained personnel will be almost immediately available to expand the standing armed services.

Finally, we must enact and have ready a fair and efficient selective-service law, dovetailing with our other preparedness legislation, to provide immediately the reenforcements and replacements which will be necessary to bring the war to a speedy and successful conclusion.

It is well for us to remember that our ability to strike back quickly and successfully will do much to discourage the ambition of a potential aggressor, and organized military, naval, and air components designed to do this will exert strong pressure for peace.

4. Universal military training: To provide a speedy means of expanding our initial defensive or striking force and to insure perpetuation of our Reserve elements, we must put into effect a program which will prepare all our potential combat manpower for a proper place in our fighting force.

Aside from the fact that the necessary haste with which we trained our young men for military service in the recent war resulted in unnecessary casualties, we cannot be sure of time to do even that well if and when we must again fight to defend our lives and freedom.

We must, therefore, adopt universal military training. Such a program, substantially in the form recommended recently in the report of the President's Advisory Commission, is essential to a well-rounded and comprehensive preparedness program.

We have never thought that military training had militaristic effect upon our people. Such has not been our experience with the military academies or colleges of which our country has so many, nor with the State militia organizations, or the CCC, or the CMTC. If it is interposed that attendance upon or service in these was voluntary, certainly this was not true in most cases of service in the armed forces during the recent war, and yet nearly 14,000,000 of our men and women served for periods up to 7 years, hastened back as soon as possible to civilian pursuits, and are now generally better and less warlike American citizens than they were when they entered the service. As one who spent 3½ years in the service in World War II, I know of my own knowledge that this is true.

It is also contended that modern war has rendered large numbers of men obsolete; but this contention overlooks the significant fact that, although World War II was the most mechanized in history, nevertheless, it required the largest armies.

Finally, it is urged that universal military training will be wasteful; but its cost, while large, does not compare with the cost of war, and especially with that of defeat. If we could have shortened World War II 3½ days, the saving in cost would have paid for the training of a million men for a whole year.

The program of universal military training is designed to produce the following results:

(a) In the event of an emergency the machinery will already exist whereby the Nation can rapidly mobilize and train its wartime citizen forces.

(b) In peacetime, it will enable the Nation to maintain its Regular and Reserve armed forces at the highest level of readiness on a voluntary basis, because of the previous training of most enlistees.

(c) It will afford the opportunity of choosing individuals with demonstrated capacity as leaders and giving them further training.

(d) It will train and develop, throughout the country, a pool of persons with special skills required in modern warfare.

(e) It will provide in each community men trained to assist in repelling invaders, and in coping with the disaster, demoralization, and destruction attending the initial blows of sudden or sneak attacks.

(f) It will offer real educational values to those undergoing the training, including extensive vocational and trade instruction, and it will afford an opportunity of reducing illiteracy, which ordinarily would preclude military service.

(g) It will result in the detection and correction of many physical defects ordinarily undetected until beyond help, and will improve the national health by the physical benefits accruing to the trainees.

It is obvious that universal military training will be invaluable in implementing the measures which will be taken to guarantee organized military strength and provide for total mobilization, because there will be created an enormous pool of men available for the armed services as well as men trained for industrial work and civilian defense duties.

I am convinced that universal military training will strengthen our war potential in personnel in advance of war with a minimum of dislocation of the lives of our people and the peacetime economy of the Nation, and that whatever the cost, we cannot afford to do without it.

5. Scientific research and development: Our side won the race to develop the atomic bomb as an instrument of destruction. Had our enemies won, what a different ending World War II might have had. The havoc wrought by the proximity fuze, developed by

the Navy in conjunction with the Office of Research and Development, startled the forces of the Axis. Designed to protect surface vessels from air attack, it played a strong part in turning the tide in the Battle of the Bulge and in defense against the buzz bombs and V-2 rockets. It is possible that without this fuze the suicide kamikaze attacks upon our fleet at Okinawa might have attained their objective.

In the recent war we saw the development of radar, electronic devices of various types, recoilless weapons, pilotless aircraft, and the beginning of warfare with guided missiles and atomic bombs. Science will make even greater advances and have even greater application in any future war, not only in the atomic field but also in the fields of electronics, radio activity, jet propulsion, supersonic speeds, and biological agents. These examples and many others demonstrate that the turning point of modern wars will depend more and more on the earliest development of new weapons, or new uses for, or perhaps new defenses against, existing weapons. Hence, under present-day conditions, we must provide for constant peacetime research and development to stay ahead of the rest of the world. A permanent and well-supported agency to this end is an imperative part of our program.

6. A world-wide intelligence service: Who can say when war will come? We are told that it will come without warning, by sudden attack. To make our defense effective, we must know as soon as possible of the enemy's intentions. We cannot wait until his ships appear on the horizon, or until our radar, what little we have in service, tells us of the approach of his bombers. We must strive to be forewarned.

Therefore, it is today vital to our security that we create a world-wide intelligence service on a career basis. Such a service would function for all departments of our Government alike, the diplomatic and the economic, as well as the military. One of its functions would be the coordination and proper evaluation of all information collected and reported by any agency of the Government. Pearl Harbor graphically illustrated the critical importance of coordination and evaluation of intelligence.

7. Closest coordination between those responsible for our foreign policy and those responsible for our armed services: The complexity of the modern world and the increased telescoping of time and space make it vital that the closest possible relationship exist between the officers and agencies which frame our foreign policy and those responsible for the strength, condition, and disposition of our armed services. This will enable us to gear our military strength to our considered foreign policy, and prevent the growth of a vacillating foreign policy geared to our military strength, which policy in itself is a symptom of weakness and could lead to war.

8. Uniform hemispheric armament and training: There is now pending before the Congress a bill to provide for standardization of armament and training in this hemisphere to make South America, Central America, and North America a complete unit in case of war. The value of hemispheric defense was proven in World War II, and it should be provided for now, and not after war breaks out.

9. Support of merchant marine: We entered World War II, as we had earlier entered World War I, deficient in cargo ships, and had to depend on the shipping resources of our Allies until our construction program overcame the deficit. We all vividly recall how close the submarine campaign of the enemy came to victory in both wars.

We are an ocean power and realize the importance of utilizing the oceans as highways to our objectives. Our basic concept of national defense is that the engagements, the operations, and the inevitable destruction of war shall take place as far as possible from our territory. Hence, we must be prepared to project our power overseas; and we must be equipped to supply our forces by sea as well as air transport. Moreover, we must have the ships necessary to bring from abroad, both in peace and in war, the critical raw materials necessary in the manufacture of our war needs.

We have emerged from World War II once again with a great merchant marine. We must recognize its indispensable position in our preparedness program, see to it that it is not again junked or scuttled, and keep it in condition to meet normal as well as emergency needs.

10. Stock taking, stock piling, and conservation of natural resources: To be adequately prepared for an emergency, we must have an accurate knowledge of our raw material resources. This calls for a detailed inventory of what we have within our borders, and a like inventory of what can only be obtained from without and where obtainable. The present study of our own natural resources is particularly important because we expended them so freely in the winning of World War II.

We were told by the President in his State of the Union message this year that we are rapidly becoming a have-not Nation as to many of our minerals. Included in this category is the raw stuff from which fissionable material is made, as well as alloyable ores needed in the manufacture of steel capable of standing extreme heat. Hence, our production of atomic energy and of jet propelled engines may depend in the near future on importing those raw materials, and stock piling them from time to time as we are able to locate and obtain them.

Only a few days ago, the Navy announced that it was so short of oil that it could not cope with an emergency at the present time, and must buy 3,000,000 barrels from the Near East to meet its requirements. By this means, it was estimated that in 6 months' time east coast naval stocks could be increased to a position compatible with the Navy's obligations for national security.

Furthermore, our increased national income has brought about increased consumption of our domestic production to the extent that we will now have to import minerals and metals which formerly we were able to export. For instance, we formerly produced enough lead to care for our needs and permit us to export about 100,000 tons a year, while now we are short about 300,000 tons annually. To a lesser extent, we face the same situation with zinc, copper, and petroleum, which in the past were among our chief sources of wealth.

We must, in the national interest, set up the machinery to take stock of our natural resources and see just where we stand. Then we must make plans to import for domestic use those materials in which we may run short in time of war. This presupposes the requisite measures to conserve those resources determined to be vital to our war potential, to locate resources for import in other parts of the world and arrange for their acquisition, and to stock-pile such resources, not only to increase our war potential, but also to permit war production to begin at the very moment of attack.

All this must be done now, long before war comes, and adequate legislation should be enacted as early as possible to enable such a program to be carried out on a practical basis.

11. Decentralization and dispersal of industries: The geographical location of the next Pearl Harbor will be determined by industrial, rather than military or naval, concentration.

The concentration of important industrial establishments will put a premium on sudden attack, whereas decentralization of giant industries and a more general distribution of the part of our industrial economy upon which our war effort will depend, will tend to protect our productive capacity, and render a sneak attack less destructive in a military way, and consequently less likely.

The nature of modern war dictates that the industrial system of the Nation be dispersed, and that underground location of those industries most vital to our war potential be planned against the hour of need.

12. Control of sabotage, sedition, and subversive activity: The success of the enemy in World War II in the use of the fifth column as a military weapon is well known to all. By means of sedition and subversive activity, coupled with sabotage of defense installations, supposedly powerful armies were so softened and thrown into confusion that they suffered comparatively easy and stunning defeat. When we entered the war, however, our countermeasures crushed the fifth column, and we were remarkably successful in controlling subversive activities and preventing sabotage.

In considering this important field of our preparedness program, we should remember that the fifth column will not await a formal declaration of war any more than military attack does now, and our preparedness program must provide for the control of sabotage and subversive activities in peace as well as in war. Even now agents of foreign countries are engaged in such activities in an effort to undermine the American way of life and our time-tested system of democratic government. It is vital to preparedness that we recognize that there can be no divided loyalty in this country, that the hyphenated American is no American at all, and that regardless of creed, racial strain, or national ancestry, our people must face the future on the basis of a common and exclusive American nationality. No man can be a loyal and patriotic American unless he is an American and nothing else.

As Theodore Roosevelt once said:

"We must not stand merely for America first. We must stand for America first and last; and for no other nation second—except as we stand for fair play for all nations."

No fifth column can breed with success among a people who believe in Stephen Decatur's immortal words:

"My country. In her intercourse with foreign nations may she always be right; but right or wrong, my country."

That belief guided those who participated in the birth and early days of this Nation; it must guide today those to whose charge the future of the Nation has been committed.

In conclusion, let me remind you that twice in our lifetime we have seen our state of unpreparedness threaten the very existence of our way of life. Broad oceans, strong allies already engaging the common enemy, and a kind Providence have given us time to prepare to meet the evil forces which have threatened us.

The initial attack of a future aggressor nation undoubtedly will be thrown against our United States, which has provided the decisive force in the world's two great conflicts.

Our cause is the cause of peace, and the common sense and patriotism of the American people are our most effective weapons in the struggle to underwrite the peace.

Our generation is now responsible for the safety of the United States in a troubled and turbulent world, and for the discharge of our country's proper obligation to exert power and strength for the cause of establishing peace.

It is a responsibility and opportunity which challenges our best thought and effort, and I am confident that we as a Nation will meet the challenge.

Situation Regarding H. R. 3054, H. R. 4038, and H. R. 3432

EXTENSION OF REMARKS
OF
HON. WALTER G. ANDREWS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. ANDREWS of New York. Mr. Speaker, I should like to explain to the House that due to the pressure of other legislation in the closing days of this session, it has been unfortunately impossible for the Armed Services Committee to give consideration to the following bills: H. R. 3054, to establish the Women's Army Corps in the Regular Army; H. R. 4038, to authorize the enlistment and appointment of women in the Regular Navy and Regular Marine Corps; and H. R. 3432, to make certain changes in the organization of the Navy Department in the Office of the Chief of Naval Operations.

I wish to state that the necessity for prompt action on these bills is clearly recognized, even though the effects of inaction would not be felt until 6 months after the legal termination of the Second World War. It is my belief that prompt consideration will be given these measures at the next session of the Congress and that a large majority of the Armed Services Committee will express approval thereof.

Hon. Karl Stefan, of Nebraska, Has Made an Outstanding Record in the Eightieth Congress

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. REES. Mr. Speaker, under unanimous consent granted me by this House, I am submitting a very fine editorial that recently appeared in the Lincoln (Nebr.) State Journal concerning our esteemed colleague, the Honorable KARL STEFAN.

I think the membership of the House recognize the ability, the integrity, and the industry of the Honorable KARL STEFAN. It is good to observe the splendid recognition he has received in his own State as indicated by the editorial that reads as follows:

A CHAT WITH THE EDITOR

They aren't exactly what you'd call light summer reading. Certainly they don't look inviting—those big, drab, cardboard-covered volumes that issued from the Government Printing Office in an endless stream to record the hearings of congressional committees. I had always dutifully tossed them, unopened, on a shelf, thinking they'd come in handy some day, then forwarded them, unopened, to the wastebasket along with buckets of dust when the shelf got full.

HENS IN THE DRAWING ROOM

This as always I did the other day when a pile of the volumes came in. Then I opened one out of curiosity. It was better than a detective story, and more complete than an encyclopedia. It was the record of the hearings of the House Subcommittee on Appropriations on the State Department appropriation bill. There isn't a subject or a place under the sun that doesn't find mention somewhere in the book. There's a learned discussion of fishing in the south Pacific, all the dope on UNRRA, something on the cost of living in Tihwa, Chile, an argument over who was responsible for the production of Life With Father in Rome. Literature, hoof-and-mouth disease, aviation, law, history, sex, and the servant problem in Ethiopia all find their place in this tome.

In this particular committee the particular star is the chairman, Nebraska's Representative, KARL STEFAN. That fellow, who has been around a lot, seems to know a little something about everything and a lot about some things, mostly where and how the taxpayer's dollar is spent. There isn't one single item or one possible place to save money that escapes his eagle eye, and the public can be glad they have a man like him around.

The hearings reveal Mr. STEFAN to be world-minded, fair-minded, always ready to acknowledge a necessary expenditure when the facts are shown to justify it, down to the last cent, but persistent and remarkably well-informed. He wants to know who pays for garbage removal at the United States Embassy in London, and he finds out. And if he thinks the British should pay for it, a State Department official goes out and phones the British, then comes back and tells Mr. STEFAN they think they can save a few thousands bucks on that point. He wants to know how much a coffee table cost in Shanghai, and who paid what and why for a motorboat at Istanbul.

Here is a sample of the proceedings, with STEFAN interrogating a State Department official:

"Mr. STEFAN. What did you do with that building in Austria, that Mr. Messersmith bought? It was not being maintained properly; it was in terrible shape in 1939—run down. I complained about it then and nothing was done about it.

"Mr. LARKIN. We had a contract let for repair of that building, and then Hitler came into Austria.

"Mr. STEFAN. Hitler could not have done half as much damage to that building as was done by the caretaker, at the time I looked at it. There were some beautiful gold-framed mirrors down in the basement, and there were chickens running over them and running over everything and the property was just being destroyed. What did you do with that? Did you dispose of it?

"Mr. LARKIN. No, we have not disposed of it yet. * * *

"Mr. STEFAN. When were you there, at what time?

"Mr. LARKIN. I was there shortly after Hitler got there * * * If he got there March 15, I got there about March 31.

"Mr. STEFAN. If you got there March 31, I was there about 5 months later * * * Those things were lying in the drawing room, with chickens running all over them. The caretaker was using the drawing room as his hennery.

"Mr. LARKIN. I did not know about that."

If this were an isolated case you could understand that Mr. STEFAN just managed to maneuver the discussion onto a place he had happened to visit. But time and again the record brings out that he knows more about details from Shanghai to London to Washington than the person in charge. One State Department man was justifying extra pay for Foreign Service at undesirable posts, and used Stuttgart as an example. STEFAN tripped him up, because he knew all about where the consul was living in Stuttgart, how many servants he had and what the house looked like.

* * * * *

As I said, I just got through reading up on the State Department. Now I've got five more on the desk, and I think I'll have to go through them all, the Judiciary, the Justice Department, the Commerce Department, the hearings on the Griswold mission to Greece. Just to see if there's something that man STEFAN doesn't know something about.

RAY MCCONNELL, Jr.

Humanity Demands That the Crime of Genocide Be Outlawed

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday July 26, 1947

Mr. SABATH. Mr. Speaker, the Social and Economic Council of the United Nations is now considering one of the most important issues. It is the draft convention on the crime of genocide, meaning the willful and planned destruction of minorities through killings, mutilations, sterilizations. Also included in the definition of this crime are atrocities against religion and culture, such as destruction of churches, libraries, removal of spiritual leaders, and so forth. The draft convention aims to protect both the physical and spiritual life of human groups. The highest possible protection is to be given to such groups and their destruction is defined as an international crime, like piracy, trade in slaves, or trade in women. Piracy as an international crime has become obsolete, and the real pirates are to be found now not on the high seas, but on the continents.

The American delegation took a leading part in adopting a resolution at the last Assembly of the United Nations, outlawing genocide. President Truman in his message to Congress—see letter of the President in transmitting his report to Congress, New York Times, February 5, 1947—considers the concept of genocide of the greatest importance. Professor Jessup, the American delegate in the United Nations Committee on Codification of International Law, stated that the definition of genocide through an international treaty signifies an important advance in international law. This attitude of American statesmen is in line with the traditional American policy of moral and humanitarian solidarity, and of assistance to the victims of persecutions and indignities inflicted upon innocent peoples by tyrannic governments. Theodore Roosevelt once even denounced the trade treaty with Czarist Russia in protest against pogroms. As a matter of fact, the United States has always paid the tremendous cost of the crime of genocide, because we have had to take care of the victims. Because of these considerations, it is hoped that the American delegation at the Social and Economic Council will do everything to accelerate

the adoption of the draft convention at the next Assembly. No delay on the excuse of cumbersome procedures should be admitted by the Social and Economic Council.

The prevention of crimes, like the prevention of fire, does not allow delay unless we are indifferent to these disasters.

In that connection, Mr. Speaker, I am inserting in the RECORD an editorial from the Washington Post of July 16, 1947, on the same subject.

TREATY ON GENOCIDE

In conformity with a mandate given it by the General Assembly of the United Nations at its last session, the UN secretariat, with the help of expert counselors, has prepared a draft convention outlawing genocide as an international crime. The draft has now been sent to the 55 member nations for scrutiny and comment and is to be brought up for discussion by the Economic and Social Council when it convenes on Saturday. It should be ready for action by the Assembly when that body has its next meeting in September. The time is short, yet not too short, we think, for settlement of a matter on which there has already been unanimous agreement in principle.

Genocide has been defined by Prof. Raphael Lemkin, who coined the term, as an organized and systematic effort to exterminate a human group as an entity. Prior to its last adjournment, the Assembly acted unanimously to condemn genocide as a crime under international law. But to make this condemnation effective, it is now necessary for each member nation to enact the legislation necessary for prevention and punishment of the crime and to ratify a treaty as to methods of dealing with it. The draft convention would pledge all its signers "to prevent all acts of genocide and to punish all persons guilty of such acts, wherever they may occur." This would mean that an organized and systematic attack upon an ethnic group, such as Hitler's programs of extermination in and out of Germany, would be a violation of international law punishable by any nation which could lay hands on those responsible. The lessons of the past should have made the need for such an international statute self-evident. It would do no more than give the sanction of the United Nations to elementary standards of human decency. We hope that the General Assembly will choose to make this the first order of business when it convenes and translate what is universally accepted morality into international law.

A Danger and a Remedy

EXTENSION OF REMARKS

OF

HON. JOSEPH P. O'HARA

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. O'HARA. Mr. Speaker, in 1914, for the first time in our national history, an agency was created primarily for the purpose of preventing violations of the antitrust laws. This agency, the Federal Trade Commission, was designated to enforce certain provisions of the Sherman and Clayton Acts and to prevent, through the issuance of orders to cease and desist, unfair methods of competition. The basic statute, the Federal Trade Commission Act, represented a complete departure from our traditional methods of law administration.

Underlying this legislation was the belief that the basic theory of the antitrust laws could be made workable only if a method were devised to extinguish incipient restraints of trade, as well as to eliminate those already established. The theory was that prevention would be more effective than cure. To arm the Federal Trade Commission with the broadest possible powers, to discourage monopoly, and to eliminate restraints upon interstate commerce, authorization for prevention of unfair methods of competition was couched in the most general terms. Thus the Commission was empowered to strike at practices which might otherwise not be preventable under the more rigid terms of the Sherman Act and the Clayton Act. Over the years, by the administrative policy of the Commission, by judicial interpretation, and by the passage of the Wheeler-Lea Act in 1938, the Federal Trade Commission has increasingly digressed from its originally intended function and has become more and more the arbiter of advertising and trade practices which frequently have little or no relation to monopolistic practices or to restraints upon commerce.

The procedure established by the original act for furtherance of the Commission's antitrust duties remains essentially unchanged. This procedure, even more than the other innovations wrought by the act, represented an experiment in our jurisprudence. It empowers the Commission to investigate suspected violations of its act, to make charges, to prosecute and to adjudicate the charges and to issue orders immune from effective review by the courts.

This procedure has been well described by the circuit court of appeals for the second circuit—*John Bone* v. *Federal Trade Commission* (299 Fed. 468, 471):

> The Trade Commission * * * is called upon simultaneously to enact the roles of complainant, jury, judge, and counsel.

This combination of functions imposes upon the Commission a responsibility that taxes the capacity of human nature. Experience has demonstrated that in the administration of its act the human frailty of the Commission has predominated.

The act provides that "whenever the Commission shall have reason to believe" that the law is being violated, it shall issue and serve its complaint, "if it shall appear to the Commission that a proceeding by it in respect thereof would be to the interest of the public." This requires, to a material extent, a prejudging of the charges which the Commission later prosecutes and must adjudicate.

When hearings are held to avail the respondent an opportunity to show cause why an order to cease and desist from the alleged violation should not be entered, the Commission designates one of its trial examiners to preside over the hearings and appoints one of its trial attorneys to represent it in the proceeding.

The proceedings are often protracted and expensive. The hearings are frequently held at widely scattered points throughout the country—wherever the witnesses may be found—requiring extended travel by the Commission's staff and the respondent's representatives. Frequently years are consumed before the cases are terminated. The Philippine Mahogany case, for example—*Indiana Quartered Oak Co.* v. *Federal Trade Commission* (26 Fed. (2) 340)—was in litigation for 22 years before being finally concluded.

It is significant that the Commissioners make their decisions without any first-hand knowledge of the case. The testimony is taken down stenographically and submitted as a written record. Neither the Commission nor any Commissioner sees or hears a single witness.

The Commissioners do not even read the whole record of the testimony. A member of the Commission, testifying before a subcommittee of the House Committee on Interstate and Foreign Commerce on H. R. 2390, Seventy-ninth Congress (record of hearings, pp. 406 and 417), stated that it is physically and mentally impossible for the Commissioners to read all of the records. He cited the record in one case of 50,000 pages as an example of their length. Representatives of the Commission testified in these same hearings, that in making decisions the Commission depends on the report of its trial examiner, briefs of counsel, oral argument of counsel, and the advice of three legal assistants—record of hearings, pages 406, 416, and 417.

The adjudication is made on an appraisal of the weight and sufficiency of the evidence which is solely within the discretion of the Commission. The Commission may decide its cases by the preponderance of the evidence, but it is not required to do so by the act. It simply provides (sec. 5 (b)) that—

> If upon such hearing * * * the Commission shall be of the opinion that the method of competition or the act or practice in question is prohibited * * * it shall * * * issue and cause to be served * * * an order * * * to cease and desist.

By contrast, in civil cases tried by the courts, the preponderance rule is the minimum. In criminal cases guilt must be established beyond a reasonable doubt.

In *Harriett Hubbard Ayer, Inc.* v. *Federal Trade Commission* (15 Fed. (2d) 274) it was held that the Commission's findings could not be disturbed if supported by any evidence.

More recently other cases have held that the Commission's findings are not subject to review if supported by substantial evidence. But no court has required that they be supported by a preponderance of the evidence.

The need for corrective legislation is emphasized by the narrowness of review of Commission proceedings by the appellate courts. In an increasing number of cases the courts are declaring their impotence to review the findings of fact.

The courts further hold that they are bound by the Commission's judgment as to the quality and sufficiency of the evidence. Such evidence may consist of biased testimony—*Segal* v. *Federal Trade Commission* (142 Fed. (2d) 255)); incompetent evidence—*Bene* v. *Federal Trade Commission* (299 Fed. 468); and

the testimony of selected experts—*E. Griffith Hughes, Inc.* v. *Federal Trade Commission* (77 Fed. (2d) 886). In the Segal case the court observed that a part of the testimony was "obviously biased" and said:

> Even so, if the Commission wished to rely upon such testimony, we may not intervene, whatever might be our own indisposition to accept what he said.

The courts refuse on appeal to weigh the evidence. They hold that they are bound by the Commission's findings, if supported by evidence, despite the fact that the weight may be to the contrary. Thus, they need read only the Commission's side of the case and if there is evidence to support the findings, the record to the contrary may be ignored.

The considerations for the O'Hara bill, H. R. 3871, are the principles outlined by Chief Justice D. Lawrence Groner of the Circuit Court of Appeals for the District of Columbia in a letter to the Attorney General—report of the Committee on Administrative Procedure, Seventy-ninth Congress, page 248:

> The correct decision of this question is one of immense importance. It should, in my opinion, be considered by Congress in the light of the real and true purposes which the founders of our Government sought to achieve for themselves and their posterity. These were free action, free enterprise, free competition. They believed that equal justice between man and man and between citizen and state was one of the impartial rewards which encouraged to efforts that produced great and lasting results. Therefore, they made no provision for exemptions from legal duty. What they did provide for was that there should be no oppression, no exaction by tyranny, no spoilation of private right by public authority, and that there should be a fair, honest, effective government to maintain the things which were thought to be the prerogatives of every individual man.

The Commission is primarily a regulatory agency and yet it adjudicates issues of fact between the Government and the citizen as a judicial tribunal. It is the combination of the prosecuting and adjudicating functions that the bill seeks to correct.

The bill, H. R. 3871, preserves in the Commission authority to investigate and prosecute violations of its act but it requires that such cases be prosecuted in the United States district court in the district where the respondent resides or maintains his or its principal place of business. This procedure will continue to draw on the specialized experience of the Federal Trade Commission. The Commission will still determine whether there has been an apparent violation of its act, make the necessary investigation and, by its attorneys, prosecute the case. But the cases will be tried in the courts by the accepted judicial process and respondents will be assured of a trial by a tribunal traditionally impartial in the administration of justice.

The bill provides that the Rules of Civil Procedure for the District Courts shall govern such proceedings. This will assure uniformity in procedure and will make available to both parties the procedural advantages of the rules. Under the guidance of the courts, cases which now take years to dispose of may be terminated at their inception by motion or negotiation.

The members of the Commission are not experts in the adjudication of factual issues. They are precluded by their act from attaining the measure of impartiality associated with judicial procedure. The cumbersome procedure under which they must operate precludes them from attaining the full measure of first-hand familiarity which should be associated with judicial procedure. It is the courts that are the experts. Historically, the trial of issues of fact has been within their province. For generations they have tried cases of fraud, deceit, and unfair competition. They are preeminently qualified to adjudicate the issues of violation of the Federal Trade Commission Act.

The O'Hara bill gives both the Government and the individual a "day in court"—a fundamental which has been so encroached upon by bureaucratic practices that it threatens basic constitutional privileges and has an insidious destructive effect upon American concepts of government.

Plaque-Unveiling Ceremonies Commemorating the Centenary of the Republic of Liberia

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EXTENSION OF REMARKS

OF

HON. FRANK M. KARSTEN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. KARSTEN of Missouri. Mr. Speaker, under leave granted me to extend my remarks I include the following messages and addresses delivered in connection with the plaque-unveiling ceremonies commemorating the centenary of the Republic of Liberia held on the steps of the United States Capitol Saturday, July 26, 1947:

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The ceremony being held today to commemorate the one hundredth anniversary of the establishment of the Republic of Liberia is still another testimony of American friendship for the people of the nation which had its birth in the building that forms the background for this celebration. Americans are proud of the fact that the Capitol of our Nation was the scene of the ceremony which laid the foundation of the Republic of Liberia. We are proud, also, of the progress that Liberia has made since 1847 and of the contribution that the United States has made toward that progress.

Having all but completely conquered the jungle wilderness in which they established their new nation, the people of Liberia now have set themselves to the task of developing their resources and extending the political, social, and economic benefits of democracy in Liberia's hinterland regions. It is our hope and expectation that the coming years will see the progress of the past 100 years continued and accelerated. We are certain that the friendship which is symbolized by the clasped hands on the plaque to be unveiled here today will continue to grow and that the United States and Liberia will march together during the next century in the same cooperation and mutual trust which have distinguished their association during the century just passed.

Very sincerely yours,

HARRY S. TRUMAN.

STATEMENT BY PRESIDENT WILLIAM V. S. TUBMAN, REPUBLIC OF LIBERIA, WEST AFRICA

Today Liberia commemorates her centenary with pride and grateful recognition and acknowledgment of the countless blessings bestowed upon the Government and people by Almighty God whose sustaining and all-protecting might has assisted her in maintaining her national existence amidst terrible odds and vicissitudes.

On this signal occasion Liberia proclaims and reaffirms her deep sense of gratitude to the forebears who framed, adopted, and gave the democratic constitution which insures to all within her borders the natural inherent and inalienable rights vouchsafed by it. Throughout the century Liberia has learned to believe that the independence of nations, as of individuals, is essential and indispensable to security, world peace, and prosperity. She recognizes her international obligation, acknowledges and esteems the bonds of mutual friendship and reciprocal cordiality which exist between the Government and people of the United States of America, on the one hand, and the Government and people of Liberia on the other.

Liberia is grateful for the sympathetic considerations which throughout her national history she has enjoyed at the hands of her great friend, the United States of America, her friends and neighbors, Great Britain and the Republic of France, as well as all the other nations with whom she in common has taken up arms in defense of democracy in the last two Great Wars.

We, the Government and people of Liberia, are pleased at this time cordially to welcome the governments and peoples of friendly states who have so generously responded to our invitation to come and participate with us in the celebration of our centenary. Today Liberia rededicates herself to the furtherance of the friendly relations and cooperation, which have so happily existed between members of the United Nations and herself. She pledges to uphold and implement the lofty principles of human rights, enunciated by the Atlantic Charter and elaborated in the great Charter of peace upon which the United Nations Organization is founded.

ADDRESS BY THE HONORABLE C. D. B. KING, ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF LIBERIA TO THE UNITED STATES

Mr. Justice, Mr. Cochairman, ladies and gentlemen, I thank you and this grand committee, from the very depths of my heart, for this flattering and most gracious tribute of respect and honor you are this afternoon paying to my country, the Republic of Liberia, in connection with the celebration of her one hundredth anniversary as an independent African state.

This event, together with the most historic spot on which it occurs, I regard as a fine, delicate compliment paid to Liberia by the American people as a whole for which the Government and people of Liberia are most appreciative and thankful.

The news of this occasion, when it reaches my fellow countrymen at home, as well as abroad, will, I am sure, enthrill them with much joy and pardonable pride.

Mr. Justice Jackson, it has indeed been a high honor and great privilege accorded me to listen to the very illuminating historical address just delivered by you, showing how closely intervowen has Liberia's history been with that of the United States of America. The fact that such highly distinguished American citizens as yourself, the Honorable Congressman William L. Dawson, Counselor Perry W. Howard, and Publisher Frank L. Stanley are active participants in these ceremonies this afternoon is sufficiently convincing to the people of Liberia that the peoples

of the United States, irrespective of race or color, are keenly and sympathetically interested in Liberia, and are watching with a rightful pride her continued progress, prosperity, and welfare.

For and on behalf of our much beloved and highly respected President, His Excellency William V. S. Tubman, I now officially receive this bronze plaque—unique, interpretive, and beautiful, which I shall immediately forward to its high destination.

With the significant symbolism of "Hands Across the Sea" appearing on the plaque, I regard as being also indicative of the union of hearts of our two peoples. Liberia can now with great confidence enter upon her second century of national life urged by those most inspiring words of her national anthem which read as follows:

"All Hail Liberia! Hail!
This glorious land of liberty shall long be ours.
Tho' new her name, green be her fame,
And mighty be her powers.
In joy and gladness, with our hearts united,
We'll shout the freedom of a race benited.
Long live Liberia, happy land,
A home of glorious liberty by God's command."

ADDRESS OF EARL PARKER HANSON, AUTHOR AND TROPICAL EXPLORER, FORMER CHIEF OF UNITED STATES FOREIGN ECONOMIC ADMINISTRATION MISSION TO LIBERIA

The one hundredth anniversary of Liberia's birth as an independent nation is an event that must be regarded with respect and admiration. Not only were the country's founders inexperienced in matters of statesmanship and government, but circumstances were against them. No nation can thrive in isolation, and Liberia, whose commercial products had to be sold in competition with those of neighboring colonial lands, was truly isolated, economically and politically, for almost the entire century of its existence. Under such circumstances the maintenance of the country's independence throughout the same hundred years that saw almost all the rest of Africa carved up into colonies emerges as one of the truly-great feats in the history of modern diplomacy.

Today a profound change is taking place, with a corresponding change in United States policy toward Liberia. Although that country had several times in the past century asked us for technical help toward its modernization and development, we didn't comply with the request until 1944. Then we sent over an economic mission that I was privileged to direct until 1946 and that is now continuing under the able leadership of Oscar Meier. At the same time we sent Liberia a health mission and built a modern seaport at Monrovia, as well as started a number of other activities that are of basic importance. Today we and Liberia are working together toward that country's development, with the help of the United States and for the mutual benefit of both countries.

With that help, whose greatest single significance is the promise of substantial markets for such Liberian products as iron ore, tropical timbers, palm oils and fibers, cocoa, coffee, Kola nuts, and other items from the nation's almost limitless store of undeveloped raw materials, to be sold to us in return for our goods, the Negro republic has begun to forge ahead. To American business it means not only a new foreign market but also many chances for investment that exist even now, for business ventures that range all the way from lumbering through general trade to small manufacturing and the establishment of hotels and motion picture theaters.

However—and I say this as a private individual whose professional record entitles him to a valid opinion—there also exists a fine opportunity for us as a nation to make a sound investment in the form of an international loan. The time is near when our current activities in Liberia should be implemented by such a loan, which would not only start the Republic's second century with well-accelerated development but would also almost certainly pay large dollar returns, both directly and in a number of indirect ways.

In talking of Liberia's development we must never think that it is we Americans who are doing the job. The responsibility has been assumed, and the main job is being done, by the autonomous Republic of Liberia, which has merely requested governmental and private help, as many another country has done in the past. And the most dramatic and important aspects of the job are seen in the activities of President William V. S. Tubman since his inauguration in 1944. He has put through an income-tax law to help pay for development and has given the vote to his country's women. He has sent dozens of Liberian students to American universities and has devoted much energy to fostering better education in his own country. Of greatest basic importance, however, is his program of hinterland reform. I have personally seen him right many of the wrongs that have been practiced on the aborigines for a hundred years. I have seen him take steps toward the provision of health and educational facilities for those aborigines, and give them the vote and representation in the legislature. I have also heard him several times announce his determination to eradicate Liberia's time-honored differences between the ruling Americo-Liberians and their African colonial subjects.

With such steps he has gone far toward the redress of ancient wrongs, and the voluntary abolition of one of Africa's colonial regimes. Even more important to us Americans from a business point of view is the fact that he has also gone far toward the creation of a homogeneous body of 1,500,000 Liberian citizens, who will be able to produce many more goods and purchase many more of our products in return, than could a small ruling class of 15,000 who keep 100 times that many men and women in colonial subjugation.

ADDRESS BY DR. CHARLES S. JOHNSON, SOCIOLOGIST AND PRESIDENT-ELECT OF FISK UNIVERSITY, NASHVILLE, TENN., DELIVERED FROM LONDON, ENGLAND

It was 17 years ago that I paused briefly here in London, on the way to Geneva, and thence to Liberia as the American member of an International Commission of the League of Nations. As the mission moved into the stream of Liberia's history it foreshadowed, I am now convinced, a new relationship of this free nation in an Africa of colonies, to the world outside its troubled borders. No young and isolated and underdeveloped country in Africa, whether dependent or free, could in this century escape the insistent currents of world economics and politics, or lag for long too far behind in its standards and practices if it was to survive and keep its independence.

Few people in the world who know Liberia's struggles and its failures know as well its painful history. Indeed, few people who know America's history after 462 years, know as well the bitter struggle and the dark unpromising days of the English colonizers before the end of the first hundred years. America was rich and fertile, consuming in its vastness, but a lush wilderness to bring under control. Africa was harsh and inhospitable, breathing strange and uncontrollable fevers, an alien homeland for men who had never known before the fullness of freedom.

The founding of Liberia was a wave of a current vastly larger than the colonization movement itself. It was founded just as the back of the slave traffic was broken by an aroused world conscience—as both a protest against and protection for the domestic slavery that remained after the traffic had ceased. The founders were not men of learning, skill, and experience in statecraft, but men who had been slaves. The wonder is, not that they have developed no vast wealth or armies or industries, or flowered in one century a great civilization, but that they have survived at all.

These men, who, with bitter valiance went forth to this unpromising land, were not just restless people, or fallen children of opulence seeking new scenes to repair their fortunes, or balked political theorists, or victims of religious persecution. They were people who by virtue of their status were convinced that they could never rise at home—untutored minds in which stirred no bright light of history or precedent to inspire them; whose only philosophy had been distilled from physical and moral adversity; whose prospects were as dark and appalling as the memory of their past. What they did with little help has made a strange and, at times, a cloudy history. There is something almost fantastic about the spectacle of a group of twelve or fifteen thousand American-Liberians, concentrated in six small towns on the coast, trying to control an area of 43,000 square miles and a little known or understood native population of 1,500,000. European colonists have controlled larger areas and more people with greater ease, but they have had always behind them the strong arm of a secure and determined mother country. The Liberians had no mother country—they were themselves creatures of transition, shut off from the native culture, and, with brutal irony, cast in the role of rulers of their fathers whom they had never known—but they somehow survived.

In 1930 the country was in trouble. It had not been able to reconcile the republican constitution drawn up by a well-wishing Harvard professor with the grim reality of a native society in the long and confused first stages of the western-style civilization. The political structure was faulty and lent itself to the abuses, both of ignorance and design. It was in debt. The very first loan at fantastic discount and interest rates began a vicious circle of debts that plagued the Nation over most of its lifetime. It could not build schools or develop its markets, or safeguard its health, or cure its poverty, even by following the pattern of native exploitation familiar to the age of rampant imperialism in the late nineteenth century. It was easy to see the grotesqueries of this uneven structure called a state and the pitiful ineffectiveness of the country's leaders in dealing with its problems. In the failure to develop agriculture and trade, in the desperate efforts to adjust to the adverse tides of culture and economics, they were for a while the prime examples, in a skeptical world, of the inability of their race to support a free state. And yet, against a world of terrors, Liberia has survived. It has survived the terror of the superior strength of acquisitive nations, the superior vitality of its aboriginal population, the hovering shadow of tropic death, and the ironic fate of starvation in a land of potential plenty. With growing strength it moves into its hundredth year as a sovereign state.

In this decade of the century, Liberia is coming of age, and in the discovery of itself and in the development of its physical and human resources, it is commanding the respect and admiration of the world.

Relief for Europe

EXTENSION OF REMARKS
OF
HON. PRESTON E. PEDEN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. PEDEN. Mr. Speaker, much has been heard about the so-called Marshall plan, and during the past 2 months

every newspaper and magazine has been filled with comment pro and con on this program of relief for Europe. Much has been said about it; yet, no one seems to know exactly what the Marshall plan encompasses.

From the sources of information available to me, it appears that on June 5, 1947, Secretary of State George C. Marshall, in a speech at Harvard University, outlined what has come to be called the Marshall plan for the economic rehabilitation of Europe. It was based on the premise that an economic approach to Europe's problems might succeed where political conferences had seemed to fail. As it was concerned with American aid to Europe, the plan suggested that piecemeal methods of aid would be of no avail and called on Europe to (1) draw up a balance sheet of European resources and needs, (2) work out a blueprint for self-help, and (3) submit to the United States a program under which American dollars could be used most effectively to help Europe help itself. European nations which accept the plan are to join in a program of economic cooperation: To pool their resources, to break down economic barriers, and to assess their need on a continent-wide basis. The United States will examine the submitted program in the light of its own resources, and then Congress will decide how much money we can supply and how best it can be given.

This, briefly, is the Marshall plan as I understand it.

The President of the United States has appointed a fact-finding committee to investigate and determine the resources of this country and the extent to which we can go in extending further aid, credits and grants to foreign countries. In September of this year, the European countries who are willing to cooperate, are to submit their plan for self-help and their estimate of the required assistance from this country. As you know, Russia and her satellites have backed away from this plan and have refused to cooperate in any way. As you know, further, France, while willing to go along in obtaining American assistance, has refused to accede to the proposed reindustralization of Germany, an essential part of the plan. These are two obstacles which may prove fatal to the success of any such undertaking. Only time will give us the answer to that question.

While my understanding of Secretary of State Marshall's approach to the European problem may not be complete, I should like to take this opportunity to make some comment upon the general proposition of further aid and assistance to foreign countries.

In the first place, before Congress will be willing to appropriate American money for any such purpose, it will want to know these factors: First. How much it is going to cost. Second. How the money will be spent and if this country will have any supervision over its expenditure. Third. That the money will be used for the actual rehabilitation of these countries and not in endless spending for mere relief. Fourth. That there will be a reasonable probability of success, producing some relief from the threatened spread of communism and Russian aggression. After all, this is the real, pragmatic objective of any such program, the lessening of the hold which communism is obtaining over the weakened European nations.

Russia, apparently, is actively opposing this proposed plan and has advanced many arguments against participation in the program. The mere fact, however, that Russia is opposed to this program, is not enough, in my mind, to justify its adoption by the United States. There must be stronger and more satisfying reasons why we should undertake this course of action, than simply the Russian opposition to it.

Let us examine further the general proposition of aid to Europe. What will be the result in this country of additional loans, grants and credits to the nations of Europe? What impact will these make upon our domestic economy?

There is no question but that the United States has benefited, at least superficially, from foreign aid already given. There is no question but that our high volume of exports is the result, in a large part, of credits already extended England and other foreign countries. On the other hand, there is no question but that this high volume of exports has cut down the amount of goods available to our own people. Supply has not come anywhere near meeting the demands of our own domestic markets, at least in manufactured products. This has resulted in the continuance of high prices and a real scarcity of goods here at home. Yet, at the same time, it has permitted the United States to build up outlets abroad for our products. It has kept prices high; yet, by the same token, has kept unemployment at a minimum and has served to keep wages and incomes at a high level.

There is no question but that the overseas shipment of wheat and other food products has prevented a surplus from accumulating in the United States, and thus, has kept the price at an unprecedented high.

It is a sword that cuts both ways. Without financial help to the foreign countries, which permits them to trade with this Nation, we would not be able to dispose of over-abundant crops; the price would drop and certainly unemployment and retrogression would result. But, to extend further credits and grants to foreign countries is going to cost us in two ways: We are helping to bring on inflation in prices here, and, at the same time, we are building up our national debt at a time when we should be reducing it.

It all boils down to this. We are giving the other countries money with which to buy our own products. We are creating markets abroad for our goods, by first giving the purchasers the money with which to buy them. Try to open a grocery store and run it on this basis. Business will be good, and certainly there will be employment for your clerks, but how long will you stay in business?

It is all right to talk about priming the pump, but it appears to me that, to be successful in pump priming, the aim should be to get more out than is put in. To me, it appears that the so-called New Deal is being revived, but this time on a world-wide basis.

Mr. Speaker, for the reasons set out above, I do not believe that the granting of further credits and grants to foreign nations comes under the heading of "Good business."

There is another side to the question, however. Will this course of action proposed by the Secretary of State serve to promote world peace and keep this country out of war? Will such a plan stop Russia's imperialistic aggression? If so, be it an experiment, or call it by whatever name you will, then I would be inclined to go along with the idea.

If it can be shown that the Marshall plan, by stabilizing the economy of European countries, will serve as a long-range program to halt Russian encroachment, with the ultimate end of preventing a third war, then I am willing to back that plan.

I do know, however, that you cannot buy friendship. You cannot pay anyone to adopt a way of thinking. You cannot pay another people to adopt democracy. It is possible to assist a nation of freedom-loving people to acquire that freedom, but the desire for freedom and self-government must already be instilled in those people. They must be willing to fight and work to that end. If they are Communists at heart, however, all the money that we could pour into those countries would not stem the tide of communism there. Let us be sure of our facts before we undertake to provide further aid with American money.

If we are going to help other countries get on their feet and stabilize their economies let us not fool ourselves with the dream that this country will be financially better off. We will not be. Let us not blind ourselves by thinking that if we give foreign countries a blank check against our bank account they will immediately fall all over themselves in setting up democratic governments favorable to this country.

Mr. Speaker, I do not believe in isolationism. On the contrary, this country must play a leading role in world affairs. If Russia is our real enemy, then let us take steps, as we did in the case of Greece and Turkey, to stop her further encroachment into other countries. But if it calls for the spending of additional money abroad, then let us do it for the open and avowed purpose of trying to keep this country out of war.

In reaching our decision we will want to see the inventory prepared by President Truman's committee of the state of our own resources and compare this with the balance sheet of European resources and needs. We will want to weigh the cost against the benefits. Until such time as we are permitted to know more about the Marshall plan, and until the requirements of European nations are made known, I will reserve judgment.

Comprehensive and Adequate System of National Defense

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

UNION LEAGUE CLUB OF CHICAGO,
June 23, 1947.

Hon. RALPH E. CHURCH,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN CHURCH: I am transmitting in behalf of the club the report and recommendations recently adopted by the board of directors concerning the basic requirements for a comprehensive system of national defense.

We are sending copies of the report to each Member of the Illinois delegation to the Congress. We are recommending the report to their consideration as the viewpoint of a group of citizens whose condition of membership as now constituted is "absolute and unqualified loyalty to the Governtment of the United States" and who are pledged to "defend and protect the integrity and perpetuity of this Nation."

As one of our valued members we believe that the report may have special interest for you. We would like to suggest that, if you could consistently do so, you have the report inserted as a document of patriotic interest in the CONGRESSIONAL RECORD.

Thanking you for your consideration and with best personal wishes, I am

Sincerely,

FRANK C. RATHJE,
President.

REPORT AND RECOMMENDATIONS OF THE UNION LEAGUE CLUB OF CHICAGO CONCERNING BASIC REQUIREMENTS FOR A COMPREHENSIVE AND ADEQUATE SYSTEM OF NATIONAL DEFENSE

(Formulated by the club's public affairs committee and its committee on national defense and adopted by action of the club's board of directors June 16, 1947)

INTRODUCTION

The purpose of this report is to present information that will be helpful to civilian citizens in obtaining an over-all view of the problem of national security and the basic requirements for a comprehensive and adequate system of national defense.

The elements of our national security at this time are:

I. The United Nations Organization.
II. The elements of national defense.
1. The armed forces.
2. Sound unification of the armed forces.
3. Adequate plan for training of the youth.
4. Industrial mobilization for war emergency.
III. The merchant marine.
IV. Research and development.
V. Civilian defense.
VI. Hemisphere defenses.
VII. Atomic bomb.

I. THE UNITED NATIONS ORGANIZATION

The United Nations, as the most vital element in the program of fostering international cooperation and world solidarity, should be encouraged and supported.

President Roosevelt, Prime Minister Churchill and Marshal Stalin agreed at their Yalta meeting in February 1945: "That a conference of the United Nations should be called—to prepare the Charter—along the lines proposed in the informal conversations at Dumbarton Oaks."

This Charter was prepared and approved by the United Nations at the San Francisco Conference of 1945 and includes the following purposes:

(1) Maintaining International Peace by settling disputes.

(2) Developing friendly relations among nations.

(3) Achieving international cooperation in solving economic, social, and other problems.

(4) Serving as a center in which nations can work toward these common goals.

The United Nations Organization consists of:

1. The General Assembly

The General Assembly is the policy-making or supervisory body, consisting of all member nations, at present 55. The General Assembly lays down over-all policies of world cooperation; discusses any question brought before it; elects the members of certain United Nations agencies—it cannot pass binding laws; it meets once a year.

2. The Security Council

The Security Council consists of 11 members—five permanent members (United States, Great Britain, China, Russia, France, and six temporary members—2 years; Egypt, Mexico, Netherlands, 1947; Australia, Brazil, Poland, 1948). The Security Council is charged with the responsibility of maintaining international peace and security—its acts are binding on member nations; it is the United Nations enforcement agency; it can, if necessary, impose diplomatic or economic sanctions, or invoke armed enforcement; it remains in continuous session; the presidency is rotated monthly.

Since it is the enforcement body of the United Nations, it is the duty of the Security Council to consider and to debate major political problems and to decide them.

Each nation represented on the council has 1 vote, or a total of 11. Procedural matters are decided by an affirmative vote of any 7 members. Political disputes and matters, not considered as procedural, require the affirmative vote of the five permanent members (United States, Great Britain, Russia, China, France), and at least two others. This is the much discussed veto power of the Big Five.

Russia has invoked the veto powers, and, to some extent, has nullified the idealistic purposes of the United Nations. Its delegate has absented himself from Council proceedings, thereby freezing the work of the council and making a decision impossible.

The future of the council rests with the interpretation of the use of the veto power, which will be discussed at the next meeting of the General Assembly. It has, as an organization, withstood some of the onslaughts of power politics and continues to stand as an international forum where problems of state can be fully discussed between nations.

3. The Economic and Social Council

The Economic and Social Council is an advisory body consisting of 18 members.*

4. The International Court of Justice

The International Court of Justice consists of 15 judges, each drawn from a different country, but they do not represent their own states. The present court is from the following counties: 9-year term—Brazil, Chile, El Salvador, France, Great Britain; 6-year term—Belgium, Mexico, Norway, Russia, United States; 3-year term—Canada, China, Egypt, Poland, Yugoslavia. The court has jurisdiction only over matters on which both parties agree to appear.

*Colombia, Greece, Lebanon, Ukraine, United States, Yugoslavia until 1947; Cuba, Czechoslovakia, India, Norway, Russia, Great Britain until 1948; Belgium, Canada, Chile, China, France, Peru until 1949.

5. The Military Staff

The Military Staff Committee assists and advises the Security Council on military matters and will have strategic direction, if the occasion arises, of international armed force. It consists of military representatives of the United States, Russia, Great Britain, China, and France.

6. The Atomic Commission

The Atomic Energy Commission is charged with the duty of making specific proposals for the international control of atomic energy. Its membership consists of the representatives of all countries belonging to the Security Council, plus Canada, which is a permanent member of the Commission.

7. The Secretariat

The Secretariat is the Administrative Office of the United Nations, Mr. Trygve Lie, of Norway, is the present Secretary General, assisted by approximately 2,500 employees.

Early optimism for the future of the United Nations now confronts a future which presents a long pull on rough roads leading in all directions.

II. THE NATIONAL SECURITY

While hopefully awaiting the establishment of the guaranties of world peace by the United Nations, it will be the part of wisdom for the Nation to maintain an adequate system of national defense which will both assure its security at home and its influence abroad.

Fundamental elements of the national defense

1. The armed forces, land, sea, and air, properly organized, manned, equipped, trained, supplied, and provided with the bases necessary to deployment and operation under our world strategy. The armed forces must be paralleled by a protective system of civilian defense, federally organized for immediate activation, and closely integrated with the armed forces.

2. A sound unification of the armed forces, land, sea, and air, each on a parity basis.

3. An adequate plan for training of the youth that they may be ready always to answer, immediately and efficiently, the call of military crisis.

4. Industrial mobilization for war emergency, with Federal control of war supply agencies under supply mobilization plans kept up to date.

These are the four points of support upon which rest our ability to apply promptly and efficiently the power of the Nation's military and industrial resources.

1. The Armed Forces in Our Military Policy

As our doctrine is to carry war, when unavoidable, to our enemy, our armed forces must therefore be primarily of expeditionary character, provided with proper locomotion and supply systems capable of immediate activation.

Our armed forces must be supported by strategic bases located with references to areas of possible future conflict and important trade routes.

The requirements for the ground-sea-air team efficiency steadily increase. Balances may shift within and between its members, but the increased tempo of war and new weapons have increased the necessity of balanced and trained armed forces in a state of team readiness capable of retaining control of or seizing strategic land, air, and sea spaces, especially those which are sources of attack.

2. Unification of the Armed Forces

The Congress now has under consideration various proposals for unifying the armed forces. The decision as to the degree of unification must of necessity be left to the judgment of the Congress and the executive department. The experience of World War II clearly indicated, however, the desirability of coordinated direction of the armed forces.

Council of Common Defense: Planning and execution of measures for the operation of armed forces are not alone sufficient to meet total warfare. We must be prepared to apply our total economy promptly to an all-out war effort.

To this end there must be a National Security Agency, above the level of the armed forces, to integrate military and foreign policy and intelligence, with plans for complete mobilization of our industrial, scientific, and manpower resources. This National Security Agency complements and completes a comprehensive security program.

3. Universal Military Training

A sound plan for adequate national defense should provide for a reservoir of men properly trained as individual soldiers, specialists, and members of units to make possible rapid mobilization of the armed forces in an emergency.

The specific plan to be adopted must of necessity be determined by the Congress and the executive department after giving due consideration to the factors of purposes to be accomplished, cost, and the relative importance of training in the entire defense program.

It is clear, however, that a comprehensive training program is the most practical way, short of an indefinite extension of Selective Service to meet the peacetime and initial mobilization requirements of the Nation's armed forces.

4. Industrial Mobilization for National Defense

The Nation's power to avoid or delay war, and its success in case of war, are directly dependent on the proper utilization of its industrial capacity. If plans for this utilization are not made and constantly kept up-to-date, confusion will follow in time of crisis.

A flexible federally controlled plan is essential to organize, coordinate, prepare and, in war, to direct the human and material elements of our industrial capacity.

Important requirements for successful industrial mobilization are:

(1) Continued government direction and subsidy of research, supplemented by educational orders to industry.

(2) Continued survey of industry for the purpose of production and procurement planning which would lead to the best and most speedy utilization of industry and labor.

(3) The setting up of plans and procedures for those Government agencies which would be necessary in time of war to coordinate all industrial activities.

(4) Continued survey of civilian personnel requirements necessary to implement all war plans.

(5) Study of decentralization of industrial plants with reference to strategic location, protection, and labor markets.

Upon the Nation's capacity for producing the material requirements for our armed forces and civilian economy in time of war will depend the ultimate security of the Nation.

Continued Government direction and subsidy of research sufficient to maintain United States preeminence is essential. Plans for rapid application of total industrial power, in case of war, by Federal control of war-supply agencies under industrial war-mobilization plans must be kept up to date.

III. THE MERCHANT MARINE

The rapid increase in its global interests and reponsibilities requires that the United States should give immediate attention to the organization and development of its merchant marine as a vital auxiliary of its national defense. Whether engaged in foreign or domestic commerce, this fundamental service should be so organized and operated that it could be, in the event of a national emergency, promptly and efficiently converted from its normal peacetime status to its vital role of auxiliary of the armed forces.

Modern war demands unity of national action to be carried out under full and complete plans prepared in peacetimes and providing the means to their successful execution. Under such plans, provision should be made to provide an adequate supply of trained personnel by insuring conditions aboard ship of such a character as to attract a high type of personnel to make a career of the merchant marine service.

Provision should also be made that officers and crews of merchant ships become members of the United States Naval Reserve and receive periodic training to familiarize them with their duties and obligations in the event that a national emergency requires the merchant marine to be integrated with the armed forces.

Sound discipline in the merchant marine in time of peace is necessary to prompt and efficient conversion to duty in time of war. Provision, therefore, should be made for insuring such discipline by a thorough screening of maritime personnel and by establishing adequate disciplinary regulation.

IV. RESEARCH AND DEVELOPMENT

The national defense requires that in peacetime the armed forces vigorously conduct research and development of new weapons, equipment, techniques, and supplies. This should include the development of countermeasures for use in the defense of the Nation against possible enemy secret weapons. This research and development should be conducted to insure the maintenance of the high standard and superiority of our weapons and equipment; to guarantee the availability of proven types, superior in all respects to those of other nations, and to maintain constantly a leading position in the creation and fabrication of all items for ground, air, and sea supremacy.

In the execution of the existing research and development program, close collaboration between the civilian and military authorities interested now exists and will undoubtedly increase in efficiency for the solution of the problems within their scope.

V. CIVILIAN DEFENSE

The Protective Division

The next possible bid for world dominance will certainly begin by the effort to eliminate the Nation which, in the past 30 years, has defeated two such bids, and it is equally certain that the initial assaults will be by air aimed at the industrial vitals of this Nation.

Air operations of the future will, in a few hours, extend to any region of this planet; therefore there should be at all times a homogeneous system of preparation to meet such attacks against our centers of industry, and to provide for immediate counter measures against fifth-column activities, sabotage subversion, strikes, and civil unrest which can disrupt mobilization and seriously interfere with the war effort. For these reasons it is evident that the Protective Division of Civilian Defense should be an integral part of the national defense, and under the high command of the Commander in Chief, the President of the United States, should be administered by the Secretary of the National Defense.

Whether on the battlefield between the armed forces or in attack upon the civilian community, war is a national function and should be organized and directed nationally as a single effort, integrating the armed services and the Protective Division of Civilian Defense.

The Protective Division of Civilian Defense, under the high command of the Commander in Chief, the President, should function under a national system of military area and proclamation, and under directives from the defense commands and area commands; these directives, when approved by the Secretary of the National Defense, to be transmitted through the regional office of civilian defense for execution by the corresponding civilian agencies of the State under the high direction of the governor.

This integration of armed forces and Civilian Protective Division should have its source in the office of the Secretary of the National Defense and should be supplemented by a section of the General Staff, composed of officers of the Protective Division of the Civilian Defense, and reporting to the authority designated by the Secretary of the National Defense.

This organization throws little, if any, extra work upon the Office of National Defense while providing for the prompt and efficient cooperation of the Civilian Defense Corps with the armed forces in unified and directed war effort particularly essential to this element of war.

War Services Division

The War Services Division of Civilian Defense, which is concerned with war problems other than protection, should be administered by the State War Council under the advisory direction of the Office of Civilian Defense.

VI. HEMISPHERE DEFENSES

Much has been said about the defense of the Western Hemisphere as an integrated military unit—a basic idea which was first enunciated by President Monroe and supported by Great Britain in 1823.

Progress and development of weapons, aircraft, and atomic power have made it imperative that people of the American continents realistically unite for the defense of their rights and the maintenance of peace. Accordingly, two specific major proposals have been made:

Various proposals are now under consideration to provide for interchange of defense information and personnel, strengthening of defenses, standardization of equipment, and closer working relationships between the nations of the American continents. All such efforts should be encouraged and supported as vital aids to greater hemispheric solidarity.

Great importance must be placed on the values of distance to soften initial blows against us and provide for counteraction with allies distant from our shores. This hemispheric solidarity of military policy and action is developing to the satisfaction of the nations concerned.

VII. ATOMIC BOMB

The development of new weapons, particularly the atomic bomb, will continue to be reflected in our future plans. It is estimated that within the next year or so atomic warfare, guided missiles, biological warfare, and extended capabilities of air power will bring about changes in the composition and equipment of our armed forces, as well as in our strategy. Scientific development will accelerate the tempo of future war and will tend to make it truly total.

The secret of the atomic bomb should be kept by us until satisfactory guarantees are established by the United Nations for adequate international inspection and control.

CONCLUSION

This report has described briefly:

(1) The organization of the United Nations, and

(2) The outline of the measures which the authorities of this Nation, charged with its security, are recommending in view of the general situation of the world today and in retrospect of the records of the past.

From these voices high in authority and in experience comes the admonition that, at this time, our security at home and our influence abroad depend directly upon the Nation's power, maintained in readiness for immediate and efficient application to the crisis of war.

This admonition has come down to us from the first President of this Nation and his advisers.

It is probable that all our wars since the Revolution would have been avoided had we applied the maxim of the military ages recommended to us by George Washington in time of peace prepare for war. Certainly the cost in blood and treasure would have been minimized in any of our unavoidable wars.

Address of Associate Justice Robert H. Jackson

EXTENSION OF REMARKS
OF
HON. JOHN J. DELANEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. DELANEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable Robert H. Jackson, Associate Justice, Supreme Court of the United States, delivered at plaque-unveiling ceremonies sponsored by the National Committee for the American Celebration of the One Hundredth Anniversary of Liberia, at the foot of the John Marshall statue, on the west front of the Capitol of the United States, in Washington, D. C., July 26, 1947. Mr. Justice Jackson is an official descendant of Judge Bushrod Washington, early Supreme Court Justice and first president of the American Colonization Society—fostering organization of the colony of Liberia.

Mr. Minister and friends of the Republic of Liberia, a century ago today the Republic of Liberia declared itself an independent nation. Its history has been interwoven closely with that of the United States. Its colonization period also had a unique connection with the Supreme Court of the United States. It would not be an exaggeration to say that the Liberian colony was cradled by the Court.

The acquisition of the territory was promoted and its settlement was stimulated and supervised by an almost forgotten organization known as the American Colonization Society. The first national president of this association was Mr. Justice Bushrod Washington, nephew of George Washington, but a man with claims to distinction other than this kinship. Chief Justice Marshall, in the shadow of whose statue we are assembled, also was active in the organization and was president of the Virginia branch as well as head of the Richmond local chapter. Elias B. Caldwell, clerk of the Supreme Court, was one of the founders of the society and its first secretary-treasurer. Many of the early meetings were held in the Supreme Court chambers, located at that time in the Capitol. But this remarkable society reached beyond Court circles. Men of such diverse philosophy as Daniel Webster and Gen. Andrew Jackson are found uniting in its activities. After holding the presidency of the society for 13 years, Mr. Justice Washington was succeeded by Charles Carroll of Carrollton, and then by James Madison, and he in turn was followed by Henry Clay. Francis Scott Key was a director, and while many names prominent in its work have faded from popular recollection, the roster of officers was a Who's Who of leading Americans of the early nineteenth century.

Many different reasons have led to the foundation of different new nations. Liberia is the only one that occurs to me as having been founded to ease a troubled national conscience. It is an outgrowth of the most deplorable chapter in American history—one which still leaves an ugly residue of misunderstanding between races and, to some extent, between sections of our country. But long before slavery became an issue between the North and the South, the African slave trade had alined the many more humane peoples of both sections against the relatively small minority of both sections who profiited by it. Colonial efforts by Virginia and others to stop the traffic were vetoed by the King. Jefferson's original draft of the Declaration of Independence contained a hot denunciation of the traffic in slaves and the King's use of his veto "suppressing every legislative attempt to prohibit, or to restrain, this execrable commerce." Jefferson recorded that our northern brethren, who had been pretty considerable carriers of slaves, united with South Carolina and Georgia in deleting that clause. It was this same combination which wrote into the Federal Constitution a legalization of the importation of slaves for 20 years against the fiery denunciation by George Mason of Virginia of this infernal traffic.

Notwithstanding this entrenched legal position of slavery, its evils stirred the conscience of many men in the South as well as in the North. A mass meeting in nearby Fairfax County had declared "our most earnest wish to see an entire stop forever put to such a wicked, cruel, and unnatural trade." In 1778, after its independence, Virginia promptly had prohibited further importation of slaves, and after the establishment of the Union it ceded to the Federal Government that great empire known as the Northwest Territory, and Mr. Jefferson led the fight to exclude slavery from it.

The consequence of this recognition of the injustice of slavery led many legal owners of slaves, by will or deed, to emancipate them. But it soon appeared that a technical freedom may fall far short of a realized freedom. The freedmen were without homes or land, or means to acquire them, without stock or tools or the credit to buy them, without capacity to get necessities of life which even a harsh master had found it in his interest to provide. The pitiful lot of these freed slaves stirred such men as those I have named to found and maintain the American Colonization Society. It first sought to resettle them in some of the American free States but found the inhabitants inhospitable. At last it decided upon Liberia. Congress appropriated $100,000 for the purpose in 1819. President Monroe zealously put the fund to work, in recognition of which the capital of the little colony took the name Monrovia. In 1853 Virginia appropriated $30,000 per year for 5 years for transportation and sustenance of freed Negoes who desired to emigrate.

While the society's accomplishments fell far short of the vision of its founders, the Liberian Republic of today bears witness to its substantial success. Of course, it was not without its critics. Some slaveholders feared that any agitation of the conscience might endanger the institution of slavery, while extreme abolitionists did not want to mitigate its evils lest the institution be made more acceptable and permanent. But we may say that Liberia represents an effort by men of noble intention to mitigate the cruelty and injustice of a system of human bondage they were not strong enough to destroy.

The way of the Liberian refugee was not easy. Climate, wild beast, hostile native, and piratical white men made life hazardous and difficult. But the freed men overcame these obstacles in one of the heroic episodes of history. In 1847 this people was sufficiently secure to declare itself the independent Republic of Liberia with a Virginia-born President, Joseph Jenkins Roberts. It marked its debut into the society of nations with a simple appeal, unsurpassed in its dignity when read in the light of the history of the Liberian people. It asked of the nations "that they will regard us with the sympathy and friendly consideration to which the peculiarities of our condition entitle us, and extend to us that comity which marks the friendly intercourse of civilized and independent communities."

We must acknowledge with humiliation that while this fair and modest appeal was answered with recognition by many great countries, including England and France, it was left unheeded for nearly 15 years by the United States. But at that time the slavery issue had been made a sectional issue, a result for which neither section can be acquitted. The people unhappily were preoccupied with the preliminary phases of the great but deplorable struggle between the North and South. However, in 1861 President Lincoln said to Congress, "If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Haiti and Liberia, I am unable to discern it." Recognition soon followed.

Liberia, although a small country, has lent her support to efforts to organize, in the interests of peace, the international community of which she thus became an independent and sovereign member. She became a charter member of the United Nations and was a member of the League of Nations before it. In two world wars Liberia has taken a place on the side of the United States and her contributions to victory have been far from negligible. Situated where the West African coast turns abruptly eastward, she occupies a strategic location as that part of Africa nearest to the American hemisphere. In June 1943 President Roosevelt, returning from the conference at Casablanca, visited Liberia and was the guest of its Government. This dramatized the growing American awareness of the important part Liberia is destined to play as the whole African continent looms larger in the world scheme of things. Steadily increasing production and expanding trade, possession of vital resources, and rapidly improving service facilities assure her future economic position. From now on we may expect the lot of her people to be less severe.

In setting up their new government a century ago the Liberian people took as a model the Constitution of the United States. I cannot but think that the fact that these early migrants should have chosen American institutions to transplant in their new environment, despite the fact that they were virtually refugees from America, is a great tribute to their generosity and insight.

But if our constitutional system of liberty under law does at times afford an inadequate and imperfect protection to the individual and the minority, it cannot be denied that it today comes nearer to that goal than any other. It differentiates us sharply and favorably from those systems which are founded in the philosophy that all individual rights are submerged in the will of the state and that no minority has the right to oppose the government. The dignity of the individual, the right of the people to be governed by a system and administration of their choice, the inalienable right to life, liberty, and the pursuit of happiness is the confession of political faith in which the people of both of our countries put their trust. The road to the truly ideal society is uphill and stretches beyond our sight. But we will travel it together.

Against this historical background it is fitting that a justice of the Supreme Court participate in this anniversary to unveil a sculpture symbolic of the relations between our two countries. In the artists' concept hands extending from the African and North American Continents are clasped across the sea. In this friendly grasp we will make and share progress in the arts and sciences of civilization, in commerce and manufacture, in gov-

ernment, and enlightened social organization—in all those things which make life beautiful and worthy. I now disclose to you the sculpture whose creator has put into enduring bronze sentiments which I can only put in fleeting words.

Helping Nature To Change Environment

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement entitled "Helping Nature To Change Environment," made by J. Russell Smith, professor of economic geography at Columbia University, at the recent valley authority conference held in Washington.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am sure you are not personally economic idiots, but I think anyone who listened to most of this program will have to admit that the United States in the management of resources is slightly economically idiotic.

I think we are in this mess because not more than about 1 percent of the graduates of American colleges have had any geography, which were the things they got most of at their mother's knee.

I think we need to develop a new concept of crime. That is the crime against the future.

I often thought of the statement that is accredited to a Member of the American Congress in the past; he explained one day, "I am tired of keeping up this posterity; what have they ever done for us?"

Now geography is one of the branches of the study of nature, and there are some certain things about the laws of nature that we are prone to forget.

Nature accepts no alibis. The laws of nature are enforced, even on the Army engineers.

I have thought over and over again, in the last few days, how they got that way. What makes the Army engineer's head work like it does?

I think his past is some explanation. He was fixed up in a beautiful uniform when he was young, and, of course, we all know what a uniform does to the girls.

Then he goes to West Point, and he obeys orders and he comes out an officer and he gives orders. He is obeyed. The lieutenant talks to the private, and the private has to step around, and so on clear up the line.

By the time he has a row of stars on his costume he doesn't know the difference between one of his orders and a fact, so we have this appalling situation with regard to throwing money down the stream.

Our job is to find out what we want to do and, as far as we can, let nature help. You can cooperate with nature, and you can make it cooperate with you, or so much the worse for you and the rest of us.

I want to talk a little bit about three valleys which have something to do with this problem that we have been talking about here, and if we may have the lights off I should like to show a few slides which will give some facts about which I wish to make some remarks.

(Slide.)

That is a picture in the heart of California, not far from Los Angeles, close to the Pacific coast.

Those hills are water-borne, unconsolidated material, no rocks in them, and they have been put to lima beans year after year, left there, exposed to the weather and rain and you see what the farmer has had to do to keep from the development, really, of a canyon, as this soft soil was moved.

When I say canyons, I submit this as evidence

(New slide.)

That valley is half a mile wide, or a little more, and not very many miles long. Some 40 or 50 years ago that was perfectly flat all the way across as it is on the right side of the picture. When the rain came the water slowly oozed along the surface and along the end of the valley and got out.

The farmer thought he would like to pay a neighbor $3 to make two furrows right down the middle of it. The water ran down the furrows. It starts a canyon.

(New slide.)

Please notice the barn and the truck up at the left. That is a near view of the upper part of that gully. This will go along until the barn probably falls in. This material has no rocks in it and when the rain makes it wet it goes down in chunks of 100 tons or more.

A little farther upstream the county was spending $5,000 to make the necessary supports for a road that had previously gone very satisfactorily across the valley.

At the lower end they were spending thousands of dollars to make a great dam of earth, and under it, a cement outlet, and at this end of the outlet, a vertical cement water entrance, and as the thing filled up, it raised the entrance higher and higher, hoping to partly refill this gully, or canyon, which was destroying the valley so rapidly. It cost $3 to make and thousands to partly cure.

(New slide.)

The large part of the Missouri Basin is great plains pasture land. It, too, can erode, and we have had enormous soil destruction, because we have overpastured, and broken nature's balance.

The real import of what I have to say today about geography and nature's law, is the fact that the surface of the earth as we find it, has been brought into some kind of a balance by nature: Balance of vegetation against erosion; a balance of vegetation against gravity. When man destroys the balance, the result is often very far reaching.

On one side of this picture you see a field with a lot of grass left on it, with enough to hold the earth, and on the left you see one where the earth is shining out there.

(New slide.)

Here you see the balled-up land and gully beginning, as the waters have a swifter chance to get the earth.

(New slide.)

There is in the Rocky Mountain country peculiar topographic forms. A valley 5, 10, and 15 miles wide, many miles long, has no stream in it. The valley itself is filled up with the wash from the mountains, often to great depth, soft material, water borne. It is rich. Before the white man got there, in many of these wide open valleys the grass was knee high or head high. In fact, one of the troubles of the earlier explorers was they would be head and ears covered over in tall grass.

In nature, when it comes to rain, the grass just falls down ahead of the water, and this valley, miles long, miles wide, may have much water running out of it. We break the grass carpet.

Please note the size of the man. You will see how the dirt has fallen in in great chunks.

Now the soil-conservation people have told me in the area of Arizona and New Mexico to just let this alone. In most cases, vegetation will quickly come back and hold it.

(New slide.)

This is the same scene some years later. It was practically bound once again by the binding of grass, but it requires care. You cannot go out and grab and grab and grab.

(New slide.)

Those roots are of the 8-foot-tall grass. They are roots.

(New slide.)

Here is a view of one of those upland valleys that had no stream until we came along and destroyed the vegetation.

Now look: Once the cutting starts, it develops a vertical front and the water turns into a waterfall that cuts under and then develops branches.

(New slide.)

Now the little point for all those interested in this thing is, What becomes of this stuff that is cut out of these upland accumulations of soft material, these upland gullies and these corn fields?

Look at the beautiful river before you. There is the upper Rio Grande today, photographed in January by myself.

It was taken looking downstream from the bridge at Albuquerque. The river has filled up the channel completely, and to prevent floods the people have built up the banks. You see at the right a bank, topped by wire fencing to assist the water in getting away, and a wide stretch of sand.

I turned around and took the picture upstream, and you will see a little forest. The water winds, between floods, back and forth. It must make a longer stream, deposits more rapidly, making a forest in the middle of the stream and further blocking it.

(New slide.)

A photograph from the bank of the river. You see the automobile standing on the dike. Notice how high the dike is above the land to the left.

At the center is an artificial ditch dug for drainage. This combination of the building of the river, the building of the dikes, adds further to the building of the river and the dikes. It breaks up the alkali and thousands of acres in the upper region today has passed out of cultivation because it was waterlogged and the river could no longer drain it.

First the uplands were ruined by erosion. Second, the valley was ruined by the deposit of the trash that the erosion brought on. Can you beat it? Am I not justified in saying that we are, as a Nation, in our policy of land and resources, economic idiots?

Now valley No. 3: I had the pleasure of traveling around some years ago on a field mission with M. E. Muskrake, who had been for a number of years chief of the United States Department of Agriculture's division for extermination of pernicious animals. All the people who hunted mountain lions and coyotes were subject to M. E. Muskrake. He was an applied naturalist. Such a man of course, must know animals.

He told me of an experience of buying a piece of land just below a national forest in Arizona. It was near the forest and it would be a good chance to see the animals. He observed a hole in the bank where a pair of beavers had their habitation. The beavers built a dam. Presently they had a house and had a family.

Vegetation was rather scarce around there, but there was a small growth of willow, also aspen. The willow tree is beaver candy. It is the first choice he eats if he has his free choice. Aspen was the ham sandwich, or less. He wondered what those beavers would do with the first little patch of willow. He expected them to destroy it the first winter.

Would you believe it, those beavers did not touch that willow the first year or the second

year, but ran up the stream. It grew big. They went up the hillside farther and ate aspen. About the third year they began to eat a little willow, but they never exterminated that willow. They conserved it. It seems to me that in the battle to the death for the country, between the beavers and ourselves, the wrong party got possession of it if you are thinking about the welfare of the continent.

Really, as human affairs go, this situation is appallingly new. While we pat ourselves on the chest until it resounds, telling ourselves how smart we are, the thing that impresses me is how dumb we are. Men had horses, if you please, from three or four thousand B. C. until about A. D. 900 before they ever learned enough to make a horse collar and hitch him up. They did not even have a stirrup when Trajan conquered Thracia, about A. D. 70.

We think the Yankees are smart. I used to. They went west with the concept of acquiring land. They went with a certain concept of a barn. You have all seen them. They were put on a hillside sloping south. You dig down, put the animals in the basin, drive on the other side and pitch in the hay. The Yankees went out in Illinois in perfectly flat country, built themselves a barn with a door 8 feet up, put a driveway up to it, got a load of hay and brought it in. It took them two generations to fit a barn to the piece of flat land. That does not amount to much, except to demonstrate human stupidity.

But when it came to transplanting something from Europe, then came the tragedy. We brought over the concept of plowing the land and planting it. In Europe they had plowed land and planted it to wheat, barley, rye, and oats, grasses all, covering the ground entirely. They got here and found corn, presently cotton, and tobacco, three crops. Two of them are major land users. They are the three major land users. All of them are planted in rows; the plants are far apart, requiring cultivation between the rows. So every time the corn is cultivated and every time the cotton is cultivated and every time the tobacco is cultivated, topsoil is loosened ready to be removed by running water.

There is the new thing, row crops and tillage. And a new thing, another new thing, the thunder storm. You read about London fog and London mists, but London has about 23 inches of rain a year. An Englishman puts on his thick woolens and he does not mind it, that is all he needs. He would get wet through here in mighty quick time at the rate of sometimes 5 inches in an hour.

Every inch is 123 tons of water to the acre. Down it goes. Our corn fields, our cotton fields, our tobacco fields get it. So we get astounding figures of destruction that Mr. Hugh Bennett has made for our consideration, for our alarm, and, if we have any common sense, for our motivation.

The thing I wish to leave with you is that we need to recognize the fact that nature has left things in balance and when we destroy it we destroy it at our peril. And the next thing is the gravity of the situation.

A share of our soil resources that are going is enough to make you ask the question, Will the United States be but a flash in the pan of history? The answer is "Yes", if we keep on destroying resources for a few centuries, one or two, as rapidly as we have destroyed them during the time that we here have been alive.

The gravity of the situation and the urgency of the situation are the things that I would leave with you as background for this question of Shall we let all kinds of hodgepodge continue to waste money on our river valleys and not take care of them, or shall we put them under common sense?

Washington Letter

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SHAFER. Mr. Speaker, a lot of Congressmen are going to spend some time on official business this summer, in spite of the fact that they could loaf and fish. They are the ones who will make inspection trips, hold hearings, or conduct surveys in August and September so that when Congress reassembles next January, all the information needed will be on hand for the guidance of the legislators.

There has been some criticism of the number of overseas investigations that will be made, but when the amount of money that Congress may save because of these trips is compared to the small amount that will be spent, such criticism evaporates.

Investigating our foreign policies on the spot, where these policies actually are being carried out, may help convince some Congressmen of the futility of attempting to buy good will with American dollars. It likely will prove to others the inefficiencies of our Department of State. It may show others that much of the screened information brought into the United States by foreign spokesmen is nothing but sheer propaganda.

A number of subcommittees of the House of Representatives and of the Senate will make these trips. Do not let anybody tell you that they are useless trips. They will help the Congressman by increasing his personal knowledge and grasp of conditions, and they will help Congress as a whole because many Members of Congress will be better informed as to the facts in the issues of foreign policy that come up next year.

Just before they left for home, Congressmen were presented with a perfect picture of how the executive branch of the Federal Government has worked to cause higher prices, while blaming the Republicans for not doing something to lower prices.

Congressmen read on the market pages of their newspapers that the price of wheat climbed one day as much as 4 cents a bushel, because the Government was offering increases of 15 and 20 cents per hundredweight in its flour buying for export.

Bakers and other businessmen know that such increases in wheat and flour mean eventual increases in the price of bread every American housewife must purchase at the grocery stores. To get wheat and flour, in competition with Uncle Sam, private millers and manufacturers have to pay higher and higher prices.

That is a prime example of how Uncle Sam, through the executive branch of the Government and its overseas spend-lend policies, forces you and me to pay more for the things we have to buy to live.

The bureaucrats are buying frantically, although there is the greatest amount of wheat on the Plains in the memory of living man. It seems incredible that the Government would use the people's own tax money to ruin the consumer's dollar, but that is what has happened, and is happening.

Another sample of how the present administration is encouraging inflation on one hand, while pretending to fight it on the other, is furnished the people by what happened between the coal-mine operators and John L. Lewis.

By obtaining huge wage increases for his workers, Lewis, in effect, has challenged every other labor leader in the United States to press for higher wages in the coming months, particularly next spring.

Of course, the new wage increase upped the price of mining coal considerably.

President Truman said nothing against allowing such a wage increase, but he did call on the coal companies and industry generally not to raise prices just because their costs had gone up. Engaging in his usual economic double-talk, he asked industry to lose money while waiting to see if productivity increases would not make up for the gains in wages.

Industry could not wait—and we are in for higher prices.

Only Complex Imports Now Can Save United States in Next War

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SHORT. Mr. Speaker, how long will it take the American people to learn?

The success in modern war depends more upon efficient weapons that it does upon the number of men. Those of us who have been branded as "isolationists," though we have seen much more of the world than our accusers, know that it is not mass armies but scientific research and technological development that will bring victory in this atomic age.

Under leave heretofore granted to extend my remarks, I submit the following article by Jim Lucas, which appeared in the Washington Daily News of July 26, 1947. It will definitely prove to the most Doubting Thomas that we cannct destroy the enemy unless we have something with which to destroy him.

ONLY COMPLEX IMPORTS NOW CAN SAVE UNITED STATES IN NEXT WAR

(By Jim G. Lucas)

Today the United States could not support a major war by itself.

World Wars I and II blasted the illusion that we are self-sufficient. Pearl Harbor found us critically short in basic war materials, but Army and Navy planners hope never again will we be caught in that position.

The Interior Department, after a 5-year study, says the foundation of our industrial economy is assured for many decades. We

are, it reports, "not confronted with a scarcity of raw materials which could threaten the basic security of our steel industry."

The Army-Navy Munitions Board has found we must depend on foreign sources for all our antimony, asbestos, chrome, columbite, corundum, industrial diamonds, emetine, graphite, hyoscine, jewel bearings, kyanite, monozite, nickel, opium, pepper, metals of the platinum group, pyrethrum, quartz, quebracho, quinidine, quinine, rubber, talc, shellac, tantaline, tin, and zircon. We import 95 percent of our mica. We ge 90 percent of our beryl, bauxite, iodine, metallurgical manganese from foreign sources. We buy 80 percent of our bismuth, cadmium, and rutile.

Moreover, W. John Kenney, Assistant Secretary of Navy and a member of the Munitions Board, says 73 percent of our imports are necessities. If 10 percent fails to get through, it ties up our economy.

For manganese and tin, for example, we must go to South and West Africa and India. The Munitions Board committed itself to buy large quantities of manganese last year. It hopes soon to build our reserve to minimum strength. Fourteen pounds of manganese go into every ton of steel. In all, 40 commodities, produced in 57 countries, go into American steel.

Chrome for steel is another example. The Munitions Board is buying all it can. But Russia already has a reserve of 15,000,000,000 tons.

We are critically short of rubber. On Pearl Harbor day we had 500,000 tons. Today we have 180,000 tons. Representative DEWEY SHORT, Republican, of Missouri, on July 19 warned the Board: "It is high time to get busy and buy more rubber." But War Secretary Kenneth C. Royall says international trade agreements are a barrier.

Our petroleum reserves are shrinking. President Truman has asked a special commission to investigate. Civilian demands are higher than before the war. The Navy's explorations in Alaska so far have brought no more than a promise. We are critically short of manila fiber.

In all, there are 67 raw materials on the Board's first priority list; 24 have second priority. All are essential to national security.

Finally, we must plan against the day materials now adequate will be exhausted. At our present rate of withdrawals against proved reserves, copper will be used up in 19 years, even if we get half our supply abroad. Lead will be exhausted in 10 years; zinc in 20 years. Vanadium supplies will disappear by 1953.

The Board's job is to buy enough scarce materials to insure our productive capacity. It gives itself 6 years. As supplies are bought they are stored in Army and Navy warehouses.

Secretary Royall says the best guaranty of peace is the knowledge by other nations that our warehouses are full of the things which enable us to produce even more war goods than we produced in World War II—and produce them quickly.

Twentieth Century Congress—Specific Steps for Improving Legislation

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. KEFAUVER. Mr. Speaker, Walter P. Armstrong of the Memphis, Tenn., bar, and former president of the American Bar Association, is one of the most thorough and thoughtful students of American history. Throughout the years he has spoken and written extensively on the American Congress and particularly the ways and means of strengthening our Federal legislature. Under leave to extend my remarks, I include an article by Mr. Armstrong which appears in the July edition of the American Bar Association Journal. Mr. Armstrong's analysis of the functioning of the La Follette-Monroney Act and of the steps necessary to further modernize Congress is entitled to thorough consideration and thoughtful study.

A TWENTIETH-CENTURY CONGRESS: SPECIFIC STEPS FOR IMPROVING LEGISLATION: A REVIEW

(By Walter P. Armstrong)

The co-authors of this significant June volume are ESTES KEFAUVER, Member of Congress from the Chattanooga, Tenn., district, and Jack Levin, a capable and experienced governmental consultant. Internal evidence suggests that Dr. Levin acted in an editorial capacity. The opinions expressed are those which Mr. KEFAUVER has consistently advocated during the 8 years he has been in Congress. The practical knowledge of the physical needs of the legislative body and the political realism shown could hardly have been acquired without personal experience. In discussing the legislative-executive relationship, the book speaks from a point of view exclusively that of the Congress.

This study was published some 4 months after the effective date of the La Follette-Monroney Act[1] and takes into account the limited experience under that statute. While appreciating the progress made under this act, the authors point out that the resolution creating the joint committee tied its hands by forbidding consideration of "certain basic matters that go to the heart of any thorough repairing of ancient congressional machinery. Equally important, due to the wide divergencies of viewpoint existing among the members of the joint committee, only a part of the worth-while suggestions that were made found a way into their report to Congress. Finally, even the recommendations of this diluted report were whittled down drastically by the political compromises that were essential if any reorganization bill was to pass at all. Consequently, the real job still remains" (p. ix). This is in accord with other views. Robert Heller[2] "estimates that the act carried reorganization only halfway toward the necessary goal," while Representative MONRONEY has been quoted as declaring that there has been "backsliding from the act roughly at about 20 percent."[3] Dr. George B. Galloway, staff director of the Joint Committee on Reorganization is quoted as saying that "if reorganization stops here, some of the changes may do more harm than good" (p. 221).

PRACTICAL SUGGESTIONS FOR MECHANICAL IMPROVEMENTS

Where do we go from here? This is the question which Mr. KEFAUVER and Dr. Levin pose for themselves. Among the practical suggestions: Voting by electricity, estimated to save 24.3 legislative days each session; better telephone service; loudspeakers which will carry the floor proceedings to the office of each Member. The desirability of the first two of these proposals is not fairly debatable. It is doubtful whether it is desirable to take the chance of decreasing the already tenuous attendance by enabling the Members to follow the proceedings over loudspeakers. There are other methods, with fewer disadvantages, of conserving the time of the Members.

It was no doubt Mr. KEFAUVER who realized the importance of solving the problem of how a Congressman who desires reelection can serve as Washington Representative of his constituents without sacrificing so much time as to disable himself from being an efficient Member of Congress. He concretizes the present situation by describing his activities on a typical day. The tabulation lists, during a 15-hour day, 8 tasks for constituents, 11 as Member of Congress, 5 under both heads and 3 personal matters. The ideal solution of this problem would be a stringent act prohibiting a Member of Congress from appearing in any capacity on behalf of any constituent. Mr. KEFAUVER'S suggestion is that each Representative be given an administrative assistant who will act as "chore boy" for constituents. This limited relief the La Follette-Monroney Act did accord to Senators but denied to Members of the Lower House.

MAKING THE OFFICE MORE ATTRACTIVE TO MEN OF HIGH CALIBER

Mr. KEFAUVER and Dr. Levin are concerned not only with increasing the potential efficiency of Members of the type of those who constitute the present, and have made up the membership of the past, Congresses, but with enlarging the caliber of those who will successfully seek election in the future. How can Congress be made more attractive to men whose character and capacity would make them desirable Members? There are two suggestions: Adequate pay, including better retirement provisions, and longer terms. The La Follette-Monroney Act increased the pay to $12,500 a year with commensurate retirement benefits. The authors do not definitely commit themselves, but apparently they deem this still insufficient. They endorse President Truman's suggestion that the salary should be nearer $25,000 a year. The term they recommend is one of 4 years. Few men who have the qualifications that should be possessed by a Member of Congress earn in private enterprise a less amount or have less security than this.[4]

CHANGES WHICH WOULD REQUIRE A CONSTITUTIONAL AMENDMENT

The lengthening of terms would, of course, require a constitutional amendment. It is, however, within the scope of an objective which is better qualified Congressmen and a more efficient Congress. This is true also of another proposal that can be effectuated only by amendment—the granting of local autonomy to the District of Columbia. While justice to the residents of the District is sufficient reason for such an amendment, it would result in considerably lightening the

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[1] Legislative Reorganization Act of 1946, ch. 753; Public Law 601, 79th Cong., 2d sess. Cf. The Legislative Reorganization Act of 1946, by Charles W. Shull, Temple Law Quarterly, January 1947; vol. XX, No. 23, p. 375.

[2] Author of Strengthening the Congress, National Planning Association, Washington, 1945. Cf. review by Armstrong, 31 A. B. A. J. 188; April 1945.

[3] The quotations are from Congress Is Far From Reorganization by Philip S. Broughton, New York Times Magazine, May 18, 1945. The "backsliding referred to by Mr. MONRONEY is the violation of the spirit of act limiting the number of committees by creating special committees and dividing standing committees into subcommittees.

[4] The disparity continues, notwithstanding the fact that the present income-tax law has so greatly reduced the net reward offered by private enterprise. Perhaps a balance can be struck which will make the financial return from public office comparable with that of private business.

burden of an overworked Congress by salvaging 13 legislative days.

A chapter is devoted to the only other amendment suggested—permitting the ratification of treaties by a majority of each House. Sound and familiar arguments are advanced—the Senate's alleged unsatisfactory record on treaties, the necessity of implementation by the lower House, the increasing use of Executive agreements, "closing a gap in democracy." As important as this subject is, it is beyond the frame of the author's real design—"modernizing what is still inadequate congressional machinery."

This is the only departure from a symmetrical plan which consists in the main of projecting and supplementing the La Follette-Monroney Act. As great an advance as that act is, it is not satisfactory even in the way in which it deals with the subjects which it covers. Even the Tort Claims Act contains so many exceptions and limitations that Congress may still be required to handle many claims.[5]

THE LEGISLATIVE REORGANIZATION ACT HAS NOT ATTAINED ITS GOAL

It was by reducing and paralleling the committees of the House and Senate that the proponents of the Reorganization Act hoped to accomplish the greatest reform. There has been improvement, but the goal is far from attained either in theory or practice. It was a major accomplishment of the Reorganization Act to reduce Senate committees from 33 to 15 and House committees from 48 to 19. Moreover, some of the Senate and House committees are matched so as to have identical functions. Mr. KEFAUVER and Dr. Levin endorse the proposal of Dr. George B. Galloway [6] for 13 committees in each House, with identic functions. They do not suggest, however, how the evil of subcommittees [7] and special committees is to be eliminated. Riders to appropriation bills are prohibited by the Reorganization Act; they should not be permitted to be attached to any bill. The act provides that the House taxing and spending committees shall meet jointly at the beginning of each session and prepare a legislative budget fixing the maximum amount to be appropriated. But these well-intentioned provisions are of little value because there are no means of enforcing them. The only effective way that receipts and expenditures can be balanced is to vest the money-raising and spending powers in one committee (p. 119).

PRESENT METHODS OF SELECTING COMMITTEE CHAIRMEN AND MEMBERS HAVE DEFECTS

At present the Democratic Members of the Ways and Means Committee of the House, selected by the Democratic caucus, constitute the Democratic Committee on Committees and a second caucus ratifies their assignments. On the Republican side the delegation from each State that has one or more Republican Representatives selects one member of the Republican Committee on Committees. That Member has as many votes as there are Republican Representatives from his State. Mr. KEFAUVER, a Democrat, prefers the Republican method.

Seniority, it is argued, should be ignored in selecting committee chairmen and ranking members. Instead, by secret ballot, majority members should elect a chairman and minority members the ranking member.

To use the expression of the author, the chairman should be the servant, not the czar, of the committee. The Reorganization Act makes it the duty of committee chairmen to report promptly to the floor bills approved by a committee. There is, however, no easy method of enforcement. Committee action would be made effective by automatically assigning to the calendar of the Senate and House bills unanimously reported and by discharging from a committee and placing on the calendar bills for which this request is made by one-third of the membership of any committee.

METHODS OF INCREASING PARTY RESPONSIBILITY AS TO LEGISLATION

The authors are concerned over the lack of party responsibility in Congress. The Democratic caucus is an ineffective method of determining or enforcing party policy. One of its rules provides that members are not bound upon questions involving a construction of the Constitution or upon which members have made contrary pledges to constituents or received contrary instructions from the nominating authority. Partly because of this rule, but largely because of the heterogenous composition of the party, Democratic caucuses have almost ceased to be held and there is almost a complete lack of party responsibility. This rule, it is suggested, should be abrogated and the authority of the caucus revived.

An even better way of fixing party responsibility, it is insisted, is to provide for majority and minority joint policy committees. The majority policy committee (National Legislative Policy Committee) would consist of the Vice President or President pro tempore of the Senate, the majority leaders and their whips, and the 13 committee chairmen from each House. The minority policy committee would consist of the opposite numbers to the members of the majority committee. The function of these committees, which would be entirely independent of the Executive, would be to prepare a legislative program, draft needed legislation, and to scrutinize the execution of this legislation.[8]

Congress and all committees should be adequately staffed. The staffing suggested seems to be such as would enable Congress not only to initiate, draft,[9] and thoroughly consider legislation, but such as would equip it for supervising to a large extent the executive department.[10]

The only proposal looking to better legislative-executive coordination is based on the belief that there would be less friction if Congress had a better understanding of the conduct of the executive department and could exercise more informed supervision. This would be effectuated by each executive department and major agency maintaining an office on Capitol Hill with a top-flight representative in charge. Day-to-day liaison would be maintained with the chairmen of appropriate Senate and House committees. Monthly these department and agency representatives would report to a joint meeting of the Senate and House committees charged with the duty of legislation in their fields. At least every 2 weeks there would be a question-and-answer period of not more than 2 hours in each House. Members of the Cabinet and heads of agencies would be invited to attend and, under proper safeguards, asked to answer questions concerning their departments. Thus Congress would be kept fully informed as to executive activities.[11]

[5] For a discussion of the Tort Claims Act, see Tort Claims Against Government: Municipal, State, and Federal Liability, by Edwin Borchard; and Federal Tort Claims Act: Comments and Questions for Practicing Lawyers, by Harold G. Aron, 33 A. B. A. J. 221 and 226; March 1947.

[6] See Congress at the Crossroads, by George B. Gallaway (Thomas Y. Crowell Co.; New York, 1946).

[7] In the New York Times of April 14, 1947, is a list of 146 subcommittees. See also United States Code Congressional Service, 1947, Advance Sheet 4 (p. 23 et seq.).

[8] The Reorganization Act as introduced provides for policy committees limited in scope. This provision, while approved by the Senate, was stricken out. The Senate, however, was given a policy committee for the first 6 months of 1947. There has been no extension.

[9] In the past the House at least has, because of inadequate staffing, been almost forced at times to rely upon outside aid in drafting and considering legislation. It is sometimes difficult to determine whether this help is coming from interested lobbyists or expert, public-minded, altruistic organizations. Mr. KEFAUVER gives the American Bar Association full credit for having rendered significant public service in the latter capacity. (P. 183.)

[10] The rules of agencies would "be tentative until the appropriate congressional committee has examined them." (P. 151.) If there was no objection within a time fixed the rules would become effective. The basis of this is that here is a partial delegation of legislative power which should remain subject to the veto of the legislative. The act authorizing the promulgation of the Rules of Civil Procedure contained a similar provision. Act of June 19, 1934, ch. 651, secs. 1, 2 (48 Stat. 1064); U. S. C., title 28, secs. 723b, 723c.

A logical development would be Morris Ernst's suggestion: "It seems to me that in every case where the court has split on a matter of important interpretations as to what Congress meant in a statute, some committee of the Congress should promptly meet to decide whether the legislators meant what the majority wrote or what the minority thought." Review of The Nine Young Men (by Wesley McCune), New York Times book review section, June 8, 1947. If the executive department is to be supervised, why not the judicial?

[11] Although there have been many similar proposals, in recent years Mr. KEFAUVER has been the chief advocate of the question-and-answer period. Cf. The Kefauver resolution, by Armstrong, 30 A. B. A. J. 326; June 1944. Mr. KEFAUVER'S resolution contemplates separate question-and-answer periods for the House and Senate. Perhaps time could be saved by a joint arrangement.

NOTE.—The book referred to is A Twentieth Century Congress, by ESTES KEFAUVER and Jack Levin, New York: Duell, Sloan & Pearce. June 1947, $3. Pages xiv, 236.

Mrs. Martha Ellen Truman

EXTENSION OF REMARKS
OF
HON. ORVILLE ZIMMERMAN
OF MISSOURI
IN THE HOUSL OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. ZIMMERMAN. Mr. Speaker, the hearts of thousands of Americans are bowed down with grief today over the passing of the dear mother of our beloved President.

The relationship between President Truman and his mother was not only tender and beautiful but expressive of a supreme love and devotion of a son for his mother and of a mother for her son. The Truman family and the strong ties that have bound and held it together are typical of the true spirit of America that has made us great and strong.

Martha Ellen Truman, a typical Missouri mother, has made a great contribution to our Nation, and the words of Mr. Horace C. Carlisle touching the life of this great mother and her son, our Presi-

dent, are indeed appropriate, and I insert them herewith with the leave granted me to extend my remarks in the RECORD:

MRS. MARTHA ELLEN TRUMAN

While President Truman, like Lincoln, another
Great President, owes his success
To his most remarkable, lovable mother,
That strengthened his life, for the stress
That, out in the unfolding future, awaited
Him, he's called today to lament
The passing of her whose devout, consecrated
Life largely made him President.

The duties that weighed upon him could not smother
The great love that he in his heart,
When he became President, felt for his mother—
And, since Death has torn them apart,
He, true to her teachings, in humble submission
Still, as her obedient son,
In perfect accord with the fam'ly tradition,
Prays, "Not my will, but Thine be done."

His love for his father, wife, sister, or brother,
However sweet, is diff'rent from
The love that he had for his wonderful mother,
The Queen in their old-fashioned home,
Which was as divine, to him, as it was human,
From whose pure enviroment went
The hard-working, straightforward Harry S. Truman,
The Nation's renowned President.

—*Horace C. Carlisle.*

Foreign Policy

EXTENSION OF REMARKS
OF

HON. BRIEN McMAHON

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, July 25, 1947

Mr. McMAHON. Mr. President, I ask unanimous consent that there be printed in the final Appendix of the RECORD an address I shall deliver on foreign policy on Sunday night next.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHAT'S AHEAD

(Address delivered by Senator BRIEN MCMAHON, Democrat, Connecticut, at the commencement exercises, Fordham University, New York City, July 27, 1947)

As you probably know, a considerable part of a Senator's home work these days is done on trains and planes. It may surprise you to learn that, far from complaining about the large volume of travel their job requires, most Congressmen actually look forward to their trips in and out of Washington—especially when it's out.

The reason for it is not that we are necessarily restless souls or frustrated Gullivers. We look forward to our trips because they provide the best assurance of solitary confinement or splendor—call it what you will—obtainable anywhere. When you lock yourself up in your train bedroom or settle back in your plane seat, you know you are not going to be called suddenly to the floor of the Senate for a roll-call vote; you are not going to be buttonholed by long lines of constituents who want to impress upon you this thing or that—as is their right and their duty; you are not going to be afflicted with Bell's disease—that is, violent twitching every time a telephone rings—although this nappy feature of trains will rapidly vanish now that the telephone has taken to wheels, thus effecting the final triumph of voice over matter, to say nothing of time and space.

I mention this preference of mine for long train or plane trips because it was on one such trip recently that I did the homework for this commencement talk. I brought along with me the newspaper clippings of a half-dozen other recent commencement addresses. Subconsciously, I suppose I was doing a little window shopping in ideas; rationally, I was anxious to see whether there was anything of least common denominator by way of a message that the well-addressed graduate of 1947 is hearing this year. Such a denominator was not difficult to find; actually, there was a consistent pattern. That pattern told of the sharply defined emergence of two worlds, and of the continuing and increasing challenge for the American people.

As I looked out from my plane window—we were skimming along on the top of a dimensionless flooring of clouds—I wondered how long it would be before commencement speakers would again enjoy the luxury of what you might call the Sunday school period of graduation ceremonies: the period when speakers could give you an inspirational pat on the back as you went out to conquer the business world, when their principal message told of the value of thrift, modest living, and the importance of fine books.

Not that the world is in any less need today of those commendable qualities in university graduates or anyone else. But the big concern is what sort of world we are going to have in which we can exercise those virtues, or indeed, whether we are going to have any world at all.

In thinking about this as I settled back in my sky chair, it occurred to me that it might be interesting to imagine what might have been said to graduating classes at various key periods of history. Your mind wanders back over those periods and we can go back all the way to early Greece. You wonder what you would have said if you had been invited to address the undergraduates who studied at the academy under Plato. You wonder what you would have said if the invitation to speak came several centuries later from Cicero's New Academy at a critical point in the history of Rome; or if it came from the University of Paris in the twelfth century; or, much later, from Thomas Jefferson on behalf of the University of Virginia.

And as you think back over these periods and dwell upon them you are surprised to see that though the human family has been confronted with a fabulous variety of problems over the years, there has been an underlying and basic unity of the major and fundamental issues. Libraries of books have been written about those issues, and yet it is not difficult to compress into a single phrase the essence of those books and those issues.

For that phrase also represents the highest and most essential good of mankind—highest and most essential, yes, but until now, unattained. The phrase is "peace with justice." Those words make no particular impact upon the ear; they have lost the vitality and urgency of a fresh image. And yet, cliche or otherwise, those are the only words that properly sum up the human struggle. And the words must be inseparable. Peace by itself and of itself is not the ultimate goal. Peace by itself, Professor Whitehead reminded us, can be anesthesia. Peace by itself can be stifling, parched, sterile. It can be totalitarian and antihuman. Had Nazi Germany won the war the world today would be at peace under the iron heel. No one would want peace at that price.

The American people today are not merely seeking peace. They are seeking peace with justice. They are reasonable and they are mature, and they understand the nature of war in general and an atomic war in particular. They know that the cost of such a war would be reckoned in tens of millions of American lives. They know that adequate preparation to fight such a war inevitably requires decentralization of our industry, relocation of large portions of our population and loss of personal freedom—measures such as this democracy has never before known.

They know—and do not have to be frightened in order to be convinced—that if we assume that other nations cannot in the future manufacture atomic weapons for themselves without any help from us, we are building our security out of straws. And they know—with a deep and instinctive wisdom—that the only defense against atomic or bacteriological attack—or worse—is not some ingenious new superradar or magic interceptor, but peace. Peace, and peace alone, provides the only worth-while defense against attack.

And yet, peace would not be enough. The peace must carry the substance of justice if it is to be valued. Peace has meaning only if there is also the atmosphere in which freemen can breathe and grow—in which it is possible to create ideals and attempt to achieve them; in which it is possible to pursue the mission of progress. And the word which most precisely expresses all these values is justice.

How, then, do we go about avoiding war, yet assuring ourselves that justice will not be sacrificed in the process? There is no absolute answer, of course, except the regeneration of the heart of man and much as we can wish and pray for that blessed eventuality to occur within the required time, we would do well to settle for something less than absolute answers, given the present imperfect state of man and the institutions in which man lives and through which he operates. What we must see is not sure-fire solutions—for there may be none available at the moment—but something that gives us at least a reasonable chance of promoting both our security and the national welfare.

At the moment we would be deluding ourselves were we to say that the present world drift, if it continues, holds that reasonable chance. In the last 2 years we have seen tragedy developing before our eyes; two great nations on which the peace of the world depends have been unable to find an equivalent for the tie that bound them together when they faced a common danger. The American people—and I am sure the Russian people hoped in August 1945 that the common hope for security would have been enough, but that common hope has been overshadowed—indeed, all but blotted out by a growing and ominous antagonism. Within the last month we have seen not only the deepening but the hardening of an actual rift. The most hopeful and promising slogan of only 2 years ago, "One World," has now become plural.

This fact strikes us with horror and surprise. And yet what happened in the last 2 years could have been predicted. The mushrooming hostility, the moves and countermoves, the ominous deterioration in the health of the family of nations—all of these were foreseeable given the framework within which they were to take place. Nor does one have to be a prophet especially to foresee the consequences of a further deterioration within the next few years—or even the next few months. We have only to construct a rough graph plot in the present rate of disintegration to see where we will come out in the period just ahead.

In saying that the progressive crumbling of the peace during the last 2 years was largely predictable, we are not attempting to invoke a retrospective wisdom after the event. We were faced at the end of the war with a basic historical challenge—a challenge that has been echoing all through history. Where that challenge was met, people were able to enjoy the blessings of security. Where the challenge was ignored nations and occasionally civilizations had to pay the ultimate penalty—death or decay. The challenge is not complicated, though it is far from easy to meet. It is this: establishing the rules of the game for nations, with adequate machinery to see that they are enforced. With high hope we took the lead in formulating the UN charter in San Francisco. We hoped then that we had set up an organization which could succeed in maintaining the peace of the world. It is true that the veto provision was discussed with some pessimism by the far-seeing—but all hope of limiting its use by the great powers was put aside by what seemed to be a most persuasive and pragmatic argument which ran like this: "You couldn't get a treaty through the United States Senate that didn't give this country absolute veto power. Russia is even more insistent on her veto right and anyway if any of the big nations didn't have the right to veto a proposed action by the Security Council, it wouldn't make a practical difference because war would result anyway."

And so, the Charter was ratified in July 1945. And then in Hiroshima on August 6, an event occurred which basically changed the relationships of all states, yes, all human institutions. Some of my friends have bemoaned the fact that the Assembly in San Francisco did not know of the existence of atomic bombs and that if it had, we would have had a more effective United Nations Charter. That thought is based on the rational belief that a demonstration of a power sufficient to destroy nations would be so compelling that all men would immediately go about making sure that that force should never be used destructively. But alas, five atomic bombs were detonated after the San Francisco meeting—one, the test bomb at Alamagordo; two in Japan; and two more for test purposes before the designated representatives of the powers at Bikini; and today we are not—as I see it—one bit closer to agreement on atomic control than we were a year ago. Please note that we understood that no right of veto could exist in an atomic control treaty. The Russians on the other hand have tenaciously held to the veto.

Over 13 months have gone by since our distinguished delegate opened the conference, declaring that we were facing a contest between the quick and the dead. It would seem to be obvious that up to this point that contest does not augur well for the quick.

And while this most distressing lack of progress is being reported from the United Nations Control Commission, we are witnessing Europe trembling in the balance. Another winter without plan or direction will result in Europe's complete disintegration. We now are fully aware that the death of order and a free society brings to the burial rites as gladsome heirs the Communist associates of Moscow who are ever ready to participate in the spreading of Russia's influence and power.

It is of the essence of our chance for safety that America should not afford the luxury of drifting. It is not how we wish things to be that must dictate our policy but rather the facts, the objective truth. Reality must be served if we are to survive.

Mr. Baruch said the other day that we were engaged in a cold war with Soviet Russia. An apt and descriptive term indeed. But I say in all seriousness that if ways and means are not found and devised to stop that cold war, hot war will come and the world will end in cold ashes.

What course shall America pursue to avoid that catastrophe at home and abroad? At home we must prove that the Western world in general and the United States in particular is not headed for the economic collapse predicted by the Russians. We must demonstrate that capitalism will not continue to sacrifice its long-term welfare for short-term profits. We must use our every resource to prevent unemployment and depression because Russia believes that she will have no trouble in organizing the world including ourselves if we go in the slough of a deep depression. We must reconcile ourselves to the sacrifices that will be necessary to keep America strong.

We must do our level best to guarantee the civil rights of all our citizens. We must guarantee the right of free competition without which enterprisers cannot remain free.

We must see to it that there is a just division of the burden of taxation. We must see to it that these who bore the heat of the battle for our survival are not forgotten. We must, in short, demonstrate to the world that here in this land of ours we shall have a people well-fed, well-clothed, and well-housed.

But essential as all this is, by itself, it will not insure peace with justice. We shall have to go beyond our frontiers. We shall have, for a time, to become our less unfortunate brother's keeper.

Even now our prayers are with the statesmen of western Europe who are attempting with might and main to draw up and agree on a common course of action that will lift Europe from her back and set her on the road to vigorous life in a free society. Sooner or later, something may have to be done for Asia. We shall soon know whether Europe's statesmen are equal to the task foreseen in the Marshall plan.

But in fixing the terms of our help, our statesmen will bear a heavy burden of responsibility. I realize that it is especially unpopular just now to talk of tying political strings to our material help. Yet as I see it, we must do just that.

After the last election, it was fashionable to declare that our foreign and domestic policies were to be kept in separate lobes of the brain. The right hand of domestic policy was to act in full independence of the left hand of international policy. Utter nonsense, of course. It cannot be done.

Just such utter nonsense is the belief that we can or should endorse a plan for the economic integration and recovery even of western Europe without carefully appraising the political consequence of that integration.

I argue that we are, by way of speaking, on the horns of a dilemma.

On the one hand, if we succeed in setting Europe on its feet and so make her more productive she will—in the absence of agreement to the contrary—ship her finished products to the East in return for food and gold from Russia. Those factory products will inevitably hasten the equipment of Russia with weapons of mass destruction including the atomic bomb.

Given a continued adherence to her past course, only one result can be anticipated—more aggression. The historic Marxian theory that security for communism in any one nation—for instance, now in Russia—can be assured only by a world won for communism is now apparently Russian policy. Where it leads we know only too well.

The other horn of the dilemma is even sharper. If we do not assist western Europe to pull herself together, we will abandon her to the tender mercies of the masters of the Kremlin. We shall expose ourselves to the threat which we gave over 300 billions of dollars and 300,000 infinitely more precious human lives to prevent—that threat is the domination of Eurasia by a totalitarian power. Quick then would be the marshaling of the machinery and know-how for atomic-bomb factories whose product might be rained down upon us if we did not submit. Since we should not submit, atomic war would follow.

How can we escape this disastrous choice? My suggestion is as follows:

We have called for an economic inventory of Europe. We are busy making our own to ascertain how much we can do. Russia has turned her back on the whole business. Let us once again demonstrate the type of leadership the world has come to expect from America—the moral one. Not only the American people but the overwhelming majority of the peoples of the world would respond to an appeal at this time by the United States—an appeal to conscience and intelligence. Let us ask for a moratorium on world tension. Let us follow up Secretary Marshall's proposal for a European inventory of economic needs with a proposal for a world inventory of security needs. Let the United States propose through the United Nations that all countries be invited to state their security requirements. Let us ask each nation what it considers, from the vantage point of its own security, to be the requirements of a workable peace.

Such lists might be many and various. But surely they would contain certain things in common—reasonable access to economic supplies, freedom from political or economical interference from outside, a measure of international trade, some advance toward internationally recognized civil liberties—in short, the substitution of a live and growing international law for the present rule of force in anarchy.

It is to be hoped that the "security inventories," when totaled up, would show general agreement on the great principle that world peace cannot be created and maintained without adequate machinery to enforce peace. It is to be hoped that all nations will gladly accept something that goes beyond the demonstrably inadequate mechanism which is all they have now.

In this way the burning question of peace with justice can be put fully and openly to Russia. In this way we can bolster our own position before the bar of world public opinion, especially in the critical far-eastern area where our motives are most in doubt. A statement by the United States of our own "security inventory" given to the United Nations should create the atmosphere in which an American appeal for world peace and for adequate machinery would not fall on deaf ears.

This should be done in the next few weeks so that this proposal, this inventory, may be reported to the United Nations General Assembly when it meets this fall, and there discussed and debated thoroughly before a decision is reached.

But if—despite all our efforts to emphasize the good will in which our proposals for common security are made—Russia still refuses, then there may be no choice but to go ahead without Russia. Then we might have to proceed in a strengthened UN with as many other countries as are willing to come along with us. The door for future membership can be kept open. It should be the happy duty of the UN to prove in its day-to-day operations that its preponderant power constitutes no threat to countries outside and that the benefits of participation will become dramatically apparent.

Let us hope that there is yet time to reverse the present perilous drift. Let us hope that there is yet time to prove that the human race is worth God's great gift of life.

Total Use of Section 32 Funds

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, the following table shows where and how over a billion dollars has been spent from 1936 to 1946:

Use of section 32 funds, 1936–46

Cotton:	
Direct distribution	$47,831,090
Exportation	69,384,310
Diversion	17,974,354
Stamp plan	18,789,279
Total	153,979,033
Dairy products:	
Direct distribution	89,971,691
Exportation	145,134
Diversion	8,795,799
Stamp plan	26,188,453
Total	125,101,077
Poultry products:	
Direct distribution	38,130,382
Stamp plan	43,568,415
Total	81,698,797
Fruit:	
Direct distribution	104,691,431
Exportation	118,517
Diversion	2,476,917
Stamp plan	37,501,926
Total	144,788,791
Grain products:	
Direct distribution	68,872,621
Exportation	62,157,578
Diversion	8,034
Stamp plan	49,563,670
Total	180,601,903
Meat and meat products:	
Direct distribution	28,259,762
Exportation	141,620
Stamp plan	43,103,000
Total	71,504,382
Nuts:	
Direct distribution	1,380,036
Exportation	2,799,793
Diversion	21,014,585
Total	25,194,414
Vegetables:	
Direct distribution	49,469,194
Exportation	1,200,000
Diversion	8,284,926
Stamp plan	61,931,030
Total	120,885,150
Tobacco:	
Exportation	3,881
Diversion	9,932,505
Total	9,936,386
Miscellaneous:	
Direct distribution	$20,374,904
Diversion	1,724,525
Stamp plan	99,000
Total	22,198,429
School milk and lunch program	120,900,562
Grand total	1,056,788,924

Source: Compiled from table received from Production and Marketing Administration of the U. S. Department of Agriculture, June 11, 1947.

The information obtained from the United States Department of Agriculture shows:

First. That a total of over $153,000,000 has been spent on cotton. It also shows that 10 companies in the United States received a total subsidy of over $4,500,000 on cotton used for insulating purposes and that one company was subsidized over $1,046,000 for cotton for insulating purposes. This experiment for new uses appears to have outgrown an experiment and has become a racket.

Second. That there were eight companies in the United States; that 18,071,000 pounds of cotton have been used for cotton batts; and, that one company in Missouri has had a subsidy of $333,000 of the total $722,900 of the section 32 funds used for this purpose.

Third. That the funds used to distribute dairy products included $94,000 to distribute milk in Washington, D. C. when the people of Washington, D. C. had twice the national per capita income.

Fourth. That $62,000,000 was used for exporting wheat and corn—both soil-depleting crops.

Fifth. That about as much of the funds were used for vegetable distribution as for the distribution of dairy products.

Sixth. That over $9,000,000 of these funds were used to grind up tobacco and subsidize the sale for fertilizer; to subsidize the tobacco insecticide industry and to pay export subsidy on tobacco.

Seventh. That one-eighth of the total funds were expended for the school-lunch and school-milk program.

A billion dollars is a very, very large amount of money to be turned over to any public official—elected or not elected. The present Secretary of Agriculture found this legislation in the statutes when he became Secretary, so I am not critical of him. The distribution of these funds is faulty, to say the least. Embargoes were placed on wheat and cotton imports. Section 32 funds were obtained by setting aside 30 percent of the custom receipts. These funds, as you can see, are or have been used to oversubsidize soil-depleting crops like wheat and cotton, and then we must listen to the talk about soil conservation. Do you think we should set aside thirty to forty-five millions as section 32 funds derived from custom receipts on wool imports and use these funds to export a competing product?

We must remember that in 1939, the seventh year of the more abundant life, that basically agriculture in the United States was in just as serious a position as in 1932. We had 5-plus-cent hogs, 54-cent wheat, and 8-plus-cent cotton.

The need of a long-range agricultural program is just as apparent as it was 20 years ago. The Steagall amendment afforded the farmers of America more assurance of equal consideration with other groups of our society than any legislative act. The late Congressman Steagall, Congressmen Gore, Wolcott, Brown of Georgia, and Crawford, who fostered this legislation in the Banking and Currency Committee and on the floor of the House, made a great contribution to American agriculture which was not based on special-privilege legislation for a small part of American agriculture.

The Displaced Persons Problem

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an interesting statement on the displaced persons problem, by Marvin Klemme, former UNRRA official.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I have just returned from Europe after serving more than 2 years with UNRRA in looking after displaced persons. Most of this time was spent in the British zone of Germany but I made a number of trips into the United States, French, and Russian zones as well. For almost a year and a half of this time I served as forestry and agricultural adviser to the zone director and the last 6 months I served as the zone employment officer.

While serving in these positions I was able to cover a great deal of territory. I visited hundreds of camps or assembly centers occupied by the displaced persons. Serving in these positions, I was more or less in charge of thousands of them during working hours. I therefore had the opportunity to make a thorough appraisal of them as potential citizens of this country.

In the course of my duties, I became especially attracted toward the "Balts," Estonians, Latvians, and Lithuanians. These people came from the three little Baltic exrepublics that have now been taken over by Russia. Their only crime was that they had actively opposed communism in their home countries. Therefore, when the Russians moved in they moved out just ahead of them. Nearly every "Balt" that you talk with will tell you that certain of his relatives were killed by the Russians and that others were loaded onto railway cars and sent east. Very few of them have ever been heard from. Except for the few that managed to get into Sweden, there was no other place for them to go but into Germany. In Germany they have been ever since. The Germans promptly conscripted them for hard labor and forced some of the younger ones into the armed forces or labor corps.

If our Government is serious in wanting to settle and develop Alaska, here is an opportunity that shouldn't be passed up. These people would make the finest kind of settlers up there. Generally speaking, they left their countries in family units so that the men would have their wives right with them. The men are skilled craftsmen and could build their homes from logs or whipsawn lumber. Not only that, but they could make all of their furniture as well as practically everything else needed to equip a pioneer home. The women are excellent homemakers. They know how to make all kinds of clothing from raw materials as well as to preserve and prepare foods under pioneer conditions. Both the men and the women are clean in their living habits, intelligent and have an educational standard comparable with any in Europe. Even during their DP days they are managing somehow to keep this up pretty well.

The climate of the Baltic states is quite similar to that of Alaska so that here again they would fit in well. It would be my idea that where areas were selected in Alaska to settle as many as a dozen or more families in one place that the odd numbered homesteads be allotted to the "Balts" and that the even numbers be allotted to Americans—preferably ex-servicemen. This would prevent the developing of "little Estonias" and "little Latvias" and at the same time it would enable the adjacent American settlers to take advantage of the pioneering skills of these people. As an "ex-GI" of not only one war but of two, I would rather have, as an Alaskan homesteader a few of these Baltic farmers as instructors than any number of county agricultural agents or technical literature. On the other hand, these people could learn a lot from their American neighbors.

The great majority of these Baltic people are skilled agricultural and forestry workers. Even the business and professional workers among them are skilled in this type of work, for most city people in those countries also own a farm. Using an axe or a cross-cut saw comes natural for them. Therefore, during the period when they were not needed on their farms they could be working in the lumber camps or pulp mills. There are also a considerable number of fishermen and merchant seamen among them.

I have felt for several years that Alaska should be developed from a national defense standpoint, as well as for other reasons. If we don't settle and make proper use of this valuable territory some other country may decide to do it for us. We should remember that this is the only part of the old Czarist Empire that has not been recovered by the Soviets.

The same goes for western Canada, although perhaps not to so great an extent. While this is Canada's business, I know that many Canadians feel that all this territory paralleling the Alaskan Highway and on the coast should be settled without unnecessary delay. I believe that this whole Northwest Territory—western Canada and Alaska—could be settled as a joint operation and a good share of the cost of the operation charged up to national defense. I understand that the Alaskan Highway was constructed under the supervision of the United States-Canadian Joint National Defense Board and that this Board is still functioning more or less actively. It occurs to me that this matter of settlement should be brought to their attention. Of course, for this proposed program to succeed, it would have to have the blessing as well as active support of the State, War, and Interior Departments as well as the Territorial government of Alaska.

Alaska is not the only place, though, in the United States where these Baltic people would fit in. They would do very well in certain northern sections of the continental United States, such as in northern New England, around the upper Great Lakes, and in the Pacific Northwest. Many of our young Americans in these areas, as well as others, are leaving the farms and going to the cities. It is partly because the land is marginal, partly because farm life seems isolated to them after 3 or 4 years in the Army or Navy, and partly because their young wives don't like farm life. A lot of our marginal farmland is becoming unproductive or is being abandoned for this reason. As time goes on the matter promises to get worse and not better. On the other hand, these Baltic people have agriculture in their blood. They are not the kind that like life in a big city. They are the kind of immigrants that this country needs to take in if our rural economy is not to suffer in certain States. By admitting these people, no housing problem is created, for they promptly build new houses—pioneer style or else repair old farmhouses which they are to occupy.

The number of Balts in the three zones of Germany, as of June 1, 1947, are as follows:

Nationality	British zone	United States zone	French zone	Total
Latvians	43,711	41,782	2,416	87,909
Lithuanians	21,518	27,056	2,602	51,176
Estonians	11,909	13,453	801	26,163
Total	77,138	82,291	5,819	165,248

Also scattered throughout Austria and Italy are an additional 2,500 "Balts."

Britain has already started to solve the DP problem as far as her zone is concerned. Her program calls for the sending of from 60,000 to 100,000 able-bodied workers from the British occupied zones of Germany and Austria over to Britain to augment her labor shortage. She now has about 350,000 German prisoners of war but they are to be returned to their homes by the end of September. To a certain extent the DP's are to replace these German workers. Britain has specified that these DP workers coming to Britain be one of the three Baltic nationalities or Ukranian. For the present time at least they have specifically stated that they do not want Poles. One of the reasons that they will not take Poles is that it would interfere with repatriation, which is still going on, and another is that they have several thousand Polish soldiers which they have not yet been able to digest. Later on, after repatriation is over, they may take a few selected Poles and they may also take a few selected Yugoslavs. No plans have been made for taking Jews, but I understand that eventually some of those who have blood relatives in Britain may be permitted to go over.

Within the three zones of western Germany there are also in addition to the Balts approximately 190,000 Poles, 140,000 Jews, 15,000 Yugoslavs, and a few thousand miscellaneous. The Yugoslavs, generally known as King Peter Yugoslavs, are afraid to go home as long as Tito is in control of their Government. Large numbers of the Poles are going home every day. The Polish Government, even though it is reported to be pro-Communist, is so anxious to have every Pole return home that it has promised a general amnesty to all but "war criminals." Quite a few of the officer class type are afraid to take the chance but there seems to be no reason why the average workingman shouldn't return home. Few of the Poles have expressed a desire to go to the United States. The Polish miners are being welcomed to France and Belgium but these are also being strongly urged to return to their home country.

Of the 140,000 Jews in Germany, over 90 percent have expressed a preference for Palestine. The United States is generally second or third choice. Of these people I understand that about 30,000 were in Germany at the time war ended and that the remainder came in after it was over. The majority, I believe, came from Poland, but all of the countries to the east of Germany are represented—including Soviet Russia. At the time that I was in Berlin last July I was told by the director of the UNRRA transient camp there that they were coming in from the east at the rate of over 1,000 a day and that almost without exception they were headed for Palestine.

It is my opinion that, except for blood relatives, we should go slow in admitting Jewish people from Europe into this country until the Palestine question has been settled. If the immigration laws permitted it and finances were arranged, no doubt large numbers of them would come to this country just to get out of Europe but they would still want to go to Palestine. And they will continue to want to go to Palestine as long as there is the faintest hope of their getting there. Last year the joint United States British Commission recommended that Palestine be opened up to the extent of taking 100,000 of these people. At this time a committee composed of members of the smaller countries of the United Nations is making a study of the problem. Certainly there is reason to expect some favorable action within the near future. After it is known what number can be accommodated in Palestine then, in my opinion, the United States should agree to take its proportionate share of the remainder.

To sort of sum up my statement, it seems to me that the United States should, as far as possible, select its immigrants on the basis of what it needs and not on what wants to come into the country. Before the First World War we took in great numbers of agricultural workers. These people almost without exception, were molded into good American citizens within the following generation or two. Following the First World War we took mostly urban workers and very few farmers. While there were many fine people among them, there were also more troublemakers. Considerable numbers of them went on relief during the thirties while less of those on farms drew relief than did their American neighbors. Some of the so-called intelligensia that we took in have not been much of an asset either. Most of this type have very definite ideas of their own and even though they may be neither pro-Fascist nor pro-Communist, they are still alien to our way of thought.

The peasant type of immigrant is, in my opinion, the best settler that can be brought into this country. And even these should be selected very carefully. In addition to the forestry and agricultural workers which this country definitely needs, there may be a few other trades or crafts that have shortages. One of these may be our merchant marine because the average American likes to keep his feet on the ground. Another exception I would make is war orphans or "unaccompanied" children. However, there ars not nearly as many of those as we have been led to believe. Nearly all of those countries over there want their children returned home and are actually fighting to prove nationality.

Many of the countries of the world are now taking, or are planning to take, a limited number of these displaced people. If the United States does not do anything, even though we have made large contributions for their care in the form of food and money, it may appear to the world that we are not interested in solving the world's problem—and this is definitely a problem.

American Democracy

EXTENSION OF REMARKS
OF
HON. JOHN A. BLATNIK
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BLATNIK. Mr. Speaker, a successful democracy is based upon an intelligent and informed citizenry; public enlightenment in turn requires a free and responsible press which reports the facts regarding public affairs, and gives expression to the thoughts and aspirations of the people.

One of the newspapers in my district which serves the community with great credit is the Floodwood Forum at Floodwood, Minn. The July 24, 1947, issue of the Floodwood Forum carried an editorial entitled "We Must Make Democracy Work," which is thought-provoking and indicates the grass-roots sentiments of the people regarding our democratic form of government.

Under leave to extend my remarks, I include this editorial in the Appendix of the RECORD:

WE MUST MAKE DEMOCRACY WORK

Democracy is an ever changing, developing form of government. It is not static in its original concept and it must not become static if it is to continue.

The recent anniversary of the signing of the Declaration of Independence stirred thoughts of the predicted impending doom to democracy. The shaping up of a conflict in Europe impels this writer to reflect on the possible basis for another world conflict. Rationally one cannot conceive that any nation in the world would see any benefit from starting another world war. The memory of the last one must be too fresh in the minds of all.

But surely there must be some underlying cause if a conflict is to start. We are still too close to World War II to correctly analyze all of its causes. One thing stands clearly in our minds, however. The last war was caused by the spread of dictatorships—to the point where these would-be world rulers stepped on the toes of too many other nations. Whatever justifications there might have been of overcrowded countries, lack of resources, lack of trade outlets, these lost their importance in minds of the democratic nations when it became evident that here were rulers of governments who intended to win their cause through force. Here were ruthless leaders who placed the state above the individual and made barbarians of men whether or not they willed it.

Now again, there are many people who think that the Soviet Union is bent on the same course which started for the Axis nations in Manchuko, Ethiopia and Spain.

If we are to head off such an assault, if it is coming, wouldn't it be a good idea for us to learn some lessons from the past? We allowed the Axis nations to take over because of our own weaknesses. Not a weakness of force of arms alone, but a weakness in our efforts to demonstrate by our conduct as a nation that democracy was a better way of life than dictatorship. There are still a lot of people in this country, including a host of ex-servicemen who think that a smarter domestic and foreign policy during the 30's might have prevented the war we have just fought. If we have another Pearl Harbor, we may not have the opportunity to look back over our errors in past policy, because there might not be so many people around to tell about what happened during the forties.

HOW FAR HAVE WE COME?

The concept of democracy began with the first advocates of the dignity of the individual. This was the kind of ideal of individual salvation preached by early Christianity. This had laid the foundation for the next step when our forefathers wrote a Constitution for the United States of America. There they emphasized the importance of individual liberty and removal of restrictions against holding property. Prior to that time the individual did not hold property. The feudal landlord held the title and the people lived on his land subject to his whims.

The big victory in the Federal Constitution was the privilege of holding land as an individual.

Political democracy has moved on from the time when one had to own property in order to be allowed to vote. Until very recently it permitted only the male adult to vote.

Following the Civil War we removed the white restrictions from the voting privilege although we have still not made this legal sanction a reality in all our States. In spite of our imperfections we have been slowly removing the restrictions originally placed on the full development of political democracy. We have changed our Constitution by adding to it. We have changed our national concepts. The important thing is that we have changed and it is not disloyal to say that the changes are needed. The fact that the changes were made is proof of the intent of the American people that from that time to time, revisions in our Government must be made if democracy is to continue to grow and develop.

ECONOMIC DEMOCRACY IS THE NEXT STEP

We have achieved the recoginition of the dignity of the individual, we have made great strides in extending political democracy and the next stage in the extension of democracy under the American tradition is the development of economic democracy. This is possible under the framework of the United States Constitution. We have heard of the need for freedom from want, freedom from fear. What we need in order to achieve those ends is freedom from the rapidly growing control of our Government by the big monopolies.

Lewis Corey says, "Monopoly is a private oligarchy that constitutes an authoritarian economic government incompatible with economic freedom and democracy. It is not free enterprise but a destruction of free enterprise as economic freedom. It restricts production, creates economic unbalance through its policy of low production with high prices for higher profits (and) is the basic force that generates recurrent depression. Monopoly, moreover, wields a political influence in national and international affairs that stands athwart liberal social progress. Experience is ample that neither regulation nor control of monopoly works. Its power must be broken. It can be broken only by converting monopoly corporations into public enterprises as new type TVA's."

We agree with Mr. Corey. To those who ask where such a policy might end we suggest that a good test can be applied to guide our actions. Whenever any corporation becomes more powerful than the Government then it is time for the people's government to take over the ownership of such corporation. Corporations are, by law, creatures of the Government. If the Government in a democracy is by, of, and for the people, then there is every legal and moral right for the people to take over that which they have created.

WHAT'S THE POINT?

We think that our foreign policy is being unduly influenced by large monopolies who are not concerned about the possibility of a few million people being killed off to protect and extend trade rights and privileges over the world. They have become so powerful that unless we, the people, step in, these monopoly monsters will not only assist in killing off a lot of other people but they will, by their own greed, kill off themselves.

In domestic and foreign affairs these monsters are getting ready to move in. There are rumblings against the people's power system developed under the REA. There are those who wish to kill off Production Credit, Farm Home Administration, the Agricultural Adjustment Administration, and other public corporations set up to protect people from fear and want.

We think the public had better wake up to the giants whose fingers already have a firm grasp on our economic throats. We believe that monopoly corporations must be converted into TVA type public corporations to set up in the United States a socialist mixed economy of public enterprise, free private enterprise, and cooperative enterprise.

This is at least one way which might prevent us from getting into a war of obliteration from which few civilized people will survive.

More Valuable Than Dollars

EXTENSION OF REMARKS
OF
HON. J. WILLIAM FULBRIGHT
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES
Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "More Valuable Than Dollars" from the Washington Star, of July 26, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE VALUABLE THAN DOLLARS

Twenty-two countries have signified their readiness to undertake the program outlined in the Fulbright Act—approved last year—and we shall soon be exchanging surplus bulldozers, tractors, barbed wire, and jeeps for an education abroad of selected American students.

The President's appointment a few days ago of the 10-member Board of Foreign Scholarships will give practical effect to this novel experiment in improvement of international relations. Under terms of the Fulbright Act, foreign nations may pay for surplus war material overseas—up to a limit for each nation of $20,000,000, spread over 20 years—by scholarships to Americans, including expenses of travel and residence abroad. They may also spend the money in sending students here, so long as there is room for them in American colleges, without displacing our own people, and so long as none of the money is spent in dollar exchange. The Board just appointed by the President is expected to meet in Washington in the next few months and set up the machinery for selection of the students. Thus far the State Department has received some 12,000 applications from American students, of which 5,000 are from veterans.

Even with the limitations imposed by law, the State Department estimates that sale of surplus property thus far is sufficient to warrant an expenditure of some $137,000,000 in this form of education. The program, therefore, is expected to continue for many years

to come. It permits the purchase of surplus goods, with foreign currency, that otherwise might have been impossible. But the value to result from the transactions, in terms of such intangibles as education and understanding between peoples, is hard to estimate. We followed, with beneficial results, something of the same idea in collecting the Boxer indemnity of $25,000,000 from China. The major portion of that money was collected in the form of scholarships, paid by China, for educating Chinese in the United States, and the result was to send back to China thousands of young men who had learned our language and something of our people and who undoubtedly exerted a profound influence on Chinese sentiment toward America.

At a time when we are so conscious of the aftermath of the war's bitterness and strife, the launching of this undertaking offers some hope in development of genuine friendship, supported by a solid foundation.

World-Wide Influence of TVA

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted in the RECORD a pertinent statement made by Mrs. Elizabeth U. Craib, Social and Economic Planning Council of South Africa, at the recent Valley Authority Conference held in Washington. The statement is entitled "World-Wide Influence of TVA."

I have received an estimate from the Printing Office that the printing of this address will cost $159.75.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mrs. CRAIB. Mr. Chairman and ladies and gentlemen, it has been announced to you that I should speak to you on the world-wide influence of TVA.

South Africa is a very remote country, far away from the important parts of the world. We have to travel a long distance to see the work of other countries or to discuss in person our common problems. It would, therefore, be presumptuous for me to talk for the rest of the world, but I imagine South Africa is like many other new, undeveloped countries, and, therefore, if I talk to you about why South Africa is interested in TVA, what I say may have some general application.

South Africa has been presented with an opportunity and a challenge in regional planning, which, I believe, is almost unique. A year ago last April a gold strike of great value was made in the northern Orange Free State. Subsequent systematic investigation has shown that the field is both large and rich, that it may almost rival the Witwatersrand at Johannesburg which supplies a third of the world's total current gold output.

The challenge is obvious, for the area in which gold has been found is to all intents and purposes empty. There is one town of a couple of hundred persons, and the remainder consists of farms varying in size from 2,000 to 50,000 acres, usually larger rather than smaller, on each one of which is a white family and a few natives.

Into that region in the next few years will be poured for mining purposes only perhaps as many as 40,000 or 50,000 white miners and 300,000 native miners.

The opportunity is unique, because I believe it to be rare that any country has had such a clean slate on which to work, in the region with a healthy and invigorating climate.

Gold mining is the keystone of South Africa's present prosperity, making the greatest contribution to the national income and subsidizing, by way of the heavy taxation on it, many of the activities of agriculture and industry.

The Social and Economic Planning Council had been advising the Government for some time that there was overcentralization of many public activities which, in conjunction with the departmentalization common to all central governments was resulting in uncoordinated and often actually conflicting public expenditures.

Furthermore, the purely functional approach of public agencies on different levels, and of private enterprise, prevented the integration in the development of resources which alone could develop the potentialities of any given region to the greatest pitch. In a report on regional and town planning, the Council had urged the Government to study the advantages of the regional approach to planning problems, and to consider the possibilities of the public corporation exemplified by the TVA as an administrative solution of regional planning.

Particularly in the stretches of country reserved for native (Bantu) occupation, where the intense pressure of the population on the land, and gross overstocking of animals could be relieved only through industrialization, did the Council urge the advantages of the public corporation to supply electricity, water, transport, well laid out factory premises on the lines of the British trading estates, and the housing necessary for the workers.

It is doubtful whether any action in regional planning would have been taken or seriously considered within a measurable time had not the problems created by the discovery of the new gold fields suddenly awakened the Government and the public to the probably chaotic conditions which would attend such rapid development were no control in the public interest to be exercised.

The words "regional planning" and "TVA" suddenly became fashionable, but it was to be noted that each person interpreted the terms with very little relation to the philosophic conception behind the idea of regionalism, or the terms of the statute on which TVA was based.

For instance, certain Government departments sang the praises of regional planning in their work, meaning simply an expansion of their activities, without relation to the other activities possible within any specific area, many dams instead of few dams, but dams still devoted to irrigation only of multiple purposes.

Many people abroad think the chief work of the TVA is irrigation. I heard certain spokesmen of the gold-mining industry state flatly that they were interested in regional planning but that the terms to them meant the supply of services for the gold mines as cheaply as possible, that they were suspicious of any attempt at diversification of industry in the area because it would make everything more expensive for the mines. This was a point on which the council had to take issue, as the sole dependence of the South African economy on gold is the most immediately dangerous factor in the national life.

The council pointed out furthermore, that the gold mines were paying in high taxes now the price of having developed the Witwatersrand, the greatest urban concentration in the Union, with no interests but their own in mind.

Various high officials, including the Minister of Economic Development and the Prime Minister, Field Marshal Smuts, stated in public that regional planning must be undertaken in the area, and the TVA appeared to be a model on which a workable solution could be based. The planning council was asked for its comments.

The council was of the opinion that, before any decision could be arrived at as to the nature of the organziation proper to guide the development of the area, the specific problems which must be met and the functions which it would have to perform should be analyzed. The most important of the problems were seen to be:

1. The rapid influx of a large mining population.

2. The advisability of attempting for the first time in the gold-mining industry to house as many native mine workers as possible under conditions of family instead of compound life, thus building up a stable and prosperous law-abiding native population.

3. The crying need for the diversification of industry so that when, as is beginning to happen on the Witwatersrand, the gold in certain mines is exhausted, the houses, shops, public buildings, roads, and other services need not be abandoned, so that the familiar ghost towns of the gold, silver, and lead mines in this country should not be repeated.

4. The lack of adequate water supplies, due in great part to climatic conditions, but in some degree to improper land use.

The magnitude of this latter problem throughout the whole of southern Africa cannot be exaggerated. With some of the richest deposits of precious minerals in the world, with inexhaustible reserves of iron and coal, and an abundance of many other base minerals such as chrome, manganese, and asbestos, it is entirely possible that the lack of water may put rigid and narrow bounds on the otherwise possible expansion of the country's economy and population.

It is only the chance that the Vaal River adjoins the new gold fields that entitles me to address this conference on valley authorities.

Most other regions in southern Africa will have to be defined in terms other than catchment areas. The Vaal River is the only river of any considerable size in South Africa, and on it depends the whole complex of Johannesburg, the Witwatersrand towns, and Pretoria.

The normal population growth of these towns will demand the entire existing capacity of the river by 1975, the Rand Water Board estimates. Where, then, can we get water for the new urban concentration about the new gold fields on the other side of the river, but still in the same catchment area?

The council has constantly urged that the most drastic conservation measures should be mandatory on the whole watershed of the Vaal River, and that every drop of water should be used to the best possible advantage, many times over as possible.

Water is so important a factor that the council maintains that the logical area for planning purposes for the new gold fields should be the catchment area of the river, a larger area than that over which gold has, or probably will be, found.

Thus the planning council defined the specific objectives which the regional planning authority should be designed to promote, as follows:

(a) To explore and promote the utilization of the natural resources of the area, including precious and base minerals;

(b) To promote the balance and diversification of industry, especially by the establishment of industrial estates;

(c) To promote the conservation of water and its equitable distribution among competing demands;

(d) To plan, promote and regulate proper land use, and to assist in the improvement of land use in agriculture and forestry;

(e) To promote and regulate the development and integration of all branches of the transport system;

(f) To promote the generation and distribution of electricity for mining, industrial, transport, rural and domestic purposes;

(g) To assist in the adjustment of a primarily rural area to the impact of rapid urbanization by the planning and establishment of towns;

(h) To explore the building up of a permanent native labor force, housed under conditions of family life and with the facilities for social and economic well-being, and for industrial training; and

(i) To promote the establishment of education and library facilities necessary for the well-being of the people of the area.

To achieve these objects the authority should have power to acquire land, either by agreement or expropriation, to hold it in perpetuity, to construct towns and industrial estate, and to prescribe land use.

It will thus be seen that the specific nature of the tasks which the South African authority must perform are very different from those of the TVA with its primarily flood control, navigation and generating activities, although the broad objectives of each should be similar, a higher standard of living and a richer life for the people of the region; as great a contribution as possible to the national wealth by the region.

The work of overseas regional development authorities was studied where material was available. These included the Chilean Development Corporation, the several functional development corporations of the Belgian Congo, which are of great interest and value, Lord Lugard's plan for Nigeria, the British Town and Country Planning Acts, the New Towns Act, and various industrial distribution acts and reports; the distinguished research work done by the National Resources Planning Board, with the regional planning commissions which it set up; and, of course, the TVA.

Many suggestions were made in various quarters as to the most suitable body to perform the regional planning functions. Perhaps the most vociferously urged of these was that the provincial administrations should be endowed with regional planning powers. Of this the Planning Council repeatedly and publicly disapproved. South Africa was created in 1910 by the union of our political entities, the Colony of the Cape of Good Hope, the Orange Free State, the old Transvaal Republic, and the Crown Colony of Natal.

But in the Act of Union all powers and functions were reserved for the central government except a specific few, those of control over roads, schools, hospitals, and the supervision of local authorities.

Thus the most of the activities which a regional authority would be concerned with, notably transport and electricity development, soil and water conservation, agriculture and forestry, the control and diversification of industry, native development and labor relations are outside the experience or organization of any of the provincial administrations.

This is in marked contrast to the political set-up of the United States. The planning council objected on other grounds, as well; first that the Provinces are financially incapable of performing their existing functions satisfactorily, to such an extent that their abolition has frequently been under discussion, and secondly that their boundaries, political in origin, bear no relation to the natural regional units.

This is particularly true in the case of the Vaal River Valley, where the river bisects and is the spine of a natural region, but is the boundary between the Transvaal and the Orange Free State.

Another proposition was that a specific existing Government department should be given the powers necessary for the development of the region. The two most often claiming the right were the Irrigation Department and the Department of Mines. An examination of the functions which must be performed by the authority as defined by the council demonstrates beyond a shadow of doubt how ill equipped to undertake real regional development, both by technical training and outlook, such departments are.

If a new department of the central government were to be created for the purposes of nation-wide planning, as has sometimes been proposed, all the advantages of the grass roots approach, of integration and coordination within the region would, it is my belief, be lost. The substantive program of the authority must be formulated, executed, and the responsibility of all but the broad outlines of policy must rest fairly and squarely within the region.

A board representative of the varied interests of the region and advisory in function is advocated in many potent quarters. The council has considered this suggestion carefully, and has studied among other examples the constitution and achievements of the New England and Pacific Northwest Planning Commissions here, and the West Midland Group on Postwar Reconstruction and Planning in England.

Although minor beneficial results have been achieved, particularly by the officially sponsored West Midland Group, the record of these advisory bodies without statutory powers is disappointingly negative. Furthermore, the council has consistently maintained that a body made up of representatives or areas and interests is per se unsuited to the type of task which must be performed by the authority. It holds this view for the following reasons:

1. Representatives of existing bodies, whether departments of state, lesser authorities, or business interests, are prone to defend their own established interest against any invasion, even at the expense of public interest.

2. Representatives may seek to insure that the authority's powers are used only in their own interest; if they are unable to insure this, they may prefer to render the authority ineffectual.

3. Even if representatives of existing bodies wish to act in the public interest at possible sacrifice to their own, they may not possess the special abilities and knowledge needed for assessing the long-term consequences of policy decisions, or for the carrying out of their tasks.

Of all the possible types of organization which were studied, it was felt that that of the public corporation as exemplified in the TVA was the most congenial to the political atmosphere of South Africa and the best conceived to undertake the specific work that must be done.

Some of the aspects of the statutory position and organization of the TVA which I believe to be particularly valuable to democratic countries seeking solutions to problems of regional development are these.

The very fact that the TVA was established by a national statute, that the basic principles on which it was to operate, and the defined objectives toward which it was to work were debated and agreed to by Congress is fundamental to the maintenance of the democratic principles.

With the creation of other public corporations, here and abroad, it is a sign that the constructive thought and know-how found in the most successful examples of private enterprise are at last being applied to the processes of Government.

One reason I am so deeply committed to this business of regional planning and regional organization is that it seems to me to be a method by which democracy can be made to work, by which the increasing functions which have to be publicly undertaken can be performed without the creation of a larger, more centralized and therefore more inefficient bureaucracy.

But the semi-independent status of the TVA, its considerable control over the expenditure of its funds, seems to me to be almost equally important. I can see only increasing hesitancy in decision and action, frustration, and consequential inefficiency if an organization trying to perform a business task in a businesslike way were to be held up or thwarted in every action by the supervision of an unwieldy bureaucracy.

I believe that great flexibility in the expenditure of operating funds is essential to the satisfactory conduct of any big business, although congressional approval for major new capital expenditures is clearly a necessary control in a genuine democracy.

For this reason, also, the corporate form, that on which most big businesses are operated, and which carries with it the responsibility by which it, as an entity, can sue or be sued, is more desirable than that of a governmental department.

It is my personal view that the technological, social and economic developments of our day leave a gap which must be filled, if democracy is to survive, between the organization by which the Government performed chiefly defensive and regulatory functions and that which is covered in the pursuit of private profit.

The public or semipublic corporation seems to me peculiarly well fitted to fill this hiatus, especially where construction and operation for multiple purposes in the long term public interest are required.

The right to hire and fire, to advance on merit and not seniority, are vital to the efficiency of the organization, and the fact that the TVA operates outside the control of the public service commission is, I believe, of vital importance.

The TVA's system of appointment and promotion is of great interest. The provisions in the act which make it a serious offense to fill appointments in any political interest, are, alas, as necessary in South Africa as America, and should be enforced as rigidly.

The attachment of the authority to the President's office seems to me of the greatest significance and based on the soundest principles. I have repeatedly asked what is going to happen when there are several regional authorities functioning in this country, and I have never had a satisfactory reply.

It is my earnest belief that, since the chief functions of regional planning is coordination, it can be achieved only on the site, at the grass roots, or by the chief coordinating officer of the Government, in America the President, in South Africa the Prime Minister. The type of organization he will need to help him, whether an advistory board or a strengthened Cabinet secretariat or some other device, must be decided before long in both our countries.

I have neglected heretofore to talk about the over-all planning functions of the TVA. This is because, magnificent as the achievements of the Authority are in raising the standard of living through cheap electricity in the vaalley, it seems curious to a foreigner that the planning of land use and the fullest employment of the region's natural and human resources should have to be pursued so indirectly.

The chance existence of the nitrate plant at Muscle Shoals, the happy accident of phosphate deposits in the valley, seem to be the tenuous threads on which one of the most vital and unarguably justified activities of the Authority hangs.

Beyond research and demonstration no active steps may be taken to promote the diversification of industry. The work even of the State planning boards is confined to physical objectives.

Broader social and economic issues must be met only incidentally. Sections 22 and 23 of the act seem to have crept in almost by

accident, and their implementation has been maintained at a minimum.

This is a point which is widely misunderstood abroad. I do not think that South Africa has the pathological aversion to planning which seems to be a factor in American life. We have read von Heyek and von Mises too, but if you live within the British Commonwealth today you are perhaps more ready than Americans to face the fact that "the conscious application of intelligence to the task of creating appropriate means to attain defined ends, as a group of Americans has defined planning, alone makes the sacrifices of today justifiable in the interests of tomorrow.

Furthermore, in the problem of the social and economic relationship between the 2,250,000 white people, the 300,000 Indians, and the 7,500,000 natives, many of whom are still completely primitive, only public spirited and long-term planning can provide adjustment by evolutionary means.

I hope South Africa will follow the inspiring theory of treating all the activities in a region as a seamless web, which has been voiced by the TVA, but I hope also, that we will be able to implement the principle somewhat more widely.

The extent to which local institutions have been used by the TVA and their general strengthening rather than undermining should receive wide recognition, although different local conditions should doubtless modify some of the TVA's practices when applied elsewhere.

A point which the planning council particularly wished me to study was the system of memoranda of agreement between the TVA and other bodies, both public and private. This is a device of great significance and wide applicability in regional planning practice. A clear understanding of it would, I believe, remove a good deal of opposition by those interests which fear that they may be ridden over, rough shod, and without the right of consultation.

I cannot leave the subject of the debt other countries owe the TVA without mentioning two things which struck me with the utmost force in my recent visit there, and which cannot be created by statute. One is the high quality of the men who staff the Authority who, in the early days, developed the form of the organization and set the spirit of the approach to the work.

Any other country which could equal America in this matter would indeed be fortunate. The other point is the sense of cooperation and coordination between the different staffs and staff members which is the most essential task of regional planning.

The resolution of conflicting interests without appeal to the higher officers of the Authority can be achieved only when the workers in one field understand and respect the aims and methods of men in contiguous fields. That feeling which I sensed among the staff of enthusiasm for, and willingness to cooperate in all the activities of the Authority was perhaps the strongest impression which I carried away from my visit.

Thank you.

American Democracy Endangered by Religious and Racial Bias

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the senior Senator from West Virginia [Mr. KILGORE] before the fourteenth anniversary dinner of the Nonsectarian Anti-Nazi League, at New York, N. Y., on April 1, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN DEMOCRACY ENDANGERED BY RELIGIOUS AND RACIAL BIAS

Mr. Chairman, distinguished guests, ladies, and gentlemen, I have the very great privilege tonight of expressing to you, at his personal request, the congratulations of President Truman, and his deep regret that he cannot be at your fourteeenth anniversary, and also his wish that you may continue the good work that you have been carrying on in the same spirit in which you have done it in the past.

On behalf of myself, I also appreciate the opportunity of addressing a group of this kind. All too often we address groups that represent a particular segment; but this is a nonsectarian group, in which the Protestant, the Catholic, the Jewish, and all other religious and racial lines are laid aside, while all unite in seeking one ultimate aim—an aim which is in fact the purpose of the Constitution of the United States of America—true Democracy, as described by Thomas Jefferson, by Andrew Jackson, by Abraham Lincoln, by Woodrow Wilson, and by Franklin D. Roosevelt, and as now exemplified by Harry S. Truman, the present President.

So it is a great pleasure to be here on your fourteenth birthday and say you are a most lusty 14-year-old child.

You know, the world had grown weary of crises. We have them daily. May I also say they are sometimes pumped up by the press to get headlines. And we get tired and we get worn out with listening to this headline crisis and that headline crisis and this thing and that thing.

But underneath all of it, we have to admit that there is an underlying crisis that we all face, and that is the problem of continuing the freedom of the individual in these United States to do as he would do, so long as it does not infringe upon the same rights of another individual.

That is what I wanted to talk to you about.

"I AM MY BROTHER'S KEEPER"

The golden chapters of history have been written by men of courage and vision, men who had the nerve, the courage, and the ability to fare forth in pursuit of a real ideal, an ideal of good for all, not merely good for a few, and an ideal of "I am my brother's keeper," not "I am my brother's exploiter."

That, my friends, is the secret of Nazism: "I am my brother's exploiter." That is the one thing we should watch for, and that is the one thing that makes life worth living for the individual who has a true regard for the happiness of himself, his children, his grandchildren, and his great grandchildren, because "As ye do unto our own generation, somebody else is going to do unto succeeding generations."

If we build up a situation in which this generation, our children, our grandchildren, and our greatgrandchildren carry these hatreds, then still others yet unborn are going to pay for it.

That is why an organization seeking to work out a true equality of opportunity, doing away with intolerance—and I don't like the word "intolerance," because the word "tolerance" presumes intolerance—is so necessary. Let us do away with intolerance, and let us have, as we have in the motto on the Supreme Court building, "Equality under the Law" and equal rights.

You know, there have been periods in history when the fight has seemed almost hopeless. It has looked as if it could never be carried through. We have gone from ism to ism. We have had feudalism, imperialism, fascism, nazism, communism, this ism and that ism; but if we could get down to true equality, we could get away from all the isms.

FREEDOM MUST BE ETERNALLY GUARDED

However, in the record of history the achievement of this equality has often looked almost impossible, all because of some one small group from time to time trying to exploit others—many others.

We here tonight owe our freedom to those people who proved, through their untiring efforts, that freedom is obtainable and is maintainable. But we must also never forget that one statement, that eternal vigilance is the price of freedom.

We are entirely too prone to say that we have our freedom, and that nobody can take it away—it is ours.

I am going to diverge a moment: You know, sometimes I get disgusted at hearing people who get up and yammer about "free enterprise," and try to fool the people when what they really mean is freedom to exploit somebody else's business—and sometimes you get Nazism into business just the same as we get it in political life in this world.

Free enterprise should have one additional word added onto it: Competitive free enterprise; and our citizenship should be a competitive one.

As I said, we are entirely too prone to take our freedom for granted. We are entirely too prone to think that once a law is placed on the statute books it is everlasting, not realizing that somebody may come in and by a very slight amendment change that law.

Despite the fact that we have fought two terrible wars, many people appear unwilling to make the day-by-day sacrifices necessary to keep freedom alive, that freedom which, in this last war, 15,000,000 people fought for, and for which we in this country will be paying the cost in money for generations yet to come.

Our veterans, in addition, will be paying the cost in blood and in being crippled. Yet, once the enemy surrenders, we take the attitude that the war is over; that all our troubles are ended. "Let's go ahead, let's do just as we please, and let's take advantage of our neighbors."

Sometimes I feel like Marquis Childs in a recent column, when he said, "You know I feel like I do in a moving-picture show sometimes, when I say to myself, 'Well, this is where I'd better go out. This is where I came in'."

VIGILANCE AGAINST HATEMONGERS

He said, "The present time reminds me so much of 1920. The attitude of the people is so much like that of 1920, when we started laying the foundations for the next war, which we say was nazism, but it was the same old ism, the same thing that has been inherent in all this."

I call it greed for power, greed for the right to exploit others, and its symbol is hatred, the preaching of hatred to take people's minds away from the important items they should be considering.

We need only look back on the Civil War in this country, the War Between the States, and realize the sorrows of that war and of the reconstruction period, which were worse than the war itself.

We thought that World War I was over when the armistice was signed and we gleefully went about our business and forgot the business of our neighbors—our neighbors across the sea, may I say—our neighbors, the underprivileged, those who had suffered most in the war.

You cannot live on an island of plenty in a sea of starvation and live satisfactorily. The sharks are going to come up on the land. You must realize that—we must fight down the efforts of all those who would profit by the suffering of others.

So those are the things that we must remember—the things that we must realize: First and always, that what we call nazism has its foundation in the preaching of hatred and in picking out the largest small group you can pick out to preach that hatred against to take the attention of the people away from the main issue, which is the desire of a handful to exploit the rest of the Nation or the rest of the world. That, my friends, is nazism.

There are movements that would destroy liberty in this country—we remember the Ku Klux Klan, we remember the Columbians, which your league exposed, we remember their teachings and their preaching of hatred, their fattening upon and making money from the preaching of hatred—and it is highly necessary that some broad organization such as yours take over the duty in this country of ours, to show to our people the true course which means taking care as to the rights of all people by all other people, the interdependence of one group upon another, the interdependence of one individual upon another, of one family upon another, of one community upon another, of one State upon another, and of all Nations one upon another.

If we would hope to have a world-wide peace, that is what we want and that is what we must do.

Today we are in another post-war period—a period which offers far greater problems than those posed following World War I.

We have another opportunity to build world peace.

We have another opportunity to prove that the world can live in honesty, dignity and peace.

Are we going to make world peace a reality—or are we going to follow the treacherous path we followed after World War I?

That is a paramount question today.

Some say that 1947 parallels 1920 and I must admit that there are many similarities between those two periods!

Even though the United Nations is in its infancy—and it faces the toughest problem ever confronted by mankind—the cynics and skeptics say it is failing.

They say it is failing before it has had an honest chance to prove its worth to world civilization.

Democracy itself is being attacked by innumerable hate mongers—feeding the fires of ignorance and bigotry.

THE KKK AGAIN?

I am confident that all of you, some time or other, have seen these hate sheets that are endeavoring to erect barriers between all groups of people.

Within the last few days I have received a wastebasketfull of leaflets and pamphlets attacking Jews and Catholics * * * Negroes and Italians.

No racial or religious group escape this vilification—all put out under the heading of democracy. What a mockery!

Another group of these peddlers of hatred and bigotry would have you believe that democracy is an evil plot against mankind.

A recent publication stated—and I quote: "Of all the lies that corrupt American thinking, weaken the Constitution, and threaten to destroy this Government of law protecting human rights, the most insidiously corrupting and destructive is the approving use of the word 'democracy.'"

Why is democracy attacked?

You and I know the reason. It lies in evil, corrupt minds opposed to the belief in the freedom of mankind.

The so-called man on horseback knows that he can never achieve his greedy motives by appealing to reason and understanding.

He can succeed only when we are oppressed and weary.

Remember the days after World War I?

The days of the fiery cross—the white-cloaked night riders—known as the Ku Klux Klan.

The klan fed the flames of hatred, bigotry, and greed—in an effort to supplant democracy with totalitarianism.

Fortunately, men of courage and vision fought the klan, and after one of the saddest chapters in the history of this Nation, sanity and reason replaced ignorance and hatred in the Nation's mind.

MEN ON HORSEBACK

The end of World War II has brought another wave of hatred. The so-called men on horseback, who went underground during the war, are back at their old stands peddling racial and religious intolerance.

Every possible disguise is being used to camouflage their true purpose—for they realize that they can never succeed if the people understand their true motives.

We defeated Hitler and Il Duce in Europe—but their American counterparts are still carrying on their evil plans in various sections of our Nation.

Fortunately there are many brave, patriotic Americans, like those here tonight, who are not afraid to expose these would-be Hitlers.

The thing we face right now—let us get it down firmly imbedded in our minds—is the danger of exploitation which will spread from one group to another. Oh, it sounds awfully nice: The exploitation of prices, for instance, can be a part of it. Why must we go from war to inflation—to depression—to war—to inflation—to depression—to war?

Isn't it also a fact that in an ensuing deflation, when the people become desperate, the road is very easy for the preachers of hatred? Hatred of the Jew; hatred of the Negro; hatred of the Catholic. I can remember hatred being preached against all three of these, and I am not quite as old as my scarcity of hair would indicate. I can remember the days of the APA, and some of you good Irishmen in here can remember the fight of the Molly Maguires.

AN EXAMPLE FOR THE WORLD

I have seen anti-Semitism at work; I have seen the klans; I have watched the Columbians; and all of them have but one purpose—profit at the expense of a minority group. In this country there should never be a minority group. We must, we can, and we shall, if we hope to be successful, be one Nation indivisible, with liberty and justice for all.

By living democracy here at home we will be living proof to the rest of the world that democracy offers every human being, irrespective of his race or religion, an opportunity to live in dignity, in honesty, and in peace.

Statement of Congressman Gordon L. McDonough and Part of the Testimony Before House Labor and Education Committee Urging Approval of H. R. 4193

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. McDONOUGH. Mr. Speaker, on Friday, July 25, I appeared before the House Labor and Education Committee urging the adoption of H. R. 4193 which is an amendment to section 304 of title III of the (Taft-Hartley) Labor Management Labor Relations Act of 1947 Due to the shortness of time before recessing for this session, it was impossible to give complete consideration to my amendment, but it was agreed that further hearings on H. R. 4193 would be among the first order of business of the Labor and Education Committee at the beginning of the second session of the Eightieth Congress.

My amendment seeks to remove the restrictions of the civil liberties of labor unions which I think are curtailed in section 304, title III, of the Taft-Hartley bill, and I trust that the Members of the House will give serious consideration to H. R. 4193 during the next session of the Eightieth Congress. The following is the statement I made and part of the testimony before the committee:

Mr. McCONNELL. Mr. McDONOUGH, you have a statement to make, I understand.

STATEMENT OF THE HONORABLE GORDON L. McDONOUGH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. McDONOUGH. Mr. Chairman and gentlemen, I appreciate the limitation we are operating under, insofar as time today and for the balance of the week is concerned.

I do appreciate the opportunity of reviewing briefly the two amendments that I have introduced to the labor-management relations bill of 1947, and my purpose in introducing them.

I am impressed with the fact that as the bill is now written, there are two sections—one section especially, that may be questionable insofar as civil liberties of union members are concerned.

I am referring to the section of the bill that denies union membership and the unions from using any of their funds for political purposes, or expressing their preference or opposition for a political candidate.

I realize the committee, at the time it considered that section, was thinking of the Corrupt Practice Act, and the comparison of labor unions to corporations.

In my opinion, however, I do not believe that there is a fair and equitable comparison between labor unions and corporations, insofar as the intention of this committee is concerned.

The intention on the part of the committee was to say, in effect, since corporations, as such, are not permitted under the law to contribute to political campaigns, in order to equalize both sides of the picture, we will then deny the right of labor unions to contribute to political campaigns.

The reason, in my opinion, that they are not comparative, is that a corporation is a corporate body. I do not think they should contribute to campaigns.

But an individual member of a corporation is in far better position to express his views and preference for or opposition to a political candidate than an individual member of the union, and it has become so customary in this country for unions to determine and endorse political candidates that it seems to be the only manner in which they can express themselves.

So, I have proposed to amend section 304, title III, of the bill so that it will permit labor organizations to use the dues of their membership to publicize and circulate their preference for or opposition to candidates for political office, provided that the majority of the membership of the labor organization agrees to such expenditures, and a certification of such agreement is filed with the National Labor Relations Board at least once each calendar year.

It will be a violation to use membership dues, and there is a penalty provided if an organization uses membership dues, without this procedure.

The same penalty remains in the bill as was in your original bill.

* * * * *

I would say my intention in this amendment—and if it is not clear, it should be corrected so as to make it clear—is that each individual union, each local, as a matter of fact, in each city and town, should determine whether they should use their union dues in expressing their preference or opposition to political candidates.

I am not looking at it from the point of view of the over-all picture, that the national convention could determine the policy.

My desire is to give the labor union, the local, the right to determine, by majority vote of that labor union, locally.

* * * * *

I think we are denying a certain part of civil liberties to the individual union member in the locality where the international or national union has not expressed itself on a candidate.

The bill at the present time denies him that right.

Mr. BUCK. Would your objective be met by some sort of a measure which would permit labor-union periodicals, which periodicals are wholly owned and regularly published by a labor union, to express their opinion on a candidate?

Mr. MCDONOUGH. No; I wouldn't think it would; because I think there are other things they are entitled to do and should be privileged to do besides expressing themselves in periodicals.

I noticed a news release recently by Senator TAFT, who expressed his views along the same lines as you have, of regularly circulated newspaper, operated by a labor union. That is a limitation.

Personally, I think the individual member of a local union should be given a free hand to express himself for and against candidates for public office.

Mr. MCCONNELL. A corporation at the present time is not permitted to issue bulletins advocating candidates, is it?

Mr. MCDONOUGH. No; that is correct.

Mr. MCCONNELL. Isn't there a somewhat comparable situation there, when you deal with the corporate entities of both of them?

Mr. MCDONOUGH. No; I do not think so.

Mr. MCCONNELL. Whether the union or the corporation?

Mr. MCDONOUGH. I do not think so.

I would like to make a statement on that, Mr. McConnell, to the effect that the corporate body of a corporation is made up of individuals who are in position, financially and otherwise, and with their influence in a community, are in far better position to contribute their own funds to a political candidate than a labor-union member is, because the labor-union member customarily spends all the money he earns for the purpose of taking care of his family, and has no sum of money set aside, nor has he the influence in the community that a corporation member has, a director, or officer of a corporation. So there is not a fair comparison there, in my opinion.

Mr. KERSTEN. Would you not agree that a union, as such, cannot be compared with a corporation so far as its general function is concerned, and that all restrictions placed on corporations are not applicable to unions for the reason that a union is a group of men banded together for the purpose of protecting their working conditions, whereas a corporation is a separate legal entity, a separate person, in the legal concept, a separate person from the stockholder, a separate person from the members of the corporation, ordinarily engaged in the making of a profit for that separate person, that legal entity, the corporation.

Mr. BUCK. Will the gentleman yield there?

Mr. KERSTEN. I have not finished.

So that when you are dealing with a corporation, you have got to recognize that fact.

Wouldn't you say that this is true?

Mr. MCDONOUGH. That is correct.

I definitely agree, and I would elaborate a little more on that point by saying that the stock in trade of a union member is his ingenuity, the product of his brain or brawn.

The stock in trade of a corporation, by comparison, is services and goods.

They cannot be compared, in my opinion, an an equal basis, because, on the one hand, a corporation cannot operate without the ability of the laboring man——

Mr. KERSTEN. Can you imagine any individual getting out a flier against a political candidate on his own?

Mr. MCDONOUGH. Yes; I can imagine it, but I can see how limited it might be and how ineffective it might be.

Mr. BUCK. I want to go back to the point of the corporation.

You said a labor union is a group of men banded together for a common purpose.

What is a corporation but a group of stockholders banded together for a similar purpose, which is its own gain. They are risking their capital, they are providing the tools without which the labor union could not function.

Mr. MCDONOUGH. I will say this, Mr. BUCK: I think a corporation which risks its money is in a position to lose more readily and easily than the laboring man is in a position to lose his stock in trade if the corporation fails.

If the corporation fails, then the corporation members become members of unions, per se, and have to go out and sweat, but if the corporation is successful when the stockholders are receiving a profit on their investment, then the situation becomes incomparable, for the reason that the only stock in trade the union man who is making that contribution has is his ability to do the job at the machine or in the field, or wherever he is doing it, and that is the unlimited amount of energy he has until he becomes too old to perform.

The Marshall Plan

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to include a broadcast by Howard K. Smith, chief of the Columbia Broadcasting System foreign news staff:

ANNOUNCER. CBS News now presents Howard K. Smith from Rome. Mr. Smith, chief of Columbia's European news staff, brings to his reporting an analysis of the news, the experience gained in many years as a foreign correspondent. We take you now to Rome, Italy, and Howard K. Smith.

Mr. SMITH. The Marshall plan talks which opened in Paris yesterday, mark a wath'stead in history of capital importance. For 2½ millennium, ever since the Greek Fleet under Themistocles, defeated the Persians in the Bay of Salamis, the initiative in history has been held almost without interruption by just those nations represented at the Paris conference. In 2,500 years predominance has passed from land to land, from Greece to Rome. From Italy to Spain, France, Germany, and Britain. But whatever specific country it was, it has been uninterruptedly the tiny peninsula of western Europe and its Mediterranean * * * that has been the fountain of world influence, wealth, and power. The exploiter and civilizer of the rest of humanity.

History can record few great changes that have taken place with such breath-taking abruptness as the descent from dominance of western Europe It's been just this sudden. In 1939 at the outbreak of war the great powers, the nations that is who held the major initiative in shaping international events, were Germany, Britain, France, and Italy, all west European nations. With some juxtaposition of individual countries, it was the same power pattern that has directed world events for over a thousand years.

Today, 2 years after the war, with less than a decade separating now from then, the pattern has changed drastically. For the first time since Xerxes it's fair to say not one west European nation can be called a top ranking power. Britain today undeniably possesses the influences rating of a second-rate nation. France is a third-rate power. Italy a fourth-rate power with an economic influence barely equal to that of Switzerland. Germany has ceased virtually even to count.

There is something pathetic about the state of western Europe after so many years of rulership. All the nations I've mentioned have once, and some of them now, ruled great empires. Between them, the giants of Europe's west have at one time or another directly determined the fate of more than half the earth. Today their empires are in varying stages of disintegration. They themselves have become as abjectly dependent on an outside power as their * * * colonies were once dependent upon them.

The Paris Conference is a conference of direct crisis. This tiny, highly industrialized, overpopulated, undercultivated half of a peninsula was heading for a winter of the deepest peacetime crisis it has known yet. The alacrity with which the western European statesmen sprang at the invitation to the conference is a measure of how completely the mighty have ceased to be rulers and how profoundly they have begun dependence on America for survival. A measure of how swiftly the locus of world decision has shifted.

The reverse side of the same historic milestone is the drastically changed position of the United States. There was a time a very short while ago when we could have a little stock-market break and no one outside America was affected except a few foreign speculators in wheat futures. A Nation-wide strike was essentially an American episode and Europe paid only the most casual attention. The passing moods of Washington interested mainly local lobbyists and Washington correspondents. Americans themselves, I think, have not yet realized how completely that situation has altered. I think you have to be over here to see it. A coal strike in Pennsylvania now becomes the main event of the year in Italy. Factories close, unemployment is swelled. The removal of price controls in Washington, the kind of event we are accustomed to viewing as strictly our own affair, can rock the whole economy of a European country. As it has largely done in Britain. A nod of disapproval from an American emissary can bring down governments as it has done this summer in both France and Italy. A nod of approval from a State Department emissary can launch a nation over here on a full-scale civil war as it has done in Greece.

The changed situation is highly flattering to us. But looked at through the eyes of realism, it's an essentially unhealthy situation. It's bad for Europe and it's also bad for us. The completeness of western Europe's dependence upon America, has been breeding in highly influential circles in Europe, the philosophy that America "owes us a living." Last week in Athens, I talked to Greece's leading industrialist. He complained bitterly about the state of things in Greece. When I asked him what he and the

Greeks were doing about it, he shrugged his shoulders and said: "You've taken over the responsibility, you've got to do something. We can do nothing."

The Greek Government itself has been the outstanding example of that spreading philosophy. It governs without plan of policy. It refuses to tax its wealthy supporters and lives on generous American funds. It knows, or at least it believes, that America is above all things, violently anti-Communist. So it attaches the name of communism to every untoward event that happens in the country to keep America frightened and benevolent. A week ago today I was in Athens working on this same Sunday broadcast. Across the street from my hotel window the British press headquarters caught fire. I went across the street and found out that an oil burner in a British canteen on the bottom floor of the building had burst and caught the walls of the building on fire. In the dusty, dry heat of Athens the fire spread to several floors before it was put out. This week the Government in Athens arrested 50,000 Athenians, doing away with the last opposition to it in Athens. The pretext that it offered the world was that the fire was Communist sabotage, the beginning of a Communist uprising and an effort to seize Athens. Now, as an eye witness and upon the best authority in the building that was burned, I know that the fire was a perfectly legitimate accident. Yet, this week, in a press conference in America, Greek Foreign Minister Tsaldaris, and in a simultaneous press conference in Athens, Gen. Napoleon Zarvots used that incident to inspire fears of imminent Communist occupation in Athens and to assure that the funds would continue to flow.

Western Europe's complete dependence upon us is breeding other ills as well. An outstanding one is the effort to flatter and win the financial favor of America by applying American solutions to European problems they do not fit. Uncontrolled, free, private enterprise is all right in America's intact highly productive economy. In Europe's crippled skeletonized economy, government control almost to the point of outright socialism, has become radically urgent. Yet outside Britain controls have not been applied anywhere in western Europe. Free enterprise has been installed. Rationing, the fair distribution of consumer's goods, that is, has virtually ceased to function. Prices have been allowed to soar The result has been economic chaos, inflation, inevitable labor troubles and a sharpening division into political extremes all over the countries.

The effort to please America and get loans has had a mighty and unsalutary effect on west European politics, just as it has on economics. The two most important domestic-political events in European countries this summer have been the maneuvering of the left wing parties out of coalition governments in France and in Italy. In both cases it was clear that it was done to please America and to get dollar loans. But the two countries could hardly have paid a higher political price for their favor. At a time when production is the greatest problem in Europe, the parties representing the workmen, the basic producers, were virtually disenfranchised from government. At a time when internal political unity was an urgent condition to recovery, the Communists were relieved of any restraining responsibility and given control of a mass acquisition that amounts to about 40 percent of the people in each country.

A year ago, France had attained within 98 percent of her prewar productivity. And today, with inflation uncontrolled, with no rationing, paralyzed by Communist-led strikes, France is limping at around 50 percent of prewar productivity. And is in a state of chronic crisis.

In Italy the strike wave is still a cloud approaching from the horizon. But indications this week from talks in the Government here, are that the French pattern may well be duplicated here.

If western Europe has taken awkwardly to her new dependence, America has found the sudden shift of world responsibility no less difficult, it seems from here. We seem still to be groping for a constructive foreign policy. The first year after the war our policy was aimless. We poured our money and influence on what turned out to be a bottomless pit in the palm of UNRRA. The second year, our policy has been frankly reactionary, supporting exclusively the right wing in European countries where the population is evenly divided between left and right, fostering disunity. Now all of a sudden has come the Marshall plan. About the first act of real statesmanship since the war. The growing image of Uncle Sam, the man with the bottomless pockets, has been largely dissolved by Secretary Marshall's speech from Harvard, for the most. Europe has been told that America will help and continue to help more than ever before if first Europe helps itself. Far from being reactionary, the plan encourages and even insists that Europe plan her economy. Lest it be thought that American imperialism is at work, America is not even present at the conference on the Marshall plan in Paris.

Unlike the post-UNRRA aid program and the Truman doctrine aid program to Greece and Turkey, American assistance has been offered to both the East and West in Europe. And though the talks in Paris are only 2 days of age now, the mere idea has had a tonic effect all over western Europe. Here in Italy this week the effect has been almost visible. The inflationary Italian lira stopped soaring and has settled healthily for the first time in a long time. On the stock market the speculative stocks that people bought in because they had no confidence in Italian currency, have suffered a severe break. And capital is once more being invested in the construction industry. This is the first time that Italy has been invited as an equal to an international conference since the war. And Italians have seemed to hold their heads visibly higher this week. Perhaps the best sign of the effect has been the activity of the Italian Communist Party. In a breach with the line of Moscow, the Italian Communists this week declared themselves in favor of Italy's participation in the talks. They did so, it's obvious, to hold onto their voting strength. The direction of popular opinion in Europe is indubitably toward the Marshall plan. All that now remains to be seen is whether Congress is up to the level of Secretary Marshall's wisdom and Europe's new enthusiastic hope.

This is Howard K. Smith speaking from Rome, now back to CBS in New York.

ANNOUNCER. You have been listening to the chief of Columbia's European news staff in a report and analysis of the news.

Budget Reductions, Phony and Genuine

EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. GORE. Mr. Speaker, I have made a final tabulation and now wish to post the scoreboard on the once vaunted Republican economy drive.

Undoubtedly, every member will recall with what utter disregard for the realities of governmental fiscal requirements, both domestic and foreign, with what reckless abandon and impatient determination the Republicans in the House or Representatives voted and, by formal record action, passed a resolution to cut the conservative budget presented by President Truman by $6,000,000,000.

It was with no avail that some level-headed Democrats attempted to caution the Republican's headlong surge into unreality. It was with no avail that we told them that the $6,000,000,000 figure was merely plucked out of the air by their leadership to serve as an excuse to pass an unsound and unfair tax-reduction bill. Nothing would daunt them in their determination—not then, not in resolution stage. Nor would the Senate be deterred from plucking from the air another, though a different, figure upon which to resolve.

The Senate Republicans resolved to cut four and one-half billion and they insisted that they were right—down to the last cent. And being right, they would not concede a cent for the sake of compromise with their old guard fraternity brothers in the lower House. Nor would the Thomas Aquinases of the House concede that their mental slide rule might have made some slight miscalculations, and that the figure $5,999,000,000 might be nearer right.

OLD GUARD DOES NOTHING

An impasse. The story was upon every front page. What a beautiful war of words ensued. How the battle raged. And the taxpayers were supposed to be edified and inspired by the brilliant discussion and permanently attached to the Republican banner by the electrifying spectacle of one group of old guarders determinedly blocking the other on how much they were going to save the fellow who foots the bill.

It was my privilege to serve as one of those conferees—and I really mean it was a privilege—a privilege to see a real-life farce. When we met in conference it was apparent that the only agreement possible was the one which the Republicans had reached among themselves to disagree indefinitely. It was a good show, though, and I enjoyed seeing the performers go through the act.

BACK TO MIDDLE AGES

Those Aristotelian logicians of the Middle Ages who spent endless hours debating whether there was a genus homo and how many angels could stand on the point of a needle would have felt delightfully at home in that comic wrangle.

Surely the Congress that approved the Legislative Reorganization Act did not believe that the legislative budget provisions of that act, one of the forward real steps and pillar stones of reorganization, would produce nothing but dialectics of this sort. The country was led to expect that a joint committee of sane and practical Congressmen who were specialists on budget and tax matters would meet and study the President's budget.

Out of this investigation and study would come a legislative budget realistically tailored to the needs and income of the Nation. The people were led to believe that this would be something more than a New Year's resolution. They expected, I think, that it would

serve as a sound guide for the making of appropriations and the amounts of revenue necessary to be raised. But, alas, the farce continued until the Congress adjourned and the legislative budget died in the pigeonhole, and I doubt if the Republicans succeeded in fooling anybody but themselves.

SLEIGHT-OF-HAND

In order to save their face, the Republican leadership resorted to many kinds of sleight-of-hand bookkeeping. For instance, they claimed to have made a vast and courageous reduction of Government expenses by cutting the appropriation which the President estimated would be necessary to make prompt payment of tax refunds. But somehow the chairman of the Treasury-Post Office subcommittee, the gentleman from New Jersey, the Honorable GORDON CANFIELD, got mixed up on the signals because during debate on the bill on March 10 the gentleman from New Jersey said:

> We do not intend to leave the impression that this $800,000,000 reduction will save a single dollar for the taxpayers. The Government will still have to pay out whatever taxes are paid unnecessarily.

If this provision has any effect, it will serve to prolong the time when the Government will have to pay 6-percent interest on overpayment. Therefore, its only effect, if any, will be to increase Government expenditure. It will probably not even have this effect, however, since a deficiency will undoubtedly be passed in order to make prompt tax refunds.

Substitution of contract authorization in bills instead of actual appropriations proved to be a favorite resort of the Republicans. But how does this reduce ultimate expenditure? How does this save any money? If contract authorization means anything, it means authority to commit the government to financial obligations.

PHONY CUTS IN THE LEAD

So, a lot of phony claims to economy have been made. In fact, the phony budget cut claims of the Republicans, in which there is not one dollar of real reduction in ultimate government expenditure, exceed their genuine reduction.

They claim a reduction in appropriations of $2,775,715,106, but from this must be subtracted the phony claims amounting to $1,508,053,800 in order to arrive at the genuine reductions. The genuine reductions in the President's budget amount to $1,267,661,306.

This reveals the fact, no doubt surprising to the people who last year fell for irresponsible promises, that this Congress has reduced the President's budget by a smaller amount than the Democratic Congress last year. Last year the Congress reduced the President's budget by $1,582,000,000.

What is more, the reduction is larger now than it will be at any time between now and June 30, 1948. The process of reducing the reduction will get under way by passage of deficiency bills early next year.

FOUR TIMES 1935 FUNDS

I have kept the fiscal score so far, and I expect to keep the tally until all deficiencies are in and the fiscal year ends June 30, 1948. At that time, I shall be surprised if the Republicans do very much better than to live within the President's budget.

The fact that the Republican Congress, with all the gnashing of teeth, appropriated four times as much as was appropriated for all purposes in 1935 does not necessarily indicate that the Republican Congress is profligate. It does serve, however, to show how ludicrous and irresponsible were their campaign promises of 1946, and how futile and abortive has been the attempt to take America back to a prewar basis. America fought and won a great war, and we cannot laugh off the necessity of paying the interest on the public debt, meeting our obligations to the veterans, providing for the national defense and other essential services of Government—and the Republican Congress now knows that the American people will not stand for such.

To show the true facts about appropriations I have prepared a table, itemizing appropriations by appropriation bills. I have listed phony budget-cut claims, including contract authorization which has been given over and above the contract authorization requested in the budget:

The facts about budget cuts, itemized by appropriation bills

AGRICULTURE	
Claimed reductions	$192,094,782
Genuine reduction	192,094,782
INTERIOR	
Claimed reductions	$101,547,561
Reduction in contract authorization below budget	849,500
Genuine reduction	102,397,061
LEGISLATIVE	
Claimed reductions	$20,858,642
Phony cuts: Dimidiation of Government Printing Office working capital	10,000,000
Genuine reduction	10,858,642
NAVY	
Claimed reductions	$244,234,200
Phony cuts: Contract authorization instead of appropriation	78,000,000
Genuine reduction	166,234,200
WAR-ARMY	
Claimed reductions	$234,261,867
Phony cuts: contract authorization instead of appropriation	70,510,000
Genuine reduction	163,751,867
GOVERNMENT CORPORATIONS	
Claimed reductions	15,097,500
Genuine reduction	15,097,500
STATE-JUSTICE	
Claimed reductions	$147,612,656
Genuine reduction	147,612,656
LABOR-FEDERAL SECURITY	
Claimed reductions	$105,455,408
Phony cuts: Authorization instead of appropriation	75,000,000
Genuine reduction	30,455,408
TREASURY-POST OFFICE	
Claimed reductions	$882,614,050
Phony cuts: Postponement of appropriation for tax refunds	800,000,000
Genuine reduction	82,614,050
INDEPENDENT OFFICES	
Claimed reductions	$311,674,832
Phony cuts	
Guesstimate on amount required for veterans' pensions	50,000,000
Contract authorization instead of appropriation	79,423,000
Only part-year appropriation for Atomic Energy Commission	75,000,000
Total	204,423,000
Genuine reduction	107,251,832
FIRST 1948 SUPPLEMENTAL	
Claimed reductions	$266,781,626
Phony cuts:	
Reduction in reimbursement of War Department by Surplus Property	16,000,000
Part-year appropriation for Federal Mediation and Conciliation Service	1,180,000
National Labor Relations Board part-year appropriation	3,025,300
Application to regular appropriation bill instead of supplemental estimate	8,000,000
Alteration of budgetary estimate period from 15-month to 12-month basis	175,000,000
Total	203,205,300
Genuine reduction	63,576,326
DISTRICT OF COLUMBIA	
Claimed reductions	$288,423
Genuine reduction	288,423
WAR DEPARTMENT-CIVIL FUNCTIONS	
Claimed reductions	$177,603,199
Genuine reduction	117,603,199
SECOND SUPPLEMENTAL	
Claimed reductions	$135,590,360
Phony cuts:	
Change of budgetary period for FBI budget	1,240,000
Inner-agency transfer in Post Office Department budget and liberalization of Antideficiency Act	66,515,000
Genuine reductions	67,835,360
Total genuine reductions	1,267,661,306

FALSE FRONT CLAIMS

Mr. Speaker, in desperation the distinguished gentleman from New York [Mr. TABER], chairman of the House Appropriations Committee, has attempted to take credit for additional revenue which the gentleman and his various subcommittees have "learned" might come into the Treasury although Congress has done nothing to bring about such additional revenue. For instance, the Independent Offices Subcommittee "learned" that certain UNRRA funds would probably not be fully used, so this, too, was promptly listed as a saving. Both phony and facade are appropriate to describe such claims of economy.

Again, Mr. Speaker, I want to offer my congratulations to my astute Republican friends, the leaders of their party, on the admirable skill they have shown in keeping so far away from the goal they set for themselves. Not to have come near it once in so many trials shows the most splendid talents for missing the boat.

Radio Address of Howard K. Smith

EXTENSION OF REMARKS
OF

HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to include a broadcast by Howard K. Smith, chief of Columbia's European news staff.

Mr. Smith replaced Mr. Ed Murrow, formerly chief of Columbia Broadcasting System foreign correspondents. I have listened to Mr. Smith's broadcasts for a year and have been greatly impressed with his very rare ability to report facts without coloration or bias. What Mr. Smith has to say of Greece and Europe at this time is of greatest interest.

The address follows:

Next week this country, Greece, will become the first laboratory of the Truman Doctrine. The Griswold Commission, appointed by President Truman to administer America's grant to Greece, will arrive in Athens next Sunday, a week from today, and start work. The setting for the grand opening of the laboratory is not auspicious. In fact, for this first experiment in a new foreign policy we could scarcely have chosen a tougher subject than Greece or a more hectic period than now, this summer, and autumn

There's one agreement among observers here, that the postwar crisis of this country is coming to a dangerous head within the next few months Greece's domestic economy is dropping into its deepest depression since the war. A sharp spring frost and a searing summer drought have decimated the country's meager crops. Civil war, still spreading over this tortured land, prohibits harvest in the bread basket area of the country, the northern plains of Thessaly and Salonika. The war itself has now reached a point where both sides, the right-wing government and the Communist rebels in the mountains, agree that a decision must be forced soon. The Government's military campaign against the rebels has been a failure. Trying to tear the guerrillas out of the mountains, a qualified British observer told me, has been as futile as trying to cut water with a knife. Government troops are said to be growing weary and there are many signs of disaffection.

This week there was a rebellion in the Government's air force on the Island of Crete. Sixty-three of the Government's airmen deserted to the rebel bands in the mountains. A Royalist newspaper here in Athens reported this week that a far-flung Communist organization has been discovered inside the Greek army, with branches in every unit. The Communist rebels have motives just as urgent for wanting an early decision. The failure of the Marshall plan talks in Paris, they add, may intensify American-Russian animosity here at their most troubled point of contact.

The Griswold commission, once established here, may urge the Greek Government on to sharper assaults on the Reds and supply American military weapons for the campaign. There's alarm in all circles of Greek politics. The former Liberal Prime Minister, Mr. Sophoulis, told me this week that he foresaw the danger of a general Balkan war, with the great power intervention, in the coming period of tension, unless something is done. The Right Wing Greek Government fears that the rebels may foment risings in the two big cities of the country, here in Athens and in Salonika, up north. Police this week have carried out mass raids in both places. The biggest raid was here in the Athens port of Piraeus, where 1,200 police combed through 700 houses in search of potential rebels. The night of the raid, this sprawling city was bathed in cold, white moonlight, and I went up on the Acropolis, sight-seeing. The contrast was bitter. Standing in the shadows of the stately Parthenon, the symbol and the architectural embodiment of the principle of moderation in all things that guided ancient Athens, and looking down from there upon the almost palpable fear, excess, and hate that pervade the millions of the city. Moderation is gone from Greece. The Nation is slashed into two extremes who refuse any contact with one another, save violence and brutality. The millions of innocents caught in the flood tide of opposing extremes are at the end of their material and moral resources. They entertain one lone hope—that the American Commission, arriving here next week, may be able to save them.

Solutions to the Greek problem are not ready at hand, but the Commission will see at least developments or a diagnosis of Greece's sickness from the plane, coming in. Centuries of deforestation have left this peninsula a mountainous desert of bald naked rock, eroded gravel-covered slopes, and narrow, bone-dry valleys. For miles and miles you see nothing growing in the eroded valleys but a kind of wiry sagebrush. Occasionally you see a few scrubby patches of corn or wheat. But the corn is skimpy and seldom reaches up as high as your hip and the wheat is just about as bad.

Greece is a tiny country—not half the size of an average American State. Eighty percent of its surface is barren rock. Only 15 percent of the area is cultivatable. And she must feed and employ a population of 7,000,000, three times the population of the average American State. Experts say that Greece could adequately feed and employ with her economy and soil only three or four millions of her seven millions. Thus, about half the people of Greece are supernumerary. They could be done without. They cannot find useful occupations or normal livelihood. The land, unable to feed them, this farm population is flooding the cities in search of jobs and living. Athens, a century ago a village of a few thousand inhabitants, is today a congested city of a million and a half. Because there are not enough productive jobs to go around, the city millions seek unproductive jobs—the black market. They become parasitical middle men, adding nothing to the wealth of the nation but inserting themselves in the distributor process and taking their tribute of profit from it.

At this point, struggle for sheer material survival has made politics here Latin American in character. For the most part it's a mercenary kind of feudalism. People have voted not for parties, for platforms for the common welfare, but for personalities, leaders of accredited groups whose main function is not to carry out a program but to award their followers with contracts and jobs when in power. Every change of government brings a new influx of people with nothing to do and the Government jobs. Since the war, Greece has had 10 governments and the civil service is swollen to bursting with incompetent clerks. The civil service has a vested interest in Greece remaining backward. For example, they maintain a medieval system of customs barriers at the entrance to every town and province. A businessman told me that to take a cargo of gypsum a short distance through Greece, he'd have to pay a local customs on it 14 times, a total tax amounting to almost 100 percent of the cargo's value. If the stupid system were abolished, tens of thousands of useless collectors and bookkeepers would become unemployed—and there are no other jobs for them.

The reservoir of useless people is enormous and still growing. Every year some 40,000 young Greek boys come of age and need jobs. Five years of war and 2 years of peace have cast a quarter of a million of them afloat. The dump of discontented youth is doubtless a big source of material both for the Communist legions in the mountains and the Fascist Black Police brigades of the right wing government. The origins of the extremist ideologies that attract them are not hard to discover. In a population suffering from such a bitter complication for survival, those who have, hold on and try to increase their holdings with a dogged bitterness. Fascism, cruel terror leagues, like the X organization here in Greece, become their normal weapon. Those who have not are just as mutually attracted to communism the philosophy of the impoverished, the hope of the hopeless.

Add another factor to this picture and the diagnosis of Greece and its sickness is complete. It is the geographical position of Greece. In a sharply divided world, Greece is located on the frontier between two worlds and at the most sensitive point. She blocks Russia's road to the Mediterranean. For the West, she is a bastion for our control of the Mediterranean and its highly strategic positions. As a result, foreign intervention has gravely aggravated the internal divisions of the country. There is no doubt now that the Russian satellite countries to the north are giving comfort and weapons to the left extremists, even training them to fight.

There is likewise no doubt that the present right extremist government is essentially a foreign creation, a British creation. In fear of the Communists, Britain sanctioned and encouraged flooding the high army commands with reactionary Royalist officers. She actively organized the police force, consisting essentially of Greeks from Hitler's brutal security brigades. It is the observation of the vast majority of observers that I've talked to here that these two forces created by foreign powers, the Greek Army and police, carried out the elections in the countryside in a reign of terror and put the present Royalist Government in power. Today the stock of Russians and British is low in this tortured land.

I've talked to businessmen and statesmen, workmen and peasants, and invariably they have wished a plague on both houses. Disappointment in the English have forced the sentiments of easily 60 to 70 percent of the Greek people to the center, a qualified observer estimated to me. A free election in the near future, he said, would undoubtedly bring a majority for moderate, efficient government. It's a situation which cannot last long. The strains and tensions of the coming months will force all Greeks to take sides. The opportunity for unification and pacification of the land is, indeed, temporary, of very short duration.

About the only power which can put this period to constructive use is America. For economic reasons Britain has yielded dominance to us. Among Greeks America alone is considered as having clean hands. That seemed to work only through UNRRA, which, despite the present Government's maladministration of our supplies here, did save millions of Greek lives. The Griswold commission, when it arrives here, can count on the affection and support of the overwhelming majority of the people. Whether that can be said again in 6 months depends on the Commission's answers to Greece's problems.

It is perhaps impolite for a correspondent to condemn a government that grants him freedom to report, but the attitude here has become too serious for honesty to be considered. The present Greek Government is, without exception, the worst I have seen at work anywhere. It has perverted UNRRA supplies to the benefit of private profiteers. It has steadfastly refused to grant an effective amnesty to the rebels in the mountains. The

cruelty of its Nazi-trained police has forced honest peasants into the mountains to fight beside the Communists out of sheer self-defense. The Government has done nothing visible to reconstruct or pacify the country. It seems to believe that it needs no constructive policy. When the trough of foreign funds out of which it fattens its followers runs low it seems to believe all it has to do is to shout "Communists" a couple of times, and President Truman will refill the trough.

Whatever the solution of the enormous Greek problem is, it is next to impossible for an American observer to see how the job can even be begun through the channels of the present Government of Greece.

Old-Age Assistance

EXTENSION OF REMARKS
OF
HON. MERLIN HULL
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mr. HULL. Mr. Speaker, it is to be regretted by all that another Congress is about to adjourn, probably for a period of 5 months, without having given just and proper consideration and taken appropriate action upon the important matter of assistance for the aged people of our Nation. Other great problems such as are involved in housing for our war veterans and for others also are left among the unfinished business of the House. But some consideration has been given to that subject, even though the accomplishment is small in definite results.

For a dozen years and more there has been a growing and insistent demand for congressional action which would provide a Federal program for old-age assistance for the millions of aged people who served their country in peacetime and in wartime. Petitions bearing the signatures of millions of good citizens have poured in upon Congress during all the years, and even in the closing hours of this Congress they continue to come, each expressing the hopes and prayers of their signers that action may be brought about now, without waiting months longer before another session shall be able to take up consideration. So far as Congress is concerned, a deaf ear has been turned toward all such entreaties.

The Townsend bill came to Congress a dozen years ago. Back of it were the thousands of clubs which formed the basis of the national organization which presented the measure. Except for short hearings held from time to time before the Ways and Means Committee, no opportunity has been given the supporters of the bill to bring the bill before the House for action. No other movement, with the backing of so many millions of people, has come before Congress and the people of the country since the first attempt to obtain the soldiers' bonus for the veterans of the First World War. That, too, was scoffed at, defeated, and ignored for years before the bonus was finally voted for and passed.

During the years, the Townsend bill, modified and improved from time to time, has waited consideration by the Ways and Means Committee. When petitions have been laid on the Clerk's desk, under the rules of the House, to discharge the committee from further consideration, they have been freely signed by the Representatives, always, however, lacking a sufficient number of signatures to force action. On one such petition there were lacking less than a dozen signatures to bring about the desired result. Late in the present session another petition was signed by 80 or more Members, but too late for obtaining the usual number.

One reason commonly assigned for failure of action in previous Congresses was the opposition of the administration in power and its control of all committees. The Democrats lost that control when this Congress came in. Now we have a Ways and Means Committee with a Republican majority, and dominated by the Republicans. There were thousands of advocates of a proper Federal program for old-age relief over the country who looked forward to that change of party control with hope and expectation. But as Congress prepares to close its sessions, that hope has turned to discouragement, as have similar expectations in years gone by.

While the Second World War was on, all our people, young and old, devoted their time and energies to bringing victory to our cause. The burdens entailed in winning the war were shared freely by all. Millions of old people well beyond their ordinary retirement age, labored assiduously in the common cause of our Nation. Now that peace has come again, they ask that their own cause shall be heard and that there shall be action thereon.

Since VJ-day, our Government has poured out billions of dollars of the funds of our taxpayers for the relief and rehabilitation of war-torn countries abroad. So liberal have been the expenditures abroad that they bring the belated criticism of wanton waste and extravagance in the administration of our appropriations. The total of expenditures in the past 2 years are variously estimated at from $14,000,000,000 to $16,000,000,000.

This Congress has followed up by appropriating $1,400,000,000 for foreign countries, and seven hundred and twenty-five million more for relief of the people in the lands occupied by our troops. The end of it all is not yet in sight, as plans are being formulated for further grants and gifts which are proposed to some $25,000,000,000 or more.

It is not to be wondered that our good people of advanced years and also younger folks are disturbed over the failure to act upon a proper measure for old-age assistance. It is not a sufficient answer to say that minor amendments to the social security law are proposed. Those amendments make no general provision for a Federal program.

The one thing presented which stands out in the situation is that change of partisan control of the Ways and Means Committee has brought neither consolation nor encouragement to the cause of the old people. Their program is not partisan, and it should not be, but its eventual success must depend upon the response of those who are elected to serve all the people in this as well as in all other important policies.

When Congress meets again the cause of the old folks will be present. It will be all the stronger because of the defeats and discouragements suffered. No great cause, backed by the people and for the people, can be more than temporarily set back by those who fail to recognize its significance until they are compelled to by public sentiment.

Congress Session Made Above Normal Record

EXTENSION OF REMARKS
OF
HON. RALPH A. GAMBLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. GAMBLE. Mr. Speaker, under leave to extend my remarks, I present for the RECORD an article by Arthur Krock which appeared in the New York Times, Sunday, July 27, 1947, entitled "Congress Session Made Above Normal Record":

CONGRESS SESSION MADE ABOVE NORMAL RECORD—MUCH WAS ACCOMPLISHED ALTHOUGH ITS DOMESTIC PLANS WERE DISRUPTED BY RUSSIA'S BREAKS WITH THE WEST—EARLY 1948 MOVES A HANDICAP

(By Arthur Krock)

WASHINGTON, July 26.—The first session of the Eightieth Congress, expiring wearily as this is written, has made history beyond the normal record of a national legislature controlled by the party in opposition to the administration, and has lived through a great deal more.

It will be remembered perhaps as much for the fact that its domestic plans were disrupted by the final proof that Soviet Russia would not cooperate with the western powers as for its unusual legislative record. This was made unusual by the passage over the President's veto of the first laws to correct union labor excesses in 14 years and by the measure that unifies the Army and the Navy. But it must be left to speculation what this legislative record would have been if Soviet conduct abroad had not prompted the President in March to launch suddenly "the Truman doctrine," and if on the same foundation "the Marshall Plan" for the reconstruction of Europe had not turned up one morning in June like Aladdin's Palace.

However, it is not speculation to say that the Republican majority's bills to reduce income taxes would otherwise have become law, whether or not Mr. Truman vetoed them; that the bitter struggle over validating the State Department's Voice of America radio program would have been a far lesser controversy; and that the effort to authorize the admission this year of a number of displaced persons abroad would have been considered in a more sympathetic atmosphere, being free of the whisper of war. And as for the other great issues of the session between the administration and Congress—universal military service and the continuation of the New Deal social-benefit program—the probability is that these would have fared no better if Soviet Russia had followed the international policy President Roosevelt hoped it would.

EFFECT OF 1948 POLITICS

The record of this session, with particular emphasis on the large sums appropriated for the application of the Truman doctrine to

Greece and Turkey and for relief abroad, was unusual also in that it was made despite an early blight of 1948 Presidential politics. This always begins to appear at the Capitol in the year before the national elections. But the grave implications of foreign policy that materialized in March, and the President's definite alinement with left-wing groups after a period of indecision, intensified and advanced the effects of the plague.

The President's choice of the political combination he will seek to form was made plain when, after offering no assistance to Congress in its search for effective union-labor curbs, and openly opposing income-tax reduction, he vetoed both these items of major legislation. He had, it is true, twice asked Congress to enact the remaining New Deal social-benefit proposals in his two state-of-the-Union messages. But Mr. Truman never pressed these, and, for replacements of appointees of the last administration, he turned more and more to conservatives.

PRESIDENTIAL POSITION

Therefore, until he took his stand on this legislation in company with the left-wing affiliates of the Democratic Party, nominated Francis Biddle (whose aggressive New Dealism the Congress majority finds objectionable) to an important United Nations post, and designated to the new National Labor Relations Board former Senator Abe Murdock, of Utah (who was an unswerving foe of union correctives when in Congress), many believed the President would select a position only slightly left of center.

But after this misapprehension was made clear and Mr. Truman disapproved legislation supported both on passage and over his veto by a large number of Democrats in Congress, the electoral battle of 1948 arrived in full force and well ahead of time. The struggle, amounting to a near-filibuster, of the administration Democrats in Congress to prevent a vote on the Republican proposal to widen the area of inquiry into the primary frauds in the Fifth Missouri District, bedeviled the closing hours of a session that had become wholly political.

The significance of this conflict is that the Kansas City political machine which engineered the frauds, lists the President in its membership and put and promoted him in public life. And Attorney General Tom Clark, whose Federal inquiry into the frauds was at issue, is considered by some Republicans in Congress to be as much a political agent of Mr. Truman as his Postmaster General, the Democratic national chairman, Robert E. Hannegan.

DIVIDED CONTROL

The last hours of the session also were spent in a frantic effort to pass the appropriation bills essential to the conduct of the Government. So dilatory was action on these that stop-gap measures had to be provided to continue Federal operation at the end of the fiscal year of 1946–47 on June 30. Part blame for this sluggishness can be attributed to these facts: the divided political control of the administration and Congress, which assured a long conflict over the items in the executive budget; the uncertainty over what the new foreign policies would cost; and the disregard by the Republicans of the provision that an agreement should be made during the session on a ceiling for Federal expenditures.

But blame can also be traced to the flaws revealed in the plan by which Congress reorganized itself at the last session. When this was passed it was hailed as the first businesslike instrument Congress ever devised for its operations. The sharp reduction in standing committees, it was prophesied, would save time for Congress and executives alike and speed up the disposal of legislation.

INCREASED DUTIES

The reverse proved true. The reduced number of committees created hundreds of subcommittees which found work for themselves when there was none. One consequence of this was that members of the Cabinet and other high administrators were summoned to the Capitol to give the same testimony more often and to more legislative groups than in the past. Another was that Senators were assigned to so many subcommittees and were chairmen of so many that both committee work and floor attendance suffered. How office work also was done is a mystery, though somewhat solved by the allowance of assistants for Senate chairmen and certain House Members.

While there was much acrimony in Washington during the session for the reasons stated above, one touch toward the end of what looked like nature made Capitol and White House nearer kin. This was the appearance of the President in his old Senate seat and a friendly oratorical exchange between him and the Republican presiding officer, Senator ARTHUR H. VANDENBERG. It was only a show, planned and executed by Leslie L. Biffle, secretary to the Senate minority. But it neutralized some of the political acidity for awhile, anyhow.

The Ohio

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MURRAY. Mr. President, I ask unanimous consent to have included in the RECORD a statement by an eminent authority on river basin development, at the Valley Authority Conference held in Washington on July 17 and 18. The statement, The Ohio, is by Louis Bromfield, well-known author and farmer.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In introducing myself, I might say I am a Democrat in politics, that I am a violent opponent to the centralization of anything in Washington; I believe in State rights; and am a decentralizer and I do not believe that the valley authority idea has anything whatever to do with centralization in Washington or any abrogation of State rights.

It seems to me the whole valley authority idea is simply a simple, common-sense method of establishing these things.

I am also a member of the Ohio State Conservation Commission, and adviser to the Muskingum flood-control district, and a dirt farmer.

I will talk to you starting at the headwaters of the stream, which is a tributary of the Ohio River and consequently the Mississippi.

We own 1,000 acres of a cooperative farm. When we came to that farm, most of the land was abandoned, tax delinquent, and eroded. We came there and in a heavy rain, we lost off the farm within 12 hours 90 percent of the water.

We have just been through a flood as great as that of the great flood of 1913, which was the greatest disaster which ever visited the Ohio, and in our region the same amount of water fell.

We can say honestly that on that same thousand acres, we did not lose during the course of the flood, and the subsequent cloudburst which followed intermittently for 3 weeks, we did not lose one ounce of top soil off that farm, and that even during the flood water, up to a point where the ground became so saturated it would take no more, we kept about 80 percent of the downfall where it fell. That farm lies on the edge of Pleasant Hill Dam, which is one of the 14 in the Muskingum flood-control district.

These dams came about, not through the wisdom of the War Department, the Army engineers, nor through their experience or education, it came about through the pressing demand of the people within that valley to protect themselves from the periodic floods, of which 1913 was the most destructive.

Eventually the Army engineers came in and built the dams. Even today there are Army engineers who do not approve of them, despite the fact that in these recent floods, there was not one penny damage in the whole of the Muskingum Valley, caused by flood waters.

The motivation behind the installation of these dams came from the people. The Army engineers built the dams, and have remained uncooperative to their development further for the benefit of the people of Ohio.

These dams were a denial of their whole philosophy, tested over 75 years, at a cost of some billions of dollars, their whole philosophy of levees and dredging.

These were essentially headwater dams, on one of the chief tributaries of the Ohio River. The dams cost $14,000,000 to construct and in this 1 year, they more than twice paid for their value, but mark this point: They were not constructed at the mouth of the Ohio River or at the mouth of the Missouri or at the mouth of the Mississippi. They were distinctly headwaters dams. There is no dam on the Muskingum River itself. They are on the tributaries of the Muskingum River.

Then mark the second point. In the construction of these dams and in general the philosophy of the Army Engineers, there is no consideration whatever of the conditions upstream, and what causes floods and what causes siltation. We have in those dams a very notable example of what happens: These headwaters dams are very effective because they impound all these flood waters and keep them from flowing into the Ohio and Mississippi at time of crisis, but at least two or three of those dams are not going to be good for many years longer because of a siltation problem.

In our own country, 8 miles apart, we have two dams. One is Pleasant Hill and one Mifiin Lake. Mifiin Lake is fed by streams which come out of a flat country where the farmer thinks he has no erosion, but the headwaters of the Mifiin Dam have already silted up in the period of 8 or 9 years from 10 to 15 acres at the top of the dam.

Farmers upstream are reluctant to practice soil conservation, and only when you show them their top soil at Mifiin Dam, does it occur to them that they are losing soil.

Curiously enough the other dam is set out in hill country, and it has no siltation problem whatever, and the reason is a combination of two curious facts. One is that, fortunately, in that area, some hundreds of farms have become abandoned through bad agriculture and erosion, and neither has taken over. In our country hardwood forests spring up overnight, and there are now wild, weedy expanses of land, and are largely being reforested.

From those lands, those abandoned farms, come no water and no silt.

Fortunately the farms remaining in that area in operation, three-quarters of them have gone over to proper soil conservation, forestry, and proper land methods.

The result is that Clear Fork remains clear fork and while Black Fork still is a muddy stream and may be useless 30 or 40 years from

now, while the other one may be serving for all time.

The problem was not only up-farm streams but it ran into the country behind the dam.

Those 14 dams saved this year many millions of dollars for people on that watershed.

Those of us who farmed on the edges of those reservoirs lost perhaps a total of $25,000 in crops, which is a gamble we take, because we have given easements on those areas bordering the lake. We lose perhaps a total of $25,000.

However, if those dams had not been there, those headwaters dams, if they were not there, that vast amount of water would have been dumped into the Ohio and the Mississippi at the very moment of crisis of the recent floods, and who can doubt that then you would have had hundreds of millions of dollars more damage further down the Ohio and the Mississippi.

This whole project, it seems to me, is an investment of moneys.

I want to bring up that point in a second, investment rather than spending of money.

Tennessee River, also a tributary of the Ohio, is controlled by TVA. Not one drop of floodwater came out of that area into the Ohio, to contribute to the Ohio floods, into the Ohio and Mississippi.

The Ohio River Valley embraces several states. To manage it properly, it must be an over-all project.

Immediately you come into all kinds of difficulties if you attempt it, either on the basis of private enterprise, cooperation among States or otherwise.

I am familiar with the Ohio Valley Improvement Association, with the Mississippi Valley Association and various other associations.

I have worked with them, I know their members. I sometimes speak to them, and I approve thoroughly of their objectives. But I also say, I think in the end, their objectives are either wrong or will never be accomplished, because there is not the means, the machinery or the possibility of accomplishing them.

If we get into the question of cooperation of States, loosely joined together, to solve a valley proposition, watershed proposition, you run into all kinds of practical difficulties at once. Among them is the political one. We know what would happen without ever trying it out. We know all the political patronage, all the boondoggling and the rest which goes with our ordinary so-called pork-barrel bill.

We have had the shameful spectacle of politics fighting the TVA. All of those things would be inevitable. A loose aggregation of States working together is not a possible basis for the solution.

Beyond that, there is the question of the difference in any combination of States, the difference in points of view and so on, and we have that sharply brought out in the Ohio Valley.

In that valley, the rich State of Ohio, with its wonderful balance of industry and agriculture, and its great string of industrial cities, Toledo, Youngstown, Cleveland, Dayton, Cincinnati; they go on forever, that rich State lays across from two States, West Virginia and Kentucky, whose populations and revenues are a mere fraction of those of the State of Ohio.

Yet, a great deal of the floodwater comes out of those States. Now, if it is to be left to the State, I do not believe either Kentucky or West Virginia, for financial reasons if for nothing else, would ever be able to solve adequately their problem.

Ohio has done it pretty well, up to a point. We have the Miami flood control district and the Muskingum Dam flood control district which are two chief rivers feeding into the Ohio. Both of them have a series of check dams and very fortunately the upper watersheds feeding those dams are being controlled. We are making progress with better forestry and proper soil conservation. It is possible that those check dams will continue to be serviceable without siltation for a great many years to come.

Again, but a beginning only has been made on the Allegheny River, and on the Monongahela, which join at Pittsburgh, to form the great Ohio.

One of your earlier speakers touched on an interesting topic, and that is the low waters and high waters which have developed in our American rivers, in which we have used land cut-offs, and generally mismanaged our whole landscape. If you follow the history of the Ohio River in that you find an interesting record.

Going back to 1800 and from then on, you will find that in the Ohio, they had floods, certainly. We have floods today in our own river valley, but because we handle things right in our own little valley the damage this year was almost nothing.

They have floods, but nothing approaching the great floods which have gradually risen in the Ohio, Mississippi, and elsewhere, from other rivers, in volume and destruction.

As you took off trees from the State of Ohio, you plowed up the land and you left it bare, you developed gullies, it is perfectly apparently what happened.

When the trees were there at least 90 percent of the rainfall, even in flood conditions was absorbed in the land. Then you turned Ohio, roughly, except for 14 percent of forest, into a pavement. The water ran off the pavement. That has fixed our water stage in Ohio, which has dropped 40 feet in recent years, which can be a disaster to a rich industrial State. It is one of our greatest problems.

There are towns in Ohio today not having enough money to bring in even a factory nor even enough water to bring in one more family.

In a rich, well-watered State, we have counties where the farmers are buying tanks of water 8 months of the year and hauling them in at $35 a tank to water their livestock, and that is what has happened to Ohio, through mismanagement of the land.

The water which should have been feeding our wells long ago, has gone down the Mississippi and into the Gulf of Mexico, taking with it millions and billions of tons of top soil, to contribute to that delta which has grown 80 miles out into the Mississippi in the last 100 years.

The whole thing begins up in the cow pasture and not at the mouth of the Mississippi.

It is perfectly apparent how futile, and it should evidence to everyone, I think, that all that happens at the Mississippi, at the lower mouth, is you build a bigger delta constantly, and you raise the level of the Mississippi higher and higher, despite dredging all the time, above the surrounding lands. This can go on and on, of course, until you reach the point of absurdity where the river dikes and all falls down onto the land outside.

Most of you are familiar with the raging and wild Missouri River, beside which our Ohio River and the Ohio itself is a well-conducted stream. Many of you who know that, who have seen the billions of tons of silt, sand, and gravel churning around, can see on the face of it, it seems to me, the very absurdity of building great dams to check either the waters or to control the siltation of that stream half way down, and from there to the mouth.

It is simply an impossibility. The problem can be demonstrated from simply taking a map made of sand or papier mâché and pour water over it and see what happens. It isn't a very complicated thing, but our Army engineers have never seen the simple application of the proper methods to handle floods and water.

It goes all the way from our cow pasture at the headwaters, right down to the mouth of the Mississippi and into the Gulf of Mexico.

Overspecialization, it seems to me, is the greatest curse of our American education and our civilization. That business of, as Sir Albert Howard puts it, learning more and more consistently about less and less. Our Army engineers can build a fine dam. Nobody quarrels with that, but unfortunately I am afraid the education and information of both of them never goes beyond that dam itself.

They have had a chance over 75 years, and the expenditure of hundreds and hundreds of millions of dollars, to prove their thesis, if it had any soundness, the thesis of dredging and levees. It has solved nothing. We have worse results this year than we have had for almost a generation, with floods, showing the futility of dredging and levees.

If you had the watershed controls, you would have a steady flow in the Ohio River the year around, instead of having to build dams and locks to take care of the low water in summer.

The editor of the Pilots Magazine of the Mississippi River who came from the Allegheny told me a few moments ago that he was brought up as a boy on the Allegheny River and he remembered well that the steamboats came up the Allegheny River past his grandfather's farm.

Today, from June 15 to December 1, it is very difficult to get a row boat up that stretch of the headwater of the Ohio, and the reason is that the waters that should have kept that stream going during the summer, that should have been impounded in the earth itself and fed through springs, the water in that channel, all that went down the Mississippi River last winter into the Gulf of Mexico, because floods in the Ohio, causing the expenditure of hundreds of millions of dollars, to deal with low water in the summer in Ohio.

I can see no argument against a comprehensive treatment of the flood control system, beginning in the cow-pastures and extending all the way to the mouth of the Mississippi River. I do not think the War Department, or the engineers, can be entrusted to do it. They have had their chance. There the efforts of the Army engineers have been largely futile. They show a rather stubborn inclination to yield a point.

In the case of our own Muskingum Valley flood control, they have not been cooperative. The State has had to develop its own forest preserves around those. They have had to develop the recreation areas which are priceless to a great industrial State like our own, with an industrial population of three million or four million people, living in great cities

We have had to do all of that on our own. There have been great wastes, great inefficiency, great expenditure of taxpayer's money needlessly because that area was not developed as it should have been as a single area with all things considered when those headwater dams were built.

As I said, I don't think the Valley Improvement Association can do much above making propaganda. In our own Ohio Valley Improvement Association, and in most places, they have not been able to get together and find a solution for the comparatively simple problem of river pollution.

They talk, they have good ideals, but they haven't the machinery, nor the money, nor the power to solve these problems.

I pointed out to you what I thought about State cooperation. I think what I said is arguable. We know what would happen, both on the economic side in providing the funds and in the intense political mess we would get into.

Therefore, it becomes, it seems to me, the valley authority pattern again, and those calling it socialistic are talking nonsense.

I do not think anybody is less inclined toward more socialism than I myself am. It is simply a sensible means of cooperation on

an independent basis, solving what is perhaps our very greatest problem in this country.

It is essentially the investment of money.

It seems that in all this question of spending Government money, there is always the yardstick which measures what is good and what is bad. We spend a great deal of Government money, really, spending it, by throwing it out the window, and accomplishing nothing.

That is what I call spending. That essentially has been the whole program. Dikes, levees, and dredging. Every year making a fortune to private contractors and giving the engineers millions of dollars to play around with and accomplish very little.

A valley authority, as worked out in the TVA, is the greatest possible investment of the taxpayer's money.

It pays back in 1,000,000 ways for every dollar expended. It pays back in the end, 8 or 10 or 20 dollars in the long run. Those things are investments which bring returns.

The old business of dredging and levees is simply pouring money down a rat hole. I may say that the President's proposal of yesterday goes certainly under the head of spending. It is just important in that it is pouring money, millions of dollars of the taxpayer's money, down the rat hole from which there is no return and out of which there is no solution.

In closing, from the Washington Post I read, "The President's message asked $177,000,000 for general flood-control projects, $15,000,000 for the lower Mississippi and its tributaries, and $10,000,000 for maintenance and improvements of existing river and harbor work on the Mississippi."

We know how effective those are. Between Sioux City, Iowa, and St. Louis, the work includes levees, reservoirs, bank stabilization, and drainage and dredging.

We are just back where we started 75 or 80 years ago, only every year it costs us a little more.

I stand here in the absolute belief that some of us will live to see the day when every major watershed in the United States will be managed as a valley authority, because, fundamentally, it is the only sensible economic, investing way to solve this which is one of our great problems.

I know it can be done from our 1,000-acre farm, through the valley control at the Muskingum, down the Ohio River and finally to the mouth of the Mississippi.

There is no use beginning at the bottom of rivers. You begin at the top.

Thank you very much.

Bills Reported From Committee on Veterans' Affairs, House of Representatives

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EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, during the first session of the Eightieth Congress the Committee on Veterans' Affairs reported favorably on 30 bills, 1 House joint resolution, and 1 House concurrent resolution. Of this number of bills reported, 6 are now public law, 5 passed both the House and Senate and are now awaiting action of the President, and 3 passed the House.

The 32 bills and resolutions, with the date reported and a brief explanation of each, follows:

H. R. 246, February 26: Raises the ceilings on wages and subsistence allowances payable to veterans undergoing on-the-job training as follows: $250 monthly for single veteran (now $175), $325 for veteran with one dependent (now $200), $350 for veteran with two or more dependents (now $200). Adds 2 years to the customary training period.

H. R. 969, May 9: Spanish-American War pensions. (See H. R. 3961, reported June 25.)

H. R. 1327, February 5: Extends for an additional 5-year period the privilege of renewing 5-year level-premium term United States Government life-insurance policies. Passed House March 13. Passed Senate April 7. Approved April 15. Public Law No. 34.

H. R. 1353, January 29: Extends time limit to January 1, 1948, for reinstatement of national service life insurance (level-premium term) on comparative health basis, to provide for automatic conversion to ordinary life plan for total disability at end of term, and to provide for original application on any permanent plan. Passed House January 29. Passed Senate February 17. Approved February 21. Public Law No. 5.

H. R. 1844, March 27: Permits Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control. Passed House April 10. Passed Senate May 22. Approved May 31. Public Law No. 83.

H. R. 2181, April 30: Includes by statutes institutional on-farm training among types of training afforded World War II veterans under title II of the Servicemen's Readjustment Act and to set up certain standards relative thereto. Passed House May 12. Passed Senate July 25, 1947.

H. R. 2368, March 27: Authorizes an increase in appropriation for revolving fund from $1,500,000 to $3,000,000 for purpose of making advancements by the Veterans' Administration not to exceed $100 in any case to disabled veterans of World War II undertaking vocational training. Passed House May 12. Passed Senate June 16. Approved June 25. Public Law No. 115.

H. R. 3060, April 15: To extend for 1 year (until June 30, 1948) certain provisions of section 100 of the Servicemen's Readjustment Act, as amended, relating to authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years. Companion bill, S. 1135, was passed by the Senate May 22. Passed House June 5. Public Law No. 94.

H. R. 3308, May 20: Increases the minimum monthly allowance payable for subsistence allowance in case of vocational rehabilitation of World War II veterans disabled to 30 percent service-connected disability to the following sums: Without dependents, $115 (now $105), with one dependent $135 (now $115), plus the following amount for additional dependents: $20 (now $10) for one child, and $15 (now $7) for each additional child, and $15 (now $15) for a dependent parent. Passed the House July 26. Passed the Senate July 26.

H. R. 3516, May 20: Spanish-American War Veterans. (See H. R. 3961, reported June 25).

H. R. 3546, July 19: Permits recognition of officers and enlisted men retired from the military and naval forces of the United States as representatives of certain exservice organizations in the presentation of claims to the Veterans' Administration. Passed House July 23. Passed Senate July 25.

H. R. 3583, June 2: Automobiles for disabled veterans. (See H. R. 4007, reported July 2).

H. R. 3623, June 24: Provides that no person who is a member of the Communist Party, in sympathy with its general aims, or who owes allegiance to the government of the Union of Soviet Socialist Republics or any government subservient thereto, shall be eligible for any benefits under any laws or regulations administered by the Veterans' Administration, and provides for certain procedures, forms, and penalties to carry out the purpose of the act.

H. R. 3739, July 16: Authorizes the acquisition by the Veterans' Administration of certain land in Harrison County, W. Va., as a site for the proposed Veterans' Administration facility at Clarksburg, W. Va.; to lease the portion of such land not presently needed for the facility to the city of Clarksburg under certain conditions; to grant the State of West Virginia right-of-way for a public highway across the tract of land, with agreement that the State of West Virginia bear not to exceed 35 percent of cost of construction. Passed House July 17. Passed Senate July 23.

H. R. 3748, July 24: Increases service-connected death rates of compensation for widows, children, and dependent parents of Spanish-American War, World War I and II veterans to: Widow, no child, $75 per month; widow with one child, $115, with $20 each additional child; no widow, but one child, $50 with $20 for each additional child (total to be equally divided); dependent mother or father, $75; dependent mother and father, $40 each. The bill also included 1,200 peacetime veterans whose death was due to extra hazardous service.

H. R. 1335, July 24: Increases compensation rates for disability incurred in peacetime service to 80 percent of rates payable for similar disability incurred during wartime service.

H. R. 3016, July 24: Authorizes Administrator of Veterans' Affairs to furnish stenographic assistance for the use of paid full-time representatives of veterans' organizations that have received Federal charter and have been assigned office space in the Veterans' Administration.

H. R. 3565, July 24: Authorizes the Administrator of Veterans' Affairs to subsidize by loans the construction of not exceeding 200,000 multiple-dwelling units for rental to World War II veterans at low and medium cost pursuant to certain prescribed standards and specifications.

H. R. 3814, July 15: Authorizes $5,000,000 for acquisition and establishment of a hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.

H. R. 3888, June 20: Subsistence allowances for veterans attending schools. (See H. R. 4212, reported July 23.)

H. R. 3889, July 8: Establishes by statute a presumption of service-connection for certain enumerated chronic and tropical diseases which are manifest within 1 year from discharge from active service or within the incubation period of such tropical diseases. Passed the House July 21.

H. R. 3961, June 25: Provides increase of 20 percent in rates of service pension for veterans of the Spanish-American War and Civil War and their dependents. Passed House June 30. Passed Senate July 11.

H. R. 4007, July 2: Authorizes the Administrator of Veterans' Affairs to pay not to exceed $1,600 on purchase price of an automobile for any war veteran entitled to compensation for loss or permanent loss of use of one or both feet or one or both hands or permanent impairment of vision of both eyes of certain prescribed status. (S. 1391, similar bill, but providing for only World War II veterans, passed Senate July 23.)

H. R. 4055, July 3: Provides increase of 20 percent in rates of service pension for veterans of Indian wars and their dependents. Passed House July 26.

H. R. 4160, July 24: Amends the National Service Life Insurance Act of 1940 to provide for extending the time 1 year in which a veteran or the beneficiary may make application for waiver of insurance premiums retroactive based upon total disability. It also provides that such waiver may be made

retroactive to October 8, 1940. Prohibits the lapse of an insurance policy in cases where there is sufficient money due the veteran by reason of waiver of premiums for total disability to keep the insurance in force.

H. R. 4212, July 23: Increases subsistence allowances for World War II veterans pursuing institutional training to $75 per month, if without a dependent, or $105 per month if he has one dependent, or $120 per month if he has more than one dependent. (An identical bill, S. 1394, passed Senate July 19.)

H. R. 4242, July 21: Increases income limitations governing the granting of pensions to veterans and death-pension benefits to widows and children of veterans as follows: Unmarried person, $1,800 (now $1,000); married person or any person with a dependent, $3,000 (now $2,500).

H. R. 4243, July 19: Provides for a disability rating of 100 percent for arrested tuberculosis for the first 2 years of arrest, then 50 percent for 5 years, with a minimum rating thereafter of 40 percent for those whose tubercular conditions were diagnosed as far advanced, and 30 percent for those diagnosed as moderately advanced or less.

H. R. 4244, July 24: Authorizes assistance to wheel-chair veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities.

H. R. 4309, July 23: Provides for loans for the purchase or construction of homes, farms, farm equipment, etc., up to $12,000 on any one farm, with interest rate of 3 percent and provides for repayment of loan not more than 40 years from making of the loan.

H. J. Res. 196, May 19: Authorizes the Administrator of Veterans' Affairs to continue for 1 year offices in the territory of the Republic of the Philippines. Senate joint resolution passed House in lieu June 2, with amendment. Senate concurred with House amendment June 9. Approved June 14. Public Law No. 91.

H. Con. Res. 54: To use Schick General Hospital, Clinton, Iowa, for the care of veterans, particularly convalescent or domiciliary cases. Passed House July 23.

A Summary of the Operation of the Reorganization Act

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MONRONEY. Mr. Speaker, after 7 months' experience with the Reorganization Act, Congress has rung up a 50–50 score on performance in its first session under the new rules, a close study reveals.

Several marked improvements to congressional machinery have been carried out, others partially accomplished, and still many other important provisions virtually ignored.

Most of the failures of the act, criticized by various writers and Members of Congress, have been failures to put into effect the provisions of the act rather than proving its reforms unworkable.

Although the act was passed on August 2, 1946, it did not become operative until Congress convened in January of this year. Then Congress faced not only the problems of placing reorganization into effect, but it was under new management in both Houses as well. The new Republican majority accepted the act in toto and it then became the job of dozens of Members, committee chairmen, staff members, and others to carry out the many changes provided for in the bill.

COMMITTEES CONSOLIDATED

Only one of the three principal objectives was carried out in full. That was the realinement of the sprawling, overlapping, and duplicating committee structure of both Houses which, like Topsy, had "just growed" for more than 100 years. The standing committees were reduced from 48 to 19 in the House, and from 33 to 15 in the Senate. Despite the creation of numerous subcommittees, this phase of reorganization marks a major achievement.

The second principal objective, that of furnishing Congress with skilled technical service of its own through improved staffing and research facilities, was only partially successful in the first 7 months of operation. Difficulties were encountered in assembling qualified staff members, learning to use them effectively, and in allowing unqualified personnel to hold the professional staff jobs. Experience through trial and error should improve this situation.

The third objective, considered by many to be one of the most important, strengthening of Congress in handling the vast fiscal powers of the Federal purse, was virtually ignored and unused.

My own individual summary of the act would reveal this score:

WORKING

First. Realinement of committees.

Second. Reduction of jurisdictional conflicts.

Third. Reduction of special committees.

Fourth. Improvement of committee procedures.

Fifth. Limitation on conference committees.

Sixth. Separation of committee offices.

Seventh. Improvement of Legislative Reference Service.

Eighth. Improvement of Legislative Drafting Service.

Ninth. Reduction of private bills.

Tenth. Improvement of CONGRESSIONAL RECORD.

Eleventh. Increase in Members' pay and addition of retirement provisions.

Twelfth. Registration of lobbyists.

Thirteenth. Congressional adjournment.

Fourteenth. Miscellaneous improvements.

PARTLY WORKING

First. Legislative surveillance of departments.

Second. Improvement in committee staffing.

Third. Restrictions on legislation on appropriation bills.

Fourth. Reporting of appropriation bills.

Fifth. Open hearings of committees. Exception: House Appropriations.

Sixth. Investigations by standing legislative committees.

NOT WORKING

First. Legislative budget.

Second. Expenditure analyses by Comptroller General. No funds appropriated.

Third. Study by Comptroller General of obsolete restrictions on bills.

Fourth. Establishment of standardized show-case accounting for departmental expenditures.

Fifth. House Appropriations Committee hearings closed.

Sixth. Studies for reduction of permanent appropriations.

Seventh. Adequate staffing of Appropriations Committees.

Eighth. Transfer of District of Columbia to home rule. Recommended in report but not included in act.

Ninth. Establishment of too many subcommittees.

Tenth. Drastic restrictions on deficiency appropriations. Recommended in report but not included in act.

NO STALEMATE

Despite dire predictions that the party division between the Executive and the Congress would result in a stalemate, the first session of this Congress passed more than twice the number of bills passed by either the House or Senate during the first session of the Seventy-ninth Congress. A total of 1,790 bills was passed this year as compared with 857 passed by the first session of the Seventy-ninth Congress. At least some of this accelerated action was due to better committee organization.

From the first the realinement of the committee structure of the two Houses was considered the keystone of reorganization. The importance of committee consideration of bills has grown to give the standing committees the importance of "little Congresses." Eighty to 90 percent of the legislative consideration of bills takes place within these little Congresses.

COMMITTEE IMPROVEMENTS

The new committee structure was purely functional and aimed at centralizing in one major committee all of the governmental activities along that general line. Instead of seven minor committees handling a part of the public works program, one Committee on Public Works now handles it. Instead of three committees dealing with veterans' problems, the work was concentrated in one major Veterans' Affairs Committee. The Military Affairs Committee and the Naval Affairs Committee of both Houses were merged into a Committee on Armed Services. Much jurisdictional disagreement, duplicating legislation, and overlapping was eliminated by the new alinement.

Despite the overgrowth of subcommittees within the new streamlined committee structure, the work of all the subcommittees is in one general governmental activity. Instead of a House Member serving on four or five widely divergent committees, and a Senator serving on seven or eight, House Members concentrate on one general line for specialization, and Senators on only two. Membership even on several subcommittees does not give the Member a confusing array of unrelated activities.

WORK LOAD DIVIDED

Contrary to the opinion of critics who have marked the committee consolidation as a failure, in most instances the subcommittees have merely divided up the committee work for convenient study. The House Foreign Affairs Committee, for example, lists 11 subcommittees. Actually they are only divisions for a more complete study of world area problems. The Armed Services Committee of the House lists 11 subcommittees, but all are for functional studies of problems of all the armed services along such lines as aviation, medicine, supply, and so forth.

Critics who fear failure of the new committee structure have expressed anxiety lest these subcommittees again become standing committees. Instead, there is a strong likelihood that in the next few sessions many subcommittees found to be unnecessary will be dropped and the trend will be toward operation by full committee membership.

However, even with the increase in the number of subcommittees, there are 31 fewer committees of all types operating now than in the Seventy-ninth Congress.

TEMPORARY STATUS

The subcommittees will not have immortality because the perquisites of subchairmen do not compare with those of a full committee chairmanship. These subcommittees do not furnish, for the most part, separate committee rooms and offices, have no added secretarial staff, nor is the subcommittee chairmanship held in comparable prestige.

While not completely successful in channeling all investigations and special studies to the standing legislative committees, the act has greatly reduced stripping them of their rightful jurisdiction. Despite a clear break-through of the spirit of the act against circumventing standing committees, two special committees in each House were set up. However, two others based on membership on standing committees were established, but these largely recognized the jurisdiction of the standing committees and provided for joint consideration. Actually, the so-called special or select committees were reduced from 12 in the Seventy-ninth Congress to 4. With the change of party control in both the House and Senate, without reorganization there would in all probability have been well over 20 special committees during this session.

Special committees have no power to legislate, and their studies are limited to publicity, investigation, and a final report. Their work must then be referred to a standing committee for duplicate hearings and legislative action of corrective nature, if any is indicated. Thus the reduction of special committees eliminated widespread duplication of committee work.

PROCEDURAL GAINS

Other committee changes included many procedural improvements, such as requiring a quorum to actually be present in committee—and not by proxy—before reporting bills; preparation of witnesses' statements prior to hearings; limitation on conference committees to prevent the writing of entirely new bills under their special privilege to compromise differences between the two Houses; the separation of the committee staff, work, files, and records from the chairman's activities connected with his particular congressional district. Both are now operated separately.

Vast improvement of informational and legal service to the Congress was provided by expansion of the Legislative Reference Service of the Library of Congress and by improvement of the Legislative Drafting Service. Refusal, however, of the Appropriations Committee to provide the funds authorized for further expansion of the Reference Service will curtail its service.

PRIVATE BILLS REDUCED

While the act did not completely eliminate the consideration of all private bills, it greatly reduced the number in the two most numerous categories. All tort claim bills for private relief, originating after January 1, 1945, were prohibited and the Federal courts authorized to handle them. Congress is still struggling with the backlog of older claims, however. Private bridge bills also were banned, as were private bills for correction of individual military records. Departmental consideration was provided for these.

Registration of lobbyists provided much public information on activities to influence legislation. More than 800 registered the first session. The final value of this provision is yet to be determined, but many believe that data secured may prove useful to the Congress and the public as well in the future.

The definite adjournment date, fixed in the bill as the end of July, enabled Congress to schedule its work load more uniformly with the result that Congress went out of session on the date fixed. Claims by various critics that the adjournment date was responsible for leaving important legislation on the calendars unfinished is not justified. Congress could have expedited these measures if the leadership were determined to consider them. If desired, the adjournment could have been postponed by the introduction of a simple resolution at the close of the session.

MANY MINOR GAINS

Other improvements include such minor items as integration of the school for the pages with the regular District of Columbia school system which resulted in a standardized course of study and elimination of tuition fees paid by the boys for their schooling. Various physical improvements to the Capitol, dining rooms, and office buildings were started in a few instances, but most of them had to be held up because of shortages of materials and high building costs.

PARTIALLY SUCCESSFUL

To provide better understanding and teamwork between the elected Representatives in Congress and the agency heads, the act provided for legislative surveillance. It directed that the standing committees having jurisdiction exercise "continuous watchfulness over the execution of the laws" it passed. Because of the work load and problems connected with the change of party control, little of this section was accomplished. These regular report sessions for questioning and discussing with agency heads by the regular committees were intended to prevent misunderstandings or errors of congressional intent from becoming major rows between the legislative and executive branches.

The establishment of Majority and Minority Policy Committees in each House, aimed to implement better working relations between the two branches, was cut out of the bill in the House. The Senate, however, did provide itself with policy committees and used them during this session.

The vital problem of furnishing Congress with its own staff of experts to relieve it of the necessity of relying on Government agencies, pressure groups, or business associations for much of the statistics, data, and factual information on which to base legislation, was only partly successful.

STAFFING 50 PERCENT GOOD

It is generally agreed that about 50 percent of the committee professional staffs qualify by experience and education. In many cases clerical personnel or others have been upgraded to these positions as committee experts.

Most of the committees, however, have been careful in selection and many have not permanently filled these career posts. Still others have restricted the pay far below the maximum allowed. One reason for partial failure was the lack of immediately available qualified personnel for these posts. Undoubtedly a training period will be required before the staffing is fully effective. Furthermore, Congress, which has had to shift for itself for this type of research and data, has not yet learned to rely on or work with professional staffs.

LEGISLATION ON APPROPRIATION BILLS

Some progress was made in reducing legislation on appropriation bills. Amendments in the nature of expenditure limitations are often added. Many are actually legislative in their intent. Legislation of this type was not eliminated, but the increasing trend in this direction was reduced.

The requirement providing that all appropriation bills be reported to the House three calendar days before their consideration was permitted, was observed on most bills, but violated in the closing days of the session. This restriction was to permit the full membership to be informed on the money items in the bill and to make the full hearings available for study 3 days before the bill was considered.

OPEN HEARING RULE

All committees, with the exception of the House Appropriations Committee and its subcommittees, held open hearings. Despite the clear intent of the act, all hearings remained closed, executive sessions. The Senate Appropriations Committees, however, observed the act, as did all other standing committees of the Congress.

The most conspicuous failure of reorganization was the failure to carry out,

and in most instances even to try, the sections provided to improve the handling of the vast fiscal problems of a $35,000,000,000 Government.

No money can be spent that is not appropriated by Congress, and full responsibility for final determination on governmental expenses is theirs. For years the obsolete methods, inadequate staffs, uncertain and hodgepodge accounting systems have been severely criticized by students of Congress. The fiscal control of the largest enterprise in the world as handled by Congress cannot compare with the careful, modern budgetary methods used by even the smallest chain-store organization.

OTHER FISCAL FAILURES

To correct some of the most apparent deficiencies in the historic system of appropriating, the Reorganization Act recommended many reforms designed to tighten and improve fiscal control. Very few were put into force. Despite this lack of use of the act, it was blamed by many critics within and without Congress for the delay in appropriation bills. Since practically none of the reforms was even tried, this criticism was patently unfounded.

The provision for the legislative budget was an outstanding failure, largely because of lack of advance staff work prior to the convening of Congress in January. To make this valuable provision effective, a skilled, expert staff should confer often with the agency budget officers while their needs are being formulated and follow through with careful observation until the sums are fixed in the President's budget. With this advance staff work, the legislative budget would become more than a pious hope as it was characterized on the floor of the House.

NEED IS VITAL

No evidence was presented that the country did not need to adopt an over-all fiscal policy at the start of each Congress, carefully estimating the total expenditures for the year to be made by the Congress, and determining as nearly as possible the anticipated income. Despite this, both Houses missed their estimates of expenditures in the legislative budget so far that the resolution adopting it was allowed to die in conference and no final action was taken.

If the legislative-budget provision is allowed to go by the boards, then one of the principal gains of reorganization will have been lost. The Congress can make it work properly and effectively if it so desires. The sole objective is to chart a financial course for the year and to follow it as closely as possible rather than continue the present practice of unrelated action by spending and taxing committees, with the total expenditures still in doubt until the last appropriation bill is passed.

NO EXPENDITURE ANALYSIS

Other failures to use machinery provided by the act include the elimination of the expenditure analyses by the Comptroller General. Funds asked for this purpose were not provided by the Congress. This provision was designed to "enable Congress to determine whether public funds have been economically and efficiently administered and expended." While some informal reports on extravagance and waste are now supplied Congress by the Comptroller General, it is only an incidental by-product of the Office's work in checking the legality of expenditures.

Another provision was designed to eliminate useless and obsolete restrictions which might have been placed on appropriation bills in previous years and which still required the services of many workers to fulfill the requirements of the restrictions, although they had outlived any usefulness. Start of this study was made by the Comptroller General, but it will not be completed until at least next year.

"SHOW-CASE" ACCOUNTING IGNORED

Nothing has been done to establish show-case accounting of their expense items by Government agencies. The act provided that appropriation committees develop a standard appropriation classification schedule which will clearly define in concise and uniform accounts the subtotals of appropriations asked for by agencies. Hearings were to contain this brief, standardized break-down of agency expense items. The use of such clearly understandable and standard expense break-down summaries would reduce much of the lengthy statements and testimony in appropriation hearings.

Failure to hold open hearings on appropriations in the House, in disregard of the law, prevents the House Members from knowing anything about the items in the bills until the day they are reported to the House. Many times important action affecting a Member's home district is considered by appropriation committees without his being permitted to hear the testimony for or against the measure.

The act also authorized the appropriations committees to study the laws governing permanent appropriations with a view of determining whether any of that type of recurring items could be eliminated, or should be subjected to annual review. Nothing has been done to put this into force.

REDUCE DEFICIENCIES

Another provision of the report, but not of the bill, was designed to reduce the evils of large deficiency appropriations which year to year are handled by the deficiency subcommittees. It was recommended that these be greatly reduced by the appropriation committee, insisting that agencies live within their regular appropriation, except in case of extreme emergency. The session this year did nothing to reduce this tendency to come back for deficiency allocations.

Failure of the Appropriations Committee of the House to vote itself adequate staff members for the gigantic job of going through the $35,000,000,000 budget with a fine-tooth comb marked another departure from the reorganization plan. Although a special investigating staff was set up and performed well during the session, only five of its members were on a full-time basis, and most of the others were laid off during the recess of Congress.

Few regular, full-time clerks and auditors were added to the regular staff. The total number of committee employees who could be classified as experts is 10. The remaining regular committee and subcommittee employees are clerk-stenographers.

STAFFING NOT ADEQUATE

The report on reorganization and the original act recommended that adequate, year-round staffing by auditors, investigators, and experts for each of the subcommittees be paid for in the same range as other committee experts. At the insistence of the Appropriations Committee, a change was made and they were authorized to employ whatever staffing they considered necessary in the belief that they would add professional personnel to gain a complete understanding of every item in every appropriation request. By working through the recess period with budget officers of the agencies, then following the appropriation request through the budget office of the President, much economy would be effected by knowing where reductions could be made and pointing them out to the committee.

Failure to employ a full-time staff of experts on economy was explained by claiming that they were using as many as they feel are necessary. Results obtained by the special investigation force employed on a part-time basis, with only five full-time employees, has already pointed up the fact that a small amount of money spent for staffing to get additional information on Government expenditures can result in big savings.

TWO BILLION PER CLERK

But on the basis of only 15 employees for the full House Appropriations Committee considering a $35,000,000,000 budget, each employee would be responsible for a work load in excess of $2,000,000,000. Additional experts paid on a full-time basis should be provided for each of the 12 subcommittees of the House Appropriations Committee. To employ few is penny-wise and pound-foolish.

Other failures of the act, as stated above, include the establishment of too many subcommittees under the new committee structure. Where the work load is not great enough to require subcommittee division, the excess subcommittees should be eliminated in the next session by full committee action. Many very important committees of the House, such as Ways and Means and Banking and Currency, which have heavy legislative loads operate only by full committee sessions.

Many of the committees eliminated by committee streamlining have reappeared as subcommittees. As the lack of need for maintaining them as subcommittees becomes apparent to the Congress, many, if not most of them, can be eliminated.

DISTRICT WORK LOAD RETAINED

Transfer of the government of the District of Columbia to home rule, as recommended by the original reorganization report, would eliminate 12 subcommittees and save the Congress much time now spent as the city council for Washington. Action to transfer this extraneous work has again been delayed by the Congress.

The unused sections of the act, and those which have been only partly used, should either be put into full effect or repealed in the second session of the Eightieth Congress. To leave this legislation on the books, and to ignore it, will prevent further effort at strengthening the legislative branch of Government.

REFORM IS CONTINUING PROCESS

Even the strongest proponents of reorganization have never claimed the act to be perfect or all inclusive of needed reforms. Undoubtedly, the strengthening and improvement of Congress is a continuing job and the Reorganization Act should be changed and improved whenever possible. But a retreat from or abandonment of those reforms already voted will further delay the strengthening of the legislative branch.

Several needed changes of minor nature already have shown up, such as the overloading of the work of the Judiciary Committees of both the House and the Senate. Other minor changes are needed to make the Regulation of Lobbying Act more effective, and to further restrict private legislation.

Various other reforms, such as modification of the seniority rule, limitation of the filibuster, abolishing the veto power of the Rules Committee of the House over legislation from other standing committees, and creation of a question and answer period for Cabinet members before Congress, prohibited from consideration in the resolution creating the Special Joint Reorganization Committee, are still being strongly urged by many advocates of a stronger Congress.

Standing subcommittees of the 80th Cong.

Senate:	
Agriculture	1
Appropriations	12
Armed Services	1
Banking and Currency	8
District of Columbia	6
Civil Service	2
Labor and Public Welfare	4
Expenditures in the Executive Departments	3
Foreign Relations	1
Interstate and Foreign Commerce	0
Judiciary	6
Public Lands	6
Public Works	4
Finance	0
Rules and Administration	5
Total	59
House:	
Agriculture	4
Appropriations	12
Armed Services	11
Banking and Currency	0
District of Columbia	6
Civil Service	0
Education and Labor	6
Expenditures in the Executive Departments	5
Foreign Affairs	11
Interstate and Foreign Commerce	0
Judiciary	8
Merchant Marine and Fisheries	8
Public Lands	5
Public Works	5
Ways and Means	0
Administration	4
Rules	0
Un-American Activities	1
Veterans' Affairs	6
Total	92

Comparative work load, 79th and 80th Cong. (1st sess.)

	Senate	House	Total
79th Cong.:			
Bills introduced	1,730	5,111	6,841
Bills passed	199	658	857
Days in session		126	
80th Cong.:[1]			
Bills introduced	2,108	5,181	7,289
Bills passed	808	982	1,790
Days in session	128	127	

[1] Preliminary figures for 1st sess. of 80th Cong.

Source. Calendars of the House of Representatives.

Committees of Congress

Type	House		Senate		Total[1]		Change
	1945	1947	1945	1947	1945	1947	
Standing	48	15	33	15	81	34	−47
Special	5	3	7	3	12	6	−6
Joint	6	6	6	6	6	6	0
Subcommittees[1]	97	92	34	59	131	151	+20
Total	156	120	80	83	230	197	−33

[1] Includes standing subcommittees as distinguished from special subcommittees appointed to consider single bills.

Summary of the Work of the Senate Committee on Public Lands, Eightieth Congress, First Session

EXTENSION OF REMARKS
OF
HON. HUGH BUTLER
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement with reference to the work of the Committee on Public Lands.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WORK OF THE SENATE PUBLIC LANDS COMMITTEE

When the present Senate Committee on Public Lands was created by the Congressional Reorganization Act of 1946, it represented a consolidation of five former standing committees of the Senate—the Committees on Indian Affairs, Irrigation and Reclamation, Mines and Mining, Public Lands, and Territories and Insular Affairs. One or two of these committees had been comparatively inactive during several preceding sessions of Congress. The rest, however, had been handling a large volume of legislation.

Soon after the Consolidated Committee on Public Lands was organized early this year, it became apparent that the volume of business on these various subjects under its jurisdiction was at least as great as before, if not greater. The proof of this statement lies in the fact that no less than 230 separate bills received formal consideration during the session. These bills could be naturally subdivided along the lines of the former separate committees and it was therefore decided to divide the full committee up into subcommittees with the names of the five former committees. Careful consideration to all these proposals would not have been possible by any other means.

In February, the committee appointed an investigative subcommittee known as the National Resources Economic Subcommittee to make a full and complete study of the economic features relating to minerals, fuels, forestry, and our other resources. A subcommittee was also appointed in March to investigate the Centralia, Ill., mine disaster.

The following brief tabulation will give an idea of the volume of work handled by the Public Lands Committee and its subcommittees:

Committee	Number of bills considered[1]	Number of sessions	Number of witnesses
Full committee	189	33	35
SUBCOMMITTEES			
Indian Affairs	148	35	91
Irrigation and Reclamation	14	47	145
Mines and Mining	15	14	40
Public Lands	26	12	16
Territories and Insular Affairs	16	14	27
Centralia Mine Disaster	1	11	35
National Resources Economic Subcommittee (special)		28	79
Total	419	194	468

[1] Includes nominations, resolutions, etc.

Portrayal of Senator Tobey's Efforts in Behalf of the People of Our Nation

EXTENSION OF REMARKS
OF
HON. GEORGE D. AIKEN
OF VERMONT
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. AIKEN. Mr. President, in the July 19 issue of the Pittsburgh Courier there appeared a feature article by P. L. Prattis about our colleague, Senator CHARLES W. TOBEY, of New Hampshire. I read this with great interest, and because it constitutes a portrayal of Senator TOBEY'S efforts in behalf of the people of our Nation, I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITAL CONFETTI

(By P. L. Prattis)

American Negroes should be interested in the men in public life, white or black, who fight for principle. Very often, as you sit in the gallery of the House and Senate Chambers, you are saddened by what you see and hear. You observe votes and actions against the people's interest, which means your interest. You sense insincerity and hypocrisy. You become cynical.

Before you, day after day, are the leaders of the Republic, playing a game with the Nation's fate with the welfare of the people at stake. You wonder how it can be so, that so many of them can serve special interests, and ignore you.

But since there is nothing you can do about it, or almost nothing, you cease worrying. You know your fate is in their hands.

However, when a strong and honest man comes along, one who always seems to rise and speak and protest when the interest of the whole people is involved, you must sit up and take notice. You are alerted if for no other reason than to see how well right does

when pitted against wrong as a going concern.

Several times during the course of the present session of the Eightieth Congress, it has been the privilege and pleasure of the writer to hear and see one of the great defenders of the interests of the people in the United States Senate. His fights are usually losing ones, but he carries on undaunted and respect for him grows, although fellow members of the Senate, serving special interests, vote him down.

This Senator is CHARLES W. TOBEY, New Hampshire. He is a Republican, a Baptist, and a Mason. Sixty-seven years old, he has a long political career, as a member of the lower and upper houses of the New Hampshire Legislature (where he served as speaker of the house and president of the senate), as Governor of New Hampshire, as a Member of Congress from the Second New Hampshire District and as a Member of the United States Senate since 1939.

Mr. TOBEY is a conscientous public servant. I believe this about him without knowing or caring about his record on FEPC, antilynching or anti-poll-tax bills. He is a strong, honest man regardless of the side he is on.

An important sidelight into the character of the man is discovered in the burdens which he has carried this year. Several times, he has left a sick wife, whom he dearly loves and who needs him, to return to Washington to attend to the business of the people. At great personal sacrifice, he has put the interest of the people above his own.

You will doubtless recall that Senator TOBEY furnished the principal opposition to the appointment of Edwin Pauley, California oilman and former treasurer of the Democratic National Committee, as Under Secretary of the Navy.

Pauley had played marbles with California oil interests which had worked to grab the oil in the tidal basins off the California coasts. They wanted to snatch these oil reserves from the Federal Government—which means the people. TOBEY objected. Pauley didn't get in.

Early in this session of Congress Senator TOBEY spoke long, earnestly, and futilely against a continuation of the Small Businessmen's Committee and the Senate War Investigating Committee (the old Truman committee). In the interest of economy and efficiency, the Seventy-ninth Congress had passed a Reorganization Act, calling for a streamlining of the congressional committee process.

The number of committees in both Houses was sharply reduced. Yet the first thing the Republicans wanted to do (and did do) in this Congress was to break the new law. But TOBEY bravely declaimed upon their error and has had frequent occasion since to remind them of their dereliction.

Senator TOBEY'S most significant fight in the public interest was made against the so-called Bulwinkle bill, S. 110. This was a bill in behalf of the railroads, which would allow them to set rates largely as they please without interference from the courts. Being colored, the chances are that you don't figure legislation involving railroad rates affect your welfare at all.

But it does, because if the railroads are permitted to raise their rates as they please, the price of the commodities you have to buy will go up.

Furthermore, if the railroads are allowed to get together, as a group, and push through the various State legislatures and the National Congress any legislation they desire, there'll be, as there probably is, a great, big railroad monopoly which will drive competitors and small businessmen to the rocks. Senator TOBEY knows all that, and he told it to the Members of the Senate—those few who would sit and listen to him.

In effect, Senator TOBEY charges that the railroads spend millions and millions of dollars to influence legislation through stooge individuals and organizations so that the public won't know they are doing it. As an example, Senator TOBEY called the attention of Senator TAFT in Ohio to the following:

"Senators Wheeler and Truman gave some examples of the skill of the railroads in indoctrinating even America's school children with railroad propaganda. They did this through educational organizations.

"I will mention one which was developed by big railroads through a foundation in Ohio. In 4 years that foundation got the railroad propaganda to a quarter of a million school pupils 865 separate times—an average of once every school day for 4 years to 250,000 school children.

"This railroad-supported foundation had a four-word name, and one of those words was 'transportation.' That word stuck out so conspicuously, said this railroad stooge, that it might make the boys and girls in the grammar schools, and, at any rate, the bright young people in the colleges, smell railroads somewhere in this educational foundation. So the stooge organization reported to the railroads that it had changed the label to 'social engineering fund.'"

Mr. TOBEY brought out clearly and at great length the fact that the railroads cleverly contrive to put to work for them various types of existing organizations, including chambers of commerce of States and cities, and taxpayers leagues. The average citizen, after being indoctrinated by a clever railroad stooge, doesn't know when he's speaking his own thoughts.

Senator AIKEN called the attention of Senator TOBEY to the fact that the railroads spent $180,000,000 for memberships in stooge organizations. Senator TOBEY mentioned the disesteem in which the railroads hold committees of Congress and their hearings, quoting the Railroad Association to the effect that such hearings "are largely matters of 'secrecy.'"

"Effective work can only be done through personal interviews with Congressmen by men having influence over them." The Railroad Association is talking about the men you elect to serve you.

It would pay you to read Senator TOBEY'S entire speech. Write to him for it, Senate Office Building. It was delivered June 10.

This speech will give you hope. It will encourage you to believe that in spite of all the hocus-pocus, there are men, strong, aggressive, unafraid men in the Congress who are more interested in serving God and their fellow man than in being subservient to special interests. Senator TOBEY is one of these.

The Federal Judiciary

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by me with reference to the Federal judiciary and with special reference to the case of Judge William Clark.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF HON. STYLES BRIDGES, OF NEW HAMPSHIRE, WITH REFERENCE TO THE FEDERAL JUDICIARY AND WITH SPECIAL REFERENCE TO THE CASE OF JUDGE WILLIAM CLARK

Mr. BRIDGES. Mr. President, early in this the Eightieth session of Congress the Federal judicial appointments in the courts of the United States during the past 14 years were reviewed and the lopsided discrepancy between the Republican and Democratic appointees was pointed out in public statements issued by the Republican majority in Congress. The dangers of such a situation were outlined and plans were made to correct what all, regardless of party affiliation, consider a dangerous tendency. The same public statement indicated that appointments to the judiciary in the future would be made on the basis of the appointment of one Republican for each Democrat named.

We are now approaching the close of the Eightieth session of Congress and a review of the record indicates that we have done nothing to correct the situation but have further increased the number of judicial appointments held by appointees from one party, in that of 16 vacancies filled there have been 14 Democrats and 2 Republican appointees. Our interest in this situation is founded on our interest in the well being and strength of our country and not on a partisan political reasoning.

The judiciary of our country is the guardian of our freedom. It has been characterized in its decisions in the past by a disregard for political expediency as well as a disregard by its judges of previous political affiliations. That independence in the past has been maintained by following the fundamental principle of checks and balances which the founders of our system of Government laid down in the Constitution by balancing appointments to the judiciary between the political parties.

This Congress has taken legislative notice of the soundness of such a policy in its previous statement on judicial appointments as well as by insisting on a balancing of partisan affiliations in many measures enacted during this session. (Example, Public Law 162.)

The case of Judge William Clark illustrates very well the results of the practice of making judicial appointments solely as a reward for political services by the party in power. It also indicates the dangers of such a policy.

Judge Clark was first appointed to the Federal bench in 1925 as Federal district judge in New Jersey. He continued in that capacity until 1938, when he was elevated to the Third Circuit Court of Appeals of the United States by President Roosevelt, in which capacity he served until March 24, 1942, when, at the age of 51, and at President Roosevelt's suggestion, he took leave of absence from the bench to enter military service as a soldier. Judge Clark offered to resign from the bench to enter the military service, but it was President Roosevelt's personal suggestion that he take leave of absence instead. In entering the military service Judge Clark left behind him judicial services rendered with distinction.

Subsequent to March 24, 1942, certain questions of law were raised relative to the leave of absence, and doubt was expressed by the Attorney General of the United States of the legality of such a leave of absence; that, however, is a matter of law for the courts to determine.

Judge Clark served in the Army until August 1945. He served in Australia, England, Europe, and Africa. He was wounded during the campaigns in Africa.

In August of 1945 Judge Clark, on receiving his honorable discharge from the Army,

applied for reassignment to the Federal bench. He considered his leave of absence at an end and, in addition to that, he was entitled to reinstatement under the Selective Service Act. He was not reinstated, and all efforts to obtain reinstatement until the present time have been without success. The death of President Roosevelt in April of 1945 further complicated his picture.

In voting for the Selective Service Act I voted also, and with deep conviction, for that provision guaranteeing reemployment rights to those who left their employment to serve in the armed forces of our country. That provision was not intended to be a mere idle gesture on the part of Congress but a helpful guaranty to the men who entered the service of their country that their work would be available to them when their military service was completed. That provision applied as well to Government employees as to servicemen who were employed in private business and industry. In my opinion, that provision should also apply to a judge of the United States courts who, upon recommendation of the President of the United States, took a leave of absence to serve in the Army rather than resign his position on the bench to enter the Army. The case of Judge Clark involves more than a mere legal question. It involves the spirit of the Selective Service Act and it involves a moral duty on the part of our Government to one who has served his country well both on the bench and in the military service.

During the period August 1945 until the present time numerous judicial appointments have been made. In this session of Congress alone 16 vacancies in the various Federal courts have been filled, yet Judge Clark has not been offered an assignment, nor has his name been mentioned for one. Various other Federal judges who accepted assignments outside their courts during the war have been returned to their old offices or to new and better ones. The only distinction between these men and Judge Clark seems to be his previous party affiliations, for his services to his Government, both as a soldier and a judge, were rendered with distinction.

Final approval of Federal judicial appointments rests with the Senate alone. We have noted what we termed a dangerous tendency in the form of lack of balance in our judicial appointments. We have stated publicly our disapproval of the present unbalance of Federal judicial appointments, yet our record in this session is 14 to 2, even in the face of an example such as that of the case of Judge Clark.

Coordination of Agricultural Agencies

EXTENSION OF REMARKS

OF

HON. CLYDE M. REED

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. REED. Mr. President, I ask permission to insert in the Appendix of the RECORD a statement concerning S. 1621, providing for the coordination of certain agricultural agencies.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. REED. Mr. President, recently the junior Senator from Tennessee [Mr. STEWART] joined with me in introducing in the Senate S. 1621, the so-called Agricultural Coordination Act of 1947, which is identical to H. R. 4150, introduced in the House by Congressman COOLEY, of North Carolina, and H. R. 4151, introduced by Congressman HILL, of Colorado. I am particularly pleased that this important legislation has bipartisan sponsorship, by both Republicans and Democrats, in the Senate and House. The conservation of our soils is not a partisan question but is a matter of great concern, not only to farmers in every section of the Nation, but to the welfare of the Nation as a whole.

My primary purpose in introducing this bill is to secure greater results in agricultural conservation with the money expended for such work. The Senate Appropriations Subcommittee on Agricultural Appropriations, of which I am a member, investigated rather extensively the administration of various agricultural conservation programs and activities that are carried on by various agencies of the Department of Agriculture in the respective States. We found a great deal of duplication of activities and services, which resulted in excessive expenditures.

Earlier, I made my own personal investigation of this situation. This study convinced me that we are not getting sufficient results in the field of conservation in relation to the total amount of money being expended from all sources in this field, and that constructive, effective action is needed to correct this situation.

The House Appropriations Subcommittee on Agricultural Appropriations also went into this matter very extensively and reached similar conclusions. Both committees, in their reports, called attention to this duplication and overlapping, and strongly recommended that Congress enact appropriate legislation at an early date to correct this situation and bring about proper coordination of agricultural agencies.

I quote the following excerpts from the report of the House Appropriations Committee on this matter:

"It was at this point that the committee engaged in a long and earnest discussion concerning the duplication of many field activities of the Department and hoped to contrive a policy or a vehicle whereby these functions might be consolidated. The general limitations on an appropriation bill, however, stood in the way and the committee respectfully suggests to the Legislative Committee on Agriculture for the House of Representatives that this matter deserves immediate attention.

"At the present time the Extension Service has on its rolls 10,419 persons consisting of State supervisors, specialists, county agents, home demonstration agents, boys' club agents, clerks and assistants, virtually all of whom operate at the field level and maintain close contact with farmers in disseminating the research fruits and the recommended practices of the Department.

"At the same time the Soil Conservation Service in its field operation maintains 7 regional offices with 860 persons, 50 State offices with 419 persons, 550 district offices with 1,000 persons, and 2,268 work-unit offices with 9,350 persons.

"To this large field operation there must be added the Farmers Home Administration with a total of 8,100 persons operating at area, district, and county levels. It appears reasonably clear that there is both administrative and functional duplication in the field, between these agencies and immediate steps should be taken to develop programs at county levels under unified management whereby substantial additional economies might be effected. The Extension Service was, therefore, left intact without a reduction.

"The report already points out in connection with the item for Extension Service that the large field forces for extension service, the Soil Conservation Service and the Farmers Home Administration, all of whom are engaged in related activities, might well be consolidated in the interest of economy. This is a matter which should have immediate attention by the legislative Committee on Agriculture because the suggested consolidation would be fruitful of greater efficiency and economy." I also wish to quote the following statement from the report of the Senate Appropriations Subcommittee on the agricultural appropriation bill:

"The committee sustains the House action in approving $38,000,000 for the Soil Conservation Service, which is a reduction of $5,437,000 from the budget estimate. This action is taken because the committee feels that the service has expanded rapidly and that much remains to be gained in effective field operation. The apparent duplication of services to farmers should be correlated into a more unified plan of action in the field on a basis that will give due consideration to all aspects of a progressive agriculture developed in the interest of all of society."

The proposed Agricultural Coordination Act of 1947 seeks to correct the duplication and overlapping of agencies and programs in the field of agricultural conservation, to reduce the costs of these programs, and to decentralize their administration so that each State and county can adapt these programs to the needs and conditions in their respective States and counties. In other words, the bill seeks to meet the maximum results in agricultural conservation at the minimum expense.

I do not claim that it is a perfect bill, by any means, and I am sure none of my colleagues would make such a claim. Much study and effort have gone into the preparation of this bill. The advice and suggestions of some of the best qualified people in this field have been obtained. We recognized, of course, that it would not be possible to secure legislative action on this measure in the short period remaining of the last session of Congress, but we wished to get the matter before the Congress and the country in order that it might have the fullest possible study and consideration, with a view to getting the legislative action in the next session of Congress.

I believe this bill represents a constructive and workable approach to the solution of this problem and that, if enacted, and properly administered, would achieve greater results in conservation among a greater number of farmers at a very substantial saving in the costs of operation and administration.

I want to make very clear that there is no intent in this legislation to cripple or weaken in any way the agricultural conservation programs. On the contrary, the basic purpose of this bill is to accomplish greater results in conservation. The fact is, we are not moving fast enough in getting this job done in view of the enormity of the task confronting us.

In this connection, I wish to point out that the amalgamation of the Soil Conservation Service with the Agricultural Extension Service in Washington and in the States is not intended to impair in any manner the services or effectiveness of the work heretofore carried on by these agencies. On the contrary, I believe the amalgamation of these agencies, as provided in the bill, will achieve much greater results among a much larger number of farmers at less cost and will avoid duplication, overlapping, and conflicts in the conservation activities of these agencies.

The identity of the Soil Conservation Service at the Federal level and within each State will be maintained as a division of the Federal and State extension services, but the amalgamation of these agencies will make

possible the extension of more effective services both to local soil conservation districts and to individual farmers. Nothing in this bill will affect the set-up or functioning of local soil conservation districts which are organized under State soil districts acts.

On the contrary, the bill would give these agencies more autonomy in planning and carrying out their programs. It would also give more voice in determining the type of educational and technical services and the planning of conservation programs to be carried out in the respective States.

I am of the firm opinion that it is vitally important to enact legislation in the very near future along these lines to bring about the proper coordination of agricultural agencies. We cannot continue to appropriate such enormous sums of money for salaries, travel, and expenses of duplicating personnel and activities, both in Washington and in the field. Furthermore, it has been my observation that farmers do not want a multiplicity of Federal agencies running out to individual farmers advising them of how to plan their farming operations—and at times giving conflicting recommendations and advice. If we are to preserve the essential constructive features of these programs, we must straighten out this situation and bring about effective coordination.

Reorganization of Railroads

EXTENSION OF REMARKS
OF
HON. CLYDE M. REED
OF KANSAS

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. REED. Mr. President, on behalf of the senior Senator from Pennsylvania [Mr. MYERS] and myself, I ask permission to insert in the Appendix of the RECORD a statement prepared by Senator MYERS, Congressman REED of Illinois, and Congressman HOBBS of Alabama, and myself, concerning legislation regarding the reorganization of railroads.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON PENDING RAILROAD REORGANIZATION LEGISLATION

In view of the widespread interest, both in Congress and throughout the country, in pending legislation to prevent further unnecessary and unwarranted forfeiture or impairment of over $2,000,000,000 par value of investments in railroads now in reorganization, a statement of the present status of this legislation appears timely.

That such legislation was not enacted into law during the session of Congress just ended is regrettable. That it failed of enactment during the recent session was due partly to the time required for its careful preparation before it was introduced. Similar legislation (S. 1253) was passed in the second session of the Seventy-ninth Congress by a vote of 2½ to 1 in the House and without a dissenting vote in the Senate. While that measure was pocket-vetoed by the President, his memorandum of disapproval clearly disclosed that he favored the objectives sought and approved the broad principles upon which that measure was based. He expressed his belief that the Eightieth Congress could pass an improved bill which would meet his stated objections and more effectively accomplish its purposes.

In a joint statement issued April 28 of this year, we said:

"On February 3, 1947, Senator REED, acting for Senator MYERS, of Pennsylvania, and Representatives HOBBS and REED had a most agreeable conference with President Truman. It was agreed that the President would instruct his assistants to confer with the Members of Congress and lend any aid they desired in preparing new legislation which would meet the objections that the President had directed at the previous bill. The bill introduced today by Representative REED of Illinois (H. R. 3237) is the result of several months' intensive study by the proponents in both Houses of Congress and their assistants and of the legislative assistants of the President. Senators REED and MYERS will offer amendments to Senate bill 249 which will revise that bill in a manner to make it substantially identical with the bill introduced by Representative REED of Illinois."

The objections of the President to S. 1253 were appropriately met in the new bill, H. R. 3237, introduced April 28.

That measure was promptly set down for hearing before the Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary, and extensive hearings were held on May 12, 13, 14, 15, 16, and 19. (The printed record of such hearings comprises 307 pages.)

On May 8 Senators REED and MYERS issued a subcommittee print of their proposed amendments to S. 249 which would make that bill substantially the same as H. R. 3237. Hearings on S. 249 and those amendments were commenced on the very day hearings on H. R. 3237 were concluded (May 19), and continued on May 21, 23, 27, 28, and 29, and June 4, 5, and 6. (The printed record of these hearings comprises 596 pages.)

On June 25 the subcommittee of the House Committee on the Judiciary, favorably reported a clean bill (H. R. 3930).

On July 3 the Senate Committee on Interstate and Foreign Commerce favorably reported S. 249 with amendments that made that bill substantially identical with H. R. 3930.

On July 15, after considering H. R. 3980 at several executive sessions, the Committee on the Judiciary reported the bill favorably. An application for a rule was then made to the Rules Committee. Hearings thereon were held by that committee on July 18 and 21. On the latter date (but 5 days prior to the scheduled adjournment of the session) the Rules Committee voted not to grant a rule at that session. A reconsideration of this vote on July 25 was blocked on a point of order, on the ground that the committee had theretofore agreed not to vote out a rule at that session.

As with many other bills before Congress in the recent session the pressure of pending appropriation bills and other urgent legislation made it impossible to obtain a vote on these railroad measures during the closing days of the session. That this legislation will be promptly considered when Congress reconvenes is regarded as certain.

Particularly in view of the fact that governmental agencies themselves are largely responsible for the drastic character of pending reorganizations, which led to extensive litigation and delay, we are confident that the Congress will favorably consider these remedial measures. They are intended to remedy policies initially put into effect by one of Congress' own agencies, the Interstate Commerce Commission. In general, the courts have declined to give full judicial review to the plans and policies of the Commission, stating that only Congress can so direct or otherwise grant relief. We believe Congress will act again upon this suggestion, as it did last year in the passage of S. 1253.

While the desirability of concluding pending reorganizations and returning the properties to private management is fully recognized, it is of vastly greater public importance that justice be done and that investments in our railroads be not needlessly destroyed or seriously impaired merely for haste.

In fact, haste at this juncture will cause a very great deal indeed to be uselessly sacrificed. The properties of the various railroads are being operated with reasonable efficiency, although not with all the esprit de corps of private management. But the public interest in any event is being fully protected as to service.

Where the public interest is not being protected is in the attempted consummation of reorganization plans which wipe out, unnecessarily and unjustly, wide segments of capital, and disrupt others. The result is that a great deal of potential capital which might be devoted to public use in our railroad systems is being scared away. This is one of the great hidden sacrifices inherent in these plans, and one of the compelling reasons in the public interest why these plans should be arrested. Delay of this kind is constructive, desirable and will promote the public welfare.

It is a matter of common knowledge, demonstrated by the evidence produced at the hearings before committees of both Houses, that the principal railroads affected by these bills are doing as well in many respects, and better in some, than a great many other railroads. The obvious injustice and inequity of rushing the innocent security holders of these railroads to the guillotine, so to speak, before Congress has an opportunity (in a few months) of passing on measures to review and correct the policies under which those holders were condemned by governmental fiat, will surely be recognized.

The enactment of this legislation will not cast aside the work done thus far in those reorganizations, but rather will enable a fair and equitable capital structure to be built upon the foundation of the records already made in those proceedings, supplemented by unassailable proof of the subsequent vast improvement in the financial affairs and demonstrated earning power of those carriers.

It is most earnestly hoped by the sponsors of this legislation in both Houses of Congress that the courts of the United States and the Interstate Commerce Commission will take no further steps toward the effectuation or consummation of pending plans of reorganization that may place such plans beyond the reach of congressional remedy, but will instead cooperate with the Congress and the President in retaining custody of such properties until this pending legislation can be considered and voted on shortly after Congress reconvenes.

CLYDE M. REED.
FRANCIS J. MYERS.
SAM HOBBS.
CHAUNCEY W. REED.

WASHINGTON, D. C., *August 1, 1947.*

Statement by Hon. J. W. Fulbright, of Arkansas

EXTENSION OF REMARKS
OF
HON. J. WILLIAM FULBRIGHT
OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the edition of the RECORD after the

adjournment a statement which I am preparing.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS ON CONGRESS—A BRIEF REVIEW OF THE FIRST SESSION OF THE EIGHTIETH CONGRESS

It is still too soon after the event to be very positive about the merits or demerits of the work of the Eightieth Congress in its first session. With a Republican-controlled Legislature and a Democratic Executive, and a national election next year, it was inevitable that there should have been a considerable amount of quarreling and political bickering. This division of power in the Government is not particularly dangerous in our domestic affairs, but it may prove to be a great handicap in our relations with other nations. In dealing with a dictatorship like Russia, our governmental machinery tends to arrive at decisions and to get into action too slowly to be effective.

Among the measures of national importance dealt with by the Congress, the most noteworthy were the tax, labor, and portal-to-portal-pay bills, the armed services unification, legislation to extend veterans' benefits, the Greek-Turkish aid bill, and the various appropriation bills which caused so much partisan controversy.

SIGNIFICANT LEGISLATION OVERLOOKED

In addition to the bills that were acted upon, it is significant that the Republican leaders refused to submit for action the Federal aid-to-education bill, the housing bill, or bills dealing with health. These bills which were favored by most of the Democratic minority were among the few major bills presented which were designed to extend opportunities to a greater number of American people.

The few remaining wartime controls over our economy, such as sugar rationing and installment buying, were abolished and rent control was greatly modified.

From time to time as these measures were being considered, I explained my views about them at greater length than I can in this statement. I opposed the tax bill primarily because I think we should pay something on the national debt while business is good. Eighty million Americans own Government bonds and I think they are entitled to the assurance that a payment on the debt will give them. All our banks and insurance companies own these bonds and their solvency depends upon a continued confidence in the credit of the Government.

Furthermore, if we are to have a tax bill, it should be a better one than that proposed by the Republican leadership. The next tax bill must eliminate the discrimination that now exists against non-community-property States, such as Arkansas, and it should give larger exemptions so that low and medium incomes will benefit more than they would have under the bill that was defeated. In February I introduced a bill to remove the discrimination against Arkansas taxpayers, and I intend to pursue this fight until the objective is achieved.

BENEFITS FOR ARKANSAS

The most encouraging news for Arkansas from these various bills was the appropriations for agriculture and flood control. After a prolonged battle the Senate increased the funds for payments to farmers under the conservation program from one hundred and fifty million to approximately two hundred and sixty-six million. In addition, the Senate prevailed upon the House to restore to reasonable levels the appropriations for Rural Electrification, the Forest Service, and the school-lunch program.

For flood control the Senate was able to increase the appropriations for projects in Arkansas from the $5,768,000 allowed by the House to $16,035,000 finally agreed upon in conference. This will enable all the important approved projects to be continued. Except for the two and one-half million for the Red River project, which is only partially in Arkansas, all the money will be spent to control the floods on Arkansas rivers. In addition, Arkansas will share in the $50,000,000 appropriation for flood-control work on the lower Mississippi.

The other bills, such as the armed forces unification bill and the labor bill, affect all States alike, and, on the whole, were supported by both parties. The veterans' bills passed unanimously. The most important bill that was left out is the Federal-aid-to-eduation bill. This is especially important to Arkansas, as anyone familiar with the lack of qualified teachers can easily see.

REDUCTIONS IN EXPENDITURES

The Congress was able to reduce the appropriations under the President's budget by something less than $2,000,000,000. The exact amount will be difficult to determine until the deficiency appropriation bills are finally acted upon. In view of the uncertain conditions in the world, it is scarcely wise to decrease substantially our armed forces. The appropriations for the armed services, veterans, and the public debt approximate twenty-two billion, so that the margin from which reductions may be made is rather small. Nevertheless, reductions were made in appropriations for the Departments of State, Interior, Commerce, and Agriculture, and the Department of Labor was reduced to a skeleton. By constant pressure, I am sure further economies can be made, but until the world becomes more peaceful and the Communists less belligerent we are going to continue to have very heavy expenditures for national defense.

The Greek-Turkish aid bill received strong bipartisan support. This program, it is believed, is only a part of a broader plan now identified with Secretary Marshall's suggestion. Our relations with foreign nations are still the source of the greatest danger to our country. Our country is producing at a very high rate, employment is the highest in history, and profits are the greatest in history We have, in fact, too much inflation, and there will be a readjustment. We can, however, make this readjustment without too much harm, provided we can prevent the further deterioration of foreign conditions and can help start the world back to work and toward peace. We have much to lose by war, and, therefore, it is to our best interest to spend some time, thought, and money to prevent another war. The American enterprise system, our standard of living, and perhaps even our entire Christian civilization can survive and develop only if we are able to prevent another major war. This is still the most difficult problem facing us.

An Analysis of the Phony Cuts in the President's Budget by the Republican Congress

EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. LUCAS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an analysis by me of the phony cuts in the President's budget by the Republican Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, last year we passed the Congressional Reorganization Act, designed to streamline the operations of Congress. One of the most interesting of all of the provisions of the Reorganization Act was section 138, which, for the first time in history, created a legislative budget. It directs the Appropriations Committees of both Houses, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance in the Senate, to meet at the beginning of each session and report a legislative budget for the ensuing fiscal year, including the estimated over-all Federal receipts and expenditures for that year. This report is to be made by February 15.

We are now at the end of the first session of the Eightieth Congress. No report has been forthcoming from the committee on the legislative budget, although that report is now 5½ months overdue. I think we can begin to give up hope that we shall ever see a report from that committee, in spite of the very clear mandate of section 138 of the Reorganization Act.

Many people who have been watching the functioning of Congress, and who are interested in getting the operation of our Federal Government on the most businesslike basis possible, cheered the inclusion of section 138 in the Reorganization Act. Here at last, they thought, was a sensible proposal. Congress, they hoped, for the first time in history, is going to sit down at the beginning of a session and work out how much money is to be taken in, how much money is going to be spent and how much money is to be applied to the national debt. In this way, it was felt, instead of taxing and spending on a helter-skelter, hit-or-miss basis, the Federal Government would do what sensible families and businesses in America, do, namely, find out how much they are going to take in and then try to live within that budget.

The first year that Congress was supposed to do that, we approach the very end of the session without having taken any action at all.

In a burst of enthusiasm, generated by their victory at the polls last November, the Republicans in the House of Representatives looked at the President's budget and said, "We can cut that by $6,000,000,000."

The Senate, a little more modest perhaps, said, "We can cut that budget by $4,500,000,000."

On this disagreement between the two Houses of Congress, conferees were appointed to resolve the difference My understanding is that the conferees met once several months ago and that was the end of it. They have not met since. They do not intend to meet. They do not propose to take seriously the provisions of section 138 of the act. Of course, no one can compel Congress to do anything which it does not choose to do No citizens' committee can go into court and obtain a writ of mandamus, commanding Congress to take action. We are under no compulsion except the compulsion which we ourselves feel out of the abundance of our respect for the Constitution and the statutes which have been enacted. But, in this Congress, we apparently can take the positive command of a statute very lightly. If the requirement of a statute does not please us, apparently we can shrug it aside and behave as though it does not exist.

As an individual Member of the Senate, I have no control at all over the actions of the conference committee, which is supposed to reconcile the differences between the House of Representatives and the Senate on this matter. However, I am at a loss to understand what I shall say to my constituents who ask, "Why did not Congress conform to the provisions of the Reorganization Act and give

us a legislative budget?" I am afraid I shall have to answer that since the Republicans took control of the Congress the President's budget became a political football, and in the course of kicking that football around the Republicans have stubbed their toes.

Of course, this is not the only money matter which has become involved in the political game. We have seen two tax-reduction bills pass the Senate which had a certain political color about them.

Now, of course, if you are a householder or a businessman and you ignore making a budget out of carelessness, or because you are so rich you do not need to worry about a budget, you spend what you think you have to and hope everything will come out all right. That is about what has happened, with respect to the legislative-budget provision. Without having a legislative budget, we proceeded to appropriate what Congress felt was necessary to appropriate to run the Federal Government. But in the course of these appropriations we played a little game designed to befuddle and confuse the American people. It became clear to even the most economy-minded of the majority in Congress that the President's budget had been submitted by an economy-minded President; that the President and the Bureau of the Budget had done a very workmanlike job of squeezing the water out of the various estimates submitted by the departments of the Government. In fact, the President is as economy minded as anyone, while at the same time keeping in mind the absolute necessity for maintaining the essential services of the Federal Government. When this realization dawned on the majority of the Congress, and particularly the Appropriations Committee of the House, they began frantically working to reduce that budget to create the impression that they were saving money where there was no money to be saved. I have gone into the matter in some detail, because I think the Senate and the country ought to know just exactly what has been done. I regard it as the height of folly to try to fool the people about the size of our expenditures. This is a very important topic and should not be made the victim of political considerations.

My calculations of the phony reductions in the budget estimates for the appropriations for the fiscal year 1948 comes to the staggering total of $1,279,789,154, on the basis of phony items, as follows:

1. Bureau of Internal Revenue	$803,200,000
2. Public Health Service	50,100,000
3. Atomic Energy Commission	75,000,000
4. Veterans' Administration: Pensions and compensations	50,000,000
5. Veterans' Administration: Hospital and domiciliary facilities	30,300,000
6. Philippine War Damage Commission	20,000,000
7. Public Roads Administration: Elimination of grade crossings and Federal-aid postwar highways	36,288,854
8. Government Printing Office: Working capital and congressional printing and binding	10,380,000
9. Supplemental Appropriation Act: Four items	136,765,300
10. Second Supplemental Appropriation Act	67,755,000
Total	1,279,789,154

The largest item on this list and the one that is easiest to understand is the reduction in the estimate for tax refunds. Let us see what happened in connection with that matter. In recent years, we have been in the habit of making an indefinite appropriation for refunds of internal-revenue collections, customs refunds, and draw-backs, and other moneys which the Treasury has to repay because they collected more money that was due the Government. The Treasury has been authorized in the past to spend money in whatever amount was needed to repay to taxpayers and other claimants against the Treasury for amounts which exceeded the amounts of their obligations to pay. When the President submitted his budget this year, he again requested an indefinite appropriation for these items, but he estimated the amount that would be needed to make payments under the existing laws.

This year, however, we departed from the practice of making an indefinite appropriation and made the appropriation specific. Treasury estimated that it would need $2,031,000,000 to make refunds of internal-revenue collections. The House Appropriations Committee in its wisdom, however, decided that the Treasury could get along with $800,000,000 less than that amount. The House Committee on Appropriations said that the $1,231,000,000 appropriated "is the committee's best estimate as to what these refunds may amount to." Apparently the committee has ways of estimating what tax refunds will be made, which are superior to the methods employed by the Treasury Department where experts have spent their careers making these estimates. There is no allegation in the report that the Treasury has a bad record in making these estimates, nor any suggestion as to the kind of crystal ball which was used by the House Appropriations Committee in substituting the judgment of its members for the judgment of the Treasury. The report goes on to say that "manifestly improved public education and information concerning the procedure and method of filing income-tax returns, coupled with the expectation of several million less taxpayers filing as a result of prospective changes in the tax laws, it is felt that the reduced figure would more nearly approximate the amount required for these rebates than the Bureau's estimate therefor."

Of course, the prospective changes in the tax laws have not materialized at this session.

In a creditably candid statement, the chairman of the subcommittee handling the Treasury appropriation bill, Representative CANFIELD, said:

"We do not intend to leave the impression that this $800,000,000 reduction will save a single dollar for the taxpayers. The Government will still have to pay out whatever taxes are paid unnecessarily. We do feel, however, that it is sound business and in the interest of responsible Government financing that the estimate should be as nearly correct as possible. We believe our figure is the more nearly correct and should be used in budgetary computation."

I leave it to the Members of the Senate who have had experience with the work of appropriations committees, high as my regard is for them and their experts, to say whether the Treasury, which is occupied 365 days in the year with the collection and refund of taxes, is in a better position to say what we shall have to pay back in refunds than is the House Appropriations Committee. But, apart from that judgment, I think that Representative CANFIELD, the chairman of the subcommittee, said everything that there is to say about this reduction in the President's budget when he said:

"We do not intend to leave the impression that this $800,000,000 reduction will save a single dollar for the taxpayers. The Government will still have to pay out whatever taxes are paid unnecessarily."

On this basis, the Republican majority is claiming a reduction of close to $1,000,000,000 out of the President's budget.

Let us turn to some of the other items they have saved.

The Hospital and Construction Act, approved August 13, 1946, provides for allotment by the Public Health Service to the States for the fiscal years 1947–51 for hospital construction. That act authorized an appropriation of $75,000,000 for each fiscal year, and provides that where the amount authorized has not been appropriated then the authorization of the previous year shall be carried over into the next year. No appropriation was made for construction for the fiscal year 1947, so that the maximum authorized for the fiscal year 1948 was $150,000,000, consisting of $75,000,000 for 1947 and $75,000,000 for 1948. The budget of the President recommended that $50,965,000 be appropriated. The Labor-Federal Security appropriation act makes no appropriation at all for construction. It does provide $865,000 for administrative expenses. But again the chairman of the subcommittee in the House has obligingly explained why there is no real reduction here in the President's budget. He said:

"We have never intended, nor have we tried to show that there was any cut."

The Hospital and Construction Act provides that the Federal Government will match with $1 every $2 put up by the State governments for hospital construction. Representative KEEFE explained that under the appropriation made, the Congress is saying to the States, "If you go out and raise the money to meet the dollars we have raised, or will raise, you can go ahead with your program and the Federal Government will match it as a contractual obligation. If the States raise $150,000,000, we will put up $175,000,000." (This amount is, of course, in excess of the amount recommended by the President.) Representative KEEFE went on to say:

"My Democratic friends know that this is the truth, as well as anything. We do not claim there was any cut in this budget, as a result of that action, but we do claim we are carrying out the will of Congress with respect thereto. Do not let anybody kid you on this floor that we have made a lot of phony cuts."

When we turn to the appropriation for the Atomic Energy Commission, we find an alleged saving of $75,000,000, which is a nice substantial sum—if it had actually been saved. The House voted to appropriate $175,000,000 instead of $250,000,000 contained in the budget estimate. In its report, the House Appropriations Committee complained that it was unable to get detailed justifications in the estimates for the Atomic Energy Commission appropriation, so it gave the Commission $175,000,000 and invited it to come back in the early part of the next session for whatever else the Commission needed. Here again we find out of the mouths of the Appropriations Committee what the truth is. The Appropriations Committee report says:

"The purpose of the committee in withholding funds for a portion of the last half of the fiscal year is to defer final action on all requirements for the fiscal year until information in some detail is available on which it can act * * * the amount in the bill will provide adequate funds for all purposes for a period beyond the first half of the next fiscal year, and until the committee and the Congress have had an opportunity to secure tangible facts on which to pass a final recommendation as to total needs for the full fiscal year."

In other words, the Appropriations Committee said to the Atomic Energy Commission, "We are making a half-year appropriation for you. Come back early next year and we will give you the rest of it." How this can be regarded as a saving in the President's budget, I am at a loss to understand. But this does not deter the Republican majority from claiming that in connection with this appropriation they have saved the taxpayers $75,000,000.

Another item in the same bill, which is the independent offices appropriation bill, involves an alleged saving of $50,000,000 in connection with pensions and compensations paid by the Veterans' Administration. The President estimates that the Veterans' Administration would need $2,221,915,000. The House voted to appropriate $2,171,915,000, which is a reduction of $50,000,000. This move was very much like the phony saving of $800,000,000 in tax refunds. The Appropriations Committee questioned General Bradley as to the amount that would be needed to pay pensions and compensations of veterans. The committee got him to agree that the figure in the budget for this amount was an estimate. Since it was an estimate, the committee undertook to do its own estimating and figured that $50,000,000 would be as good a figure as any other. Representative WIGGLESWORTH, who was chairman of the subcommittee, explained to the Members of the House:

"It is a matter of mathematics and whenever the pensions are actually payable the money will be forthcoming."

Everyone knows that this is so. No Member of the Congress is going to renege on the payments of pensions to veterans. Here, again, the Appropriations Committee was prepared to play the guessing game for the sake of pretending to save as much money as possible. They guessed $50,000,000 off of this item.

Then there is another item in the same appropriation which is supposed to save $30,300,000, which is the amount recommended for the construction of new veterans' hospitals. Instead of appropriating the money for these new hospitals, the Veterans' Administration contract authorization was increased from $257,950,000 to $338,250,000. The committee explained in its report that in eliminating the $30,300,000 "the committee is able to report definitely that the program has not been retarded or delayed in any respect. The committee has been assured by representatives of the Veterans' Administration that sufficient cash is now on hand and available to meet all business needs until at least the latter part of the fiscal year 1948, at which time additional funds can be provided if there is a demand and need for them."

In other words, the construction was authorized and an invitation was issued to the Veterans' Administration to come back for whatever money might be needed during fiscal 1948 to carry on the hospital program. By this kind of maneuver the committee is trying to claim a saving of over $30,000,000.

The next item is the $20,000,000 saved on the appropriations for the Philippine War Damage Commission. In the Seventy-ninth Congress, we established the Philippine War Damage Commission to pay for the war damage in the Philippines. The President estimated for that purpose we should need $90,000,000 in the fiscal year 1948. The House cut this to $70,000,000. They explained the reason for this in the report. They say that the program has been slow getting under way and in all probability a number of considerably smaller claims will be actually handled and ready for payment during fiscal 1948 than was estimated when the budget was prepared. They then go on to say, candidly:

"It is not the intention of the committee to withhold funds for the settlement of these claims, but it is believed that the amount provided will be sufficient to meet all payments due during the next fiscal year."

Here again they are saying, "Well, we will give you most of what you think you will need. If it turns out you need more, come back and we will appropriate the money." This is in line with the other actions of the committee, which I have just discussed.

There remain several more interesting items of saving. The first is the appropriation for the Public Roads Administration. In the President's budget, there was an estimate of $5,000,000 for the elimination of grade crossings and $279,000,000 for Federal aid for postwar highways. The House made no appropriation for the elimination of grade crossings and cut the Federal aid to postwar highways appropriation to $247,711,146, making a total reduction in the estimate of $36,288,854. The Appropriations Committee recommended the reduction on the theory that the State highway programs were proceeding more slowly than had been anticipated, and that the Federal Government would not have to put up as much money as was contemplated to match the money put up by the States. But here again, the committee is up against the provisions of the law. When and if the States put up money for postwar highways, the Federal Government has to come forward and meet the amounts put up by the States in the proportion required by law. The Appropriations Committee has a different estimate as to what will be needed under that program. It is, however, very unsound to claim this amount as a saving.

The next item is also a very interesting one. It is contained in the legislative appropriation bill and involves the Government Printing Office, it being the estimate for working capital and congressional printing and binding. The President's estimate submitted for that item was $20,000,000. The act slices this amount in half, to $10,000,000. The report of the House Appropriations Committee said that the Public Printer had volunteered a reduction of $5,000,000 and the committee had added another $5,000,000 reduction on the estimate of the reduced volume of printing. But, again, the majority in Congress are pursuing the will-o'-the wisp. Whatever the Government Printing Office requires as working capital and for congressional printing and binding will have to be spent, whether it be $20,000,000 or $10,000,000. You cannot save money by hoping to save money, and that is the theory of most of the cuts which have been claimed so far.

The phony reductions in the Supplemental Appropriation Act come to $136,765,300 made up of reductions in appropriations for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the Treasury Department and the War Department-Civil Functions.

With respect to the Federal Mediation and Conciliation Service, the President requested $2,650,000. The appropriation was for only $1,410,000, an ostensible reduction of $1,240,000. But the House report and the act itself make it perfectly clear that the entire $1,240,000 may be obligated prior to February 15, 1948. In other words, the entire amount appropriated is to last only until February 15, 1948. Obviously, a further appropriation will be required to carry through the work of the service from February 15, 1948, to June 30, 1948. This is an open invitation to the government agency involved to come back for the remainder of the amount in the budget.

Exactly the same situation prevails with respect to the appropriation for the National Labor Relations Board. The President requested $4,025,300. This appropriation was reduced to $1,000,000, with an ostensible saving of $3,025,300. The House report and the act itself permit the obligation of the entire amount prior to February 1, 1948. This simply means again an appropriation is being made on a part-year basis. The 5 months from February to June 1948, inclusive, will have to be taken care of somehow and the agency is plainly invited to come back for a deficiency appropriation.

The Treasury Department appropriation in the Supplemental Appropriation Act was cut in half from the President's budget estimate of $15,000,000 to $7,500,000 an ostensible cut of $7,500,000. The appropriation was designed to cover refunds under the Renegotiation Act. The House committee has arbitrarily decided that the Treasury estimates for this item were too high and cut them in half. As in the case of the refunds due under the tax laws, all of this money will have to be paid back to those who are entitled to refunds under the Renegotiation Act. There is no saving of money here. Whatever has to be paid back will be paid back.

The largest phony reduction in the Supplemental Appropriation Act is the one involving civil functions of the War Department. The President asked for $725,000,000 for government and relief in occupied areas. That appropriation was reduced to $600,000,000, making an ostensible saving of $125,000,000. The fact of the matter is that the President's figure was an estimate for operations on a 15-month basis. The appropriation is only for the fiscal year 1948, which is a difference of 4 months. The $125,000,000, which is saved is going to have to be spent.

When we turn to the Second Supplemental Appropriation Act, we find that the President requested $8,740,000 for use by the Federal Bureau of Investigation in connection with the Government's loyalty program. This appropriation was reduced by $1,240,000. The President's estimate was for a 13-month period. The appropriation only covers the remaining part of the fiscal year 1948, which is a little over 11 months.

The second item in the Second Supplemental Appropriation Act is in anticipation of an unexpectedly large volume of mail for use by the Post Office Department. The estimate called for $163,720,100. Of this amount of claimed reduction, $66,515,000 is phony. It is plain that whatever the Post Office Department needs to operate will be appropriated, whether it be $163,000,000 or $200,000,000 or $100,000,000. No one supposes for a moment that the Post Office Department would shut down for the lack of an appropriation.

The Public Printer is going to get every dollar he needs as working capital. His work will go on. The Treasury is going to pay back every dollar of refund that is required. The Federal Government will match the moneys put up by the States in connection with the various grants-in-aid programs. The Philippine War Damage Commission will pay out every dollar they find to be owing under the act. There is not one dollar of truthful reduction in any of the appropriations which I have discussed. They come to the staggering total of $1,379,789,154.

The kinds of reductions I have been talking about are claimed reductions in appropriations, but this is not all that the majority party has been claiming in its desperate effort to come somewhere near the goals which they set for themselves at the beginning of the session. They have begun to claim as savings additional unanticipated revenue of the Government. For example, they are claiming that they have saved $505,000,000 because of the sale of certain ships. How you can save money by getting additional income from the sale of ships I do not know. That is certainly not a saving. It merely means the Government is getting more money in revenue, but it does not mean that anything has been saved in the way of expenditures. The $505,000,000 is supposed to come from additional sales and charter of ships. Maybe we will get that much more money than we thought. I hope we do. But that is money which comes into the Treasury without any action on the part of the Appropriations Committees, money which was not produced by the Appropriations Committees, which may or may not come unexpectedly into the Treasury. On this theory they might as well claim as a reduction in expenditures the income from delinquent taxpayers over and above what had been estimated.

In addition to this claim, some members of the majority are claiming a reduction of $642,000,000 as a result of the Treasury cancellation of Commodity Credit Corporation notes to the tune of $642,000,000. This is a very interesting item. When the Commodity

Credit Corporation was set up it was given a certain amount of money by the Treasury and the Treasury took the notes of the Corporation in exchange for the money loaned. The Commodity Credit Corporation proceeded to do business and suffered a very substantial loss in its operation, not through poor management certainly, but because under the Government's program it paid very substantial amounts as subsidies to the producers of various food commodities under the Government's inflation-control program. The money went for such commodities as butter and milk.

In his budget for 1948, among other things, the President recommended that the Commodity Credit Corporation be made whole, that the depletion in its capital be made up. The depletion was in the neighborhood of $642,000,000. The Appropriations Committee of the House under the impression that this was an amount that was going to be spent in the fiscal year 1948, hit upon the idea of having the Treasury cancel the Commodity Credit Corporation notes in the fiscal year 1947 instead of the fiscal year 1948, so as to appear to save that much money. Here, of course, they stumbled over their own feet. The cancellation of the notes of the Commodity Credit Corporation is a bookkeeping transaction. The money represented by the $642,000,000 was spent in prior years. All that was involved here was a credit of $642,000,000 to the Commodity Credit Corporation, and a debit to the account of the Treasury in exactly the same amount, so that the net result of the transaction was zero. One pocket of the Government—the Commodity Credit Corporation—was enriched by $642,000,000 at the expense of another pocket of the Government, namely, the Treasury Department. But little details of this character do not seem to bother the Appropriations Committee. On the theory that they can claim $642,000,000, they told the Treasury Department to cancel the Commodity Credit Corporation notes in fiscal 1947.

These are not, by any means, all of the claims made by the majority of their so-called savings. They are claiming the savings, as shown on the last page of the report for the independent offices appropriation bill, reductions in original budget estimates and revised estimates (which are the reductions by the President in his own estimates), and increases in revenue. This really takes in the whole field. It does not take into account increases in the President's budget which have been forced on the country, such as the $400,000,000 aid to Greece and Turkey, and other expenditures during this fiscal year which could not have been anticipated. Just how well the Republican majority has been able to reduce expenditures is something no one can say until the last day of June 1948, when fiscal 1948 will have closed. It will be interesting then to see what the actual results are.

I desire to condemn in a most vigorous way the slipshod and carefree methods that have been used by the Republican-controlled Congress in vain atttempts to reduce the President's budget. In my 12 years of experience in the Congress, I have never seen a party bearing great responsibilities of power in a free government use such unfair and irresponsible methods, in order to attain a political objective. I boldly assert that such tactics are not in keeping with, and are far beneath, the dignity and the integrity of this deliberative body. I deplore the juggling of figures as a means of fooling the American people. In the end, they shall know the truth.

A Republican alibi which I wish to puncture with an 8-inch shell is found in the repeated assertions of the majority that their failure to reduce the expenditures according to the Republican schedule was because the Democratic Party and the agencies of the executive branch of the Government refused to cooperate with them. This position is tenuous and wholly indefensible. We have seen Republican Members of the Senate interested in reclamation, irrigation, flood control, and the general agricultural program, fight desperately alongside of Democrats to restore appropriations reduced by the House of Representatives. They conveniently forgot their economy pledge.

This fallacious argument is further subject to a bit or deflation. The American people must remember that in the Eightieth Congress, the Republicans have had the majority of votes in the House of Representatives and in the United States Senate. The Republicans have had the power to make any reduction of expenditures they believed to be wise. They could cut expenditures based upon facts or upon arbitrary whim and caprice, but regardless of what course they pursued the people will remember always that they had the power to do what they say they could not do.

The American people will also judge the actions of the majority in this Congress by the high standards our citizens have always demanded of those with whom they do business. Let a businessman indulge in questionable practices, and he will soon find his customers leaving him to deal with a more responsible competitor. Let a business concern juggle its figures and employ phony bookkeeping transactions to make its profits appear more attractive or its assets more valuable, and the American public will soon withdraw its support through investments. The American people's inherent sense of sound, above-the-board business practices, and their refusal to tolerate violation of those practices, are largely responsible for the solid foundation on which American business rests today.

We may be sure that the people of this country want and demand that their own business concern—the government of their country—be operated on the same honest, straightforward standards they require of others. And when the final figures on the fiscal gymnastics of the majority in this session of Congress are analyzed, the stockholders in the United States Government, who are the citizens of this Republic, will experience a feeling of shock and outrage because of what they will consider the violation of their business code of honor.

For their information, I am placing in the RECORD now a table of figures which show plainly the failure of Republican bookkeeping and Republican promise-keeping:

The true story of appropriations for the fiscal year 1948

	Amount submitted in President's budget	Amount appropriated	Amount claimed as reduction of President's budget	Amount of "phony" reduction (no actual saving to taxpayers)	Actual reduction after deducting "phony" reduction
Treasury, Post Office	$4,099,123,500	$3,216,509,450	$882,614,050	$803,200,000	$79,414,050
Labor, Federal Security	1,779,184,039	1,674,158,631	105,025,408	50,100,000	54,925,408
State, Justice, Commerce, Judiciary	698,788,588	551,175,932	147,612,656		147,612,656
Navy	3,513,000,300	3,268,766,100	244,234,200		244,234,200
Legislative	76,153,077	55,294,435	20,858,642	10,380,000	10,478,642
Interior	296,135,420	194,587,859	101,547,561		101,547,561
District of Columbia	95,793,160	95,504,737	288,423		288,423
Military	5,716,791,500	5,482,529,633	234,261,867		234,261,867
War—civil functions	619,727,100	502,123,912	117,603,188		117,603,188
Independent offices	8,500,497,759	5,188,822,927	311,674,832	211,588,854	100,085,978
Agriculture (annual and permanent)	963,571,318	735,044,908	228,526,410		228,526,410
Government corporations	50,137,500	35,040,000	15,097,500		15,097,500
Government corporations, supplemental	35,500,000	35,500,000			
Supplemental Appropriation Act	1,925,683,823	1,658,802,197	266,881,626	136,765,300	130,116,326
Second Supplemental Appropriation Act	220,870,100	106,695,100	114,175,000	67,755,000	46,420,000
Permanent appropriation (less agriculture)	5,791,400,136	5,791,400,136			
Total	34,382,357,320	31,591,955,957	2,790,401,363	1,279,789,154	1,510,612,209

Legislative Record of the First Session, Eightieth Congress

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. BARKLEY. Mr. President, it is customary in the closing days of Congress to insert in the CONGRESSIONAL RECORD a brief summary of what has happened during that Congress.

The real yardstick of the achievements of this Congress is not entirely that of the things done but of what things it has left undone.

I, therefore, request that to cover the entire record the following digest of happenings in the Eightieth Congress be inserted in the CONGRESSIONAL RECORD as part of my remarks.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

FOREIGN AFFAIRS

The Eightieth Congress, under Republican leadership, has been one fraught with interparty strife, yet at the same time with overriding tones of international crises, of world shattering events and decisions.

The foreign policy of the United States was given direction by President Truman in a series of important messages to the Congress beginning with the foreign affairs section of his state of the Union message.

In these he mapped a program of cooperation with other countries for the rehabilitation of the war-torn nations of Europe and Asia; and for relief to the peoples of those areas suffering from starvation and the lack of machines and economic ability to help themselves out of their misery.

Specifically in a special message on February 21 the President asked for $350,000,000 "to assist in completing the great task of bringing relief from the ravages of the war to the people of the liberated countries."

Then on March 12, President Truman appeared before the Congress in person and stated that the foreign policy and national security of the country were involved in a particularly grave situation.

He laid bare before the Congress the danger to the Greek and Turkish Governments, pointing out that their very existence was periled by forces outside their borders.

The serious economic and industrial state of Greece caused by her very great sacrifices during World War II and the threat to Turkey athwart the Dardanelles were emphasized by President Truman. He stated:

"The very existence of the Greek state is today threatened by the terrorist activities of several thousand armed men, led by Communists, who defy the government's authority at a number of points, particularly along the northern boundaries."

Of the national integrity of Turkey he said:

"That integrity is essential to the preservation of order in the Middle East."

He added gravely that in this fateful hour, "the effect will be far reaching to the West as well as to the East."

He asked the Congress to appropriate $400,000,000 for the period ending June 30, 1948. Permission was asked for American civil and military personnel to be detailed at the request of these nations to supervise reconstruction and assist in the gigantic job.

On February 24 he urged that the Congress authorize the United States to become a member of the International Refugee Organization, to take the leadership among nations toward solving the tragic problem of displaced persons.

This was implemented on July 7, by a special message to the Congress urging legislation to make it possible for a substantial number of displaced persons to enter our own country as emigrants.

DOMESTIC PROGRAM

The President's program of constructive action to promote peace and economic recovery abroad was paralleled by a domestic program to continue our strength and prosperity at home. In his state of the Union message and subsequent communications to the Congress, the President emphasized the need to continue high production, high employment, and fair prices.

In the state of the Union message the President called for:

1. Promotion of greater harmony between labor and management.

2. Restriction of monopoly and unfair business practices; assistance to small business; and the promotion of the free competitive system of private enterprise.

3. Continuation of an aggressive program of home construction.

4. The balancing of the budget in the next fiscal year, and the achieving of a substantial surplus to be applied to the reduction of the public debt.

5. Protection of a fair level of return to farmers in postwar agriculture.

6. A law to provide adequate medical care to all who need it—not as charity but on the basis of payments made by the beneficiaries of the program.

7. The establishment of a well-integrated Department of Welfare.

8. The development of the great river systems of America to contribute to the increase of the national wealth.

9. The establishment of a single Department of National Defense.

These policies were followed up by the President's first Economic Report sent to the Congress on January 8. This embodied five major short-range recommendations for immediate Government action:

1. The continuance of existing taxes upon business and individual incomes.

2. The reduction of the public debt as promptly as Treasury surplus funds became available.

3. The continuance of rent control and the enactment of a comprehensive-housing program.

4. The raising of minimum-wage rates and the extension of coverage.

5. Increases in social-security benefits in view of the higher cost of living.

The President in his budget message estimated expenditures under existing proposed legislation at $37,500,000,000 and revenues at $37,700,000,000, leaving a slight surplus. He recommended that the Congress continue war excise-tax rates. He also recommended the Congress increase postal rates to wipe out the postal deficit.

The President recommended the present income-tax law be retained to reduce the national debt as quickly as possible without curtailing necessary Federal operations.

The Eightieth Congress was off to a slow start. During the first 3 months, little was done toward either studying or enacting legislation to implement President Truman's program. As a result, there were frequent conflicts in the legislative programs undertaken by the Republican leadership of the House and Senate.

The work of the session has been complicated by the many election promises made by the Republicans which soon came home to roost. The Republican leadership was faced with the problem of how to reconcile economy promises to eastern financiers and assurances of continued aid to midwestern farmers. Then, there were delicate questions of legislative precedence to be settled.

Further complicating the problem were the needs of the Republican Party for the 1948 campaign. Legislative programs in the light of these campaign requisites had to be carefully chosen to provide maximum exploitation.

LEGISLATIVE ACTION ON FOREIGN POLICY

The foreign relief bill, designed to take up where UNRRA left off, was strenuously opposed by some Members of Congress who felt that the United States was giving too much in moneys to an exhausted Europe. The Senate voted the $350,000,000; the House sought first to cut the sum to $200,000,000, finally agreed to the original figure.

The Greek-Turkish aid bill drew fire from isolationists backed by Communist-dominated propaganda groups. Some liberals joined in the opposition because of their feelings that the problem belonged to the United Nations. After bitter debate, the Senate passed the bill 67 to 23, and 2 weeks later the House approved it 287 to 107.

In addition the Export-Import Bank was extended to June 30, 1953, and the Mundt foreign information bill was passed by the House.

Congress approved United States membership in the International Refugee Organization.

Bills to permit admission of 400,000 displaced persons were pigeonholed in the respective House and Senate committees.

Despite the bipartisan passage in both Houses of Congress of the Greek-Turkish aid bill, appropriations for the bill were held up in the House Appropriations Committee until late in the session when the flare-up of guerrilla warfare in Greece prompted action.

LEGISLATIVE ACTION ON DOMESTIC POLICY

On the domestic front the record is not so clear. Here it is that partisan considerations by the Republican majority have overridden the major objective of benefit to the entire people of the United States. It is here that the record of what has been left undone leaves an indelible mark.

LABOR-MANAGEMENT HARMONY

The President outlined the steps that should be taken to promote harmony between labor and management. Instead, the Eightieth Congress gave him the punitive Taft-Hartley Labor Act which fails to meet the tests of a good labor bill.

RESTRICTION OF MONOPOLY—AID TO SMALL BUSINESS

The President called for the restriction of monopoly and unfair business practices. He urged assistance for small business and the promotion of the free competitive system of private enterprise.

The Eightieth Congress refused to do anything to curb monopoly—or to assist small business against the competition of monopolistic practice. On the other hand efforts were made by the Eightieth Congress to railroad bills through to benefit the large railroads and the big power companies by freeing them from Federal regulation that had ended the evils which grew up under Republican rule.

AGGRESSIVE HOUSING PROGRAM

Under the guise of continuing rent control the Eightieth Congress gave landlords the benefit of a "gun point" 15-percent "voluntary" rent increase. The same bill contained a joker provision which removed priority control on building materials for veterans' housing and gave the green light to all types of commercial construction at the expense of homes for veterans.

The President sought to place all Federal housing activities under one responsible head. This was rejected by the House.

The President asked for passage of the Taft-Ellender-Wagner housing bill which would:

(a) Provide public aid to localities for low-rent housing for low-income families;

(b) Encourage private investment in rental housing by Federal insurance;

(c) Grant a more adequate program of farm housing;

(d) Give aid to cities for clearance of slums and blighted areas;

(e) Perfect and supplement existing aids to home financing; and

(f) Supply a program of housing research to assist industry in progressively reducing cost of housing.

The Senate Banking and Currency Committee reported this bill out to the Senate on April 24. However the Republican leadership of the Senate never saw fit to bring it to a vote.

In the House a companion bill, H. R. 2523 (JAVITS) was bottled up in the House Banking and Currency Committee.

The President's request for a congressional investigation of the real-estate lobby has not been acted upon despite the fact that a resolution calling for such an investigation was introduced in the Senate.

BALANCE BUDGET AND REDUCE DEBT

The President called for a balanced budget and achieving of a substantial surplus to be applied to the reduction of the public debt.

He opposed tax reduction until this was accomplished.

The Republicans made piece-meal disorganized cuts in the President's budget, curtailing Federal services essential to the national welfare. The Republican leadership sought to cut taxes without first knowing governmental expenditures for the fiscal year.

The pattern of the Republican-sponsored tax reduction bill was to do little for those who needed it the most and to give generous tax cuts to those in the upper income brackets.

Twice the Republican leadership wasted the valuable time of the Eightieth Congress trying to cram the tax-reduction measure down the public's throat. Each time, however, Congress wisely sustained the President's veto.

AGRICULTURE—FAIR RETURN TO FARMERS

The Republican controlled Eightieth Congress took no action to protect the farmer. Instead, it slashed appropriation requests for rural electrification, irrigation and reclamation, soil conservation, crop insurance, and other vital farm programs.

Although present laws give considerable stability to farm prices for 1947 and 1948, the President recommended that the stage for

permanent farm welfare be set before the guarantees expire.

The Congress did not even consider any long-range or permanent farm legislation.

The President, in his economic report, stated "The soil is one of the most valuable economic assets of the Nation. Most effective utilization and conservation of this resource should be an important aim of the agricultural program of the Government."

The Congress passed no affirmative legislation relative to soil conservation, rather reduced appropriations for operation of the soil conservation service by $5,000,000 and the appropriation for the conservation and use of agricultural land resources by $73,000,000.

The Congress also reduced the appropriation for the school-lunch program.

ADEQUATE MEDICAL CARE

The President asked for a law to provide adequate medical care for all of the Nation, not as charity but on a pay-as-you-go plan.

Senator TAFT sidetracked hearings on such a bill to give precedence to his own program for Federal health care on a charity basis only to those who would give a pauper's oath.

Neither bill has been reported out of the Senate Labor and Public Welfare Committee.

DEPARTMENT OF WELFARE

The President asked for the establishment of a well-integrated Department of Public Welfare. This bill was reported in the Senate but there was no further action on this important proposal.

DEVELOP RIVER SYSTEMS

The President called for the development of the great river systems of America to prevent the terrible wastage of floods and erosion, and at the same time to contribute to the increase of the national wealth. Although some appropriations were made to continue flood-control projects heretofore authorized, no action was taken by the Congress on the broader program of flood control and river development, as recommended in the President's state of the Union message and in his special message to Congress following the disastrous floods in the Middle West.

UNIFIED ARMED FORCES

After prolonged debate, the Eightieth Congress passed the bill requested by the President to set up a single Department of National Defense. However, Congress failed to act on the President's other major national defense proposal for universal military training.

MINIMUM WAGE

Proposals to raise the floor under wages from 40 cents to 65 cents per hour and to widen the coverage to protect additional millions of workers were bottled up in committee.

INCREASE IN SOCIAL-SECURITY BENEFITS

The President urged Congress to take steps to revise payments under the social-security system. He also urged that benefits under the old-age and survivor's insurance system be adjusted. These measures, the President stated, were necessary to alleviate real hardship which has been aggravated by increases in the cost of living.

MILITARY COOPERATION

No action was taken on legislation to authorize further cooperation with other American countries in military matters, including standardization of equipment, military organization, and training methods.

The all-important matter of Federal aid to States for educational standards was given very little consideration by the Republican Congress.

BUDGET

In a burst of enthusiasm, generated by their victory at the polls last November, the Republicans in the House of Representatives said they would reduce the President's budget by $6,000,000,000. The Republican Senate said they would reduce it by $4,500,000,000. Up to this time they have not been able to compose their differences.

Senator ROBERT A. TAFT, chairman of the Republican policy committee in the Senate, in a speech to the Ohio Republican State Committee delivered January 31, 1947, stated that the total reduction of expenses below the President's figures would be $3,000,000,000. (See New York Times, August 1, 1947, p. 8.)

Congressman JOHN TABER, chairman of the House Appropriations Committee, in a radio address over the National Broadcasting Co. network August 1, 1947, set the reduction at $4,400,000,000. (Delivered over NBC, 10:45 p. m., August 1, 1947.)

In fact, the reduction is approximately $1,000,000,000 and will probably be less when final reports are made. I submit the following statement on appropriations:

The true story of appropriations for the fiscal year 1948

	Amount submitted in President's budget	Amount appropriated	Amount claimed as reduction of President's budget	Amount of "phony" reduction (no actual saving to taxpayers)	Actual reduction after deducting "phony" reduction
Treasury, Post Office	$4,099,123,700	$3,216,509,470	$882,614,050	$803,200,000	$79,414,050
Labor, Federal Security	1,779,184,039	1,674,158,631	105,025,408	50,100,000	54,925,408
State, Justice, Commerce, Judiciary	698,788,588	551,175,932	147,612,656		147,612,656
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Legislative	76,153,077	55,264,435	20,858,642	10,380,000	10,478,642
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War—Civil functions	619,727,100	502,123,912	117,603,188		117,603,188
Independent offices	8,500,497,759	8,188,822,927	311,674,832	211,588,854	100,085,978
Agriculture (annual and permanent)	963,571,318	735,044,908	228,526,410		228,526,410
Government corporations	50,137,200	35,040,000	15,097,200		15,097,200
Supplemental	35,500,000	35,500,000			
Supplemental Appropriation Act	1,925,683,823	1,658,802,197	266,881,626	136,765,300	130,116,326
Second Supplemental Appropriation Act	220,870,100	106,695,100	114,175,000	67,755,000	46,420,000
Permanent appropriation (less agriculture)	5,791,400,136	5,791,400,136			
Total	34,382,357,320	31,591,955,957	2,790,401,363	1,279,789,154	1,510,612,209

The broad domestic issues show that the Eightieth Congress has painted a sorry picture of partisanship, of subservience to special interests, ignoring the needs of the mass of people.

The record of what was not done takes on increased importance viewed in this light. It shows a cruel philosophy of political selectivity which has carefully held up all legislative action affecting human-welfare programs to provide ammunition for next year's political campaigns. The bible of the ultraconservative Republicans, the New York Herald Tribune, recounts this cynical philosophy in its issue of July 21. There is described the entire plan to subvert the welfare of the people to partisan politics.

Statement Regarding Lack of Cooperation of Treasury Department in Removing Tax Obstacles

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. KNUTSON. Mr. Speaker, the following correspondence demonstrates the difficulty the Committee on Ways and Means is having in getting cooperation from the Treasury Department in its efforts to remove tax obstacles and tax deterrents. Some of these tax obstacles are created by Treasury decisions and rulings which continue the policies of Morgenthau. One of the most striking examples of this is Treasury Decision 5507 issued on April 12, 1946, relating to stock options granted by an employer to his employee. This Treasury decision requires the employee to report as ordinary income, at the time the option is exercised the difference between the option price and the fair market value of the stock on the date of purchase, even though the option was given to enable the employee to have a stake in the business. This defeats the purpose for which the option was given, as in many cases, the employee is compelled to sell the stock thus acquired to pay his individual income tax.

So many Members of Congress have been concerned about this stock-option problem and so many of them have spoken to me, and other members of our committee about it that I submit the entire exchange of correspondence between the chairman of the Committee on Ways and Means and the Treasury Department, as a matter of courtesy to them.

Under date of February 7, 1947, I wrote the Secretary of the Treasury as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 7, 1947.

Hon. JOHN W. SNYDER,
Secretary of the Treasury,
Washington, D. C.

MY DEAR MR. SECRETARY: I have had considerable complaint about Treasury Decision 5507, relating to stock options. The general complaint is that this Treasury decision is killing management incentive by requiring the employee to pay a tax at the time he acquires the stock through the exercise of the option instead of at the time the stock is sold. This defeats the very purpose for which the option was given; that is, to enable the employee to acquire an interest in the business, for, in many cases, the employee has to sell the stock to pay the tax.

I had this matter up with Mr. Stam of the joint congressional staff some time ago, and he informed me that under date of November 20, 1946, Under Secretary of the Treasury Gardner was advised of this situation. A copy of Mr. Stam's letter is enclosed.

Up to the present time, no action has been taken toward ameliorating the disastrous effect of this Treasury decision. I will appreciate it if you could have some one in the Department give immediate consideration to this problem, as it is highly important that

obstacles to management incentive should not be created through administrative interpretations of our tax laws.

Respectfully yours,

HAROLD KNUTSON.

[Enclosure]

NOVEMBER 20, 1946.

Hon. O. MAX GARDNER,
Under Secretary of the Treasury,
Treasury Department,
Washington, D. C.

DEAR GOVERNOR: Treasury Decision 5507, promulgated April 12, 1946, with respect to employees' stock options has been criticized on two grounds:

1. That it destroys management incentives.
2. That it prescribes a rule which is contrary to the law as construed by the courts.

It is contended that one very effective means of encouraging the employee to take an interest in the business of a corporation is to assist him in becoming a part owner through the acquisition of stocks. This is accomplished by the corporation giving to the employee an option to acquire stock in the company within a prescribed time at or below its fair market value. Treasury Decision 5507 in many instances makes it impossible for the employee to retain his stock in the company after he acquired it. When the employee is given an option to acquire stock in a company, he is compelled under the Treasury decision to report as ordinary income the difference between the option price and the fair market value of the stock on the date of purchase. Many employees are, therefore, compelled to sell the stock thus acquired to pay the individual income tax. This defeats the main purpose for which the option was given.

With respect to the second criticism, Treasury Decision 5507 appears to be an unwarranted extension of the Smith decision of the Supreme Court (*Smith* v. *Commissioner* (323 U. S. 569)). The Smith case was dealing with a situation on which it was admitted that the option to acquire stock in the corporation was granted as additional compensation. In that case the Supreme Court held that the employee received compensation in the difference between the fair market value of the stock and the option price for the year in which he exercised the option. However, there are many cases in which the courts have held that the granting of such an option is not additional compensation but a bargain purchase. In *Lamond* v. *Commissioner*, decided January 31, 1946, after the Smith case, the Tax Court specifically distinguished the Smith case from a situation where the right to purchase stock in the corporation was not given as compensation for services, but was given in order to enable the employee to have an interest in the business. Nevertheless the Treasury decision, in complete disregard of the decided cases on this point, treats the exercise of all such options as additional compensation.

In view of the complaints which have been directed at Treasury Decision 5507, and the fact that it will doubtless result in considerable litigation, would it be possible to have this whole policy reconsidered? It seems to me that it might be possible to adopt a rule which would not discourage employee ownership but which would at the same time adequately protect the Government revenues. One suggestion has been received which seems worthy of study. Under this suggestion the employee would not be required to pay an income tax for the year in which he exercised his option and acquired the stock. The employee would be regarded as having received income in the year in which he sold his stock and then only to the extent that a gain was realized from the sale of the stock. To the extent that a gain was realized that part of the gain which represents the difference between the option price and the fair market value of the stock at the time of its receipt could be regarded as ordinary income, and the balance treated as a capital gain. For example:

Assume an employee was granted an option to purchase stock within 2 years at $75. At the time the option was exercised, the fair market value of the stock was $100. The employee, after holding the stock for over 6 months, sold it for $125. The gain realized is $50, the difference between what the employee paid for the stock and the selling price. Of the amount of this gain, $25 would be regarded as ordinary income, and $25 as a capital gain. If the stock was sold for less than $75, the entire loss would be treated as a capital loss.

If such a plan is adopted, it is believed that consent agreements could be entered into, under which the corporation would agree to waive its right to a deduction for the granting of the option, and the employee would agree to this method of reporting the income. The Government, under such a plan, would gain revenue through the denial of any deduction to the corporation, which under Treasury Decision 5507 is now allowed in all cases. This plan might solve many of the present difficulties and render legislation unnecessary. Otherwise, it seems to me that the matter may have to be solved by legislation to avoid endless litigation.

Respectfully yours,

COLIN F. STAM,
Chief of Staff.

Under date of February 12, 1947, I received the following reply from the Treasury:

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, February 12, 1947.

Hon. HAROLD KNUTSON,
Chairman, Committee on
Ways and Means,
House of Representatives,
Washington, D. C.

MY DEAR MR. KNUTSON: Secretary Snyder has asked me to acknowledge receipt of your letter of February 7, 1947, addressed to the present Treasury position with respect to stock options given to officers and employees of corporations, and to advise you that a more definitive reply is in process of preparation and that you may expect to hear from us somewhat in detail in the relatively near future.

Sincerely yours,

JOSEPH J. O'CONNELL, Jr.

Having received no further reply from the Treasury, I communicated with the Under Secretary of the Treasury by telephone on June 3, 1947, and as a result of that telephone conversation received the following communication:

TREASURY DEPARTMENT,
Washington, June 3, 1947.

Hon. HAROLD KNUTSON,
Chairman, Committee on
Ways and Means,
House of Representatives,
Washington, D. C.

MY DEAR MR. KNUTSON: Further reference is made to your letter of February 7, 1947, relating to stock options in which you state that the present rule "defeats the very purpose for which the option was given, that is, to enable the employee to acquire an interest in the business, for, in many cases, the employee has to sell the stock to pay the tax."

It is the view of this Department that Treasury Decision 5507 follows correctly the present law as interpreted by the Supreme Court, namely, that where an employee receives from the corporation which employs him an option to acquire stock and exercises such option, he realizes ordinary taxable income by way of compensation to the extent of the difference between the fair market value of the stock when it is received and the price paid therefor. Treasury Decision 5507 requires that income which is in the nature of compensation be so taxed irrespective of the means selected by the employer for the payment of such compensation. The treatment of stock options is consistent with the treatment of other income received in the form of property rather than cash.

If, however, the Congress desires to consider changes in the present law, alternative possibilities exist. In this connection, there is attached a memorandum which considers the proposal contained in Mr Stam's letter and also indicates two other possible procedures.

Yours very truly,

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

[Enclosure]

MEMORANDUM ON ALTERNATIVE METHODS FOR TREATING INCOME DERIVED FROM STOCK OPTIONS

The present rule relating to stock options under Treasury Decision 5507 provides that: (a) If any employee receives a stock option on or after February 26, 1945, from the employer to purchase stock in the employer corporation, and the employee exercises such option, he realizes taxable income by way of compensation on the date upon which he receives the stock to the extent of the difference between the fair market value when it is received and the price paid therefor, and (b) the employer is entitled to an appropriate deduction for compensation paid measured by the amount of compensation realized by the employee.

A revision of this rule has been suggested as follows: (a) No income would be realized by an employee in the year in which he exercises his option and acquires the stock; (b) if the stock is subsequently sold for more than the option price, income would be realized upon the sale, the portion of the proceeds equal to the difference between the option price and the fair market value of the stock at the time of the exercise being regarded as ordinary income, the balance as capital gain; (c) if the stock were sold for less than the option price, the entire loss would be treated as a capital loss; and (d) no deduction would be allowed to the corporation for compensation to the employee in respect to the transaction.

The following considerations with respect to the proposed revision may be noted:

1. The suggested rule would shift the year in which liability for tax on such income arises from the year of exercise of the option to the year in which the stock is sold. It would also change the measure of compensation from the difference between option price and value at time of exercise (present rule) to the difference between option price and value at time of exercise or sale price, whichever is lower.

2. The suggested revision appears to approach the problem as primarily a payment problem involving deferment of payment of tax until the stock is sold. This treatment would be different from the treatment of compensation by way of any other forms of property. In all other cases, compensation is realized and is taxable in the year in which the property is received and to the extent of the fair market value of such property. The present stock-option rule (T. D. 5507) is consistent with the treatment of other types of noncash compensation. The present rule is consistent also with all judicial opinion to the effect that compensation, to the extent that it results from a stock option, is realized in the year in which the option is exercised. Revision such as suggested would require legislative rather than administrative action, since it would (a) involve taxing income in a year other than the one now held to be the year of realization and (b) distinguish between compensation by way of stock options and compensation received by way of other types of property other than cash.

3. Unless specific provisions to prevent it is made, the suggested revision would permit

escape from tax in at least two types of cases: (a) where the option is exercised and the securities are transferred by gift, and (b) where the option is exercised and the securities are held until death. This problem could be overcome by providing that a taxable sale or exchange shall be deemed to occur when the securities are transferred by gift or when the optionee dies possessed of the securities.

4. The suggested revision would deny any deduction to the corporation. To provide for a deduction to the corporation under the suggested revision would present severe practical problems since the compensation would not be deemed to arise until the securities were sold and that might not be until many years after the exercise and after the employee has left the employer's firm.

Other alternative methods for treating income derived from stock options include the following:

A. Provide that income in the nature of compensation would be realized in the year of exercise of the option to the extent of the difference between fair market value at the time of exercise and the option price, but that the tax on such income would be postponed until sale or other disposition of the stock; any increase or decrease in value of the stock after exercise of the option would be a capital gain or loss realizable at the time of sale or other disposition of the stock. This plan would be similar to the one discussed above, and raises the same considerations and problems, except that it avoids departure from the present rule that the compensation is measured at the time of exercise of the option, and might make possible allowance of a deduction to the employer without the same administrative problems. It would meet the problem of payment of tax by deferring it until the time of sale.

B. Provide that income derived from the exercise of a stock option is to be treated as a capital gain or loss to the extent of the difference between the option price and fair market value at the time of sale or other disposition of the stock. This plan raises some of the considerations and problems discussed under the first plan. In addition, the entire amount of the income is treated as capital gain or loss making available the special limitations on recognition and rates applied to long-term capital gains and losses.

Under date of June 5, 1947, I replied to the Under Secretary's letter of June 3, 1947, as follows:

JUNE 5, 1947.

Hon. A. L. M. WIGGINS,
Acting Secretary of the Treasury,
Washington, D. C.

DEAR MR. WIGGINS: In response to my telephone conversation of June 3, 1947, I am in receipt of your letter of the same date. I regret to find that your letter of June 3, 1947, does not comply with my understanding of what you promised to submit to me.

You will recall that I wrote to you as early as February 7, 1947, in regard to this matter, pointing out that Treasury Decision 5507 was killing management incentive and that no action had been taken by the Treasury Department toward ameliorating the disastrous effect of this Treasury decision. Under date of February 12, 1947, you acknowledged receipt of my letter and advised me that "a more definite reply is in process of preparation and that you may expect to hear from us somewhat in detail in the relatively near future." This is now June 5, and the only answer which I have received is the unsatisfactory one of June 3, 1947, which was prompted by my telephone conversation of that date. I do not see how it will be possible for the Congress to cooperate with the Treasury if the Treasury does not furnish such information more promptly. The country is crying for relief from unjust Treasury regulations, and it is important that we determine now whether such relief can be granted without legislation.

If the Treasury is of the opinion that Treasury Decision 5507 follows correctly the present law as interpreted by the Supreme Court, I wish to be furnished with a copy of the opinion of your general counsel upon which that conclusion is based. If, as you indicated in your telephone conversation with me, you are also relying upon an opinion furnished you by Mr. Fred Morrison, an outside attorney, I feel that we are entitled to a copy of that opinion also.

Since I have received numerous complaints from outside attorneys that Treasury Decision 5507 is contrary to both statutory and decision law, and Mr. Stam, counsel for the Joint Committee on Internal Revenue Taxation, has also advised me to that effect, it is important that I receive these opinions at once so that we may determine whether they have any sound legal basis.

Hoping that you will give immediate personal consideration to this matter, I remain

Yours sincerely,

HAROLD KNUTSON.

Under date of June 23, 1947, I received the following communication from the Under Secretary of the Treasury:

TREASURY DEPARTMENT,
Washington, June 23, 1947.

Hon. HAROLD KNUTSON,
Chairman, Committee on Ways and Means, House of Representatives, New House Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of June 5, 1947, relating to employee stock options.

I regret that in your opinion our letter to you of June 3, 1947, did not constitute a detailed reply to your inquiry with respect to Treasury Decision 5507. As indicated to you, it is the view of this Department that Treasury Decision 5507 follows correctly the present law as interpreted by the Supreme Court.

It is not the general procedure of this Department for the General Counsel to prepare a formal opinion with respect to each regulation promulgated, and accordingly, no such opinion had been prepared on Treasury Decision 5507. The policy reflected in that regulation is the result of conferences and extensive consideration of the statute, regulations, and Supreme Court and lower-court decisions. Of course, particular attention was paid to the Supreme Court's decision in *Commissioner* v. *Smith*, which is the only opinion of that court on employee stock options and which upholds the taxation as compensation of income realized upon the exercise of such option. The importance of the Smith case in the field of tax law on employee stock options was recently attested to by the Tax Court in its statement that the Smith case has rendered previous decisions on the subject obsolete. *Van Dusen* (8 T. C. No. 47). These previous cases date almost entirely since 1938. As you know, Treasury Decision 5507 reestablishes the rules with respect to employee stock options which were in effect from 1923 to 1939.

In our view Treasury Decision 5507 correctly interprets the applicable law. We find it difficult therefore to understand the basis upon which Mr. Stam advised you that Treasury Decision 5507 was contrary to both statutory and decision law.

Our job is to make administrative decisions based on the laws passed by Congress and it is naturally difficult in some cases to determine just what the application of the law should be. You indicate that Treasury Decision 5507 is "killing management incentive" and is having a "disastrous effect." Whether or not your conclusion can be supported, I think you will agree that an executive department should not attempt to construe a law to accomplish a social or economic objective, no matter how desirable such objective might be. It should stick to the law as it interprets it. If we should make a mistake in the application of a law in a particular tax matter, the taxpayer can secure a reversal of our position through the courts. If Treasury Decision 5507 is wrong, taxpayers have full recourse to the courts to have it reversed.

On account of your and my keen interest in this subject, I have secured informal legal opinions on Treasury Decision 5507 from competent tax attorneys outside the Government. They concur in the correctness of the position of the Treasury Department. In addition, I have before me a copy of a letter from the dean of one of the foremost law schools in America, who says, "I really do not see how it is possible to give a stock option to an executive which is not available to anyone else, without its being compensation."

Frankly, I am trying to find a legislative formula that would be helpful in utilizing stock options, but up to now I have not been successful. If you or Mr. Stam have any ideas on the legislative approach, I would be delighted to have them. However, I am convinced that the Treasury can take no other position under present laws than it has taken under Treasury Decision 5507.

Yours very truly,

A. L. M. WIGGINS,
Under Secretary of the Treasury.

Under date of July 14, 1947, I replied to the Under Secretary, as follows:

JULY 14, 1947.

Hon. A. L. M. WIGGINS,
Under Secretary of the Treasury,
Washington, D. C.

DEAR MR. WIGGINS: Your letter of June 23, 1947, is very disturbing to me, since it appears that you are being influenced in your decisions by erroneous legal advice. It is highly important, if we are to accomplish any real and fundamental results in tax reform that the Treasury discontinue its practice of making law by regulation. I realize, of course, that you were not with the Treasury when Treasury Decision 5507 was promulgated. However, it is a real disappointment to me that you are not taking any steps to correct this unfortunate administrative practice but are actually endorsing and ratifying it.

You state that the policy reflected in Treasury Decision 5507 was the result of conferences and extensive consideration of the statute, regulations, and Supreme Court and lower court decisions, but that your general counsel did not prepare any formal opinion with respect to this regulation. I believe it is most unfortunate that your general counsel did not prepare such an opinion in view of the disastrous effect of such a regulation upon our economy.

In tracing the policy behind Treasury Decision 5507, I think we should start with the regulation which was applied by the Supreme Court in the Smith case, the only opinion by that court on stock options, and which was decided on February 26, 1945. In that case Smith, an employee of the Western Cooperage Co. had received an option from that company to purchase shares of the Hawley Pulp & Paper Co., the management of which was taken over by Western pursuant to a plan of reorganization. Under Western's contract with Hawley, Western was to receive specified amounts of Hawley's capital stock as compensation for services rendered when the amount of Hawley's indebtedness had been reduced by a certain amount. The Tax Court found from the option itself, the resolution of Western's board of directors, and from petitioner's own testimony that Western gave the option to purchase as

compensation for services rendered in effecting the reorganization plan of Hawley.

The regulation before the court in that case was Treasury Regulation 101, article 22 (a)-1, which provided: "If property is transferred by an employer to an employee, for an amount substantially less than its fair market value, regardless of whether the transfer is in the guise of a sale or exchange, such * * * employee shall include in gross income the difference between the amount paid for the property and the amount of its fair market value to the extent that such difference is in the nature of (1) compensation for services rendered."

In the Government's brief before the Supreme Court in the Smith case, page 22, the following statement is made:

"The governing Treasury regulation providing that where property is transferred by an employer to an employee for an amount substantially less than its fair market value, the employee shall include the difference in his gross income to the extent that it is in the nature of compensation for services, express well settled principles, are of long standing, and must be deemed to have Congressional approval."

In the note to the Government brief, page 11, it was stated that the phrase "To the extent that such difference is in the nature of compensation for services rendered," which was not in the original regulation was added "to conform the regulation to the course of judicial decisions."

Furthermore, the Government in the same brief admitted that all gains flowing from the employer-employee relationship are not in the nature of compensation, stating "Conceivably such a bargain may occur where an employer can find no other buyer in a stagnant market, or even where the sole purpose is to insure the employee's unflagging loyalty by giving him a stake in the employers' business."

In its opinion the Supreme Court in the Smith case stated: "The regulation specifically includes in income properly 'transferred' by an employer to an employee, for an amount substantially less than its fair market value even though the transfer takes the form of a sale or exchange, to the extent that such employee receives compensation."

The opinion of the Court concluded as follows:

"The Tax Court thus found that the option was given to respondent as compensation for services, and implicitly that the compensation referred to was the excess in value of the shares of stock over the option price whenever the option was exercised. From these facts it concluded that the compensation was taxable as such by the provisions of the applicable revenue acts and regulations. We find no basis for disturbing its findings, and we conclude it correctly applied the law to the facts found."

From the foregoing it should be borne in mind that the Tax Court, the Supreme Court, and the Government's brief did not disapprove of Treasury regulation 101, article 22 (a) 1, but actually applied it to the facts in the Smith case.

After the decision in the Smith case, but before the issuance of Treasury Decision 5507, the Tax Court handed down its decision in the Lamond case. In that case, the facts disclosed that the taxpayer was given the option to purchase stock in the company "so he would have an interest in the business and a measure of control over his process of manufacturing the steel couplings." It should be noted, therefore, that this was one of the situations called to the attention of the Supreme Court by the Government's brief in the Smith case, where a bargain purchase did not result in the nature of compensation. The Tax Court, which as already pointed out, had decided the Smith case in favor of the Government, decided the Lamond case in favor of the taxpayer, stating:

"Whether the difference between the fair market value of the shares which petitioner purchased in 1941 and their cost (par value) constitutes taxable income to him, as the respondent has determined, depends upon whether his right to purchase the shares at a bargain price was given to him as compensation for his services. If it was the intention of the parties that that advantage was given to him as additional compensation then the respondent's determination is correct. See *Commissioner* v. *Smith* (324 U. S. 177 (45-1 U. S. T. C. 9187)); *Connolly's Estate* v. *Commissioner* (135 Fed. (2d) 64 (43-1 U. S. T. C. 9366)); *Mason* v. *Commissioner* (125 Fed. (2d) 540 (42-1 U. S. T. C. 9217)); *Crowell* v. *Commissioner* (62 Fed. (2d) 51 (3 U. S. T. C. 1005)). However, if petitioner's right to the bargain purchase of the shares was not acquired by him as additional compensation then the purchase of the shares did not result in realization of taxable income. *Delbert B. Geesman* (38 B. T. A. 253 (December 10,112); *Herbert H. Springford* (41 B. T. A. 1001 (December 11,083))

"The evidence is convincing in this case that the right to purchase the shares in question at par value was not given to petitioner as compensation for services to be rendered. Of course, it was not for services already rendered since the agreement was made at the time of the company's organization. At the time petitioner first acquired shares under the agreement and at the time the agreement was made their fair market value was not in excess of par value, which petitioner paid. The fact that the company prospered and that the shares later more than doubled in value in no way affected petitioner's rights to purchase them at the option price. We think that the respondent was in error in determining that the excess value of the shares which petitioner purchased in 1941 over their cost to him was compensation to be included in his gross income."

I am unable to understand why the Treasury, when it had the benefit of the Lamond decision prior to the issuance of Treasury Decision 5507, should completely disregard that case and treat the exercise of all options given to an employee by an employer as additional compensation. I am forced to conclude that those making such a decision were attempting to impose their own social or economic theory upon the country in complete disregard of statutory or decision law.

This conclusion is further supported by the statement made in your letter relative to the Van Dusen case. In your letter you state, and I quote: "The importance of the Smith case in the field of tax law on employee stock options was recently attested to by the Tax Court in its statement that the Smith case has rendered previous decisions on the subject obsolete (*Van Dusen* (8 T. C. No. 47)). These previous cases date almost entirely since 1938. As you know, Treasury Decision 5507 reestablishes the rules with respect to employee stock options which were in effect from 1923 to 1939."

The statement in your letter to the effect that the Tax Court in the Van Dusen case stated "that the Smith case has rendered previous decisions on the subject obsolete" is clearly erroneous. What the Tax Court actually said, and I quote: "Close analysis of the facts in the decided cases, together with their chronology with reference to *Commissioner* v. *Smith*, supra, will serve to distinguish or render obsolete as authority the cases relied on by petitioner."

This shows that the Tax Court did not regard all cases decided prior to the Smith case as obsolete, but recognized that some cases were distinguishable. A striking illustration of the distinguishing cases presented by the petitioner to which the court referred are those where the stock option is granted to give the employee a stake in the business, for example, the Geesman case

It should be borne in mind that the Tax Court in the Van Dusen case recognized in its opinion that there is no hard and fast rule applicable to the subject of stock options, the court stating, "Each case turns on its own facts."

Your letter states that Treasury Decision 5507 reestablished rules with respect to employee stock options which were in effect from 1923 to 1939. I again refer you to the statement in the Government's brief in the Smith case that the rules prior to 1939 were changed "to conform the regulation to the course of judicial decisions." In promulgating Treasury Decision 5507 and reestablishing the old rule, the Treasury is completely disregarding judicial decisions. Furthermore, it should be pointed out that even under the old rule there had to be a substantial difference between the fair market value and the option price. Even this part of your letter is erroneous, since the word "substantially," which was in the old regulation, is omitted from Treasury Decision 5507.

I note you state that the dean of a law school, whom you do not identify, states that "I really do not see how it is possible to give a stock option to an executive which is not available to anyone else, without its being compensation." This statement is interesting, but, of course, could not be relied upon to the extent it conflicts with existing court decisions.

How can the Treasury continue to support the validity of Treasury Decision 5507 in view of the decided cases? It is no answer to state that if the taxpayer believes the regulation to be erroneous he can test the matter out in litigation. What good purpose can it serve to force the taxpayer to litigate this question?

These decisions clearly show the Treasury could have taken the other view and liberalized the regulations to specifically cover cases where the option was given by the employer to enable the employee to have a stake in the business. Instead, Treasury Decision 5507 actually prevents this by forcing the employee to sell his stock acquired under the option to pay his tax.

I again request that Treasury Decision 5507 be reconsidered by the Treasury.

It should be both the concern of the Congress, as well as of the Treasury, to see that the regulations are in accord with statutory and decision law. In order that our staff may make a comprehensive investigation of the policy behind Treasury Decision 5507, I am submitting herewith a formal request for all preliminary memorandums and drafts considered in the preparation of Treasury Decision 5507.

Respectfully yours,

HAROLD KNUTSON,
Chairman.

[Enclosure]

REQUEST FOR DATA AND INFORMATION

CONGRESS OF THE UNITED STATES,
Washington, D. C., July 14, 1947.

THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

To Hon. A. L. M. WIGGINS, *Under Secretary of the Treasury, Washington, D. C., Greeting.*

Section 5012 of the Internal Revenue Code provides as follows:

"Additional powers to obtain data

"(a) The Joint Committee on Internal Revenue Taxation or the chief of staff of such joint committee, upon approval of the chairman or vice chairman, is authorized to secure directly from the Bureau of Internal Revenue (including the assistant general counsel for the Bureau of Internal Revenue), or directly from any executive department, board, bureau, agency, independent establishment, or instrumentality of the Government, information, suggestions, data, estimates, and statistics, for the purpose of making investigations, reports, and studies relating to internal revenue taxation.

"(b) The Bureau of Internal Revenue (including the assistant general counsel for the Bureau of Internal Revenue), executive departments, boards, bureaus, agencies, independent establishments and instrumentalities are authorized and directed to furnish such information, suggestions, data, estimates, and statistics directly to the Joint Committee on Internal Revenue Taxation or to the chief of staff of such joint committee, upon request made pursuant to this section."

By virtue of the authority vested in me under the above-quoted section of law, I hereby request that the following information, suggestions, data, estimates, and statistics be furnished directly to me at room 1111, New House Office Building, within 2 days from the date of this request:

1. All preliminary or original drafts considered in the preparation of Treasury Decision 5507, including memoranda and opinions by the former chief counsel for the Bureau of Internal Revenue, and his assistant, Mr. Robert Schulman, and others of the chief counsel's office.

2. Informal opinion of Mr. Fred Morrison.

3. The letter of the dean of the law school upon which you seem to rely.

HAROLD KNUTSON,
Chairman.

Under date of July 16, 1947, the Under Secretary of the Treasury advised me as follows:

JULY 16, 1947.

HON. HAROLD KNUTSON,
Chairman, Joint Committee on Internal Revenue Taxation, Washington, D. C.

MY DEAR MR. CHAIRMAN: I regret that it is impossible to comply with your request for certain data within the 48-hour limit set by your letter of July 14.

I find that the discussions that resulted in Treasury Decision 5507 went on over a period of many months and that most of the conferences were in the nature of discussions of which no minutes were kept.

I am having the files looked up in order to get together whatever material may have any bearing on the policy decision of the Treasury Department, and I will communicate with you just as promptly as possible after this material is assembled.

In the meantime, I can reply to items 2 and 3 of your request.

Informal opinion of Mr. Fred Morrison: This opinion was a personal matter at my request. It was given to me over the telephone, and I have no written communication from Mr. Morrison on the subject.

The letter of the dean of the Harvard Law School: This was a photostatic copy of a letter from Dean Erwin N. Griswold to a friend of his, and it is not an official document of the Treasury Department. However, I have secured the permission of Dean Griswold to furnish you a copy of his letter, which is enclosed.

I will reply to your letter and your request in item 1 as promptly as possible.

Yours sincerely,

A. L. M. WIGGINS,
Under Secretary of the Treasury.

[Enclosure]

LAW SCHOOL OF HARVARD UNIVERSITY,
OFFICE OF THE DEAN,
Cambridge, Mass., May 22, 1947.

PETER MILLER, ESQ.,
New Haven, Conn.

DEAR MR. MILLER: I want to thank you for sending me a reprint of your note on Treasury Decision 5507.

I have read this with much interest, and am especially glad to have the reprint for my tax file.

Your discussion seems to me both sound and helpful. It is quite a fashion among taxpayers and their lawyers to be very sour about Treasury Decision 5507. I have not been able to get over the feeling that this is primarily a reflection of their disappointment at having a nice tax-avoidance scheme snatched out of their hands. I know that tax rates are high, and that is probably too bad. But as long as rates are high, they ought to be high for everyone. I have never seen any particular reason why the class of business managers should be the recipients of low tax rates which are not available to other persons.

My own thought has been that the old regulation, which made the test turn on the existence of compensation, was a little like repealing the law of gravity. I really do not see how it is possible to give a stock option to an executive which is not available to anyone else, without its being compensation. If that is really true, and I think it is, then there really can be no objection to Treasury Decision 5507.

Very truly yours,

ERWIN N. GRISWOLD,
Dean.

Under date of July 18, 1947, I again wrote to the Under Secretary, as follows:

JULY 18, 1947.

HON. A. L. M. WIGGINS,
Under Secretary of the Treasury, Washington, D. C.

DEAR MR. WIGGINS: I am in receipt of your letter of July 16, 1947, in which you state that you are having the files on Treasury Decision 5507 looked up, in order to get together whatever material may have any bearing on the policy of the Treasury Department in the promulgation of that Treasury decision, and that you will communicate with me just as promptly as possible after this material is assembled. I hope that you will give this matter your immediate attention, so I can receive this material early next week.

In the meantime, I would like to have, before the close of business on Monday, July 21, 1947, copies of the original drafts of regulations 5507 which were prepared in the office of the chief counsel for the Bureau of Internal Revenue and sent to the Treasury, together with any memorandum from Mr. Wenchel, chief counsel, or Mr. Schulman, his assistant, relating to this matter. I am sure that if you will contact the chief counsel's office, you can get this material promptly and it is important that I receive it before 5 o'clock, Monday, July 21.

I note from your statement that you have no written communication from Mr. Fred Morrison, relating to this matter. Of course, if you have no written communication from Mr. Morrison, you cannot furnish me with one, but both Senator MILLIKIN and myself, from our conversations with you, had the distinct impression that you had an exhaustive legal opinion from Mr. Morrison on this point. An off-the-cuff telephone conversation is certainly no legal basis for supporting Treasury Decision 5507.

I also note that you have no article from a law-school dean, but only a letter written by Dean Griswold, of the Harvard Law School, to Mr. Peter Miller, of New Haven, Conn. Dean Griswold, whom I understand was assistant to Mr. Randolph Paul when he was in the Treasury Department, states that "I really do not see how it is possible to give stock option to an executive which is not available to anyone else, without its being 'compensation.'" Others in the past have shared the same view and actually persuaded the Treasury to adopt a regulation to that effect prior to 1939. However, as pointed out by the Government in its brief in the Smith case, the Treasury was compelled to amend this regulation so that it would conform to judicial decisions. Obviously, Mr. Griswold is only expressing his own personal view of what he would like the law to be.

I am disturbed by the statement in Dean Griswold's letter to the effect that taxpayers and their lawyers are sour about Treasury Decision 5507 because "this is primarily a reflection of their disappointment at having a nice tax-avoidance scheme snatched out of their hands" and his statement that "I have never seen any particular reason why the class of business managers should be the recipients of low tax rates which are not available to other persons." This is the same view which I fear is shared by those in the Treasury who promulgated Treasury Decision 5507. It is certainly contrary to the views expressed both by you and by the Secretary that stock options should be encouraged as a form of management incentive.

Hoping that you will give this matter your prompt attention, I remain

Yours sincerely,

HAROLD KNUTSON.

Under date of July 21, 1947, the Under Secretary of the Treasury wrote to me as follows:

JULY 21, 1947.

HON. HAROLD KNUTSON,
Chairman, Joint Committee on Internal Revenue Taxation,
New House Office Building,
Washington, D. C.

DEAR MR. KNUTSON: Agreeable with your request of July 18, I am enclosing photostatic copies of the original draft of regulation 5507, which was prepared in the office of the Chief Counsel of the Bureau of Internal Revenue and sent to the Treasury, together with a memorandum from Mr. Wenchel, Chief Counsel, relating to this matter; also IT 3795.

I am assured both by the office of the Chief Counsel of the Bureau of Internal Revenue and of the General Counsel of the Treasury Department that there was no preliminary draft of this Treasury decision prepared in either office.

For your information, I find that the decision on Treasury Decision 5507 was reached in the office of the Under Secretary of the Treasury, Mr. O. Max Gardner, on Friday, April 5, 1946, at which were present Under Secretary Gardner, General Counsel O'Connell, Commissioner Nunan, Chief Counsel of the Bureau of Internal Revenue Mr. Wenchel, and the Tax Legislative Counsel, Mr. Surrey. So far as I can learn, the decision on Treasury Decision 5507 was unanimous in this group.

As I have indicated to you before, I am convinced that Treasury Decision 5507 represents the legal application of the law, even though I think it desirable that there should be some change in the treatment of stock options. I am clearly convinced that this can be done properly only through legislative enactment. I will be glad to cooperate with you and your staff toward that objective.

I will be glad at any time to discuss the stock option problem with you further or your Chief of Staff or to have either of you discuss the matter with any of the men in the Treasury, including the Bureau of Internal Revenue or to arrange conferences with any group you may desire.

Sincerely yours,

A. L. M. WIGGINS,
Under Secretary of the Treasury.

[Enclosure]

TREASURY DEPARTMENT,
Washington, April 9, 1946.

In re employee stock options.

To MR. GARDNER, MR. O'CONNELL, MR. NUNAN, MR. SURREY:

Conformity with the conclusions reached in the conference held in Mr. Gardner's office on Friday, April 5, 1946, I have prepared and am submitting a proposed Treasury decision, regarding the income-tax consequences of employee stock options, amending section 29.22 (a)-1 of regulations 111, and a proposed I. T. setting forth the interpretations which will be made by the Bureau in its administration of the proposed Treasury decision.

The proposed Treasury decision amends the regulations to go back to the rule which was in effect prior to the Tax Court's decision in the Geeseman and other cases. That is, the proposed Treasury decision states in effect that anything which is given by an employer to an employee for less than fair market value is in the nature of compensation and taxable as such. However, as agreed at our conference, the proposed Treasury decision does not affect the exercise or transfer, at whatever date, of options to purchase stock which were granted to employees prior to February 26, 1945, the date of the Supreme Court decision in the John H. Smith case. As respects such options, as indicated in the proposed I. T., the Bureau will hold that the exercise or transfer of the options does not result in taxable income, provided there was no substantial spread at the time the option was granted and the option arrangement did not otherwise clearly result in compensation under the regulations as amended and interpreted after the Geeseman case, and prior to the application for certiorari in the John H. Smith case, and provided also that the employee to whom the option was given agrees to take as his basis for the stock only the actual price paid therefor, and the employer agrees to claim no deduction attributable to any aspect of the option arrangement.

In addition, the proposed I. T. sets out the manner and measure of taxability under the new Treasury decision as respects the exercise or transfer of options granted on or after February 26, 1945. In short, the I. T. holds that the employee realizes income by way of compensation, and the employer is entitled to a corresponding deduction, when the employee exercises the option or disposes of it for a fair and full consideration; and no tax consequence attaches to the mere receipt of the option.

J. P. W.

[Enclosure]

SECTION 22 (a). GROSS INCOME: GENERAL DEFINITION

(Sec. 29.22 (a)-1: What included in gross income. (Also sec. 23 (a), sec. 29.23 (a)-6; sec. 23 (e), sec. 29.23 (e)-1—1946-8-12295, I. T. 3795))

INTERNAL REVENUE CODE

Treatment for Federal income-tax purposes of the granting to an employee of an option to purchase stock of the employer corporation, or an affiliate of the employer corporation, and the subsequent exercise, transfer, or lapse of such an option.

Advice has been requested as to the income-tax consequences which attach to the granting to an employee of an option to purchase stock of the employer corporation, or of an affiliate of the employer corporation as set forth in section 141 (d) of the Internal Revenue Code, and the subsequent exercise, transfer, or lapse of such an option.

Section 22 (a) of the Internal Revenue Code includes in an employee's taxable income any economic or financial benefit conferred on him as compensation, whatever the form or mode by which it is effected. (*Commissioner* v. *Smith* ((1945) 324 U. S. 117); *Old Colony Trust Company* v. *Commissioner*, ((1929) 279 U. S. 716).)

Section 29.22 (a)-1 of regulations 111, as amended by Treasury Decision 5507, approved April 12, 1946, applies to options granted to employees on or after February 26, 1945, the date of the Supreme Court's decision in *Commissioner* v. *Smith*, supra, and provides in part as follows:

"If property is transferred by an employer to an employee for an amount less than its fair market value, regardless of whether the transfer is in the form of a sale or exchange, the difference between the amount paid for the property and the amount of its fair market value is in the nature of compensation and shall be included in the gross income of the employee. In computing the gain or loss from the subsequent sale of such property its basis shall be the amount paid for the property, increased by the amount of such difference included in gross income."

In view of the foregoing, if an employee receives an option on or after February 26, 1945, to purchase stock of the employer corporation, or of an affiliate of the employer corporation as set forth in section 141 (d) of the Internal Revenue Code, and the employee exercises such option, the employee realizes taxable income by way of compensation on the date upon which he receives the stock to the extent of the difference between the fair market value of the stock when it is received and the price paid therefor.

If the employee transfers such option for consideration in an arm's-length transaction, the employee realizes taxable income by way of compensation on the date he receives such consideration to the extent of the value of such consideration.

If the employee transfers such option in a transaction other than at arm's-length and the transferee thereafter exercises the option, the employee realizes taxable income by way of compensation on the date upon which the transferee receives the stock to the extent of the difference between the fair market value of the stock at that time and the price paid therefor less the value of any consideration previously received by the employee for the transfer of the option, which latter value is taxable when received by the employee.

No deduction is allowed to the employee by reason of the lapse of such option except to the extent of any consideration in money or property previously paid by the employee for the option and not recovered by him, such unrecovered consideration being deductible, pursuant to section 23 (e) of the Internal Revenue Code, in the year in which the option expires.

If such option is granted to the employee by the employer corporation, the amount of compensation realized by the employee under the foregoing principles is deductible by the employer corporation, in the year in which the employee realizes such compensation, to the extent set forth in section 23 (a)(1) of the Internal Revenue Code.

Treasury Decision 5507, supra, does not apply to the case of the exercise or transfer, at whatever date, of an option which was granted to an employee prior to February 26, 1945, to purchase stock of the employer corporation, or of an affiliate of the employer corporation as set forth in section 141 (d) of the Internal Revenue Code.

Accordingly, in view of the prior development of the regulations and interpretations relative to employee stock options (see T. D. 3435, (1923) II-1 C. B. 50; I. T. 3204, 1938-2 C. B. 126; T. D. 4879, 1939-1 C. B. 159), as respects an option granted to an employee prior to February 26, 1945, unless at the time such option was granted, there was a substantial difference between the fair market value of the stock and the option price therefor, or, within the purview of section 29.22 (a)-1 of Regulations 111 prior to the amendments made by Treasury Decision 5507, supra, the employee would otherwise clearly realize income by way of compensation through the exercise or transfer of the option, this office will hold that the exercise or transfer of such option, as the case may be, does not result in income to the employee by way of compensation under the principles enunciated in the preceding paragraphs, provided, however, that on or before July 1, 1946, the employee to whom such option is granted and any transferee thereof, and the employer corporation or any other taxpayer who granted such option to the employee, file in duplicate with the Commissioner of Internal Revenue at Washington, D. C., written consents (1) agreeing that the basis to the employee, and to any transferee of the option, for the stock acquired or to be acquired pursuant to the option shall be the actual price paid therefor and that no deduction shall at any time be claimed attributable to any aspect of the option arrangement, under section 23 (a) (1) or any other subsection of the Internal Revenue Code, by the employer corporation or the taxpayer who granted the option, and (2) indemnifying the Commissioner against the filing of a claim for credit or refund, or any other action by any taxpayer concerned, inconsistent with the consents filed.

For purposes of the preceding paragraph, in determining what constitutes a substantial difference between the fair market value of the stock and the option price in any particular case, consideration will be given, among other things, to the number of shares subject to the option, to the previous variations in fair market value of the stock, and to the type of business and history of the employer corporation and its affiliates.

JOSEPH D. NUNAN, JR.,
Commissioner.

Approved: April 12, 1946.

JOSEPH J. O'CONNELL, JR.,
Secretary of the Treasury.

[Enclosure]

(T. D. 5507)

TITLE 26, INTERNAL REVENUE—CHAPTER I, BUREAU OF INTERNAL REVENUE—SUBCHAPTER A, INCOME AND EXCESS-PROFITS TAXES

PART 29, INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

Regulations 111 amended—Property transferred for an amount less than its fair market value

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER
OF INTERNAL REVENUE,
Washington, D. C.

To Collectors of Internal Revenue and Others Concerned:

PARAGRAPH 1. Section 29.22 (a)-1 of regulations 111 (part 29, title 26, Code of Federal Regulations, Cum. Sup.) is amended by striking out the second paragraph and inserting in lieu thereof the following:

"If property is transferred by a corporation to a shareholder, for an amount less than its fair market value, regardless of whether the transfer is in the form of a sale or exchange, such shareholder shall include in gross income the difference between the amount paid for the property and the amount of its fair market value to the extent that such difference is in the nature of a distribution of earnings or profits taxable as a dividend. In computing the gain or loss from the subsequent sale of such property, its basis shall be the amount paid for the property, increased by the amount of such difference included in gross income. This paragraph does not apply, however, to the issuance by a corporation to its shareholders of the right to subscribe to its stock, as to which see article 22 (a)-8."

Closed.

W. E. B.

"If property is transferred by an employer to an employee for an amount less than its fair market value, regardless of whether the transfer is in the form of a sale or exchange, the difference between the amount paid for the property and the amount of its fair market value is in the nature of compensation and shall be included in the gross income of the employee. In computing the gain or loss from the subsequent sale of such property its basis shall be the amount paid for the property, increased by the amount of such difference included in gross income."

PAR. 2. In the case of property transferred by an employer to an employee pursuant to the exercise of an option granted to the employee before February 26, 1945, the provisions of these regulations prior to the amendment made by this Treasury decision shall apply.

(This Treasury decision is issued under the authority contained in sections 62 and 3791 of the Internal Revenue Code (53 Stat. 32, 467; 26 U. S. C. 62, 3791).)

JOSEPH D. NUNAN,
Commissioner of Internal Revenue.

Approved: April 12, 1946.

JOSEPH J. O'CONNELL, Jr.,
Acting Secretary of the Treasury.

Filed with the Federal Register, April 12, 1946, 11:42 a. m., Federal Register Serics No. 2869.

Mr. Speaker, the material submitted by the Under Secretary in his letter of July 21, 1947, was of no assistance in determining the position of the chief counsel and the Commissioner of Internal Revenue in regard to this matter, since it was material submitted after the Treasury reached its decision on Treasury Decision 5507 and was prepared to carry out that decision.

The Under Secretary of the Treasury has agreed to permit the staff to examine the Bureau file to ascertain the views of the chief counsel and the Commissioner as to Treasury Decision 5507, and the staff is now making such an examination. However, I have not as yet received any communication from the Under Secretary of the Treasury in response to my letter of July 14, 1947, calling attention to the misstatements contained in his letter of June 23, 1947, and requesting that Treasury Decision 5507 be reconsidered and made to conform to law. In the meantime, the country is forced to suffer from this unsound administrative policy of interfering with management incentive.

So long as the soak-the-rich and social-reform policies of Morgenthau continue to dominate the views of the Treasury it is impossible for the committee to secure any real cooperation from that source.

If There Is Any Doubt That the German Cartel Conspirators Who Financed and Are Responsible for World War II Are Being Aided by Great Britain and Some of Our Own Financiers and Industrialists—These Facts Will Dispel All Doubts

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EXTENSION OF REMARKS
OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1947

Mr. SABATH. Mr. Speaker, if there be the slightest doubt in the mind of anyone that there is a sympathy of interests, a tie-up and secret collusion, between the British financial and industrialist lords and the German cartelists, Junkers, and militaristic officials, I most respectfully urge the reading of a recent release from the Society for the Prevention of World War III, Inc., an organization composed of Americans with patriotic devotion to the best interests of America, not only today but in the future.

After reading this straight-forward, hard-hitting statement, which names names and documents its case, no one can any longer fail to understand why, in the British zone of occupation of Germany, only 7 percent of the military potential for war has been dismantled, in spite of the Potsdam agreement.

It will make you wonder, too, if some of the officials of our own State Department have not been unduly influenced by the shrewd and conniving British diplomats who are cooperating with and aiding in the rebuilding of a strong German industry for the benefit of these dangerous cartelists.

READ HOW THE NAZI HITLER LEADERS ARE BEING REWARDED INSTEAD OF PUNISHED BY GREAT BRITAIN, AND PLACED IN THE MOST IMPORTANT POSITIONS IN THE REVIVING GERMAN CARTEL INDUSTRIES

The golden threads of avarice which held together the German, British, American, Dutch, Belgian, Spanish, and other great monopolies have not been broken by World War II. European and English financial interests still hold, one way or another, their own investments in the cartels, just as they still hold their large interests in the many American industrial securities.

Why are our own American industrialists and financiers so much interested, as Mr. Hoover urges, in the reestablishment of German industry? Why are the Du Ponts, International Telephone, Standard Oil, General Electric, and others so anxious to cooperate with German industry, and to win over the American military government—and indeed the American home Government—to a policy of industrial rehabilitation and prosperity for Germany?

WILL GERMANY BE GIVEN THE OPPORTUNITY TO PREPARE FOR A THIRD WORLD WAR?

Can it be that these great interests have forgotten nothing and learned nothing from the holocaust of three world wars; that their policy still is one of rule or ruin, in opposition to our Government's declared policy of establishing and maintaining world peace?

Are these vast economic aggregations, their absolute powers in the economic sphere limited only by the political restraints of our democratic form of government, determined once more to give the German cartels the opportunity of precipitating another terrible world war from which our civilization can never hope to recover?

And, Mr. Speaker, most important of all, are we so blind to the true interests of the American people that we shall permit that to happen?

I am now inserting the news release of which I have spoken, which names and describes the dangerous Nazis who still remain in positions of power in Germany, and tells what those positions are.

It warns of the dangers to the future of the world and of our own American security if they are allowed to remain in those positions. Mr. Speaker, what are we in the Congress of the United States going to do about this situation?

WHY DO NAZIS REMAIN IN CHARGE?

The new American directive on policy toward Germany and the forthcoming meeting of United States and British representatives in Washington to elaborate a final program for the rebuilding of Germany's economic power brought forth a sharp warning from C. Monteith Gilpin, secretary, the Society for the Prevention of World War III, on the continuation of notorious Nazis and former Hitler supporters in key positions in the German economy today.

Mr. Gilpin stated that these Nazis not only remain in strategic control of German industry but are also part of those elements seeking to preserve Germany's industrial war potential.

"It is they," Mr. Gilpin pointed out, "who are instrumental in the concoction of the myth that the perpetuation of German economic might is the most essential ingredient in any plan for the rehabilitation of Europe.

"It is they who have continually and deliberately defied, mismanaged and sabotaged the Allied program on economic disarmament, hoping that after they have made a mess of the program, the Allies would rush in and underwrite the revival of Germany's industrial war potential on the allegation that Potsdam was no longer workable."

Mr. Gilpin stated that the society has repeatedly asked the Government the following questions:

1. Why do we permit the continuation of these Nazis in key political and economic positions?

2. Why do we permit the Germans to sabotage the production of coal in the Ruhr which is now less than one-half of the prewar level production?

3. Why don't we help in the reconstruction of Europe by seeing to it that Germany's victims receive immediate delivery of the 1,557 plants earmarked for reparations, but of which only 6 complete ones have been transferred as of February 1947?

4. Why do we want to maintain Germany's economic mastery over Europe?

Mr. Gilpin stated that the society remains firmly opposed to any rise in German steel output above the amount agreed to by the Big Four, and to any measures or decisions regarding Germany which would threaten the security of Germany's neighbors and, to warn the American people of the dangers in Germany today, submits to the American public the following partial list of important Germans who are pro-Nazi and Pan-German and are sabotaging the Allied program for the elimination of Germany's war potential:

1. ALFRED HUGENBERG

Alfred Hugenberg was one of the most heavy contributors to the Nazi Party funds. He was a member of the first Hitler cabinet.

Since the defeat of Germany, he has been very active in the German steel cartel and especially active as chairman of the board of the Vereinigte Stahlwerke, the biggest steel combine in Europe and the second largest in the world. On December 4, 1946, when the British authorities were asked why they did not denazify and remove Hugenberg from the Vereinigte Stahlwerke, the British authorities answered: "It takes a vote of the shareholders of the company to remove him as board chairman." Hugenberg has not been removed, and has veen very active in the rehabilitation of the German steel industry in the Ruhr.

2. DR. ERNST POENSGEN

The spokesman for the German heavy industry, Vereinigte Stahlwerke and the coal industry has been for more than 30 years, Ernst Poensgen. He is now 77 years old. He was retired in 1943 under the express orders of Hitler in order to use his services in case of the defeat of Nazi Germany. For his outstanding services to the Nazi cause, he was decorated by Hitler personally with the title of Wehrwirtschaftsfuehrer—the highest decoration given to big Nazi tycoons. Ernst Poensgen founded the International Steel Cartel in 1926. In 1939, Ernst Poensgen, as spokesman for the German heavy industry, negotiated the famous Dusseldorf agreement with the representatives of the British heavy industries, Sir Percy Mills and Sir Andrew

Duncan, dividing the world into two spheres for German-British economic exploitation.

Sir Percy Mills was, until recently, the head of the economic division in the British zone.

Because of Poensgen's intimate tie-ups with British heavy industry, he was reappointed head of the Vereinigte Stahlwerke 5 months ago. Thus, today he is in a position to continue his nefarious work against the interests of peace and in a position to rebuild Germany's war potential. Although he was a member of the Nazi Party, he was never denazified, and now heads the reconstruction of Germany's war potential.

In 1940, before France's downfall, Poensgen was appointed by General of the SS, Otto Steinbrink, to plan the distribution of the French heavy industry among the German steel magnates.

3. HEINRICH DINKELBACH

Heinrich Dinkelbach is a notorious Nazi, and a member of the board of directors of the Vereinigte Stahlwerke and one who has worked in the closest possible association with Ernst Poensgen to build up Germany's war machine. Not only has he not been arrested, but he is now director of the iron and steel industry in the British zone operating from North Cumberland House in Dusseldorf—the house used to be called the Stahlhaus, up to 2 years ago. By virtue of his new position, he succeeded in freeing 27 of the 31 high officials of the Vereinigte Stahlwerke who were previously arrested as notorious Nazis.

4. ROBERT PFERDMENGES

Once known as the richest man in Germany, Pferdmenges has been the head of a very important bank in Cologne and a close collaborator and friend of Baron Schroeder, the midwife of Naziism. Pferdmenges has actively collaborated with von Schroeder and like von Schroeder, is a Nazi. Today, he is a member of the new German Bi-Zonal Economic Council, in spite of his notorious past.

5. HERMAN ABS (DEUTSCHE BANK)

The big commercial banks in Germany headed by the Deutsche Bank are again in operation. These big banks have played a tremendous role in making the Nazi regime what it was. The head of the Deutsche Bank is Herman Abs, who, under the Nazi regime, was more powerful even than Schacht. Two days before the fall of Berlin, Herman Abs was given the facilities to go through the British lines with seven billions of marks cash in order to establish his business in Hamburg, in the British zone. Ever since he has been acting as adviser on economics and finances to the commander of the British zone, Sir Sholto Douglas. In 1946, the Deutsche Bank, with the help of the Dresdner Bank, granted a loan of 125,000,000 Reichsmarks to the Vereinigte Stahlwerke for the purpose of repairing their damaged plants.

6. WILHELM ZANGEN

Wilhelm Zangen was the brains behind the notorious Mannesmann combine which has played a tremendous role in foreign politics and the expansionist plans of Germany for many years.

Wilhelm Zangen has been the chief administrator for the Mannesmann combine since 1933, immediately after Hitler's coming to power. Zangen was a very prominent member of the Nazi high command. Zangen is now working very closely with the British authorities trying to revive the German tube industry and the international tube cartel of Europe.

7. RUDIGER SCHMIDT

Rudiger Schmidt was, and is, the brains behind Harpener Bergbau, one of the most important iron and coal components of the Frederick Flick concern. While Flick is now being tried as a war criminal, Schmidt has been in charge of the Rheinisch-Westphalische Kohlen Syndikat, the biggest coal cartel in Germany.

Nothing has happened to the cartel which controls 75 percent of Germany's hard coal production. Rudiger Schmidt, although a Nazi was placed in charge of the export division of the R. W. K. S. shortly after the occupying powers entered Germany. He has been closely tied up with the international coal cartel and the British coal interests.

8. DR. WOLE WITZLEBEN

Dr. Witzleben has been one of the highest officials of the Siemens Electrical Trust, the biggest in Germany and the most important electrical trust in Europe. The Siemens Co. was instrumental in installing the most efficient gas chambers and electrical devices for the purpose of exterminating the victims in Auschwitz and Buchenwald.

He is a very prominent Nazi and had close contacts with the high Nazi officials. Despite the fact that he was found guilty of the crimes by German denazification courts, the British authorities insisted that he be returned to the company because his services were indispensable. He is now active again, collaborating with Dr. Philip Jessen, the financial and political genius of the company, in coordinating the operations of the Siemens Co. in the four occupied zones of Germany.

9. JOHAN BENKERT

Johan Benkert has been the engineer assisting Witzleben in devising the most efficient instruments to exterminate victims in the concentration camps. He, too, was convicted by the denazification courts, but ordered reinstated to his former post by the Britisn authorities.

10. BRUNO POHLMANN

Bruno Pohlmann has been an engineer working very closely with Benkert and Witzleben. He was convicted by the German courts for the same crimes and ordered reinstated to his former post along with Benkert and Witzleben. All three were also found guilty of having used slave labor and of having committed atrocities against workers in the concentration camps at Buchenwald and Auschwitz.

11. DR. HARALD RASCH

The idea of procuring RFC loans to Germany was elaborated by Harald Rasch who was deputy director of the German bizonal committee up to a few months ago. The same Harald Rasch was, during the war, the administrator of the Mannesmann combine which was the chief looter of occupied Europe in 1940. Not only was he not arrested as a war criminal but was also appointed deputy director of the German Bizonal Economic Committee.

Although Rasch is no longer with the German Economic Committee, his plans for priming Germany industry with billions coming from RFC, and his ideas for rebuilding German heavy industry are beginning to materialize.

12. HELMUTH VITS

Helmuth Vits is the brains behind the Vereinigte Glanzstoff Fabriken, the rayon combine of Germany, and was closely identified with the economic plans elaborated for the Nazis regime. The VGF has several branches in the United States, but these German branches have been cloaked as American and the cloaking was done by Helmuth Vits. Vits is a notorious Nazi but was never denazified and the VGF is very active again—particularly in the British zone and Vits himself is acting as adviser to the British zone for the purpose of rehabilitating the rayon industry.

13. DR. REINHOLD MAIER

Dr. Maier was appointed minister president of Wurttemberg-Baden. In 1933, he was a member in the Reichstag and voted in favor of giving Hitler full powers. When he voted for Hitler, he made the following comment: "It is our hope and desire that the German people under Nazi leadership may bring the struggle to win freedom and new strength to a successful conclusion. We feel ourselves at one with the views expressed by Hitler here today."

When Dr. Maier was asked what he was going to do about the decartelization program he replied: "There is really nothing much to worry about now. Cartels are only effective where there is overproduction. Germany industry is not now overproducing."

14. WILHELM SIMFENDOERFER

Wilhelm Simfendoerfer was a well-known propagandist during the Hitler regime. The Laenderrat of Wurttemberg-Baden approved the appointment of Simfendoerfer as Minister of Culture on the strength of Maier's statement that he was indispensable to the success of administering Wurttemberg-Baden.

15. DR. JOSEPH BAUMGARTNER

Minister of Agriculture of Bavaria—Dr. Baumgartner, in a recent speech made before leaders of the Christian Socialist Union at a secret meeting in Munich, echoed the lies of Hitler and Goebbels. He bluntly boasted that he would sabotage American military government directives. He declared in part, "I am absolutely opposed to the export of additional valuable food into other laender (states) of the American zone or into the British zone. * * * It was simply decided by the bizonal food agency that Bavaria would have to furnish so and so many thousands of tons of fat within such and such a time. I refused, of course. The result was that these gentlemen got behind General Muller (Brig. Gen. Walter J. Muller, USMG of Bavaria) who ordered me to supply the fat. My answer was: 'You can, of course, put me in jail but I will not obey even this order of yours.' * * * But almost the greatest difficulty is in the fact—I hope we are among ourselves—that today almost only third and fourth-rate Americans are here in Germany * * * it can be observed everywhere that the majority of important Americans here consist of Freemasons and Jews."

16. HANS VON SCHLANGE-SCHOENINGEN

Schlange-Schoeningen is a close personal friend of Alfred Hugenberg who has contributed so much to Hitler's coming to power. He hails from East Prussia, was a prominent Junker, a large estate owner and a very prominent man in the Nazi Party in eastern Germany.

He was appointed in charge of agriculture in the British zone by the British commander. It is worthy of note that the deliveries of food in the British zone have been more delinquent than in the other western zones. Von Schlange-Schoeningen is now fighting against Dr. Baumgartner for the top post in the agricultural ministry of the new bizonal committee.

17. GUSTAV KILPER

Gustav Kilper was a very prominent Nazi under Hitler in Wurttemberg-Baden and was made deputy director of the Ministry of Economics in Wurttemberg-Baden at the special insistence of Rheinhold Maier, who claimed that the implementation of the plans elaborated by the Bizonal Committee of Economics would be a failure unless Kilper was made a very high official.

18. JOSEPH BEYERLE

Joseph Beyerle was a prominent member of the SS and had a high court post under the Nazi regime. At the insistence of Maier, Beyerle was made minister of justice of Wurttemberg-Baden.

19. WALTER WIDMANN

Walter Widmann was formerly chairman of the racial prosecution court at Wurttemberg-Baden and enjoyed very high prestige under the Nazi regime. He was appointed in 1946 as director of the provincial court

because of his close association with the Minister President R. Maier.

20. ANTON PFEIFFER

Secretary of State of Bavaria, he voted for the enabling act which gave Hitler his dictatorial powers, and during the war served in Hitler's counterespionage service. He openly admitted, in 1946, that 62 to 80 percent of the verdicts rendered by the denazification courts were erroneous. Yet, when his failures and neglect of duty were reported to American officials, the latter said, "Be careful. He is an old-line reactionary, and a strong Nationalist. If you offend him, he might resign."

21. MINISTER PRESIDENT LAHR

The minister president of the North Rhine Province which comprises most of the coal production of the Ruhr is Dr. Lahr, formerly closely connected with the German steel cartel. Dr. Lahr justified the low production of coal in his province on the ground that the total allocation of steel was only 5,500,000 tons per year. Therefore, he claimed that there was no necessity for Germany to produce coal for exports, since Germany is not going to be the blacksmith of Europe as she was before the war.

Republican Congress Delivers—Eightieth Congress During Its First Session Established Solid Foundation for Prosperity and Happiness in Reversing Ruinous New Deal Trend—United Republican Party Kept Its Pledges

EXTENSION OF REMARKS
OF

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HALLECK. Mr. Speaker, the Eightieth Congress has reversed the ruinous New Deal trend and established solid foundations upon which our people may pursue the American way of life and have prosperity, security, peace, and happiness.

The Republican Party has delivered. We have responded to the will of the people. We have demonstrated that ours is a united party, with a sound, forward-looking program in contrast with the divided Democratic Party dominated by quarrelsome, radical masters.

The era of "rubber stamp," spendthrift Congresses has been ended. The people now have a Congress whose record shows that it is doing what the Constitution intends that the legislative branch shall do—think through problems that confront our Nation, and backed by the wisdom of the people, solve those problems.

This is a Congress that considers economy to be a virtue—a Congress well advanced in its comprehensive program for clearing away the debris left by 14 long years of New Deal Democrat misrule, and for buttressing the American way of life.

Back in December 1945 the Republicans of the Senate and House of Representatives joined in issuing a Statement of Principles, Policies, and Objectives. It was the platform on which Republicans sought election to the Eightieth Congress. The Declaration said:

> Today's major issue is between radicalism, regimentation, all-powerful bureaucracy, class exploitation, deficit spending, and machine politics, as against our belief in American freedom for the individual under just laws fairly administered for all, preservation of local home rule, efficiency and pay-as-you-go economy in Government, and the protection of the American way of life against either Fascist or Communist trends.
>
> We believe that genuine social and economic progress can be achieved only on these American constitutional principles and it is our purpose to give our citizens this clean-cut choice.

In the election last November, voters throughout the length and breadth of our land sent to Congress Senators and Representatives who were dedicated to those principles, policies, and objectives. The election resulted in a landslide victory for the Republican Party.

President Truman, whose administration had been repudiated by the people, promised to cooperate with the Republican Congress in compliance with the verdict of the people. He has not kept that promise.

Instead, he has given the signals for opposition by bureaucrats and New Deal Democrats in Congress. He has made the tragic mistake of abusing the Presidential veto power in his efforts to thwart the will of the people and an overwhelming majority of Congress.

The issue in last November's election was clear. For nearly 14 years, under the New Deal, we had regimentation, all-powerful bureaucracy, radicalism, machine politics, and vote-buying. Professing to deplore prejudices among our people, the New Dealers did their utmost to set class against class, race against race, and to exploit for political advantage the prejudices that they had promoted in their striving to destroy the American way of life.

For years they had followed the policy of their radical masters to tax and tax, spend and spend. Promising the more abundant life, the New Dealers, by badgering business, by regimenting the people, by confiscating capital, that would otherwise go into productive enterprises and by discouraging investment in new and enlarged businesses, had restricted output and limited job opportunities.

Through their spendthrift policies and maladministration generally, the New Dealers by the time of the 1946 elections had brought our country to the brink of disaster.

And the Truman administration is still doing business at the old stand, fighting every step of the way against cutting the outrageously high cost of government, against tax relief, against sensible labor-management relations, and against other essential action to improve the lot of our people.

For our part, we Republicans believe that America can develop in the future as it has done in the past. By providing for every citizen an opportunity to improve himself, and by encouraging him to do so for the benefit of himself and his children; by making the Government his servant, not his master; by promoting output of things we need and things that make life pleasant in such vast quantities that all can enjoy them at low cost.

We believe in a government that gives essential services, but that does not play a meddlesome part in the life of every citizen or try to control him.

In our declaration of principles we said:

> Government can help its people to prosperity by lightening the burdens of debt and taxes, laying down the rules of fair play, and protecting those whose own strength and resources are not sufficient to protect them.

That is the solid road upon which the Republican Congress has been traveling. It is the road upon which America has become the greatest nation on earth. There is no room for communism, fascism, socialism, and new dealism—a combination of all the alien isms—in our American way of life.

COMMUNISTS ARE WEEDED OUT

The years of driving, exposing, and battling by the Republican Party to get rid of disloyal persons in the executive branch of the Government are beginning to bear fruit. They are now being weeded out of the Truman administration under our relentless pressure.

The House of Representatives passed a comprehensive act to purge disloyal persons out of the Truman administration. The Senate will complete action on it during the next session. President Truman belatedly gave lip service to the fact that his administration is shot through with disloyal persons. He could get rid of them if he would cut through the radical master minds of the hodgepodge Democratic Party and order a purge of the Government household.

Such a purge would be welcomed by the American people. That is the kind of purge the American people want, not attempts to purge sincere, patriotic legislators such as the purge of a forthright, anti-New Deal Democrat in Missouri, which has produced one of the most revolting election frauds in the country's history.

The Republican Party is determined to see that the law breakers are brought to justice despite opposition of the administration.

And our investigating committees of Congress are busy in many other directions looking into the almost daily charges of corruption, confusion, and communism in the Truman administration.

We believed that the cost of Government could be cut and the Republican Congress did cut Government expenditures. The Eightieth Congress made the best economy record of any Congress in a quarter of a century. Twice we passed tax-reducing bills only to meet Presidential vetoes.

When the Eightieth Congress convened last January, the Republican Party began at once to give effect to the principles and policies endorsed by the people. Its program now is well advanced. Many specific measures implementing that program already are law. Others are far along in the legislative process and we will complete action on them during the next session of Congress.

The many far-reaching measures enacted by the Republican Congress are having their intended effect. For the first time in many years, the Federal Treasury has a surplus of revenue over outgo; employment has reached an all-time high and there has been a reduction in production-stopping labor-management disputes.

Across the country there is a greater confidence in our future, a feeling of greater freedom from Government meddling and interfering, a greater assurance that the best interests of our people as a whole, not those of any party or group, come first. America is going forward again.

The Eightieth Congress has provided generously for relief and rehabilitation of war-devastated countries, not only because it is the decent thing to do but because our national security is involved. We have kept our obligations to the United Nations, joined the International Refugee Organization, and in other ways have left no doubt we Republicans are alert to the needs of the situation.

Now, let us examine in detail principles, policies, and objectives stated by us Republicans before our victory in last November's elections and see what the Republican Congress during its brief 7 months of existence has done to give them effect.

GOVERNMENT EXPENDITURES

This is what we pledged:

Economy in Government spending must be assured. Extravagant Government spending now advocated by the administration in every field can only lead to ruin. Programs involving expenditure of Federal funds should not be undertaken unless the justification therefor is clearly established.

Bureaucracy, with its thirst for power and self-perpetuation, must be drastically reduced. The number of Government employees must be cut to an efficient minimum.

We have kept that pledge.

President Truman submitted to Congress budget estimates calling for expenditure of $37,500,000,000 during the fiscal year ending June 30, 1948. He recommended in excess of another billion before Congress adjourned. Compare those astronomical figures with the total Government expenditures in prewar years. Expenditures for fiscal year 1933 totaled $5,143,000,000; for 1934 they were $7,100,000,000; and for 1939 fiscal year the Government spent $9,027,000,000. The Republican Congress not only called a halt on the New Deal Democrat trend; we reversed the procession.

The President insisted from start to finish that Congress vote him every dollar that he asked. He used every political weapon at his command. The New Deal propaganda machine worked overtime, manufacturing scare stories and trying to confuse the issue. The President sent a parade of bureaucrats before committees of Congress to argue against every proposed cut. He marshalled every available vote in Congress in favor of his spend-and-spend program.

Democrats generally in Congress fought stubbornly to restore cuts. Almost to a man, and on every occasion, they voted against reductions. They did their best to defeat our economy program.

We knew the budget must be cut. Notwithstanding new demands upon us, such as that for $400,000,000 for aid to Greece and Turkey, we cut the President's 1948 estimates by $2,766,000,000, and that is only part of the story. We rescinded funds that would otherwise have been spent amounting to $442,500,000. We made recoveries for the Treasury that the President did not recommend amounting over all to $911,700,000.

This makes a total cut below the 1948 fiscal year estimates of the President's budget of $4,120,200,000, and that is about as much as the entire cost of Federal Government in 1933, when the New Deal came to power.

In addition, we made cuts that were effective in making savings in the operations of the last fiscal year, amounting to $359,740,568.

Thus, the total savings to the Federal Treasury accomplished by the Republican Congress were $4,479,940,568.

This is a bullet-proof, conservative summary of the economies effected by the Republican Congress during its brief span of life. All the sharpshooting by New Deal Democrats and their communistic fellow travelers in their mourning against slashes in the padded Truman budget cannot tear down this accomplishment of the Republican Party.

ECONOMY DRIVE WILL CONTINUE

The Appropriation Committees of the Congress found the Truman administration's fiscal affairs in a chaotic condition. Money was being tossed here, there, and everywhere in a grand spree on the taxpayers' chest.

There were 1,980,000 persons on the civilian pay roll of the Government on January 1, 1947. Under our reduced appropriations, there will be a reduction of about 300,000 from what it was when the Republican Congress took over last January.

We have been careful in our economy program not to discontinue any necessary function of the Government. We received no cooperation from the Truman administration. The appropriation committees of Congress had to pry information out of unwilling bureaucrats and draw upon our own fund of knowledge as well as that of experts not connected with the Government in order to do the job the people said by their votes could and must be done.

Through scientific handling of appropriation bills we have begun to get the Government down to size and to get men and women whose services are not needed by the Government back to useful civilian employment where they are needed.

One of the first major accomplishments of the Republican Congress was to modernize our archaic legislative machinery through what was known as the Legislative Reorganization Act. Committees were consolidated, duplication lopped off, and procedures established for more efficient lawmaking. This set us back a month in getting our legislative program underway.

We established a bipartisan commission to recommend a similar plan for the executive branch of the Government. This commission consists of 12 members, 4 appointed by the President, 4 by the President pro tempore of the Senate, and 4 appointed by the Speaker of the House of Representatives. The commission is to report within 10 days after the Eighty-first Congress convenes in 1949—that is, after the next Presidential election.

The Eightieth Congress has made the biggest reduction in Presidential budget estimates since the budget system was established in 1923. We will continue our economy program during the next session of Congress and when the people in 1948 elect a Republican President, who will cooperate with a Republican Congress, we will finish the job.

TAXES

This is what our Declaration of Principles and Policies said on taxation:

Our tax burden must be equitably distributed. Taxes must be so imposed as to stimulate creative enterprise, not destroy it, and to afford the individual adequate purchasing power. Tax reforms and taxpaying must be simplified. There must be an incentive for business to expand production and employment for the individual to invest his savings in such expansion.

We kept our pledge to do all in our power to provide the tax relief our people demand and so well deserve. President Truman denied the people that relief through a flagrant abuse of the Presidential veto power.

It was an abuse of the Presidential veto power because the Founding Fathers never intended that this instrument should be used for that purpose. The drafters of our Federal Constitution included the veto power with great reluctance. It was one of the compromises that became necessary. Fresh in the minds of the Founding Fathers was the absolute power of kings at that time to veto actions of legislative bodies.

However, to effect our Federal system of checks and balances it was decided to include the veto instrument. Its primary purpose is to enable the Chief Executive to act on behalf of the people should a Congress during a period of high feeling over a passing issue trample the rights of the minority and enact measures encroaching upon the Executive branch of the Government.

None of these conditions prevailed during consideration of the tax-relief bills by the Eightieth Congress. There were public hearings and the issues were threshed out openly. Finally, the Congress by huge majorities passed its tax-reducing bills.

The Federal Constitution is specific in assigning the power to raise revenue to the Congress. It is a common saying that "Congress controls the purse strings." Only one President before the present incumbent had the temerity to veto a revenue bill. He was the late President Roosevelt, and the Democratic Congress indignantly enacted the measure over his veto.

Some of the Democrats in the Eightieth Congress who so meekly voted to sustain President Truman's vetoes of our Republican tax-relief bills, were vociferous in their denunciation of the Roosevelt veto. They called it tyrannical, a shameful invasion of the prerogative of

Congress to decide how and when tax changes shall be made.

The Roosevelt veto was overridden, but President Truman managed to muster a minority large enough in the Senate to force sustaining of his veto of our second tax-relief bill. The House of Representatives previously by more than a two-thirds majority had voted to override.

Twice we passed tax-relief bills. The President's veto of the first bill was sustained by the House of Representatives by a mere two-vote margin and thus killed the bill and obviated a vote by the Senate.

So eager were we Republicans to obtain tax relief for the people that we modified our bill in an effort to win approval by Mr. Truman. In his first veto message he said that it was the wrong time for tax reduction. The bill had made the effective date July 1, 1947. Our second bill was identical with the first bill, excepting one change—a change in the effective date to January 1, 1948. Again Mr. Truman denied the people tax relief.

Again he said that this was the wrong time to lighten the people's tax burden. It was bad enough for him to take that attitude, but still more serious are the implications in his setting himself against the will of the people and the great majority of the Congress in a field of legislation reserved to the Congress.

It will be very serious, indeed, for our country if we permit one man—though he temporarily holds the office of President—to measure his judgment against the collective wisdom of the people generally and of the Congress in expressing that will. Congress must hold onto its taxing power if our republican form of Government is not to be grievously impaired.

TAX BILL FAVORS "LITTLE FELLOW"

President Truman and his small band of opponents of the Republican tax-reducing bills grossly misrepresented the provisions of the bills. They tried to smoke screen their weak position by saying the bills favored the more fortunate in worldly goods over the less fortunate.

The paramount fact is that our Republican tax-reducing bills gave the greatest percentage of relief to persons in the low-income brackets. The bills provided a 30-percent reduction of the tax for individuals with surtax net income of $1,000 or less; a varying 30 percent to 20 percent on net income between $1,000 and $1,400; 20 percent on net income between $1,400 and $302,000, and a reduction of 10.5 percent on net income in excess of $302,000.

And here are some more facts that no amount of misrepresentation can obliterate: of the entire $4,081,000,000 of annual tax relief provided in the bills 63 percent was for persons receiving income of less than $5,000 a year. That 63 percent was divided 44.1 percent for those receiving less than $3,000 and 18.9 percent for those receiving between $3,000 and $5,000.

A greater percentage of reduction was provided by the Republican Congress for persons in the lowest-income group, because they have suffered most from the rising cost of living.

In addition to the fact that 2 years after the conclusion of hostilities the people are obviously entitled to relief from high wartime taxes, we Republicans are anxious to reduce taxes in order to reduce the cost of living.

The cost of government represented by taxes is one of the largest items in the cost of living. The American people now are taxed about one-third of the entire national income for the support of Federal, State, and local governments, and about 80 percent of that cost is represented by the Federal Government.

We are paying more to be governed or misgoverned than we pay for food. The total of all taxes is now about $50,000,000,000 a year, while in 1946 the total food bill for the Nation was between $36,000,000,000 and $39,000,000,000.

Taxes enter into the cost of everything a consumer buys, whether it is an automobile or a haircut.

We did succeed in preventing an increase in the present social-security payroll tax from 1 percent to 2.5 percent on January 1, 1948. We froze the 1-percent levy, which applies equally on employers, until 1950. The taxes saved for the people as a result of that action will amount to $2,000,000,000 annually, divided equally between employees and employers.

TAX-CUT FIGHT TO CONTINUE

There are other vital matters to consider in connection with the Republican Party's battle to lighten the tax burden. Through the years the New Deal Congresses used the taxing power to help make over America—to destroy small businesses and foster monopolies, and thus edge our country into national socialism.

Had our bill become law, it would have stimulated investing in enterprises that produce goods we need. It would have provided jobs in those enterprises, and it would have increased the wage earner's purchasing power. We could have cut taxes and still have reduced the national debt substantially.

The Republican Party will continue to fight for lightening of the tax burden, which was made heavier by almost annual increases in levies during the tragic New Deal era.

If taxes are not too high now they were not high enough during the war when billions of dollars of borrowed money was spent. The evidence is abundant that taxes now are much too high and the people are right in saying so.

We are going to do all we can to overhaul the entire tax structure, with a view to equalizing the burden and eliminating ambiguous provisions that lead only to contests in the courts.

Continuation of wartime tax rates in peacetime is intolerable.

LABOR-MANAGEMENT RELATIONS

We Republicans, in our preelection Statement of Principles, Policies, and Objectives, said:

We reaffirm our belief in the right of labor to organize and bargain collectively with employers as one of the cornerstones of competitive enterprise. The processes of such bargaining must be protected and strengthened if we are to have real jobs and prosperity for all.

For that purpose we believe that governmental decisions must not be substituted for free agreement, but governmental machinery to promote peaceful settlement of disputes should be improved.

Demands of either side must be kept within the bounds of reason and fairness and both sides must recognize the rights of the general public.

The desired end of bargaining between management and men is a contract. Once that contract is made, it should and must be equally binding upon both parties as to agreements made.

Free collective bargaining and contracts resulting therefrom must not be nullified or destroyed by resort on either side to willful violence or unlawful destruction of property.

Those principles and policies are embodied in the Labor-Management Act passed by the Eightieth Congress. The people said they were sound when they elected the Republican Party to control the present Congress. We have enacted them into law in response to the will of the people.

For years, Congress had studied defects in our laws dealing with labor-management relations. In 1940 after searching investigation, the House of Representatives by a vote of more than 2 to 1 passed a bill amending in many important ways the National Labor Relations (Wagner) Act. New Dealers on the Senate Committee on Education and Labor kept that bill from coming to a vote.

Last year, Congress passed the Case bill, but the President vetoed that.

Again, this year, the Congress reviewed the problems arising out of our labor laws and the way Government agencies administer them. It passed the so-called Taft-Hartley Act.

Yielding to pressure from politicians, left-wingers, and labor barons who resisted every proposed change, however minor, and who made no constructive suggestions, the President vetoed the act.

Congress passed the act over the President's veto. Nearly four-fifths of all the Members of Congress joined in voting to override the veto, whereas only a two-thirds majority in both branches of Congress was necessary to enact the measure, despite Mr. Truman's objection. In the final vote on the bill a majority of the participating Democratic Members of Congress joined the wellnigh unanimous Republican membership in support of the measure.

The House of Representatives overrode the President's veto, 331 to 83, only 1 vote short of 4 to 1. The Senate vote was 68 to 25, or 6 more than a two-thirds majority of the 93 who voted.

Voting in the House of Representatives to override the veto were 225 Republicans and 106 Democrats. Voting to sustain the veto were only 11 Republicans and 71 Democrats.

In the Senate the division by parties was: Republicans for overriding the veto, 48; Democrats, 20. In favor of sustaining the veto were 3 Republicans and 22 Democrats.

Those who voted for it included members of unions, labor leaders, long-standing friends of labor. They and all the others who voted for it did so because the Taft-Hartley Act preserves all the rights that the Wagner Act gave them,

added to these rights and assures to employees in exercising their rights greater protection than they ever had before.

Unable by quoting the act to prove it to be unfair, those who oppose the act used extreme, extravagant, and irresponsible epithets in attacking it, and tortured and distorted the language of the act in an effort to make it seem to say things that it does not say.

The President adopted these epithets and distortions in vetoing the act. Now, the truth is catching up with these misrepresentations, and workers are learning that the law is for their benefit. Far from purging Congressmen who voted for the act, it seems probable that, when they learn the full truth about the act, workers will purge the labor leaders who, by opposing it, sought to deprive them of benefits it provides.

WORKERS' RIGHTS DEFINED

In the Appendix of the CONGRESSIONAL RECORD—page A3345—I analyzed the provisions of the new labor law in detail. I shall refer here only to its more important clauses.

It preserves in the same language that appears in the Wagner Act, the rights of workers to organize and to bargain collectively, and just as the old act did, it forbids employers to interfere with the employees, or to threaten or coerce them when they exercise these rights.

It forbids unions to beat up workers, or to threaten or coerce workers to force them into a union, or force them to choose one union when they wish to choose another.

It guarantees free speech to both employers and unions, allowing them to talk to workers as long as they do not threaten workers or try to bribe them to join or not to join a union.

It forbids employers and unions, by agreement between themselves, to force workers to join the union and to pay dues to it unless the majority of the workers, by secret ballot, have voted in favor of the agreement, and even then it forbids depriving a man of his job by denying union membership to him as long as he is willing to pay initiation fees and dues.

It forbids employers to check off union dues unless the worker has voluntarily authorized the employer to do so.

When employers and unions establish funds for the welfare of workers and their families, it requires them to do so under arrangements that will make certain that the money will be used for these purposes and not for other purposes of the union leaders.

It requires unions and employers, when labor contracts come to an end, to negotiate for 60 days before engaging in a strike or lock-out.

It forbids unions, by jurisdictional strikes and boycotts, to try to get control over employees who have not chosen the union as their bargaining agent, or who have chosen another union as their bargaining agent.

It requires unions, in order to be recognized as labor organizations under the Wagner Act, to tell their members how much money they take in, where they get it and what they spend it for, and to disclose what they pay their officers, how much they charge for dues, the grounds on which they suspend or expel members, and other matters that the members are entitled to know.

It exempts foremen and other supervisors from the provisions of the Wagner Act, and requires the Board to regard them as employers, not as employees.

It forbids the Labor Board, which administers the Wagner Act, to compel skilled workers to bargain through an industrial union when they wish to bargain through a craft union.

It requires unions, in order to be recognized as labor organizations under the Wagner Act, to file affidavits of their officers saying the officers are not Communists or fellow travelers.

It forbids corporations to use stockholders' money for political purposes and forbids unions to use members' money for political purposes.

It makes unions subject to suits for damages, the same as corporations and other organizations, when they break their contracts or engage in unlawful activities.

It enables the President again to delay for a time strikes that imperil the public health or safety, as he did in the great coal strike early this year.

It makes the Conciliation Service an independent agency, directs it to try to prevent strikes—it cannot forbid strikes—and authorizes it to take a secret ballot of employees before a strike if the union is willing.

It requires unions, as well as employers, to bargain in good faith when employees choose the union as their bargaining agent.

It requires the Labor Board to use fair procedures and to render fair decisions, whether the cases involve charges against employers or charges against unions.

It sets up a joint committee of Congress to study labor-management relations. If defects in the law appear we will change the law. We will not stubbornly resist change as the New Dealers did for so long.

Now these are not unfair provisions. They are not drastic, oppressive, or punitive. By their campaign of vilifying and abusing the new law, politicians and labor leaders who wish to control the workingman, and to use him for their own selfish purposes, have persuaded some workers that the new law is bad.

But the fact remains that public opinion polls, both before and after Congress passed the act, show that not only the public generally but also workers and even union members themselves overwhelmingly approve of the principal clauses of the act.

The law is a good law. The law will not prevent all strikes, but if maladministration does not sabotage it, it will bring a greater measure of peace to the industrial scene than we have known for many years.

NATIONAL DEFENSE

The Republican Party declared:

We stand for a well-trained and fully equipped Army, Navy, and Air Force adequate to meet any emergency under future conditions of warfare. It must be supported by the most scientific research, a strong industrial system, and adequate reserves of trained men with the best weapons and equipment.

The Eightieth Congress has kept that pledge.

National defense was one of the major problems inherited by the new Congress. The armed services were in the throes of transition from the wartime basis to a peacetime establishment. There was much confusion in plans and purposes, no coordinated, effective program upon which all hands were agreed. That was not an unusual situation in a New Deal-Democrat administration.

Democratic Congresses for years had talked, just talked, about unifying the armed services in the interests of efficient, economical, and effective national defense. But the Republican Congress acted.

We passed the so-called Army-Navy unification law which sets the pattern for a tightly coordinated, hard-hitting fighting force on land, sea, and in the air should our Nation's security be threatened by attack.

Under this new law we have a Secretary of Defense and secretaries for coequal Army, Navy, and Air Force departments. It is the duty of the Secretary of Defense to integrate the functions of the branches. Over all is a National Security Council headed by the President.

We appropriated $5,482,529,633 for the military establishment and $3,268,766,100 for the Navy. Special emphasis was placed upon research in development of more effective weapons and better equipment. The Air Force, now given the recognition of a co-equal arm of defense, was given ample funds for development of better planes and to have enough in the event of emergency.

We passed an act to overhaul the Army promotion system from one of automatic promotion by seniority to one of selection by merit. The act also codifies and improves the Navy promotion system.

This act is designed to increase career opportunities so as to attract capable men to the services. It opens opportunities for commissions to enlisted men, permits accelerated promotion of especially qualified officers, and puts limitations on the number of high-ranking officers.

We passed many comparatively minor measures for strengthening our national defense. Among them was an act to establish a United States naval postgraduate school at Monterey, Calif. Another act authorizes the War and Navy Departments to pay salaries up to $15,000 a year for 45 positions requiring the services of the most highly qualified scientists available.

We liberalized enlistment terms to attract more volunteers, established a permanent Army and Navy Nurse Corps as part of the regular services and a Women's Medical Specialists Corps in the Army.

We authorized armed forces personnel to wear decorations given to them by friendly or neutral foreign governments, and we equalized the rights to leave of absence for Federal employees who are members of the armed forces Reserve Corps or National Guard.

The Eightieth Congress also authorized the War and Navy departments to pay expenses of personnel of the services in the Olympic games.

WAR VETERANS

In our Republican Statement of Principles, Policies, and Objectives, we made this pledge:

A grateful nation demands that those who fought in its defense, their widows and orphans, must never be forgotten. The best medical care and rehabilitation, education, and training for all desiring it, and efficient assistance in securing homes, farms, businesses, and real jobs must be provided for the veteran. Nothing in the Federal program should lessen the responsibility of each local community to provide for the return to civilian life of its gallant sons and daughters in a spirit of understanding, helpfulness, and dignity.

We kept that pledge.

The Republican Congress passed a bill to provide for the cashing of the terminal-leave bonds held by the veterans. These bonds are a part of our outstanding national debt. The Congress passed the bill notwithstanding the opposition of the Treasury Department. The Department contended that payment of these bonds would be inflationary.

Why is the retirement of veterans' bonds any more inflationary than the retirement of any other Government bonds?

When the President vetoed the tax-reduction bills, he advocated payment on the national debt, on the ground that a tax reduction would be inflationary. According to the President's reasoning, when the people spend their own money as they deem best it is inflationary, but it is not inflationary for the Government to take their money and spend it.

And when the Republican Congress proposed to pay the national debt bonds held by the veterans, the President contended that it would be inflationary. Knowing that the Congress would summarily override any veto of the bill, the President signed it.

The last Congress passed a law to give enlisted men of World War II bonds as their terminal-leave pay. The Republican Members of Congress contended at that time that it was unfair to require an enlisted man to wait 5 years to receive his pay for terminal leave, while officers were paid in cash. When we Republicans obtained a majority in Congress, we promptly corrected this injustice.

Some 9,000,000 of these bonds have been issued, and the cost of those which have been issued is now approximately $1,800,000,000. The Congress has extended for a year the time for applying for the bonds or cash, and it is estimated that around 12,000,000 veterans will receive this pay at a cost of $2,500,000,000.

Not only does the bill correct a great injustice to the enlisted men, but it also provides immediate assistance to our veterans in their adjustment to civilian life. Some can use the money for school. Some can use it in starting a small business. Some may find it helpful in paying on their home. It is estimated that the average bond issued is worth $240, which the veteran may continue to hold or cash as he sees fit.

The Republican Congress is keeping its pledge to the veterans. The Congress appropriated $6,964,457,080 for the Veterans' Administration for the fiscal year 1948. It is the largest single item in the Federal budget. We are determined that our gallant sons and daughters have the maximum possible assistance to establish themselves in a free country.

In his mesage to Congress on January 6, 1947, the President stated that "except for minor adjustments, I believe our program of benefits for the veterans is now complete," and the Director of Veterans' Administration has filed reports against scores of measures introduced into Congress affecting veterans. In these reports the Director has stated that the proposed legislation is not in accord with the President's program.

CONGRESS RESPONDS TO VETERANS' NEEDS

But notwithstanding the position taken by President Truman, as expressed in his message and as represented by the Director of the Veterans' Administration in his reports on veterans' bills, the Republican Congress has passed many measures affecting veterans and their dependents. They include:

H. R. 3961. Increasing the rates of pension payable to Spanish-American and Civil War veterans.

H. R. 1353. To repeal time limit for reinstatement of national service life insurance.

H. R. 1327. To provide for renewal of 5-year level premium term insurance for World War I veterans.

H. R. 3739. Providing for Veterans' Administration facility at Clarksburg, W. Va.

H. R. 1363. Relief for veterans who entered into bona fide marriages technically invalid.

H. R. 2780. Emergency veterans' housing ($35,500,000).

Senate Joint Resolution 115. Providing for continuation of offices of Veterans' Administration in the Philippines.

H. R. 2368. Increasing the revolving fund from $1,500,000 to $3,000,000 for the purpose of making loans to veterans of World War II undertaking vocational training.

H. R. 3398. Extending the time for bringing alien fiancées to the United States.

H. R. 3203. Provides priorities for veterans and families in connection with housing material and rentals.

H. R. 4031. Provides for automobiles for amputees.

H. R. 3149. Expedites admission to the United States of alien spouses and minor children of veterans.

H. R. 2314. Expedites lump-sum payments of Naval Aviation Cadets Act to survivors of deceased officers.

H. R. 4017. Cash payment of terminal leave bonds.

H. R. 479. Provides for refund of income taxes paid for year in which servicemen died while in the service.

S. 1494. To amend section 14 of the Veterans' Preference Act.

H. R. 1544. Provide Gold Star lapel buttons to widows, parents, and next of kin of veterans who lost their lives.

H. R. 3308. Increase minimum monthly allowance for subsistence in cases of vocational rehabilitation for disabled veterans.

H. R. 3394. To provide for return of World War II dead.

H. R. 3448. Amends Federal Home Loan Bank Act to permit banks to accept 25-year mortgages which is the maturity period of many veteran home loans.

S. 272. Establishes certain national cemeteries.

S. 1180. Issuance of Gold Star Mothers commemorative stamps.

H. R. 603. Providing homestead rights for veterans.

H. R. 3501. Amends Armed Forces Leave Act.

H. R. 2161. Amending veterans regulations pertaining to institutional or farm training.

The foregoing meaures were sent to the White House. There are, in addition, numerous other bills that will be considered at the next session. They are in various legislative stages. Some have passed the House and await consideration in the Senate. Others have passed the Senate and await consideration in the House.

The Republican Congress has recognized, and will continue to recognize, the country's obligation to those who served in defense of the American way of life. Our first obligation is, of course, to the dependents of those who made the supreme sacrifice and to those who are disabled. We are keeping that solemn obligation.

Nor shall we forget the gallant sons and daughters who served but were fortunate not to have to bear the physical and mental scars of battle. These young men and women must be assisted in establishing a place for themselves in civilian life. They want the opportunity to make their contribution to wholesome American progress. They want the opportunity to a job with a future, to own their own home, and to raise and educate their family. These vigorous, ambitious young men and women have no desire to become wards of the Government. They do not ask for charity. They ask for opportunity. And the Republican Congress has been following a program to that end.

FOREIGN AFFAIRS

On foreign affairs this is what our Republican Declaration, in part, said:

We support the United Nations organization for international peace. * * * We will engage in essential international relief as a humanitarian obligation and to prevent chaos through misery. * * *

We will seek to find common policies with the other great powers. But we reject great-power domination of the world and the thesis that world peace requires us to endorse alien doctrines or to abandon efforts to seek justice for the weaker peoples of the world. * * *

We consider that the maintenance of a strong, solvent, free America is the basis of our greatest contribution to world order.

Actions of the Republican Congress have conformed to those principles. We have cooperated with the executive branch of our Government in every worth-while undertaking affecting the foreign relations of the United States.

We have not gone along blindly on proposals by the administration. In accordance with our responsibility as the independent legislative branch of the Government, we have considered foreign policy. We shall continue that course.

The Federal Constitution charges the President with the duty to negotiate treaties. They are subject to the advice and consent of the Senate.

Foreign affairs problems are now turning to economic and financial matters. Since the House of Representatives, under the Constitution, has the prerogative of originating all appropriation bills and tariff matters, the House

of Representatives, heretofore assigned a secondary role on foreign affairs, must now be considered a full-fledged partner.

The House of Representatives, in recognition of its responsibility, has committees abroad studying the needs of other countries for United States aid. Committees also are studying the maximum ability of the United States to grant this aid.

The Republican Party, being in control of the Congress, is fully cognizant of its responsibilities to the people on foreign affairs. Peoples of the world should know that the United States foreign policy is defined jointly by our executive and legislative branches of government.

We Republicans are mindful of the fact that our country must be prudently liberal in its help for other countries to recover from the war. Our people know that they are contributing directly to foreign aid, because prices of food, machinery, building materials, and countless other items have gone up in part due to shipments abroad.

In addition to granting loans for foreign countries, the Eightieth Congress has been generous in appropriations for relief to needy peoples abroad.

In one bill we appropriated $1,332,000,000 divided as follows: for Greece and Turkey, $400,000,000; for relief in areas occupied by the United States, $600,000,000, and for relief generally in foreign countries, $332,000,000.

We passed a measure making the United States a member of the International Refugee Organization, with $73,325,000 to carry on. This organization is taking care of displaced persons in Europe.

The Eightieth Congress authorized the President to accept the trusteeship on behalf of the United States over former Japanese mandated islands in the Pacific. They include the Marshalls, Carolines, and Marianas which our gallant troops captured during the war.

We provided the necessary funds to comply with our responsibility as a member of the United Nations.

We authorized the President to enter into an agreement with the United Nations for establishment of a permanent United Nations headquarters in the United States.

Among the other measures on foreign affairs passed by the Eightieth Congress was one granting a Congressional charter of incorporation to the Institute of Inter-American Affairs, with which is combined the Inter-American Educational Foundation, Inc., under supervision of the Secretary of State.

The chartered organization will cooperate with Latin-American Republics in programs of health, sanitation, agriculture, education, and other efforts to help our neighbors help themselves.

The Senate ratified treaties of peace with Italy, Rumania, Hungary, and Bulgaria.

WARTIME CONTROLS

This is what we pledged:

Wartime limitations, restrictions, and controls must be removed. The instant a right or liberty can be returned to the people, it shall be returned. Neither the war nor any other excuse shall be justification for fastening regimentation upon the American people.

We kept that pledge.

The Republican Congress has reversed the trend toward a planned economy, where the Government determines what shall be produced and in what amounts, what the people can buy and when they can buy it. The Congress has enacted legislation to remove Government controls and to accelerate an orderly transition from a wartime-controlled economy to a peacetime free economy.

The Congress has passed a bill (H. J. Res. 222-S. J. Res. 148) to terminate consumer credit controls. Mass consumption goes hand in hand with mass production and consumer credit is essential to mass consumption. American industry has an enormous productive capacity. Both consumer credit and producer credit are essential to a sustained prosperity.

The regulation of installment credit has weighed most heavily on persons of limited income and in many cases undoubtedly excluded them from purchasing essential items, such as refrigerators, stoves, and washing machines, needed to furnish their homes. It has, in effect, given to the man of financial means priority rights to buy whatever he wants and whenever he is willing to pay the price by denying to the individual of limited sources the right to use his credit on the best terms he can secure for the purpose of buying these necessities.

The Second War Powers Act of 1942 vested broad authority in the Executive in the control of the national economy in the interest of the prosecution of the war. Notwithstanding that the war was over, the Congress found that those specific powers continued to exist. Through its Committees on the Judiciary, the Congress carefully examined each and every control, and the Congress has passed two decontrol bills (H. R. 1983 and H. R. 3647) eliminating some products from control entirely and abbreviating the control over certain of the others where essential to implement our foreign policy or expand the production abroad to materials critically needed in the United States.

The Congress has also passed a joint resolution—Senate Joint Resolution 123—immediately repealing 57 wartime statutes, fixing a termination date for 12 others, and terminating the operation of 102 various statutory provisions of permanent legislation.

CONGRESS TACKLES HOUSING PROBLEM

Bureaucratic controls and red tape have been an important factor in the acute housing shortage. When the Emergency Housing Act was under consideration in 1946, the administration claimed that this program would mean the construction of 1,200,000 units in 1946 and 1,500,000 units in 1947.

For the year 1946, however, only around 435,800 new permanent units were completed in buildings of conventional construction and prefabricated construction, and 45,000 units were added through conversions in existing structures. The administration's housing program proved to be a complete failure. Bureaucrats cannot build houses. The only way houses can be built in the needed number is by free enterprise.

The Republican Congress passed a bill—H. R. 3203—which the President reluctantly approved on June 30, 1947. It ended the authority for the remaining controls on the production of building materials and, with one exception, did away with the authority for imposing any controls on the use of building materials. This one exception relates to the construction of buildings for amusement or recreational purposes.

The Truman administration's bungling approach to the housing situation was to create overlapping housing agencies with a fanfare of trumpets each time one was established. The Eightieth Congress authorized the President to consolidate the scattered Federal housing agencies into one housing administration.

New Dealers were loath to release their withering grip on the building industry. We hold that mass production of houses and other buildings cannot be obtained by making the building industry an island of Government regimentation in an otherwise comparatively free economy. One man's price is another's man's cost.

The act of Congress extending rent control to March 1, 1948, with elimination of remaining controls on building materials and authority for increases in rent up to 15 percent when agreed to by property owners and tenants, was designed as a transition measure—to bridge the gap until the newly-released building industry gets fully under way and shows what American initiative can do when given a chance.

Since the enactment of this legislation there has been a marked increase in the number of building permits issued. According to a Department of Commerce report, new construction in July was almost 9 percent over that of June. The July value was estimated at $1,139,000,000 against $1,059,000,000 for June and $932,000,000 for July of last year, when the administration controlled building materials.

Recognizing that the administration has failed miserably in the field of housing, the Republican Congress is proceeding to put into effect a program which will completely solve the housing problem. Two special committees are now at work on it. We have taken the initial steps by the removal of the bureaucratic restrictions and controls.

With the elimination of the numerous Government restrictions and controls on our economy, American production is now moving forward and the people will have real jobs at good wages. They will be able to purchase the things they need and want at prices they can afford. They will enjoy the highest standard of living in all history. That is our objective. Free men will attain that objective.

AGRICULTURE, RECLAMATION, FLOOD CONTROL

In our Republican Declaration of Principles we said:

We have pledged stability of farm prices during the reconversion and readjustment periods. We will carry out those pledges. We will support sound, permanent proposals

to give farmers expanding markets and their fair share of the national income. We reaffirm our long-standing support of soil and water conservation. We shall support measures designed to protect better rural living.

Those pledges the Republican Congress has kept.

The program of the Republican Party to cushion the farmers against the postwar uncertainties and to strengthen their position for the long pull has been well advanced by the Eightieth Congress.

In many ways this Congress has acted to bolster the farmer's economy and like other segments of our population he is benefiting from our over-all, national program. Sweeping studies of the farmer's place in the postwar picture are under way. We shall round out our program on behalf of the farmers during the next session of Congress.

The Department of Agriculture Supply Act appropriates $613,046,826 for a broad field of activities. Major items are:

Soil conservation operations, $38,000,000; rural electrification, $5,000,000, plus a loan authorization of $225,000,000; Federal Crop Insurance Corporation, $15,000,000; Production and Marketing Administration, $265,000,000; Farmers Home Administration, $97,000,000; national school lunches, $65,000,000; research and marketing, $9,000,000; Bureau of Agricultural Economics, $4,375,400; Extension Service, $22,832,950; and national forest protection, $24,014,891.

We continued the Federal crop insurance program on a limited and experimental basis for wheat, cotton, corn, flax, and tobacco. The act clarifies the purpose of the program as a businesslike insurance program rather than a form of farm relief or subsidy, by declaring a policy "to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience in devising and establishing such insurance."

We amended the Agricultural Adjustment Act provisions on marketing agreements and orders so as to provide more flexibility in the financing and administration of marketing agreements and orders, and to permit a continuity of operation not previously possible. The new legislation is stop-gap in nature pending completion of hearings on a long-range agricultural program.

The Eightieth Congress continued until December 31, 1948, the Commodity Credit Corporation's price-support program for wool, and authorized the CCC to market its existing stock pile of wool below parity prices.

We extended for 5 years the Sugar Act of 1937, which was to terminate December 31, 1947. The extension act authorizes establishment of production quotas for the domestic sugar industry and import quotas for off-shore countries such as Cuba and Puerto Rico. The primary purpose of the act is to stabilize the sugar industry while assuring an adequate supply of sugar for consumers at a reasonable price.

In further compliance with our pledges to the farmers and others, the Republican Congress appropriated $116,718,700 for river and harbor improvements; $288,072,825 for flood control, and $56,400,000 specifically for Mississippi River flood control. This Congress fully appreciates its responsibility to protect life and property against flood waters. We acted swiftly in supplying relief funds and materials during the Midwest floods this year.

For the varied activities of the far-flung Department of the Interior during the present fiscal year the Eightieth Congress appropriated $194,587,850. Major items are:

Western reclamation projects, in addition to available funds of $117,877,501 appropriated in previous years, $104,000,000; Bonneville Power Administration, $8,596,400, plus contract authorization of $4,935,500. Included in the general reclamation fund was $5,180,000 for the Hoover Dam project.

THE PRESIDENCY

Two measures fundamentally affecting the office of the President of the United States were passed by the Eightieth Congress—the so-called Presidential Succession Act and two-term Constitutional amendment.

The Presidential Succession Act places the Speaker of the House of Representatives next to the Vice President in the line of succession, should the President, unfortunately, be unable to complete his term. Whenever there is no Vice President at time of vacancy in the Presidency, the Speaker of the House of Representatives becomes President for the remainder of the unexpired term.

Next in line of succession to the Speaker is the Secretary of State and Cabinet members in the order of the creation of their respective departments.

The proposed Constitutional amendment now before State legislatures for ratification provides that no person shall be elected President more than twice, and that no person who has held the office of President, or acted as President for more than 2 years of a term for which another person was elected President, shall be elected more than once.

DOMESTIC AFFAIRS

The sound, forward-looking pledge of the Republican Party to buttress our national economy by enacting measures to supply the needs of the various productive segments of the Nation has been kept.

In giving effect to these pledges the Eightieth Congress enacted hundreds of measures. They included the following:

National Science Foundation: The measure provided for establishment of a 24-member National Science Foundation, under a director appointed by the Foundation, to encourage and coordinate scientific research and education by grants, loans, scholarships, and other forms of assistance to individuals and organizations. Within the Foundation were to be divisions including national defense, mathematics, physics, and engineering. President Truman vetoed that meritorious legislation after Congress adjourned.

Safety codes in coal mines: Establishes a code of safety standards in coal mines, adopting the Federal Mine Safety Code contained in an agreement between the Secretary of the Interior and the United Mine Workers of America. This legislation is an interim measure pending fuller consideration by Congress of details.

Mineral Leasing Act for acquired land: Extends mineral leasing laws, now applicable to public-domain lands, to all lands, with certain exceptions, acquired by the Federal Government; centralizes in the Department of the Interior the function of stimulating the exploration of new petroleum reserves and of promoting the development of oil and gas on acquired lands.

To stimulate production of domestic mines: Extends for 2 years, until June 30, 1949, premium-price payments on strategic metals and minerals—copper, zinc, and lead, with manganese to be added to the program—and authorizes use of $70,000,000 of Reconstruction Finance Corporation funds to make the payments. President Truman vetoed that act after Congress adjourned.

Interstate compact to conserve oil and gas: Grants consent for a 4-year extension of an interstate compact which has been in force 12 years. The compact has been ratified by 16 oil-producing States. It is designed to conserve oil and gas resources and maintain stability in these industries.

Pacific fishery resources: Authorizes a program of investigation and research to develop fishery resources and promote fishing industries in Hawaii and Pacific Islands acquired during the war and now under United States trusteeships. This program is designed to improve the welfare of native inhabitants and also develop resources of areas vital to the security of the United States.

Coast and Geodetic Survey: Clarifies and completely organizes the laws and practices relating to the functions and duties of the Coast and Geodetic Survey, a bureau of the Department of Commerce. Some of these laws were archaic and ambiguous. The new law adds authority to collect and disseminate geomagnetic data of vital importance to sea and air naviation—information the War and Navy Departments want the Survey to supply.

Coast Guard aviation stations: Authorizes an increase in the number of aviation stations which may be operated by the Coast Guard, thereby permitting greater efficiency in air-sea rescue work.

Surplus airports and airport facilities: Permits transfer or sale of surplus airports and facilities by the Federal Government to States and local governments in such manner as will foster development of civilian aviation and preserve for national defense purposes a strong, efficient and properly maintained nationwide system of public airports.

Surplus property for flood damage relief: Provides methods for transfer of surplus federally owned surplus property to State and local governments by gift or sale for alleviation of damage and distress caused by floods or other catastrophies. This property includes such durables as machinery, water and sewer pipes, and such articles as medicines, blankets, clothing, and bedding.

Small business representation: The Senate and House by adoption of a concurrent resolution called upon all Federal Government agencies to give fair representation to small businessmen on Government policy-making boards.

Portal-to-portal pay suits: This legislation, initiated by Congress and reluctantly signed by President Truman, smashed the so-called portal-to-portal back pay suits racket involving $6,000,000,000 in suits that threatened to bankrupt many companies and throw men and women out of jobs.

The Eighteth Congress—A Report to the Speaker and My Constituents

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. MILLER of Nebraska. Mr. Speaker, as the first session of the Eightieth Congress draws to a close, it is well that we consider its accomplishments and relate them to the welfare of our country and to the several districts we represent. While Congress legislates for the whole country the laws it passes do not have the same application in all districts. I, therefore, feel that each one of us should make a report to the people we represent. In so doing we not only inform our own constituents but we make it possible for all the Members of this House to understand the viewpoint of the several parts of our great Nation.

The Eightieth Congress convened with certain well-defined instructions from the people who elected its Members. They ended the control of that group which had for 14 years followed a course of bringing the lives and activities of the people more and more under the direction and control of the Government in Washington. This change of leadership and the reorganization of the machinery of Congress set the pattern for this session.

Hardly had the reorganization of the committees been accomplished and before they had had time to begin the consideration of the bills referred to them for study, the leaders of the minority, well supported by newspaper and radio commentators, started to belabor the majority for not passing legislation. Of course, they cannot be greatly blamed for they had become used to a regime in which Congress, with a few notable exceptions, had been relegated to a minor role whose main purpose had been to pass legislation drawn up by the executive branch and handed it with a "must" tag attached. Much of this legislation was in the form of blanket grants of power to administrative agencies. Executive orders and departmental regulations became the law by which rigid controls were set up over the people's activities. Appropriations of money were made with abandon to finance socialistic schemes of every kind and without regard to the mammoth debt that was being piled up even before the war started.

The people who guided our destiny and those who reported the activities of Government lost sight of the fact that Congress was intended to be a deliberative body and the branch of Government charged with making its policy. Regardless of the criticism of the press, the complete lack of cooperation of the executive branch, and the active opposition of the minority leadership, the Eightieth Congress has kept in mind the mandate it received from the people and has driven ahead to its great accomplishment. With one notable exception, it carried out that mandate. While its income tax reduction bill passed the Congress twice it failed to become law by Presidential veto. Both times the motion to override failed by a few votes to get the necessary two-thirds majority—the last time in the Senate by 3 votes. This is the first time a President ever successfully vetoed a tax bill. President Roosevelt tried it once but his action was overridden by Congress. The vetoed bill gave a 30-percent reduction to taxpayers in the lower brackets, 20 percent in the middle, and 10 percent in the upper brackets. The taxes of some 49,000,000 people were affected.

What has the Eightieth Congress accomplished? Its record is excellent. It has made a good start in the reduction of a power-hungry bureaucracy to a size more in keeping with the necessities of a peacetime Government. The Democratic administration, excluding all funds for the armed services and the Veterans' Administration, is spending twice as much as was spent for the entire Government operation in 1939. The committees have ferreted out duplication and overlapping. Its greatest accomplishment for future reduction in Government expense was the formation of a bipartisan commission to make a thorough study of the executive branch and recommend reorganization to bring about efficiency to its sprawling bureaucracy. It will make its report to the Eighty-first Congress. After that real reductions can be made.

Congress passed the Taft-Hartley law to bring organized labor under such regulations as would protect the public welfare and the rights of individual workers from the excesses practiced by certain powerful leaders and groups. It did so after long and exhaustive hearings before committees in both Houses, where opportunity was given to everyone concerned to state his viewpoint and make recommendations. Regardless of wild statements of some whose authority would be reduced, the law does not harm organized labor. Demand for this legislation was so strong that the veto of the President was easily overridden in both the House and Senate. A majority of Democrats in both Houses joined the Republicans to do this. It passed a law to outlaw some $7,000,000,000 of portal-to-portal pay suits filed by CIO unions which threatened bankruptcy to many industries.

The reluctance of the administration to relax wartime controls over production and distribution of goods made it necessary for Congress to take action to this end. Rigid Government controls were creating artificial shortages of food, clothing, and housing. The people were tired of interference in their businesses and their everyday lives, and demanded that Congress do something about it. Naturally, the freeing of goods from the rigid controls which were the principal causes of the shortages resulted in higher prices, but the stimulation to increased production will bring about a more stable economy in the long run and at lower prices. The tremendous shipments of food and commodities to foreign countries for relief and rehabilitation, together with the record demand in this country due to high wages and maximum employment, contributed to high prices. Food shipments amounted to 18,000,000 tons and cost $2,300,000,000. We have done much to free the country from black markets and shortages of food, clothing, and housing are being overcome. Certainly, we could not continue bureaucratic control of industry and wages without completely destroying our free economy.

In the matter of foreign affairs, the Congress has continued its nonpartisan approach. It has carried out the President's recommendations for legislation without regard to politics. It passed the International Refugee Organization bill and appropriated huge sums for foreign relief. The Senate approved the treaties requested by the President. Congress approved the Greek-Turkish loan and appropriated money to carry it out, in spite of the fact that the so-called Truman plan was announced before consultation with it. In general, it passed more legislation touching on international problems than has any previous Congress. Because of its inability to get factual information from administrative sources, committees of Congress will make a study of conditions in Europe during the recess. In view of demands that will come in the next session, it is necessary that this be done in the interest of the taxpayers.

For the veterans Congress authorized cashing of terminal-leave bonds, extended to December 31, 1947, the act for facilitating the admission of alien fiancées of members of the armed services; extended the privilege of renewing and reinstating national life insurance policies. It increased the pensions of Civil War and Spanish-American War veterans and their dependents by 20 percent. It appropriated over seven billions for benefits.

Much legislation was passed in the interest of national defense. Among the laws passed were the armed services unification, the National Science Foundation,[1] and the Selective Service Records Act. Congress has submitted the two-term limitation to the Presidency amendment to the States. It passed a Rent Control Act which provides for decontrol next year and sets up machinery for fair adjustments of rents in the meantime. It also lifts restrictions on housing that has already stepped up construction of homes and rental units. In

[1] Vetoed by the President.

1946, under control of the Democrats, the administration had $700,000,000 to spend for emergency housing but produced practically none. Among other measures was an authorization of $15,000,000 [2] for emergency flood control, automatic promotion of substitute postal carriers, freezing of social-security tax at 1 percent until 1950, continued price-support program for wool, and a $400,000,000 increase in the maximum insurance the National Housing Authority may issue on mortgages on new homes.

One of the most important functions of the Congress is to lay before the people the information on how their Government is operating. Only in this way can a government of the people operate successfully. The information is developed in hearings before the regular committees of each House and in investigations of special committees. Upon this information the Congress can intelligently consider and act on legislation. All the committees of the House have held exhaustive hearings on bills they have reported. I want to mention particularly the hearings of the Committee on Education and Labor which gave much time to the consideration of labor legislation and the activities of certain leaders such as Petrillo, the czar of the American Federation of Musicians. The Committee on Un-American Activities has thrown a spotlight on the activities of Communists and fellow travelers and their infiltration into Government agencies. Only by doing this have we been able to force these agencies to get rid of their disloyal employees.

The Committee on Agriculture is investigating the operation of the farm program and laying the ground work for any changes it will recommend for the future. It is seeking a wider use of farm products and a definite parity or support price for agricultural commodities. The Committee on Public Lands, of which I am a member, has been giving careful consideration to the millions of acres of lands now owned by various Federal agencies and which yield no taxes for State and local governments. It is also studying our program of irrigation and reclamation. The Committees are the workshop of Congress.

As residents of the Great Plains area the people of the Fourth Congressional District of Nebraska are interested in what this Congress did toward the development of the natural resources of our country. The future welfare of the whole country depends on these resources and so their development is the duty of the whole country. While I feel that Congress has not done all it could in this respect I am glad to report to my people that it has done a lot. It has tried to furnish all the money that could be economically expended in view of the shortage of materials, high prices, and the high employment rate we are now experiencing. Members of the Nebraska delegation in Congress, in cooperation with the Representatives from other States attempted in every way to acquaint the Congress with the need and to bring about the necessary action.

The Agriculture Appropriation Act carries sufficient funds for planning and technical assistance in soil conservation and crop production. Some cuts were made in the budget estimates for subsidies and incentive payments on the basis that the sound financial condition and high income from farm operations made them unnecessary at this time. These were practices initiated during depression years when farmers were badly in need of help. Resistance to the cuts came principally from the bureaucracies who, regardless of the need, never want to see their functions curtailed. While a small cut was made in the funds REA was authorized to loan to districts, Congress feels it is offset by the provision allowing it to borrow direct from the Treasury and thus save three-fourths of 1 percent interest to the borrowers. A cut was also made for administrative expense but the Congress feels that the elimination of unnecessary supervision and red tape in the administrative set-up will leave sufficient funds for carrying on the program. The Congress will continue to provide all the funds necessary for rural electrification.

The final figure appropriated for reclamation and irrigation, together with the funds obligated for work to be done in this fiscal year and the balances still in the hands of the Bureau, will insure maximum prosecution of this important program. In addition to funds given the Bureau of Reclamation Congress appropriated increased funds for the Army Engineers to step up their part of the work of flood control and development of the Missouri River under the Pick-Sloan plan. Funds were also provided the Bureau of Reclamation for construction of a power line from Bridgeport to Alliance, Nebr., and from Pine Bluffs to Cheyenne, Wyo., that will provide much needed power for REA districts in Nebraska.

It has been most difficult for this Congress to establish a sound fiscal policy for peacetime government. The President's budget of $37,000,000,000 is the largest ever presented to a Congress in time of peace. Every cut suggested by the Republicans was sternly opposed by the administration and the Democratic leadership in the Congress. It now looks like the budget has been reduced by about two and seven-tenths billions. An additional amount up to three billions of former appropriations has been rescinded, which represents money held by the departments and agencies and which would be spent by them if not rescinded. The Republican Party can rightfully claim a $5,000,000,000 reduction from the overstuffed and padded budget the President had to have for the fiscal year of 1948.

The first session of the Eightieth Congress has made a remarkable record, and every member of the majority party and those of the minority who put aside partisanship for the welfare of their country can take pride for the part they had in it. When this session closes I, like most of my colleagues, will return to my district calling on the people in their homes and at their places of business to seek their advice and counsel. I will visit every one of the 38 counties in my district. I have always followed this practice and found it an excellent tonic for the mental congestion brought on by the confusion and pressure in Washington.

[2] Total appropriated for flood control, $122,269,800.

Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Friday, July 18, 1947

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks, I wish to include a statement in support of Federal aid to education which I recently made before the Subcommittee of Education and Labor, which has this matter under study. The statement is as follows:

STATEMENT OF HON. ESTES KEFAUVER, MEMBER OF CONGRESS, THIRD DISTRICT OF TENNESSEE, BEFORE COMMITTEE ON EDUCATION AND LABOR OF HOUSE OF REPRESENTATIVES, IN SUPPORT OF H. R. 2188, A BILL BY MR. KEFAUVER PROVIDING FEDERAL AID TO EDUCATION, TUESDAY, APRIL 29, 1947

Mr. Chairman, since I have been in Congress the matter of Federal aid for public education has been one of my primary interests. I have constantly sought ways and means to raise the standards of education and to assist in plans to relieve the great inequality in educational opportunity that has resulted in illiteracy in many of the poorer States. It is my understanding that for 25 years bills with this major purpose have been before Congress, yet in all this time there is no record of positive or effective action.

I have introduced a bill, H. R. 2188, asking for appropriations to assist the States in financing a minimum foundation program of public elementary and public secondary education, and in reducing the inequalities of educational opportunity offered our youth. I want to devote the time allotted to me to a brief discussion of public education.

Education is important to every boy and girl in this country because it is the only means that they have for relating themselves to the extremely complex social and economic life that has developed out of a war-torn world. It is extremely important to the States and local communities because it is the major means that will enable the maximum development of their human and material resources. It is of utmost importance to the Nation in the maintenance of national security and the building of domestic prosperity. It is vital to the world because only through a well-enlightened people do we have any possibility of creating an enduring peace.

Complete equality of opportunity was the idealistic dream of our founding fathers. It has never materialized fully because we have never provided equality in the educational opportunity offered to all of our youth. Failure to take some positive and effective action on Federal aid to public education at this time would seem to be a tragic disregard and neglect of our primary resource—the youth of America. In many of America's less wealthy States children get one-third to one-half as many weeks of schooling as more fortunate children in wealthier States. The range of educational opportunity offered in this country is now as great as 60 to 1. Actually there are no less than 2,000,000 children in this country who live in areas sufficiently

wealthy to spend 60 times the amount of money that can be afforded to provide the meager education offered to another 2,000,000 less fortunate children. This means that the social and economic opportunity of youth depends almost wholly upon the part of the country in which he is born. In the rural areas of a poor State his chances for an education that will put him in a position to compete on an equal basis with those born under more fortunate circumstances is almost negligible. To me this is a most deplorable situation. In the world's richest Nation that has for so many years exemplified to the remaining nations of the world the value and the force of public education.

I have always thought that we lead the world in the realization of the power and force of public education, yet last year we spent only 1.5 percent of our total national income on education. During this same year Britain spent 3 percent of its total national income for education, while Russia spent 7.5 percent of its total national income for the development of its educational system. When we realize that Great Britain and Russia both learned of the value of educational expenditures from us we realize that we can no longer neglect to provide adequate support of America's public schools.

I could use the time allotted to me this morning wholly in citing to you existing conditions in American education that present what has been popularly termed the crisis in education. I am quite sure that experts will present statistics and other data to such an extent that it will be unnecessary for me to go into detail in describing those conditions. The major cause of this crisis is a teacher shortage which has developed at a time when the demands upon the schools are such that a greatly increased teaching force is needed. This teacher shortage has been brought about by the influence of a number of factors. Unquestionably the first and most important of these factors is the low wage that has been paid teachers for a number of years. Many of our teachers are employed at salaries below that of school janitors, scrub women, garbage collectors, and bartenders. The average annual salary of teachers in my State in 1944–45 amounted to approximately $1,300 and for the Nation as a whole only $1,846. This is a condition that will no longer be tolerated by many teachers. It tends to undermine and destroy the efforts to stabilize teaching as a profession. I know the results of this appalling low-salary condition because of the stream of personal correspondence and visits from school representatives that I have almost every day.

During the war the Federal Government reached into all corners of the country and into all walks of life for manpower to serve its wartime needs. In this emergency the teaching profession magnificently filled its quota. We found classroom teachers in every branch of the armed services on every battle front and serving the country in its every wartime need. But this in itself produced a terrific impact upon the schools, because many of these teachers learned that the advantages, financial and otherwise, in other fields of employment offered greater opportunity, and those whose love for teaching was not sufficiently strong to overcome the self-sacrifice necessary to go back to underpaid and overworked situations have left the profession for good. This situation has been termed the greatest vocational migration of history. Another highly significant factor comes from the pressure of extra population. In the 5 years following America's entry into World War II, 13,000,000 babies were born. Some population experts had predicted only 4,000,000. This increase in population began to be felt in the schools last year as increased enrollments were reported from almost every State. Further increases were reported this year and as this bulge in child population moves upward the demands on the schools for increased numbers of teachers produces conditions that can result only in the disastrous disintegration of our American public schools unless steps are taken at once to alleviate them.

This disaster must not be permitted to happen. The economic strength and security of our Nation, the individual welfare of every citizen, depends more and more upon the educational ability of its citizenry. A significant study made by the education committee of the United States Chamber of Commerce points out that the level of educational attainment of the adult population is a determining factor in the level of income of the country itself. It has been estimated that if the average level of the adult population of 11 of the Southern States having lowest educational status could be increased by only 1 year, which would mean an average of 8½ years of schooling, the increased productivity thereby in these 11 States would raise the total income of the Nation by approximately $4,000,000,000.

Due to the mobility of our population, and especially of our youth, illiteracy is not merely a local liability, but a national one as well. The declining birth rate in all our major cities and the increasing birth rate in rural areas means that as population pressures are brought to bear upon the youth of low economic areas, the migratory trend is toward the city. This is one of the reasons why the removal of inequalities of educational opportunity is a major responsibility of the Nation and consequently the Federal Government.

During the operation of the Selective Service System nearly one-half of the rejections were for educational or health defects. Thus, at a time when our Nation had its greatest need for healthy and intelligent manpower it is estimated that the equivalent of no less than 20 combat divisions were unable to serve the Nation because of illiteracy and educational disqualification.

There is no doubt of the keen Nation-wide interest in the teacher shortage and the critical problems of the public schools. Many editorials have appeared in newspapers over the Nation. Frequent articles have been presented in national periodicals. Even the news reels and the radio have presented to the people what is happening to their schools. It is unfortunate that this partial break-down of the school system was ever forced to public attention through a series of teacher strikes. To me it is disgraceful that this great country should permit our public-school situation to become so desperate that teachers should have to resort to such extreme measures.

I am firm in my conviction that only through Federal aid to supplement State and local effort can the future soundness of our system of public education be assured. To that end I have introduced H. R. 2188. I do not claim that it is the best bill before your committee. I do believe that it contains certain principles which are absolutely essential in the development of a sound system of Federal aid to public education This bill would establish a minimum program of education which would enable those underprivileged areas of the Nation to assure a minimum expenditure of $40 per year for each school child. At the same time this bill provides every protection to the rights of the States and the local committees in the administration and supervision of their schools, and actually prohibits the Federal Government in any encroachment upon these rights.

America's deep faith in her free public-school system as a sound foundation for our democracy is being put to a severe test at this time. It is my deep and sincere hope that your committee after due consideration of the measures that are proposed will report to the Congress a bill that will accomplish the purposes so long neglected.

War Department Dilatory in Making Reports on Bills

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mr. LARCADE. Mr. Speaker, under authority to extend my remarks in the Appendix of the RECORD I wish to say that I am greatly disappointed in the service given Members of Congress and congressional committees by the War Department.

On April 22, 1947, the Honorable JOHN MCCORMACK, Representative from Massachusetts, introduced H. R. 3155, to authorize the promotion of certain officers and former officers of the Army of the United States, and on April 30, 1947, Mr. MCCORMACK introduced H. R. 3270, relating to the promotion of certain officers and former officers of the Army of the United States. Reports were requested from the War Department by the chairman of the Committee on Armed Services to whom these bills had been referred, and notwithstanding that these reports were requested at the time the bills were introduced, no report has yet been received from the War Department at this date, the closing date of this session of the Congress.

Mr. Speaker, the Congress has been liberal in appropriating money for the War Department, the sums appropriated seemingly sufficient to cover the cost of carrying on all of the functions of this branch of the services, and it seems to me unpardonable that the Congress does not obtain more satisfaction and consideration from the War Department in matters connected with the business of the Congress in connection with matters in which their constituents are interested. I hope in the future more attention will be given consideration in time for action before Congress adjourns.

Clark Hill Project Supported by Hon. John J. Riley, of South Carolina

EXTENSION OF REMARKS
OF
HON. JOHN J. RILEY
OF SCUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. RILEY. Mr. Speaker, while I did not have the privilege of attending the hearings before the House Committee on Appropriations when they were considering the Clark Hill project located between my State and Georgia, I very actively supported this appropriation on the floor of the House and attended the hearings when the matter was being considered by the Appropriations Committee of the Senate. My former colleague, the Honorable Butler B. Hare, presented a statement to the Senate Appropriations Committee giving a history of this

project and so nearly expressed the views wh'ch I entertain relative to this proposal that I have obtained unanimous consent to include this statement in the extension of my remarks as follows:

STATEMENT OF BUTLER B. HARE BEFORE APPROPRIATIONS COMMITTEE OF THE SENATE, JULY 14, 1947

Mr. Chairman and gentlemen of the committee, the justifications for the requested appropriation are about the same as they were last year and not much different to what they were year before last, when you made appropriations for the 2 years amounting to $5,500,000, and there is not a great difference in the justifications today and those approved by the Congress 3 years ago, when the construction and operation of the Clark Hill project were authorized. However, there is one difference in the situation

Last year, when you appropriated $4,500,000, and 2 years ago, when you appropriated $1,000,000, and 3 years ago, when the Congress authorized the construction and operation of the project, the Savannah River Electric Co., through its officials and other representatives, were either standing on the side line or actually on the firing line urging this committee and the Congress to approve the project, make the necessary appropriations for constructing and operating the project in every detail. But today its officials and representatives are here urging you and the Congress to delete from the bill before you every dollar requested for the further development of the Clark Hill project, giving you 101 reasons or excuses for its request.

Mr. Chairman, I am sure you and your committee are familiar with the history of this project and other similar projects. You are familiar with the justifications for the authorization of this project, and I shall, therefore, not burden you by repeating them, but will undertake to give you my reaction to the excuses—I will not call them justifications—offered why this project should now be deauthorized, after it has been under construction now for about 2 years.

I do not want to be unfair to the power company, but I want to state at the outset that in view of its past conduct, I have some serious doubts as to the verity or sincerity of its present proposal when it offers to reimburse the Government for expenditures already made and then construct and operate the project in its entirety under Government specifications, Government control, Government supervision, and Government direction. I am forced to this conclusion for the reason that this same company obtained a license from the Federal Power Commission to develop this project in 1928 and voluntarily surrendered it 4 years later, or in 1932, the reason assigned for its action at that time being they did not care to be bothered with Government red tape, Government supervision, and Government direction in the construction and operation of such plant, the president of the company saying that his company had decided it would never build another hydroelectric plant. We can all understand why the company would object to Government supervision or direction in handling both the flood-control feature, the navigation feature, and the electric-power feature provided for in the proposal, but I submit if that were a good reason for not developing the project in 1932 when the company surrendered its license it would still be sufficient reason for not developing the project in 1948 should this item be eliminated and a new license granted, because our Government, under the Constitution, is charged with the responsibility of protecting and preserving the waters in our navigable streams, and it will, logically, have just as much Government red tape, as much Government control, supervision, and direction in 1948 as there was in 1932, and this will continue to be so as long as our present system of government continues.

I know that the reason the company now assigns for not building the project in 1932 is that it was not financially able to do so, and, owing to the stringency in the money market, the company was not able to secure the necessary funds. That may be a reasonable excuse, for I am sure the company itself was not able to finance the project, and I am not sure it is any better off today financially than it was at that time. It is true the company has said it is ready, willing, and able to finance the project, but I have not seen where its witnesses have endeavored in any way whatsoever to show the financial standing of this company. They have not even shown its capitalization, its assets, or whether it has liquid holdings of any kind. In fact, I think it is a reflection upon the integrity and the business intelligence of the committee and the Congress to ask them to rely merely upon an unsupported promise and confess they were heretofore mistaken in authorizing this project and appropriating money for its construction. This company may admit its individual financial weakness, but will insist that its affiliates and associates are ready, willing, and able to assist in carrying out any commitment that meets with their approval. I am not prepared to deny that assumption, but it appears to me that if the sole difficulty of this company in 1932 was its financial inability, it could certainly have called upon its affiliates at that time to come to its rescue, because it has been testified that they have built or now have under construction three or four steam-power plants to serve the same or contiguous territory adjoining the Clark Hill area, and that all of these plants will be in operation by July 1948. It occurs to me they should be able to get money to construct a hydroelectric plant as easily as they could get it for use in building steam plants.

POWER COMPANY CHANGES ITS MIND

The Savannah River Electric Co. admits that for a period of 11 years, from 1935 to 1946, it favored and insisted that the Government should develop and operate the Clark Hill project, but says it changed its mind a year ago because the Government or the Congress broke faith with the power company when it provided in the Authorization Act of December 1944 that cooperatives should have a priority on the power to be generated, saying that the power company had an understanding or agreement with the Government that the power company would assist and cooperate in constructing and operating the plant upon the condition that the power company was to have a priority on all of the power at the switchboard when generated. I note from the hearings before the Appropriations Committee of the House a few weeks ago it was emphasized that this was probably the primary reason why the company is now opposing this appropriation, indicating to the committee, however, that the power company would still have no objection to the Government building the project and discharging its administrative duties in connection with the flood control and the promotion of the navigation features and permit the power company to have a prior right on the use, sale, and distribution of the power developed. It would certainly be an ideal situation from the power company's interest for the Government to build and maintain the dam for navigation and flood-control purposes and give the company the exclusive right to use the waters impounded for generating electric power at almost a nominal price for a limited number of years and thereafter to have exclusive right to use the impounded waters as it may elect. In my opinion, that is exactly what the power company would like to have.

But before we get away from this alleged contract or agreement between the power company and the Government, I want to refer to the record and invite your attention to a public hearing held in Augusta, Ga., in October 1935, where the president of the Savannah River Electric Co. testified at length and, in his opening statement, said:

"I did not come here for the purpose of hurting this enterprise. I came with the view of helping wherever possible. I do not want to volunteer anything except with the approval of the committee in charge of it. We did not initiate the petition for the development of Clark Hill. We are not in objection or antagonistic toward it. We wish to cooperate with it to the fullest extent of our ability. I would like to say we are here for the purpose of its support."

While discussing how the electric power would be disposed of following the construction of the plant, Mr. Arkwright, then president of the company, said:

"I assume that some of the load would be allocated to South Carolina and perhaps some to Savannah, but whatever remains, or if you cannot get it absorbed in South Carolina or Savannah, I believe the Georgia Power Co. could, in time, absorb it all."

Proceeding further, and in concluding his statement, Mr. Arkwright said:

"I do not demand that we distribute it. I merely say we have the facilities and the market and are willing to do it if you wish. * * * But, regardless of what plan you may finally recommend, we stand ready to cooperate to the fullest extent in making available to you any information we may have which you may think pertinent to your investigation."

I do not see any agreement there between the power company and the Government or any agency of the Government that the company was to have any prior right whatsoever to the power to be generated. In fact, the president of the company did not request the right to any of the power as a condition or consideration for the support and cooperation of the power company for which he was speaking. On the contrary, he negatived the possibility of an agreement when he said:

"I do not demand that we distribute it. I merely say we have the facilities and market and are willing to do it if you wish."

It is true he wrote a letter 8 years later to the Army engineers in which he said the Georgia Power Co. would be willing to take all the power at the switchboard upon the completion of the project. We should remember this was long after the Army engineers, the Federal Power Commission, the War Department, the Interior Department, and the President of the United States had approved the project and approved it with the understanding if there were any reciprocal understanding, the Government would construct and operate the project free from any obligation whatsoever to the Savannah River Electric Co., the Georgia Power Co., or any other power company. But when the power companies saw the project was to be approved the Georgia Power Co., not the Savannah River Electric Co., came in and made a bid for a prior right to use and distribute the power, but there was no agreement, not even an implied agreement, between the company and the Government, and the reason Savannah River Electric Co. is making this charge is to try and excuse its own breach of faith. We want to emphasize that when President Arkwright wrote the letter about getting all of the power at the switchboard, he stated that the Georgia Power Co. would be in a position to take the power. He did not say he was writing for the Savannah Electric Co., whose officials and representatives are now alleging bad faith on the part of the Government. It appears to me that this Savannah River Electric Co. is serving only as a cat's-paw for the Georgia Power Co., the Commonwealth & Southern Corp. of New York, including other power companies, because this company was organized about 20 years ago, but if it has ever constructed or operated a plant, I have not heard of it. It is my understanding it was incorporated with capital stock of not less than $100,000 and not more than $500,000,

and about the only thing we have been able to learn what it has done in the meantime is to purchase about 40,000 acres of land at a cost of about $700,000. Therefore, from a financial standpoint or from the standpoint of experience, I do not see how it could be possible for the Federal Power Commission, under the law, to approve a license for this company to construct a project which it now claims will cost from $45,000,000 to $50,000,000.

Of course, the power company is now proclaiming from the housetops that if the Government completes and operates this project it will mean the placing of Government in business in competition with private enterprise. This is one of the old and threadbare arguments that has been used on many other occasions since the beginning of our Government. There may be a limited amount of competition when the Government begins operating the plant, but it should be remembered that practically every program heretofore inaugurated by the Federal Government for the benefit of the people has, to some extent, been in competition with some individual or group of individuals in conducting their business. For example, we construct ships in most of our navy yards which, to some extent, competes with the shipbuilding industry, but navy yards are not established with the idea of putting the Government in business or in competition with private enterprise. We manufacture cloth, we make clothing, furniture, shoes, and many other things in our Federal prisons which, to some extent, compete with private enterprise but we do not build prisons for the purpose of putting the Government in business or to compete with private enterprise. Our program of constructing paved public highways competes to some extent with practically every system of transportation, but we do not think of the highways being in business or in competition with private enterprise. Our parcel-post system competes to some extent with the railroads and express companies, but since it is in the interest of all the people we do not consider the Government is in business or in competition with private enterprise. Our public-health programs are in competition with the medical profession to some extent. Our agricultural experiment stations are, to some extent, in competition with scientists, and our agricultural colleges are in competition with private institutions. In fact, the Savannah River Electric Co. urges that the Clark Hill Dam should be constructed to promote flood control and navigation, even though the navigation would be in competition with the railroad, air lines, and other means of transportation, but it does not raise the question of competition so long as the program relates to some other activity, but it objects to the production of electricity at Clark Hill unless it is given complete control.

The Clark Hill project is primarily for flood control and the promotion of navigation; the power feature is only for the purpose of helping reimburse the Government for its expenditure. It is not for the purpose of putting the Government in business and no one knows this any better than the Savannah River Electric Co. Its own president so stated at a public hearing in Atlanta, Ga., October 28, 1946, less than a year ago, when he said:

"The Government is not interested in making or selling electricity. The Government is interested in navigation and flood control. They make and sell electric power as an incident to their control of the river for navigation purposes."

The Savannah River Electric Co. has promised other committees of the Congress that if this appropriation is defeated and the Federal Power Commission should give it another license it will construct and operate this project, but this is not the only promise this power company has made. When it filed application with the Federal Power Commission in 1928 for a license to develop this project, it promised it would develop and operate the project and assured the Federal Power Commission it was ready, willing, and able to do so, but it changed its mind in 1932.

When the Savannah River Electric Co. went to the poor farmers of South Carolina and Georgia and urged them to sell their lands at what now appears to be ridiculously low prices, it promised these people it would construct the largest hydroelectric plant in South Carolina or Georgia, which would solve their flood-control and navigation problems at the same time and furnish them with all of the electric power they could possibly use and it would be at exceedingly low prices, but this company changed its mind.

In 1935, this same power company promised the people of South Carolina and Georgia that if they would get the Government to construct and operate this plant it would cooperate in every way possible. In 1943 when this company urged the Army engineers and the Federal Power Commission to recommend to Congress the development and operation of this project should be by the Federal Government, it again promised these agencies that it would convey to the Government 40,000 acres of land at a price not exceeding its cost, provided the Government would build the plant, but this company has again changed its mind. If you will observe that every time this company has changed its mind relative to the development of this project since its incorporation, the change was made with the hope that it would promote its own selfish interests and not for the benefit of the people, and in the light of these observations, I do not see how any individual or group of individuals could rely upon the promise of this company to do anything in the interest of the public.

However, one of the arguments they submit as to why this appropriation should be defeated and the power company be given a new license is that if the Government does the work it will not pay any taxes to the counties on the lands covered by impounded waters, whereas the power company says that if it is permitted to build and operate the plant its taxes in the counties would be increased and the taxes of the people would be decreased. This illustrates another change of mind or attitude. Last year, and the 10 years previous thereto, when the power company was urging the Federal Government to build and operate the plant it was not telling the people then their taxes would increase if it sold its lands to the Government. On the contrary, reports are, the representatives of the power company were then saying they would take the money received from the sale of lands and enlarge their activities, which would increase their taxes to the point where revenue to the State and counties would be greater than if they retained the lands without the development.

Furthermore, this company insisted there would be a great many new enterprises coming to that area and they would be contributing taxes far in excess of the amount contributed by the power company so long as the lands and power were undeveloped. It is not hard to see that this power company can easily change its mind to fit any situation that may arise, particularly where selfish interests are involved and a mere promise to construct and operate the plant, should this committee defeat the appropriation, may not be worth the paper it is written on. There is no assurance or guaranty, further than a mere promise, that the project would be developed by the power company should an opportunity be afforded. Only a few weeks ago when the vice president of the Savannah River Electric Co. appeared as a witness before the Appropriations Committee of the House he was asked by a member of the committee: "What guaranties can you give that you would proceed with it expeditiously, if the Army engineers were to step out of the picture?" His reply was: "I give no guaranties other than the application and our commitments and our good faith and our good word, which to us is more valuable than any bond." This reply to the inquiry may satisfy some people but I do not believe it will be sufficient to satisfy this committee or any agency of the Government, particularly where $45,000,000 or $50,000,000 may be involved.

SUMMARY

Mr. Chairman, I shall summarize the situation as I see it and conclude my statement. On December 22, 1944, the Congress passed the flood-control bill which carried a provision authorizing the construction and operation of what is now frequently referred to as the Clark Hill project on the Savannah River near Clark Hill, S. C. Two appropriations totaling $5,500,000 for this purpose have been made in the meantime, and construction of the project is well under way.

Last August the Savannah River Electric Co. filed an application with the Federal Power Commission for a license to construct and operate this project, saying the company will reimburse the Government for money expended thereon up to date and then construct and operate the project under Government supervision and direction. The application was denied on the ground that Congress by appropriate legislation had authorized the construction and operation by the Army engineers, the Federal Power Commission, and the Department of the Interior.

A few months later, in the early part of this year, the Savannah River Electric Co. appealed to the Congress asking it to reverse its former action and authorize this company to construct and operate the project. This company elected to use the Appropriations Committee to engineer the appeal to and through the Congress. Since then practically every Member of the Congress has been approached in some way or other and urged to support its request or petition. Less than 2 weeks ago when the bill now before you for consideration was up for consideration in the House of Representatives, an effort was made to eliminate the appropriation item therein for the Clark Hill project with the idea that the item should be eliminated, the Federal Power Commission would then be free to issue a license to the Savannah River Electric Co. to develop and operate the Clark Hill project. I assume the same arguments made there have been submitted to your committee.

When a motion was made in the House by the chairman of a subcommittee of the Public Works Committee to strike from the bill the item carried in the appropriation bill to continue the construction of this project, it was argued that since the Savannah River Electric Co. had offered to develop the project under Government specifications and operate it under Government supervision and direction, the Congress should rescind its heretofore actions and allow the Savannah River Electric Co. to proceed with the construction. A strong appeal was made to the membership of the House, but when the vote was reached only three Members supported the motion.

Mr. Chairman, I want to emphasize the significance of the action of the House in this matter. Although the membership of the House has changed considerably since this project, along with several other similar projects, was authorized in 1944, the action of the House is convincing proof that the philosophy of its membership with reference to this project has not changed in the meantime. In other words, the Savannah River Electric Co. elected to submit its request through the Appropriations Committee of the House; and since it has spoken with an almost unanimous vote showing it is not ready to reverse its former position in this matter, it would appear that your committee will be fully justified in approving the full amount requested by the Bureau of the

Budget, and allow the construction of this project to continue as rapidly as circumstances will permit.

Mr. Speaker, it will be observed that Mr. Hare urged the committee to approve the full amount requested by the Bureau of the Budget—$6,075,000. In view of the action taken by the House when this item was considered here, I believe that the full amount could have been profitably used, but I believe that the appropriation of $5,000,000 approved by the conference committee will be adequate to maintain the construction schedule for the fiscal year ending June 30, 1948. As the appropriations to date are only about 20 percent of the estimated cost of the project, it naturally follows that other appropriations will have to be made in order to complete this undertaking. It is these next appropriations that I wish to emphasize. They should be sufficiently large to complete the project within 2 to 3 years. I agree with the chairman of the subcommittee handling this appropriation, the gentleman from Michigan [Mr. ENGEL], that the cost of such projects is unnecessarily increased by stretching their construction over too long a period. He suggests that, if the Congress is going to authorize such projects, that adequate appropriations should be made to complete a project in the shortest possible time, as this would be in the interest of economy. I am not an engineer, but it has been suggested that, if the construction of the Clark Hill project could be completed in 3 or 4 years instead of 6 or 7, that the Government would save between three and five million dollars. If only $1,000,000 is saved, the Congress would be justified in making the appropriations large enough to expedite the construction just as fast as circumstances permit. Not only would such a course save money, but it would quicken the realization of the benefits which are to be derived from the project.

Anti-Poll-Tax Legislation

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech I made on July 1, 1947, before the House Administration Committee in support of anti-poll-tax legislation:

STATEMENT BY GEORGE H. BENDER, CONGRESSMAN AT LARGE FROM OHIO, BEFORE THE HOUSE ADMINISTRATION COMMITTEE, JULY 1, 1947, IN SUPPORT OF ANTI-POLL-TAX LEGISLATION

Mr. Chairman and members of the committee, I am glad to appear before you this morning to testify in support of the bill which I have introduced to make unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers.

On Friday of this week we will celebrate the one hundred and seventy-first anniversary of the signing of the Declaration of Independence of the United States. For 10,000,000 native-born American citizens, 7,000,000 white and 3,000,000 Negro, that celebration will be a mockery.

Sometimes I think that in place of all the Fourth of July orations that are delivered across the Nation, in place of the lip service which is paid on that day to the Declaration of Independence, we would do better to reread and to reaffirm the simple and fundamental truths which are set forth in that great charter.

In its opening sentences the Declaration of Independence says: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness; that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Let me repeat that basic proposition of the American system; governments derive their just powers from the consent of the governed.

The poll tax is a denial of that basic proposition. Where the poll tax exists there is no such consent. Where the poll tax exists the great majority of the citizens have no voice in the government.

The poll tax was devised for the specific purpose of depriving the majority of the people of a voice in their government. Today, seven States use the poll tax as a bar to free elections. They are Alabama, Arkansas, Mississippi, South Carolina, Tennessee, Texas, and Virginia. In every case the poll-tax system in these States was imposed within the memory of men now living. Let me make that point clear. The poll tax as it exists today in no relic of an earlier period which is being gradually abolished. Just the opposite is true. After a half century of free manhood suffrage, the poll tax was resurrected and was reestablished by fraud and trickery in the 1890's and the 1900's for the express purpose of disfranchising the great majority of the people.

I would like the record to show the dates of the adoption of the poll tax: Mississippi, 1890; Tennessee, 1890; South Carolina, 1895; Alabama, 1901; Virginia, 1901; Texas, 1903; Arkansas, 1908.

The conventions which adopted the poll tax in this period of disfranchisement left no doubt that their purpose was to center the control of the Government in the hands of a minority, and to exclude from the polls the great majority of the citizens, Negroes and white alike.

A delegate to the Virginia convention of 1901 said, and I quote, "There is a mass of vicious and incapable whites which must be debarred from the suffrage. * * * The chief objection which I have heard to this system is that, along with many stupid and vicious whites, some worthy and good citizens will be disfranchised. This is doubtless true."

Just how true this was, was shown by the immediate effect of the poll tax in reducing the size of the electorate.

In Virginia in the last Presidential election before the imposition of the poll tax, some 266,000 persons voted. In the first Presidential election after the imposition of the poll tax, the vote had been cut to 136,000—an immediate reduction of 49 percent.

In Mississippi in the last Presidential election before the imposition of the poll tax, some 117,000 persons voted. In the first Presidential election after the imposition of the poll tax the vote had been cut to 52,000—an immediate reduction of 56 percent.

There were similar immediate reductions in the other States.

The effect of the poll tax has been a continual reduction in the size of the electorate, until today there is not even a pretense of representative government in many poll-tax States.

In the congressional elections of 1946, in the 42 States where free elections were held, an average of 47 percent of the potential voters cast their ballots. In the seven poll-tax States, an average of 9.58 percent of the potential voters cast their ballots.

If we would see democracy flourish in the United States, we cannot rest content with paying lip service to democratic traditions while we violate their very essence and spirit.

Democracy in the United States—and indeed in the world—must either go forward or it must perish. If we are to keep democracy alive, the great heritage of the past must be more than a body of dogma displayed on ceremonial occasions. It must be a guide to present action—not inaction.

When 10,000,000 American citizens are prevented by a poll tax from exercising their democratic rights and duties, the poll tax becomes a symbol of political inequity. When the payment of a poll tax becomes a prerequisite for voting, opportunities for political corruption are created, and democratic processes derailed.

As the foremost democratic Nation, we have a responsibility not only to our own people, but to the peoples of the other lands as well. We can most effectively further the cause of democracy in the world by our devotion to it at home. We can be an inspiration to peoples striving for liberty everywhere. But if democracy in America is allowed to stagnate, if such an obviously undemocratic and often corrupt institution as the poll tax is retained, we will not only seriously undermine our prestige in the world, but we shall have gone far toward discrediting the whole idea of democracy.

As a nation we have been outspoken—not once, but many times—in our insistence that newly established regimes in Europe provide above all else for free and democratic elections. We have announced in the most forthright terms our conviction that free elections are the foundation stone of democracy, and we have regarded the failure to adhere to strict standards in this sphere as sufficient cause to question the nature of a regime and the motives of its principal spokesmen.

Do we expect less of ourselves, the greatest democracy in the world, than we do of these fledgling democracies? Can we demand free elections in Albania, Yugoslavia, and Poland, and countenance thoroughly undemocratic procedures in Alabama, Arkansas, Mississippi, South Carolina, Tennessee, Texas, and Virginia? The existence of the poll tax in these American States deprives us of the moral right to criticize for their undemocratic ways the new governments in the Balkans. It lays us open to the charge of hypocrisy, and renders suspect our reluctance to welcome these peoples into the fellowship of nations.

In insisting on free elections in various European countries, we have not hesitated to interfere in their internal affairs. We have not been deterred by considerations of national sovereignty. If we do not hold in awe the sovereignty of a foreign country, whose people and whose government are independent of us, why are we so reticent where the so-called rights of our own States are concerned? If we demand free elections in Yugoslavia, how can anyone take seriously the argument that respect for States rights should keep us from guaranteeing free elections in our own South?

I observe that the President of the United States, in addressing the National Association for the Advancement of Colored People, on Sunday, June 29, pledged his full and continued support to the extension of civil rights and declared that all citizens, on equal terms, should enjoy the right to share in making

the public decisions through the ballot. Calling attention to the fact that democracy today is on trial, the President said, and I quote: "We can no longer afford the luxury of a leisurely attack upon prejudice and discrimination. There is much that State and local governments can do in providing positive safeguards for civil rights. But we cannot any longer await the growth of a will to action in the slowest State or the most backward community. Our National Government must show the way. * * * We must provide the Government with better tools to do the job."

The anti-poll-tax legislation now before this committee will provide the Government with such a tool. I call upon the President to pledge not only his own full and continued support but also the support of his party to ensure the passage of an anti-poll-tax measure in this session of Congress. An anti-poll-tax law would be a forward step toward guaranteeing political equality to all our citizens. And it would strengthen the case for democracy in the world Surely such legislation, which is consistent with the finest traditions of our Republic, is worthy of bipartisan support, and no effort should be spared to see that such support is forthcoming. A bipartisan policy in the sphere of extending civil rights would indeed serve the good of the Nation.

Appropriations and Budget Savings

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. TABER. Mr. Speaker, I submit herewith six tables.

The first table contains the budget estimates for 1948, the appropriations actually made, and the savings.

The second table contains the budget estimates for deficiencies, the appropriations actually made, and the savings.

The third table indicates the contract authorizations, the estimates and the increases in contract authorizations.

The fourth table indicates the rescissions. Of the rescissions $442,500,000 were direct savings. Of the remainder $2,684,000,000 were an elimination of funds which the President did not recommend. I am sure that if the bureaucrats had had the opportunity to obligate them they would have done so.

The fifth table indicates the savings that were made by direct recovery into the Treasury and by reduction of the Budget estimates that were made by the Budget after our investigations and hearings had demonstrated that they were unnecessary. Of this $911,711,000, $292,075,000 were changes in budget estimates resulting from our investigations and hearings. In other words, the Government saved the money as a result of our activity.

The last table indicates the over-all savings that we can claim direct credit for and shows savings effected by the Eightieth Congress, first session, as compared with the President's budget estimates. They total $4,480,664,303.

TABLE I.—*Appropriations for fiscal year 1948*

	Budget estimate	Law	Reduction below estimate
Agriculture	$805,141,008	$613,046,826	$192,094,782
District of Columbia	95,793,160	95,504,737	288,423
Independent offices	8,500,497,759	8,188,822,627	311,674,832
Interior	295,463,060	194,587,859	100,875,201
Government corporations	50,137,500	35,040,000	15,097,500
Labor-Federal Security Agency	1,771,614,039	1,674,158,631	97,455,408
Legislative	76,153,077	55,294,435	20,858,642
Military	5,716,791,500	5,482,529,633	234,261,867
Navy	3,513,000,300	3,268,766,100	244,234,200
State, Justice, Commerce, Judiciary	698,788,588	551,175,432	147,612,656
Treasury-Post Office	4,099,123,500	3,216,509,450	882,614,050
Government corporations supplemental	35,500,000	35,500,000	
Emergency appropriation	5,750,000	6,180,000	+430,000
The supplemental	1,925,683,823	1,658,802,197	266,881,626
War—civil	619,727,100	502,123,912	117,603,188
Second supplemental	242,285,460	106,695,100	135,590,360
Total	28,451,450,474	25,684,737,739	2,766,712,735

TABLE II.—*Deficiencies for fiscal year 1947*

	Budget estimate	Law	Increase (+) or decrease (−), law compared with estimate
Urgent deficiency	$179,319,100	$179,645,668	+$326,568
First deficiency	3,082,332,589	2,835,161,509	−247,171,080
Second deficiency	224,528,415	192,438,859	−32,089,556
Second urgent deficiency	61,778,758	72,236,258	+10,457,500
H. J. Res 154	9,000,000	9,000,000	
H. J. Res 159	243,714,587	243,255,607	−458,980
Estimates formally submitted, but not included in any bill	90,805,020		−90,805,020
Total	3,891,478,469	3,531,737,901	−359,740,568

TABLE III.—*Contract authorizations for fiscal year 1948*

	Budget estimates	Recommended	Increases above estimates
Independent offices	$512,968,000	$592,393,000	$79,425,000
Interior Department	21,000,000	20,150,000	−850,000
Labor-Federal Security Agency	2,087,675	77,087,675	75,000,000
Military	383,420,000	454,000,000	70,580,000
Navy	170,000,000	248,000,000	78,000,000
The supplemental	50,000,000	76,279,600	26,279,600
Total	1,139,545,675	1,467,910,275	328,364,600

TABLE IV.—*Rescissions*

	Budget estimates	Recommended	Increase over estimates
Urgent deficiency bill	[1] $565,801,856	[1] $567,461,151	$1,659,295
First deficiency bill		1,011,423,325	1,011,423,325
Second deficiency bill		2,500,000	2,500,000
Agriculture bill		40,000,000	40,000,000
Independent offices bill		163,100,000	163,100,000
Interior bill		450,000	450,000
Military bill		1,438,966,500	1,438,966,500
Navy bill		403,575,000	403,575,000
The supplemental 1948 bill		360,000	360,000
Second supplemental 1948 bill	325,000,000	389,496,970	64,496,970
Total	890,801,856	4,017,332,946	3,126,531,090

[1] And in addition $132,000,000 contract authority rescinded.

TABLE V.—*Table showing revised estimates, reductions in expenditures, and increase in revenue (independent offices bill)*

Expenditure reductions:		Revised estimates—Continued	
U. S. Maritime Commission:		War Assets Administration, reduction in original budget estimate	$20,750,000
Reductions in specific budget items	$66,861,000	Additional revenue available from sale and charter of vessels not included in budget estimates of receipts (includes $404,300,000 for 1947 and $100,775,000 for 1948 not shown in the budget estimates of receipts)	505,075,000
Allocation from UNRRA, not required in 1948	47,700,000		
Revised estimates:			
Veterans' Administration:			
Printing and binding, reduction in original budget estimate	1,500,000		
Pensions and compensation, reduction in original budget estimate	269,825,000	Total	911,711,000

TABLE VI.—*Savings effected by 1st sess., 80th Cong., not recommended by the President*

1. Direct cuts in 1948 estimates	$2,766,712,735
2. Direct cuts in deficiency estimates	359,740,568
3. Rescissions which we know reduced expenditures	442,500,000
4. Recoveries of funds from agencies and corporations and reduced estimates due to our hearings and investigations	911,711,000
Total	4,480,664,303

In addition there were $2,684,000,000 of rescissions not recommended by the President which bureaucrats might have spent.

Which Is the Correct System of Accounting?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. MURDOCK. Mr. Speaker, in the title of my remarks today, I use the word "accounting" to mean water accounting in the Colorado River Basin. It is well known that proper legal accounting is necessary for every drop of water taken out of the Colorado River for vital uses in any of the seven States which make up the Colorado River Basin. The Colorado River with its tributaries constitutes the sole source of water for this large basin area. The waters of this river system constitute the "water bank" on which the peoples of these seven States must largely, if not exclusively, depend for existence. The need for water for beneficial uses by the people of these seven States is far greater than the supply, and therefore, strict accounting must be had under existing law. There is a wide difference of opinion as to what system of accounting shall be used, and on that I wish to comment.

Let it be understood that each of the seven basin States could use and would like to have much more water out of the Colorado River than it will probably ever rightfully get. The full requirements or natural demands of each State cannot be met without decreasing the supply to other States in the basin. Therefore, there must be legally a division of the waters of the Colorado River into seven portions, one portion for each of the seven States, as its proper allotment. These seven portions by all the circumstances are not to be equal portions, and while whatever portion is eventually assigned or allotted to each State will be less than that State would like to have, and really does need, the allotment by law must be as nearly fair and just as the mind of man can devise. Such a final allotment has not been made yet to each of the seven States with exactness—at least it has not been made among the four States of the upper basin, although as I read the law it has clearly been made with reference to the three States of the lower basin. The point I wish to emphasize now is that there is a jealous guard being kept over every drop of water taken out of that river, and a strict accounting is being kept, and must continually be kept so that no overdrafts by any State in the basin be permitted. What is the nature of this accounting?

LAW REQUIRES ACCOUNTING

First, let us see what law exists with reference to any apportionment. The basic law of the river which is the Colorado River Compact of 1922, often called the Santa Fe Compact, apportions 15,000,000 acre-feet of water annually at Lees Ferry, Ariz., dividing the same equally into two parts, and apportioning 7,500,000 acre-feet annually to that area in the upper basin above Lees Ferry and 7,500,000 acre-feet annually to that area in the lower basin below Lees Ferry. This apportionment is found in article III, subsection A, of the compact. The following paragraph, which is article III, subsection B, apportions 1,000,000 additional acre-feet annually to the lower basin. Now the total flow of the river at Lees Ferry exceeds that amount, and naturally other disposal is made later in the compact of the unapportioned, or surplus, waters in the stream. Unfortunately, the compact confines itself to these larger divisions of the total supply and does not attempt to apportion water among the seven States, leaving such to subsequent enactments or determinations.

If or when water is taken out of the river to be used in any of the States, it is necessary to keep within the limits of the rightful legal quantity which that particular State may have. For that reason, a very strict accounting must be had, and of course each State must be charged with its draft against its figurative deposit in the "water bank." This accounting is very similar to banking practice of deposits and withdrawals excepting in this case nature does the depositing and man does the checking out. All parties concerned are interested in preventing overdrafts.

TWO IDEAS OF ACCOUNTING

In the controversy over withdrawing water from this river, there have been two opposing doctrines or theories advanced as to proper accounting method, by which to charge each State with the amount of water withdrawn. One of these may be called the depletion method, which is used by the Bureau of Reclamation and sanctioned by most western water authorities. The other may be known as the beneficial consumptive use method, which has been advanced by certain water authorities in southern California. Let me explain each of these as I understand them.

The depletion theory or method is very plain and simple and almost self-explanatory. It is the custom in the West to turn water from a stream bed, or take it out of a stream at the surface, usually by a diversion dam, or it may be taken out by pumps, and carried where needed for irrigation or other beneficial use. By this depletion accounting procedure, the State is charged with the amount of water measured in acre-feet or second-feet to the extent the stream is depleted. Hardly anything could be simpler than that, and I am certain that such procedure is exactly what the lawmakers had in mind and intended should be used in drafting the compact and subsequent legislation.

Now, certain California water authorities propose a different system of water accounting which we will call the beneficial-consumptive-use method, and this method gives a far different mathematical result in contrast with the other. Perhaps the fact that the basic law uses the words "beneficial consumptive use," although in another sense, might at first glance give some sanction to this method. My contention is that the use of the above expression, beneficial consumptive use, in measuring volume or quantity is distorted and misused as a means of accounting withdrawals. That expression, in my judgment, was never intended to be used as a measure of volume of water. Instead, it is a measure of legality or rightful use. We measure water for irrigation in such physical units as acre-feet or second-feet. We use the expression "beneficial use" to determine the character of the disposition of the water and to determine whether it is rightfully so used. Therefore, it is a distortion of language to try to take the expression "beneficial consumptive use," which is a well-understood legal concept in the West, and attempt to make it a measure of volume for accounting purposes, especially on this river. Yet, that is exactly what certain water authorities in southern California are trying to do for their own particular purposes.

BIG DIFFERENCE IN RESULTS

Now what is the difference in end results of these two methods of accounting? Let me give two illustrations, using round numbers for convenience. First, let us take the Gila Basin, lying almost exclusively within the State of Arizona. Let us say that the virgin flow of the Gila River at its junction with the Colorado at Yuma was a million acre-feet annually. However, today every drop of that water is taken out of the Gila and used beneficially and consumptively as it should be. In this river accounting, how much shall Arizona be charged with because of her using all of the Gila water? Because the Gila water supply had been entirely preempted before 1922, when the compact was written, and little is implied about it, it is my belief that it was not intended to be accounted for under that instrument. By the depletion doctrine, Arizona should be charged with the use of 1,000,000 acre-feet of water, if it is to be accounted for at all, other than as illustration. On the other hand, a California water authority with his different idea would say, "Arizona must be charged with 3,000,000 acre-feet of water."

"How does he get that 3,000,000 acre-feet instead of the 1,000,000 acre-feet?"

you may ask. Well, this is it: All along the course of the Gila River in Arizona and along its tributaries water is diverted from the river more than once, and used beneficially for irrigation. Some of that water finds its way back into the river and is again diverted miles below, and again and again, so that a large portion of the water in the Gila Basin is used over and over again. No doubt some of it is used at least 10 times during the course of its journey downstream, until all of it is used completely and disappears, and the river just above Yuma is dry as a bone. Now if you add the sum total of all these uses it will total, let us say, 3,000,000 acre-feet each year—and that is what the California doctrine would charge to Arizona's Colorado River water account. It matters not that there was not that amount of precipitation on the Gila watershed in 12 months. It matters not that that quantity is three times the amount which the Colorado River has been depleted. Under this California doctrine, that is the amount charged against Arizona.

If a family of seven persons all engaged in business have a joint bank account and it is understood that each may check out or withdraw a certain portion of the total deposit, would the family accounting inquire how the oldest son used the money he drew out, or would it inquire merely how much he checked out? It might be that this oldest son, being a thrifty and good businessman, might take out $1,000 and instead of spending it on living expenses might make a good investment so as to make it yield $3,000 extra dollars, which he never deposited in the family account. Must we then charge him with withdrawing $3,000 instead of the $1,000? Such would not be to his liking, and I am sure would not be wise or fair. Certainly it would not be legal according to the first understanding.

ONE METHOD BAD FOR UPPER BASIN

Let us give another case contrasting these two accounting methods. The basic law apportions 7,500,000 acre-feet of water to the four States of the upper basin. Apparently, right now they are using about one-third of that apportionment, and when I say using I mean they are taking out and keeping out above Lees Ferry about one-third of that apportionment. As the Bureau of Reclamation would say, they are depleting the Colorado River at Lee's Ferry by about 2,500,000 acre-feet. Under the depletion theory they might deplete the river 7,500,000 acre-feet, provided only that they keep their obligation to let down water for use below. Therefore, under the depletion theory they have yet about two-thirds of their allotment which they may further take out of the river, provided only that they let a required amount go by for the lower basin.

But how does this look according to the other accounting method? In the upper basin they are doing exactly as is being done in the Gila Basin—water is being used several times. Suppose an investigation shows that all the water that is now being taken out of the upper-basin streams and applied beneficially totals 7,500,000 acre-feet each year. If so, then according to the suggested California doctrine they are charged now with all that they are permitted to have, and legally they cannot take any more out of the river by way of depleting its flow at Lee's Ferry. Which system of accounting—with those differing results—is correct?

FULL USE MUST BE ENCOURAGED

It is my firm conviction that the depletion method is the correct method and is the only logical method to be applied in this river accounting. I believe that to use the other method would be contrary to justice and sound public policy. It would tend to discourage what we want to encourage—that is, the maximum utilization of water in this semi-arid West. Water, being indestructible, is capable of reuse many times, and it ought to be reused as often as possible by every thrifty community in its life-giving, wealth-creating purpose. Of course, it must be used beneficially, as that is our basic criterion, and we want that expression, with all of its legal implications, to be a standard and measure of right and proper use. But if we destroy or ignore its ethical and legal meaning and attempt, as this California doctrine does, to use it in a mathematical sense instead of its plain legal sense, it will be a bar to progress and have a stultifying effect throughout all the reclamation West. Such a meaning, I am convinced, is not in existing law, and it must not be written into any future enactment.

Ceiling Price on Typewriters

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MILLER of Connecticut. Mr. Speaker, during consideration of the Treasury Department appropriation bill I attempted to have removed from the law the existing price ceiling on the purchase of typewriters. You will recall that we wrote into the law a price ceiling of $77 on "10-inch standard typewriters." I am informed that no one makes a typewriter with a 10-inch carriage. The so-called standard machines for which the Government has been paying $77 in the past actually is an 11- or 11¼-inch carriage.

During the debate on the Treasury Department appropriation I attempted to show that manufacturers of typewriters could no longer provide the United States Government with typewriters at $77 unless they were willing to assume a loss on each such typewriter sold to the Government.

On July 17, 1947, the Bureau of Federal Supply of the Treasury Department released the results obtained from its invitation to bid for supplying typewriters. I have received the following information from the Treasury Department. You will notice that L. C. Smith & Corona Typewriters, Inc., were the only manufacturers who offered standard models at the ceiling price of $77, their bid being $84.70 which includes the Federal tax and their bid is limited to 500 nonportable typewriters for the full year, which I am informed is only half of the number provided by this company last year.

I have not included the bids submitted on portable or electromatic typewriters as, strangely enough, no ceilings have been placed on those models. Some departments of our Government may be very, very short of typewriters by the time Congress reconvenes in January.

L. C. Smith & Corona Typewriters, Inc., offered to supply a total of 500 nonportable typewriters only, for the contract period from July 1, 1947, to June 30, 1948. The prices quoted are the same as for the preceding contract period, and are as follows:

Silent model

Item No.	Maximum paper capacity	Price including excise tax
	Inches	
54-T-6198	11	$96.80
54-T-6208	13½	102.85
54-T-6218	15½	108.90
54-T-6228	19½	114.95

Streamlined standard model

Item No.	Maximum paper capacity	Price including excise tax
	Inches	
54-T-6413	11	$84.70
54-T-6419	13½	90.75
54-T-6434	15½	93.78
54-T-6439	19½	105.88
54-T-6449	21½	113.74
54-T-6459	27½	125.24

Remington Rand, Inc., did not limit the number of typewriters and offered to supply at list prices as established by them, and prevailing at time of delivery, less a discount of 30 percent on such list prices. There is forwarded herewith a copy of their list containing commercial prices.

The Woodstock Typewriter Co. did not limit the number of machines which it would supply in event of an award of contract, but did stipulate that "This bid is subject to any increases authorized by Congress for the fiscal year 1948 resulting in prices higher than those shown." These prices follow:

Standard model

Item No.	Maximum paper capacity	Price including excise tax
	Inches	
54-T-7398	11¼	$96.90
54-T-7413	13	109.98
54-T-7419	14½	105.41
54-T-7438	18½	134.30
54-T-7449	22½	151.30
54-T-7460	26½	168.30

The Royal Typewriter Co., Inc., and the Underwood Corp. did not offer to supply other than portable and electric typewriters.

Legislative Record of the Committee on Armed Services, Eightieth Congress, First Session

EXTENSION OF REMARKS
OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. ANDREWS of New York. Mr. Speaker, I report to you and to the House of Representatives a summation of the work of the Committee on Armed Services during the first session of the Eightieth Congress.

At the outset, I point out that this new committee, which originated under the terms of the Reorganization Act of the last Congress, commenced its work in this Congress without tradition, without precedents, without any of the formalized, established procedures which, as they accumulate over the years, simplify to so great an extent the work of any governmental body. All of the operational and policy problems confronting the Committee on Armed Services had to be faced for the first time in this Congress—and, in addition to the many difficulties normally attendant upon the organizing of such a new congressional group, there were also various collateral difficulties unavoidable in the merging into one committee of the preceding historic standing Committees on Naval and Military Affairs.

These many problems were the committee's springboard last January. It is, then, an achievement of no mean proportions that the committee has reduced an outstanding legislative record during the first session of its first Congress. This record was made possible by the remarkable cooperation, the unremitting application to the legislative business at hand, and the complete absence of political considerations, of the members of the committee on both sides. I think it can be fairly stated that few committees have worked with such harmony as has the Committee on Armed Services throughout this session.

To particularize on the work of the committee during this first session, an average of more than one full committee meeting was held weekly throughout the session. Thirty-one such meetings were held in total, revealing thereby the need for a continuity to process the steady flow of legislation from the 12 subcommittees into which the committee is subdivided. These 12 subcommittees held a total of 171 meetings, in open and executive session, during the course of the session. In assessing the intensity of this work you will recall that there were only 126 legislative days in the entire session, so that we had an average of well over one subcommittee meeting for each legislative day. During this time some 150 bills were acted upon of the total of over 425 bills referred to the committee, and of the 150, over one-third, 59 to be exact, were enacted into law.

This new committee initiated an average of one of every six of the laws enacted thus far by this Congress, that is of the approximately 330 laws enacted during the first session of the Eightieth Congress, 59 emerged from the Committee on Armed Services. I consider this record sound evidence of the unremitting application of the committee membership and the excellent guidance and planning of the subcommittee chairman, who, in the final analysis, were responsible for initiating and obtaining floor action on the various bills pending before their subcommittees.

Before going directly into the legislative items handled by the committee, many of which are of national significance, it should be stated that, without exception, the legislation of the subcommittees reported to the full committee, and the legislation reported by the full committee to the House of Representatives, was considered in great detail. Most of the major bills reported were amended severely, either in subcommittee or in full committee, and it is significant that with very few exceptions the subcommittee and full committee deliberations resulted in unanimous reports. By this is emphasized that not only has a large volume of legislation been produced, but sound, fully deliberated legislation which should stand up well over the years ahead.

Below are listed for the information of the House, a tabulation of the committee's bills, divided into various categories indicating the state of completion of the bills on July 26, when the first session of this Congress adjourned:

LEGISLATIVE ACTION OF COMMITTEE ON ARMED SERVICES, EIGHTIETH CONGRESS, FIRST SESSION

BILLS HEARD BY SUBCOMMITTEES

H. R. 2234. Leave of absence for United States employees who are members of the Enlisted Reserve Corps (superseded by H. R. 1845).

H. R. 2536. Procurement, promotion, and elimination of Regular Army officers (superseded by H. R. 3830).

H. R. 2537. Distribution, promotion, and retirement of Navy and Marine Corps officers.

H. R. 1360. Relating to the Board of Visitors to the United States Naval Academy and postgraduate school.

H. R. 3280. Expansion of Army ROTC (superseded by H. R. 4143).

H. R. 3054. Establishing WAC in Regular Army.

House Joint Resolution 77. Maintenance of adequate domestic rubber-producing industry (superseded by H. J. Res. 118).

H. R. 3432. Making certain changes in the organization of the Navy Department (voted to be reported).

H. R. 4038. Enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve.

H. R. 1357. Authorizing the sale, loan, exchange, or gift of United States naval ordnance matériel to foreign governments.

H. R. 663. Selection for elimination and retirement of Regular Army officers and retirement for members of the Army of the United States.

H. R. 1364. Authorizing the Secretary of the Navy to construct aviation facilities at United States Naval Academy.

H. R. 2359. Construction of water-filtration plant on United States Military Academy reservation.

H. R. 1361. Establishing commissioned grade of Medical Administrator in the Hospital Corps of the Navy (see also H. R. 3215).

H. R. 1373. Reorganizing the Nurse Corps of the Navy and of the Naval Reserve (see also H. R. 1943).

H. R. 1603. Establishing Medical Associated Sciences Corps in Navy Medical Department (see also H. R. 3215).

H. R. 1673. Revision of Army Medical Department (see also H. R. 1943 and 1982).

H. R. 1982. Revision of Medical Department of the Army (see also H. R. 3215).

H. R. 491. To amend the Mustering-Out Payment Act of 1944.

H. R. 1035. To amend the Pay Readjustment Act of 1942.

H. R. 3174. Procurement of physicians and surgeons of the Medical Department of the Army (superseded by H. R. 3851).

H. R. 3254. Additional inducements to physicians and surgeons to make a career of the United States naval service (see also H. R. 3851).

H. R. 3278. Amending Mustering-Out Payment Act of 1944.

H. R. 3540. Payment of claims for medical care and treatment of personnel of Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service furnished other than by activities of the Federal Government.

H. R. 771. For the relief of Edwin R. Samsey (heard before full committee).

H. R. 1195. Conveyance to the city of Detroit, Mich., of the Fort Wayne Military Reservation.

H. R. 1847. Conveyance to the city of Detroit, Mich., of Fort Wayne Military Reservation (see also H. R. 2183).

BILLS REPORTED BY SUBCOMMITTEES TO FULL COMMITTEE

H. R. 1372. Further amending thirteenth paragraph of section 127a of the National Defense Act.

H. R. 3057. Transfer of part of Fort Douglas, Utah, to the Secretary of Agriculture and conveyance of part to the State of Utah (recommitted).

BILLS REPORTED BY FULL COMMITTEE TO HOUSE OF REPRESENTATIVES

H. R. 3227. Inactive duty training pay for Organized Reserve Corps.

H. R. 4143. Effective operation and expansion of the Reserve Officers' Training Corps.

H. R. 4278. Providing for universal military training.

House Joint Resolution 90. Correcting error in act relating to composition of Naval Reserve (Public Law 50).

H. R. 3049. To continue in effect section 6 of the act of July 2, 1940, relating to exportation of certain commodities.

H. R. 2744. Selection for elimination and retirement of Regular Army officers and equalization of retirement benefits for members of AUS.

H. R. 612. To authorize construction of a research laboratory for the Quartermaster Corps at or in the vicinity of Boston, Mass.

H. R. 3314. Authorizing the Secretary of the Navy to proceed with the construction of certain public works.

H. R. 4122. Authorizing the Secretary of War to proceed with construction at military installations.

H. R. 108. Conveyance of United States Military Reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school.

H. R. 2575. Amending Articles of War to improve the administration of military justice, to provide for more effective appellate review, and to insure the equalization of sentences.

H. R. 2313. Providing for detail of United States military and naval missions to foreign governments.

BILLS PASSED BY HOUSE OF REPRESENTATIVES AND PENDING IN SENATE

H. R. 774. Permitting Secretaries of War and Navy to dispose of condemned ordnance,

guns, projectiles, and other condemned material.

H. R. 1366. Procurement of supplies and services by the War and Navy Departments.

H. R. 1380. Amending laws relating to payment of 6 months' death gratuity to dependents of naval personnel.

H. R. 1938. Authorizing appropriation for expenditure by International Children's Fund of the United Nations organization of certain amounts received from services of conscientious objectors.

H. R. 2183. Conveyance to the city of Detroit that portion of Fort Wayne Military Reservation surplus to War Department needs.

H. R. 2964. Conveyance to the regents of the University of Texas that part of San Antonio Arsenal surplus to War Department needs.

H. R. 3051. Amendment of Vinson-Trammell Act.

H. R. 3417. Conveyance to Escambia County, Fla., of a portion of Santa Rosa Island.

H. R. 3735. Authorizing and directing the Secretary of War to donate and convey to Okaloosa County, Fla., United States right, title, and interest in a portion of Santa Rosa Island, Fla.

H. R. 2993. Appointment of additional permanent major generals and brigadier generals of the line of the Regular Army.

H. R. 3484. Transferring Remount Service from War Department to Department of Agriculture.

H. R. 4308. Permitting acceptance of decorations, etc., by members of United States Armed Forces.

BILLS PASSED BY SENATE AND HOUSE OF REPRESENTATIVES AND ENACTED INTO LAW

H. R. 1359. Increasing total authorized number of commissioned officers of the active list of the Corps of Civil Engineers of the Navy (Public Law 62).

H. R. 1605. Providing for appointment of additional commissioned Regular Army officers (Public Law 61).

H. R. 3303. Stimulating voluntary enlistments in the Regular Army (Public Law 128).

H. R. 3830. Promotion and elimination of Army, Navy, Air Forces, and Marine Corps officers.

S. 918. Establishing Office of Selective Service Records to liquidate the Selective Service System and to preserve Selective Service Records (Public Law 26).

H. R. 1365. To establish a Chief of Chaplains in the United States Navy (Public Law 56).

H. R. 1369. Providing for the reorganization of the Navy Department (Public Law 57).

H. R. 1371. Authorizing the Secretary of the Navy to appoint for supply duty only officers of the line of the Marine Corps (Public Law 150).

H. R. 2339. Amending act entitled "An act authorizing the designation of Army mail clerks and assistant mail clerks" (Public Law 136).

H. R. 3471. Authorizing leases of real or personal property by War and Navy Departments (S. 1198 substituted).

House Joint Resolution 118. Strengthening common defense by maintaining adequate domestic rubber-producing industry (Public Law 24).

H. R. 1367. Authorizing the construction of experimental submarines (Public Law 63).

H. R. 3127. Loan or gift of obsolete ordnance to State homes for former members of the armed forces.

H. R. 3315. Authorizing conversions of certain naval vessels.

H. R. 3251. Authorizing naval retiring boards to consider cases of certain officers (Public Law 178).

H. R. 1341. Authorizing the Secretary of the Navy to construct a Postgraduate School at Monterey, Calif. (S. 229, companion bill, was accepted by House).

H. R. 1358. Amending the act entitled "An act to provide for the management and operation of naval plantations outside the continental United States" (Public Law 149).

H. R. 1379. Establishing United States Naval Postgraduate School.

H. R. 1943. Establishing permanent Nurse Corps of the Army and Navy and Women's Medical Specialist Corps in the Army (Public Law 36).

H. R. 3215. Revision of Medical Departments of the Army and Navy.

H. R. 1362. Permitting the counting of all active service under temporary appointments as warrant or commissioned officer in the Navy and Marine Corps for purposes of promotion to commissioned warrant officer (Public Law 134).

H. R. 1363. Amending further the Pay Readjustment Act of 1942 (Public Law 55).

H. R. 1375. Clothing allowance for enlisted men of the Marine Corps and Marine Corps Reserve (Public Law 158).

H. R. 1376. Transportation of dependents and household effects of Navy, Marine Corps, and Coast Guard personnel (Public Law 151).

H. R. 1377. Increasing pay of cadets and midshipmen at the service academies (S. 321 substituted therefor—Public Law 96).

H. R. 1606. Payment and settlement of mileage or other travel allowance accounts of military personnel (S. 276 substituted—Public Law 21).

H. R. 2314. Authorizing lump-sum payments to survivors of deceased officers without administration of estates (Public Law 236).

H. R. 3501. Amending Armed Forces Leave Act of 1946.

H. R. 3851. Additional inducements to physicians and surgeons to make a career of the United States Military, Naval, and Public Health Service (S. 1661 substituted).

H. R. 4017. Amending Armed Forces Leave Act of 1946 to provide that bonds issued thereunder shall be redeemable at any time after September 1, 1947, in cash (Public Law 254).

House Joint Resolution 167. Recognizing uncompensated services rendered the Nation under Selective Training and Service Act of 1940 (Public Law 133).

H. R. 1343. Authorizing the Secretary of the Navy to grant to the city of San Diego a right-of-way over land owned by th. United States within the limits of Camp Gillespie, Calif. (S. 231 was reported and passed in place of H. R. 1343—Public Law 32).

H. R. 1368. Including civilian officers and employees of United States Naval Government of Guam among those entitled to benefits of Public Law 490 of Seventy-seventh Congress (Public Law 64).

H. R. 1394. Authorizing the Secretary of the Navy to convey to A. T. & T. easement for communication purposes in certain lands in Virginia and Maryland (S. 220 substituted therefor—Public Law 18).

H. R. 1370. Conveyance to Los Angeles of easement for construction and operation of a storm drain in and under certain Government-owned lands in that city (S. 235 reported in lieu of H. R. 1370—Public Law 11).

H. R. 1395. Authorizing Secretary of the Navy to convey to the Central of Georgia Railway Co. easement for railway purposes (S. 234 substituted therefor—Public Law 13).

H. R. 1396. Authorizing Secretary of the Navy to convey to Virginia Electric & Power Co. perpetual easement in two strips of land comprising portion of Norfolk Navy Yard (S. 221 substituted—Public Law 19).

H. R. 1807. Authorizing Secretary of the Navy to grant easement to the county of Pittsburg, Okla., to operate public highway over a portion of the United States Naval Ammunition Depot (Public Law 135).

H. R. 1845. Providing military leave for Federal employees (Public Law 153).

H. R. 2248. Authorizing Secretary of War to grant easement and to convey to the Louisiana Power & Electric Co. tract of land comprising a portion of Camp Livingston (Public Law 44).

H. R. 3053. Authorizing Secretary of Navy to convey to Territory of Hawaii easement for public highway and utility purposes (Public Law 212).

H. R. 3056. Permitting Secretary of Navy to convey to Macon, Ga., and Bibb County, Ga., easement for public road and utility purposes (Public Law 207).

H. R. 3191. Extension of benefits of Missing Persons Act to certain members of organized military forces of the Government of the Commonwealth of the Philippines (Public Law 239).

H. R. 3252. Authorizing Secretary of Navy to convey to Long Beach, Calif., easement for State purposes in certain lands within the Navy housing project (Public Law 208).

House Joint Resolution 116. Correcting technical errors in the act of August 13, 1946 (Public Law 71).

Senate Concurrent Resolution 31. Relating to surplus buildings and lands for community purposes (passed House and Senate July 26).

H. R. 1381. Acceptance of decorations, orders, medals, and emblems by United States officers and enlisted men tendered by govments of cobelligerent nations or other American Republics (Public Law 58).

H. R. 1544. Providing lapel buttons for widows, parents, and next of kin of members of armed forces who lost their lives in United States armed services in World War II.

H. R. 1621. Authorizing Secretary of War to lend War Department equipment and services to Boy Scouts of America in connection with World Jamboree of Boy Scouts in France 1947, etc. (Public Law 131).

H. R. 2247. Appointment of Maj. Gen. Laurence S. Kuter as representative of Interim Council of the Provisional International Civil Aviation Organization, or its successor, without affecting his military status (S. 875 substituted—Public Law 3).

H. R. 2276. Authorizing the Secretary of War to pay expenses of United States Army personnel in Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and future Olympic Games (Public Law 159).

H. R. 3055. Permitting Secretaries of War and Navy to supply utilities, etc., to welfare activities in persons near naval and military activities.

H. R. 3124. Attendance of Marine Band at Eighty-first National Encampment of the Grand Army of the Republic, Cleveland, Ohio (Public Law 141).

H. R. 3394. Evacuation and return of remains of certain persons who died and are buried outside the continental limits of the United States, etc.

H. R. 3629. Transfer to Panama Canal of surplus War or Navy Department property (Public Law 160).

H. R. 4247. Authorizing attendance of Marine Band at national conventions of American Legion and Veterans of Foreign Wars.

House Joint Resolution 92. Authorizing presentation of Distinguished Flying Cross to Rear Adm. Charles E. Rosendahl, USN (Private Law 35).

House Joint Resolution 96. Authorizing President to issue posthumously to the late Roy E. Geiger, lieutenant general, USMC, a commission as general, USMC (Private Law 36).

I think the foregoing tabulation leaves little occasion for doubt as to the efficiency and dispatch with which this new committee of the House is meeting the many complex problems involved in returning the expanded Armed Services to a peacetime basis. To point up the significance of the legislative work thus far performed, I will set forth briefly the

scope and effect of some of the major bills included in the above list.

Without attempting to discuss these bills in order of their relative importance, I will mention first H. R. 2471, a bill authorizing the Secretaries of War and Navy to lease property under their control in furtherance of the national standby facilities program. The practical effect of this bill is to permit the Secretaries to lease 77 industrial plants and shipyards for periods in excess of 5 years to industry, with the requirement that they will revert to Government control, if necessary, in time of national emergency. The bill also permits the retention of some 90,000 machine tools which would otherwise have to be sold as surplus. A companion bill, S. 1198, passed the Senate with various amendments which were accepted by the House of Representatives, and, at the time this report is filed, the bill is awaiting the signature of the President.

There is also H. R. 4017, a bill permitting veterans to cash approximately $1,800,000,000 worth of bonds issued to them in lieu of terminal leave cash. The importance of this legislation to hundreds of thousands of people in the Nation is readily apparent, as was the necessity for full deliberation before the bill was reported to the House of Representatives, where it was unanimously passed. Such deliberation was given by the subcommittee and, later, by the full committee when the subcommittee report was rendered.

And then there is H. R. 3851, a bill increasing the pay of doctors and dentists in the armed services and the Public Health Service. This legislation is exceedingly important in view of the present critical shortage of doctors and dentists in the services. This committee and the services are hopeful that this legislation, now awaiting Presidential signature, will alleviate, to a great extent, the present doctor and dentist shortages of the services, which are reaching dangerous proportions.

Another legislative item, not widely known but vitally important to the Nation, is H. R. 1367—now Public Law 63—which authorizes the Navy to construct two experimental submarines in order to benefit from knowledge gained during the war of submarine operations and to incorporate into American submarines the improvements and useful innovations found in captured submarines. The importance of this legislation is not immediate but it may well have untold significance some few years hence when the authorized experimentation has been completed.

The so-called Army-Navy-Coast Guard procurement bill, H. R. 1366, passed by the House of Representatives but still pending before the Senate, is another major piece of legislation which was considered thoroughly by this committee. This bill contemplates the establishment of a uniform method of procurement for all the services and is highly important from the standpoint of standardizing procurement methods. This highly technical, carefully conceived legislation will unquestionably contribute to the efficiency of the services under the new unification measure.

H. R. 2744, still pending before the House of Representatives, is another major bill which received careful examination in this committee before its report to the House. It provides a new, improved system for the elimination of inefficient officers of the Regular Army as well as for the retirement of Regular Army officers and enlisted men. Moreover, it provides, for the first time, for the retirement of officers and enlisted men of the Reserve components of all the services, thus offering substantial inducement to reserves to perform continued reserve service for at least 20 years. This legislation, if enacted, is expected to have a major effect upon the readiness of the Nation's reserves in the event of another war emergency. From this standpoint alone, aside from its effects upon the Regular Army, this will be one of the most important bills pending before the Congress when it reconvenes.

Also markedly affecting the efficiency of the Reserve components of the armed services are two other bills reported by the committee and now pending before the House. They are H. R. 3227 and H. R. 4143, the first providing inactive duty training pay for Army reservists on the same basis as that received heretofore by naval reservists and members of the National Guard, the latter providing for an expanded, better paid, more inclusive Army Reserve Officers' Training Corps. The first bill offers an immediate pay inducement to reservists in addition to the Reserve retirement plan mentioned previously; the latter insures a steady, increased output of Reserve officers from the Nation's colleges and universities—as well as from junior colleges, for the first time. These items are an integral part of the mobilization day plans of the Army and will bear directly on the state of readiness of the Nation should it become involved in another war.

The following are a few more of the major bills acted upon by the committee: H. R. 3501 was reported favorably. This bill eliminates terminal leave for military personnel and substitutes therefor immediate cash payment for all accrued leave up to 60 days, and also corrects outstanding inequities in the old law. There is also H. R. 3315, permitting the Navy to convert existing types of naval vessels to certain new and experimental designs, including troop-carrying submarines, vessels designed to carry out special polar missions, and so forth. I should also mention H. R. 3314 and H. R. 4122, the Navy and Army public-works bills providing for the construction of naval and military facilities within and outside the continental United States, including such items as guided missiles' testing ranges, construction in Alaska, and similar undertakings of great importance to the national defense program.

Another important bill was H. R. 1379, authorizing the establishment of a Naval Postgraduate School, and also H. R. 1341, providing for the construction of a 500-student Naval Postgraduate School at Monterey, Calif., at a cost of approximately $2,500,000. Further, the committee unanimously passed, and the House and Senate subsequently passed, H. R. 3830, the Army and Navy promotion bill, which, for the first time, brings the promotion programs of the services into one piece of legislation. This is in itself a great step forward. In many important respects the bill is an adjunct to the unification or so-called merger bill enacted this session, whereby the services are placed under one administrative head. H. R. 3830 establishes a forward-looking, sound, and yet economical promotion system for the career officers of all the services, which will have a most helpful morale and efficiency effect over the years; also, in recognition of our return to peacetime conditions, it effects sharp reductions in the top ranks of the Army and Navy.

There are also H. R. 3215, creating the Army-Navy Medical Service Corps which gives permanent service status to the various professional groups allied to the duties of the Medical Corps, and H. R. 1943, which establishes, for the first time, a permanent corps for nurses of the Army and Navy.

The committee also passed H. R. 1943, giving Federal employees in the Reserve components military leave so that they may participate in Reserve training for limited periods without personal loss. This is another move in the direction of maintaining a vigorous, efficient, immediately available Reserve Establishment to augment the Regular forces. And, certainly I should not fail to mention H. R. 2575, which is still pending before the House of Representatives. This bill amends the Articles of War and makes extensive revisions in the Army system of military justice. It is of marked importance and will have far-reaching effects on the entire Military Establishment. It was reported to the House of Representatives after more than 2 months of study in the committee.

Finally, there is H. R. 4278, the bill reported to the House on the closing day of the session, which would establish universal military training. I need not, in this report, attempt to emphasize the great importance of or discuss the fundamental questions contained in this basic legislation. Its report to the House brings a specific legislative proposal on this vital subject squarely before the American people for the first time, thus permitting an appraisal on its merits.

As indicated in the above list, there are many more bills which the committee considered thoroughly this session, some of which were reported, some retained in subcommittee, and some still awaiting Senate action. Several series of extensive hearings, not reflected in the above listing, were conducted on such matters as establishing a permanent national synthetic-rubber industry. With respect to the synthetic-rubber program, the committee favorably reported House Joint Resolution 118, which became Public Law 24. This law, while providing adequate protection for the domestic synthetic-rubber industry, eliminates the Government as the sole purchaser of natural rubber for the United States. It should be noted that since the passage of this law, the price of natural rubber has dropped approximately 6 cents per pound with a consequent

saving of millions of dollars to the American consumer. Procurement by Navy ships service stores and Army post exchanges, and Army, Navy, Air Forces, and Marine Corps supply depots were also considered at length.

This summary will demonstrate the wide range of subject matter and the vast importance to the national-defense program of some of the major bills the committee has dealt with this session.

Mention should also be made of those whose various contributions have made this new committee a workable, harmonious unit. I wish to cite Hon. CARL VINSON, the ranking minority member, senior in length of congressional service to all members of the committee, for 30 years a member of the Committee on Naval Affairs and for 17 years its able chairman. Mr. VINSON'S sound advice and wholehearted cooperation contributed immeasurably to the accomplishments of the committee. His service in connection with this new, untried undertaking, has been an example of selflessness, loyalty to the national need, and unstinted sharing of personal talent rarely demonstrated in public life. The committee has been benefited greatly by his association and counsel.

And there are those on both sides of the committee, Republicans and Democrats alike, who individually, on one occasion or another during these past months, have been the sources of strength and understanding that have made the 33-member committee a working team. There is not a member of the committee on either side, who has not at one time or another contributed not only to sound national legislation, but also to the unusual concert and unity of purpose which has characterized the committee's work this session.

For the planning and placing of responsibility that made it possible for the committee to function efficiently I wish particularly to compliment the subcommittee chairmen. Each was wholly in charge of the legislative subjects before his subcommittee. With 171 subcommittee meetings in 126 legislative days, it will be seen to what extent these chairmanships involve personal attention and constant application to detail. Each of the chairmen has major claim to the progress made by the committee since its first meeting was held; it was their guidance and careful preparation that, in conjunction with their subcommittee members, brought the committee legislation to the floor of the House. For the information of the House, and by way of identification of those who bore the major share of the legislative responsibility within the committee, I list here the subcommittee chairmen, together with the subject matters with which their subcommittees are charged:

Chairman	No.	Subject
Hon. DEWEY SHORT	1	Personnel.
Hon. HARRY L. TOWE	2	Education and training.
Hon. PAUL W. SHAFER	3	Organization and mobilizat on
Hon. WILLIAM E. HESS	4	Heavy munitions.
Hon. CHARLES R. CLASON	5	Air matériel.
Hon. JACK Z. ANDERSON	6	Procurement and supply.
Hon. LEROY JOHNSON (California)	7	Retirement; scientific research and development.
Hon. GEORGE J. BATES	8	Posts and stations.
Hon. MARGARET CHASE SMITH	9	Hospitalization, health (Medical Corps)
Hon. WILLIAM W. BLACKNEY	10	Pay and administration.
Hon. CHARLES H. ELSTON	11	Legal.

In connection with the work of the subcommittees just mentioned, it is important to note that they have operated functionally with respect to all the services and thereby have brought a unifying, coordinated approach to service legislation which has been one of the most valuable, lasting benefits this new committee can render the American people, the Congress, and the armed services themselves. Further in this same connection, the loyalty and conscientious work of the staff of the committee, working with each of the subcommittees, have been the background for all subcommittee action. It is fitting and well merited by the service they have rendered to identify them, as follows:

Robert H. Harper, chief clerk, formerly Army Air Forces.

John R. Blandford, professional staff, formerly United States Marine Corps.

Clinton B. D. Brown, professional staff, formerly United States Navy.

Bryce N. Harlow, professional staff, formerly United States Army.

Robert W. Smart, professional staff, formerly United States Army.

Townsend Hoopes, assistant clerk, formerly United States Marine Corps.

In conclusion, Mr. Speaker, I wish again to express my personal appreciation to all connected with the committee for the excellent work which has been done. The foundations thus far laid auger well for the future.

Memorial Service for Hon. Joseph Jefferson Mansfield, Late a Representative From Texas

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. TEAGUE. Mr. Speaker, Judge Mansfield was my idea of a successful man. He was an inspiration to all whether they had known him during his entire period of 30 years of public service or if their friendship with him was of relatively short duration such as mine. It is to be regretted that we will no longer have the benefit of his experience to guide us in the future.

Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my humble remarks in memory of Judge Mansfield which have been published by the newspapers in the Sixth District of Texas:

WASHINGTON, D. C., July 23.—When Hon. Joseph Jefferson Mansfield died at Bethesda Naval Hospital here on the night of July 12, a career of public service that is difficult to equal ended.

Judge Mansfield was my idea of a successful man. The following Monday when the House of Representatives held memorial services for him every type of individual and every type of creed represented in that body rose to pay tribute to the gentleman in the wheel chair. The tributes lengthened into the longest memorial services ever heard in the House of Representatives.

House Minority Leader SAM RAYBURN, of Bonham, Tex., in announcing the death of Judge Mansfield to the House said: "I have served in this House with more than 2,100 men and women in 34 years. That shows how fast we change. They have been men and women of high character and lofty ideals, the majority of them of outstanding ability.

"But of all those men and women, none surpassed and few equaled Judge Mansfield in ability or in bigness of soul. God never made a finer man nor greater character than Judge Mansfield. After 30 years of his loyalty to me, and mine to him, the sadness deepens that I will not see him again, nor again see his like as I have few times in my life—towering, good, just, pure patriot."

Judge Mansfield had been in public service nearly all his life. For 30 years he had been a Member of Congress, and his life span had stretched from the time of Abraham Lincoln to the atomic age. The last 25 years of his life was in a wheel chair, paralyzed from the waist downward. A few times I had mentioned his affliction to him, and he would always smile knowingly and say: "But, son, there are so many people in much worse shape than I am."

Here was a man who asked no quarter because of a handicap. He had served faithfully and well his people of the Ninth Congressional District, and he had no enemies in Congress. Here was the epitome of success.

I believe that of all the tributes offered the revered judge, the following from Representative CHELF, of Kentucky, touched me deepest:

"Mr. Speaker, I think the First Psalm must have been written about this great and good man who has just left us:

" 'Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful.

" 'But his delight is in the law of the Lord: and in his law doth he mediate day and night.

" 'And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither; and whatsoever he doeth shall prosper.'

"This I do know—the First Psalm was written to urge and encourage all men to lead and to live the fine Christian life which was that of our dear friend and colleague, Judge Joseph Jefferson Mansfield, of the Lone Star State of old Texas.

"I recited this little verse to the judge on his eighty-fifth birthday and he gave me a warm, firm handshake. The twinkle in his eye indicated to me that he liked the thought it expressed:

"Making friends is a lot of fun
Shaking hands with everyone.
Hearing what each has to say
As we meet them day by day
Swapping smiles and trading cheer
Makes us happy while we're here
For all the joy of life depends
On the art of making friends."

Such a man was Joseph Jefferson Mansfield, the revered, alert little "gentleman in the wheel chair." He will be long missed and forever remembered in the House of Representatives where his 30 years of service will stand like a great white monument.

Reports From War Department Responsible for Members' Bills Not Being Considered

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 25, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to call to the attention of the House and my constituents the fact that many of the Members of the Eightieth Congress were unable to obtain consideration and approval of bills for claims for their constituents because the committees considering these bills were unable to obtain reports from the War Department on the same.

On January 9, 1947, I introduced H. R. 761, for the relief of Mrs. Anthony D. Chamberlin, and H. R. 762, for the relief of Dudley Tarver.

On February 20, 1947, the Committee on the Judiciary of the House of Representatives submitted these bills to the War Department and requested a report on the same, and up to the time that the Congress adjourned, July 27, 1947, at 12:55 a. m., no report had been received on these claims, notwithstanding the fact that the claims arose from an accident in which other claimants were involved, and upon which claims the War Department had already made a report, and a settlement had been made, and all that would have been necessary would have been to copy the report on the other claims involved in the same accident and substitute names, as all of the facts and circumstances were identical. No report from the War Department, the claims were not approved.

Uncle Sam Gone Delinquent

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1947

Mr. LEMKE. Mr. Speaker, today I am talking to Americans—not to any foreign nation—not to any foreign element in Washington, New York, Grand Rapids, or St. Paul. I am not talking to subsidized Americans. I am not talking to the hyphenated hybrids in our midst—who would substitute a mongrel flag for the Stars and Stripes.

America, watch your step! There are some things going on in Washington that are not healthy for our Republic. We are allowing the Government of, for, and by the people to slip away from us. Our Nation is being betrayed—sold down the river.

Our Uncle Sam has gone delinquent. He is in his second childhood. He has deserted beautiful Miss Columbia and her 142,000,000 sons and daughters. He has become an international philanderer. He is chasing red, pink, green, and off-colored skirts all over the world. He is squandering the wealth that Miss Columbia and her sons and daughters have created.

The time has come that we appoint a guardian for our Uncle to protect him from his folly, and prevent him from squandering the substance of our Nation—from giving away to gold diggers that which belongs to Miss Columbia and her 142,000,000 sons and daughters—that which belongs to unborn generations.

I know of no better guardian than a candidate for President in 1948, who believes in America first, last and all the time, with justice and decency to all nations, whether they be the so-called 52 peace-loving nations—some of them aggressors—or our vanquished foes. One who believes in the Stars and Stripes rather than in a conglomeration of flags.

A candidate who knows enough to know that the one worlders and the Rhodes scholars have been deflated. A candidate who has not, and will not, hobnob with the former pal of Hitler—Joe Stalin. A candidate who does not believe that our Nation is dead. A candidate who believes in the true grandeur of our Nation. A candidate who is not a "me-too" candidate. A candidate who is not a vacillating turncoat, or a stooge of the international bankers and manufacturers.

I am sorry that such a candidate—such a guardian—is not yet in sight. I know that 80 percent of the American people are getting sick and tired of our Uncle's behavior, and demand such a candidate—such a guardian. They know that our Uncle is the easy prey of the global gold diggers—that he is denuding our Nation. They know that he is leading us into another undeclared war.

Here is the price we paid because of our meddling in other nations' quarrels. We entered World War I, not so much "to make the world safe for democracy" as to save the House of Morgan from a $400,000,000 European overdraft. We won that war—but lost the peace.

In that war, 360,000 of our sons gave their lives on foreign battlefields, or died of injuries, while hundreds of thousands have died since, or are still suffering from disabilities or injuries received in Europe. That war has cost us over $88,000,000,000 to date, and will cost billions more.

We entered World War II—a war that others started and we finished. That war, to date, has cost us over $450,000,000,000. We collected $190,000,000,000 in taxes, and plunged the Nation $260,000,000,000 into the red. Our national debt, with future obligations, now amounts to some $623,000,000,000. This is about four times the total indebtedness of all the other nations. It is more than twice the normal value of all the property in the United States. The end is not yet. If we continue this international lunacy, then it will be just the beginning.

The total expenditures of our Government, from its birth in 1776 to 1933, were less than $90,000,000,000. This included the Revolutionary War, the War of 1812, the Mexican War, the Indian Wars, the Civil War, the Spanish-American War and World War I, up to 1933, and, in addition, all the other functions of our Government. Compare this $90,000,000,000 with the over $887,000,000,000 spent in the last 15 years—the Roosevelt global era.

In World War II we furnished more than half the implements of war to win, and we did more than half the fighting. We lost 309,000, that were killed in battle—another 250,000 died from sickness—another million were disabled physically and mentally for life. We lost at least one-tenth of a generation of people. This is the human sacrifice we made in that war. Worse still, we again lost the peace.

In addition, our multimillionaire State Department made of our Government an international WPA. Under its commitments, we made huge loans—gifts—to Great Britain, France, Latin America, and other nations. Some of these are among the nations that refused to pay back the $15,000,000,000 we loaned them during, and after, World War I.

Recently we loaned Great Britain $4,400,000,000 at about 1½ percent interest. She is to make no payment for 5 years. After that, she is to pay $50,000,000 a year, when and if she feels like it. If she does make a payment, we agreed to spend it in Great Britain. Not a cent to come back to the United States—just a gift.

In addition, we canceled the $34,000,000,000 Great Britain owed us for $650,000,000. That is less than 2 cents on the dollar. This $650,000,000 was deducted from the $4,400,000,000 loan. In other words, we settled the $34,000,000,000, that she owed us, with $650,000,000 of our own taxpayers' money. If that was not financially highjacking us by our State Department, then, I do not know the meaning of the word.

Since the war we have given to 59 nations over $20,000,000,000. The Marshall plan means another $27,000,000,000. In addition, we gave to Russia, plates with which she has printed, to date, over $900,000,000 American money. Our own money is used to strip America of its natural resources.

With our money Russia is buying millions of barrels of our oil, and 350 times as much steel as she bought prior to the war. Little wonder that there is a shortage of gas—a shortage of steel. What is true of Russia is true of other nations.

Prior to the war we possessed 11 percent of the world's natural resources. At present we possess less than 9 percent. Unless large new deposits are discovered we will never again produce sufficient lead, copper, zinc, petroleum, or many other minerals for our own use. These are the crucial political issues to be decided in the 1948 election. There must be no dodging of these issues.

There are some who say they are not interested in politics, but intelligent people know that everything in America is in politics. The housewife, when she cannot get meat, sugar, wearing apparel, or other necessities of life except at ex-

orbitant prices, knows that this is the result of our erroneous foreign policy.

When the veteran cannot get a home, or building material to build one, he knows that the shortage is due to our foreign bureaucratic bungling. When the American farmer cannot get implements with which to produce crops, he knows that these implements are in international politics.

We know that these shortages—the high cost of living—are due to the fact that much of America's needed goods are on the ocean. We know that these goods are bought by foreign nations with our taxpayers' money. This is the result of our Government's foreign policy. We know that America is being sold short. Americans forgotten—foreigners preferred.

I, too, realize that there are grave decisions to be made. But there need not be, if we remember that our first duty is to our own Nation. They are easy decisions, unless we knock-kneed follow a few misguided, silver-topped octogenarians in and out of Congress.

The Republican Party was kept out of the White House for 16 years because it had no positive program—because its candidates were "me-too" followers of the one worlders—globetrotters. The Democrats met a disastrous rebuke in the last election because they too blindly followed blind leaders.

The last election was not a mandate to go back to the Dark Ages, but a repudiation of our foreign policy—a repudiation of an international WPA—a repudiation of selling America short. It was a repudiation of dictatorship, bureaucracy, and regimentation.

The time has come for both parties to again adopt the policy of our forefathers and avoid globetrotting, and foreign entanglements. The time has come for my Democratic friends to adopt the doctrines of Thomas Jefferson and Andrew Jackson. The time has come for my Republican friends to adopt the doctrines of George Washington and Abraham Lincoln. When that day comes, it will be a glorious day for the United States of America.

As I listen to the internationalists—the betrayers of our Nation—I am impressed with their suaveness, but astonished at their fallacious arguments. It is the same old story—arm other nations, finance the world, and they will protect us—will save us from war. How do these gentlemen know on which side the Greeks, the Turks or any other nation will be in the next conflict? Do they not know that an armament race always has, and always will end in war?

Anyway, since when have we become so cowardly that we have to arm other nations to do our fighting—Hessians? I deny that that is essential, or for the best interest of our Nation, or for the peace of the world. In the end it means war.

Whenever the day comes that love for our country and patriotism fall so low that this kind of chicanery is necessary, then the Republic that you and I have cherished and loved—the Republic that the world has looked to as a model of justice and decency to all nations—will be dead. Then we will have surrendered all that is sacred and good to the human race.

Let us no longer be blind followers of deceptive slogans. We were deceived in World War I by false slogans. Then it was "He kept us out of war," "Too proud to fight," "America first," and then "Benevolent belligerency," "A little group of willful men," "War to end all wars," and "Make the world safe for democracy." Time has proven the dishonesty of all those slogans.

In World War II it was "Raise the arms embargo and save our boys," "Give us the tools and we will do the fighting—lend-lease," "The four freedoms," and then "I say again and again and again your sons will not be sent to foreign battlefields." Time has proven these slogans false. There are no four freedoms, and our boys did the fighting and the dying.

Whatever difficulties we face today are of our own making. We went to bed with the former pal of Hitler and we are reaping the reward. Our Presidents and leaders were outgeneraled at Tehran, Yalta, and Potsdam. In place of looking for more entanglements the time has come for Congress to repudiate Yalta, Tehran, Potsdam, and all the other commitments that are not in keeping with decency and honesty among the nations.

History repeats itself. So does war. So do slogans. We are now being deceived into world war III. Now we are told that we—less than 7 percent of the world's population and owing four times as much as the rest of the world together—must become a permanent, international Santa Claus.

We are told that we, who, during the war, stripped ourselves from 11 percent to less than 9 percent of the world's natural resources, must not only feed the world, but must arm and set nation against nation—that we must arm Greece and Turkey, and set them against Hitler's former pal, more recently our pal.

We believe that the United Nations organization might be made the nucleus for cooperation, education, and understanding among the nations of the world. However, to accomplish this, men of vision, courage, and integrity must be appointed to represent America. So far the United Nations organization has been a failure because of the weak-kneed puppets that represent not only our Nation, but other nations.

If our Nation had taken a firm stand at the beginning of this organization, if it had called a spade a spade, if it had insisted that all nations, small and large, should have an equal voice—that no nation, however large or small, should have a veto power—then, we might have approached permanent peace. Then, there would have been treaties of peace long ago.

If our delegates had taken a firm stand for justice and decency—if they had taken a stand against liquidation and aggression, all the small nations would have joined us, and the aggressor nations would have been whipped into line by the just condemnation of world public opinion. If our delegates had demanded that the "four freedoms," with self-determination, be written into the United Nations Charter, then the world would have been safer and the future brighter. If our President had insisted that every nation get back into its own boundaries, and that boundaries be changed only with the will of the majority expressed in an honest election, then world war III would not be hovering on the distant horizon.

America's future policy must again be to build, ever, a greater and stronger nation—to raise, not lower, its standard of living. We will not mingle our standard of living with the poverty of other nations, but we will assist them in bringing their standard up to ours. We will help to rebuild the ravaged nations. We will provide food for the hungry. This out of our surpluses, not out of our necessities. Charity still begins at home. We will cooperate and collaborate with other nations for a just peace. We disapprove of the European vengeance and hatreds which are again being written into the peace treaties.

In conclusion, "my country right or wrong—when right to be kept right—when wrong to be put right"—must again be our slogan. If the Republican Party expects to win in 1948, it must nominate a man who has the vision and the courage to give the voters an opportunity to repudiate national suicide. They must nominate a candidate who can read and understand our Constitution. A candidate who will not accept foreign commitments unless made in a treaty, and confirmed by the Senate in accordance with our Constitution. Eighty percent of our people demand an opportunity to repudiate the foreign policy of our delinquent Uncle Sam.

Speech of Hon. Helen Gahagan Douglas, of California, Before the National Association for the Advancement of Colored People

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to extend my remarks in the RECORD, I include the following speech made by me before the National Association for the Advancement of Colored People on June 25, 1947, during their national convention here in Washington, D. C.:

The National Association for the Advancement of Colored People has a long record of hard, painstaking work and brilliant achievement. You have every right to feel proud of work well done.

It is indeed an honor and a pleasure to be with you and to address you at this your thirty-eighth annual conference.

You are to be greatly congratulated for you have in fact advanced the well being of the Negro people, and in so doing have insured the greater well being of all minority groups. Your work has helped strengthen our democracy.

I pay my respects tonight to Walter White and the officers of the NAACP for the leadership they have given to local and national problems.

They rightfully deserve and have the widespread admiration and confidence of the American people.

In the last 38 years, the NAACP has combatted widespread undemocratic practices, undemocratic practices which violated the fundamental liberties and human rights of one great segment of our people. Continued violation in our daily living of our belief in the dignity and rights of the individual without protest and constructive resistance would have eaten away the strength of our Nation.

Thirty-eight years ago, many States by means of grandfather clauses and other restrictive devices had embarked on a course which could only have resulted in the total disenfranchisement of Negro citizens.

Thirty-eight years ago, the courts in almost every section of this country disregarded the rights of Negro citizens by recognizing confessions extorted by rack and torture, disregarding the right of the accused to be represented by counsel and to be judged by a jury of their peers.

Thanks to your work and alertness, Negroes who appear before the bar of justice today come nearer to getting justice than at any time in the history of this country.

Thanks to the magnificent victory won by the NAACP in 1944, when the United States Supreme Court decided in the case of *Smith* v. *Albright* that the Democratic Party was not a club, Negroes marched to the polls to vote in what had heretofore been white primaries. One hundred thousand Negro citizens marched to the polls in Georgia this last election for the first time in nearly 75 years, and they voted against the forces of reaction.

Thirty-eight years ago, there was an average of a hundred known lynchings a year despite the fourteenth amendment, which says that no State shall deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

We still have a long way to go before democracy is a reality for all our people. But thanks to the work of the NAACP, the crime of lynching has been almost wiped out and an anti-lynch bill has finally been drafted which meets the needs.

I am one of the two sponsors of this bill in the House. Senators WAGNER and MORSE have introduced a similar bill in the Senate.

If Congress will now act on these bills, the filthy crime of lynching and mob violence can be outlawed in these United States.

All right-thinking Americans have reviewed with shame and revulsion the series of mob violences that have taken place recently in certain parts of the country. Mob hysteria which results in mob violence and turns on its victims and takes the law in its own hands because of the difference of race or religion or national origin is a threat to the freedom of every one of us.

We cannot and must not rest until we have a Federal law to handle such violence. It is the obligation and responsibility of those who understand the substance of liberty to act.

The health of our democracy depends upon equal justice before the law for all of our citizens.

How can a government of the people, by the people, for the people permit abuses or violations to any of the people's liberties?

Justice would have been done in the recent Greenville, S. C., case if the present anti-lynch bill before Congress had been on the statute books.

The Greenville case, if the antilynch bill were law, would have been conducted under the jurisdiction of a Federal district court. The significance of a Federal trial is manifold.

The jury would have been drawn from the entire State of South Carolina instead of just from the community of Greenville, which was immediately involved. A jury picked from the entire State would have been free from the immediate pressures of the community where the crime was committed.

Thirdly, both the community where the abduction takes place and the community where the actual violence occurs would be subject to civil suit if this anti-lynch bill is passed.

The local community charged with the responsibility of protecting a person would be liable for failure to do so. When a person is snatched up and hauled off to another community or State, the community where the seizure is allowed to take place would be equally guilty with the community where the crime is committed.

An important feature of the bill provides that whenever a person is injured or loses his life at the hands of a mob, the community responsible pays an indemnity to the injured person or to the family of the deceased.

When the pocketbook of the entire community is tapped because of violations of the law by individuals in the community, there is a new sense of responsibility in the community.

Citizens who must pay for mob violence will think twice before they vote for a sheriff who will allow it. They will build a jail strong enough to retain a prisoner and strong enough to keep out those who would take the law in their own hands.

If this bill passes, it will be a fitting monument to 38 years of hard work by the NAACP.

Each time an antilynch bill has been discussed in Congress, some Representative has gotten up to talk about the invasion of State rights and of the unconstitutionality of antilynch legislation.

Mob rule and constitutional government cannot be reconciled. You have either one or the other. We must not permit the lawless night rider to hide behind the mask of a constitutional sheet.

Our democratic way of life will thrive and grow not by talk, name calling, and buck passing but by diligent service to the established ideals and principles we know to be right and just.

There can be no second-class citizens in our democracy. We must fulfill our promise to ourselves and our hope for the world.

All men want freedom and security, and one cannot be bartered for the other. In our democracy we can have both.

By security I do not mean only the right of life but the right to a decent job at a decent wage for everyone capable of holding such a job.

By security I mean the right to education and the right to achieve and maintain health.

By security I mean the right of the individual to be treated with dignity and respect by his fellow men.

By security I mean that the Government has the duty and the responsibility to provide a decent standard of living for those who through no fault of their own are unable to work because of age, illness, or physical handicap.

The power to pass needed legislation is in the hands of the people.

The people write the laws in our democracy through the men and women whom they elect to represent them in the State legislatures and in the Congress of the United States.

The people can meet, examine, protest—raise their voices—and use the power of their ballot to write whatever legislative program they want and see that it is carried out in the same spirit in which it was written.

If we will stop talking about the poll-tax States and work in the 41 States where there is no poll tax, the people can pass any legislation they feel is required. This business of passing the buck by pointing to the other fellow and what he is doing as an excuse for doing nothing ourselves, will no longer hold water.

For many long years, we have heard that it was impossible to pass anti-poll-tax legislation, FEPC legislation and anti-lynch legislation in Congress because of the Southern Democrats. Well, now we have a Republican Senate and a Republican House. This excuse, never valid, is now stripped of its miserable trappings.

What is holding up Federal aid to education, now?

What is holding up the President's health program, now?

What is holding up the building of homes, now?

What is holding up the antilynch bill, now?

What is holding up Federal anti-poll-tax legislation, now?

What is holding up FEPC, now?

I'll tell you what.

The NAM philosophers and their satellites in Congress worship money instead of men.

When the NAM high command "resolutes" the present leadership in Congress goose-steps it through.

They concern themselves with pennies not persons.

They guard their budgets, not your liberties.

They fight for their tax reductions instead of peace in the world.

They would trade off the United Nations for a price increase on their bag of wool.

They strain at a gnat and swallow a camel.

The job of Congress is to protect the weak from the strong.

The job of Congress is to promote the general welfare and to insure justice for the little as well as the big.

We must have world peace.

We must strike a balance between prices, wages, and profits.

But instead of promoting the welfare of the people, the Eightieth Congress, in the words of Senator MORSE, of Oregon, "Is a Congress to make the rich richer, and the poor poorer."

It is a Congress that labored 5 months, and turned the clock forward in the District of Columbia 1 hour and turned the clock back on Government one generation.

In answer to the greatest challenge that has ever faced man—the building of enduring peace—a challenge in which we are asked to give leadership, not only for ourselves but for the 2,000,000,000 people of this earth, this Congress leaves the impression with our own people and the world that we are rotting with communism from the top of the Government on down.

This Congress, while creating a frenzy of fear over communism, shows in amendment after amendment attached to legislation which it passes, that it has no real understanding of totalitarian methods and rushes often with arms outstretched to embrace them in its frenzy.

The freedoms which have made us strong and tough minded and fearless are being eaten away at the edges little by little in the panic of fear and ignorance.

The Eightieth Congress is a reckless Congress, riding along without brakes on the roller coaster of inflation.

This Congress has utterly failed the people. It has sold them short. It has put in jeopardy the economic health of the Nation, and, as a result, the peace of the world.

The program of leadership of the Eightieth Congress is—

1. Cut taxes for the rich.
2. Break the back of labor.
3. Destroy the agencies of Government, set up to protect and promote the welfare of the people.

Rising prices, housing, FEPC, health, education, development of natural resources, anti-poll tax, scientific research, anti-lynch, power development, and civil liberties are not the concern of this Congress.

But these things are the concern of every family in America, for they affect every family in America. They particularly affect the Negro family.

An economic slump will come down on the Negro people like a ton of bricks, for they are among the first to be discriminated against.

The 1948 election, as every election, is not the exclusive concern of politicians—whether they be Democrat or Republican.

It is the blood and bread of the men and women of this country in whose hands the power to govern is vested.

We in 1947 America—men and women, young and old—cannot choose to go into politics or to stay out of politics.

We are and will continue to be in politics—for our form of society rests upon the joint action of all of us. And that joint action is achieved through politics.

We cannot resign from society. We cannot duck our political responsibilities by failure to participate. The failure to vote in an election has political results.

We may agree by failing to disagree. We may condone by not condemning. We may speak loudly by remaining silent.

We are in politics, all of us, because we live in a democracy. By what we say or fail to say, by what we do or fail to do, each of us has a profound effect upon the course all of us will take in shaping our common future.

There have always been those who feared the people. There are those who fear the people today. They fear their voice at the ballot box.

There is much effort being exerted through sly and slippery methods to frighten and intimidate men and women from thinking and acting for themselves.

The strong suggestion that political action when carried on by politicians and the rich is a lofty pursuit but when indulged in by the small wage earner is somehow subversive must not be allowed to thwart the interest and activity which are essential to our political democracy.

Elections. What are they?

They can't be just the hobby of the union leaguers.

They can't be just the profession of the ward bosses.

They can't be the biannual party of the plantation colonel.

Well, they are and have been—and I say "have been" advisedly.

So what? Had enough? Yes, yes, yes.

With lifted eyes and strong hearts, fearless Americans, worthy of the leadership of Lincoln and Roosevelt will march forward in 1948 with understanding in their eyes and conviction in their souls to the trumpets of clean-up and clean-out.

Our democracy is the most revolutionary government in the world for it is anchored to the people. We are the government, and we are determined to meet the challenge that faces us in the world today.

We are not afraid. We are not going to let little-minded men turn us from the leadership we can and will give to the dawning of the greatest age that men have ever known.

Report to the People of the Eighth Congressional District of Wisconsin

EXTENSION OF REMARKS

OF

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BYRNES of Wisconsin. Mr. Speaker, under leave to extend my remarks, I wish to include a report to the people of the Eighth Congressional District of Wisconsin on my voting and attendance record during the first session of the Eightieth Congress.

I have prepared this summary for the benefit of anyone who may be interested in my position on legislation which has been considered by the House. It is extremely difficult for anyone to obtain this information without a diligent and lengthy search of the CONGRESSIONAL RECORD. The purpose of this report is to collect in one place and in concise form information which is scattered through some 10,000 pages of that publication. I believe it will prove helpful to my constituents in evaluating my congressional stewardship.

The record includes all roll-call votes, all quorum calls, and my votes on other important measures or measures of particular interest to people in the Eighth District on which there was no record taken. No attempt is made to include all of the hundreds of bills of every character that were considered by the House during the session. The description of bills in the voting record is for purposes of identification only. No attempt is made to describe the measures completely nor to elaborate upon the issues involved. Upon request, I will be pleased to furnish a more complete description of any particular bill considered by the House, as well as a summary of the issues involved and the reasons for my position. The record follows:

Voting and attendance record, Representative John W. Byrnes, Eighth District, Wisconsin, 80th Cong., 1st sess.

Roll call No.	Date	Measure, question, and result	Vote
1	Jan. 3	Quorum call	Present.
2		Election of Speaker (Martin 244, Rayburn 182)	Martin
3	Jan. 29	H. R. 1030, continuing in effect wartime excise tax rates. On passage (373 to 35).	Yea.
		H. R. 1353, amending National Service Life Insurance Act of 1940, so as to extend the period of reinstatement from Feb. 1, to Aug. 1, 1947. (Passed, voice vote.)	Do.
4	Feb. 6	H. J. Res. 25, submitting to States constitutional amendment limiting tenure of Presidents to two terms. On passage (285 to 121).	Do.
5	Feb. 8	Quorum call	Present.
6	Feb. 18	H. Res. 104, citing Gerhart Eisler for contempt of Congress. On passage (370 to 1).	Yea.
7	...do...	H. R. 1968, Urgent deficiency appropriation. On passage (320 to 25).	Do.
8	Feb. 19	Quorum call	Present.
		H. Con. Res. 20, expressing judgment of Congress that revenues during fiscal 1948 would approximate $39,100,000,000 and expenditures should not exceed $31,500,000,000:	
9	Feb. 20	On passage of rule providing for consideration of resolution (229 to 174).	Yea.
10	...do...	On recommittal to committee with instructions to report back in 2 months (166 to 231).	Nay.
11	...	On passage (239 to 159)	Yea.
	Feb. 21	S. 568, authorizing Secretary of Agriculture to cooperate with Government of Mexico in eradication of hoof and mouth disease. (Passed, voice vote.)	Do.
12	Feb. 24	H. R. 1700, providing for daylight saving time in District of Columbia from last Sunday in April to last Sunday of September. On passage (124 to 210).	Not voting.[1]
13	Feb. 26	H. Res. 111, granting Committee on Education and Labor the power to subpena. On passage (349 to 29).	Yea.
14	...do...	H. Res. 58, creating special committee to investigate the shortage of newsprint. On passage (269 to 100).	Do.
15	...do...	H. Res. 18, reestablishing a committee to deal with the problems of small business. On passage (270 to 92).	Do.
16	Feb. 28	H. R. 2157, portal-to-portal bill. On recommital to committee with instructions to increase statute of limitations from 1 to 2 years (345 to 56).	Do.
17	Mar. 4	H. Res. 118, providing for investigation by Committee on Expenditures in Executive Departments of any action by department or agency of Federal Government beyond the power and scope of their control. On passage (304 to 42).	Do.
18	...do...	H. R. 2102, providing for a 6-month extension of farm labor supply program. On passage (243 to 110).	Nay.
19	Mar. 11	H. R. 1968, appropriating funds to supply urgent deficiencies in executive departments including provision liquidating OPA by June 30. On passage (342 to 49).	Yea.
20	...do...	H. R. 2436, appropriating funds for the operation of the Treasury and Post Office Departments for fiscal year 1948. On passage (387 to 0).	Do.
	Mar. 12	H. R. 2404, suspending certain import taxes on copper. (Passed, voice vote.)	Do.
21	Mar. 13	Quorum call	Present.
		H. R. 1327, providing privilege of renewing expiring 5-year level-premium term national-service life policies for another 5-year period. (Passed, voice vote.)	Yea.
	Mar. 17	H. J. Res. 118, strengthening common defense by maintaining adequate domestic rubber-producing industry. (Passed, voice vote).	Do.
	Mar. 18	H. R. 2535, amending RFC Act with respect to purchase of surplus property for resale to small business. (Passed, voice vote.)	Do.
22	Mar. 20	Quorum call	Present.
23	...do...	H. R. 2413, amending Federal Reserve Act, extending until 1950 the authority of the Treasury to borrow directly from the Federal Reserve. On passage (308 to 55).	Nay.
24	Mar. 21	H. J. Res. 146, extending sugar rationing until Oct. 31, 1947, and authorizing the Secretary of Agriculture to decontrol when conditions warrant. On passage (286 to 54).	Yea.
25	Mar. 24	H. Res. 160, providing for striking remarks of Congressman ADOLPH SABATH from the CONGRESSIONAL RECORD. On passage (324 to 1).	Do.
	Mar. 25	H. R. 2700, appropriating funds for operation of Labor Department and Federal Security Agency for fiscal year 1948:	
26	...do...	On recommittal to committee with instructions to report back with amendment restoring funds to Veterans' Placement Service (170 to 211).	Nay.
27	...do...	On passage (343 to 39)	Yea.
28	Mar. 27	Quorum call	Present.
		H. R. 1, providing for the reduction of individual income taxes:	
29	Mar. 27	On recommittal to committee with instructions to hold (172 to 237).	Nay.
30	...do...	On passage (273 to 137)	Yea.
31	Apr. 1	Quorum call	Absent.
	Apr. 9	S. 547, providing for annual and sick leave for rural letter carriers. (Passed, voice vote.)	Yea.
	...do...	H. R. 1888, incorporating the American Veterans of World War II. (Passed, voice vote.)	Do.

[1] Absent; would have voted "nay."

Voting and attendance record, Representative John W. Byrnes, Eighth District, Wisconsin, 80th Cong., 1st sess.—Continued

Roll call No.	Date	Measure, question, and result	Vote
32	Apr. 15	Quorum call	Present.
33	...do	H. Res. 178, an open rule, providing for consideration of H. R. 3020. On passage (319 to 46).	Yea.
34	Apr. 17	Quorum call	Present.
35	...do	H. R. 3020, Labor-Management Relations Act of 1947 (Taft-Hartley labor bill): On recommittal to committee with instructions to report back a bill providing for the establishment of a committee to study labor-management relations (122 to 291).	Nay.
36	...do	On passage (308 to 107)	Yea.
37	Apr. 22	Quorum call	Present.
38	...do	H. Res. 190, citing Leon Josephson for contempt of Congress. On passage (376 to 2).	Yea.
39	Apr. 23	Quorum call	Present.
	Apr. 25	H. R. 3123, appropriating funds for operation of Interior Department:	
40	...do	On recommittal to committee with instructions to report back with increased appropriations for various projects (140 to 197).	Nay.
41	...do	On passage (367 to 30)	Yea.
42	Apr. 28	S. 736, authorizing Commissioners of District of Columbia to establish daylight-saving time in the District of Columbia. On passage (218 to 145)	Nay.
43	Apr. 29	Quorum call	Present.
	Apr. 30	H. J. Res. 153, providing relief assistance to the peoples of countries devastated by war:	
44	...do	On passage of amendment decreasing authorizations from $350,000,000 to $200,000,000 (225 to 165).	Yea.
45	...do	On passage of amendment providing no funds can be used in countries dominated by U. S. S. R. and that relief shall be administered by a wholly American commission (324 to 75).	Do.
46	...do	On passage (333 to 66)	Do.
		H. R. 3203, providing for extension of rent control until March 1948 with provision allowing for voluntary rent increases:	
47	May 1	On recommittal to committee. (189 to 197)	Nay.
48	...do	On passage. (204 to 182)	Do.
49	May 6	Quorum call	Present.
50	...do	...do	Do.
51	May 7	...do	Do.
52	May 8	...do	Do.
53	May 9	...do	Do.
54	...do	H. R. 2616, providing aid to Greece and Turkey. On passage (287 to 107).	Yea.
55	May 12	Quorum call	Present.
		H. R. 1467, increasing penalties for violations of the Espionage Act or the Alien Registration Act. (Passed, voice vote.)	Yea.
		H. R. 2151, including "institutional on-farm training" in the education and training program for veterans. (Passed, voice vote.)	Do.
56	May 13	Quorum call	Present.
57	May 14	...do	Do.
58	May 15	...do	Do.
59	May 21	...do	Do.
		H. J. Res. 153 (conference report), providing for relief assistance to people in countries devastated by war:	
60	...do	On recommittal to conference committee with instructions to House managers to insist on House provisions for authorization of $200,000,000 instead of $350,000,000 (170 to 205).	Yea.
61	...do	On passage (288 to 86)	Do.
62	May 22	Quorum call	Present.
63	May 23	...do	Do.
		S. 814, directing Commodity Credit Corporation to support wool prices until Dec. 31, 1948. (Passed, voice vote.)	Yea.
64	May 27	Quorum call	Present.
65	...do	H. Res. 218, a rule providing for consideration of H. R. 3601 and waiving points of order. On passage (189 to 170).	Yea.
66	May 28	Quorum call	Present.
		H. R. 3601, appropriating funds for the operation of Department of Agriculture for fiscal year 1948.	
67	...do	On recommittal to committee with instructions to increase AAA appropriations to $300,000,000, school-lunch appropriation to $75,000,000, and REA appropriation to $250,000,000 (174 to 180)	Nay.
68	May 28	On passage (315 to 38)	Yea.
69	June 2	H. R. 1 (conference report) providing for reduction in individual income taxes. On passage (220 to 99).	Do.
		S. 993, providing for reincorporation of Export-Import Bank of Washington. (Passed, voice vote.)	Do.
		H. R. 2857, extending 2d-class mailing privileges to bulletins issued by State conservation and game agencies for Department. (Passed, voice vote.)	Do.
		H. R. 3587, establishing a National Aviation Council. (Passed, voice vote.)	Do.
		H. J. Res. 167, recognizing uncompensated services rendered the Nation under Selective Training and Service Act of 1940. (Passed, voice vote.)	Do.
70	June 4	H. R. 3020 (conference report) Labor-Management Relations Act of 1947 (Taft-Hartley bill). On passage (320 to 79).	Do.
71	June 5	Quorum call	Present.
		H. R. 3602, exempting from admission tax admissions to agricultural fairs. (Passed, voice vote.)	Yea.
72	June 6	Quorum call	Absent.
73	...do	...do	Do.
74	June 9	...do	Do.
75	June 10	...do	Present.
76	...do	...do	Do.
77	...do	...do	Do.
78	June 12	Quorum call	Present.
		H. R. 3792, providing for emergency flood-control work necessitated by recent floods. (Passed, voice vote.)	Yea.
79	June 13	H. R. 3342, providing for information service in the State Department (Voice of America). On passage of motion that House consider bill (304 to 28).	Do.
80	June 16	S. 321, increasing pay of cadets and midshipmen at Naval and Military Academies. On passage (304 to 53).	Nay.
		H. R. 3303, providing for changes in the voluntary enlistment provisions for the Regular Army (Passed, voice vote.)	Yea.
		H. R. 3398, extending period of validity to facilitate admission into the United States of alien fiancées or fiancés of members of armed forces of the United States. (Passed, voice vote.)	Do.
		S. 597, providing for the protection o forests against destructive insects and diseases. (Passed, voice vote.)	Do.
81	...do	S. 814 (conference report) providing support for wool. On recommittal to conference committee (166 to 191).	Nay.
82	June 17	H. R. 1, providing for reduction in individual income taxes. On overriding the President's veto (268 to 137).	Yea.
83	...do	Quorum call	Absent.
	June 18	H. R. 3818, continuing the 1-percent rate for employer and employee contributions under the Federal Insurance Contributions Act through 1949. (Passed voice vote.)	Yea.
84	June 19	Quorum call	Present.
		H. R. 966, requiring that corrective action recommended by the Civil Service Commission be taken in connection with veterans who have been discharged from Federal employment. (Passed, voice vote).	Yea.
85	June 20	H. R. 3020 Labor-Management Relations Act of 1947 (Taft-Hartley bill), overriding the President's veto (331 to 83).	Do.
86	...do	Quorum call	Present.
87	...do	H. R. 3342, providing for information service in the State Department (Voice of America). On passage of motion that House consider bill (303 to 63).	Yea.
88	...do	Quorum call	Present.
		H. R. 3444, considering the place of confinement of citizens taken prisoner during the war as within the United States and compensation received considered as received outside the United States for income tax purposes. (Passed, voice vote.)	Yea.
	June 23	H. J. Res. 221, providing for permanent rates of postage on first-class mail matter. (Passed, voice vote.)	Do.
89	June 24	Quorum call	Present.
90	...do	H. R. 3342, providing for information service in the State Department (Voice of America). On passage (272 to 97).	Yea.
		H. R. 3196, extending certain functions of Reconstruction Finance Corporation until June 30, 1948, but restricting lending operations from present $14-$18 billion to $2 billion, and requiring liquidation of $9 billion outstanding loans.	
91	...do	On recommittal to committee with instructions to report back with amendment providing for purchase of GI loans from banks by RFC (154 to 192).	Nay.
92	...do	On passage (334 to 4)	Not voting.[1]
	June 26	S. J. Res. 77, providing for participation by United States in the International Refugee Organization. (Passed, voice vote).	Yea.
		H. R. 775, establishing a Commission on Organization of the Executive Branch of the Government. (Passed, voice vote).	Do.
93	June 27	Quorum call	Present.
94	...do	H. R. 3737 (conference report) providing revenue for District of Columbia. On recommittal to conference committee insisting on provisions that employees of Federal Government who have domiciles in some State shall not be considered a resident of District of Columbia for income-tax purposes (222 to 78).	Yea.
		S. 350, continuing the Commodity Credit Corporation (price-support agency) until June 30, 1948. (Passed, voice vote.)	Do.
95	June 30	H. R. 3961 providing increase in pension rates to veterans of Spanish-American and Civil Wars to compensate for increase in cost of living. On passage (337 to 93).	Yea.
96	...do	Quorum call	Present.
97	...do	H. R. 47, enabling the people of Hawaii to form a constitution and State government and be admitted into the Union. On passage (196 to 133).	Yea.
		S. 715, providing annuities for investigatory personnel of the Federal Bureau of Investigation who have rendered at least 20 years of service. (Passed, voice vote).	Do.
98	July 2	Quorum call	Present.
99	July 7	H. R. 4017, providing for cash payment of terminal-leave bonds after Sept 1, 1947. On passage (388 to 0).	Yea.
100	...do	H. R. 3214, revising and codifying United States Code providing among other things that the Tax Court of United States shall be made a court of record. On passage (324 to 23).	Nay.
		H. R. 1180, authorizing coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the statehood of Wisconsin. (Passed, voice vote).	Yea.
	July 7	H. R. 1995, returning retirement-fund deductions to Federal employees separated from service before completion of 10 years' service. (Passed, voice vote).	Do.

[1] Absent; would have voted "yea."

Voting and attendance record, Representative John W. Byrnes, Eighth District, Wisconsin, 80th Cong., 1st sess.—Continued

Roll call No.	Date	Measure, question, and result	Vote
101	July 8	Quorum call	Present.
		H. R. 3950, reducing individual income-tax payments effective Jan. 1, 1948:	
102	...do...	On recommittal. (151 to 261)	Nay.
103	...do...	On passage. (302 to 112)	Yea.
104	...do...	Quorum call	Present.
105	July 9	...do...	Do.
106	July 10	S. 564, placing the Speaker of the House next in line in the line of succession to the Presidency after the Vice President (Presidential Succession Act). On passage (365 to 11).	Yea.
107	July 11	Quorum call	Present.
108	...do...	H. R. 4051, defining the jurisdiction of FCC with respect to transportation and sale of natural gas for resale in interstate commerce. On recommittal (64 to 254).	Nay.
		H. R. 4075, Sugar Act, 1947. (Passed, voice vote)	Do.
		H. J. Res. 233, authorizing the President to approve the trusteeship agreement for the Pacific Islands. (Passed, voice vote.)	Yea.
109	July 15	Quorum call	Present.
		H. R. 3813, providing for removal from and prevention of appointment to offices and positions in the executive branch of persons found to be disloyal to the United States (loyalty bill):	
110	...do...	H. Res. 267, a rule providing for the consideration of H. R. 3813. On passage of rule (337 to 36).	Yea.
111	...do...	On recommittal to committee with instructions to provide for appeal to the court of appeals (133 to 248).	Nay.
112	...do...	On passage (319 to 61)	Yea.
113	July 16	Quorum call	Present.
114	July 17	H. R. 1639, limiting venue in actions brought under the Employers Liability Act. On passage (203 to 188).	Yea.
115	...do...	Quorum call	Present.
		S. J. Res. 123, declaring in the interpretation of various emergency laws that they shall be construed as terminated and peace established. (Passed, voice vote.)	Yea.
116	July 18	Quorum call	Present.
117	...do...	H. R. 3601, making appropriations for Department of Agriculture for fiscal year 1948 (conference report). Recommittal to conference with instructions to House managers to increase appropriations for loans for REA $225,000,000 to $250,000,000 (196 to 206)	Nay.
118	...do...	H. R. 3950, reducing individual income tax payments beginning Jan 1, 1948. On overriding the President's veto (299 to 108).	Yea
		H. R. 3601, making appropriations for Department of Agriculture for fiscal year 1948 (conference report):	
119	...do...	On agreeing not to insist on amount originally appropriated by the House for AAA payments (204 to 187).	Nay.
120	...do...	To amend the Senate amendment on AAA payments by reducing the payments from $258,000,000 to $228,000,000 (218 to 171).	Yea.
121	...do...	On agreeing to Senate amendment to increase appropriation for school-lunch program to $75,000,000 (181 to 195).	Nay.
122	July 18	H. R. 3601—Continued On agreeing to Senate amendment to increase funds for farm tenant loans (172 to 193).	Nay.
123	July 19	Quorum call	Present.
124	...do...	...do...	Do.
	July 19	S. 1508, extending until June 30, 1948, an act affirming intent of Congress that regulation of the business of insurance shall be left to the States. (Passed, voice vote.)	Yea.
		S. 758, National Security Act, 1947, establishing a Department of National Defense (unification of armed services). (Passed, voice vote.)	Do.
125	July 21	Quorum call	Present.
		H. R. 29, making unlawful requirements for the payment of a poll tax as a prerequisite for voting in a primary or other election for national officers:	
126	...do...	Motion that House adjourn (a delaying action to prevent consideration of H. R. 29). (85 to 299.)	Nay.
127	July 21	On passage (290 to 112)	Yea.
		H. R. 4127, liberalizing annuities and benefits to Federal employees under civil-service retirement bill. (Passed, voice vote.)	Do.
		H. R. 3889, establishing presumption of service connection for chronic tropical diseases. (Passed, voice vote.)	Do.
		H. R. 1426, extending veterans' benefits to widowed mothers of certain ex-servicemen. (Passed, voice vote.)	Do.
		S. Con. Res. 14, favoring representation of American small businessmen on Government policy-making boards. (Passed, voice vote.)	Do.
		H. R. 739, providing protection of veterans and career service employees in connection with reductions in force. (Passed, voice vote.)	Do.
		H. R. 1602, establishing a National Minerals Resources Division within the Department of the Interior:	
128	July 22	On resolution that House consider H. R. 1602 (342 to 32).	Do.
129	July 22	On recommittal (114 to 273)	Nay.
		On passage (passed, voice vote)	Yea.
	July 23	H. R. 3682, providing $5,000,000 for 1 year to certain war-industry areas for operation of overburdened school facilities. (Passed, voice vote.)	Nay.
130	July 24	H. R. 4347, appropriating supplemental funds for fiscal year 1948 (second supplemental appropriation bill, 1948). On passage of amendment to increase funds for Committee on Organization of Executive Branch from $500,000 to $1,000,000 (147 to 234).	Do.
131	July 25	Quorum call	Present.
132	July 26	...do...	Do.
133	...do...	H. R. 4269, appropriating supplemental funds for fiscal year 1948 (first supplemental appropriation bill, 1948). On passage of amendment to increase appropriation for Bonneville Transmission System by $1,184,700 (181 to 174).	Nay.
		H. R. 2181, relating to institutional on-farm training for veterans. (Passed, voice vote.)	Yea.

AN EXPLANATION OF TERMS

In interpreting the record, an explanation of parliamentary and legislative terms might prove of value. Some of those terms are explained below:

A. A quorum call consists of a calling of the roll of Members to determine whether or not a quorum—a majority of Members—is present. No business may be conducted when it is found that a quorum is not present.

B. Pairing is a practice whereby two Members of opposite views who know they will be absent agree that, during a specified period, they will refrain from voting in person but will permit their names to be recorded as paired.

First. A general pair covers all matters coming to vote within a definite period of time.

Second. A live pair can be arranged by a Member who knows he will be absent when a particular vote is taken. This is done by pairing with another Member who expects to be present and to vote contrary to the absent Member. It allows, in effect, a Member to cast an absentee vote.

C. Recommital: Generally, on all important bills, a motion to recommit the bill to a committee, with or without instructions, is voted upon by the House before it votes upon passage of the bill. Those who are in favor of the bill usually vote "nay" on the motion to recommit, since recommital means that the bill will be changed, delayed, or even killed should the motion succeed. However, when a motion to recommit is accompanied by instructions, the vote generally indicates whether the Member is in favor of or opposed to the change in the legislation proposed in the instructions and does not necessarily indicate his position on the bill as a whole.

D. The type of bill can be determined by the letters which precede its number. All bills that originate in the House are designated by an H.; those that originate in the Senate, by an S. There are four main types:

First. H. R. (S.) designates a bill which, when passed by both Houses in identical form and signed by the President, becomes law.

Second. H. J. Res. (S. J. Res.) designates a joint resolution which must pass both Houses and be signed by the President before becoming law. It is generally used for continuing the life of an existing law, or in submitting to the States a constitutional amendment, in which case it does not require the signature of the President but must be passed by a two-thirds majority of both Houses.

Third. H. Con. Res. (S. Con Res.) designates a concurrent resolution. To become effective it must be passed by both the House and Senate but does not require the President's signature. It is used to take joint action which is purely within the jurisdiction of Congress. Many emergency laws carry the provision that they may be terminated by concurrent resolution, thus eliminating the possibility of a Presidential veto.

Fourth. H. Res. (S. Res.) designates a simple resolution of either body. It does not require approval by the other body nor the signature of the President. It is used to deal with matters that concern one House only, such as changing rules, creating special committees, and so forth.

E. Rule: Important bills, after approval of the committee concerned, go to the House Committee on Rules where a rule, in the form of a House resolution, is granted governing the amount of debate, consideration of amendments, and other parliamentary questions. Oftentimes, the adoption of the rule is voted upon in the House by roll call.

F. A bill may pass, or be defeated, by one of the following kinds of votes:

First. Voice vote: The Speaker first asks all in favor to say "aye," then those opposed to say "nay." If there is no question as to the result, this is sufficient.

Second. Division: If the result of the voice vote is in doubt, the Speaker asks those in favor to stand, then those opposed to stand. He counts in each instance and announces the result. If he is in doubt, or if demand is made by one-fifth of a quorum, then—

Third. Tellers are ordered. A member on each side of the question is appointed as tellers, and they take their places at each side of the center aisle. Those in favor walk through and are counted. Those opposed do likewise. The result settles most questions, but any Member, supported by one-fifth of a quorum, can ask for a roll call. This privilege is guaranteed by the Constitution.

Fourth. Roll calls place each Member on record on the particular measure involved. Each Member's name is called, and his vote recorded. Roll calls constitute the official voting record of the House. The results of the roll calls are indicated in parentheses in the record above. The "yeas" are shown first; the "nays" last.

Voice of America Rings Loud in Story of Blind Wheat Man

EXTENSION OF REMARKS

OF

HON. EUGENE WORLEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. WORLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call to the attention of the membership the following article which appeared in the Amarillo News on June 29, 1947, and which I believe will be of interest to the entire Congress and to thinking people everywhere:

VOICE OF AMERICA RINGS LOUD IN STORY OF BLIND WHEAT MAN

(By Lewis Nordyke)

The State Department has been trying to sell the American way of life and government to people all over the world.

It might be a good idea to tell these people the story of R. L. Porter, a blind man, who lives and works at Spearman over in the North Plains wheat belt. The story should include facts about how Mr. Porter started with a handicap and a courageous wife, and, in the competitive American system of economy, has been able to accumulate chattels worth close to a million dollars. It should emphasize his philosophy of work and government, and point up the fact that he is a stalwart in his community, and that he has raised two sons and two daughters who know what the Lord meant when He was talking about the sweat of the brow.

Mr. Porter was born in Illinois, the son of an industrious farmer-stockman, at a time when determined home-seekers were pushing westward in rattling wagons. His forebears were originally from Massachusetts, but his father was a Virginian. Mr. Porter grew up in Illinois, Iowa, and Oklahoma. He entered the University of Oklahoma to study mechanical engineering. He played football and was a star on the basketball team. At the end of his second college year he set out to make some money to pay for his education.

He went to Florida and got a job with a dredging crew. He worked with iron-muscled, sweating men, black and white, who were naked to the waist, and heard eloquent cussing in more than one language. Before long he was operating a machine. The men who were blasting rocks were too slow to suit him and he undertook to help them. He tamped dynamite in a glory-hole drilled in stone. And here he made the tragic mistake of his life. He was careless with dynamite.

A charge exploded in his face, blinding him for life and mangling his left hand.

His father sent him to Philadelphia for an operation which was the only hope of restoring partial sight. It failed. The blind student entered the University of Pennsylvania. He earned his bachelor's degree there, majoring in English, and also won a scholarship to the Harvard Graduate School. He took Harvard's famous English 5, a class open only to students especially invited to enroll.

THE URGE TO HELP

By the time Mr. Porter was ready for his master's degree, the class of 25 had dwindled to 2—the blind student and a scrawny Russian. All the others had drifted into Canada and joined the air force or else had enlisted in the United States Army for service in World War I.

The Allied world was crying for food. Mr. Porter decided that all he could do was push aside a planned writing career and produce beef and bread, and that his home country in Oklahoma was the place to do it.

While attending Penn he had met a girl in Germantown. She was a highly paid secretary in the office of a Philadelphia lawyer and had heard very little of the high, dry plains out west. They married and headed for Oklahoma. They made a fairly good crop the first year and came out with a few hundred dollars.

The Porters borrowed $4,000 from a bank and headed for Spearman. This was in 1919. That part of the country was comparatively new and raw 28 years ago. The Santa Fe had run a line through Spearman and Perryton, connecting up with the main line at Shattuck, Okla. Old Hansford was then the main town in Hansford County. It moved to the railroad and the present Spearman was born.

LAND AND MORE LAND

The Porters made a down payment on land and planted wheat; they bought cattle and pastured them on the wheat through the winter and sold them in the spring. Mr. Porter was convinced that there was entirely too much scooping of wheat, and he did his part of that back-breaking, nose-plugging work. He decided to put in an elevator. He designed it and then had it built to his exact specification; then he operated it. The elevator was considered a phony by many, but it's still working efficiently. Another like it stands beside it.

Since that time, Mr. Porter has operated the elevators and his increasing farm lands. He has a new elevator 15 miles west on the Rock Island. He has a big seed and feed business in connection with his elevators, and he buys wheat. This year he has more than 5,000 acres of wheat that is producing around 30 bushels to the acre. He recently bought a 5,000-acre ranch in Kansas, paying cash. Some of his close friends say he is operating 10 sections, which he owns clear of debt, in Hansford County; that is 6,400 acres.

Mr. Porter is the active manager of all these enterprises. He hires men to work on the farms and at the elevators, but he is the boss. This doesn't mean he sits in an air-cooled office and dictates orders. He wears a blue duck overall and jumper suit, with dusty four-in-hand tie and a battered old hat that weighs three pounds. He helps unload wheat; he operates the elevator machinery. If anything gets out of whack, he fixes it. He eats all over the elevators. He operated feed mills, often poking in grain within inches of whirring machinery that could chop him to pieces. He repairs tractors, combines, and trucks.

A MAN OF KEEN SENSES

When the 1947 harvest started, several farmers didn't know whether their wheat contained too much moisture for storage. "We'll have to take it to Mr. Porter," one said. "He'll know." The farmers had good eyes, but they took their wheat to the blind man, and accepted his word on the moisture content. Mr. Porter can go into a wheat field and out-reckon the average man on the yield. He can feel and smell soil and knows whether it's good. He can sniff wheat and taste wheat and tell you the protein content. He can feel wheat and tell you within ounces of what it will test.

Some time ago several men were guessing at the weight of a truckload of fat hogs. Mr. Porter climbed the truck, felt of the hogs and guessed closer to the weight than men who don't even wear glasses.

Since losing his sight Mr. Porter has determinedly developed his other senses. He depends on his nose, ears and the sensitive nerves of his fingertips. He judges feed and wheat by his nose. When anything goes wrong with the elevator, he is the first to detect it; his sharp ears lead him directly to the trouble.

Some years ago Mr. Porter bought a section of land, paying $30 an acre. Several of his friends and neighbors decided among themselves that the seller had taken advantage of a blind man and sold the land at an extortionate price. The first crop paid for the land. Mr. Porter says that very few persons have tried to take advantage of his lack of sight. He has developed a keen sense of judging humanity. Within a minute after a stranger enters his office, Mr. Porter has him "sized up." The accuracy of his judgment is uncanny. He will cash checks for some strangers, but he turns down others.

FOUR PORTER CHILDREN

Mr. Porter had a lot of help. Mrs. Porter was sick at heart when she saw the bald, windswept plains of Texas and felt the blazing sun. She was so homesick that she wanted to find a little tree, sit down and cry her eyes out. A short time ago one of her brothers visited her for awhile. When he got ready to depart he said: "When I come to the first great big tree, I'm going to park under it for about an hour and just love it."

Mrs. Porter helped with the farm and elevator, when the matter of raising a family wasn't in the periods of interference. The four children are grown now and she is at the elevators every day. She weighs trucks, sells feed, helps run the elevators, keeps books, and does any other job that needs doing. When one sees Mrs. Porter hurrying about the place directing the burly drivers of big grain and feed trucks, he wonders how many wives of wealthy men would condescend to work at a dusty elevator.

Elsie Ruth was the first youngster. When she arrived, her father fondled her and said: "I wish I had my sight for about a minute so I could see her." Elsie Ruth is connected with the schools at Panhandle. She is a graduate of Texas Christian University and is an accomplished musician and singer.

Chalmers is the oldest boy. He served in the Navy during the war. He is studying engineering at the University of Colorado.

Frank Willard is next to Chalmers. He is a senior band major at Texas Tech. He is developing into a fine musician.

Rose Anne is the baby, and a cute one. She finished her sophomore year at North Texas State Teachers College at Denton last spring. She is specializing in physical education and music.

THE SECRET OF WORK

Before the children reached the average age of juvenile delinquency they were working at the house, on the farms, and at the elevators. They operated plows, drills, combines, trucks. They helped with the cattle that were brought in the late fall for pasturing on the wheat.

Mr. Porter's father stuck with the New England heritage of intelligent industry and frugality. This was hammered into the son from babyhood, and the Porter children got the same philosophy of sweat.

The other day the Porter elevators were extremely busy. An attractive girl in blue overalls and a TCU athletic pullover drove up in a big truck. Mr. Porter had visitors with whom he wanted to talk. "Go out there and run the elevators, honey," he said to the girl. "Keep things moving." The girl was Rose Ann, who has no difficulty planning her time between college sessions. There was a call from one of the farms. A truck was needed. Rose Ann turned the elevators over to her mother and headed for the farm in a truck. Shortly later she returned in a pick-up. Rose Ann can run the elevators by herself. If anything goes wrong, she can find and fix the trouble. She can play music, she can dance, she is a good student. When she was a little one growing up, she could attend a movie once a month, paying the admittance with money she had earned. Not many girls in as wealthy families can run an elevator or drive an International loaded to the brim with $1.85 wheat.

HOW TO END WARS

The inevitable question: "Mr. Porter, how did you do it?" He flaps a little dust out of an ear and rubs his short-cropped mustache. "There is only one way to get along and get things done, and that is by hard, continuous, and intelligent work. If all the young men in the world were taught the importance of productive work, and then taught to work, young men wouldn't have to fly around dropping bombs on people; there would be no famine; there would be no poverty."

The Porter children are pretty good examples.

Mr. Porter dislike cooperatives, mainly because they do not have to pay taxes. He isn't afraid of their competition because he is so well established in so many lines that only a catastrophe could hurt him. But he says the untaxed co-ops are unfair competition for the young man starting out on an individual-initiative basis.

"Co-ops dull the wits of their members," he said. "They seem afraid of keen competition. They contribute nothing to the financing of the country because they pay no taxes. They claim to be nonprofit, but they somehow have the money to expand. The young man who goes out on his own must pay taxes and help finance the country, and he must face the competition of groups of men who, as a co-op, have no tax burden. Keen, but fair, competition that has sharpened wits and inspired initiative is what has made this country great."

Mr. Porter is no New Dealer. He says the business of giving away stuff and squabbling over the number of hours a man works is not a good thing. "The form of government under which this country has become great in every respect made it possible for me to make a living and get ahead," he said. "Under any other existing kind of government, I would have been in an institution, or probably would have been played out by now. I am grateful to a government that makes it possible for every man, even the handicapped, to have a chance. In my opinion, the trend the past several years has been dangerous. We need a government that encourages work and initiative, instead of trying to figure out ways of getting things without work. To be a great country, we must produce; that takes work, and there's no other way. I am grateful for the opportunity I have had."

ABREAST OF THE TIMES

Mr. Porter is well informed. He reads Braille periodicals, books, and papers. He uses the State library's talking books. Mrs. Porter reads newspapers and books to him. Recently the Porters had a vacation in Hot Springs, N. Mex. While on this trip, Mrs. Porter read 13 books to her husband. The Panhandle doesn't have a better informed man on current events, local, national, and international. He is a student of history. One of his favorite men of history is Justice Oliver Holmes. Mr. Porter doesn't attend movies, but Mrs. Porter does and tells him the stories. He depends a great deal upon the radio.

There's a lot of the Puritan in Mr. Porter. And he's thrifty. He is no more extravagant than he was when he owed the Oklahoma bank $4,000. But he has a comfortable home. The Porters live well.

Mr. Porter doesn't like for even a dollar to be idle. The other day friends were asking him why he decided to buy the ranch in Kansas. Mrs. Porter broke in. "I can tell you," she said. "He can't sleep if he has 50 cents in that bank that isn't bringing in something."

Some sharp-eyed Russian, Hungarian, Italian, Greek, Indian, or Chinese might be interested in the sort of thing a Texas blind man has been able to do in a democratic country.

Coordination of All Agricultural Programs

EXTENSION OF REMARKS
OF
HON. WILLIAM S. HILL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. HILL. Mr. Speaker, in introducing H. R. 4151, a bill to provide for the coordination of all agricultural programs at the top, or administrative level, as well as at the farm and community level, I had in mind the recommendations made by our farm organizations and also the suggestions of both the House and Senate Appropriations Committees.

Our farm leaders have long recognized the overlapping, duplication, and in many instances, the actual competition of one agricultural agency with another in the desire to develop their own particular plan of farm program. This was reviewed in some detail by both the House and Senate Subcommittees on Agricultural Appropriations. And if agriculture is to avoid criticism in the future and perhaps opposition to its program of development, the time seems ripe for serious consideration and constructive suggestions as to how best to bring about coordination, decentralization, and perhaps an overhauling of the machinery with which we have been working in order to keep all our agricultural activities modern as well as meet the necessities, the changing conditions, and the problems of a postwar world.

Congressman COOLEY, of North Carolina, and I introduced identical bills which we think may well provide the foundation for the construction and development of a streamlined over-all agricultural organization, that will receive the enthusiastic support of our farmers, farm organizations, and everyone interested in the continued prosperity, success, and progress of our agricultural development.

It is the intent and purpose of this legislation to provide more activity by those engaged in agriculture at the county and community level. All agricultural programs could and should be handled insofar as possible at these levels. No necessary farm service would be eliminated. Through the coordination of the various programs, efficiency and dispatch in effecting farm practices should be greatly increased. Not only will dollars be saved, but the future of agriculture be placed on a stable, sound, and healthy basis.

No action would be possible during the first session of the Eightieth Congress. Therefore, sufficient time will be provided for those who wish to offer changes or modifications before final action.

Accomplishments of the Committee on Un-American Activities, Eightieth Congress, First Session

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday July 25, 1947

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter to the Honorable CARL T. CURTIS, of Nebraska, covering the activities of the Committee on Un-American Activities during the first session of the Eightieth Congress:

LETTER TO HON. CARL T. CURTIS BY HON. J. PARNELL THOMAS, CHAIRMAN, COMMITTEE ON UN-AMERICAN ACTIVITIES

JULY 25, 1947.

HON. CARL T. CURTIS,
New House Office Building,
House of Representatives,
Washington, D. C.

MY DEAR COLLEAGUE: This will acknowledge receipt of your letter of July 14, 1947, requesting a summary of the activities and accomplishments of the Committee on Un-American Activities during the first session of the Eightieth Congress.

While I cannot go into details, I would like to outline some of the major activities and special contributions of the committee in the last 7 months. They can be summarized under the following 10 headings:

1. Prosecution:

Gerhart Eisler was exposed by this committee as the No. 1 agent of the Communist International in the United States and ringleader of the Communist conspiracy which would see a Soviet dictatorship replace the American democratic form of government. His refusal to be sworn in at a committee hearing February 6 led to a citation for contempt of Congress and a court sentence of 1 year in jail and a $1,000 fine. Eisler is now on trial in the United States district court in Washington on charges of passport fraud.

This committee also exposed Leon Josephson as the official procurer of false passports for agents of the Communist International.

He was cited for contempt of Congress after refusing to appear before the committee in Washington and refusing to be sworn in before a special subcommittee in New York. Indicted by a Federal grand jury, he will come to trial very soon in New York.

2. Legal espionage:

Congressman MUNDT, ranking majority member of this committee, called to the attention of the House on January 29 the legal espionage activities of the Soviet Union, with particular reference to a publication by the Amtorg Trading Corp., an official Soviet government agency. The book, entitled "American Construction" but labeled "Saboteur's Manual" and "Espionage Handbook" by high military authorities in America, contains detailed engineering sketches of vital American industrial plants, bridges, dams, and communications. America's tax security rules in contrast to the Soviet Union's strict policies with visitors was noted.

3. Patent raiding:

As chairman of the committee, I presented facts to the House on March 4 showing that the Soviet Union, acting through agencies in this country, has obtained practically every industrial, chemical, and military patent from our Patent Office, although the Soviet Union has refused to part with a single patent of its own. This was part of the Soviet Government's feverish effort to obtain the secret of the atomic bomb.

4. Legislation:

During the week, March 24 through March 28, the committee held public hearings on H. R. 1884 and H. R. 2122, bills to curb or outlaw the Communist Party in the United States. The proposals are still being studied by the committee. Experts on communism as manifested in the United States and abroad appeared as witnesses, among them former Ambassador to the Soviet Union, William C. Bullitt; J. Edgar Hoover, of the Federal Bureau of Investigation; and leaders of veterans, labor, and patriotic organizations. The Communist Party was also given an opportunity to be heard.

Eugene Dennis, general secretary of the Communist Party in America, refused to give his true name and other essential information during the hearings and he was cited for contempt, which was upheld by the House by a vote of 196 to 1. He was convicted of contempt of Congress in the United States District Court in Washington on June 26 and later sentenced to serve 1 year in jail and to pay a $1,000 fine.

5. Hollywood:

A subcommittee of the committee proceeded to Hollywood in May to put in motion an investigation of alleged Communist infiltration of the movie industry. Evidence submitted to the subcommittee during executive hearings May 12 through May 15 by 14 witnesses, including such prominent members of the movie industry as Actors Robert Taylor and Adolph Menjou and Producer Jack Warner, convinced the committee of the need for the full investigation which is now in progress. Public hearings on the Communist problem in Hollywood will be opened in Washington on September 23, with Hanns Eisler, composer, brother of Gerhart Eisler, scheduled as the first witness.

6. Labor:

Thirteen witnesses on labor appeared during the year at open committee hearings, resulting in the exposure of Communist influence within the leadership of Local 248 of the United Auto Workers, CIO, which directed the recent strike at Allis-Chalmers in Milwaukee, Wis.; of the national organization and various locals of the United Electrical, Radio, and Machine Workers of America, CIO; and of Local 22, Food, Tobacco, and Agricultural Workers, CIO, Winston-Salem, N. C.

7. Communist plots:

The role of many official Soviet representatives in the United States as unofficial espionage agents was described at open committee hearings July 22 by Victor Kravchenko, a Communist official high in the favor of the Kremlin who broke away from the party while serving with the Soviet Purchasing Commission in Washington. The committee also heard testimony on Communist operations in the United States from Walter Steele, a representative of the American Coalition of Patriotic, Civic, and Fraternal Societies who has been actively combatting subversive activities for more than 20 years. He submitted 427 pages of testimony and 71 exhibits at public hearings held on July 21.

8. Countereducation:

One of the principal functions of this committee is to serve as a countereducational force against subversive propaganda, so that citizens may not innocently give financial or moral support to un-American activities. On April 1 the committee issued the 55-page report No. 209, entitled "Report on the Communist Party of the United States as an Agent of a Foreign Power," which presented documented proof that the Communist movement here is part of a world-wide revolutionary move to replace American democracy with a Soviet dictatorship. It was so well received by Members of Congress that the House authorized the printing of 25,000 copies.

The committee on April 15 issued report No. 271, entitled "Report on the American Youth for Democracy," which exposed this organization, found on many college campuses in this country, as a Communist front which is a direct successor of the Young Communist League.

Exposure of the Southern Conference for Human Welfare as a Communist front serving the Soviet Union under the guise of improving southern social and economic life was accomplished by this committee when it issued Report No. 592, entitled "Report on the Southern Conference for Human Welfare," on June 12.

Testimony offered at the hearings on Gerhart Eisler was considered of such great value that the House authorized the printing of 2,000 additional copies in pamphlet form. Similarly the testimony of J. Edgar Hoover and William C. Bullitt, during hearings on bills to curb or outlaw the Communist Party, was deemed of such importance that 3,000 copies of each were printed separately and distributed throughout the country.

9. Reference service:

One of the most valuable assets of the committee is its carefully prepared records containing the names of hundreds of thousands of individuals who have identified themselves with subversive movements of the extreme left or extreme right. These records, all based on documented evidence, are the principal source of information for investigative and intelligence units of Government departments. A total of 738 representatives of Government agencies or employees of Members of Congress and congressional committees personally made use of the committee's files between January 22 and July 23, 1947.

During the same period, Members of Congress made 370 separate requests for information and it was necessary to enlarge the committee staff to supply information which they requested.

10. Staff reorganization:

Reorganizing its staff as a result of the reorganization of Congress, the committee took care to assemble a corps of workers who are experts in their various fields. I would like to remind the House that the activities high-lighted in this report were carried on while the committee was accomplishing this reorganization. Now that the staff has been enlarged, the committee can promise more hearings, more reports, and more voluminous files from now on.

As chairman of the committee, I should like to emphasize to the House that never, since I became a member of this committee in 1938, have I witnessed as much cooperation between the committee and all agencies of the Government as exists today.

I should also like to say, however, that I have repeatedly written requests, as a Member of Congress, and as chairman of this committee, to the Attorney General for prosecution of the Communist Party under various Federal statutes. To date, he has not seen fit to act on our suggestions. Although exposure is the committee's chief weapon against subversive activities and individuals and although prosecution is beyond its realm, it takes credit for the exposure which led to the prosecution of three top Communist Party members, Gerhart Eisler, Leon Josephson, and Eugene Dennis. The same exposure and investigation will furnish the basis for additional prosecution before the year is out.

In closing, I want to express appreciation for excellent cooperation from the House Committee on Administration, which has seen to it that the Committee on Un-American Activities was promptly provided with the funds that it needed.

Sincerely yours,

J. PARNELL THOMAS,
Chairman.

Report of the Activities of the Subcommittee on Home Rule and Reorganization of the House Committee on the District of Columbia

EXTENSION OF REMARKS
OF
HON. JAMES C. AUCHINCLOSS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26 1947

Mr. AUCHINCLOSS. Mr. Speaker, under the authority given to Members to extend their remarks in the RECORD I am taking this opportunity of making a brief report about the activities of the Subcommittee on Home Rule and Reorganization of the District of Columbia Committee of the House, of which I am chairman.

It seems most appropriate at this time to advise the Members of the House about the hearings which have recently been held and what has been accomplished, but first of all, I want to pay my sincere tribute to the helpful and fine work which has been done by every members of this subcommittee. The membership, which is made up of ROBERT N. MCGARVEY, of Pennsylvania; JOHN J. ALLEN, JR., of California; HOMER R. JONES, of Washington; JOHN L. MCMILLAN, of South Carolina; CHARLES B. DEANE, of North Carolina; and ROBERT E. JONES, JR., of Alabama, are a fine group of men to work with. We have carried on our activities in a spirit of nonpartisanship, with the determination that some constructive conclusions be arrived at for the good of the Capital City of the Nation.

This subcommittee of the District Committee, acting under the authority of House Resolution 195 adopted by the Congress, first of all directed its attention to the study of the present government set-up in the District of Columbia. This study took the form of rewriting chapter I of the book entitled "The Government and Administration of the District of Columbia," published by the

Brookings Institution in 1929 and written by Laurence E. Schmeckebier and W. F. Willoughby. In this chapter the then present system of the District of Columbia government was described in detail and it was this description which was brought up to date by the staff of this committee.

In connection with this study which covered a period of 2 months a three-dimensional chart, 9 by 12 feet, of the District government was made up and 13 other charts were also constructed of the local municipal organization, and in that way the committee was able to visualize the present operation of the local government.

Too much praise cannot be given to Dr. George B. Galloway and Mr. Clarence M. Pierce, who are the staff director and assistant staff director respectively, in their work for the subcommittee. These men were formerly attached to the Legislative Reference Service in the Library of Congress and Dr. George B. Galloway was executive secretary of the Reorganization Committee of the Seventy-ninth Congress. Their knowledge of government and their close study of the problem before the committee has been of inestimable value in their deliberations.

The subcommittee mapped out a definite program for its work and started off by making a complete review of the present situation which included not only the study of the past investigations by congressional committees and others, but also by inviting all those in Federal and District government service to appear before it and answer specific questions. These invitations were addressed to the President of the United States, members of his Cabinet and many others, amounting to 96 people in all, and either they in person or their representatives appeared before the subcommittee in response to the invitation. They also furnished written statements which have contributed materially to the study at hand.

In addition to this, invitations were addressed to every Member of the House of Representatives inviting them to express their views either by letter or personal appearance. It is with a great deal of gratification to note that response was received from 54 Members of Congress, including the Speaker, the leaders of both the majority and minority parties, and other prominent Members.

The next step in the program will be to digest all this material and construct therefrom a plan of reorganization of the city government, and if possible to submit a scheme for home rule so that the citizens of the District may have something to say about the form of government which they enjoy. This work will be done during the summer months by Dr. Galloway, Mr. Pierce, and such members of the subcommittee who may be available, and it is hoped that a bill may be ready for introduction in the early days of the second session of the Eightieth Congress. It will then be in order to hold hearings on any such bill and it is hoped that the Subcommittee on Home Rule and Reorganization of the Senate District Committee will sit in on the hearings.

In an effort to secure all the available advice on this engrossing and interesting subject, 352 letters are being addressed to institutions of learning offering courses in government, as well as to experts in municipal government, enclosing a pamphlet descriptive of the government of the District of Columbia with the charts thereof, and the request that suggestions and ideas be submitted to the committee for its consideration. It is hoped in this way to secure the expert advice of students of municipal government so that whatever may be the result of our studies we will have the benefit of the views of students of wide experience.

Since June 30, 1947, the subcommittee members have held 20 hearings and have heard 15 local citizens representing various organizations, 31 representatives of Federal departments and agencies, and 42 representatives of agencies of the District government. These individuals testified on 10 different fundamental problems, such as:

First. The general relationship of the Federal and District governments.

Second. The Federal agencies operating in the District of Columbia.

Third. The legal and judicial division of responsibility between the Federal and District interests.

Fourth. The fiscal control and organization of the District.

Fifth. The make-up and functions of the administrative boards, commissions, and independent agencies in the District.

Sixth. The make-up and functions of the self-supporting boards and commissions in the District.

Seventh. The institutional care carried on in the District.

Eighth. Suggested type of local government for the District.

Ninth. A merit system for the District.

Tenth. The propriety of home rule for the District.

It can be readily appreciated that these 10 fundamental problems go pretty much into the heart of the District municipal organization and some most interesting ideas have been suggested to the subcommittee.

The problem which confronts the subcommittee is a unique one and it is doubtful whether its parallel can be found any place else in the world. Since 1878 when the commissioner form of government was installed in the District the municipal system has grown up more or less at will and has a pattern a good deal like a patchwork quilt, each succeeding Congress contributing its thought and its effort to make the government more efficient. To reorganize this conglomeration of agencies and various ideologies of government and to write an original charter for the Capital City of the Nation with the constitutional restrictions involved is a challenge to the wisdom and ingenuity of man.

It is generally recognized that any proposal must embody the absolute right of Congress to have final control over the government of the District of Columbia, because that is in the Constitution of the United States, but, at the same time, it is acknowledged that Congress has the authority to delegate a certain number of its powers to a local government—these powers usually being described as "housekeeping powers." But the fiscal system of the government, embodying such powers as the imposition of taxes, the adoption of a budget, and the borrowing of money, must certainly be presented to the Congress for its approval.

To achieve a constructive change in the District government is a very detailed and intricate job but at the same time it is a fascinating one, and if this committee can report a constructive measure which would meet with the approval of the Congress it will have done a real service for the United States of America. Nothing, however, can be accomplished unless the subject is approached in a nonpartisan manner with every Member of Congress making his contribution to the solution in a spirit of cooperation which will not permit partisan considerations.

Search and Rescue

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. REES. Mr. Speaker, under permission heretofore granted, I am attaching a statement by A. W. Wuerker, lieutenant commander, United States Coast Guard, on the subject entitled "Search and Rescue." This address was delivered by Lieutenant Commander Wuerker at the third annual meeting of the Institute of Navigation, on June 24, 1947:

SEARCH AND RESCUE

There are many who may question the importance of search and rescue to air or marine transport. Of course, to the fatalist search and rescue may be of little or no importance. I contend, however, that the majority of our traveling public and those who man our planes and ships are not fatalists, and that they would be reassured by and rely upon an efficient search-and-rescue organization ready to take over when they get into trouble.

When a person is quite sick, he normally consults a doctor and gets a prescription for his illness. The personnel of the Coast Guard are professionals in the search-and-rescue business, and are always ready for search-and-rescue problems.

ORIGIN OF SAFETY REGULATIONS

Certain standards and practices for safety are self-imposed by private individuals, companies or associations of companies. Other minimum standards are imposed on air and marine transport by the Government. Also, certain safety standards and procedures in design and for operation of Government-owned air and marine equipment may be self-imposed by Government agencies. Superimposed on the above are the standards and recommended practices established through international treaty, such as through the Convention on International Civil Aviation and by the Convention for the Safety of Life at Sea.

Of the above four general categories, the minimum safety requirements imposed by the Government or by treaty on private and commercial air and marine transport set the pattern and are of a direct concern to manufacturers, to operators, and to passengers. Such imposed minimum safety requirements can be segregated into preventive safety and rescue safety.

MEANING OF SAFETY

Safety has been defined as the condition of being free from danger, and it has been construed as those measures taken to prevent accidents. On the other hand, current practice extends this construction to include measures taken to protect lives from further harm after an accident occurs. This applies particularly to air and sea disasters, wherein the measures taken to insure speedy rescue are of great importance if you accept the premise that accidents will happen in spite of all reasonable preventive measures.

PREVENTIVE AND RESCUE SAFETY

For the purpose of this discussion the first interpretation of safety will be called preventive safety, and under the latter, simply rescue safety.

"Rescue safety" and "search and rescue" are one and the same. In order to more fully understand the scope of the subject, it may be well to point out where preventive safety stops and rescue safety begins. Under preventive safety one may include safety measures in design of equipment, in the manner of operation of equipment, in aids to navigation, in ground or surface aids, and in weather services. On the other hand, rescue safety includes search and rescue indoctrination, standardization of emergency procedures, operation of rescue coordination centers, and the operation of rescue vessels, rescue aircraft, crash trucks, and crash boats. In addition, however, rescue safety has a direct effect upon preventive safety measures, for example, in design of escape hatches, flotation, and ditching characteristics, or in communications equipment, in order that rescue may be facilitated.

NATIONAL RESCUE SAFETY

As has been emphasized, rescue safety (or search and rescue) concerns measures taken to protect lives from further harm once an accident has occurred. The measures taken for over-water commerce, for both aircraft and surface vessels, are provided by the Federal agency charged with rescue safety over water. However, Federal responsibility for rescue safety for air transport over land has not been established by the Government.

The Federal statutes have assigned to the Coast Guard the functions relating to rescue safety for the waters of the United States. These functions are too numerous to itemize here, as they go back to the beginning of the Coast Guard in 1790. These functions have grown with the Nation and with our over-water commerce.

Air transport, being in its infancy, does not have the advantage of pointing to 157 years of need for rescue safety. However, the need already has been realized, both by the Air Coordinating Committee and by the International Civil Aviation Organization. The pressing needs of the latter already are having their effect on national aviation policy.

Search and rescue as a military operation is an established fact. Military services among themselves attempt to provide adequate measures for search and rescue to meet their own needs.

The needs and requirements of the search and rescue program for over-water transport, both for aircraft and surface vessel, are well established and are fulfilled by the Coast Guard.

The need for a search and rescue program for domestic civil aviation was realized over 2 years ago, at which time a special drafting committee, of which I was a member, and including representatives of the Army Air Forces, Navy, and Civil Aeronautics Administration sat down and prepared the manual known as ANC/IFR, or Manual for the Control of Instrument Flight Rule Traffic. This manual has been officially approved as a standard for joint Army-Navy-Coast Guard-CAA use by the Commanding General, Army Air Forces, the Chief of Naval Operations, the Commandant of the Coast Guard, and the Administrator of Civil Aeronautics.

The Search and Rescue Subcommittee of the Air Coordinating Committee currently is making a study of the requirements of a search-and-rescue program to meet the needs of domestic civil aviation as well as international obligations of the United States. This study has progressed to a point where certain fundamentals are recognized. First, a complete search-and-rescue program must begin with the indoctrination in search-and-rescue practices and techniques of pilots and crews as well as of all operational personnel. Such indoctrination applies equally to the potential survivors as it does to the rescuers. Second, and most important, effective search and rescue requires coordination. This is based on the well-established fact that no single organization can set aside for search-and-rescue purposes alone all of the facilities required to effect a search or rescue. Protection for public emergencies requires certain minimum facilities, to be sure, as shown by the need for your city police and fire departments. However, when the expense of maintaining a full-time, fully equipped fire department cannot be justified, as in many rural communities, you will find volunteer fire departments established. Coordination is defined as the act of bringing into common and cooperative action all available facilities, both public and private, in the conduct of search and rescue. The search-and-rescue program also includes the requirement of standardization of emergency procedures. Many rescues have actually been accomplished by assisting a distressed airborne aircraft to a safe landing. Finally, when an aircraft has actually crashed or is presumed to have crashed, a search-and-rescue program requires that facilities be provided to physically search for and return the survivors to safety, such as rescue parties, helicopters, or crash boats.

During the war it was found and proven that disasters called for cooperation between all participating agencies which had facilities at their disposal to render aid. The coordination of these facilities called for experience and training. From this current search and rescue practices were envolved in that the single agency with primary responsibility for rendering aid is the one to coordinate the effort of the other Federal or private agencies having facilities in the particular area.

For example, you are all familiar with the much-publicized rescue of the survivors from the ill-fated Belgian airliner which crashed in Newfoundland last fall. This was no hit or miss proposition. It called for experience and training, and, most important, it called for coordination by the Coast Guard, involving the Army, the Newfoundland Government, United States Red Cross, and civilian facilities.

INTERNATIONAL RESCUE SAFETY

Thus we arrive at the international importance of search and rescue. Although the United States participated in and signed the 1929 Convention on Safety of Life at Sea, it was not until the *Morro Castle* and *Mohawk* disasters precipitated a congressional investigation that the United States in 1936 ratified this convention, being the last signatory to ratify. This investigation, however, did not limit itself to recommending ratification of the 1929 convention, but undertook a comprehensive study of maritime safety standards making detailed recommendations in the form of legislation and regulations to be issued.

It has now been many years since the provisions of the 1929 convention were drafted and, spurred by the war, many developments have taken place to point up discrepancies between present-day good practices and the existing international treaty standards. With this situation before it, a special shipping committee recommended in a report dated March 11, 1944, that immediately upon the conclusion of the war an international conference on safety at sea should be held. Following up the recommendation of the specially appointed shipping committee, a meeting was called of the representatives of the various Government departments whose interest might be affected, and as a result the Commandant of the Coast Guard was designated to undertake the task of preparing for submission the United States' proposals to such an international conference. In the preparation, now taking place, the functions of a group committee on rescue procedures includes instructions to a subcommittee on search and rescue to "* * * consider the establishment through mutual effort or contribution of facilities for the rescue of surface vessels and aircraft flying over the oceans. It should also consider the responsibility of merchant ships to go to the aid of aircraft in distress and vice versa."

Paralleling the accent on international maritime safety, the International Civil Aviation Organization became a reality on April 4, 1947. The preamble to the Convention on International Civil Aviation states, in part: "Therefore the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner."

As a result of the ground work laid by the Provisional International Civil Aviation Organization, certain international standards and recommended practices for search and rescue, as well as for the establishment of certain minimum search-and-rescue facilities, have been recommended to ICAO. PICAO also has recognized in the recommended standards the need for and value of coordination. Among the recommended search-and-rescue facilities are rescue coordination centers, defined as: "A center established by the appropriate authority to initiate, coordinate, and terminate search and rescue within a designated area."

The Coast Guard's rescue coordination center at 42 Broadway, New York, which covers the Atlantic and Caribbean coasts of the United States handles an average of 20 distress cases per day. In the month of April 1947 alone, picked at random, there were 104 cases involving aircraft, and 511 involving vessels or minor mishaps, all of which involved assistance to over 1,000 persons.

It might be of great interest to you to visit this important rescue coordination center.

Those who have worked for the advancement of search and rescue have been aware of overlapping requirements as regards maritime, telecommunications and aviation. Such overlapping occurs particularly in standardization of emergency procedures and equipment. As a result of concerted effort, current proposals contemplate the establishment of a Committee on International Maritime, Telecommunications and Aviation Coordination, or CIMTAC.

In closing, from the statements which have been made, it may appear that the search-and-rescue program today is complete. However, such is not the case. Search and rescue is not static. Methods, procedures, facilities, and equipment are changing and improving day by day, to catch up with and to keep pace with our expanding trade. Therefore, I should like to point out some of the more serious problems of the search-and-rescue picture of civil aviation as it exists today:

1. There is no Federal agency responsible to provide search-and-rescue facilities for civil air crashes on land. Examples are the recent air-line crashes in Maryland and West Virginia.

2. There is no Federal agency responsible for the coordination of search and rescue for civil air crashes on land, for either commercial or private flying.

3. There is no Federal agency responsible for prescribing minimum standards or inspecting local crash facilities at civilian airports.

4. There is no Federal agency responsible for the dissemination of information for the indoctrination of civil pilots and passengers, or of local civil crash truck or crash boat crews in rescue and survival procedures.

5. There is no standard high or very high distress frequency for civil aviation. With most civil aircraft not equipped to transmit on the standard international distress frequency of 500 kilocycles, the result, by way of comparison, is getting the busy signal on the telephone when you are trying to report a fire.

6. There is no federally required passenger briefing as to the location and operation of emergency exits and the operation of safety belts or other safety devices, as is now traditional in marine transport.

Rural Electrification—FEPC

REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 19, 1947

Mr. RANKIN. Mr. Speaker, yesterday's CONGRESSIONAL RECORD will certainly be interesting reading for the American farmers.

By a roll-call vote the House denied $25,000,000 to the farmers of this country to build rural power lines to their homes. When the Rural Electrification Administration had asked for $300,000,000, and the Bureau of the Budget had recommended $250,000,000, the House cut it to $225,000,000.

Then on yesterday when I attempted to restore the $25,000,000 recommended by the Bureau of the Budget, it was denied on a roll call. Then without a roll call the same House voted more than a billion dollars for Europe, to help countries that have 90 percent of their farms already electrified, whereas we have less than 60 percent.

So when you go home now, you will find that yesterday's RECORD is going to be read more especially by the farmers than any other one day's issue of the CONGRESSIONAL RECORD since we entered World War II.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. We should stop making these appropriations and passing these bills and giving this money to foreign countries.

Mr. RANKIN. It is about time to look out for our own people. All this money for rural electrification will come back with interest and will add immeasurably to the wealth of the Nation as well as to the comforts and conveniences of the farmers and their families—to say nothing of the relief from drudgery it will provide.

I hope every farmer in the country reads yesterday's RECORD.

I understand that on next Monday you are going to take up the so-called anti-poll-tax bill, one of the chief planks in the Communist platform, in order to try to harass some of the Southern States.

At the other end of the Capitol they are holding hearings on the FEPC bill, the main plank in the Communist platform. They passed this crazy law in New York, and now it is running the businessmen of New York crazy and driving industry out of the State. Read the analysis of the New York law and the regulations under it at pages 9517–9522 of the CONGRESSIONAL RECORD of Monday, July 21, and you will see what this vicious measure means.

Every State legislature whose members read my speech of February 13 on this FEPC law in New York turned the crazy FEPC down cold.

Here is what they thought of it in Illinois:

FAIR PRACTICES BILLS ASSAILED AT SPRINGFIELD—LEGISLATORS HEAR BUSINESS AND LABOR LEADERS

(By Johnson Kanady)

SPRINGFIELD, ILL., April 15—Representatives of industry, business, and labor today joined in opposing passage by the legislature of any of the four fair-employment-practices bills now before it. Opponents of the measure had their day before the judiciary committees in both Senate and House. Proponents of the legislation, which is designed to outlaw discrimination in employment because of race, religion, color, or ancestry, had their inning last month and will have brief rebuttals before both committees next week.

James F. Stiles, Jr., president of the Illinois Chamber of Commerce, warned against piling State regimentation on top of Federal regimentation, which, he said, already is weighing business down.

"Illinois is one of the few States which offers one of the finest legislative approaches to industrial enterprise," Stiles said. "I hope you will not change it."

UNION LEADER SPEAKS

Herman Heironymous, secretary of the Tri-City [Granite City area] Central Trades Council, representing 16,500 members of 38 local unions, said:

"This bill will do nobody any good. There is no law to make anyone love me if he doesn't want to love me."

Charles E. Terry, secretary of the Boss Co., glove manufacturers, with seven plants, one in Kewanee and another in Brooklyn, N. Y., said of the situation in New York State, which has an FEPC law:

"There are manufacturers in New York considering seriously taking their plants to other States."

Gale Warfield, a representative of Local 50, Chemical Workers' Union (AFL), at Granite City, said:

"The only way it [abolishing discrimination] can be done is by education."

MANUFACTURERS OPPOSED

David R. Clarke, general counsel for the Illinois Manufacturers' Association, summed up that organization's opposition by saying:

"It looks like the creation of petty tyranny—nothing more and nothing less."

Many of the witnesses spoke before both committees, the House Judiciary, headed by Representative Swanson, Republican, of Chicago, and the Senate Judiciary, headed by Senator Thompson, Republican, of Galesburg. Both hearings, because of the large number of witnesses and spectators, were held in the legislative chambers, rather than in the small committee rooms.

Floyd L. Thompson, former justice of the State supreme court, representing 53 business and trade associations in the State, spoke only before the senate, declaring that the proposed laws are "out of tune with American traditions and American concepts of civil rights." His 45-minute address summed most of the arguments advanced by other opponents.

"This Nation has become the greatest on earth because of our political philosophy that the least governed people are the best governed people," Thompson said. "Whenever we have departed from this course and yielded to pressure groups in their design to regulate all human activities by law, we have created problems far greater than the evils at which the legislation was aimed."

Thompson charged that professional agitators of a pressure group requested the drafting and presentation of the FEPC bills and added, "The small minority for this restraint of freedom of action, with few exceptions, never produced anything and never gave employment to anyone."

He charged that when the New York act became law in July of 1945 it had been stated that 15,000 complaints were ready to be filed.

"Everybody braced himself for the flood," he said. "There was scarcely a trickle in the first 2 weeks, 5 out of 14,000,000 complained."

TELLS OF COST OF PLAN

"Do-gooders who think they have a mission to look after others, the new bureaucrats, saw their jobs threatened and those suffering from a minority phobia began to beat the bushes to drive in the game so the customers would not be disappointed," he said.

"Strain as they might they were able to scare up only 162 complaints before November 15, 1945.

"This is the answer to the slander of American employers.

"To settle the first 500 cases in New York cost $500,000," Thompson said.

Thompson said that denial of the right of an employer to ask certain questions on employment applications would help Communists to infiltrate their agents into labor groups.

"Perhaps that is the reason the Communist Party in Illinois was among those on proponents' day in March."

Highly Combustible Fabrics Must Be Eliminated From Interstate Commerce to Properly Protect the Public

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. JOHNSON of California. Mr. Speaker, every year a great many people are fatally or seriously burned by highly combustible fabrics. There seem to be no reliable statistics as to the definite number, but we do know that a great many people are burned every year because they wear fabrics which they have every reason to believe are safe.

In the Seventy-ninth Congress, I introduced a bill to give the American public the necessary protection against the sale and shipment of these dangerous fabrics. That bill was supported by the National Dry Goods Association.

In the Eightieth Congress, I introduced H. R. 601, which has for its purpose the

protection of the public against the danger from the sale of combustible fabrics used in clothes. It is substantially the same as my former bill. This bill was considered by the Interstate and Foreign Commerce Committee of the House of Representatives and testimony was presented in support of my bill and another bill, known as the Arnold bill.

For some reason, the National Dry Goods Association had a bill drafted and Mr. ARNOLD, of Missouri, introduced the same in the House, and Senator CAPEHART, of Indiana, introduced it in the Senate.

My bill is a simple bill. It effectively bars dangerous combustible fabrics from interstate commerce. It provides for certain penalties for violations of the law. It also provides that the Attorney General or any United States district attorney may bring an injunction suit prohibiting the sale of dangerous combustible fabrics in interstate commerce, where the indications are that the fabric would be dangerous if used for wearing apparel.

The determination of what fabrics are dangerous and, therefore, should be excluded from interstate commerce, is governed by a test described by the National Bureau of Standards in its Circular No. C-455.

My bill would, I think, administer itself and effectively eliminate, at a very nominal cost to the Government these dangerous fabrics. No one wants them, whether they be manufacturers or retailers. The retailers especially object to these fabrics. When they sell clothes, the natural warranty is that the fabrics of which the clothes are made are safe and that women and children need have no fear when wearing these clothes. Numerous lawsuits have been filed against retailers as well as wholesalers and manufacturers claiming damages because of injuries incurred in the burning of clothes made from dangerous fabrics.

The Arnold bill is a sort of NRA bill, which would be administered by the industry through the Federal Trade Commission. This means that the industry would try to police itself by agreeing on the standard to be applied to test the combustibility of fabrics. However, months have elapsed and they have been unable to agree, and I doubt if they will ever agree on a test.

It seems sensible to me to set down a simple test, such as provided in my bill, and have the test made by an independent agency, such as the Bureau of Standards. The cost of this administration would be nominal.

I, therefore, sincerely hope that when Congress reconvenes, that we may find some way to have my bill enacted into law for the protection of the public. While the industry is trying unsuccessfully to get together the public is still exposed to this danger, and not a week passes but what someone suffers because we have not effectively banned dangerous, combustible fabrics from the market. In order to understand the problem, I am making my bill, H. R. 601, with suggested amendments, a part of this statement so anyone that may read it will see exactly what is proposed and how simple and effective it undoubtedly will be. I changed the original so the bill will apply only to wearing apparel, as most cases of injury or death come from the burning of clothes made from dangerous, combustible fabrics.

This is the bill, as amended:

SUGGESTED REVISIONS OF H. R. 601

A bill to prohibit the transportation of certain highly combustible fabrics in interstate commerce, and for other purposes

SECTION 1. *Be it enacted, etc.*, That it shall be unlawful for any person to make use of any means or instrumentality of communication or transportation in interstate commerce for the immediate or eventual purpose of selling or offering for sale or for delivery after sale of any highly combustible fabric as defined in this act.

SEC. 2. (a) Whoever violates the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

(b) Whenever in the judgment of the Attorney General or any district attorney of the United States any person has engaged in, or is about to engage in, any acts or practices which constitute or will constitute a violation of this act, he may make application to any court of the United States of competent jurisdiction for an order enjoining such acts or practices, and upon a showing that such person has engaged in or is about to engage in any such act or practice, a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

SEC. 3. As used in this act the term—

(a) "Person", means an individual, corporation, partnership, association, or other organized group of persons, or any legal successor or representative of any of the foregoing; and

(b) "Highly combustible fabric" means any woven, knitted, net-type, or felted fabric, or films, or other materials serving the same purposes, either as yard or piece goods or as articles for personal wear, which flashes or burns in the horizontal position, with any nap, pile, or hazardous coating on the upper face, at a greater average rate than one inch per second, the size and conditioning of samples and method of testing to be in accordance with the procedure prescribed in National Bureau of Standards Circular No. C455, entitled "Flame Proofing of Textiles": *Provided*, That if flame proofing is applied to meet the requirements it shall have permanence, as indicated in procedures to be established by the Secretary (of Agriculture, Commerce) to enable them to be met for the projected useful life of the fabric.

SEC. 4. The provisions of this act shall not apply to fabrics designed and used exclusively for purposes other than articles for personal wear.

SEC. 5. The provisions of this act shall not apply to individual shipments of any fabrics destined exclusively for purposes other than articles for personal wear.

SEC. 6. The provisions of this act shall not apply to shipments of fabrics to destinations where they will be processed or finished to meet its requirements.

SEC. 7. Shipments made under any exemption covered in section 4, 5, or 6 of this act shall be clearly marked on the outside to show the fabric to be highly combustible, the ultimate use of the fabric or purpose of the shipment, and the number, title, and section of the act under which shipment is made. The same information shall be given on bills of lading covering the shipment and any other shipping manifests.

SEC. 8. This act shall take effect 1 year after the date of its passage.

Navajo Indians

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mrs. BOLTON. Mr. Speaker, I wish to extend my remarks by inserting a letter I have written to the chairman of the Committee on Public Lands together with a letter written to committee members by Mrs. Charles H. Dietrich, president of the New Mexico Association on Indian Affairs, telling of the needs of the Navajos, the largest of the Indian tribes:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 29, 1947.

Hon. RICHARD J. WELCH,
Chairman, Committee on Public Lands,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I have received a letter from Mrs. Charles H. Dietrich regarding the utterly unbelievably tragic situation of the Navajos. Having once served on Indian Affairs, I fear I cannot but believe in the accuracy of her statements, particularly as I know Mrs. Dietrich, and would have complete confidence in any statement she might make.

If nothing else can be done before winter, surely the Public Lands Committee can insist that the Indian Commissioner provide the necessary food, clothing, blankets, etc., to keep these people through the winter.

Our methods with them have been increasingly shocking. There was perhaps a certain amount of reason in the original creation of the reservations. The settlers had cause to fear them. But there is no reason whatever to make their lot harder with the years. There is no excuse for an enlightened people as we claim to be to turn those reservations into concentration, or, if you prefer, displaced persons camps.

I therefore hope that you will insist upon some immediate action.

To bring this to the attention of the membership, I am extending Mrs. Dietrich's letter and my own in the RECORD.

Hoping your summer will be a satisfying one, I am

Sincerely yours.

LETTER SENT TO COMMITTEE MEMBERS

JULY 18, 1947.

DEAR MR. ———: We are happy over the interest you express in our outline of suggestions for cutting expenses of Indian administration without sacrificing services.

I have just returned from the Navajo Tribal Council meeting at Window Rock, Ariz., which affords an opportunity for observation, consultation, and visits with Indians, Indian Office personnel, missionaries, and traders. I want to emphasize the dire needs of the Navajos at this time. All relief money was expended by April, although it had been used almost too frugally. There was a limit of $6 a month for one individual, or $5 each where there were two or more in a family on relief. The States of Arizona and New Mexico give no help to Indians, even under social security. Traders charge exorbitant prices for foodstuffs.

The Government stock-reduction program, along with removing sheep and horses, killed off all the prairie dogs and other wild animals which have sustained the Navajos in previous crises. A few sections of the Reservation

have pathetic fields of stunted corn, and some hundreds of men (out of 60,000 population) have secured off-reservation jobs on railroads. A few hundred families have summer employment on the Bluewater irrigation project (privately owned), where indecent housing and sanitation resulted in 40 cases of typhoid last summer. These typhoid carriers were handling carrots and lettuce shipped to eastern markets. The pay there is so low that no money is left at the end of the season to carry the families through the winter.

There is no work, no hope, in the greater part of the reservation. I am convinced that our generous, humane Government doesn't help these people only because the conditions of poverty and disease are not known by Congress and can hardly be imagined.

I hope it is not too late to secure surplus commodities of clothing, blankets, mattresses, and above all, food, to keep these people alive this coming winter. How does one go about securing surplus commodities? The welfare worker at Window Rock told me she put in an application for blankets and mattresses a year ago, but has had no response. Hungry Navajos see carloads of potatoes being shipped through Gallup, N Mex., on their way to be destroyed.

I do not believe in relief where prevention is possible, but there is as great an emergency on the Navajo Reservation now as there is in Europe. I hope when the appropriation measure is passed it will carry an adequate sum for Navajo relief.

There is one welfare worker for the whole reservation, which is four times the size of Massachusetts, and no field nurses. Nurses should go into the hogans (one room houses) where crippled mothers who may also have trachoma, and children with incipient tuberculosis from undernourishment, must be persuaded to take treatment. The children must now be started on the way to becoming self-supporting adults or they will develop diseases and handicaps which will make them public charges all their lives.

There is no place, except at a few missions, where orphaned and crippled Navajo children can be cared for * * * not only on the reservation but anywhere in the United States. The States of New Mexico and Arizona say that Indians are not State charges, and the Federal Government makes no provision for their care.

As you cut the trimmings in Indian administration—photographers, historians, anthropologists, extra personnel in duplicating offices—please do not forget the human services which this country owes the Indians as much as to foreigners, and the need to educate and prepare the Indians, particularly the Navajos, to support themselves by some economy other than that based on land. Otherwise the need for relief expenditures will increase from year to year. However, temporary relief before winter must be provided by this Government, or the churches and women's clubs, and so forth, will have to be asked to furnish private assistance for the wards of the United States Government. We must not postpone help any longer.

I wish you could find time during the recess to visit the Navajo Reservation, but get off the main roads, so that you can see for yourself the needs of these people and also the possibility, through development of resources such as irrigation and small scattered industries, of making them economically secure and an asset to the Nation.

Sincerely yours,

Mrs. CHARLES H. DIETRICH,
President, New Mexico Association on Indian Affairs.

SANTA FE, N. MEX.

Deficit Spending Again in Fiscal Year 1947

EXTENSION OF REMARKS

OF

HON. ALBERT L. REEVES, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. REEVES. Mr. Speaker, in a burst of enthusiasm the Truman administration has announced that for the first time in years the budget was balanced in the fiscal year ended June 30, 1947, and that the Treasury was left with a surplus of more than three-quarters of a billion dollars. True enough, the published statement of the Treasury Department shows total receipts of $43,258,833,000 during the year as against total expenditures of $42,505,045,000, leaving a budget surplus of $753,787,000.

But included in the total receipts is $2,835,777,763, representing the proceeds of sales of surplus property. This is a liquidation item and not an income item. It must be deducted from the total receipts in any honest evaluation of the fiscal performance of the administration during the past year.

Deducting the money received from the sale of surplus property leaves only $40,373,056,000 of actual income as against total expenditures of $42,505,045,000, and the result is that, measuring actual income against actual expenditures there was an actual net deficit of two billion one hundred and thirty-one million in the fiscal year.

The Truman administration has followed the familiar New Deal pattern of deficit spending. The only way it could make ends meet was to sell off some of the property owned by the Government and spend the proceeds. On that theory it could sell the Capitol building or a national park and claim the proceeds as income.

No, economy is a false front with the Truman administration. It is insolvent fiscally, as well as morally and politically.

Russian Aims in Postwar World

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. REED of New York. Mr. Speaker, under leave to extend, I am inserting excerpts from an article by S. H. Scheibla in the Wall Street Journal May 28, 1945. I would like to know, as would many others, what Russia has done since 1945.

INDUSTRIAL RUSSIA

(By S. H. Scheibla)

(Verbatim excerpts)

Officials are convinced that for the future the Soviet Union must be granted rank second only to the United States as a world economic power. * * *

Russia's industrial planners are not only set to expand production within the boundaries of their Eurasian nation; they are beginning already a program of drawing upon the strength of their neighbors. * * *

* * * Of course Russia has suffered vast war damage. * * * Yet officials here report that the volume of Soviet industrial production has increased during the war. * * *

* * * Supplementing its economy with lend-lease imports, the Soviet Union during the fighting was all but able to stop production of consumer goods. Men and materials could be diverted * * * to expansion of heavy industry * * * the capacity of the electric power stations put into operation during 1944 in the mushrooming Ural industrial region nearly equals the aggregate capacity of all stations built during the first 5-year plan.

Russia also has made strides in prospecting new sources of raw materials * * * 200 new coal mines were sunk during the war. Equal attention has been devoted to other minerals. * * *

* * * * *

* * * In the older industrial areas * * * the Soviet engineers have a good start at reconstructing plants whose movable machinery had been evacuated. * * * Since liberation in late 1943, south Russia alone has restored 13 blast furnaces with aggregate capacity of 8,135 cubic meters by the beginning of this year.

* * * Instead of bringing back evacuated equipment * * * new facilities were installed. * * *

* * * For the time being, however, Russia will not approach the productive capacity of the United States.

* * * Marshal Stalin has stated that the Soviet goal is to produce 60,000,000 tons per year * * * he can perhaps do it in a decade, perhaps sooner * * * it is a goal doubling or trebling prewar Russian output * * * it remains lower than present American annual capacity of some 95,500,000 tons of steel. Before the war, our capacity was about 81,500,000 tons.

To supplement its domestic strength, then, the Soviet has already begun to tap the resources of its neighbors. * * *

Simplest has been the annexation of the Balkan States, eastern Poland, and parts of eastern Rumania. * * *

At the other end of the scale are Russia's relations with Sweden. Bilateral trade has just been resumed; the Swedes are making delivery now on orders taken from Russia in 1940. They will be of most direct use in reconstruction and expansion, including railroad equipment, machine tools, high-grade steel, ball bearings, and small motors. In exchange, Sweden gets Russian oil products, manganese ore, and grain. Only about $25,000,000 is involved in this exchange, but it's a beginning.

Russia has begun trade with Finland. * * * The reparations agreement signed December 17, 1944, provided that Finland would deliver $300,000,000 in materials. This was broken into $100,000,000 of machinery and railroad equipment, $60,000,000 in new ships and $15,000,000 in old ships, $100,000,000 in timber, cellulose, paper, and wood products, and $25,000,000 in copper wire and copper cables. The payments are to be spread over a period of 6 years, with deliveries of $50,000,000 of goods each year.

For trade in addition to the reparations, Russia signed an agreement with Finland on January 31, 1945. The Soviet agreed to deliver to Finland by June 1 of this year 5,000 tons of wheat, 25,000 tons of rye, 1,000 tons of sugar, 50 tons of chocolate, and 250 tons of other sweets. In return, Finland agreed to send Russia nickel, cobalt, and sulfur ore, and to repair Soviet vessels, bringing the total value of the transaction to $2,260,000.

A second trade agreement, signed a few days ago, involved a volume of $17,000,000; it will give Russia wood products, particularly prefabricated houses and wood pulp, in exchange for exports to Finland of 30,000 tons of grain, and some salt, oil, and consumer goods.

Yugoslavia will work hand in hand with Russia * * * a trade agreement was reached, but its details are shrouded in uncertainty here. * * * Russia was to get copper, concentrates of lead, zinc ores, and lard, in exchange for kerosene, cotton, and agricultural machinery.

* * * Rumania has oil;. Czechoslovakia before the war exported to the world about $55,000,00 of iron and steel annually, including manufactures, as well as considerable textiles and glassware. But Hungary's exports were mostly wheat, meat, and poultry, and Bulgaria's prewar trade agreement with the U. S. S. R. emphasized hogs, rice, hides, tobacco, and rose oil.

* * * The Danes * * * have an interrupted pact to supply cranes, Diesel motors, cement-plant equipment, and other machines, in exchange for timber, oil products, and other raw materials.

The economic plan Russia is hatching for Poland is at least as obscure as its political program. Shifting its boundary westward to the Oder River, however, would plainly bring considerable heavy industry—previously German—within the country. Foundries, chemical plants, oil refineries, and steel mills will be gained. And, depending upon arrangements, Poland's gain can be Russia's gain.

* * * The eastward movement of prisoners of war, classified by occupation, has been started on a vast scale, and apparently the Russians intend to exploit this labor. * * * This may be matched by the movement of portable German industrial equipment, while other industry will remain in the Russian zone of occupation and produce for Russia.

A top prize in this zone of occupation will be a good portion of the Silesian industrial combine, which is located on the former German-Polish-Czechoslovakian border and normally produces about 125,000,000 tons of coal and 4,000,000 tons of steel each year. The coal could be especially valuable, since it is not a great deal less than was produced in all Russia before the war.

Six large shipyards in the expected Soviet zone of occupation could produce river vessels for Russia's internal transport and help build up her merchant marine for world trade. Railway equipment, boilers, steam engines, fertilizer, rayon, and textiles are other products of this region.

If Russia should be willing to abandon its prewar bilaterial system of trade * * * she will find big export markets for industrial goods on her own account in Iraq, Iran, Turkey, and China. * * *

The United States Government is acutely aware that Russian buying and selling, if used for political purposes * * * will be on a large enough scale to cause dislocation in other lands.

* * * Lend-lease * * * has sustained the Russian economy in war. We have sent $2,700,000,000 in industrial products and materials; $1,100,000,000 in motor vehicles and parts; $1,500,000,000 in agricultural products, and a quarter billion dollars of watercraft, aside from munitions. For the future, the Russians are asking credit.

What Is Over the Horizon?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MURDOCK. Mr. Speaker, this question which I have posed has nothing to do with foreign affairs, nor even with our Nation-wide domestic affairs. Just now I am thinking of possible improvements to make Arizona and neighboring portions of the Pacific Southwest more productive, and more habitable. Having given most of my congressional attention and thought to reclamation in the southwestern corner of our country, I am, of course, still thinking in terms of the traditional type of reclamation. However, just now I want to comment on other possible types of reclamation.

It is a physical fact, often noted by all who are thinking on the problem, that there is a great deal more good land which might be tilled in this semiarid southwestern region than there is water for such land. Without adequate water these millions of acres of good land cannot be tilled and made productive under our traditional type of reclamation. Therefore, as the matter now stands it is a problem of selection to reclaim the best portions of the tillable lands according to the supply of water which is available. Following out that plan, there is, of course, great water controversy between the States, especially in the Colorado River Basin, and the same thing applies to other basins. For that matter, there is controversy between different parts of the same State within the same basin. However, that is not the problem I have in mind here.

In view of the foregoing facts, I have felt that a new type of agriculture must be resorted to to get maximum results and the greatest possible production out of the lands in the semiarid Southwest. This new type of agriculture should use less water for the same monetary value in production, and that may be accomplished, in my opinion, by making the available water supply go further in satisfying needs and also in producing crops which require less water, but which are also valuable. How could these two things be done? That is, how can we make the available water supply go further and how can we add agriculture production in that area which will require less water per unit than the present production requires? I may not know the answer, but I think the Pacific Southwest must find these answers or be cruelly limited in its population growth.

SUBIRRIGATION AND UNDERGROUND STORAGE

Possibly one answer to the foregoing question is subirrigation. I believe subirrigation may be applied to much of the area that has been recently or is now being irrigated by surface irrigation, and I believe that the amount of water per acre needed for any given crop can be greatly reduced by subirrigation. It may be that some crops will not do so well with subirrigation as with surface irrigation, and if so that would be a limiting factor. On the other hand, perhaps many crops would do better with subirrigation than with surface irrigation, and certainly in our hot, dry climate there would be less water required with subirrigation because less would be lost through evaporation. In fact, the evaporation losses are enormous in all of the hot agricultural valleys of the Pacific Southwest. Surely we ought to find some way to minimize evaporation losses.

Speaking of the evaporation losses brings to mind a possible change in our reclamation technique other than appiying subirrigation to growing crops. I have reference now to underground storage of water. Up to this point in our reclamation program we have built great dams on our rivers and created vast reservoirs or artificial lakes in which the floodwaters are stored to be later used for irrigation and incidental power production. Forty-five years of successful functioning of the Bureau of Reclamation amply attest the wealth-creating power of such a program. I would not change from that plan to any great extent, for reclamation is possible on these variable and intermittent streams of the West only by impounding floodwaters in their season and holding them for use in the growing seasons. The power produced as these waters pass the dam is a tremendously important wealth-producing feature. The thing I would like to stress, in addition to this traditional part of the program, is more underground storage wherever possible.

I am not talking now about subirrigation, but deeper, more extensive underground storage of water to avoid evaporation losses. Water is indestructible, it travels long distances and arrives at the point underneath where it is needed in many instances without the need of open canals or even man-made open or closed aqueducts. Given cheap electric power for pumping and a sensible system of regulation of water use, the water can be lifted from its underground storage for irrigation. Some of that is being done today, and I expect to see more of it in the future. Of course, it is expensive to pump water, but the saving in water because of the underground storage will go far toward paying the cost of pumping. Needless to say, we will have to add to our store of knowledge more and better scientific information on geology and hydrology to add this later development to our total program of reclamation.

NEW CROP POSSIBILITIES

Undoubtedly, new crops must be introduced into the semiarid region which will produce as much economic wealth as is now being produced and which will require much less water than present crops require. I believe that is a possibility. Most of the plants that we grow in our semiarid regions are importations from other lands. I have heard it suggested that safflower, a native of India which requires very little water, can be grown in this country and is highly profitable. It might prove more profit-

able and require less than half the water in comparison with some of the crops which it might displace. This is one of the things for the agriculture experts to figure out.

In my own mind, I feel sure that before long a species of cactus known as yucca is destined to become a valuable crop in various parts of the Southwest, where it grows naturally on the desert. There is no doubt about the value of its products. The only question is—and I think that has almost been solved—in regard to the harvesting of yucca foliage and extracting its products with labor-saving machinery at low cost. American engineers may be depended upon to accomplish this latter feat.

If the harvesting of the natural yucca from the desert can within the near future be profitably done, the next step would be the cultivation of yucca as a row crop. I am informed by scientists that that is easily possible, and there is no reason to suppose that yucca under cultivation would require any more water than it requires in nature growing on the desert. Of course, yucca and bear grass grow naturally only in certain areas, limited by soil, climate, and altitude, but there is a vast portion of the southwest where this favorable combination exists.

During the war we made some effort in the growing of guayule to provide natural rubber. It is true that at that time we came to depend almost entirely upon synthetic rubber, but never was there a moment during the war when we were shut off from the natural rubber supply of the tropics that we failed to utilize every bit of natural rubber we could get. Tire manufacturers today will tell you that a little natural rubber with the synthetic rubber is best for all kinds of tires, especially large ones. The president of one of the large tire manufacturing companies is very enthusiastic about guayule and is of the opinion that we ought to grow it even if we have to subsidize it heavily for the first few years. I am not given to making predictions, but I will venture to guess that in spite of all our synthetic rubber technique, and in spite of our peacetime return to natural rubber from the tropics, we will continue to depend upon natural rubber grown in this country to an increasing degree. Guayule is the best plant that we can grow for that purpose.

RESEEDING AND ARTIFICIAL RAINFALL

I have many times called attention to the work of Dr. Lytle S. Adams, who has developed a method of pelletizing seed and distributing the seed pellets rapidly over a large area from airplanes. In the drier regions, as in southern Arizona, Dr. Adams uses a drought-resistant grass seed, an importation from Africa known as Lehman's love grass. This grass seed is very small, requiring 6,000,000 or 7,000,000 seeds to weigh a pound. In sowing this seed from airplanes, it is necessary to encase it in pellets of good earth to which fertilizer and other elements have been added.

The pellets carry the seed where they should be and preserve them and give the seed every possible chance of germination. This particular grass can thrive on less than 8 inches of rainfall. It is a very nutritious and promising kind of grass, and Dr. Adams' method seems likely to be a very effective way of revegetating vast areas which have been overgrazed, denuded, and subjected to erosion. This reseeding work is in its infancy, but it is full of promise for millions of acres of range land, fit only for grazing, throughout the Western States.

Another scientific accomplishment which may be just over the horizon has actually been tried out with success both in Arizona and Australia. I refer now to a method of causing rain from clouds which otherwise would not precipitate their moisture. Less than a year ago a scientist caused a snowstorm by dropping a few pounds of dry ice from a plane flying over a cloud. This technique has been recently applied especially in the deserts of Australia and to a smaller degree in Arizona. It is found that clouds heavily laden with moisture, if caught at just the right stage where a slight change in temperature will cause precipitation, may be made to yield their moisture by dropping dry ice into the cloud from planes flying over it. Who can foresee the possible results of such technique?

I talked this over with Dr. Adams, who is already successfully sowing pelletized grass seed from the air, which seed requires little moisture to dissolve the pellets and cause the seed to germinate. This method alone gives a great impetus toward replanting the vegetation, but after it germinates in a hot, dry country it is then still at the mercy of the elements. If, to the great assistance which the airplane distribution of pelletized seed gives the vegetation toward a start, we could add a systematic furnishing of showers or light rains, we could further guarantee the growth. All of these things may seem fantastic, but easily within the realm of possibility under known natural laws.

CONCLUSION

Supposing that these things can be done, what will it mean to all the States of our Pacific Southwest? It will mean that this area—the Nation's sun parlor, heretofore appealing to the rich or to the sick—will present an invitation to people of moderate means in all walks of life to make their homes where they can make a living and enjoy climate and scenery vastly different from that in the community in which they were born. There has been a great trend in population growth in the cities of the Southwest, Los Angeles being a notable example. GI's are flocking into Arizona and California in great numbers, and they would like to make their homes in that part of the country. They cannot do so unless industry is developed to support this large population. Nature furnishes a challenge which we must accept. In so doing we must develop new industries, new means of livelihood, new wealth-producing facilities that will make possible an expanding population to the benefit of the entire country as well as the States involved.

Lincolniana

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mrs. BOLTON. Mr. Speaker, last week, at a solemn ceremony in the Library of Congress, the Robert Todd Lincoln collection of the papers of Abraham Lincoln, were declared open and free to all who might desire to inspect or use them for scholarly purposes. This invaluable collection was bequeathed to the Nation by Abraham Lincoln's son upon condition that it should remain sealed for 21 years after his death, and the time limit having elapsed at midnight on July 26, 1947, it has become part of the Nation's historical heritage.

Lincoln scholars who inspected some of the 18,000 letters and documents of the collection, do not expect that they will bring about any important revision of their estimate of Lincoln himself; nor cause any marked change of their historical interpretation of the roles played by members of Lincoln's war Cabinet. But future biographers of this singularly great, and singularly American figure, will resort to this new accretion of material pertaining to him while it is inconceivable that there should be ever a time when Americans will not return to Lincoln for renewed faith in themselves and their stupendous experiment in democracy whose like has not been seen upon this earth.

It was in this sense that Roy P. Baseler, one of the eminent Lincoln scholars present at the opening of the Robert Todd Lincoln collection, spoke. He said:

> I believe that America will continue to follow Lincoln's belief that the wealth and power which have accrued to the Nation in our quest for freedom and equality is not an end in itself, but is a byproduct, to be used as a means of furthering the quest. Our wealth and power cannot justify our democracy before the nations of the world, now or ever. But our democracy can justify our wealth and power, by utilizing it in the quest for a better world for all men everywhere. We shall have failed of the historic destiny which Lincoln saw for us unless we recognize with him that, as he said, "The struggle of today, is not altogether for today—it is for a vast future also."

Every American reveres the name of Lincoln as he reveres the name of Washington. But those of us who serve in this House have an especial pride in him for he served here as a Member from Illinois in the years 1847–49. Let us remember as Representatives of the American people, in these days when heavy responsibilities rest upon us, the spirit of this man who, through black and weary months of reverses, petty bickerings, and ineffective effort, never faltered; who stood firm when men around him lost their courage and deviated from their purpose; was clear-minded in the midst of confusion; a monument of resolve in the midst of defeat and magnanimous in

the face of victory. And in those unhappy moments when we may be led astray to say or to do those things that promote, not the national welfare but some selfish interest, let us have resort, as Lincoln said in his first inaugural, to "the better angels of our nature."

No one of us can hope to add luster to Lincoln's name or height to his stature. Yet it may not be amiss to say, in these troubled days of ours, that among all his superlative gifts, none was greater than his gift of understanding. It is that gift of intuition, of prescience, of penetration, and divination, which, greater than logic, far transcends logic, and becomes prophecy. It is the gift of being able to look into the hearts of men to the far horizon where shadowily march the generations unborn. In its presence legalisms become shabby, the expedient shameful, the utilitarian shoddy. We are inestimably the richer because this gift was Lincoln's. We may indeed owe our survival as a nation to it; and if we are to endure greatly we shall have to resort to it and each of us, in his own way, emulate it.

For these reasons, as well as those of scholarship, the turning over to the people by the Robert Todd Lincoln Collection of the papers of Abraham Lincoln, is an important event in our national life. We shall have need of greatness in the days to come, and these papers, yellowed, smudged, and interlined with the writings and annotations of Lincoln, are some of the outward evidences of the inward greatness of Abraham Lincoln who was a man entirely typical of the new people that had grown up after the War of Independence.

Reflections on the Merger Bill

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. JOHNSON of California. Mr. Speaker, having been a member of the air service in the First World War, I have had an interest in military aviation since 1919. At that time, we could foresee that the air branch of the armed services had a tremendous future. As time rolled on, General Mitchell, the commander of the Air Forces in the AEF, and for whom I flew, brought the problem of developing and giving proper recognition to the Air Forces to a sharp focus. In fact, he talked so much about it and was so indiscreet in what he said, that he was finally separated from the Army.

Some of the things that General Mitchell said are prophetic when looking at them from this vantage point. He pointed out that in any future war, Alaska would be a key station, which we can now clearly understand. He pointed out that the Air Forces would develop their armament and weapons to the extent where war would be very devastating. He indicated that the emphasis would be, not so much at striking and destroying the opposing armed forces but at destroying the industrial and production centers of the enemy. All this came to pass in 1944 and 1945. We can now see that the Air Forces are the key to victory, in the event we should be unfortunate enough to get into another war. The destructive capacity of weapons which can be carried by air is simply awful. Scientists have practically told us that the human race, operating through its armed forces, has the power to destroy itself.

All during this time, we have struggled to make an autonomous place for the Air Forces or to unify our entire armed forces. That really was the plea of Gen. William Mitchell, namely, that we have unification of the armed forces who had the single problem of protecting and securing our Nation against aggression. The present bill is a step in that direction.

In the bill, specific legislative protection is given the Marine Corps. To me it is a mistake to give a legislative guaranty to the position of any unit or branch of the armed services. I believe it is fundamental that no segment or portion of the armed services has a vested right to its continued existence. From time to time, we must test its usefulness and necessity in the light of changing conditions and responsibilities. If any branch cannot justify itself under the changed situation, it must be eliminated or modified. Measured by what the Marine Corps did in this war and the glorious victories which they produced, they will be useful for a long time, perhaps, forever. However, to give legislative autonomy is a different thing entirely than merely providing administrative machinery for the continuance of any specific branch of the armed services. Once a segment of the armed services gets legislative protection, it is very difficult to change or eliminate it, even though future necessity should make that necessary, and frequently those who seek legislative sanctuary for their particular group know this.

Another provision provides that the Navy shall have its own independent air force. I think it is quite evident to men who are trained in air warfare, that this bill is merely a step in the ultimate merger of the Air Forces, under one head. The thinking of some of the leading airmen in the Navy, as well as the thinking of the leading airmen in the Army, is that to bring the maximum protection, the Air Forces must be integrated into one cohesive unit. Modern war is all-out war operated on the main line with everything we have. It is not operated on parallel tracks with cooperation between the conductors.

In 1931, one of my predecessors, Hon. Forrest C. Curry, Jr., introduced a bill—H. R. 261, Seventy-second Congress—providing for one Department of National Defense, in other words, providing for a merger similar to what we enacted recently. He was an air-service officer in World War I and later became a close friend of General Mitchell. It was 13 years after the war ended before Mr. Curry's proposal was submitted in concrete form to the Congress. That bill provided a separate Air Force. Its officers were to come from the officers of the Army, Navy, Marine Corps, and the Coast Guard. In other words, there was an integration of all personnel, of the various branches of the services, who were in aviation. This is what I predict will happen to the air branch of our armed services.

We must never forget that national defense is one single problem. We must fix the policy and grant the power to handle the problem in such a manner that there will be fluidity in its administration. The one who has the responsibility for carrying out a mission must be able to weld together all the elements or groups necessary to successfully carry out the mission. This bill is a step in that direction. Time and experience will indicate what changes will be necessary to give us the most defense for our tax dollar.

Federal Taxation

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1947

Mr. REED of New York. Mr. Speaker, as a member of the Committee on Ways and Means of this House, I should like to present to the Members of this body a few thoughts on the subject of Federal taxation, which I hope you will carry home for your own thoughtful consideration and for discussion with your constituents during the coming recess. I believe you will then agree with me that these matters deserve even more careful study and attention when this Congress resumes its sessions.

For many years, I have insisted, and I believe have demonstrated for the record, that confiscatory taxes always defeat their purpose.

As is well known, this Congress overwhelmingly favors a reduction in personal income taxes at this time. But, unfortunately, those who oppose such a reduction are, in some instances, those who have been indoctrinated with the philosophy and practice of tax and tax, spend and spend.

There is just as much reason to reduce Government expenditures and cut taxes now as there was in doing so following World War I. The program of governmental economy then adopted blazed the way for prompt and substantial reductions in individual income taxes, and for several years of national and individual prosperity.

The rates were so high in 1918 that they had arrived at the point of diminishing returns. The situation today in respect to individual income taxes may be compared to what it was in 1918, except that now it is many times worse. A few figures will show you why the situation is worse, for the individual taxpayer as well as for the national economy.

During the World War I period, say for the years 1914 to and including 1919, the number of individual returns and taxable fiduciary returns with net income never exceeded in any year 5,500,000 returns—Statistics of Income for 1942,

United States Treasury Department, part I, page 234. During World War II, say for the years 1939–47, the number of such returns rose from seven and three-fourths million in 1939 to about forty-eight and one-half millions by 1947—hearings before the Committee on Ways and Means on H. R. 1, March 1947, page 30. In other words, the number of individual tax returns between 1939 and the present time has multiplied almost seven times the 1939 total, or about nine times the highest number of returns attained in World War I.

It is also noteworthy to observe that during the World War I period, no incomes under $1,000 were taxed, and less than 2,000,000 returns were filed with incomes from $1,000 to $2,000. In World War II, however, using the estimates of the Secretary of the Treasury for 1947, taxable income recipients with incomes under $1,000 will number about six and one-third million, and those with incomes between $1,000 and $2,000 will number about twenty million, or about ten times the number in 1919.

I appreciate fully the fact that our population since World War I has increased substantially, that our national income is likewise much higher, and particularly that our cost of government is unprecedentedly higher. Nevertheless, our thoughts must be directed into the immediate future, with the view of minimizing the possibilities of disastrous inflation, because of an unsound spending and taxing policy.

It has been suggested, and I am giving the matter serious thought, that a new approach to Federal income taxation would furnish the incentives that are essential to our present situation and in the immediate future. We need incentive to imagination and to physical labor, incentive to business enterprise and investment, incentive to saving, incentive to the sort of intelligent spending that results in better living. It seems to me that every taxing policy of the Federal Government which has been inaugurated during the past 15 years has stifled or removed the possibilities of these incentives.

We also need, and I am thoroughly of the opinion that this Congress at its next session, if it is to meet its full responsibility to the taxpayers, must pass an income-tax law that is so simple that the ordinary citizen can understand it, and one that the Government can administer without the endless complications and difficulties incident to our existing tax regulations and procedures.

On July 1, 1947, Frank Wilbur Main and M. C. Conick, of Pittsburgh, ranking partners of the accounting firm of Main & Co., presented their plan for Federal incentive income tax to the Committee on Ways and Means. I not only recommend but urge that those who are interested in Federal taxation read and study the record of the proposal made by these gentlemen. Their presentation is clear and concise and free from technicalities.

This plan is unique in that it is based upon an entirely new concept of taxation. They propose that income be taxed as such, rather than the taxation of individuals and corporations. This is accomplished by identical rates for individuals and corporations, with the same general exemptions, the same graduated rates, the same ceilings, and by freeing dividends from taxation in the hands of the recipients. In this way the question as to whether business is done as a corporation, a partnership, or an individual would be forever neutralized.

The plan, it is claimed, would remove the necessity for bureaucratic regulations of the Government in all questions respecting the accumulation of surplus and the troublesome questions arising from the reasonableness of salaries of corporation officers who are also major stockholders.

Other benefits to be expected under the plan include:

First. Maintenance of the current high level of employment and national income, upon an economically sound basis.

Second. Encouragement of investments, particularly in such new and risk-taking ventures as have spearheaded our Nation's progress in every earlier period of its history.

Third. Elimination of the present inequity of double taxation on dividend returns from investments.

Fourth. Provision of more spendable income in the hands of all people, thus definitely raising the standard of living.

Fifth. Securing of adequate revenues for the conduct of the Federal Government, with a balanced budget, assuming that the national income and corporate taxable profits will be maintained at certain levels through the incentives offered by the plan; and, lastly and certainly not of least importance,

Sixth. About 19,000,000 individual taxpayers, with annual incomes under $2,000, will be removed from the income tax rolls.

Frankly, this is the first plan which has ever been presented to my attention as a recommendation toward revamping the entire structure of our Federal income-taxing system. It is not an amendment; it is a new approach. It is an extreme simplification of the whole income-tax subject. That is why I believe it deserves our most serious thought, study, and consideration during the next few months, before we enact our tax law of 1948.

When we reconvene, some months from now, I hope that tax experts throughout the country will give some thought to the plan. Whatever virtue or defects may be discovered in the proposal will be helpful in arriving at a realistic basis of taxation.

The Republican Record on Housing—Four Investigations, But No Houses

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EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to revise and extend my remarks in the RECORD, I include a résumé of the action taken by the Eightieth Congress on housing.

When the official scorer gets around to recording what the Republican-controlled Eightieth Congress did to relieve the housing shortage during its first session, he is going to put down a great big tragic zero. Only in the column on errors, delay, and confusion will the Republicans possess a high figure—and they earned every entry.

Following years of exhaustive investigation into the domestic housing problem by both Senate and House committees, we find that instead of resulting in legislation to help produce homes the one accomplishment of the Republican leadership is to scrap all facts and give the American people more investigations and no homes in which they can afford to live.

Between now and next January we find in the Republican score sheet a joint committee of the Senate and House Committees on Banking and Currency investigating housing.

A subcommittee of the House Committee on Education and Labor is to investigate construction and labor practices in housing.

The House Committee on Expenditures in the Executive Departments is planning a full-dress investigation of charges against the Federal Public Housing Authority made in a secret report of the House Appropriations Committee. Neither the public nor the agency involved has been told the basis of the charges set forth in the press.

And finally the House Committee on Small Business is investigating Government competition with private enterprise, and will attempt to prove that cooperative or mutual housing is detrimental to private enterprise.

That is the housing action given millions of American families living now in chicken coops, garages, single rooms, doubled up with in-laws and friends, by the Republican leadership thus far in the Eightieth Congress.

Now let us review the record of action on positive recommendations:

First. The Taft-Ellender-Wagner bill, S. 866. This bill, which offered the only real promise for urban and rural housing for families in all income groups, for slum clearance, for aids to private housing and for an extended public housing program, was the subject of extensive hearings both in the last Senate and this year's. Reported by the Senate Banking and Currency Committee, it languished on the Senate calendar, where it still is. In the House, its companion, H. R. 2523, introduced by Representative JAVITS, did not even get hearings in the Committee on Banking and Currency. Too busy. Republican contribution to resolving the housing program: None.

Second. The Douglas-Taylor bill, H. R. 1750 and S. 701, aimed at providing rental housing for veterans and their families, at rentals not to exceed $50 a month, is still in the respective Banking and Currency Committees. Republican contribution to resolving the housing shortage: None.

Third. Still buried in the House Committee on Banking and Currency, without even the decency of hearings, is Representative RABIN'S bill, H. R. 285,

authorizing direct Federal construction of housing. Republican constribution to resolving the housing shortage: None.

Fourth. On rent control, the Republicans really outdid themselves. From such measures as Senator HAWKES' S. 415 calling for periodic increases in rents, Senator WHERRY's S. 494 calling for outright repeal, Senator BUCK's S. 590 calling for 10 percent increase, with all controls off at the end of this year, the Congress finally passed and the President was forced to sign a measure which continued rent controls only until March 1, 1948, and which permitted voluntary increases of 15 percent if the tenants signed leases extending beyond 1948. This Wolcott bill also removed the expediter's controls contained in the Patman Act, except for places of amusement and recreation. This act is dedicated to the proposition that the way to get materials to flow into housing is to remove the prohibition against those materials going into commercial purposes. Republican contribution to resolving the housing shortage: None.

Fifth. On February 28 the President sent a message to Congress recommending $50,000,000 for reuse war housing. On March 3 Representative CARROLL, a Democrat, introduced a bill authorizing the $50,000,000. Ultimately, under Republican sponsorship, the bill carrying a reduced authorization of $35,500,000, passed both Houses.

Sixth. The Congress also passed Senator MCCARTHY's bill permitting the undertaking of certain low-rent housing projects where current construction costs exceed statutory limits, if the local agencies make up the difference—S. 1361. The correct way, that is of increasing statutory limitation, as provided in the Taft-Ellender-Wagner bill, apparently never occurred to the Committee on Banking and Currency of either house.

Seventh. Finally, the President's reorganization plan went through. This is the sole contribution of the Eightieth Congress, and even this—approved despite the opposition of the House—was not of a substantive but of an administrative character.

Now there is a housing record to be proud of.

Indian Rights in the Tongas National Forest in Alaska

EXTENSION OF REMARKS
OF
HON. WESLEY A. D'EWART
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. D'EWART. Mr. Speaker, under leave to extend my remarks, I include in the Appendix of the RECORD a letter received by me from Mrs. Ruth M. Bronson, secretary of the National Congress of American Indians.

Legislation concerning the Indian rights in the Tongas National Forest in Alaska is a highly controversial issue which will require action in the next session of Congress. A great deal of comment on the subject has been published widely by interested persons. However, the Indians who are affected have not had an opportunity to present their views to the general public. In fairness to these Indians, I am inserting in the RECORD Mrs. Bronson's letter, which is a statement of their views on the matter:

The Honorable WESLEY A. D'EWART,
Chairman, Subcommittee on Indian Affairs, House of Representatives.

DEAR MR. D'EWART: The National Congress of American Indians, an organization of Indians and Indian tribes joined together for the mutual benefit of all Indians, including the Indians of Alaska, are opposing the Tongas National Forest bill (S. J. Res. 118; H. J. Res. 205) for the following reasons:

This is not a bill to authorize the sale of national forest timber. The Forest Service has ample authority already to sell its own timber. It needs no new legislation for that. This bill gives the Forest Service the right to take and sell private timber and private lands of private citizens, Indians and whites, whose lands happened to be surrounded or hemmed in by national forest lands. It would put congressional approval upon a breach of faith with private landowners who were assured when the national forests were set up that their rights, whether embodied in patents or not, would be preserved.

If this can be done in a national forest in Alaska it can be done in every State of the Union. If a man's land and timber can be seized and sold by the Forest Service just because it adjoins national forest land, what is to prevent every other bureau in the Federal Government from seizing and disposing of the grazing lands, minerals, and other property of its neighbors?

If property is needed for public purposes, there is a good old American way of acquiring it, and that is by paying for it. Seizing a man's property without paying for it, or even promising to pay for it, is clearly unconstitutional. It was held so by the Supreme Court the last time the Congress attempted to validate this sort of transaction that is here involved—*Jones* v. *Meehan* (175 U. S. 1).

It does not help to say that the proceeds, if any, which the Forest Service gets when it disposes of the lands and timber it will seize, shall be put into a special fund. This is a one-way bank. The bill authorizes the Forest Service to put money into this fund but does not authorize the Forest Service or the landowners or anybody else to take any money out of this special fund to compensate those who are deprived of their property. Taking a man's property by legislative fist and telling him he can sue the Government if he wants to be paid is not the American way of doing things.

The Secretary of the Interior admits that the Indian and other residents of southeastern Alaska, where most of the towns are surrounded by the Tongas National Forest, are entitled to some sort of compensation if their lands and timber are taken. But he says that legislation to allow them compensation would be controversial and should therefore be postponed. Apparently taking their property is not controversial and may be done right away, but paying them for it is controversial and is to be put off to some indefinite future. At least as far as our organization is concerned, taking the property of any American citizen, whatever his race, is highly controversial. There are patriotic organizations, civic groups, and church groups throughout the country who feel just that way about this measure.

RUTH MUSKRAT BRONSON,
Secretary, National Congress of American Indians.

Harry B. Hawes

EXTENSION OF REMARKS
OF
HON. FRANK M. KARSTEN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. KARSTEN of Missouri. Mr. Speaker, it is my sad duty to announce the death of Harry Bartow Hawes, a former Member of this body. It was my privilege to know him for many years and his passing is a great personal loss to me.

He was an outstanding public servant and a stanch defender of minorities. After his graduation from Washington University in St. Louis, he served as counsel for the Republic of Hawaii during negotiations for the annexation of the islands to the United States.

At the age of 29 he became the head of the St. Louis Police Board and led a reform movement in that department. Later, he was elected to the lower House of the Missouri Legislature. There he was author of the bill creating the State highway department and chief advocate of a bond issue, which was the basis of the present Missouri highway system.

During the First World War, he served in the Army as a major. His duties took him overseas and he achieved distinction as a soldier in the field of military intelligence.

Thereafter he was elected to the House of Representatives from the old Eleventh District in St. Louis, which is now the Thirteenth District. His service in the House of Representatives was marked with adherence to the fundamentals of our democracy. He was a great believer in the Bill of Rights and during his service the Thirteenth District I now have the honor to represent acquired the name "the Bill of Rights District."

He was an ardent supporter of conservation measures and was author of the Hawes-Cutting bill providing for Philippine independence. It was because of the freedom and independence of the Philippines that we were able to secure the active cooperation of the people of those islands during the recent war. In granting them independence we made a model that other nations might follow. The ineffectiveness of Japanese propaganda in the islands was largely due to the freedom and independence of the Philippines. Freedom was the best answer to the propaganda of Japan.

After serving three terms in the House of Representatives, he was elected to the United States Senate. In that body he rendered distinguished service, not only to the people of his State but to the Nation.

Many will remember him as a soldier or a statesman, but I like to think of him as a philosopher. His writings reflect a deep and absorbing interest in his fellow men. Nothing I might say could describe the character of Senator Hawes better than an excerpt from an address he delivered in St. Louis on December 7, 1919, entitled "In the Matter of Friendship," a copy of which I have in my office.

It carries such a human message that I repeat it here for all of us might profit from it:

IN THE MATTER OF FRIENDSHIP

(By Harry B. Hawes)

All that can be expected of any man is to make the best use of the things that are within his power. Only the contented man is rich; so we must look for the things that bring contentment. And first of these is to find a friend; and if you find two friends you are indeed a lucky man; and if you find three friends—real friends—then you are a rich and powerful man. In prosperity it is easy to find a friend, but in adversity it is most difficult of all things. No matter how small a man's means may be, if he gives of what he has to his friend it is the same as if it was a great amount. A man's pleasures are insured by sharing them with a friend and his griefs are reduced by securing the sympathy of a friend. The counsel of a friend is the best counsel because it will be true advice; for, when received from a mere acquaintance, it may be so filled with flattery that its value will be destroyed, and faithful and true counsel rarely comes excepting from the true friend. It is said that in youth we have visions and in old age dreams, and the vision and the dream may give us an ideal of perfection; but experience and large contact with men compel us to accept the man who measures in his virtues only to the substantial average. If we view a man as a whole and find him good as a friend, we must not be diverted from the happy average—the everyday, human average—by using a magnifying glass upon his faults or frailties. We must, in order to have and hold a friend, accept him as he is, demanding but one thing in return for our affection—his fidelity.

Mr. Speaker, there are a number of Members of the House here today who served with Senator Hawes. I know they, as well as the other Members and his many friends, join me in extending sincere sympathy to the members of his family.

Let's "Despumate" This British So-Called Shortage of Dollars

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1947

Mr. REED of New York. Mr. Speaker, on July 11, 1946, I made some comments on the floor of the House of Representatives with reference to the proposed loan to Britain of $3,750,000,000. I am neither a prophet nor the son of a prophet, yet I challenge any person to successfully question the accuracy of the predictions then made by me.

The facts upon which the predictions were made were present, but like other evidence upon which to base sound conclusions, all were blotted from the public mind by a torrent of propaganda generated by the internationalists and interventionists working both sides of the street.

It is our taxpayers who have been fleeced. The unfortunate part of this fraud upon our country is that the whole scheme is aided and abetted by exporters who are well aware that while United States loans, gifts and credits to foreign countries will enable them to sell their products abroad for a time, yet they know, too, that such economic madness will mean ultimate disaster to our economy.

This hue and cry about a shortage of dollars abroad from which American taxpayers must come forward with more billions to save the Socialist and Communist governments throughout the world does not make sense or bear analysis. Has not Britain been increasing her gold holdings during the current year? The record shows that by the end of 1946 her gold holdings had reached $2,500,000,000. Her holdings are larger now.

Are we to finance a form of government which is failing to produce, while its chief spokesman points to the United States as the last bulwark of a "rotten and decadent capitalistic system"?

Right now, however, our zealous internationalists and snooping interventionists are acting as supersalesmen in urging all countries to pool and bring forward their joint and several demands for loans, gifts and credits for the United States to grant and extend.

I said the following on July 11, 1946, which appeared in the CONGRESSIONAL RECORD of that date:

There has not been brought forward in the history of this Nation any proposition of the character, magnitude, and far-reaching effects which would remotely approach this proposed gift of $3,750,000,000 to Great Britain. Neither has there ever been a proposition surrounded by as much falsity, half-truths, evasions, and distortions as this proposition. At no time, at no point, and in no way, has the presentation of this proposal to the Congress, and the American people, been honest, fair, plain, or helpful. Everything that has been said about it by its proponents has been designed not to reveal, but to conceal, the facts concerning this whole transaction. What we need to do is to despumate this proposition and get a clear look at the essence of it.

The least we can do with the American people, since it is their money we are going to give away, if we accede to this proposition, is to be honest with them. Let us look some facts in the face and, at least be honest with ourselves, and let the people know that this is a gift, and not a loan; that neither the principal nor the interest will ever be repaid to us.

Is this a loan or a gift?

I assert this is a gift—not a loan.

Britain wanted a gift—not a loan.

British spokesmen have made it plain that neither the principal nor the interest will be repaid.

The terms of the gift-loan agreement leave the question of repayment entirely a matter of British discretion.

Abandonment of the British Empire preference policy is entirely a matter of British discretion.

Churchill declared in the parliamentary debates that he regarded Empire preference policy to be British economic lifeblood not to be abandoned even temporarily.

This gift-loan will be exhausted by Great Britain within 18 months. What then? Will she be back for more?

This gift-loan will set the precedent for demands by other nations for similar gifts on similar terms.

If we refuse other nations gifts on like terms we will receive the full force of their disappointment, hatred, and resentment.

In making this gift to Great Britain we will be obligated to open our American markets to low-wage-foreign-products competition with our own laborers, agriculture, and industry.

Again, I assert that it is an outright gift. The British special pleaders came asking for an outright gift. The debates in the Parliament, and the statements by everybody from Churchill down show that the British not only consider it a gift, but that they feel we ought to be stirred by a deep sense of gratitude to them because they are willing to accept this gift.

Do we get anything for this gift of $3,750,000,000 of the people's money?

The answer is, "No"; we do not.

The proponents of this gift have tried to persuade us that the British will give up their empire trade preference policy. There is not a line in the agreement providing for this gift that requires the British to do anything of the sort. Quite to the contrary, the official spokesmen, from Churchill down, have been very explicit in their statements that Great Britain does not intend to abandon her empire trade preference policy in return for this gift of money.

How long will this money last Britain?

Her own spokesmen say about 18 months.

Now we are asked to take a step here which will establish a precedent that will either cost us twenty or twenty-five billions in money gifts to other nations, or the friendship of every other nation in the world that wants us to give them a handout of anything from half a billion dollars up.

If Britain is so far gone that she will disintegrate unless she gets this gift from us, then it must be obvious to every clear-thinking person that Britain is so far gone this gift will not save her.

If we make this gift to Britain, every argument which has been presented in support of this proposition, can and will be presented, with equal force, by every other nation, including Russia and China, that wants us to make gifts into billions of dollars.

There is one phase of this whole business that I, as an American, resent. That is the repeated statements of some Britishers that America vastly increased her wealth out of this war. There is not a scintilla of truth in that statement, and every Britisher with a nickel's worth of intelligence must know that—and does know it. Only by the most distorted reasoning, and certainly not by any logic, can anybody arrive at a conclusion that America attained great wealth out of this war. We are forgiving Britain $25,000,000,000 worth of so-called lend-lease, which was a gift. We are writing off other billions of lend-lease, to other nations, including Russia, to whom we gave over nine billions. We depleted our own natural resources, and ran our national debt to around $272,000,000,000 or $275,000,000,000. Our taxes are the highest in our history. How anybody can make great national wealth out of that set of circumstances is beyond the reasoning of a sane man.

There is something else in this business which I intensely resent as an American citizen; that is the broad intimation from both the British, and a good many of our own misguided people, that in some way we were responsible for this war; that Britain, and France, and Russia, suffered on our account, and for our sake: and that we were slow and cowardly and selfish in doing our share in the war.

This war was not of our making, any more than the First World War was. We were across an ocean attending our own business when the Atlantic war broke out. I for one have not forgotten that it was Mr. Stalin who made the pact with Hitler that allowed

Hitler to touch off this world war. Mr. Stalin's warm and throbbing affection for democracy didn't begin to palpitate until Hitler invaded Russia with an army, whereupon the Russians had to fight in self-defense.

It presents no argument, and certainly no persuasion to me, to have the Britishers tell the world that this was America's war, and that it is our duty now to feed the whole of the war-stricken world; to rehabilitate all the war-devastated countries; to lend all socialistic governments on the planet the money to finance their onslaughts against our American system of free constitutional government, free enterprise, and free society.

Europe has been a battleground for 1,000 years, and when anybody says that this was our war, and that we have either the financial or moral responsibility for it, he simply doesn't tell the truth.

Let's look another fact in the face. Are we going to win the friendship of Britain by this gift?

The answer is no. If our gift of $25,000,000,000 worth of materials, and, far above any consideration of money, if our gift of blood and men, did not win Britain's friendship, and they didn't—then another $3,750,000,000 isn't going to win their friendship.

The best proof of that is the abuse which their leading spokesmen like Keynes and Laski have heaped upon America as the last bulwark, so they say, of a "rotten and decadent capitalistic system."

There has never been a comparable incident in all history for one nation to have the sublime gall to demand that some other nation give it $3,750,000,000, share food and clothing, while at the same time the demands were accompanied by insults as insolent and unveiled as the insults which have been offered America by the leading British spokesmen concerning this gift.

Are we giving this money to Britain in order to strengthen her against her people going Communistic?

If that is the case, then we must expect Russia to perceive that fact, to conclude that we are building up a western bloc against her, and to act accordingly. Such a condition would be a prolific breeder of a third world war.

If we are going to have to buy off with our billions every nation which threatens to go Communistic, unless we stand and deliver, then we can expect America to go bankrupt, because that is nothing more nor less than plain international blackmail. It is the kind of extortion that is practiced by the man who threatens to burn down your house and your barn unless you leave a large sum of money in the old hollow tree at the fork of the road.

Nations, like individuals, who have to be bought off from doing something wrong, have no principles to begin with, and will continue to demand that they be bought off, or else they will do that for which they have been paid to refrain from doing.

I challenge any proponent of this gift loan to show one single, solitary, sound reason which the British spokesmen have agreed to, for the granting of this gift by the United States.

Some of the proponents of this gift-loan point out that Britain is in for a tough time. I desire to point out that America is in for a tough time, too, and that she is in it right now.

One of the assertions with which I have the least patience is that in some strange way this gift will be spent largely in the United States. There is not a line in the agreement that provides that this money, even $1 of it, shall be spent in the United States. Quite to the contrary, Lord Keynes, in his report to the House of Lords on the details of the agreement, specifically pointed out, at some length, that this gift-loan is not tied in with any condition that the money must be spent in America. He specifically stated to the House of Lords that Britain would be free to spend the money anywhere in the world she chose.

The proponents who talk about this money being spent here must imagine that the American people are a nation of idiots. The American people know that if we want this money spent in the United States, we could assure all of it being spent here by giving it to the veterans instead of to the British.

Are we going to be so blind as to overlook the fact that we now have more purchasing power in America than we have goods to be purchased, and that the backlog of that great spending power is supporting the black markets in their thriving condition against the best efforts of the legal authorities to end them?

Britain is in for a tough time. Of that there is no question. So are a lot of other nations in for a tough time. Of that there is no question.

Now let's look at Britain's situation and see what it is.

A writer who recently went over to study the British situation (see Hartley Bratton, Harper's Magazine, May 1946) has told in simple language, and exceedingly well, what the situation is, and what Britain's troubles are.

He points out that there are those who feel that Britain has seen her best days, and that she is in for a long decline. There are some, as he points out, who believe that Britain has been in decline since the First World War and will continue to follow a downward trend until she stabilizes at about the level of Sweden. This writer points out that we must go beyond the effects of the war, and the shortage of dollars, which it is proposed this gift will relieve, to find Britain's trouble. The dollar shortage is really a sympton, and not the real trouble. Some Britons believe that the British ills are so fundamental that it would be better for everybody concerned if the problem were met head on and the job of readjusting to the new conditions of today done right. These people fear that the weakness of Britain will be accentuated if the country coasts along on borrowed money until some new devastating crisis makes the job of readjustment even more difficult.

This writer points out that the trouble in Britain is basically due to the fact that Britain was a pioneer in the industrial revolution. Her antiquated methods of doing things constitute a drag on the national welfare, when carried over into industrial organization and processes. The difficulties are best exemplified in the old industries like coal and textiles. British industrial productivity per man is too low. The causes for this appear to reach into every phase of British life. They involve not only industry, but education, social values, and the whole complex British way of life.

This writer points out that large areas of British industry today suffer from obsolescence and an acknowledged bankruptcy.

Obsolescence is a drag on production. At the same time avoidance of bankruptcy means planned preservation of inefficient management and uneconomic plants. The easiest way of escape from these evils has all too frequently been through fixing prices, and allocating production quotas, which merely avoided but did not solve the problems. The evidence is perfectly plain that the British worker has made incredibly little progress in recent years. An outstanding example is in the coal industry. Being tremendously important, its ability to produce efficiently, and at low cost, is vital to steel, steel processing plants, and a host of other British industries. Taking the year 1913 as the base point of 100, the output per man shift in British mines had reached only 113 in 1938. In the Ruhr mines it had advanced to 164. In the Netherlands mines it had reached 201.

In cotton textiles there was little change in the productivity of labor between 1800 and 1937.

The reason for all this is largely because the owners and directors of these vast British concerns have, in too many cases, lacked any special competence for industrial policy-making.

The British publication, the Economist, more than a year ago said: "British business management is still dominated by the amateurs. It is only in this country that the curious profession of the 'director of companies' still exists. There are thousands of men in this country who make a handsome living by sitting on a large number of boards and directing the affairs of companies to no one of which they can give more than a small fraction of their time and attention. * * * That a sprinkling of such men would be an asset to any board is beyond doubt but that so many boards consist entirely of such men cannot be other than a handicap to wise, energetic, and far-sighted management."

Harold Wilson added another thought in his book, New Deal for Coal. He said of the amateur in the British coal industry that "the greater part of his or her time is given not to companies in other industries, but to varied social and sporting pursuits of the country and town life."

The old landed aristocracy assimilated the sons and daughters of the industrial world in Britain and the conditions imposed upon their descendants, to a very considerable degree, operated progressively to unfit them for business careers under modern English conditions. These miseducated men retained not only ownership but also control of industry. Contrary to American practice, they insisted upon dominating both their managers and their technicians. In so doing they prevented those important workers in industry from doing their jobs to the best of their ability.

This shortage of technical skill, and lack of industrial wisdom is not a mere symptom or a theoretical deduction. A report on higher technological education, prepared by a committee headed by Lord Eustace Percy confirms it. That report finds that the evidence submitted to the committee confirms the fear that the position of Great Britain, as a leading industrial nation, is being endangered by a failure to secure the fullest possible application of science to industries.

The nub of the whole British problem is to increase productivity and get more goods for export at a price which will enable British concerns to meet foreign competition.

There is another phase of the British question which few people have looked at in connection with this proposed gift-loan. That is the fact that the British birth rate is falling. It is now down to danger point. The British are now confronted with the threat that their own failure to reproduce themselves adequately brings into the range of calculation that point in the future when the British people will have faded out.

It comes, therefore, with peculiar ill grace from any Britisher to speak of either the United States as a nation, or its economic system, as the last bulwark of a rotten, decadent capitalistic system.

Now, whatever reasons can be urged now to support this proposed gift-loan of $3,750,000,000 could be brought up again 2 years or 4 years from now in support of a repeat gift of the same amount. If the object of this gift-loan is to save Britain, and if this three billion seven hundred and fifty million doesn't do the trick—and it won't—can we expect otherwise than that Britain will come back in a couple or 3 years or 4 with new demands for money gifts in the billions, based upon exactly and precisely the very arguments, and propaganda, and reasoning employed now in behalf of this proposed gift-loan?

If we set this precedent, have we any right to expect that all the other nations, big and little, who fought on the side of the Allies in the war will not come forward with repeated demands for America's billions? If we refuse to grant these demands to any country other than Britain, how can we possibly escape getting the bitter enmity of those nations we refuse? Do I need to point out to you the attitude of any group of mendicants and their reaction to one who would give one of them generous alms and refuse all the others?

If America is not strong enough to stand on her own national defenses, then America will not survive, because England is a broken reed.

Unless we are ready to give Russia a sum comparable at least to the amount Britain asks, and Russia could establish a good case for twice as much, based upon the arguments Britain uses, how can we avoid sowing the seeds of a third world war between Russia and her satellites, and the countries of the west?

I tell you this whole question goes beyond merely a gesture of friendship and cooperation between two nations speaking the same tongue and establishes a precedent which will either bankrupt us of our money, or rob us of the friendship of all the other nations of the world.

Nobody can question that Britain is moving toward socialism. Nobody can question that Socialist Britain is going to be in competition with constitutional America. Nobody can question that this money will be used by the Socialist Government of Britain to finance its own experiments in the nationalization of British industry. If we want this country to go socialistic, then that proposition ought to be put up to the American people fairly and honestly. It is not American, and it is not honest, to defraud the people of $3,750,000,000 of their money by falsehoods, and half-truths, and distortions of statement, in order to help finance a socialism in England, which is exactly in contradiction to our own constitutional system of government, economy, and society.

It is the right of the people to change their form of government in the United States to socialism if they choose to do it, but it is their right to do it themselves instead of having their money used to finance socialistic governments everywhere else in the world, such as Britain and France, which may, by competition, force the United States further into a trend toward increased government control of our economy and our society.

Why the Legislative Reference Service?

EXTENSION OF REMARKS

OF

HON. CHARLES B. DEANE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. DEANE. Mr. Speaker, following the adjournment of the Eightieth Congress, I visited the congressional reading room in the Library of Congress. The purpose of my visit was just to browse around among the books, old and new, and relax. Again, I wanted to personally express my feelings of appreciation to members of the staff of the Legislative Reference Service for the prompt, efficient, and invaluable service rendered me during this session of Congress. This sentiment, I am certain, is shared by scores of other Members.

The question may arise, "Why the Legislative Reference Service?" Certainly this capable group of men and women composing this essential arm of the legislative program needs no defense from me. However, I would feel greatly remiss in my duty if I did not state that during the session just closed I have become intimately acquainted with a dozen or more of the specialists, who, with Director Griffith, represent, in my opinion, a brilliant group of faithful public servants. It is my belief that they are helping Members of Congress as well as the committees of Congress do a better job than would be true if this service was not available.

Before leaving the Library I sought information on the volume of work undertaken by the Legislative Reference Service during the recent session.

Mr. Speaker, I believe you and the Members will be interested in this work load and the accomplishments of this branch of the Library of Congress, which I solicited.

During the first session of the Eightieth Congress the Legislative Reference Service has continued to serve the Members of Congress, but at a greatly expanded rate. Members submitted inquiries to the Legislative Reference Service, for their own use or on behalf of constituents, to the number of 17,000 in 1946; the volume expanded to an annual rate of 30,000 from January through May of this year. The number of inquiries are averaging nearly 2,500 monthly, or about 100 each working day, including Saturdays.

The number of major reports on matters of policy has also increased tremendously since the first of the year. Last year only 20 such reports were compiled by the Legislative Reference Service; this year more than 100 have been prepared at the request of the Congress.

The senior specialists, whose services were made available to the Congress by the provisions of the Reorganization Act, have worked for both committees and individual Members. Between January 1 and March 31 alone 11 of the 18 standing committees of the House and 13 of the 15 Senate committees made use of these specialists. In addition to their work with the committees, the senior specialists were consulted by 99 individual Members, other than committee chairmen, during the first 3 months of the year.

Although answering inquiries and preparing reports constitute the bulk of the activity of the Service, several other valuable functions have been carried on since the Eightieth Congress convened last January.

The digest of public general bills has been made available at regular intervals. Over 300 committee hearings were covered by reporters of the Legislative Reference Service and summaries distributed to Members. The congressional reading room has had an average of 83 users each week; and the number of calls received in the room from members of their staffs now averages 274 a week, 57 percent above the 1946 average. Books and articles bearing on issues before the Congress have been summarized in the public-affairs abstracts. Two hundred and sixty Members of the House and 79 Senators requested this service regularly. The abstracts are also valuable in answering specific inquiries from Members. Finally, members of the staff of the Legislative Reference Service have been invited to consult with individual Members or with committees in order to discuss or clarify certain problems, although they are forbidden to make recommendations.

In short, the Legislative Reference Service has increased its services to the Members of Congress all along the line. There is every indication that the Service is filling in increasingly greater measure the needs of Members for whose use it is intended.

This very brief summary of the work of the Legislative Reference Service answers the question, Why the Legislative Reference Service? If you are among the few Members who have not used this Service freely, I urge you to do so and am confident you, too, will express the feeling of value received.

Republican Tax-Grab Bill Accepted as Election Issue

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1947

Mr. EBERHARTER. Mr. Speaker, below is an outline of my views in opposition to the Knutson Republican tax bill. President Truman said it was "the wrong kind of tax reduction at the wrong time."

Why is now the wrong time?

First. Although I am not an economist, I have noticed that frequently on the same day there are contradictory predictions of further inflation and of imminent recession. So this is not the time to gamble with Uncle Sam's finances on the result.

Second. With incomes at the highest peak in history, it is the proper time to devote any surplus to retirement of our national debt.

Third. There has been very little actual reduction in the President's budget estimates, which must be balanced at all costs.

Fourth. The uncertainty regarding our international responsibilities has increased in recent months. Can we afford to risk the possibility of being financially unable to meet the requirements of the Marshall plan for the economic rehabilitation of Europe?

But, even if it were sound fiscal policy to cut taxes at this time, the Knutson tax bill is undeniably, in the words of President Roosevelt, "tax relief for the greedy, and not for the needy."

Not since the days of Andy Mellon has a tax bill given so much to so few—and so little to so many. Perhaps a few illustrations will best explain the point:

The wealthy taxpayers, totaling 1,948,000 or 4 percent of all income taxpayers, would have received 37 percent

of the tax reduction. The nearly 48,000,000 of small, needy taxpayers representing 96 percent of all Federal taxpayers would have received 63 percent of the relief.

To put it another way, a top 4 percent of the taxpayers in the upper brackets would have received over $1,500,000,000, while the bottom 96 percent of the taxpayers in the low-income brackets would have received only $2,500,000,000 in tax relief.

The average American family of four with an income of $50 weekly would have been given an increase in take-home-pay (after taxes) of 54 cents a week, enough for three packs of cigarettes.

The $100-a-week family would have $2.27 a week more to spend.

The $300-a-week family—this is the salary of a Member of Congress—would have $14 a week more.

The $1,000-a-week family would have received $32.73 a week more.

The tax benefit to the family of four with a million-dollar-a-year income would be over $[illegible],000 per week.

On an hourly basis, the tax benefits provided by the Republican tax bill would have ranged from an increase in spendable income of slightly more than a penny an hour for the man earning $50 a week to $500 an hour for the millionaire.

The $100-a-week man with three dependents would have a nickel an hour increase.

The $300-a-week man with three dependents would have 35 cents an hour increase.

And the $1,000-a-week man with three dependents would have an increase of $2.30 an hour.

The $20,000-a-week—million a year—income man with three dependents would have an increase of $500 an hour.

The Republicans very cleverly and deliberately advertised their tax bill as a 10-20-30 percent reduction plan in order to leave the impression that it was equitable to the low-income groups. These percentages conceal the real effect of the plan to shift the tax burden more heavily upon those least able to pay.

The family of four with an income up to $3,000 received a 30-percent cut in tax liability. Between $3,000 and $100,000 of family income, the cut in tax liability was 20 percent. And above $100,000 of income, reduction was gradually reduced to 10.5 percent.

But this 10.5 percent reduction in taxes meant an increase in take-home pay of 62.1 percent for the millionaire-income family.

The 10-20-30 plan for the family with a $250,000 annual income meant an increase in spendable income of 56 percent.

The 20-percent cut in taxes for the $100,000 family would have meant an increase in spendable income of 33⅓ percent.

And the 30-percent cut in taxes for the $3,000 family meant an increase in spendable income of 2 percent.

In the State of Pennsylvania only 136 taxpayers would have received this maximum increase in take-home pay of 60 percent or more, while more than 3,000,000 residents of the Keystone State would have received an increase in take-home pay of less than 5 percent.

So you see, percentages are misleading. The "10–20–30 plan" sounds pretty good until you look at it in terms of dollars to spend or in percentages of increase in take-home pay.

The Republicans argued that since the wealthy man pays higher taxes now, his share in tax reduction should be greater. However, it would seem only fair to reduce wartime tax rates in the same manner in which they were increased.

Under the Republican tax plan, the upper-bracket taxpayers would have paid just a fraction more taxes than in 1939, while smaller taxpayers would still pay several hundred percent more than they did in 1939. A married person with no dependents and income of $4,000 paid a Federal income tax of $44 in 1939. But under the Republican proposal, he would pay $471, or nearly 12 times as much as he did in 1939.

Most veterans are in this group of taxpayers under $4,000. Must these veterans who fought the war now come home to pay not only their share of the financial cost—the $257,000,000,000 war debt—but the share of the upper-bracket taxpayer as well? That would have been the result under the Republican tax bill.

As the President said in his veto message of H. R. 3950:

"When the time comes to lessen this wartime tax burden, it is only fair that we should follow a pattern which is the reverse of that under which the burden was imposed That is to say, this wartime tax burden should be reduced on a basis that is fair to low-income groups as well as to high-income groups.

"The failure of H. R. 3950 to follow this equitable principle is strikingly demonstrated by the following examples:

"The bill would remove 21 percent of this wartime tax burden for a married couple with an income of $2,500.

"The bill would remove 64 percent of this wartime tax burden for a couple with an income of $100,000.

"The bill would remove 85 percent of this wartime tax burden for a couple with an income of $1,000,000."

The Republican tax bill, once enacted, would have set a pattern for shifting the tax burden and the war debt from those whose incomes provide them with the ability to pay onto the shoulders of those people least able to pay.

Republican members of the Committee on Ways and Means have been advocating an expansion of excise taxes, or even a Federal general sales tax, at the same time they were voting for their income-tax-reduction bill.

So the Republican tax cut plan by itself is bad enough—but when considered with the Republican plan to impose a sales tax, it means real tax relief to the wealthy and a heavy increase in tax burden upon the poor.

It is understandable that most wealthy people should be so bitter because of the President's veto. They elected a Republican Congress which voted them an increase in spendable income far greater than they could hope to receive from their board of directors. But they find that President Truman stands in the way of their tax grab. And they hate him for it. Sometimes I think they hate him almost as much for the tax veto as they hated President Roosevelt for the New Deal legislative program.

I realize very well how welcome tax relief would be for all income groups—and especially for the workers whose family necessities have been subjected to such inflationary price rises since the death of OPA. But it is little help to the family in the lower income group to enact a token income tax cut, and to follow it with enactment of a sales tax upon everything the family buys.

For these reasons I opposed the Republican income tax bill, although I realized that opposition to tax reduction is politically dangerous. I do not believe that any President of the United States elected by the Democratic Party could have signed a tax measure so palpably unjust. Despite the inadequate press coverage of this subject, I think the issue is one that can be taken to the people with good results.

The Appropriations Record

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. TABER. Mr. Speaker, on the 3d of January 1947 the Republican Congress opened. We were told that the President was going to cooperate with the Congress, but he began by sending up budget estimates for appropriations totaling $32,200,000,000 and an estimate for expenditures of $37,500,000,000 for the fiscal year 1948.

We knew that these estimates were way out of sight, but in order to be sure of ourselves we started in using the authority that was provided for the Appropriations Committee in House resolutions. We employed the very best accountants, business analysts, and Government research men in the United States to supplement the regular investigatorial staff of the House Appropriations Committee. At one time we had as many as 40 people on this staff. These men reported to us a complete picture of the organization of the Government by departments and the subcommittees proceeded to consider the bills.

Every executive agency of the Government fought desperately to retain every single dollar that had been placed in the President's budget estimates and it was only by the most searching inquiries that we were able to make the cuts that were necessary to protect the taypayers of the country

We found many items of waste—we found many cases where it was necessary to cut appropriations to restore efficiency in the departments of the Government because they were way out of line with proper requirements.

For instance, we found that there were four majors for every second lieutenant

in the Ground Forces of the Army. We found that they were way out of line in every rank and that the Army was in danger of becoming fossilized because of too many overage officers who had been kept on from the Reserve Officer list that existed during the war.

The cuts that we have been able to make have only partially cured the situation and we found the same situation in all departments of the Government. We found a tremendous volume of cases where economic analysts and long-haired professors had been kept upon the rolls, at enormous salaries, to the exclusion of capable technicians and people who could really do their work.

Many of our members in order to do this job have worked nights and days. We have held the most strenuous hearings that have ever been held in any Congress. We have gone into tremendous detail and our cuts have been made on an intelligent basis and not in an arbitrary manner.

As a result of long and hard study, and I can say that the Appropriations Committee and its staff have worked at least 50 percent more hours than the committee has ever worked before, we were able to cut the 1948 estimates by $2,766,000,000 in direct appropriations. We were able to make rescission of funds that would otherwise have been spent amounting to $442,500,000.

As a result of our investigations and the hearings that were held, the Budget submitted reductions in the President's original estimates and we made recoveries out of funds that the President did not recommend amounting over-all to $911,711,000.

This makes a total cut below the 1948 fiscal year estimates of the President's budget of $4,120,000,000.

In addition to that, we made cuts that were effective in making savings in the operations of the last fiscal year amounting to nearly $360,000,000.

Our total savings to the Treasury of the United States as a result of the operations of the first session of the Eightieth Congress were, therefore, $4,480,000,000.

In addition to this, we made rescissions in appropriations that have heretofore been made amounting to $2,684,000,000, and all of this amount would have been available for obligation by the executive agencies if we had not rescinded them. Whether or not they would have been spent, we do not know, but we believe we have made large savings as a result of these rescissions. None of the rescissions I have referred to were recommended in the President's budget.

I believe that we have reduced the number of personnel in the Government to the point where they cannot have more than 1,600,000 civilian employees as an average through 1948. I believe that we can still further reduce it in the coming session so that we will very nearly approach the idea that I had of reducing the Federal civilian employees by at least 1,000,000 people. The quicker this is done the quicker these people can get back to useful civilian employment.

We knew when we started that we could not do what we wanted to do because of the opposition of the President and the executive agencies. We found, with very few exceptions, that the Democrats failed to offer cuts in the appropriation bills and have generally been found supporting every amendment to increase. One day they would be attacking us for not making sufficient cuts to be effective and the next day they would be offering amendments to increase appropriations.

We have been criticized for not getting bills through faster but the reason for our apparent delay is that we have been doing a job. We are proud of our record of accomplishment. We know that we have not done what we wanted to; yet, on the other hand, we have done what seemed to be impossible.

We know that the taxpayer has been drained dry by 16 years of Democratic misrule and it is hard to change a trend but the taxpayers of America can count on us to continue the road that we have been traveling to place the Treasury in a position to give the people a real tax cut. They must remember that they will have to give us a Republican administration in Washington in order to put the country upon a sound effective business basis.

Never before in the history of the country has a Congress been able to make substantial cuts in the budget in the face of Presidential opposition.

Implications of Our National Debt

EXTENSION OF REMARKS

OF

HON. CHARLES B. DEANE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. DEANE. Mr. Speaker, the President has been criticized in certain quarters for vetoing tax legislation presented to this Congress. In the months and years ahead, the President's actions will, in my opinion, be looked upon as the determining factor in restoring the solvency not only of our Government but other countries as well. A financially strong America will mean more financial stability abroad.

The sobering headlines of today's press reveal another economic crisis in Britain. One country after another, except America, is facing such crises.

Lest we become too boastful of our own financial security and pitch out the window a sound tax program, just for the sake of cutting taxes, pause and consider the serious implications of our national debt.

Some Members of Congress who did not vote for tax reduction did so seriously conscious of not only world problems, but the uneasy boom prevalent in America today. We felt that unless every surplus dollar possible was applied to the national debt, and in the event this uneasy boom suddenly exploded, the American economy might well follow that of Britain. Britain through the years has been looked upon as a Gibraltar of strength, financially and otherwise, and while America has not experienced the tangible material damage as Britain, by reason of war, we need to seriously appraise our financial foundations.

With that in mind I have called upon several sources in the Government and from outside to furnish me with data and an analysis on the national debt and these combined findings reveal an interesting yet exceedingly sobering study.

The Federal Government today is in debt to the extent of $258,000,000,000. It owes so much because it borrowed money to pay for relief and recovery from depression and because about two-thirds of the cost of the war was met with borrowed money. The depression increased the debt by $26,458,000,000. The war, of course, was the occasion for most of the increase in debt. War-finance policies increased the debt by $235,532,000,000 between June 1940 and the postwar peak of the debt on February 28, 1946.

I desire to call attention to the table appearing at the close of my remarks indicating the growth of the public debt from 1919 to 1947.

The debt has been reduced $19,600,000,000 since February 1946. The debt now is below its postwar peak almost entirely because money borrowed from individuals for a fairly long period has been used to pay off short-term low-interest rate debt owed to banks. Only a quarter billion of the debt has been repaid through a surplus of Federal receipts over Federal expenditures. The achievement of this surplus and the repayment of debt which it made possible required strong measures. The surplus was obtained only by keeping income-tax rates very near the wartime peak, by applying them to an income of $165,000,000,000, and by cutting Federal expenditures.

How big a $258,000,000,000 debt is may be indicated by a few comparisons—data on which the statements in the following paragraph are based are contained in tables attached to this report.

The debt is more than six times the Government's annual revenues. It is almost half again as large as the annual income of all the people and all the corporations in the country. It is three and one-half times as large as their income was in 1940. It is 27 times as large as the income tax to be paid on 1947 income by persons receiving less than $5,000 per year. It is 34 times as large as the income tax to be paid on incomes above $5,000 per year. It amounts to, roughly, $4,500 per employed person. It is about seven times as large as the debt was in June 1937. If it were to be reduced to its 1940 size within 20 years, the Federal Government would have to spend as much each year in repaying debt as it intends to spend on national defense in the next year.

The debt is large enough to cost in interest more than $5,000,000,000 per year. This is greater than total peacetime Federal expenditures in any year before 1934, with the exception of 1920 and 1921. It is about $1.75 per week for each employed person in the country.

Payment of the interest on the debt will require the imposition of heavy taxes now, even if none of the debt is retired. But if the debt is not retired,

future tax burdens will be larger as interest payments continue undiminished. This idea is familiar enough to any individual who borrows. A borrower saves interest by repaying principal regularly at the same time that he pays interest, instead of waiting until the debt has come due. A Government bond is unlike these private debts, because it is not payable in installments, but there is opportunity for regular redemption. The Government's debt is composed of many types of obligations, some of which are to be repaid—or an extension obtained—each month.

The amounts of the Government debt coming due each month in 1947 are as great as tax revenues under existing laws. The amounts coming due in future years vary each year, but will be affected by the extension of short-term debt coming due in very large amounts in 1947. Obviously most of the debt will have to be extended.

But repayment at a rapid rate of some of the debt, rather than extension of all of it, is desirable when the country's tax-paying ability is at an all-time high, while the revenue machinery is available, and when the money available for private spending is sufficient for further price inflation. Continuation of present income-tax rates probably would bring enough revenue to make possible substantial debt reduction. Wartime individual income-tax rates have been reduced only slightly and wartime excise taxes still are in effect.

Debt reduction will help to put the Government's finances in position to meet any emergencies that develop, will save enough interest to make possible reductions in taxes, and will curb inflation and help avoid depression.

Retirement of debt now when conditions are favorable will eliminate some of the shorter-term indebtedness as well as the problems of getting extensions when these debts come due. It will indicate the Government's intention to continue to honor its obligations and free itself from debt. Possibilities of the Government being forced to borrow at higher rates of interest will be avoided. This will be in the interest of the taxpayer, because interest costs are held down. It will be in the interest of many investors. If the Government should have to pay higher interest rates to get a renewal of some of its loans, the price of its other securities would be forced down because of their lower interest-bearing rate. Investors holding marketable securities then would sustain losses or demand conversion of their securities into others bearing higher interest rates.

With a smaller total debt and smaller interest charge, the Government will be in better position to borrow money in case a depression necessitates construction projects or other aids to economic stability. Investors in Government bonds will be more responsive and ready to buy more for emergency spending if their past holdings have been redeemed when due, if their commitments will permit, and the interest burden cut to a size manageable under the then prevailing economic conditions.

Failure to make substantial reductions of the debt will increase the interest burden on future taxpayers. A reduction in the principal of the debt, of course, reduces the amount of interest for the payment of which taxes must be levied. The savings from which taxpayers would benefit by paying the debt promptly and in substantial amounts depends on how much and how rapidly the debt is paid. The greater and the swifter the current debt reduction the greater the ultimate tax reduction will be.

Let us consider an example of the savings to be made by prompt reduction of the national debt. Say that the debt is reduced until the interest charge each year would be no greater than it was in 1930, and suppose that the reduction is to be made by one of two alternatives—the first of which is to reduce the principal of the debt by $6,900,000,000 per year, and the second to reduce the principal of the debt by $2,800,000,000 per year.

The first of these rates would be possible if income tax rates were not reduced below the present level, other taxes were unchanged, and income payments and Government expenditures were to continue at levels estimated for 1947 and fiscal 1948.

The second of these rates would be possible if income-tax rates were cut as proposed in the tax bill recently before the Congress, under the other conditions assumed above.

The debt reduction in the first amount, i. e., $6,900,000,000 per year, would save present and future taxpayers a total of $115,000,000,000 over the interest cost of the same debt retired at $2,800,000,000 per annum. By the end of 34 years, taxes could be reduced $11,700,000,000 below their present rate. The tax reduction possible if the second alternative were used. $2,800,000,000, would be only $1,900,000,000 at the end of the same number of years. For other examples, see the tables at the end of this report.

There is at present the possibility of further price inflation developing if the debt is not reduced. A large part of the debt has been sold to banks and the total volume of money available for spending consequently has been increased. The total of money in circulation and bank deposits is so large that if it were spent at a rate as rapid as that of prewar years, a great inflation in prices would result.

W. Randolph Burgess, in Commercial and Financial Chronicle, March 13, 1947, page 1411, says:

> Normally in this country the volume of money has been less than half our national annual income—today it is 75 percent of the total income. This is an enormously powerful inflationary force. The problem of whether or not this vastly increased money supply—this diluted dollar—gives us price inflation is fundamentally a problem of the psychology of the American people.

Failure to retire the debt and thereby to reduce the amount of money in circulation could under present circumstances postpone and intensify recession as it did after the First World War. After World War I tax reduction was given precedence over debt reduction. The money supply was not reduced rapidly enough to avoid some measure of constant inflation. The prices of most goods did not drop as rapidly as the cost of producing those goods. Inflation was concealed under a steady price level. This concealed inflation continued until the resulting impoverishment of industrial workers and of farmers whose prices had not been maintained cut off the markets of industry and depression resulted. During the period from 1923 to 1929 the prices of manufactured goods fell from 100 to 96. During the period from 1922 to 1929, the command over goods of all producers increased 3.3 percent annually; for farmers the increase was 2.7 percent; for manufacturing labor 3.1 percent—see F. C. Mills, Economic Tendencies, page 507.

Inflation seems to be contemplated by proponents of tax reduction. They say that—

> In the 1920's every time we reduced income taxes the net revenue of the Government increased * * * it is very probable that a reduction in tax rates for those with incomes over $5,000 will not result in an equal loss to the Treasury. (Congressman KEAN, in Commercial and Financial Chronicle, March 20, 1947, p. 1555.)

H. E. Humphreys, in Commercial and Financial Chronicle, May 1, 1947, page 6, says:

> If income tax rates are reduced now we shall have a better prospect of being able to continue making good-sized payments on the debt.

Their theory is that if the Tax Reduction Act is made effective investors will expand their operations and thus taxable income will be increased. Consequently over a long period, the total of taxes will exceed collections that would be made if present rates were continued.

If this theory is tested by a few computations, based on present facts, it will be possible to see what sort of inflation is contemplated by its proponents. Taxes under the reduction bill, at an estimated 1947 level and distribution of incomes, would yield about $13,232,000,000, or about $8 in each $100 of income paid to individuals. For persons with incomes above $5,000 per year, income taxes would take about $1 in four. If the $3,769,000,000 loss of taxes were to be made good by an increase in incomes subject to tax, the total of income payments would have to increase anywhere from $15,000,000,000 to $40,000,000,000 per year, depending on how much of the added income was added to the tax base.

The expansionary effects of tax reductions are regarded by their proponents as desirable in preventing a recession which may be anticipated. But if a recession is likely to develop, that is reason to retain present tax rates and make great efforts to reduce the debt. If debt reduction requires some readjustment now, the eventual readjustment through recession and depression will be smaller. And the Government will be in better position to go ahead with construction programs and to make well-considered tax reductions, if the size of the debt problem has been reduced. Tax reduction now would tie the hands of the Government and make it incapable of deal-

ing through financial means with present inflationary developments, or of meeting problems of recession if and when they develop.

The justification of the tax cut is that it would add to enterprise funds, and in this and other ways avoid depression. The tax rates applicable to individuals with incomes of a size adequate for initiation of a small business should not at present levels prevent considerable accumulation of funds, and the initiation and expansion of enterprises. The high taxes of corporations, including wartime excess-profits taxes, did not prevent great accumulations of funds. The net working capital of corporations increased about 80 percent—by $25,000,000,000 between the beginning of the war and the end of 1946. The total number of businesses, mainly unincorporated businesses, started since the end of the war has been very large: 649,000 were started between July 1945 and September 1946. There is much other evidence that present taxes have not stood in the way of prosperity, investment, and expansion. Plant and equipment expenditures, nonagricultural enterprises are expected to total $14,000,000,000 in 1947—more than the 1946 level by 15 percent, twice the 1945 level, and 70 percent more than the 1941 level. Net incomes of proprietors are high—the annual rate of their incomes in the first quarter of 1947 being $34,700,000,000, as compared with an annual rate of $27,600,000,000 in the first quarter of 1946, $24,100,000,000 in 1944, and $15,800,000,000 in 1941. The national income in the first quarter of 1947 was at an annual rate of $180,500,000,000, 9 percent above the 1946 level, and 12 percent above the 1944 level.

A reduction in income taxes now would make the whole tax system less equitable, because it would make inequitable excise taxes relatively more important than they now are.

The individual income tax is the most equitable of taxes. It is equitable because, being progressive, it makes each taxpayer pay more as his ability to pay increases. And it is equitable because the tax law defines carefully and precisely what is taxable income, so that the tax is adjusted to the individual position of each taxpayer and hardships may be avoided. Some other taxes, the excises, are not so equitable. Their levy regresses as the taxpayer's ability to pay increases. And their base is not defined to fit the individual circumstances of the consumers who ultimately pay them.

Tax reduction should await debt reduction; and should await a thoroughgoing revision of the revenue system to make it fit the position of the greatly increased number of taxpayers who have been brought on to the tax rolls.

The tax reduction bill recently passed by the Congress and, fortunately vetoed by the President and sustained by the Congress proposed a thoroughly inequitable method of tax reductions. It went counter to the most fundamental characteristic of the income tax. That fundamental characteristic is that the tax ought to leave to the person of average income a larger part of his earnings; however, the proposed tax legislation would work in the opposite direction. It would give the wealthy an increase in disposable income several times as large as that given the small taxpayer. Details are shown in the table below:

Net income	Increase in spendable income over 1946	Increase in tax burden over 1939	Net income	Increase in spendable income over 1946	Increase in tax burden over 1939
	Percent	*Percent*		*Percent*	*Percent*
$1,000			$25,000	11.4	191.9
$1,500	2.0	(1)	50,000	19.7	123.7
$2,000	3.1	(1)	100,000	34.2	55.5
$2,500	2.6	(1)	300,000	72.0	16.0
$3,000	2.9	3,700.0	500,000	70.7	12.5
$4,000	3.5	970.5	1,000,000	69.2	7.3
$5,000	3.8	697.5	5,000,000	62.4	.9
$10,000	5.6	321.2			

[1] Percentage increase under H. R. 1 is infinite because no tax was levied in 1939. Tax under H. R. 1: $1,500, $67; $2,000, $133; $2,500, $228.

Source: U. S. Senate Committee on Finance. Hearings on individual income-tax reduction, p. 316.

The Congress will look forward with interest to the study and proposals to be advanced by the experts on tax legislation to be presented to the Committee on Ways and Means at the next session of the Eighteth Congress.

Tax policy should be as bipartisan as foreign policy. Yet the opinions of some of these gentlemen on tax policy have run decidedly opposite from outstanding Representatives in both the Senate and the House of Representatives, who must think in terms of all the people. Surely they will take their job seriously enough to advise with the President's advisers on fiscal affairs. If the experts think only in terms of tax reduction without giving any consideration to a legislative program to further the development of this great country of ours, as well as an equitable distribution of the tax burden, they will have failed to grasp the responsibilities which some Members of Congress had in mind in sustaining the Presidential veto of the recent tax legislation.

Data indicating growth of the public debt

Year	Date of debt	Gross public debt (in thousands)	Interest charge computed (in thousands)	Debt per employed person	Interest per employed person	Debt as percent of national income	Interest as percent of national income	Debt as percent of income taxes		Interest as percent of income taxes	
								Income below $5,000	Income above $5,000	Income below $5,000	Income above $5,000
						Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1947	June 30	$258,286,385	$5,374,000	$4,550	$95	143	2.98	2,738	3,414	57	71
1946	Feb. 28	277,912,315	5,479,000	5,377	106	168	3.32				
1945	Sept. 3	262,776,656	5,044,000	5,127	98	163	3.13				
1941	Dec. 7	55,219,520	1,586,198	1,345	34	57	1.43	6,424	2,032	161	51
1940	June 30	42,780,009	1,094,722	1,181	31	55	1.41	22,483	3,241	581	84
1937	June 30	35,802,587	924,547	767	20	50	1.29	49,585	3,348	1,280	86
1933	Mar. 4	20,868,092	719,226	531	18	49	1.70	57,097	6,182	1,968	213
1930	June 30	15,921,892	606,632	351	13	23	.88	179,730	3,411	6,080	143
1919	Aug. 31	26,548,779	1,100,000	627	26	40	1.70	20,446	2,310	8,536	96

NOTE.—Debt is shown as of the end of the most recent fiscal year, at the World War II peak, at the end of war in Japan, at time of Pearl Harbor, at the start of the defense program, at the top of the post-1933 recovery, at Roosevelt's inauguration, at the post-World War II low, and World War I peak of the debt. Other data when possible refer to similar dates. Some data are on an annual basis.

Sources: Public debt and interest charge—Daily Treasury Statements, Treasury Bulletin, and Annual Report of the Secretary of the Treasury; debt and interest per employed person computed from employment data of the Bureau of Labor Statistics and National Industrial Conference Board; debt and interest as percent of national income computed from Department of Commerce data; debt and interest as percent of income taxes computed from data contained in Bureau of Internal Revenue Statistics of Income (various years) and Treasury estimates in Senate Committee on Finance hearings on individual income tax reduction.

"The Mighty Mo" and Her Gallant Commander

EXTENSION OF REMARKS

OF

HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. BOYKIN. Mr. Speaker, since the smoke of battle has cleared away following the termination of World War II, and the history of American participation therein has become clearer, various States and communities of our broad country thrilled with increased pride and gratification because of the splendid heroism of the men and women who went from these States and communities into the storms of conflict. Particularly is this true of the States and cities for whom battleships, cruisers, and other fighting craft were named, and which, under gallant officers and crews, fought with traditional American courage and skill.

The city of Mobile, Ala., in my congressional district, is one of the cities and communities of America which, with reverent pride, contemplates the magnificent combat and operational services rendered by a splendid war vessel bearing the home name of *Mobile*. This cruiser was put into commission about March 24, 1943, and her first commanding officer was Capt. Charles Julian Wheeler, United States Navy, a native son of Mobile.

The *Mobile* participated in numerous operations against the Japanese in the Pacific seas, and Captain Wheeler was in command while the vessel was thus engaged in nearly 30 of these operations and engagements—some of them of the most perilous and decisive character. Among these may be mentioned the following: Marcus Island raid, August 31, 1943; Tarawa Island raid, September 18, 1943; raid on and bombardment of Wake Island, October 5 and 6,

1943; action off Empress Augusta Bay, October 8 and 9, 1943; assault on and occupation of Tarawa Island, November 20 and 21, 1943; air attack on Marshall Islands, December 4 and 5, 1943, with subsequent attack by enemy on task force; bombardment of Watje Island, Watje Atoll, Marshall Islands, on January 30, 1944; assault on and occupation of Kwajalein Atoll, Marshall Islands, together with bombardment of Roi and Namun Islands, January 31 and February 1, 1944; air attack on Truk Atoll, Caroline Islands, February 16 and 17, 1944; carrier air attack on Mariana Islands—Tinian, Saipan, and Guam—February 21 and 22, 1944; support of first landings on Emirau Islands, St. Matthias group, March 20, 1944; carrier attack on Palau, Yap, and Woleai Islands in the Caroline group, March 29–April 1, 1944; Hollandia operation, bombardment of Wake and Sawar Airfield, New Guinea, and operations in support of landings on New Guinea, April 21 and 22, 1944; carrier task force attacks on Truk and Satawan Atolls, Caroline Islands, and support of surface bombardment on Satawan Atoll, April 30, and of Ponape, Caroline Islands, May 1, 1944; capture and occupation of Saipan June 11–24, 1944; first battle of the Philippine Sea, June 20, 1944; third Bonins raid, July 3, 1944; bombardment of Iwo Jima, Bonin Islands, July 4, 1944; capture and occupation of Guam, July 12–August 15, 1944; Palau-Yap-Ulithi raid, July 26–28, 1944; and eight separate and distinct attacks, in addition to the foregoing.

The details of these various engagements and operations cannot be here set forth because of lack of space, but it may be truly said of them that they were of a most vital character; were carried through with the highest degree of skill and courage by officers and men; and that they greatly contributed to the success of the war in the Pacific.

After these operations the gallant cruiser, under succeeding commands, continued the magnificent record of achievement wrought under Captain Wheeler, and survived to tell the story. Though often in the thick of battle, and under repeated and furious attacks of the enemy, the fact that she escaped more serious injury than was the case was due not only to something of chance and luck, but, in no small measure, to the very high degree of skill, seamanship, and courage of her splendid commanding officers and crew.

The *Mobile*, because of her fighting record, was nicknamed by its crew as "The Mighty Mo," a cognomen well bestowed and enduring. Bearing on this feature, I include the following interesting article relative to the cruiser *Mobile* which was published in the Azalea City Times, a Mobile Junior Chamber of Commerce publication, in its issue of April 15, 1945:

MIGHTY MO SNARLS DEFIANCE AT JAPS ACROSS PACIFIC—ENEMY QUAKES UNDER BLAZING GUNS OF CRAFT—CRUISER NAMED FOR MOBILE KEEPS ON FIGHTING

"The Mighty Mo," as her fighting crew affectionately calls the cruiser *Mobile*, is well known to the Japs all the way from those who have felt the hell of her gunfire to those in the top councils in Tokyo.

It may even be that they have heard her war cry of "Mo 'Em Down, *Mobile*," for Tokyo Rose herself has promised vengeance upon this hard-hitting fighting ship.

"The Mighty Mo" has been in there pitching in the central Pacific many times since the first raid on Marcus Island 'way back in August 1943. Her crew proudly wears operation and engagement stars on Asiatic-Pacific ribbons—with more to come—and crewmen look with pride to the silhouettes painted on her bridge.

MOBILIAN FIRST COMMANDER

Christened by Mrs. Harry T. Hartwell, of Mobile, and commanded by Capt. C. Julian Wheeler, United States Navy, of Mobile, she was eager for action and got it. The story of her battle experiences must make the Japs wonder how a ship could hit so often and so effectively over such great expanses of water with such frequency and regularity. Her present commanding officer, Capt. C. C. Miller, United States Navy, has carried on the fighting tradition of "Mow 'Em Down, *Mobile*."

The *Mobile* has ranged over tens of thousands of miles in pursuit of Japs. During one period, not an officer or man of her crew spent more than a total of 23 hours ashore, there was so little time for recreation as she ranged from the Gilberts to the Solomons.

SILHOUETTES TELL STORY

The silhouettes painted in red against a rising sun on her bridge show that she has shot down eight planes singlehanded, destroyed two merchantmen by gunfire, and in company with other warships of her task force has sunk a destroyer, light cruiser, and carrier.

With two destroyer escorts she caused the death of a midget submarine, probably the only cruiser of the war turning the feat.

Many shore batteries have been pinpointed to oblivion by her guns during bombardments in which she has participated. Not once have the Japs laid a hand on her, but she has had her share of being straddled by enemy shore batteries, dangerously close torpedoes, narrowly averted bombs, and cleverly dodged salvos.

CLOSE CALL AT BOUGAINVILLE

"The Mighty Mo" has seen action in major operations, participated in raids, been under day or night enemy air attack, and bombarded enemy territory. It is just that sort of thing that makes Tokyo Rose so unhappy.

It was during a stormy, lightning-filled night off Empress Augusta Bay, Bougainville, that she had one of her close calls. With the other ships of her division and destroyers she repelled a determined Jap air attack in which 10 Bettys (Jap twin-engined planes) were shot down in flames, "The Mighty Mo" accounting for one and assisting in three others.

It was shortly after one plane had snooped its way in that another sneaked in on the port bow. In a flash of lightning those on the bridge saw the splash as a torpedo hit the water. They swung the ship hard left to get out of the path. Seconds later the Jap plane passed over the fantail and breathless moments passed as the *Mobile* looked aft to see if the tin fish would clear. Gun crews reported that the wake just missed the stern.

CLOSEST CALL OF ALL

Topside personnel still smile grimly when they recall the closest call of all. The *Mobile's* task force was making one of its milk runs and our planes had everything well under control. No Japs were in the air and all hands settled down to watchful waiting. Suddenly there was a terrific explosion about 1,800 yards off the port beam, just astern of one of our light carriers.

Immediately they thought somehow a Jap plane had been able to sneak in a run on the task force, and eyes eagerly searched the sky. Almost instantly, however, a torpedo was sighted between the explosion and "The Mighty Mo" and heading on a collision course. The officer of the deck took immediate action to try to parallel the torpedo's course but it was obvious that a hit would result. The *Mobile* was a cold turkey. As the torpedo entered the water after its third jump, it suddenly exploded not 800 yards off the port beam; considerably closer, according to most accounts, especially those below deck.

Apparently a submarine had had its chance and only the *Mobile's* luck saved her.

SILVER SERVICE AWAITS

"Mobile can take deepest pride in the ship which bears her name," declared an officer during a visit here. "She is a fine ship, of which I am proud to have been an officer."

The Mobile Press Register and the chamber of commerce raised funds for the purchase of war bonds for the cruiser, to be converted into cash later for the purchase of a silver service for the ship when the war is over.

CAPT. CHARLES JULIAN WHEELER

Mr. Speaker, the inhabitants of the city of Mobile, as well as those of the entire State of Alabama, are very proud of the magnificent naval record of one of the city's most popular sons, Capt. Charles Julian Wheeler. I wish it were possible to give a detailed story of his entire naval career, but this is not now possible. A few vital points may be, however, mentioned. He was graduated from the United States Naval Academy at Annapolis in 1916 and served throughout World War I in the European zone and for the most part aboard the U. S. S. *Benham*. After the close of World War I, his duties carried him first into Asiatic waters and then over a large portion of the globe, including the Turkish and Mediterranean areas, where he served as aide and flag lieutenant on the staff of Admiral Bristol, commander of the United States naval forces, with principal station in Istanbul. Then after an assignment as communications officer of the Twelfth Naval District, Captain Wheeler was, from 1927 to 1929, aide to the commander in chief of the Asiatic Fleet on the U. S. S. *Pittsburgh*.

In 1931 he went to the command of the destroyer U. S. S. *Waters*, continuing in this capacity until 1934, when he was called to the Navy Department to serve as Atlantic communications officer. In 1936 he was made first lieutenant and damage-control officer aboard the U. S. S. *West Virginia*, and in 1937 he was appointed aide and flag secretary to the commander in chief of the United States Fleet. This was followed by a course in the United States Naval War College, following which he became a member of the staff in 1939.

He again went to sea in 1940, this time as executive officer of the U. S. S. *Astoria*, and he was given command the following year of the U. S. S. *Relief*. Later in 1941 he established the naval ROTC unit at Holy Cross College in Worcester, Mass., and remained as its head until he was assigned to the command of the cruiser U. S. S. *Mobile*.

After his tour as commanding officer of the *Mobile* he became the head of the American liaison naval force, serving with the British Fleet in the Pacific Ocean, under command of Admiral Sir Bruce Fraser, Royal Navy. In this capacity Captain Wheeler rendered out-

standing service and did very much, indeed, to aid the splendid work of the British Fleet in the campaign against the Japanese in these waters. For that service there was bestowed on Captain Wheeler by the British Government the distinguished honor of honorary commander of the Military Service of the Order of the British. The very impressive investiture of the order took place in April last in Rio de Janeiro, Brazil, where Captain Wheeler was and is performing an important naval mission. The presentation of the order was made by the British Ambassador to Brazil, and the bestowal was based on Captain Wheeler's notable record as senior United States naval liaison officer, serving with the staff of the commander in chief of the British Fleet. The duties performed by him in this delicate double role of loyalty to both the British and the American commands were discharged with a tact and discretion that won the unstinted admiration of both commands.

Also, because of his exceptionally meritorious services to his Government as commanding officer of the *Mobile*, operating against the Japanese forces in the Central and South Pacific areas from September 1, 1943, to June 23, 1944; and for his brilliant leadership and skill in handling the cruiser in the numerous campaigns and engagements in which she operated during this period—there was bestowed on Captain Wheeler, by the President, the Legion of Merit. I believe that, in addition, by reason of these and other services of outstanding character rendered by him during World War II, and theretofore, he became the recipient of various other formal honors and citations.

In conclusion, let me repeat, Mr. Speaker, that the people of the city of Mobile and of the entire State of Alabama are very proud of the part played in World War II by the cruiser *Mobile*—"The Mighty Mo"—and of the splendid record achieved by a native son of the city and State, in the person of Captain Wheeler, not only in World War II but, as well, in World War I and in the days of peace which intervened between these two sanguinary eras. His naval career is typical of what has made the American Navy unmatched in all naval history.

The Riddle of the Sphinx

EXTENSION OF REMARKS
OF
HON. SAM HOBBS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. HOBBS. Mr. Speaker, the following is an article by Walter Lippmann:

TODAY AND TOMORROW
(By Walter Lippmann)
THE RIDDLE OF THE SPHINX

The vote in the House on the Hartley bill is a spectacular demonstration of the depth and extent of the reaction against organized labor. The intention of the bill is to outlaw all the big weapons of the labor unions—industry-wide bargaining, the secondary boycott, the check-off, sympathetic strikes, the closed shop, mass picketing, the picketing of the homes of nonstrikers, sit-down strikes, feather bedding, immunity under the Sherman Act, the right to spend money in politics, secrecy of union funds, and many special privileges under the Wagner Act. The bill also intends to rearm employers with many weapons, for example, the injunction, which have been taken away from them.

The bill does not attempt to disguise its purpose, which is to reduce drastically the power of organized labor to bargain collectively. Though the bill does not prohibit collective bargaining, it is meant to deprive the unions of a very considerable part of their power when they bargain collectively.

The bill passed the House by a vote of nearly 3 to 1. The Republicans voted for it nearly 10 to 1; among the Democrats there was a majority in favor of it. No doubt not all the supporters of the bill have read and understood the whole 66 pages on which it is printed, and many, we may be sure, who do understand it were recording their general feeling, leaving it to the Senate and the President to work out a bill that can actually become law and can be enforced.

Nevertheless, the action of the House is a fact of great importance, and there is no ground for thinking that it does not represent correctly the feeling, though probably not the informed and considered judgment, of that majority of the people who are not closely connected with organized labor.

To understand this great reaction against organized unionism, we must remember that it was generated in the period of the war and immediately after when the demand for labor far exceeded the supply. When this Congress was elected in 1946 there was not only no unemployment, except for those changing jobs or not willing to take jobs, but there was more than full employment. There was overemployment. Labor was operating in what was for it a seller's market, and that, much more than the legal privileges of the Wagner Act and the New Deal, gave organized and also unorganized labor their unprecedented bargaining powers. The legal privilege helped. But in a period of large unemployment, they could not have been exercised so effectively as they were.

These legal privileges, we must remember, were enacted—also by impressive congressional majorities—after the depression of 1929 and during the thirties when the reservoir of unemployed workers was never less than about 8,000,000. They were approved by the general sentiment of the country, which disregarded the details as in reverse it does now, because then the employers were operating in a buyer's market, and Congress legislated to right the balance.

As a matter of fact, neither the legislation in favor of the unions during the thirties nor the legislation against them now has a more than secondary effect. The controlling condition is the volume of employment—whether the demand for labor is more than or less than the supply. During a period of unemployment labor unions, except perhaps those which have a tight monopoly of special skill, will be weak, and the general sentiment of the country and its politicians will be prolabor and in favor of reform, improvements, and a new deal. During a period like the one of war employment and postwar inflationary demands for goods and services, labor will be strong, unions will use to the full and abuse frequently their power, and the temper of the country will be antilabor and conservative and reactionary.

Labor legislation will reflect, rather than control, the phases of the economic cycle. It was not the Wagner Act but the reflationary measures of the New Deal, and then above all the gigantic war expenditures, which raised labor from the abyss of 1929 to the height of power which it had attained by 1946. It will not be the labor legislation of the Congress but the probable decline of employment which will change labor relations once again.

There is an underlying problem here, for which no solution is known, which is at the heart of the industrial problem throughout the world, and which it would be much more agreeable to ignore. It is, to put it bluntly, whether it is possible to combine high productivity with free labor and full employment. This is the riddle of the Sphinx to which no modern society has found the answer.

The most powerful criticism of the capitalist system made by Karl Marx was that it did not operate without the pressure of what he called the industrial reserve army, that is a large mass of unemployed, upon those who were employed. The threat of unemployment, he said, was what moved men to accept jobs and to do them under the discipline of the employer and at the wages he was willing and able to offer them. The strongest argument for socialism was that this compulsion would disappear because unemployment would disappear. In the thirties, while capitalist countries like Britain and America were suffering from unemployment, the whole world was impressed by the fact that collectivist countries like Germany and Russia had solved the problem of unemployment.

But contrary to the implied promises of Marx, the abolition of unemployment was accompanied by the regimentation of labor. The compulsion of unemployment was replaced by the conscription of labor, the whip of poverty by the whip of the police. Socialism in Russia achieved full employment and substantial production but labor was no longer free.

These countries, we say, are not democracies, and have never known freedom. Therefore the world will watch Great Britain anxiously. For there under the Labor Party the world is witnessing the great experimental test as to whether under full employment which Britain has, with high productivity which she must have to survive, and with free labor which she clings to with deep conviction, an answer can be found to the riddle of the Sphinx. That, rather than whether this or that industry is nationalized successfully, is the historical issue in Britain. The outcome is gravely in doubt. But whatever the result, it will affect deeply and subtly the social thoughts of all mankind.

Mr. Speaker, Walter Lippmann is an outstanding columnist and, which is more, a thinker.

His column of April 19, 1947, entitled "The Riddle of the Sphinx," from the viewpoint of the merely human economist is excellent. The problem he sets forth, however, is exactly what he called it. It is only a riddle of the Sphinx, a graven image, clothed by tradition and superstition with supernatural wisdom utterly lacking. Its stony silence matched its stony stare and the intelligence that posed its questions was, of course, merely that of the man who worked the fraud.

In this instance the riddle propounded was answered long ago by the divine wisdom of Him who created both employers and employees, when He gave those who have ears to hear, the Golden Rule for the solution of every problem of human relations.

Therefore, all things whatsoever ye would that man should do unto you, do ye even so to them: For this is the law and the prophets (Matthew 7: 12).

Every question has three sides—yours, mine, and the right. Multiplicity of man-made laws arises out of erroneous pushes of the pendulum. Divine law

stands—single, simple, needing no change save that of hearts which it enjoins.

Quarrels are but fires of hell; selfishness feeds, love extinguishes, them.

It is inconceivable that any problem can arise between those dominated by the Golden Rule.

Therefore, the sole problem is, not to make admittedly inferior law, but to observe the best; not to write, but to live.

Not only of management, but also of labor and of the public, is the right, the high privilege as well as duty, to see that all get a square deal; justice, not charity; fair treatment given voluntarily, cheerfully, cordially, by compulsion of love, not of law.

Achievements of the Eightieth Congress

EXTENSION OF REMARKS

OF

HON. JOHN SANBORN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. SANBORN. Mr. Speaker, as a freshman Member of Congress I wish to evaluate the work of this first session of the Eightieth Congress. I am not qualified to put this analysis out from the viewpoint of a veteran of many sessions, but I do believe I can look at the work with an open mind. I believe, also, that being a new Member gives me the advantage of not being influenced so much by tradition or set thinking.

Before coming to Washington and the Halls of Congress, I spent nearly 40 years farming fertile land in our great State of Idaho, starting with virgin sagebrush. I was a farmer and dairyman, and knew the value of things interpreted in the light of everyday living. However, I soon discovered that Congress, and particularly the House of Representatives, is very similar to our own State legislature. I know of this comparison, having served my own State in both houses for 14 years. The similarity is in the awareness of Representatives to the needs of our people. And in this great representative form of government, subject to the will of the people, this is a must in the operation and function of the legislative bodies.

I have noted this comparison between State legislative bodies and Congress to emphasize the achievements of the first session of the Eightieth Congress. I believe the greatest achievement of this session is in the enactment into the law the will of the people voiced at the polls November 5, 1946. Of course, this has not been completely achieved because the President has not been disposed to listen to this mandate from the people.

There is one thing certain. This Congress has not loafed on the job. With the ending of this session, there appears on the President's desk about 250 bills to be acted on. The President has already signed into law many other measures passed earlier in the session, and has vetoed several important measures.

Acting upon the mandate from the votes of November 1946, the new Republican Congress made as their basic political objective a program to restore sanity and order in Government, and to restore the Government to the people. The basic economic objective was to create a stable economic climate in which American ingenuity, inventive genius, and productive ability could flourish.

The first major plank in the Republican Congress' program, was to achieve economy in Government spending, and to place Government on a sound fiscal policy basis. A sound fiscal policy is the primary essential to an environment favorable to economic progress. The people of the United States said they had had enough of bureaucratic waste and extravagance, which has burdened the Nation with a $260,000,000,000 debt and destructive taxes. The people demanded that the price of Government be reduced.

The second major plank in the Republican Congress' program was to give relief to the people from the back-breaking taxes placed on their shoulders by the Government spenders. About 30 percent of the national income is eaten up in local, State, and Federal taxes. In other words, the American people, on the average, work 3 days out of 10 for the Government.

The third major plank in the Republican Congress' program was to bring stability in labor-management relations, and relieve the people from the worry of Nation-wide strikes, which impairs the security and comfort of our people. Hanging over the heads of all management was the dreaded portal-to-portal suits.

In brief, the people, through their Representatives, asked for curtailment of extravagant Government spending, reduction of taxes, and improved labor-management relations with a curbing of the powers of certain labor leaders.

Now, what has Congress accomplished?

The Eightieth Congress has achieved the best economy record ever attained by a peacetime Congress in a quarter of a century. It has appropriated a sum not only substantially less than asked in the Presidential estimates but, percentagewise, it has made the biggest cut in expenses since the present budget system was established in 1923. Chairman TABER, of the Appropriations Committee, says it will be found that the Treasury is $4,423,000,000 better off than if Congress had followed the President's estimates.

The Eightieth Congress has passed a tax-reduction bill twice, and twice it has been vetoed by the President. It was a fair bill, giving the largest percentage of reduction to the small wage earners. Of the tax reduction provided by the bill, 61 percent would go to persons receiving net incomes of $5,000 or less, and of this amount, 71 percent would go to individuals with incomes under $3,000. The President vetoed this bill twice—evidently because he is against any tax reduction of any kind.

Now, what about labor-management relations and the Eightieth Congress? One of the most urgent problems before the new Congress was the portal-to-portal suits involving billions of dollars, driving many businesses to ruin. The new Congress almost immediately passed a measure outlawing these suits, bringing security again to many businesses.

In recent years both collective bargaining and the union movement have been in danger. This has been due partly to mistakes of the Government in setting up labor policies, and in applying them, and partly to persons within the labor movement who, to gain personal power or advantage, have followed short-sighted policies of their own, regardless of the effect of what they did upon the labor movement as a whole, upon the welfare of our country, or, indeed, upon the workers themselves.

Our labor relations have been troubled by strike after strike. Some of the strikes were calamitous.

Loopholes in our laws permitted unscrupulous employers and unscrupulous labor leaders to exploit workers, and to deprive them of their rights. The Taft-Hartley Act—passed over a Presidential veto—puts an end to such abuses as these. It will further the purpose of the Labor Relations Act, increase output, and strengthen the protection the Labor Relations Act gives to workers in their organizing and bargaining activities.

The first Republican-controlled Congress in 16 years, has in addition to carrying out its program by balancing the budget, cutting unnecessary Government expenditures, eliminating many Government controls, enacting remedial labor legislation, and trying conscientiously to reduce individual income taxes, passed innumerable measures of general and private nature.

The following bills were acted upon this session:

H. R. 1030, to continue excise taxes.

H. R. 1353, to extend the period during which veterans might reinstate their national service life insurance.

House Joint Resolution 27, to limit the tenure of the President to two terms.

House Concurrent Resolution 20, to place a ceiling on Federal expenditures for 1948.

H. R. 2157, to restrict portal-to-portal pay suits.

H. R. 3020. Taft-Hartley labor bill.

House Joint Resolution 153, $350,000,000 general foreign relief bill.

H. R. 3203, housing and rent-control bill.

S. 938, $400,000,000, Greek-Turkish aid bill.

S. 350, to extend the Commodity Credit Corporation chiefly for the purpose of continuing the price-support program for agricultural products.

S. 1498, to continue price support for wool. When this bill was brought before the House of Representatives there was vigorous debate opposing the passage of this measure. I believe a word of explanation about the wool situation is necessary. Through no fault of the wool industry there is now a tremendous surplus of wool in the United States—enough to endanger further production of wool by the sheep men of this nation. The sheep men are not responsible for this condition. This is part of the results of war. During the war the Government built up a large stock pile of this strategic material. And now, they are faced with

the problem of disposing, orderly and without loss, of around 460,000,000 pounds of this Government-owned wool. This bill allows some support to the wool prices to insure the continued operation of that great western industry.

H. R. 3961, to increase pensions of Spanish-American War and Civil War Veterans and their dependents. This bill provides for a 20-percent increase in certain service pensions—nonservice connected—to veterans of the Spanish-American War, including the Boxer Rebellion, and the Philippine Insurrection; veterans of the Civil War and the widows and children of such veterans. I want to point out that the bill in no way adds any new veterans or new dependents to the pension list. It provides merely a 20-percent-across-the-board increase under the existing law.

The Civil War veterans and their dependents have not received any increase in pension since the year 1930. Many things have happened since then. The cost of living has skyrocketed tremendously since 1930 and I feel these people are entitled to this consideration. At the present time there is a discrepancy between the pensions paid the widows of veterans of these wars and the veterans of World Wars I and II. The pensions for the widows of Spanish-American and Civil War veterans are lower than the pensions paid widows of veterans of World Wars I and II. This bill brings them on more or less of a parity. The average age of the widows of the veterans of the Spanish-American War is approximately 65 to 75 years.

H. R. 4017, providing cash payments for veterans' terminal-leave bonds after September 1.

S. 564, Presidential succession bill. Provides that Speaker of the House of Representatives should become President in event both President and Vice President dies.

H. R. 3813, to provide for investigations of loyalty of Government workers—to exclude all persons of subversive action.

S. 526, to create a National Science Foundation.

H. R. 3682, to continue Federal assistance to schools overcrowded by war-incurred enrollments. The final amount approved by Congress was $2,500,000. Part of this will be allocated to school districts on basis of enrollment.

Mr. Speaker, at this time I would like to extend my appreciation to you and to my fellow colleagues. You presided over the activities of the House in a manner that drew the respect and friendship of the entire membership and added greatly to the success of the session. I wish to express my feeling of good will and admiration for the Republican leadership of the House. CHARLIE HALLECK and LES ARENDS did a fine job. The associations formed during the session will be long remembered.

My work on the Public Lands Committee with assignments on the public lands, mines and mining, irrigation and reclamation, and Insular Affairs subcommittees has been most enjoyable. The Subcommittee on Indian Affairs passed my bill, H. R. 1584, to authorize an appropriation of $150,000 to construct a museum at Fort Hall Indian Reservation at Pocatello, Idaho. The Public Lands full committee passed it out unanimously as did the House. Under the direction of the able Senator from Idaho, Mr. DWORSHAK, this bill passed the Senate and has now become law. This is a real consideration for the people of Idaho and the Northwest and those persons most interested in preserving the handicraft of the American Indian.

Congress sent to the White House last week, the Interior appropriation bill, which authorizes $6,201,750 for development in the State of Idaho. With the $5,953,268 of the unexpended balance, as of June 30, 1947, a total of $12,155,018 will be available for project work in the fiscal year of 1948.

The break-down as to projects is as follows:

Anderson Ranch Dam	$3,874,128
Boise project (drainage)	143,523
Payette division (Boise)	4,098,232
Minidoka project	1,208,277
Lewiston Orchards	500,000
Palisades	2,231,027

Congress also passed several other bills including appropriations to be used in Idaho:

Fort Hall Museum	$150,000.00
Agriculture Forest Pest Control Act (Idaho tussock moth)	375,000.00
George-Barden Act (vocational education)	136,710.00
Smith Hughes (University of Idaho)	38,245.86
School lunches	248,425.00

Extension of Lanham Act—funds for school with war-incurred enrollments.

Total for United States authorized by Congress, $2,500,000.

Part of this $2,500,000 will be allocated to the school districts of Idaho on basis of enrollment.

These appropriations are but an indication of the future of our great State of Idaho. Idaho is a reclamation State and the development of the agriculture industry depends on projects to get the water on the land. In making appearances before the committees to urge consideration for the many projects in Idaho, and in presenting the needs of our State before the Public Lands Committee, of which I am a member, it has been extremely helpful to have the favorable record of achievement that the farmers of Idaho have made.

The cost of constructing irrigation facilities in Idaho up to the beginning of the war, was approximately $103,000,000, of which fifty-three million was supplied from private sources and fifty million by the Federal Government. In addition to repaying $18,000,000 of the Federal investment, more than $7,000,000 from Idaho resource sales has been contributed to the reclamation revolving fund.

There is a great future ahead for Idaho and its people. Only part of the development as a result of the damming of the great Snake River—seventh longest river in the world—has been done. The ground work only, has been done for industrial growth. Through an orderly plan set up by the Bureau of Reclamation, the powers of the Snake can be harnessed. All available water will be captured to bring life to the parched land, so that every possible acre can be put under cultivation. To accompany this will be power development, both Federal and private, to insure adequate power for future industrial development. This method of action will result in the beneficial control of the waters of the Snake without subjecting our people to the autocratic control of an authority.

The first session of the Eightieth Congress has made a wonderful record. In addition to providing for the continued growth of the United States under a balanced economy, there has been a return to sound Government practices. Faith in the legislative branch of our Government has been restored. Yes; the Republican majority has kept its promises to the voters by curtailing Government expenses; reducing withholding and other individual income taxes; enacting a law to improve relationships between labor and management and to protect the interests of the public; ridding the Government of Communists and other subversionists; protecting the interests of the veteran; and limiting the tenure of the Presidential office.

Natural-Gas Legislation

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement concerning natural-gas rates.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. MYERS. Mr. President, in connection with the proposed natural-gas legislation which has been before the Congress, I have here two tables breaking down in the specific case of Pittsburgh and of surrounding areas and adjoining States, the effect this legislation would have on consumer rates if it had been enacted.

Taking just two of the pipe-line companies serving the Appalachian area, the Tennessee Gas & Transmission Co., and the Kentucky-West Virginia Gas Co., these tables show how increases these two firms would be allowed to claim and, no doubt, to obtain through this proposed legislation, would have been passed on to the consumers of certain distribution companies in Pittsburgh, Ohio, New York, Kentucky, West Virginia, and elsewhere.

The increases for consumers shown in these tables would take into account only the gas piped through lines of Tennessee Gas & Transmission and the lines of Kentucky-West Virginia, and do not include increases in rates which intermediate suppliers may have obtained for gas they produce in their own fields.

Table 1, on Kentucky-West Virginia sales, includes a further break-down on sales by its affiliate, Pittsburgh & West Virginia Gas Co., to another affiliate, Equitable Gas Co., of Pittsburgh. This shows an increase to Pittsburgh area consumers of Equitable—on only that gas originating in the Kentucky-West Virginia system—of $1,335,645. Other distributors in the Pittsburgh area receiving Kentucky-West Virginia gas through Pittsburgh & West Virginia Gas Co. would pay an additional $70,000 or more, which would be passed on to their consumers.

Table 2 shows how Tennessee Gas & Transmission Co. sales to Hope Natural Gas Co. would result in increases of $1,238,287 to consumers in Ohio, New York, and Pennsylvania. Other gas sold by Tennessee Gas & Transmission Co. to the United Fuel Gas Co., of Ohio, would cost Ohio consumers an additional $1,544,893.

The total increases to consumers on gas of Tennessee Gas & Transmission and of Kentucky-West Virginia Gas Co. under the proposed prevailing-field-price formula of the natural-gas amendments is shown at more than $4,500,000, nearly $5,000,000.

TABLE 1.—*Kentucky-West Virginia Gas Co.—Gas sales, year 1946, and increase resulting from 15 cents field price*

	Actual sales, M cubic feet	Increased cost to consumers
Sales to other gas utilities:		
Pittsburgh & West Virginia Gas Co. (see below)	23,118,169	$1,568,597
Louisville Gas & Electric Co. (Kentucky)	4,657,091	315,990
City of Pointsville, Ky.	178,638	12,080
City of Prestonsburg, Ky.	116,568	7,909
Warfield Natural Gas Co.	193,172	13,107
Inland Gas Corp.	375,412	25,472
Sundry	60,726	4,120
Total sales to other gas utilities	28,699,176	1,947,275
Residential sales	65,624	4,453
Industrial sales	77,402	5,252
Total gas sales	28,842,202	1,956,980
Pittsburgh & West Virginia Gas Co., sales to other gas utilities:		
Equitable Gas Co.	27,631,917	1,385,645
Monongahela Power Co.	1,524,303	66,409
Sundry utilities	85,833	4,304
Total	29,042,053	1,456,358
Residential and commercial sales	649,349	32,503
Industrial sales	1,588,864	79,676
Total gas sales	31,280,266	1,568,597

TABLE 2.—*Tennessee Gas & Transmission Co.—Gas sales, year 1946*

	Actual sales, M cubic feet	Total increase to consumers
Sales to other gas utilities:		
Hope Natural Gas Co.:		
State of Ohio (53 percent)	21,084,164	$656,292.35
State of Pennsylvania (30 percent)	11,934,432	371,486.24
State of New York (17 percent)	6,762,845	210,508.86
Total, Hope Natural Gas Co.	39,781,441	1,238,287.45
United Fuel Gas Co.:		
State of Ohio	49,630,695	1,544,893.03
Ohio Fuel Gas Co.	909,159	28,314.50
Louisville Gas & Electric Co.	3,676,565	114,426.53
Kentucky Natural Gas Corp.	1,282,104	39,909.96
Tennessee Natural Gas Lines	359,957	11,205.93
Sundry utilities: Pennsylvania, Kentucky, West Virginia, and Tennessee	617,209	19,205.92
Total gas sales	96,257,130	2,996,243.34

Message to Congress Announcing the Signing of the Atlantic Charter

EXTENSION OF REMARKS

OF

HON. HOWARD H. BUFFETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 21, 1947

Mr. BUFFETT. Mr. Speaker, under leave to extend my remarks, I am inserting the message to Congress by the late President Franklin D. Roosevelt in which he announced the signing of the so-called Atlantic Charter:

To the Congress of the United States:

Over a week ago I held several important conferences at sea with the British Prime Minister. Because of the factor of safety to British, Canadian, and American ships, and their personnel, no prior announcement of these meetings could properly be made.

At the close, a public statement by the Prime Minister and the President was made. I quote it for the information of the Congress and for the record:

"The President of the United States and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, have met at sea.

"They have been accompanied by officials of their two Governments, including high-ranking officers of their military, naval, and air services.

"The whole problem of the supply of munitions of war, as provided by the Lease-Lend Act, for the armed forces of the United States, and for those countries actively engaged in resisting aggression, has been further examined.

"Lord Beaverbrook, the Minister of Supply of the British Government, has joined in these conferences. He is going to proceed to Washington to discuss further details with appropriate officials of the United States Government. These conferences will also cover the supply problems of the Soviet Union.

"The President and the Prime Minister have had several conferences. They have considered the dangers to world civilization arising from the policies of military domination by conquest upon which the Hitlerite government of Germany and other governments associated therewith have embarked, and have made clear the steps which their countries are respectively taking for their safety in the face of these dangers.

"They have agreed upon the following joint declaration:

"Joint declaration of the President of the United States of America and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world.

"First, their countries seek no aggrandizement, territorial or other;

"Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

"Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

"Fourth, they will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

"Fifth, they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement, and social security;

"Sixth, after the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

"Seventh, such a peace should enable all men to traverse the high seas and oceans without hindrance;

"Eighth, they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea, or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

"(Signed) FRANKLIN D. ROOSEVELT.
"(Signed) WINSTON S. CHURCHILL."

The Congress and the President having heretofore determined, through the Lend-Lease Act, on the national policy of American aid to the democracies which East and West are waging war against dictatorships, the military and naval conversations at these meetings made clear gains in furthering the effectiveness of this aid.

Furthermore, the Prime Minister and I are arranging for conferences with the Soviet Union to aid it in its defense against the attack made by the principal aggressor of the modern world—Germany.

Finally, the declaration of principles at this time presents a goal which is worth while for our type of civilization to seek. It is so clear-cut that it is difficult to oppose in any major particular without automatically admitting a willingness to accept compromise with nazism; or to agree to a world peace which would give to nazism domination over large numbers of conquered nations. Inevitably such a peace would be a gift to nazism to take breath—armed breath—for a second war to extend the control over Europe and Asia, to the American Hemisphere itself.

It is perhaps unnecessary for me to call attention once more to the utter lack of validity of the spoken or written word of the Nazi government.

It is also unnecessary for me to point out that the declaration of principles includes, of necessity, the world need for freedom of religion and freedom of information. No society of the world organized under the announced principles could survive without these freedoms which are a part of the whole freedom for which we strive.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1941.*

America Is God's Last Chance To Make a World

EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. SHORT. Mr. Speaker, under general leave to extend my remarks, I include the following address that I delivered at the fifty-sixth annual meeting and dinner of the Pennsylvania Scotch-Irish Society in the Bellevue-Stratford Hotel, Philadelphia, Pa., on March 7, 1947:

Mr. SHORT. Mr. President, members of the Pennsylvania Scotch-Irish Society, my fellow countrymen, and friends from across the sea, it is true my name is DEWEY SHORT, but I am no more responsible for my name than I am my birth. I was consulted about neither. I just happened to be born a few days before the battle of Manila Bay, in 1898, when all the proud parents in America named

their goats, dogs, horses, and kids "Dewey." [Laughter.]

The best part about me, really, is that my great-great-grandfather came from Ireland. [Laughter.] I am a Methodist, a Mason, and a Republican, and stand a pretty good chance of getting into heaven. [Laughter.] And while my last name is SHORT, if you knew my pedigree as well as your good president, George Junkin, or my friend, Fred Reybold, back here, you would have to admit that I am almost as Long as I am SHORT, because my mother's maiden name was Long.

Four Short boys from east Tennessee and four Long girls from southeastern Kentucky migrated into Missouri in 1849, before the Civil War, and most of my mother's people came from old England with a sprinkle of Scotch, thank God, in them; and when those four Short boys married those four Long girls, believe you me there was nothing short in any of the families.

I happened to be No. 8 in a brood of 10. I was a little slow in arriving, but thank goodness, I finally got here, and in these recent years of priorities, of ceilings, and of restriction of production, I have often thanked a benign and benevolent providence that they did not have codes in effect when I was born, or I never would have arrived at all. [Laughter.] Or had I been born, heaven knows Henry Wallace or some other brain truster or cock-eyed New Dealer would have knocked me in the head or plowed me under. [Laughter.]

It is good for a hillbilly from the Ozarks, down in southwestern Missouri, to come to old Philadelphia, this cradle of liberty, this city that is a source of inspiration to all Americans, a city of brotherly love and sisterly affection, as I have found on occasion. [Laughter.] And difficult as it is for Members of Congress in these trying times to run away from Washington, it is a wonderful relief to escape that madhouse even for a single evening, because it is about the only insane asylum on earth that is run by its own inmates. [Laughter.]

Gentlemen, America has recently emerged from the two most brutal, cruel, and devastating wars in history; there is yet no person who can even approximately calculate the millions of lives lost in this recent global conflict, or the hundreds of billions of dollars of the world's wealth that was blown up in smoke and powder. We do know what it cost our own country. We suffered, for the triumph and victory we won in both Europe and Asia, more than a million casualties. Nearly 300,000 of the finest young men of America, the flower of our manhood, gave their last full measure of devotion. Seven hundred and fifty thousand of their comrades have returned home with arms and legs blown off, eyes put out, hope killed in their breasts, and, what is worse, the light gone out of their brains—mere shadows of men they once were or might have been—and as the ranking majority member on the newly-merged Committee of the Armed Services it has been my sad but necessary mission to visit many of these human wrecks in our hospitals and asylums, many of them neurotics who will spend the rest of their days in psychopathic wards. And in addition to a million men, a million casualties, we had thrust upon our backs the astronomical and almost incomprehensible sum of $260,000,000,000 of national debt which your great-grandchildren will be paying long after you have gone and are perhaps forgotten.

I do not know how kindly they are going to feel toward our generation for the horrible mess that we have bequeathed them. You know and I know that even though the shooting stopped nearly 2 years ago in Europe, and more than 18 months ago in Japan, treaties must still be written and peace is still to be secured.

Are we not in great danger of losing the fruits of victory that will flow like sand between our fingers for the second time in our own generation? We must be alert.

You cannot blow the brains of millions of men into the mud, and billions of dollars of the world's wealth up into smoke, steel, and powder without suffering serious political upheaval, social chaos, and economic dislocation.

War pulls nations and individuals up by the roots and disorganizes their whole lives. The problem of readjustment or reconversion of reconstruction is a most complex and difficult one. Often the aftermath or backwash of war, the repercussions of war, are as bad if not worse than war itself. In the wake of war follow hunger and starvation, pestilence and disease, and even revolution itself. What a sad and sick world it is!

I was one of the dozen Members of Congress chosen by the leadership a month before the capitulation of Germany to visit the terrible camps of Buchenwald, Nordhausen, Dachau, Belsen, and Oswiecim and others. We inspected the first three mentioned. You can ride all over Europe, particularly in the Reich, from Mannheim and Ludwigshaven down the Rhine from Darmstadt through Frankfurt, Bonn, Cologne to Aachen and Duren, all through the Ruhr, Essen and Dortmund, practically every city in Germany—Hamburg, Berlin, Leipzig, Dresden, Hanover, Cassel, Karlsruhe, Stuttgart, Munich, Regensburg, and with the single exception of Heidelberg, where I spent a very interesting and profitable year following the First World War—with the exception of that old university town of only 80,000 population, and which had no military value, practically every city in Germany has been blown to bits and laid waste.

The satellite countries of the Nazis that were raped and plundered, likewise are nothing but a heap of rats, rubble, and ruin, such as Hitler promised. Millions of ragged, starving disillusioned people, with faith gone out of their eyes, and with hope dead in their breasts, are wandering tonight throughout every country of Europe like nomads, with nowhere to lay their heads. Ah, that continent is sick; it is sad.

Last fall with five of my colleagues of the Subcommittee on Aviation, I flew 38,000 miles in 40 days, all the way from Alaska to Australia, spending a week in Japan, a week in China, a few days in Korea, in the Philippines, and over to Bangkok, in Siam, down to Australia, out over those vast stretches of Pacific, visiting the bases and islands that we had captured at such an enormous expense in both men and money.

We witnessed in Japan what we had seen previously in Europe, the Yokohama-Tokyo area with 10,000,000 people, larger than New York or London, absolutely gutted by fire, many square miles of factories silent, a forest of smokeless chimneys, literally burned up and burned down.

Just as in Germany, with its Heidelberg, so in Japan, with the exception of Kyoto, every city of any size or significance—Kobe, Nagoya, Nagasaki, Hiroshima, Osaka, Yokohama—absolutely laid waste; China, torn asunder by civil war, a puzzle which no man can solve, and which I feel will continue to suffer bloodshed and strife for many, many years to come; India, seething with revolt and rebellion; Palestine, a keg of dynamite; Trieste, the hot spot in Europe, with 1 British division, 1 American division, and 11 Yugoslav divisions of Tito's men, equipped with American weapons which we extended our Russia Allies under lend-lease; Korea, the hot spot in Asia, Lieutenant General Hodge with 40,000 Americans keeping the south half or agricultural section of that tragic land, the Russians with 250,000 highly trained, well-equipped troops occupying the northern industrial half, and an iron curtain, impenetrable, set up between them; these conditions do not augur well for the peace of mankind.

Sick! Asia, Europe, ah, yes; even our own Central and South American friends, were it not for the boundless generosity of this great Republic, would find themselves more or less paralyzed today. We flew down to Mexico, to Central America, to Natal, to Rio, and back to our Caribbean defenses. The picture is not pleasant.

Never before, gentlemen, have the American people or the American Congress been confronted with so many baffling, complex, and difficult problems as they are confronted with today. The worries and troubles of most of the generals and admirals ended on VE- and VJ-days; the worries and headaches of the Members of Congress and the statesmen just began—demobilization, reconversion, peacetime military conscription, merger of the armed forces, disposal of surplus property, $100,000,000,000 worth, control of atomic energy, veterans' legislation, strikes, revision of taxes, relief of the poor and distressed, loans to foreign governments—those are just a few of the problems that have confronted us.

I say, I am a Republican. I was a lone wolf in the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses, from my great State of Missouri with nearly 4,000,000 people, because in the 1930's we did not have elections; we had public sales. [Laughter.] But I am happy to report to you tonight, coming from right north of the Arkansas border, that for the first time since the Civil War, we have both Republican United States Senators and 9 out of 13 Members of the House, so we have done pretty well considering the fact that the President of the United States comes from my State, the Democratic national chairman, the Democratic Secretary of the Treasury, and half of the other people in Washington.

I was not going to mention politics, but since I was introduced as a Republican, I confess that guilt; however, I am not talking politics here tonight, because in every great crisis the American people, regardless of race, party, or creed, have been big enough, bold enough, and wise enough to place the welfare of our country first, and tonight Democrats and Republicans are in the same boat. We are going to sink or swim together, so we have got to live and get along. God forbid there should be another war. I fear it would be the last.

I am not free to disclose to you some of the secret hearings that I have attended during recent months, but we have got weapons more powerful and destructive than the original atomic bomb, and the next war will be as different from the last as the last one was from the one a quarter of a century ago, in which many of us participated.

It will be a war fought in laboratories and test tubes, by pushing buttons, with guided missiles flying at invisible heights at supersonic rates of speed.

Ever since Lindbergh pushed Paris up into our front yard, new scientific inventions and technological developments, new methods of rapid transportation and communication, have reduced our modern world to a miniature province. Why, it is closer in point of time from Philadelphia to London today than it was from Philadelphia to Washington during the Civil War.

When we came back from Brisbane, we flew over New Caledonia, and spent the night in Fiji—which almost proved to me that civilization is a curse. [Laughter.] They are happy, at peace, and get along with each other on that island. If we civilize them, they will start shooting and raiding each other.

Then we had lunch in Honolulu, where I had the honor of addressing the chamber of commerce—lunch in Honolulu, and the next evening, in Washington, I was having dinner with Mrs. Short.

We stopped only in San Francisco to refuel, and we were traveling in an old ox-cart, a lumber wagon—a C–54. Those boys the other

day flew nonstop from Honolulu to Washington, D. C., in 14½ hours and the next day a boy flew from California to New York in 6 hours flat; so we are going to have to learn to get on with one another, Parson [addressing Dr. Riddle], whether we want to or not. [Applause.] Because the remotest spot—the remotest spot on earth—is only a few hours from you, brother—just a few hours—and you know, up there they have got a lot of tricks; it is a two-way heaven.

I was impressed at Fairbanks, Alaska, where hundreds of our American bombers and fighters were flown by the Russians over into Siberia; I could not keep from feeling that if the Russians could come over and fly our American-made planes from Fairbanks to Siberia, and on to the eastern European front, those same boys could fly those same planes, or some of their own, back to Fairbanks.

I haven't discussed Russia. We hear a lot of silly and idle talk about that country. Of course, you will hear most of the great problems solved by people who know nothing about them—just as we did during the war—the greatest generals, you know, are the armchair strategists. I don't see how in the world we ever won the war with Eisenhower, Bradley, Devers, Patton, Patch, "Bull" Halsey, Nimitz, MacArthur, and those guys. You hear a lot of talk today by diplomats in the pullman smoking rooms and at the bar. Well, I have been farther back under the barn hunting eggs than a lot of them have been away from home [laughter], but when I want to get educated all I do is go in and sit down. I don't like this talk of inevitability of war with Russia. It was my privilege to go all over European Russia back in 1931. The Russian people possess many admirable qualities. All they have known for centuries is hardship, torture, and murder. They have lived under the yoke of oppression and the heel of tyranny; they are tough, and they are hard-boiled cookies. [Laughter.]

I am going to do my best to get along with them. I can imagine no greater tragedy to mankind than armed conflict between the two most powerful nations on God's earth today, Soviet Russia and the United States of America. And yet, having said that, with the help we have given and continue to extend them, I want to issue this warning, that we cannot bury our heads in the sand like an ostrich and ignore stark reality, and hesitate to face naked facts unpleasant as those facts may be. I believe the time has long since passed when we should continue to appease Russia [applause], or coddle her, or pamper her. [Applause].

I am a Missouri Republican; Jimmie Byrnes; is a South Carolina Democrat; but Jimmie Byrnes' foreign policy is 100 percent right, and it should have the backing of all American people regardless of party. I hope that George Marshall will follow that policy as it has been supported by both United States Senators TOM CONNALLY, a Texas Democrat, and ARTHUR VANDENBERG, a Michigan Republican, because politics stops at the water's edge.

Mr. Churchill and Mr. Roosevelt both promised at the height of the war, in order to secure the cooperation and the help of the people in the conquered countries, that when the war was over their territorial integrity would be respected, that they would allow the little peoples in the little countries to decide for themselves, without outside interference, without pressure from abroad, each nation and each people would be allowed to determine through free, open elections the kind of government that they should have. That was a promise. That is why thousands of them risked their necks in those conquered countries to bring about the final victory, and yet, before the capitulation of Germany we found our powerful ally swallowing several of these small nations. What in the name of God would Russia have done at Stalingrad without American help? We gave $39,000,000,000 in lend-lease to Britain, over eleven billion to Russia; we were glad to do it. They fought valiantly and gloriously, but this war was won not merely on the firing front; it was also won on the home front. It was the industrial output and productive capacity of America that largely won this war, and George Marshall, Doug MacArthur, and Ike Eisenhower, all of them, have told me that and have volunteered it—volunteered it. That is what won the war—production in our factories, in our mines, on our farms, and in our forests.

Before Germany capitulated, what happened? This powerful Ally, Russia, seized a big hunk of Finland; she gobbled up all of Estonia, Latvia, and Lithuania, Bucovina, Bessarabia, Ruthenia, the eastern half of Poland, and East Prussia. She demands an outlet into the Mediterranean or the Persian Gulf. She threatens Turkey, she browbeats Iran; and seizes Azerbaijan, the northern province, the richest oil fields on the face of God's earth. That is what she has been doing in Europe.

And her fifth columns, boring from within, in both France and Italy, have carried everything off that could be carried, from Austria, Yugoslavia, Bulgaria, Hungary, and Rumania—every Balkan country with the exception of Greece.

And what about her expansion in Asia? She came into that war 3 days before Japan surrendered. Japan had sued for peace with us through the Russians, but the Russians never advised us about it. They had sued for peace after we had absolutely blasted their cities and devasted their country, before ever dropping bombs on Hiroshima and Nagasaki. Everybody knows that we won that Pacific war almost single-handedly. The Australians helped us, but you know and I know that it was MacArthur, and Kenny, and LeMay, Nimitz, and Halsey, and Kincaid; Spruance and Hodge, and Eichelberger; who traveled all the way from far off Australia, up from Guadalcanal, Leyte, Iwo, Okinawa, through the gateway into Tokyo. Three days before peace was signed, and after the atom bombs were dropped, the Russians joined us in that Asiatic conflict, having refused us for all those years when we were giving her the very instruments whereby to save her own neck at Stalingrad—having refused us bases whereby we could have won the war much sooner, Russia comes in, and why? Was it to pick off the Kuriles—all of them—the south half of Sakhalin, the northern half of Korea? She controls Outer Mongolia. She has raped Manchuria, and what she could not carry off, she has wantonly and deliberately destroyed, furnishing some of our Chinese Communist friends with American-made weapons.

Well, it is all right to trust God, but we had better keep our powder dry. [Applause.] Speak softly but carry a big stick. How are we going to do that in this troubled and uncertain world, and it is troubled and uncertain; it is sad and sick and sorely afflicted; it is wounded. Our British friends bear an almost unbearable burden, their Empire tottering. I have no quarrel with any foreign government that any country has if the people are free to choose it. We have our own. We love it. We have grown great under it. If Britain wants to nationalize or socialize her industries, if she wants state socialism, she is welcome to it. I do not think we should be called upon to finance it, however. [Applause.]

If Russia wants communism, God knows she is welcome to it. I saw a lot of it. If I liked it better than what we have here, I would have stayed there. Sometimes I think maybe I should be a Communist, because I have nothing and am willing to share it with anybody. [Applause.]

We are going to have to stay strong. I have served on the Military Affairs Committee for the past 14 years, since 2 years after I went to Congress, but let me tell you that the defense of a country does not depend altogether upon a strong army, or a superlative navy, or a superior air force. The first line of defense of any country is its financial solvency, not masses of men but a sound economy. That is what is going to defend America.

The President signed the budget for $37,500,000,000, 2 years after the war ended, or the shooting stopped—thirty-seven and one-half billions, four times as much as our prewar peacetime budget. You know and I know—you don't have to be a Scotchman or an Irishman—you know what we need, really, is more Scotch thrift and more Irish wit. [Laughter.]

You know as well as I do that a nation is no different from an individual. Neither can continue to spend more money than it takes in without running into serious difficulty; and yet, since 1933, for fourteen long years we have ended every single fiscal year, on June 30, in the red. Even before we became involved in this last global conflict, our national debt was tripled from 1933 to Pearl Harbor in 1941. It was increased from twenty-two to sixty-six billions of dollars by deficit financing, by piling up a huge national debt, plastering a mortgage upon your children and their children.

Now, the war cost us a million casualties, Mr. President; it has left us with this $260,000,000,000 of debt, but on VJ-day we had in this country the two fundamental, essential ingredients for prosperity. Due to the shortages of war, due to the fact that all our efforts were poured into the making of ships, planes, tanks, guns, and munitions, because they were immediately needed to overcome the imminent peril, the American people, of course, could not buy the goods we ordinarily had in peacetime, and when Japan surrendered we had the biggest pent-up demand for goods we had had in all our history—large amounts of durable goods, consumer goods—houses, radios, automobiles, refrigerators, electrical appliances, food, and all kinds of nylon hose, or what have you? White shirts! [Laughter.] You can't buy one of those things yet.

We had the best domestic market on earth, a pent-up demand for goods, and along with that we had the greatest purchasing power ever in our history or the history of any people in any country on the face of the earth. Due to the extraordinarily high wartime wages, due to the accumulated savings, Government bonds, insurance policies, bank deposits, we had both the demand for goods and the money with which to buy them, and the people were not only willing to buy, but eager, just foolish to buy, willing to pay three or four times its worth for nearly everything they wanted. By every rule of the game, you don't have to be one of the hot-dog boys or Felix Frankfurter, from Hahvahd, which I once attended—I don't always admit that—or you don't have to go to Oxford—which I did for a year, suh—you don't have to be a New Deal economist, to know that by every rule of the game we should have entered immediately or shortly after VJ-day upon an era of unprecedented production and unparalleled prosperity, but for over a year we were bogged down in our reconversion program. And you know why. Because of a whole series of strikes, first the United Automobile Workers, then the steel strike, the Electrical Union Workers strike, then the coal strike, and finally the rail strike that crippled our transportation and tied us up into a hard knot, brought about Nation-wide industrial and commercial paralysis. We had over 107,000,000 man-days lost due to strikes

last year—107,000,000—almost 1 for each of our population.

Now, I believe in unions. I believe in organized labor. I believe in collective bargaining—I mean real collective bargaining—and I even believe in the fundamental right of labor to strike. In fact, I led the fight against the slave labor bill in January 1945, before Germany surrendered. Bitterly opposed as I was to the CIO-PAC, I stood up and fought and we defeated that measure that would have made the President a czar, because we have always believed that America has grown great because of free labor, and I think we can remain great only by keeping labor free. I do not want to put a halter around the necks of our workingmen. But labor is grown up now. It has got to assume the responsibilities of adulthood; and you know and I know, and listen, the great rank and file of the members of the unions know, that a few, a little group, a coterie of power-drunk labor racketeers have gone to the extreme, and unless labor puts her own house in order, the workers of America are going to lose all the benefits they have gained in the past third of a century.

I say to you, and I said it to the coal miners down in West Virgina where I spoke twice last month at Lincoln Day banquets, unions should be incorporated and held liable for breach of contract. They should be held responsible for their acts. And that is what the Congress is going to pass soon: I can assure you of that. [Applause.]

A contract that is not equally binding upon both signatories is not a contract. The sauce that is good for the goose is good for the gander. We are not going to pass punitive or vindictive legislation—God forbid! We are just going to give everybody equality of opportunity under the law. We think that labor organizers should be compelled by law to give a full accounting to the Government of the receipts and expenditures for all moneys that go through their hands, and they should be limited the same as corporations in their contributions to anybody's political campaign. I have little sympathy with sympathetic strikes, and I am positively against jurisdictional strikes. We are going to write a labor law with some teeth in it. [Applause.]

The American people spoke last November. How do you think I've stayed in Congress all these years if the Democrats did not vote for me down in Missouri? Some of my closest and best friends are Democrats, in and out of Congress. In fact, Harry Truman is a good friend of mine. At least I am his. He is very personable, very likeable—breeches cut a little short (laughter)—and a pretty big pair of shoes he is wearing. But he is a good guy; you would like him, too, and I feel sorry for him. I feel sorry for anyone to inherit the god-awful mess that he got. He is to be pitied and not censured.

Now, we are going to pass some labor laws. They are going to be reasonable; they are going to be fair. Why, even our United States Supreme Court is beginning to get a little sense. [Laughter and applause.] I said, on the floor of the House over a year ago, "Just look at it, and you will know why Jesus wept." [Laughter.]

It is true. We were bogged down for over a year due to this epidemic of strikes. We have got to correct that. The other things that bogged us down and retarded recovery were the wrathful, arbitrary, arrogant regulations promulgated daily by the tax-eating bureaucrats down in Washington, men who never met a pay roll in their lives, warming seats, sitting in mahogany chairs with their feet on the desks, trying to tell farmers out in my district how to farm. Heaven knows they wouldn't know which end of the cow to go to get the milk. They tell you businessmen in Philadelphia and out in St. Louis how to run your business. There is no game too tough for the American people to play as long as they know the rules, but when you have the umpire or referee changing the rules at every inning, you cannot tell home plate from first base. That is the reason they have driven you nearly crazy. The OPA—and the CPA is no better—all the priorities, these artificial controls, instead of encouraging production, created scarcity in a land of plenty.

I went for over a year following VJ-day hungry for pork chops, and I could not keep from thinking of those millions of innocent little pigs that Henry Wallace had knocked in the head or plowed under. We had a shortage of everything. Here in this country they produced the implements and munitions of war, the food and fiber that was to clothe not only 12,000,000 men and women in our own armed forces but many of our allies as well. We found ourselves incapable to produce enough to satisfy our own domestic needs for the simple luxuries and even some of the necessities of life.

No, no pork chops. Why? Because no sows; they killed them off. If you haven't got sows, you cannot have pigs; no pigs, no pork; no pork, no grease; no grease, no soap—and no soap, you are just a dirty bum; that is all. [Laughter.]

I like sweetening in my coffee. Can't get sugar. While I had a surplus of plums and grapes last year, most of them went to ruin. Of course we ate all we could; we gave them to the neighbors; but grapes and plums were coming out of our eyes and ears. You can eat only so many in a given length of time. We could not can food. One of the reasons is that the New Deal—these professional uplifters and moral do-gooders—is going to save the world by making every American a ward of the Government. Patronizing, paternalistic dictatorship is all it is. Call it by its right name. I don't care what name it is—a rose smells the same; so does a dead mackerel. [Laughter.] This arrogant bureaucracy is like a mackerel in the moonlight; it shines and stinks, and stinks and shines. [Laughter.]

Why can't you get sugar? They paid farmers down in Louisiana money not to grow sugarcane. They paid the farmers in Michigan, California, and Colorado not to grow sugar beets. No cane, no beets, no sugar. Of course, sorghum came in last fall, if you want to pay four bucks a gallon. My dad used to buy it by the barrel for four bits a gallon. A shortage of this, a shortage of that—why, even a shortage of tissue, toilet paper. Of course we are better off in Missouri than you are in Pennsylvania, because we grow more corn. [Laughter.]

You are a good gang. Do you know what this country needs? It needs more Scotch thrift; it needs more Irish wit, too. We don't want to lose our sense of humor at any time. I don't have much of the world's goods. With what little I have, I did what most of you did, what 80,000,000 Americans did during the war. We donated to the Red Cross, we donated our blood, and we bought bonds. We were urged to buy bonds; and though I am a poor boy, I have considerably more bonds than a man who left a million-nine-hundred-thousand-dollar estate, but urged us to buy them until it hurt. He left 1 $50 bond, 2 $25 bonds, and 200 25-cent stamps, about a hundred and fifty dollars altogether, if you want to know it. I am going to let the dead rest in peace.

I bought bonds. You bought bonds. And in 1940 we had between six and a half and seven billions of dollars in circulating medium—I mean this lettuce—in currency and coin about $7,000,000,000, before the war broke out. Tonight we have more than twenty-seven billions, or more than four times as much, but how much richer are you? You have more money, haven't you? What will your dollar buy? How much is it worth?

When I grow old, as all men must, no longer capable of earning, and am forced to dip into my reserves or to sell my Government bond, I want to be paid back in honest dollars and with a sound currency. I don't want to be paid off in 10-cent dollars.

When I went to the University of Berlin in 1922, the mark stook six to the dollar, and a year later it was more than five billions to the dollar. The Hungarian pengo is there today. Seventeen thousand Chinese dollars to one, in Peiping and Shanghai last fall when I was there, and it is even worse now.

No, sir; we must be militarily strong, but we must also be economically sound and healthy, and most of all, while we need economic recovery, while we need to rebuild materially the Nation, I think most of all we need a new birth of freedom. We need a spiritual awakening in this country. We need a great moral regeneration of freemen, here where liberty was born, here in this Republic, under its Constitution and Bill of Rights, and the guaranty whereby every man can walk the earth his own king, the equal lord of every other man, to go his own way, work out his own will, weave into the warp and woof of the magic days the dreams that haunt the duties that inspire and urge him on.

Last month, sir, we celebrated the birthdays of America's two greatest heroes and noblest sons, George Washington, the father of our country, Abraham Lincoln, its savior; one who founded the Republic, the other who preserved it; one who was born in comparative comfort and wealth, rocked in the cradle of plenty; the other born in the midst of poverty in the back hills of Kentucky.

Washington did not allow his riches to spoil him. He deliberately chose the hard path of duty and service, to a life of ease and comfort. Lincoln was not discouraged too much or overwhelmed by his poverty, and as the fairest lily often springs out of the muddiest hole, so the greatest men frequently come from the most unexpected places. He came from obsure origins and humble beginnings. But both of them proved to the world that here in our beloved land, in this new world—and how infant we are from a long-range historical point of view, only a century and a half old, but in that brief period have grown to be the greatest Nation on earth, because of the Christian religion, and because of our republican form of government, and because of our free economic enterprise—they proved to the world, Washington and Lincoln, that any man, rich or poor, may, if he possesses the moral fiber, the sterling patriotism, the unselfishness to serve, rise because of his own personal worth to the highest office in the gift of a great and free people.

I am not worrying so much. We are going to cut that budget. The House voted to cut it six billions, reducing it to thirty-one and one-half. We perhaps should have cut it more. We are going to have to cut the pattern and then cut the cloth to fit it. You will never in the world balance your budget, or pay a debt, or reduce taxes otherwise. But we are going to cut that budget if you will get after your Senators down there. They are horsing around—some Republicans, too—and I don't like it. The House did a good job; we voted that cut and we are going to stand pat; and we are going to cut income taxes, too. We are going to give you men a little encouragement. [Laughter.] You perhaps do not deserve it but we thrust it upon you.

There is no incentive now to work and make money and turn it over to Uncle Sam to give away to some ne'er-do-well. Take from the haves, give to the have-nots. Tax and tax. Spend and spend. Elect and elect. That was the philosophy for the past decade, and it has brought us not only to financial bankruptcy but to moral ruin. [Shouts of "Right." "Right."]

You bet your life. Stand up, speak out, and be counted. Lincoln said, "If this country

is ever wrecked, if it ever fails, if it is ever destroyed, it will be from within, and not from without."

We can cut that budget without weakening any of our national defense. Don't let them kid you at all on that score. Listening to a lot of blatherskites over the radio and in the press, these columnists and commentators, make you sick. They don't know what they are talking about. There is over eleven billion in the budget for the Armed Services, and in the unexpended balances they have on hand, it gives them almost seventeen billions.

Now, I don't think that Boston or New York or Philadelphia is going to be bombarded soon by the Greek Navy. I just cannot picture the Bulgarian hordes running over the plains of Texas. I know that our British brothers—and we are blood cousins and that is the reason we can quarrel and fuss with each other; we are too darn much alike [laughter]—but they are our cousins, and in spite of our differences, they are our real friends. Canada and Australia are not going to attack us; they are with us in spirit, aim, purpose, and everything else. I am sure that Germany and Japan are not going to be an immediate threat. [Laughter.]

I know that Russia has almost limitless potential possibilities; but you ought to see Russia. The Nazi hordes swept over them. That country is so weak and the people are so war-worn and weary, I don't think the Russian people want to fight anybody. Of course, you have about 40 men over there who will do anything on earth to establish world-wide communism. They will resort to every device of trickery and lie to accomplish their purpose, because the end justifies the means. That is fundamental in their ideology. But it is going to take Russia 25 years to rebuild her cities. Russia is not going to attack us soon.

We want to keep strong and maintain our Army and Navy and Air Force. I had a brother in England with that Eighth Air Force. He helped drop some of those eggs, and he did a pretty good job.

I made a flight with John Sullivan down to San Juan to witness the maneuvers of the Atlantic Fleet; but let me tell you, brother, we had better cut the cost of government to the bone and discharge the army of political parasites who have their noses in the feedbag. Clean them from the trough [applause]—put our own house in order. We cannot forever go on with deficit financing; monetizing of the Federal debt must stop, not next year, but now.

Yes, Lincoln, you are right. If we are ever destroyed it will be from within and not from without. I do not fear our being attacked and destroyed soon by any foreign power. I do fear—I do fear some of the weaknesses within.

Edwin Markham, the greatest poet of our generation, who died only a few years ago, wrote these words long before the last war. He must have had Lincoln's words in mind when he wrote:

"I fear the vermin that shall undermine
Senate and school and citadel and shrine.
I fear the worm of fraud,
The fatted worm of ease,
And all the crawling progeny of these.
I fear the vermin
That shall honeycomb the walls and towers
Of State in unsuspecting hours."

We have vermin, we have rats; we have them down at Washington; we are getting rid of them; but we have a lot of housecleaning yet to do. It will require more than a stiff broom, too. You need a pitchfork and a scoop shovel to clean out that mess.

Yes, Mr. Lincoln, great emancipator, you were right when you said, "We shall nobly save or meanly lose this last best hope of earth."

America is God's last chance to make a world. [The members rise and applaud.]

Address of Senator Jose Gomez Sparza of the Mexican Congress

EXTENSION OF REMARKS

OF

HON. ANTONIO M. FERNANDEZ

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 25, 1947

Mr. FERNANDEZ. Mr. Speaker, by unanimous consent of the House heretofore obtained, I place in the RECORD the speech of greeting delivered by Senator Jose Gomez Sparza on the occasion of our recent visit to Mexico in connection with the hoof-and-mouth-disease program. Though we went down to observe first-hand the progress of the campaign against the disease and to obtain a first-hand study of the problem which lies ahead, I think the committee accomplished something more which was not on the agenda. The need for confidence between the Mexican officials, and the Mexican and American sides of the Commission in charge of the work, is of the utmost importance. That confidence was enhanced, I think, by the visit of the committee to Mexico, and particularly by the sympathetic understanding which the Mexican people found in Dr. GILLIE, who acted as chairman, and by the fact that they looked on him as an authority because of his training and experience. In various interviews with Mexican reporters, they often described him as the "tall, white-haired man of science" who "punctuates his words by pointing for emphasis with the stem of his pipe." His frank and kindly manner was a good compliment to the same sincere and open frankness of the Mexican Secretary of Agriculture, Sr. Nazario Ortiz Gárza.

Before leave taking, we were graciously invited to appear before the Permanent Commission of the Mexican Congress; a Commission composed of Mexican senators and representatives who act during the interim between the sessions of the two Houses. On that occasion, we were addressed by Senator Jose Gomez Sparza, speaking for the chairman of the commission. The speech of Senator Sparza, which I have translated, is as follows:

SPEECH OF SENATOR JOSE GOMEZ SPARZA OF THE MEXICAN CONGRESS

Senator SPARZA. Senator Thye, distinguished Representatives Gillie, Anderson, Miller, Bramblett, Fernandez, and Worley, Senator and Col. Carlos I. Serrano, president of the Permanent Commission of the Congress of the Union, and the members of said commission, I have the distinct pleasure and high honor of greeting you and through you the great and noble people of the United States of America.

From this tribune of the Mexican Parliament, which represents for us the highest expression of national representative authority, please accept, honorable Representatives, the most cordial welcome tendered you sincerely by all the people of Mexico.

Accept it, please, as the homage rendered to you by a nation which has pursued a long and cruel road in quest of independence and freedom.

Never has the good-neighbor policy been made so patent as in the last few months which have elapsed up to this hour.

This is not a diplomacy of gilded phrases but rather of effective action and realistic cooperation.

Two free nations working together during the tragedies of war, continue now closely united in peace. This is fully demonstrated by the object of your presence here on Mexican soil.

I, who had the singular privilege of traveling with you in your visit through Mexican territory, observed with full satisfaction the interest and the desire of your committee to comprehend thoroughly the grave national situation brought about by the existence of the hoof-and-mouth disease in this country.

I saw you at Queretaro and Celaya, at Moroleon and Salvatierra, at Sahuayo and Jiquilpan, directing all your faculties and attention to the problem, not as the accountant who audits minutely every account in the hope of finding some error in addition or subtraction in the rendering of reports, but as the loyal friend who tries in all good faith to assist in the solution of a collossal problem, difficult to resolve.

For that dignity and graciousness with which you treat us and which we hope the Mexican people deserve, please accept, distinguished Representatives, our sincere expressions of affection and gratitude.

His Excellency, President Truman has heretofore won the hearts of the Mexican people by his visit to the tomb of the boy scout heroes of '47.

His Excellency, President Aleman, with his recognized ability as a statesman, has heretofore visited Washington and reaffirmed forever the close unity existing between the two nations.

And now you, distinguished Representatives, in turn are advancing to the greater honor and glory of our two countries along the same path of friendship which will undoubtedly redound to the profit and good will of both nations.

The President of the Mexican Congress, Colonel and Senator Carlos I. Serrano, salutes you and through you the Congress of the American Union—and we pray that you convey our greetings and best wishes to all the Members of the Congress of the United States.

As Congress Winds Up

EXTENSION OF REMARKS

OF

HON. RALPH A. GAMBLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. GAMBLE. Mr. Speaker, I present for insertion in the CONGRESSIONAL RECORD an editorial titled "As Congress Winds Up," which appeared in the Daily Times published in Mamaroneck, N. Y., on Friday, July 18, 1947:

AS CONGRESS WINDS UP

A heat-debilitated membership begins this week end to wind up this session of the Eightieth Congress. Senators and Representatives are perhaps as tired as their collars are wilted by the fierce summer humidity of the National Capital. They will welcome relaxation and the opportunity to sound out their constituencies on public opinion.

Principal items yet to be rushed through concern appropriations for the next fiscal year. For it must be borne in mind that while the fiscal year of the Federal Government begins on July 1, only 1 of the 12

major appropriation bills had been sent to the White House by that time and on July 15 only 5 of the 12 were awaiting Presidential action. Meanwhile, such governmental agencies as have not received appropriations to match budget needs are proceeding under temporary stop-gap financing. To make these budgets available is the principal remaining job of Congress before adjournment.

Left for action are many bills which have attracted public attention. These include the issue of universal military training, the admission of European displaced persons to America, the fixing of a higher minimum wage in the wage-hour set-up, statehood for Hawaii, Federal aid to education, health insurance, and other socialization of medical care, new housing legislation, the Missouri Valley Authority and other flood-control measures for which President Truman has asked four billions, and the St. Lawrence waterway and power project.

These bills are, to many persons, highly important and there may be regret that the 1947 session of the Eightieth Congress did not find time or inclination for definite decision on them. On the other hand, the amount of controversial legislation which has been passed, either to become law or meet Presidential vetoes, has been unusually large. Further, as to the undecided items enumerated above, it is quite possible that some require time for additional consideration. We may expect a more determined attitude on these after our national legislators have studied the public mind at home.

At any rate, we cannot by any means label this as a do-nothing Congress. Under the circumstances, with Republicans in control for the first time in 16 years, with a Chief Executive of the opposing political faith, with both major political organizations studying every move with an eye to the 1948 elections, it is remarkable that as much concrete accomplishment was actually obtained. It is also worthy of notice that the first Congress to operate under the provisions of the La Follette-Monroney Legislative Reorganization Act of 1946 was apparently benefited by the reforms. Committees worked harder, there was better stream lining of effort, altered composition of committees gave greater efficiency, and the entire program of the Congress was handled in a more systematic manner.

Problems were solved; other problems remain. But this session made fine headway and we are justified in the expectation of further progress next year. Certainly, too, this was not by any means a rubber-stamp Congress of the type we had so long. This third branch of our National Government has regained its independence and the Nation is to be congratulated therefor.

Report on the Work and Activities of the House Committee on Agriculture for the First Session of the Eightieth Congress

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HOPE. Mr. Speaker, with the close of the first session of the Eightieth Congress, I desire to make a report covering the work and activities of the House Committee on Agriculture during the first session.

At the outset I desire to commend the members of the committee for their hard work and keen interest on the legislative proposals before the committee in connection with the work of the subcommittees in charge of special investigations and the hearings by the full committee on long-range agricultural policy.

During the session, 120 bills and resolutions were referred to the committee for consideration. The full committee and legislative subcommittees held hearings, some of them quite lengthy, on 29 of these bills. The full committee reported 22 bills, not counting cases where similar House and Senate bills were reported. Of these 22 bills, 16 passed both the House and the Senate and have been enacted into law; one passed both the House and the Senate and was vetoed by the President and another was pocket vetoed; two passed the House and are now pending in the Senate; two are still on the House Calendar. In addition, the committee reported and the House passed House Resolution 276.

HEARINGS ON LONG-TIME AGRICULTURAL POLICY

The committee also spent considerable time in a study of long-time agricultural policy and conducted quite extensive hearings thereon. These hearings began on April 21 with the appearance of the Secretary of Agriculture, Hon. Clinton P. Anderson, and covered 19 days. During the course of the hearings, the committee heard representatives of all of the great national farm organizations, spokesmen for the processors and distributors of agricultural commodities, independent public organizations such as the Committee for Economic Development and the Association of Land-Grant Colleges, the proponents and sponsors of various detailed agricultural programs, and others.

These hearings on long-time agricultural policy have been devoted primarily to a search for a sound national agricultural policy which could serve as the basis for a long-range legislative program.

In order to enable the committee to secure the viewpoint of the men and women on the farms in various agricultural sections of the country, it is planned to conduct a field trip throughout the country during the congressional recess. This will be preceded by a week or ten days of hearings in Washington, at which time the committee will hear the Secretary of Agriculture submit detailed studies and plans for a long-time program. This will supplement the statement previously made by the Secretary. In addition, the committee will at this time hear further general witnesses who were unable to appear during the congressional session.

The hearings throughout the country will be held in all of the principal agricultural sections in order that the members of the committee may become familiar first-hand with the particular problems of each area and region. On this field trip, the committee will not only conduct formal hearings, but will make an effort to get out on the farms for a first-hand study.

SUBCOMMITTEES

No mention of the committee's activities during the session would be complete without referring to the splendid work of the subcommittees which were appointed to investigate various emergency situations. The reports of these subcommittees were timely and informative and were well received by the public and the press.

The Subcommittee on Food Shortages, of which Hon. AUGUST H. ANDRESEN was chairman, made three reports during the session—one on the sugar situation, dated February 1, 1947; one on the food situation, dated July 26, 1947; and one on potato surpluses and prevention of wastage on July 30, 1947.

The Subcommittee on Fertilizer, of which Hon. ANTON J. JOHNSON was chairman, made a report on 1947 fertilizer supplies on February 10, 1947.

The Subcommittee on Fur, of which Hon. REID F. MURRAY was chairman, made a report entitled "The Fur Situation" on June 17, 1947.

The Subcommittee on Foot and Mouth Disease, of which Hon. GEORGE W. GILLIE was chairman, made a report on July 17, 1947, entitled "The Campaign Against Foot and Mouth Disease." This report covered the trip of the subcommittee to Mexico, on which trip it was accompanied by other Members of the House and Senate.

The Subcommittee on Cotton, of which Hon. ANTON J. JOHNSON was chairman, conducted extensive studies and hearings on the economic problems connected with cotton and agriculture generally in the cotton-producing areas.

SUMMARIES OF THE PROVISIONS OF BILLS REPORTED

For the information of Members of the House and others who may be interested, there is submitted the following summary of the provisions of each of the 16 bills reported by the committee which have passed both Houses and have been signed by the President.

ERADICATION OF FOOT-AND-MOUTH DISEASE, H. R. 1819, PUBLIC LAW 8

Shortly after the committee assembled for its first meeting, it was faced with a situation which threatened the welfare of the livestock industry, and indeed the whole agricultural economy of the continent. That was the outbreak of the foot-and-mouth disease in Mexico. Not since an outbreak in California was eradicated in 1929 has this continent known this dread livestock scourge, but the memories of American farmers still retain the disastrous consequences of the outbreak in 1914 which spread from Chicago to Oregon on the west and New York on the east.

Fortunately, the committee numbered among its members a man who for many years was engaged in practicing veterinary medicine, GEORGE W. GILLIE, of Indiana. He was appointed chairman of a subcommittee to investigate the reported outbreak and, moving quickly to put his subcommittee's recommendations into effect, the committee reported out a bill (H. R. 1819) authorizing the Secretary of Agriculture to cooperate with the Government of Mexico in the eradication of

this disease. In the House all after the enacting clause in this bill was substituted for S. 568 and became Public Law No. 8.

The only known method of eradicating foot-and-mouth disease is to kill and bury all infected and exposed animals and to thoroughly disinfect all exposed premises. The act, Public Law 8, authorizes this Government to participate in a joint-eradication program with the Government of Mexico. Pursuant to that act there has been established in Mexico the joint United States-Mexican Commission for the eradication of foot-and-mouth disease. Since there is no known cure for this disease and since it is so contagious, the only way the livestock of the United States can be protected is to eliminate the virus entirely from the North American continent. This is the plan of battle adopted pursuant to this legislation. Beginning at the northern edge of the infection in Mexico, the purpose is to interpose a barrier between the diseased area and this country, then by killing and burying infected animals to drive the disease southward and eastward until the disease has been completely eradicated.

If, as it now appears, this program is successful in preventing the introduction of the virus into the United States, the Congress, by its prompt and effective action, will have saved the livestock industry and the farmers of this country untold millions of dollars and will have protected the meat supply of the Nation.

FARM LABOR SUPPLY PROGRAM EXTENSION, H. R. 2102, PUBLIC LAW 40

The farm labor supply program which was established during the war to obtain for farmers the necessary labor, both foreign and domestic, in order to expand production is continued by this act until December 31, 1947. This program has provided much needed labor for the planting, cultivating, harvesting, and processing of food crops vitally needed for domestic consumption and export. The need for the labor procured under this program has been particularly acute in connection with the production of sugar beets, fruits, vegetables, and canning crops. In extending this legislation the committee added a new provision which directed the Secretary of Agriculture and the Secretary of Labor to take whatever steps may be necessary to obtain full cooperation between State public employment agencies and the Federal-State Extension Services so that all qualified farm workers may be placed in suitable farm employment, if it is available, thereby reducing the number of persons on the unemployment compensation rolls.

The continuance of the farm labor supply program until the end of the year has been of great importance in obtaining maximum food production. Sugar acreage, in particular, was increased by this legislation through the assurance that producers received from it that farm labor would be available for harvesting sugarcane and sugar beets.

FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT, H. R. 1237, PUBLIC LAW 104

This act, known as the Federal Insecticide, Fungicide and Rodenticide Act, is a very important but unpublicized piece of legislation. Insecticides have become increasingly important to farmers with the development of new materials. It was accorded wide support by agricultural, industrial, trade, governmental and scientific groups.

This is an Act which will benefit everyone who manufactures, sells, distributes or uses economic poisons in any form. It replaces and expands the Insecticide Act of 1910. It is designed to prevent the sale or distribution, in interstate commerce, of adulterated or misbranded insecticides, fungicides, herbicides, and rodenticides. So many new and powerful plant materials, synthetic chemicals and other economic poisons have been developed that the Insecticide Act of 1910 is outmoded and no longer adequate. This legislation will bring that Act up to date and extend the protection for the first time to cover herbicides, rodenticides and devices intended to control pests.

The protection afforded by this legislation includes the requirement that all economic poisons be registered; that appropriate warnings be carried on labels if the substance is highly toxic; that economic poisons which are likely to be mistaken for flour, salt, sugar, and so forth, be distinctly colored; that adequate instructions, warnings or caution statements be used whenever necessary to prevent injury to vegetation, man or other animals; that false or misleading statements or claims not be used.

Only recently cotton producers have complained that a new herbicide known as 2, 4–D which has been sprayed by airplanes by rice growers has caused great damage to cotton and the committee has reported and the House passed a resolution (H. Res. 276) calling upon the Secretary of Agriculture to make an investigation. It is believe that the Insecticide Act may be found very useful in effectuating whatever corrective action may be found necessary.

This legislation is also in harmony with uniform State legislation which was modeled after this act and which has been recommended for adoption by the Council of State Governments. It is believed that this act will greatly facilitate the coordination of work in this field among the States and Federal Government.

SALE OF LAND TO QUEENS CHAPEL METHODIST CHURCH, H. R. 2511, PRIVATE LAW 107

This act authorizes the Secretary of Agriculture to sell 2 acres of land Muirkirk, Md., to the Queens Chapel Methodist Church. The land has been determined by the Department of Agriculture not to be essential to its activities.

PROTECTION AGAINST FOREST PESTS, S. 697, PUBLIC LAW 110

Additional protection to forestry was provided through the enactment of S. 597 which was identical with the House bill (H. R. 1974) reported by the committee.

This act is designed to bring about more effective control measures in an effort to reduce the tremendous losses caused by destructive forest pests and diseases. Our defense against the onslaught of these pests will be materially strengthened by the enactment of this legislation under which a means is established whereby incipient epidemics may be detected on State and private, as well as on federally owned lands.

The losses caused by destructive insect pests and diseases greatly exceed the losses caused by fire and have reached such proportions that it is imperative that more effective control be undertaken. The threat to our forest resources by insects and diseases has long been recognized by the Federal Government and legislation has been enacted for the protection of federally owned timber, but there has been no adequate authority under which the Federal Government, State agencies and private interests could join forces to bring about a concerted attack on insects and tree diseases, irrespective of the ownership of the land involved.

Under this bill the Secretary of Agriculture is authorized directly or indirectly or in cooperation with other agencies of the Federal Government, States, Territories, possessions, public agencies, private organizations, and persons to conduct surveys on any forest lands, irrespective of ownership, to detect and appraise infestations of forest insect pests and tree diseases, to determine the kind of protective measures which should be taken and to take the necessary steps to carry out such protective measures. Under this authority it is hoped that it will be possible to obtain unified action so that all forest insects and tree diseases may be detected in the incipient stages and effective control measures taken before they cause widespread loss.

SALE OF LAND TO SITKA, ALASKA, H. R. 195, PUBLIC LAW 172

This act authorizes the Secretary of Agriculture to sell a tract of land formerly occupied by the Alaska Agricultural Experimental Station to the city of Sitka, Alaska. The lands involved consist of approximately 1.3 acres within the city of Sitka. The city of Sitka has already been permitted to use this property for noncommercial purposes, and the Department has no further use for the same.

PLANT QUARANTINE ACT AMENDMENT, S. 338, PUBLIC LAW 290

Additional protection is accorded American agriculture, horticulture, and forestry through the enactment of this bill which authorizes the Secretary of Agriculture to limit the entry of nursery stock from foreign countries under such rules and regulations as he deems necessary, including the requirement that such nursery stock be grown under post-entry quarantine for the purposes of determining whether imported nursery stock is infested or infected with plant pests and diseases.

The supplemental authority conferred under this act will better protect the agricultural, horticultural, and forest interests of this country by providing full authority to impose whatever limitations as may be necessary for proper and adequate pest and disease control.

EXTENSION OF THE BANKHEAD-JONES FARM TENANT AND SOIL CONSERVATION ACTS TO VIRGIN ISLANDS, S. 512, PUBLIC LAW 249

S. 512 will extend to the Virgin Islands the provisions of the Bankhead-Jones

Farm Tenant Act, as amended, and the Soil Conservation and Domestic Allotment Act, as amended. The population of the Virgin Islands is dependent for its existence almost entirely on a single agricultural crop, sugarcane. There is definite need to encourage the development of a more diversified agriculture which will provide food needed for consumption on the islands and encourage the establishment of family-sized farms. Soil conservation is of primary importance and it is important to conserve and utilize in the most effective manner possible the water supplies which are available on the islands.

The enactment of this measure is believed to be of fundamental importance to agriculture in the Virgin Islands.

MARKETING AGREEMENTS AND ORDERS, H. R. 452, PUBLIC LAW 305

This act is of utmost importance to the fruit and vegetable producers of the country. It amends the Agricultural Adjustment Act, as amended, and authorizes the use of marketing agreements and orders to establish and maintain standards of quality and maturity through grading and inspection, notwithstanding the fact that the seasonal average prices of such commodities may be above parity. It also authorizes assessments for the maintenance and functioning of the authority or agency administering the marketing orders which are financed by assessments against those participating throughout the period the marketing agreement or order is in effect, irrespective of whether particular provisions of such agreements or orders are suspended or become inoperative.

Before the enactment of this legislation, all provisions of marketing orders were required to be terminated whenever the price of the commodity rose above parity. This has seriously interfered with the maintenance of organizations to administer the order programs, and in efforts to maintain standards of grades and quality. This act will add flexibility and permit a continuation of certain phases of marketing order programs irrespective of the price level of the commodity.

AGRICULTURAL AND MARKETING RESEARCH, H. R. 4110, PUBLIC LAW 297

H. R. 4110 amends section 11, title 1, of the Bankhead-Jones Act which was added by the Research and Marketing Act of 1946—Public Law 733, Seventy-ninth Congress—by striking out the words "authorized to be" so that not less than 20 percent of the funds appropriated under section 9 (a) of that act will be made available for use in conducting marketing research instead of not less than 20 percent of the funds authorized to be appropriated.

This amendment is a technical one and corrects what was clearly an inadvertence in the drafting of the Research and Marketing Act.

DISPOSITION OF FARM LABOR FACILITIES, H. R. 4254, PUBLIC LAW 298

Another very important piece of legislation to the farmers of this country is the act which authorizes the disposition of farm-labor facilities to public or semipublic agencies or nonprofit associations of farmers to assure the continued use of these facilities for housing farm labor.

Many of these labor camps were originally established and operated by the Resettlement Administration. These camps and facilities were subsequently transferred to the Farm Security Administration and later to the Farmers' Home Administration. At the inception of the farm-labor-supply program during the war, these camps and facilities, along with others, were put into use for housing migratory domestic and foreign farm labor recruited under that program. In many instances the camps and labor centers have become an important and integral part of the agricultural economy of the States and areas in which they are operated. These centers or labor camps are both permanent and temporary in character. The permanent camps, of which there are 52, have a capacity for housing 48,600 persons. There are 70 temporary camps, with a capacity for housing 20,500 persons.

Since the farm labor supply program will terminate December 31, 1947, these camps and facilities would have been liquidated commencing January 30, 1947. If this legislation had not been enacted, there would have been no adequate authority under which the Secretary of Agriculture could have disposed of the labor-supply centers, camps, and other facilities in a manner which would have assured their continued use for housing migratory agricultural workers and a great number of them would have gone into less essential uses. This is because the Secretary would have had to dispose of the facilities under the provisions of section 43 (d) of the Farmers' Home Administration Act of 1946, which requires that the facilities be transferred to appropriate agencies of the United States for disposition as surplus property or be sold at the best price obtainable. Thus, these facilities for housing agricultural workers would probably have been sold and put to other uses not in the best interests of agriculture.

Under this legislation, the Secretary of Agriculture is authorized to dispose of such facilities to public or semipublic agencies or nonprofit associations of farmers for use in housing farm labor under such terms and conditions, at such prices, and in such manner as to make it feasible for such agencies or nonprofit associations of farmers to acquire the properties and to operate them for housing agricultural labor. The authority to dispose of these properties in this manner extends until June 30, 1949.

The Secretary of Agriculture is also authorized to enter into contractual arrangements with responsible public or semipublic agencies or nonprofit associations of farmers who will agree to operate the housing facilities for the principal purpose of housing migratory agricultural labor and to relieve the Federal Government of all financial responsibility in connection with their operation. Under this authority, public or semipublic agencies or nonprofit associations of farmers may operate these facilities after January 30, 1948, for the purpose of housing agricultural workers until such time as appropriate arrangements can be made for their purchase. Through this legislation, a great portion of these facilities will be preserved and continued in operation by State and private groups as agricultural housing for the benefit of agriculture generally.

PEANUT MARKETING QUOTAS, H. R. 4124, PUBLIC LAW 323

H. R. 4124 amends the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938 so as to improve the operation of programs conducted thereunder. It provides that the marketing quotas for each farm shall be the actual production of the farm-acreage allotment instead of either the actual or the normal production of the allotted acreage, whichever is greater.

This provision restores the law to exactly what it was under the original act and is necessary because there have been no adequate records kept since quotas were suspended after 1942 upon which normal production could be determined. This provision will also result in a reduction in administrative costs by making it unnecessary to calculate normal production. The bill also increases the penalty from 3 cents per pound to 50 percent of the basic support rate. This will assure compliance with the quotas and make the penalty in the case of excess marketings of peanuts exactly the same as is now provided by law for excess marketings of wheat, corn, and cotton.

CROP INSURANCE, H. R. 3465, S. 1326, PUBLIC LAW 320

In 1938 the Nation embarked on a program of crop insurance. Formulated as it was in the midst of the depression and drought era, the program partook as much of the nature of relief and rehabilitation as it did of sound insurance. Instead of starting on an experimental basis until insurance tables and methods could be accurately evolved, it was undertaken to write insurance on wheat on an unlimited national scale. Cotton was later added on virtually the same basis.

As the result of this broad approach to a subject which probably should have been dealt with only experimentally at first, the total losses, counting administrative costs, had reached more than $125,630,437 by the end of the fiscal year of 1947.

It became apparent that the best interests of agriculture were not being served by a program which was operating at such a tremendous deficit. The committee reviewed the entire crop-insurance program and reported a bill (H. R. 3465) which would place the entire program on an experimental basis. The Senate passed Senate bill 1326, and an agreement was reached in conference on a program which authorized wheat insurance in 200 counties, cotton insurance in 56 counties, corn and flax insurance in 50 counties each, and tobacco insurance in 35 counties.

Such a program, it is believed, will prove adequate for experimental purposes. Although the coverage under the bill has been reduced, particularly with respect to wheat and cotton, the Crop Insurance Corporation is given far more authority to try out different types of insurance associations and the underwriting of crop insurance written by privately established insurance companies.

In the opinion of the committee, this bill provides the basis for developing over a period of years, without any substantial risk to the Public Treasury, an actuarially sound system of crop insurance that will be of lasting benefit to American agriculture.

WOOL, H. R. 1498, PUBLIC LAW 360

Perhaps the most difficult and controversial matter confronting the committee during this session was the subject of price support for wool. Legislative action on this subject was made necessary by the action of the Secretary of Agriculture in terminating the wool-price-support program which had been in effect since 1943. Simultaneously with his termination of this program, which had been conducted under the authority of the Commodity Credit Corporation, the Secretary recommended price-support action "to put wool on an equal footing with the basic and so-called Steagall commodities," the prices of which are supported until December 31, 1948.

The committee considered a number of bills seeking to develop an adequate support program for wool growers and at the same time relieving the taxpayers of any unnecessary burdens. A rather simple bill (H. J. Res. 158) was first reported which directed the Commodity Credit Corporation to continue to support the price of wool until December 31, 1948, and authorized the Commodity Credit Corporation to sell wool below parity. The Senate passed a bill (S. 814) and in its report accompanying the bill recommended that the House give consideration to the imposition of import fees so that the wool support program would not place a burden upon the Treasury of the United States. The House amended the Senate bill so as to give the President the same authority to impose import fees or quotas upon the importation of wool that he has to impose import fees or quotas upon practically every other agricultural commodity on which price supports are in effect. The amended bill was vetoed by the President.

In order to give the wool grower a price support program and to provide the protection which this Committee believes he is entitled, the Committee reported and the House passed S. 1498. Under the terms of S. 1498, the price of wool to the grower will be supported at the same price at which it has been supported since the inception of the wool support program, or approximately 42 cents per pound in the grease on a national average basis. The act also authorizes the Commodity Credit Corporation to sell wool below the parity price so that it may compete with foreign producers for the American wool market.

SALE OF TIMBER WITHIN TONGASS NATIONAL FOREST, HOUSE JOINT RESOLUTION 205, PUBLIC LAW 385

This act, which is of great importance to the Territory of Alaska and to the Nation, authorizes and validates the sale of timber growing on any vacant, unappropriated, or unpatented lands within the exterior boundaries of the Tongass National Forest, notwithstanding any claims of possessory rights which may be asserted to certain of these lands. It also authorizes the sale of vacant, unappropriated, and unpatented lands which the Secretaries of Interior and Agriculture, respectively, believe are needed for plant sites and for other incidental purposes by the persons who undertake the development of the timber resources of the forest under contracts made with the Secretary of Agriculture. The legislation is necessary because the question of native land titles in the Territory of Alaska remain largely unresolved.

A large-scale development of the timber resources in southeastern Alaska, involving the establishment of important business enterprises and the employment of many persons, is essential to the maintenance of a prosperous and stable economy in the Territory. Moreover, this development would be of great value to the Nation as a whole from the standpoint of making available to the national economy valuable and sorely needed products from the forest. The inauguration of such a timber development program in the Territory will be made possible by this legislation.

Provision is made for retaining the funds derived from the sale of timber and land in a special account in the Treasury until the respective interests of the Government and those who assert claims of possessory rights to the timber and land are finally determined. Such a procedure, it is believed, adequately protects the rights of all interested persons.

SUGAR ACT OF 1948, H. R. 4075, PUBLIC LAW 388

One of the most important pieces of legislation reported by the committee is H. R. 4075, the Sugar Act of 1948. This bill establishes an orderly policy relating to the production and importation of sugar for the next 5 years.

H. R. 4075, like its predecessors, the Jones-Costigan Sugar Act of 1934, and the Sugar Act of 1937, has as its primary objective the stabilization of the sugar producing, refining, and importing industries. This over-all objective is effectuated through the establishment and use of quotas under which the United States market is divided among the various domestic sugar areas and certain foreign sugar-producing areas which have historically supplied the needs of the domestic market. As a means of implementing the sugar program, provision is made for the making of payments to domestic producers of sugar beets and sugarcane. The excise tax on sugar manufactured in the United States is continued in effect and will provide sufficient revenue to meet the payments made to producers. The Secretary of Agriculture is also authorized, under certain circumstances, to make determinations with respect to fair prices to be paid domestic producers and fair wages to be paid to domestic laborers who work in the sugarcane or sugar-beet fields.

Sugar legislation was necessary because sugar production is returning to peacetime levels and because the Sugar Act of 1937 expires on December 31, 1947. Moreover, that act, even if extended, would not have been adequate should the reimposition of quotas become necessary because under the provisions of that act, any deficit in the quota for the Republic of the Philippines is required to be allotted to foreign countries other than Cuba, and other countries could not have supplied the sugar needed. Under the provisions of H. R. 4075, practically the entire Philippine deficit will be allotted to Cuba, whose production was greatly expanded during the war. The allotment of the Philippine deficit to Cuba at a time when its production is at an all-time high will, in effect, substantially continue the pattern established during the war and will give Cuba a reasonable time within which to adjust gradually its production downward to a normal level with a minimum of economic disruption.

The principal difference in the Sugar Act of 1948 and the Sugar Act of 1937, other than the provision for the reallotment of the Philippine deficit, is the provision for estimating the quantity of sugar needed to meet the requirement of consumers in the continental United States. Several new factors, such as the level and trend of consumers' purchasing power, and the relationship between the wholesale price of sugar and the general cost of living in the United States, are required to be taken into consideration, but the over-all and controlling guide in determining the amount of sugar to be made available for consumption is a provision which requires the establishment of a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably protect the sugar industry of the United States.

Memorial for Hon. Joseph Jefferson Mansfield

EXTENSION OF REMARKS
OF
HON. CLARENCE F. LEA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. LEA. Mr. Speaker, one of the greatest rewards of serving as a Member in the House of Representatives is the opportunity of the acquaintance and friendship of a very fine group of men who come from every section of our country. It is a busy life we lead here, but it does constantly bring us in contact with each other in the practical work of Congress. It is a contact that gives us an opportunity to know, appraise, and appreciate our fellow Members.

There is no experience of my life that I appreciate more than the opportunity to know and have the friendship of so many men who have served in this House.

I will always appreciate Hon. Joseph J. Mansfield as one of the men with whom I served, for whom I had a personal fondness and respect, and appreciation of his services as a Member of this House. We began our services here together at the beginning of the Sixty-fifth Congress in 1917. Our first day in the House was when we heard the war message of Presi-

dent Wilson. From that time until the passing of Mr. Mansfield, we had served together with almost exactly 2,000 men. During that time our votes on general measures were pretty much alike.

Mr. Mansfield, Mr. KNUTSON, and myself were the three surviving Members who entered Congress with the beginning of the Sixty-fifth Congress. Subsequently, Mr. BLAND, of Virginia, became a new Member with us in the Sixty-fifth Congress. In this long association, a certain degree of fellowship or common bond developed among us.

Mr. Mansfield was a fine type of representative of our Republic. Personally, he was likable to an unusual degree. He had the respect and confidence of his colleagues. As chairman of the Rivers and Harbors Committee he served as leader in a program that will long identify him with the initiation of constructive developments of far reaching advantage to the country. The Nation, and particularly his own State of Texas, can take a just pride in the career of such a man.

What a Change a Little Word or Two Can Make

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. MURDOCK. Mr. Speaker, during the hearings on the Gila reclamation project bill, H. R. 1597, and identical Senate bill 483, passed in the closing hours of this session, one unfriendly to the measure said there ought to be a few slight changes made in its language, just a word or two here and there which might be called perfecting amendments. Now, one of these "slight changes" was to strike out the word "diverted" and substitute in lieu thereof the words "of or", in the following language of the bill occurring twice in section 1: "acre feet of water per annum diverted from the Colorado River." The amendments were not formally offered, and of course the idea was not adopted by the committee nor written into the bill.

Why was I unalterably opposed to such a slight change of wording? I was opposed to it because if adopted it would write into a reclamation law a new concept in regard to irrigation in the West. This new concept, carried to its ultimate conclusion, was not dreamed of by the men who established irrigation and reclamation in our western States. If written into law, it would lead to a labyrinth of difficulties making the law impossible of administration and creating a field day for lawyers. The proposal was not adopted in this act, therefore why should I speak of it now? Because there will be other bills for which the proposal will be equally plausible and equally dangerous. I bring it up as a warning.

The intent of this proposal, so far as it is apparent, would be to bring under legal consideration and subject to Federal accounting all water pumped for irrigation, the assumption being that any water pumped out of the ground, no matter what its depth, is water "of or from" the river within whose basin the water is being pumped. Now that may or may not be a reasonable assumption. It may or may not be provable fact. My contention is, that very much more will need to be learned about the source of underground water before any such assumption can be rightfully used. Even if it were a provable fact in all cases, I still contend that it would be unwise public policy to write that idea into law, especially so far as it concerns the Colorado River Basin waters. The waters of this basin constitute a special case—a unique case—controlled by law and covenant not lightly to be changed.

I do not want to be misunderstood or regarded as frowning upon the control of underground waters. I believe wise public policy in the semiarid West requires a local control of water pumped out of the ground for irrigation. A suitable underground water code is desirable even though it is a difficult subject of just legislation. I want to emphasize that such control of underground water, like the control of surface waters, is properly a subject of State legislation, to be respected by the Federal Government. The unique case of the Colorado River Basin waters arises out of the fact that the degree and pattern of water control by the Federal Government and by the States of the basin have been fixed by compacts and irrevocable law. Any change in the plan must be by the same authority.

Another less apparent but probably equally significant result of this proposal, if it should be written into law, would be that any artificial precipitation over a water shed could be made the subject of legal control by such language written into the statute. If we are to consider waters "of or from" a river, regardless of how such water is taken out of the river to its point of application, we cannot overlook water carried by evaporation and later received from the clouds. While all moisture comes through clouds, getting it from them artificially is not only a scientific possibility but already an accomplished fact. However, meteorology has not been carried to such an extent as to enable scientists to compute with accuracy the exact source of water which is brought by the clouds. This puzzling matter would be involved.

If moisture is obtained on the Colorado River watershed by artificial means, can it be assumed that that water came from the Colorado River or from the Gulf of California, or from the Gulf of Mexico, or from the Pacific Ocean? The presumption is great that it came from one of these sources, but it might have come from others. We do know that in the hot area in the Colorado River Basin evaporation losses from Lake Meade and other reservoirs are enormous; hundreds of thousands of acre-feet of water which the farmers would like to have for irrigation are lifted annually through evaporation from the rivers, the artificial lakes, and the open canals before that water can reach the irrigation head gates, to be applied on the land. Now, if by the newest scientific methods we are able to capture that moisture in clouds and precipitate it on the land, should the law include such water in river accounting? I state emphatically that it should not be included in our river accounting. First, because of our lack of knowledge of the source of such clouds, and second, because such an accounting would discourage if not prohibit the application of science in this new way to furnish water for thirsty land.

In the desperate struggle for water in the Colorado River Basin, it is likely that future attempts will be made to write into law the little words "of or from" instead of "diverted from" in an effort to subject to Federal control waters seeping underground from it and waters carried from it in the atmosphere, as well as waters diverted from it in the usual way. It is my considered judgment that all such attempts to extend Federal control should be defeated.

How Can the Republican Members of This Congress Explain Their Errors of Omission and of Commission to Their Constituents?

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SABATH. Mr. Speaker, the first session of the Eightieth Congress is history; but what a sad history.

I can only ask you: "How can you Republicans go back to the people who elected you and explain how you have betrayed them?"

Your majority leader, Mr. Speaker, the gentleman from Indiana [Mr. HALLECK] in his political recital used all the old worn-out Republican chestnuts. He pointed with pride to the alleged accomplishments of the Eightieth Congress and viewed with alarm everything else. He especially cited legislation passed in behalf of veterans.

But behold, here is a statement by the gentlewoman from Massachusetts [Mrs. ROGERS], the Republican chairman of the Committee on Veteran Affairs, which appeared in the Washington Post, a Republican daily. The headline reads: "GOP bosses killed GI bills."

Is not the gentleman from Indiana a GOP boss?

The only veteran bills passed by this Republican do-nothing Congress, as the lady from Massachusetts pointed out in her public statement, were minor, with the exception of the cashing of terminal-leave bonds; and it will be recalled by veterans that then the issue was forced by Democratic Members, and the bill was passed unanimously on a yea-and-nay vote.

REPUBLICANS DID NOT DELIVER FOR VETERANS

Such urgent and fundamental problems as raising the ceilings on subsistence allowances for GIs taking on-the-job training, or studying under the GI

bill of rights, or of providing automobiles for disabled veterans, were not touched, in spite of the pleas and activities of the gentlewoman from Massachusetts, myself, and other Democrats.

Mr. Speaker, I should like to mention some of the things that the Republican Party has delivered that do not clearly appear in the roll calls.

The Republican Party has delivered the American people into the hands of Big Business, firmly wrapped up in a bundle of high prices tied in red string.

The Republican Party has delivered American ex-servicemen—and for that matter American citizens—into the hands of the real-estate lobby.

The Republican Party has delivered labor and management into the hands of lawyers with the Taft-Hartley bill. That is one profession which needs to fear no future depression.

It also appears that not the Republican Party but the United States Post Office Department is going to do the delivering. The purely political message of the gentleman from Indiana is being printed in this issue of the RECORD for free mailing by Republicans.

ABJECT REPUBLICAN SURRENDER TO PRESSURE LOBBIES IS NOT HEROIC

Mr. Speaker, do you believe for one moment that the people will hail you as heroes because you surrendered abjectly to the power lobby, the sugar lobby, the wool lobby, the National Association of Manufacturers' lobby, the high-tariff lobby, the real-estate dealers' lobby, the copper lobby, the railroad lobby, and to every one of the high-pressure, selfish, special-interest lobbies which have gathered like dollar-marked flies about the Washington honeypot during this last 7 months, dictating to you legislation in the interest of all the combinations and trusts?

Can you be proud of your assaults on the hard-won rights of labor, and on the civil rights of American citizens, or of your shocking posthumous slaps at our great wartime President, Franklin Delano Roosevelt, so loved not only by our people but by the people of the world?

Perhaps you Republicans will point with pride to your action in repealing the Price Control Act and completely killing off OPA, which has enabled your friendly contributors of huge campaign funds—the meat packers, the dairy combines, the shoe manufacturers, the big food processors, the chain stores, and the wholesale houses—to supply the American people with $1.25 steaks and chops; 89-cent bacon; 79-cent eggs; 20-cent milk; 14-cent bread; in short, with every necessity of life, at prices from 200 to 300 percent higher, all this notwithstanding the fabulous profits now being made by those who hold the monopoly on distribution.

CAN TAKE NO PRIDE IN LABOR RECORD

Are you going to point with pride to your record on labor legislation?

You rode roughshod over all decency to pass the Taft-Hartley antiunion bill, and then passed it again over President Truman's veto. This destroyed basic rights of labor granted in the Wagner Act. It is not workable, even disregarding its manifest repressive unfairness. It is a vicious law, from which you and the Nation, labor and management, will be long in recovering.

You boast that you have not repealed any of the New Deal laws which for years you have so viciously criticized and opposed; yet you have emasculated our protective labor laws, the Norris-LaGuardia Act, the Bacon Act, and the Minimum Wage Act and the Wagner Act. You did not have to repeal them to render them impotent.

SPECIAL INTEREST LEGISLATION DID NOT HELP THE VETERANS

When the bill to extend the Reconstruction Finance Corporation was brought out, you stripped it of its power to finance veterans' homes in the interest of your friends, the mortgage bankers, who wanted to handle that mortgage business and who also wanted RFC to be an agency for the benefit of the big corporations only. Will you argue that that was in the interest of the veterans?

In the miscalled rent control bill you did three things: You took off the remaining controls on distribution of scarce materials prematurely, thus doubling the cost of new homes and halving their number; you wrecked the veterans' emergency housing program; and you increased rents 15 percent. Will you say that was in the interest of the veterans or of the consumers?

You tried to put over a phony tax reduction bill; but President Truman, with the courage of true statesmanship, exposed the dishonesty of this "pennies for the poor and thousands for the rich" kind of tax reduction, and twice vetoed the bill; and not even the desperate cracking of the party whip could carry that bill over his veto.

In appropriation bills you have done what you dared not do in substantive law. You have deprived every agency dealing with human beings and with human needs of the funds necessary to be efficient and effective. You have not stinted War and Navy nor any other department or office which can be helpful to Big Business; but you have cut and slashed at Federal Security Agency, Department of Labor, Department of Agriculture, Department of the Interior—you have crippled every agency which serves the plain people, and which therefore you do not like.

REPUBLICAN LEGISLATION ALWAYS SOAKS THE POOR AND CODDLES THE RICH

You adopted, with only 2 hours of debate, a constitutional amendment to limit the tenure of office of a President—a cheap exhibition of political animosity toward a dead man who piloted this Nation, and the whole world, through its most trying times to the ultimate triumph of democracy.

Yes, you extended some of the wartime rationing powers of the President but you limited them to the interests of Big Business.

You added $2,000,000 to the cost of living of the American housewife by passing the Sugar Act for the benefit of the Sugar Trust.

You lowered the import tax on copper; but I want to point out that you did it, not in the interest of the consuming public or of labor, but mainly because Big Business demanded it.

In the wool-grab bill you tried to saddle on the backs of the American people an additional tax of $400,000,000 for just a small group of beneficiaries, and at the same time to scuttle the whole reciprocal-trade program. This bill was so bad that the President had to veto it. In its place you passed another bill which at least had the worst features removed, but is still bad as it will cost the American consumer hundreds of millions—yes, billions—of dollars in the next 5 years.

NO CONGRESS IN MY LONG MEMORY HAS BEEN SO OBEDIENT TO PRESSURE LOBBIES

Although there never was a time when all business was so prosperous and disastrous inflation so close, you insisted on removing all credit controls and encouraging a resumption of the same instalment buying which helped bring on the 1929 crash. Then you took the tax off short sales of securities to further encourage the same kind of stock-market gambling that we had in 1927 and 1928 and which precipitated the crash in 1929.

This has been the most obedient Congress toward lobbyists and the special interests within my long memory of congressional sessions. Never have I seen lobbyists so bold, so impudent, nor so successful.

With that anxiety always to please the pressure groups from Big Business and the lobby boys you made it possible for the meat packers who were not originally eligible for subsidy payments at the beginning of the war to get in on the gravy at the expense of millions of dollars of the taxpayers' money. Yet many of these favored firms were the fly-by-night black marketeers who appeared during the war, either with the blessing of the few big packers in opposition to them, to take advantage of the needs of the people. Under the New Deal you so often denounce, these subsidies were to help the consumers; but as you have distorted them they have become merely additional hand-outs to the profit-fat processors.

You passed the Rees so-called loyalty bill, which even outstanding Republican newspapers have condemned as un-American, and which would deprive millions of Government employees of rights guaranteed by the Constitution. It is no secret that this bill was not only aimed at driving from Government all liberals and progressives, but also at those with foreign-sounding names, and at the representatives of minority racial and religious groups.

I will concede that President Truman has signed many of the bills you passed, even though he has not approved of them. You know that he had to accept them because he did not want to reduce our government to complete paralysis while you were wrangling, and that he was obliged to hold his nose while doing so.

HERE ARE SOME OF THE REPUBLICAN SINS OF OMISSION

Mr. Speaker, I have spoken of what you did do; and now I am going to call off some of the things you did not do.

You pointed with alarm, I know not how many times, to the dangers of communism; but when are you going to take the same alarm over fascism, which in my judgment is fully as dangerous: yes, is even more dangerous to the democratic form of government than communism? You were successful in preventing the Government Printing Office from printing 100,000 copies of the pamphlet, Fascism in Action, prepared for the Democratic gentleman from Texas [Mr. PATMAN] for distribution by Members; but you gladly printed more than a half million copies of Communism in Action. Do you actually want the people to be uninformed, unwarned, and relaxed toward the creeping dangers of reaction and fascism? Do you believe in free speech only for Republicans?

Every action you have taken has increased the cost of living.

Instead of acting on any of my resolutions to investigate the high cost of living, or the meat industry, or the business lobbies who have dictated your legislative record, you did everything within your power to "get back to normalcy" without any regard for the fact that these are not normal times, and that the process of reconversion from 14 years of global war is not as simple as reconverting from 14 years of popular Democratic control to 2 years of Republican Big Business control.

It is true that in these hectic closing weeks the Joint Committee on the Economic Report held a few hearings; but you called as witnesses chiefly those same people who deliberately advocated that price controls should be taken off, and who claimed 2 years ago that when ceilings were removed prices would fall and supplies would flow to market.

Do you still believe them? The country does not.

PESSIMISTIC ABOUT RESULTS FROM INVESTIGATIONS

When you learned that, following my importunities to the Attorney General, the Department of Justice had decided to launch a full-scale investigation of the criminal conspiracies which have boosted living costs 59 percent since you came into power, you hurriedly passed a resolution directing the Committee on Agriculture to do a little investigating; but I shall be surprised if all industries are not white-washed.

You have set up a joint committee to investigate housing with $150,000 to spend. I am fearful that this will only be a case of the real-estate lobby vindicating itself. I am pessimistic about getting $150,000 worth of results.

You prate of free enterprise; but how can there be free enterprise when you continuously legislate to strengthen the vicious powers of the trusts and combinations, which even the National Association of Manufacturers which seems to dictate your actions was forced to warn against?

In the last 2 years 2,800 of the smaller competing businesses have been absorbed by these colossal corporations under one gaping loophole in the Antitrust Acts. A Democratic Member of this House, the gentleman from Tennessee [Mr. KEFAUVER], recognizing the danger to free enterprise which results from unchecked monopoly, prepared and introduced a bill to close that loophole; the Committee on Interstate and Foreign Commerce reported the bill; but your Republican Rules Committee refused to grant a rule even to permit the House to vote on this bill.

You talk a lot about guarding and helping small business; but while you talk and legislate to give greater power to the big corporations small business gets smaller and smaller. Soon there will be no small business.

REPUBLICAN CONGRESS COSTS DOUBLE THAT OF THE DEMOCRATS

You have sold out to Wall Street and Big Business on every front. Your Committee on Appropriations has caused the firing or the reduction in pay of thousands of little employees in Government, yet that same committee brought in the registered lobbyists of chambers of commerce and other business organizations to pass on the budgets of the American people and has itself spent more than $100,000 this year. Some of you have furnished desks and office space to lobbyists.

Mr. Speaker, it is a startling thing to discover that an actual itemized recapitulation of the appropriations and expenditures for special investigations of the select and standing committees of the House in the Eightieth Congress shows that already $1,430,704 have been authorized or appropriated.

In the Seventy-ninth Congress, under the Democratic administration, when we had many investigations under way for the benefit of the people, the total authorizations for select committees for 2 years amounted to only $1,270,219 and we spent of that amount only $836,456.

Furthermore, Mr. Speaker, the reports of the standing committees of the Clerk of the House indicate that already the legislative committees have spent more than $1,000,000—a figure which does, of course, include the expenditure of $143,000 for special investigations.

Among the expenditures to be made is the payment of $25,000 to such NAM spokesmen as J. Cheever Cowdin, John W. Hanes, Roswell Magill, E. H. Lane, and John F. Connelly for advice on tax legislation. We do not need or want a national sales tax such as these men intend to recommend, and the American people do not want or need advice from such spokesmen for the most selfish economic groups in the country.

I suspect that before the year is over you will find that you have spent over $2,000,000 for jaunts around the world and for smearing the New Dealers.

You have toyed with the bills on health and social-security programs, but no one now believes you have serious intentions toward this very serious legislation.

It is true that you passed the antipoll tax bill, but only because you were satisfied the Senate would not act.

Where is the antilynching bill? Still in committee.

Where is the Fair Employment Practice Act which you promised to enact? Support of that bill is written into your 1944 party platform, or would you like to forget about that, too?

YOU HAVE AGAIN FILIBUSTERED IN COMMITTEE AGAINST THE WAGNER HOUSING BILL FOR HOMES FOR THE AMERICAN PEOPLE

Last year you deliberately staged a committee filibuster and smothered the Wagner-Ellender-Taft bill to death, and this year you have repeated the process, although, if passed, this measure would help get housing for our veterans and for our homeless citizens at prices they can afford to pay.

You have done nothing about raising minimum wages, although your policies have cut the real wages of American workers in half by almost doubling the cost of living since you have been in power.

If you were honest, you would not say you point with pride to this Congress.

You would say, "We look with apprehension and dismay upon our deplorable record, and we are going off on a lot of junkets at the expense of the taxpayers to avoid facing the voters."

NO ACTION TAKEN TO SOLVE THE PROBLEMS OF 800,000 TRAGIC VICTIMS OF HITLER HORROR AND OPPRESSION

You do not want to mention the fact that you adjourned without taking any action on the Stratton bill to permit 400,000 victims of Nazi terror and warfare to enter the United States, although this bill was endorsed and recommended by your high command; nor did you take any action on my own bill, which was introduced 3 months before the Stratton bill, and which would have authorized the entry of only 200,000 of these suffering displaced persons, all within the quota, nor was I given an opportunity for full discussion of my bill.

Therefore, you start two world-circling junkets off with big appropriations to investigate conditions abroad. I suppose you want to find out if these 800,000 homeless, stateless refugees from Hitler's war of extermination—70 percent of whom are God-fearing Catholics and 20 percent of whom are equally God-fearing Jews—really exist and are really suffering. I can tell you from here that most of these tragic DP's are women, children, and old men.

COUNTRY PRAYS TO BE DELIVERED FROM REPUBLICANS

A jovial gentleman on your side of the aisle whom I shall leave nameless, but who is noted for his epigrams, said last fall that the Republican Congress would open each day's session with a prayer and close it with a probe.

Well, you Republicans have your probes going to distract public attention from your failures and it is the country that already is praying to be delivered from you.

I know it is very wonderful to go from State to State—except, of course, your own—and from country to country in airplanes while the taxpayers pay the bill. Mr. Speaker, I do not blame any of you for not wanting to go back home to your districts where you would have to face the people and explain your record of the last 7 months.

Mr. Speaker, I believe very strongly in real and useful investigations. The power of investigation is one of the most valuable and precious powers of Congress. But I do not like to see that power misused.

For instance, your Committee on Un-American Activities has been used for partisan purposes. That committee has smeared liberals and progressives, but it has done little or nothing to investigate and expose the Fascists, the real enemies of our form of Government. To the contrary, it has encouraged them, and has given a forum to such exponents of an un-American attitude as Gerald L. K. Smith, Walter S. Steele, and other rabble-rousers who have been given an opportunity to spread their undemocratic doctrines of contempt and hatred for all progressives, liberals, new dealers, and minority groups.

And yes—I almost forgot—the committee has found time to make a few trips to California to "investigate" some of the ladies of Hollywood.

INVESTIGATIONS WILL BE DROPPED WHEN REAL MISCREANTS ARE DISCOVERED

You will go on with your investigations; but I tell you now that when you find the real miscreants you will drop them like hot potatoes, for you will find that those who have betrayed their public trust are not members of the Democratic Party, but the Republican economic royalists and apologists for big-business monopoly. I am satisfied that all your investigations will not bring anything to light that is detrimental to the wonderful record of the last 14 years of Democratic administration under our late great President Roosevelt and under President Truman, or to any Democrat or Democratic businessman or manufacturer.

But when and if you start investigating war contracts and fraudulent contract settlements and phony renegotiations, you will find that the "gimme boys" were almost all, yes, 99 percent Republicans, especially those "patriotic" dollar-a-year men who were forced on the Government for the duration of the war.

Nearly all of these great "dollar patriots" continued to draw their salaries from their own companies; or, as the record will show, they had made arrangements to resume their former or better positions upon concluding their Government service with those whom they favored with fat contracts.

You will find that the big manufacturers, the big financiers, the big producers of raw materials emerged from the war stronger than ever before. They had accumulated tremendous cash reserves, acquired huge new plants costing hundreds of millions of dollars at 15 to 25 percent of the cost to the Government, paid for by all the people, the greatest profits in all history, and their smaller and weaker competition had been killed off by collusion among the combines by withholding from them during and even after the war, steel, lumber, and other materials.

YOU WILL HAVE A BEAR BY THE TAIL

I also feel that when you investigate the purchase and lease of hotels during the war, and the subsequent disposal of the hotels and the furnishings—as in the Stevens Hotel in Chicago and others elsewhere—you will find that these profitable deals were engineered by and for Republicans at a cost of millions upon millions to the taxpayers, and you will quickly discontinue your investigation. That will also be true in any honest investigation of the real-estate experts who recommended, selected, and acquired sites for many of the factories, camps, and new plants out in the sticks, far removed, as I have frequently criticized on the floor, from more advantageous places. And at what a cost to the Government.

You will surely come to the conclusion that you have a bear by the tail and quickly try to turn loose. You will not dare charge this waste of funds to the Democrats, because you know the evidence would disclose that it has all been done by Republicans under a Secretary and Assistant Secretary of the Navy who were Republicans; of a Secretary of War and Assistant Secretary who were Republicans; and other highly placed corporation officials, all of whom were Republicans.

Mr. Speaker, you promised—you and the big boys of business—you promised the country that as soon as OPA was abolished and price controls were removed the supply of everything would increase and the cost of living and of homes would fall. No such thing has happened, despite the President's appeal.

Instead, we now read that Republic Steel, headed by Tom Girdler, once treasurer of the Republican Party, is increasing the price of steel by an amount about three times the actual increases in labor costs, and other steel makers are doing the same, notwithstanding that every steel company is making the greatest and longest-sustained profits in history.

The coal barons are doing the same thing.

PRICE INCREASES NOT JUSTIFIED BY WAGE INCREASES

The NAM as spokesman for big industries has tried to justify price increases on the grounds that wages have increased.

Yes, wages have increased—some—for a few.

About 12,000,000 out of the 60,000,000 gainfully employed Americans have received wage increases running from 12 to 18 percent.

But that means that only one-fifth of all wage earners have enjoyed such increases; only one out of every five workers got a raise, but they all received the cut in their real earnings brought about by a 59-percent increase in the cost of living.

From the most recent statement of the Securities and Exchange Commission, Mr. Speaker, I have selected this single paragraph in contrast showing how the corporations have increased their working capital:

The net working capital of United States corporations was estimated at $59,000,000,000 as of March 31, 1947, according to the quarterly analysis made public today by the Securities and Exchange Commission. During the 3 months, January through March 1947, working capital increased by $1,700,000,000, a somewhat lower rate than in the preceding quarter, although considerably higher than in the first quarter of 1946. The increase in net working capital reflected in a large increase in total current assets amounting to $2,500,000,000 while total current liabilities rose by $800,000,000.

INFLATION CUTS REAL EARNINGS OF ALL THE LOW INCOME GROUPS

Although the country as a whole enjoys a greater prosperity than ever before, and bankers and industrialists are accumulating still greater wealth, as I have already pointed out, the rank and file of the American people are necessarily forced to restrict themselves in every way in their mode of living, due to the outrageous high costs of living which constantly outrun any increase in income.

The special interest blocs have dug deep into the pockets of the people; the various farm blocs, representing grain producers, cotton planters, wool growers, peanut farmers, tobacco raisers, and the food processors, have all worked side by side with the pressure groups from retailers, wholesalers, manufacturers, and financiers to gain advantage at the expense of the people.

It is the white-collared workers, the annuitants and pensioners, the insurance beneficiaries, who suffer the most and are mulcted and robbed and find it impossible to make ends meet. They have had to sell their Government bonds in which they had invested their savings for protection in years to come, merely to eat and be decently clothed.

I fully appreciate that what I have said will not be pleasing to the ears of a few of my wealthy friends; however, I feel it is my duty to the people to call attention to the way you Republicans have betrayed the masses.

IN 1948 THE PEOPLE WILL CALL ON DEMOCRATS FOR RESCUE FROM REPUBLICAN MISRULE

The excuses you will try to make will avail you little.

The public-opinion polls show already that in 1948 the voters again will call on the Democratic Party for rescue from Republican misrule.

Your accomplishments in the interest of big business began in the Seventy-ninth Congress with the aid of a Republican coalition with a few reactionary Democrats, but in this Congress, due to your misleading and pull-the-wool-over-the-eyes-of-the-people campaign, you succeeded in winning a clear majority in the membership of both Houses. Therefore, the honor of these accomplishments in the interest of the greedy and against the interest of the common people is all yours.

AFTER 7 MONTHS THE PEOPLE HAVE HAD ENOUGH OF THE REPUBLICANS

Mr. Speaker, the Republican leaders seem to feel that they can fool and mislead the American people in 1948 as they did in the 1946 campaign, feeding them with reckless promises, distorted propaganda, half-truths and untruths.

Mr. Speaker, I think the people have had enough.

One of your outstanding leaders made a surprising speech in Boston. He bitterly assailed the New Deal, saying that business had suffered under the New Deal for 14 years, while the Democratic Party had conspired against free enterprise. He should have known better.

The truth is, and don't think that the people have forgotten, that when President Roosevelt was elected there was no enterprise of any kind.

Banks were failing on every corner; stocks were so low the brokers had to jump off the East River docks to find them; factories and plants were closed; homes and offices and apartments were untenanted; 18,000,000 jobless people walked the streets and the highways, hungry, disillusioned, embittered, and hopeless. Farms were on the auction block. Home owners were losing their homes, helpless to save their equities.

The bitter truth is that this Nation was closer to revolution than at any time since 1776.

Then the New Deal came into power. The brave and vibrant voice of Franklin Delano Roosevelt declared: "All we have to fear is fear itself * * * we have a rendezvous with destiny."

There was the famous "hundred days" when new legislation flowed out of Congress to meet the dire emergency. Banks reopened. Factories flung wide their doors and started their motors humming. The working people went back to work. Decent profits began to appear. Farmers and home owners borrowed the money they needed at low interest on favorable terms. Their markets were restored and they began to make a profit again.

Now, 14 years later—14 years of wise and successful New Deal leadership, meeting our problems head-on, never sacrificing our democratic form of government or our free elections—we have 60,000,000 people at work. Business is booming. Measured by every index, our prosperity is so great that our only just cause of anxiety is the danger of a runaway inflation.

And the Republican Party is doing everything possible to encourage inflation in the name of free enterprise.

You like the idea of a big boom that goes bust.

There are always some "smart operators" ready to make a killing out of human misery, unemployment, deflation; and you have made yourselves the errand boys for those cruel profiteers, your friends, the Wall Street manipulators. They are the ones to whom you will deliver.

THE REPUBLICANS HAVE FAILED MISERABLY

Notwithstanding all the insincere promises, the misrepresentations, the scare campaigns, and the ballyhoo of the Republican 1946 campaign, the fact remains that the Republican Party has miserably failed in its responsibilities to the Nation and to the world in the last session of Congress.

They have failed to adopt any constructive plan or policy.

They have failed to adopt positive legislation to meet real needs.

Everything the Republicans have done has been repressive and negative. They have been busy turning the clock back—faster and faster, farther and farther.

Because of that failure they will naturally resort again to a campaign of misrepresentations and falsehoods, just as they did in 1920, when they fell back on a smear campaign against the League of Nations, as I have so often pointed out on this floor.

The Republicans seem able to do nothing but disparage what the Democrats have done.

The Democrats have really accomplished a wonderful record. They can point with real pride to the highest employment in all history, the most widely spread profits, the largest national income, the greatest world power and prestige.

In 14 years we have won two wars—the war against depression, want, hunger, and misery; the war against Nazi and Japanese aggression.

In all that time the Republicans have been able only to criticize.

I am not speaking now of those honest Republicans who served their nation in our fighting war without regard to partisan considerations, just as Democrats did.

I am talking rather about Republican political bankruptcy which can find no campaign material except to criticize the Democratic leaders who have successfully piloted our ship of state through the most dangerous times of history.

REPUBLICANS SEEK TO HIDE THEIR OWN COMPLICITY WITH EVIL POWERS

They can only play upon the unworthy fears of our new responsibilities.

It is a foregone conclusion that the Republicans will again rely upon the false issue of communism in the forthcoming campaign. They will again attempt to becloud the minds of the American people with villification of every progressive and independent. Their aim is to hide their own complicity with world cartels, with special privilege, and with reaction.

Not even their own pet spokesmen will support their position.

As quoted in the press, Lady Nancy Astor, Virginia heiress and British peer, the darling of the reactionary Republican newspapers, recently said about United Nations:

> The real difference between the UN and the League of Nations is that America is in. If America had been in the League of Nations we wouldn't have had the last war.

She was only repeating what I have said so often.

By their refusal to enter the League of Nations, merely to gain political advantage, to win an election, the Republicans are actually responsible for the terrible Second World War; and now they are frankly flirting with the idea of repudiating the United Nations for the same selfish and short-sighted reasons.

THE PEOPLE HAVE NEITHER FAITH NOR HOPE IN THE REPUBLICAN PARTY

The hope of America, Mr. Speaker, is in the Democratic Party; the hope of the whole world is in the Democratic Party. That is the only political party in the United States which has shown a mature acceptance of the responsibilities of our power within the framework of our Constitution and our traditions.

The people can have neither faith nor hope in the Republican Party. There lies nothing.

It is true that now, when farmers are receiving the highest prices in history and are making lots of money, the once bankrupt bankers have their vaults crammed with profits, and no one needs to look very hard for a job, they seem ungrateful to the Democratic Party.

THESE POLITICAL INVESTIGATIONS DO YOU NO GOOD

But they can read the handwriting on the wall, and I believe—and the opinion polls show—that after only 7 months of a Republican majority in Congress the farmers are ready to join with labor in bringing the Democratic Party back to full power.

In conclusion, Mr. Speaker, let me warn you that the thousands and thousands of dollars of the taxpayers' money you are spending in purely political "investigations" are not doing you any good at all.

You should have learned from the flop of the Pearl Harbor investigation; but you did not.

The smear investigation of the Hughes airplane contracts and of the Roosevelt family is so obviously and so rankly political, so nauseatingly a part of the conspiracy between the high Republican leadership and special business monopoly, that already it has had a bad reaction in the public press and in the public mind.

Most of even the conservative newspapers have openly charged that the whole investigation is part of the Republican strategy for the 1948 campaign of "running against President Roosevelt."

Repeatedly I have urged and demanded that all contracts be investigated. You should not confine your investigation to the minnow contractors; turn your attention also to the sharks who have, up to this time, received 95 percent of the contracts and the profits and zero percent of the investigations.

The country is demanding, as I demand, that in all this investigating you are doing you pay equal attention to all the giant manufacturers and their planted stooges in Government who saw that they got special consideration and advance notice of the fattest contracts, whereby the Government—and that means the people—were defrauded of millions, if not billions, of dollars.

When are you going to investigate them?

A Splendid Tribute

EXTENSION OF REMARKS

OF

HON. W. HOWES MEADE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. MEADE of Kentucky. Mr. Speaker, under leave accorded I desire to place in the CONGRESSIONAL RECORD the splendid tribute paid to the United States of America by the Star and Herald, of Panama City, Panama, on July 4, 1947.

The Star and Herald is the outstanding daily newspaper published in Central America, and enjoys a wide and commanding influence. For almost a century it has performed notable service in promoting friendly relations between the United States and the Government of Panama, and has been an unfailing and effective advocate of the principles

of pan-Americanism. Particularly has all this been true since the publication has been—in the more recent years, and now—in the hands of Messrs. Thomas G. Duque, chief owner and publisher; A. V. McGeachy, editor; and Gerald Z. Typaldos, general manager.

The story of the Star and Herald is a most interesting one. It was founded in 1849, about the time when the trans-Isthmian railroad was begun, and it has ever since continued. During all the years it has been published in English and Spanish, companion editions; and, during the French period of canal construction, it was trilingual in character, a French section being added. The best interests of the Panama Canal have always been cherished by those in charge of the paper. Unceasingly, and effectively, the Star and Herald has fought against the infiltrations of communism into Latin America, and deserves the highest commendation therefor.

I may suggest, Mr. Speaker, that I have had some first-hand knowledge of the Star and Herald and Isthmian institutions, generally, for during World War II, in our naval organization I was stationed at Balboa, C. Z., as communications officer during the months of July and August 1944 and during the months of May, June, and July 1945. I was then transferred to the naval air base at Coco Solo, on the Atlantic side, as staff communications officer of the Fifteenth Naval District, advance base, and thus served until the latter part of December 1945.

The indicated editorial follows:

1776—JULY FOURTH—1947

Today, as the news filters into many of the far corners of the earth as well as to the metropolitan areas, from millions of lips a murmured "God Bless America" will rise as an expression of gratitude to the Almighty for having encouraged the growth of such a mighty and at the same time humane and God-fearing nation as the United States of America.

Even as it was in the days when totalitarian Nazi fascism was making its evil might felt throughout the world and threatening the freedom of men everywhere, similarly today—the one hundred and seventy-first anniversary of independence of the Nation which Washington and his stalwarts founded in 1776—finds Uncle Sam on his feet ready to defend those same freedoms from the threats of totalitarian communism.

This anniversary of independence finds the United States and the nations of the democratic Occident virtually at a definite parting of the ways with Russia whose communism has made it impossible for the world to return to the ways of peace though the guns ceased firing on the major battlefields of Europe almost 2 years ago.

After straining every point to appease Russia and convince her that the democratic Occident is not her enemy the United States and the other representatives of occidental civilization seem now determined to travel the road to peace alone—without Russia—the chief impediment in the attainment of the desired goal.

Thus democracy led by Uncle Sam, serves notice that she will now strive to make sure that the democratic way of life shall not be tampered with by the totalitarians who seek to place all humanity in a strait-jacket and destroy the individual's sense of his God-given right to free self-expression.

The one hundred and seventy-first anniversary of independence of the United States finds the democracies of the world in a state of expectation as Uncle Sam stands pledged to stretch his hands across the oceans to lend aid to the stricken democracies of Europe and Asia to restore their economic equilibrium, and so be able to live free of the chaos and human misery in which totalitarian communism seeks the basis for world-wide domination.

Having lived and prospered in the democratic way of life since the definitive establishment of the Nation, the United States offers generous aid to the war-disrupted nations of the Old World and the Orient. It is a gigantic task which Uncle Sam is ready to assume, but it is quite in keeping with the Old World and the Orient to also enjoy life in democracy. It is a gigantic task which Uncle Sam is ready to assume, but it is quite in keeping with the gigantic proportions of that young and industrious Nation which, only 171 years old, rides easily in the forefront of the world's leaders in moral and material greatness.

This great power of the great democracy of the Western Hemisphere, created with the toil and sweat of freemen who preferred freedom in foreign lands to slavery in the homeland, will be used to help the old nations recover their economic independence destroyed by totalitarian aggression.

Freedom has been the password in the lands which make up the great United States of America today, and freedom from totalitarian regimentation and enslavement is the legend on the banner which democratic America offers the prostrate people of Europe—the stock from which its people sprung.

The Communist's propaganda that Uncle Sam is out to further imperialistic aims is a vicious misrepresentation of the facts. This is evident to any who is not too lazy to think things out for himself. It satisfies only those who came into the world with an ingrained inferiority complex which distorts their view of life and prevents them from recognizing the truth.

Though the United States undisputably stands in the forefront of the world's great and mighty, and though it might have used its power to subject many of the free nations of the New World, on this one hundred and seventy first anniversary of its inauguration as a free Nation, it can hold its head high and look any people in the eye, convinced that there are no skeletons in its closet which could shame them. No nation in the Western Hemisphere groans under chains of Yankee domination; all are free people, subject only to such chains as they impose on themselves.

Imbeciles, unable to recognize their true interests, the eternal malcontents, the propagators of falsehoods, the willing instruments of envious incompetents who would see the United States discredited and eliminated in order that there might be no bars to their depredations against the free institutions of the people of the Americas and the world, these have been preaching what they have been pleased to call "Yankee imperialism," even as they lauded Russian communism which seeks only to rob them of the democratic heritage which their forefathers left them and to which they owe their present freedom to think, to talk, and to act.

But time in its inexorable march has taken care to prove that those who so maligned the United States and its intentions were conscious or unconscious instruments of bastard interests which sought to destroy and divide in order to reap an easy harvest among the fools who believed their untruths.

Today the United States of America stands as a firm bulwark against the depredations of the totalitarians; today our great North American neighbor stands ready to defend our democratic way of life, against the attempts of Russian communism to impose its unproved experiment on the people of the world. Today Uncle Sam moves to help remove from the face of the earth the conditions of misery and hunger which is the soil in which communism thrives, and offers to help the afflicted nations to restore their economic independence on which their political independence inevitably rests. This is what the youngest of the world's powers offers the rest of the world today. And it is not demanding that its recipients mortgage their souls in exchange for this help.

Today we join the world in congratulating the great democracy of North America, and wish it success as it acts to make the world safe for continued freedom in democracy.

Ararat Shrine Temple Visits the Nation's Capital

EXTENSION OF REMARKS
OF
HON. ALBERT L. REEVES, JR.
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. REEVES. Mr. Speaker, recently a delegation of 500 Shriners and their wives, representing Ararat Shrine Temple, of Kansas City, Mo., visited Washington en route to their Imperial Council Meeting at Atlantic City. The 6,000 members of Ararat Temple have ample cause to be proud of the splendid body of men who comprised this colorful caravan.

Arriving in two special trains they quickly formed a parade of uniformed units, led by the brilliantly costumed shrine patrol, which acted as the color guard. In succession there followed the illustrious potentate of Ararat Temple, the Honorable Chet A. Keyes, with the members of his divan; a drum and bugle corps; the temple chanters; a band; and their justly famous mounted guard. The guard, consisting of 40 uniformed nobles mounted on magnificent and well-matched horses, added a spectacular note to the line of march.

From the Union Station the parade proceeded to the Capitol Plaza, where, in a ceremony on the east steps of the Capitol, the Ararat marchers were welcomed by Senators DONNELL and KEM, of Missouri, and by Members of the House of Representatives from Missouri.

Following this brief ceremony the entire parade moved out through the Capitol Grounds and down historic Pennsylvania Avenue, past the great Peace Monument, through the busy throngs who stopped to watch, to salute the flag, to grin at the antics of the tandem-driven Missouri mule, and to listen to the stirring music of the drum corps and band. Make no mistake about it—Washington knew that Ararat Temple had landed in town and had the situation well in hand. At the Washington Hotel, a mile and a quarter from the Capitol, the parade disbanded, gathered for luncheon and then followed their own sightseeing programs through the rest of the day.

Mr. Speaker, this great and peculiarly American organization—the Shrine—

typifies all that is best in manhood and American citizenship. Its zest for fun and good fellowship is only one of its rich traditions.

It maintains and contributes to many worthy charities. The best known and finest of these is the group of 15 hospitals for crippled children which Shriners maintain and operate all over the United States. All Shriners contribute financially to the support of these hospitals, and many have left their estates to provide funds to continue their work. In these splendid institutions there is no restriction because of race, or creed, or color; they are open to any crippled child, and offer only the finest in medical care and attention.

To all Shriners we pay special tribute for their patriotic and constructive citizenship as loyal Americans. And to Ararat Temple of Kansas City we express congratulations and appreciation for the stirring and impressive appearance which its caravan made in Washington.

Displaced Persons

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. DORN. Mr. Speaker, I am very much disturbed over the proposal to bring into this country 400,000 displaced persons from Europe, and the people of the country on the whole are also disturbed. While in Germany, during the last war, I became very familiar with the displaced persons and the reasons for their being displaced. I had a great deal of sympathy for them but on the whole I found them to be undesirable material for citizenship in America. The American people today are worried over the increasing unemployment and about the housing shortage. Bringing additional people to this country who will have to be housed and given employment is, I believe, unwise at this time. If some plan could be worked out whereby these displaced persons could be given an opportunity to clear the forest and establish their own civilization in Africa, South America, Australia, or even Alaska, I would be inclined to support such a proposal. This is not too much to ask of a people, as our forefathers came to this continent and out of the wilderness built the greatest democracy the world has ever known.

To further prove my point about the possibility of the displaced persons becoming undesirable citizens, I include in my remarks a copy of a letter I received from a young lady who came to this country from Germany in 1937, after her husband had been murdered some years before by the Gestapo:

JULY 25, 1947.

The Honorable Representative DORN,
Democrat, South Carolina,
Washington, D. C.

DEAR SIR: Sorry I don't know your full name to address you properly, but I had to write you because I feel that the people in the United States should take more active interest in the Government and let their Congressmen know more about their feelings and thinking.

Some days ago I heard on the radio that President Truman suggested very strongly to permit several thousand European displaced persons to enter the United States. I was then very much disturbed but was sure that our Congress would take immediate counteraction. My disturbance was, however, very much aroused when the article Action To Permit Entrance of DP's Disturbs Dorn appeared on July 24, 1947, in the News and Courier of Charleston, S. C.

I agree fully with you and I do hope that there will be enough sensible people in our country to support your disapproval of such terrible action.

I am German by birth and came in April 1937 to the United States. I obtained citizenship in February 1941. Since my arrival in the States, I have been aware of a lack of interest in Government affairs by the general public and that a few nonpatriotic persons have been taking advantage of this situation. I have tried, and sometimes with success, to stir up more interest by giving informative speeches comparing Europe with America. I refrained from any criticizing activity all during wartime, but if an important action pertaining to each and every citizen, as the entrance of thousands of DP's is put over the people as a matter of fact, then it is time again to criticize.

I love America and I am interested that my country is not harmed by any sentimental action which would later prove as harmful to the general public. I have lived since 1941 in Charleston, S. C., and I have watched the efforts of our Congressmen to bring prosperity to this State. I have also seen the success of such efforts and it would be a shame if all the hard-working people would be burdened with the support of thousands of DP's.

As a German, I was naturally interested to know what is to become of the homeless people, and I have spoken about the subject of the DP's to a great number of returned servicemen and also to employees on overseas duty. The undivided opinion, based on experience, was always the same as yours. My friends and relatives in Germany, with whom I very frequently correspond, wrote me that the headquarters of the black market are in the DP's camp and that the occupation forces do very little about it because of the pitiful front which the DP's put on.

My first husband, a prominent physician in Berlin, was murdered by the Gestapo in 1933. I worked after his death until I left Germany with the German underground and I believe that I am able to judge the proposed action. I know that after the First World War, Germany, and especially Berlin, was the rendezvous for crooks and gangsters leaving surrendered zones, keeping up the dirty work which made them leave their homes and the government was forced to close their eyes because a certain interested group demonstrated against punishment, saying that these people had already suffered. I believe that a lot of Hitlerism was created right then.

I know that the American people will react also in an antagonistic manner when confronted with the fact; but why play with fire; have we not learned enough on the German case?

I certainly am thankful that the people of South Carolina have elected Representatives who are not afraid to fight the President if needed. More power to you and thanks for the interest.

Very sincerely yours,

FRIDA A. PAUL.

NORTH CHARLESTON, S. C.

Adequate Investigation of Activities of Arab Office and Its Fronts Will Prove Its Cooperation With Native Fascists, Violation of the Alien Registration Act, and Complicity of British

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 24, 1947

Mr. SABATH. Mr. Speaker, we had thought that Hitler-like pogroms against the Jews were confined to Germany, but today's news from Palestine, and even dispatches from Liverpool, England, show that it is possible for these pogroms to continue today in Palestine under British dominion. Nowhere else in the civilized world, outside the domains of the late Adolf Hitler, has a government countenanced the organized breaking of merchant's windows by mobs or the shooting down of innocent civilians in cold blood by ill-disciplined soldiers.

The most unbelievable thing is that the Arab states, with the British Government as their protector and money lender, are maintaining one of the most expensive lobbies ever set up to try to prove to the United States and to other countries of the United Nations that this inhuman and unbelievable conduct is really moved by love for all people.

To put across this indefensible propaganda for an unjust cause a whole network of expensive propagandists and international lobbyists has been set up in America, and is at this very moment making expenditures, to count only those which are visible on the surface, at the rate of at least fifty or sixty thousand dollars a month, plus goodness knows how much more in hidden expenditures, possibly coming under the head of entertainment, but perhaps more justly described as bribery. All this, they would have us believe, to keep a few hundred thousand homeless Jews out of Palestine. But actually there are other issues involved as well—more secret and more sinister.

ARAB OFFICE SPREADS HITLERIAN PROPAGANDA

Several months ago I inserted in the CONGRESSIONAL RECORD a memorandum by the Non-Sectarian Anti-Nazi League showing how the Arab Office at Washington—in conjunction with some self-styled unofficial agencies such as the Institute of Arab-American Affairs and the so-called League for Peace with Justice in Palestine—was working hand in hand with some of the most despicable, un-American, anti-democratic, and hate-mongering organizations to accomplish their purposes.

One effect of that exposé was to make the Arabs recall the two top men from their Washington office—and I understand that they have since sent one of these very same men knocking on the doors of our sister republics in Latin America.

In addition, agents of the Federal Bureau of Investigation have made, and I

understand are continuing to make, a careful check of the files of the Arab Office.

The Arab Office does not enjoy a diplomatic status. Its position is that of a propaganda office for foreign powers—as, indeed, the Acting Secretary of State has pointed out in an official letter—and it is officially registered as such with the Department of Justice.

The attitude of the Arab Office toward our democracy can be well judged by their acceptance of an invitation to send a speaker to a meeting arranged by a man who, in his letter of invitation, observed that "democracy is nothing but jewocracy" and referred to his fellow citizens of the Jewish religion by a dirty epithet which I will forbear repeating here. In their literature, this office has dared to characterize the Mufti—Hitler's ace Moslem quisling—as "a single-minded and courageous patriot."

ARAB OFFICE SUPPORTS YEMEN UN APPLICATION

Today, the Arab Office is engaged in an effort to get American support for the admission of the Arab kingdom called Yemen into the United Nations. Yemen is the only country in the world where the institution of human slavery is still legally practiced without apology—and in 1925 a special investigation by the League of Nations Temporary Slavery Commission brought to the formal attention of the civilized world the fact that Yemen continues even in the twentieth century to allow Arab slave traders to cross the Red Sea and capture and enslave hapless inhabitants of the Negro countries along the North African Coast. This slave trade has not been stopped and no effective steps have been taken to stop it. This is the kind of country that the Arab Office is trying to get us to do business with.

The Non-Sectarian Anti-Nazi League has continued its study of this problem, and at my request has submitted evidence which shows that these propaganda groups, even after being publicly exposed in their evil connections, have continued their campaign among us, spending more money than ever, and acting more brazenly in defiance of our American principles of freedom and democracy. I propose now to summarize some of the more startling of these findings.

ARAB PROPAGANDA IN SOUTH AMERICA

For example, to show how these people try to cover our whole hemisphere with their propaganda, I direct your attention to a publication issued in Spanish by an Arab Office representative located in Argentina. This document is typical of the kind of lies that these highly paid agitators are trying to scatter about the world. This is a reprint of part of the vicious and infamous forgery called the Protocols of the Elders of Zion—a fictional document fabricated out of thin air which Goebbels got translated into all the tongues of the earth and made into a piece of damnable, lying propaganda, which undoubtedly was worth more to the Nazis than a whole division of SS men might have been.

A look at the men who are associated with the Arab Office in our country shows that their choice of political bedfellows has not improved.

BUNDIST FELLOW-TRAVELER NOW DIRECTOR OF ARAB OFFICE FRONT ORGANIZATION

In New York there is an organization called the Institute of Arab-American Affairs. This Institute is incorporated as an educational organization which is supposed to promote better understanding between countries. Actually, it is nothing more or less than the successor of the old Arab National League, which on the eve of Pearl Harbor was being operated as part and parcel of the political machine headed by the German-American Bund of the Nazi Party.

If you go through the files of the Weckruf und Beobachter, the Nazi official newspaper in this country, you will find month after month the reports of the activities of the Arab National League, and of the speeches of its president, Dr. Shatara, who later traveled about the country and addressed different units associated with the Bund.

No wonder that the doctor decided to commit suicide not long after Pearl Harbor.

Yet the very same man whose name appeared as executive director on the letterhead of this old affiliate of the Nazi Bund, H. I. Katibah, is now in charge of the propaganda of the Institute of Arab-American Affairs.

So arrogant are these people that they do not even bother to conceal the connection and when a representative of the Non-Sectarian Anti-Nazi League visited the Institute a few days ago he was casually handed a publication of this old Bund-affiliated organization, which had simply been rubber-stamped with the new name, in blue ink, on top of the name of the old organization which blew up along with Pearl Harbor.

ARAB FRONT SPENDS THOUSANDS ON PROPAGANDA

The League for Peace with Justice in Palestine is dominated by a man named Benjamin H. Freedman, of New York, who incorporated it along with this same Katibah and an Englishman named Passman, who is reputed to have been a former officer of the British Government in the Near East.

This outfit—which conceals itself behind a post-office-box address—has spent thousands upon thousands of dollars on full-page advertisements in all the principal newspapers of the country. You have no doubt seen them in the New York and Washington dailies. One would think, from the size of their advertisements, that these people were trying to sell $10,000,000 worth of furniture, rather than to justify a selfish government in taking away the rights of their fellow men in Palestine.

The last advertisement which this league published has set a line for the discussion of Palestine throughout the whole underworld of un-American propagandists. It has been reprinted in full, in installments, in the magazine called The Defender, which is published by Gerald Winrod in Wichita. This man Winrod was three times indicted for sedition by the Federal Government, during the war, and his service to the totalitarian cause was such as to lead the official Nazi news organs to sing his praise in the strongest language.

ARAB OFFICE FRONTS ARE PART OF SUBVERSIVE NATION-WIDE NETWORK

Out on the west coast there is a weekly publication called The Broom, whose editor was also indicted for sedition during the war. Small wonder that The Broom has also repeated the advertisements of the League for Peace with Justice in Palestine and has advised its readers that they can secure additional reprints free of charge by writing to the League's mysterious post-office-box address in New York City.

A Mrs. Lyrl van Hyning in Chicago edits a publication called Women's Voice. This is the publication which disgraced itself during the war by trying to get American mothers to prevent their boys from volunteering to fight against the Hitler hangmen. Mrs. van Hyning is distributing reprints of advertisements of the League for Peace with Justice in Palestine, along with many other clearly seditious and hate-inspiring publications.

The west coast representative of these groups is a man named Salem Bader who boasted that he arranged the Nation-wide radio broadcasts by the chiefs of the Arab delegations at the San Francisco Conference on World Organization. In this he admits working in cooperation with an officer of the Institute of Arab-American Affairs. Bader is on such close terms with Freedman's League for Peace with Justice in Palestine that he exchanges congratulatory letters, and then has them printed in The Broom afterwards. "To be called a Fascist or an anti-Semite should be a laughable matter to thinking people," says Bader in a letter to the Freedman group.

ARE THESE AGITATORS VIOLATING FOREIGN AGENTS REGISTRATION ACT?

I urge and demand that the Justice Department push its investigation further, to determine if a number of these gentleman have not violated the Foreign Agents Registration Act. The evidence which the Non-Sectarian Anti-Nazi League has accumulated indicates that the so-called Institute of Arab-American Affairs in New York is nothing but a front for the Arab Office, and possibly for the Arab High Committee for Palestine besides. Yet it poses as an educational institution and is not even registered with the Foreign Agents Registration Section of the Justice Department.

There is incontrovertible evidence that the Arab Office has also been the medium of exchange by which funds have been brought into this country to run the Arab Student League, which is a part of the Institute, whose head is an officer of the Institute, and one of whose major purposes is the extension of this propaganda structure into our universities.

ARAB OFFICE DIRECTOR CONVICTS HIMSELF OF COMPLICITY

Similar inquiries should be raised about the League for Peace with Justice in Palestine, which is so free with its expenditures in the purchase of advertising space. On at least one occasion Mr. Cecil Hourani, who is now the director of the official Arab Office in Washington,

so far forgot himself as to write a letter of introduction for a man who represented himself as a pro-Fascist Italian sailor seeking funds for anti-Semitic propaganda amongst other Italian sailors, introducing this man to Mr. Freedman in New York as a possible "angel" for his evil activities. Fortunately, the evil activities were only hypothetical, for the Italian sailor was really a research worker on the staff of the Non-Sectarian Anti-Nazi League, who was anxious to find out just how close the relations between these groups might be.

Mr. Hourani's letter of introduction to this man was a confession of guilt, and a confession that he was anxious if he could to violate the clear spirit and purpose of the Foreign Agents Registration Act.

Finally, the Justice Department should and must investigate the status of a number of Arab agents who are in this country ostensibly for diplomatic purposes or whose passports say they came here as students, but who are now actually functioning as lecturers or propaganda agents of the Arab Office, or of the Institute, or of the Arab Higher Committee, or the Committee for Unity of the Nile Valley, or one of the dozen other front committees which these interests maintain to influence legislators here in Washington or diplomats at Lake Success.

So numerous are these high-powered lobbyists that they have offices located in at least eight different New York hotels—all of the most expensive class—and I dare say that an investigation of these activities would be a lot more sensational, in its revelations of the devices used to influence the actions of our statesmen and diplomats, than most of our other recent investigations of expensive lobbies.

FORCES OF EVIL WORK HAND IN HAND

To sum up, while these propagandists who oppose rights for Jews in Palestine are getting out their expensive propaganda and their beautifully printed brochures, they are actually maintaining the closest contacts and are working hand in hand with the most evil elements in our country. I have illustrated this fact with a few instances, and the memoranda which the Non-Secretarian Anti-Nazi League have supplied me contain a multitude of other examples.

Perhaps it is the crowning touch to observe that Salem Bader, the west coast representative of these men, is the very same Salem Bader who Homer Loomis, Jr., recently sentenced to the chain gang for several years in Georgia, boasted was the west coast contact man for The Columbians—the Nazi-like, uniform-wearing order which the State of Georgia has recently outlawed.

Thus do the forces of evil work hand in hand all the way from Cairo to California, and all the way from the headquarters of Hitler's No. 1 Arabian quisling, the so-called Grand Mufti, to the headquarters of the Arab Office in Washington and of the Institute in New York.

Summary of Agricultural Coordination Act of 1947

EXTENSION OF REMARKS

OF

HON. TOM STEWART

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. STEWART. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement regarding the coordination of agricultural agencies and the national soil-fertility program, prepared by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. STEWART. Mr. President, recently I joined with the junior Senator from Kansas [Mr. REED] in the introduction of S. 1621, the so-called Agricultural Coordination Act of 1947, because I believe it is fundamental to the welfare of agriculture and the Nation that we expand, accelerate, and improve the work of restoring and conserving the fertility of our soils. We cannot hope to accomplish this task successfully unless the activities and programs of the various agencies engaged in conservation work are properly coordinated.

During this session of Congress the friends of agriculture have had a desperate, hard battle to secure the necessary appropriations to continue conservation programs and other vital agricultural projects. If we are to save these programs and to strengthen and improve them, we must take the necessary steps to eliminate duplication, overlapping, and conflicts, and reduce the total over-all cost of carrying out these programs. I agree with the statement made by Edward A. O'Neal, president of the American Farm Bureau Federation, in his recent testimony before the Senate Appropriations Subcommittee on Agriculture in support of agricultural appropriations, from which I quote the following:

"Farmers are daily becoming increasingly concerned over duplication, overlapping, and conflicts in the administration of agricultural conservation programs.

"The Soil Conservation Service maintains Washington, regional, State, and local or area offices at a cost of $44,723,000 in the fiscal year ending June 30, 1947. A total of $36,673,000 would be provided by House action for this agency in 1948. This program consists almost entirely of research and educational information and technical advice and assistance to farmers in soil conservation districts.

"In addition, the Production and Marketing Administration is carrying out a conservation program through State and county committees. This agency also maintains offices at Federal, State, and county levels to carry its programs to farmers at an estimated cost of $28,910,956 in 1947.

"The Agricultural Extension Service was established for the purpose of furnishing informational, educational, demonstrational, and technical assistance in all agricultural problems and programs. The Extension Service also has Washington, State, and county offices, at an estimated Federal cost of $23,526,150 (not including State and local funds).

"We are convinced that a large saving in administrative operating costs could be made and the programs better administered, with greater results and more farmers aided, if these programs were properly integrated and coordinated."

I want to emphasize that it is not the purpose of this bill or its authors to cripple or handicap in any way the conservation work now carried on by the Soil Conservation Service, the State and county committees of the Production and Marketing Administration (formerly Agricultural Adjustment Agency), and the Agricultural Extension Service. They are all doing a very outstanding work. The basic purpose of the bill is to coordinate their programs and activities so as to accomplish greater results, to extend the benefits and services to a larger number of farmers, and to reduce the total ove. all cost of carrying out this work.

An erroneous impression has been created in some areas that it is the intention of this bill either to eliminate the Soil Conservation Service, headed by Dr. Hugh Bennett, or to greatly cripple the activities of this organization and the work of the local soil conservation districts that have been organized in the States. There is absolutely no justification for such conclusions. This is not the purpose of the bill or its authors. I know Dr. Bennett and regard him highly. He will not be hurt by the passage of this bill.

On the contrary, we want to see a great expansion of agricultural conservation. I think Dr. Bennett and the Soil Conservation Service has rendered a great service and we want to continue to make available to farmers and to local soil conservation districts this needed technical information and service, but it is important to coordinate this service with the services being rendered by the Extension Service and the State and county Production and Marketing Administration committees.

In this connection I would like to point out that the bill specifically provides for the retention of the Soil Conservation Service, both at the State level and within the respective States; but instead of operating independently and maintaining a duplicate administrative organization at Washigton, State, and local levels with the administrative set-up of the Extension Service, the bill would consolidate the Soil Conservation Service with the Agricultural Extension Service at Federal, State, and local levels. The identity of the Soil Conservation Service at the Federal and State levels would be maintained, and the appropriations that are provided would be earmarked for these purposes. Furthermore, in each State the Agricultural Extension Service would be required to maintain the Soil Conservation Service as a division of the Extension Service in each State. The bill further requires that in this transfer of the Soil Conservation Service to the Federal and State Extension Service, all needed personnel now employed by the Soil Conservation Service at the Federal, State, and local levels would also be transferred and retained as part of the Soil Conservation Service and would function hereafter under the supervision and directions of the Director of Extension of the Federal Extension Service in Washington and the State Director of the Agricultural Extension Service in each State.

The bill would also retain the State and county committees of the Production and Marketing Administration (formerly AAA committees) to administer the program of soil and water conservation practices within the various States. This program, which is carried out pursuant to the Soil Conservation and Domestic Allotment Act of 1936, would be decentralized so each State would develop its program subject to approval of the Secretary of Agriculture, and each county committee could adapt this program to local needs and conditions. The State and county committees would be enlarged

and would be more representative in character, and the conservation practices for which payments are approved would be limited to those approved by a competent representative State technical committee. The agency administering the State Soil Conservation District Act would be represented on the State committee and also on the State technical committee. The local soil conservation district would also have a representative on the county committee where such districts have been organized. The education and informational work in connection with this program would be carried on through the Extension Service in cooperation with these committees. The work these committees would thus be confined to carrying out is the planning, enforcement, regulatory, and action phases of programs under the Soil Conservation and District Allotment Act and the Agricultural Adjustment Act of 1938.

It is confusing and annoying to farmers to have representatives of so many agricultural agencies contacting them and furnishing advice and assistance on conservation and farm planning. The Agricultural Coordination Act seeks to coordinate all of the educational and technical assistance to farmers and to local soil conservation districts through the Agricultural Extension Service, with which the Soil Conservation Service would be consolidated. This consolidated and expanded agency would cooperate with the State and county Production and Marketing Administration committees and with the State authority established to administer the State Soil Conservation Districts Act and local soil-conservation districts organized under that act. Therefore, farmers could go to one agency to get the necessary information and technical assistance to enable them to plan their individual conservation programs and farm plans most effectively and efficiently.

The Agricultural Extension Service was established pursuant to the Smith-Lever Act of May 8, 1914, which authorized the United States Department of Agriculture to cooperate with the States in agricultural extension work, and provided a system of Federal grants-in-aid to the States for these purposes. Following the passage of this act, a so-called memorandum of understanding was entered into with the State colleges of agriculture and universities which set forth what the State colleges agreed to do and the Department of Agriculture would do, and what they would mutually agree to do. In this agreement the United States Department of Agriculture agreed "to conduct in cooperation with ——— College all demonstration and other forms of extension work in agriculture and home economics which the Department is authorized by Congress to conduct in the State of ———."

This program proved to be one of the greatest educational endeavors in the world's history. It has played a major part in helping to make American farmers the most efficient in the world. As tangible evidence of this efficiency, American farmers, during the war, with nearly 5,000,000 less people on farms, broke all prewar records for food production, and are continuing to produce at record levels.

The Agricultural Extension Service was established to provide educational and technical assistance to farmers on all of their agricultural problems, including conservation practices and also information and technical assistance in the field of economic problems, marketing, and home and community activities.

In recent years, however, there has been a tendency to set up action agencies, with administrative organizations in Washington, in the States and counties, reaching to the individual farmer, to give information and technical assistance on specific projects. For example, when the Soil Conservation Service was established in 1935, it set up Washington, regional, State, and area offices to provide educational, demonstrational, and technical assistance to farmers in dealing with soil erosion. Gradually, the program was broadened to cover the field of soil and water conservation, even related economic and social factors. As a result, there developed parallel administrative set-ups and duplication of services, and assisting farmers to lay out contour lines and terracing, planning for strip cropping, advice as to drainage, planning of rotation systems, field arrangements, and other farm planning.

In my own State of Tennessee the Extension Service has done a magnificent job in helping farmers to develop and carry out an effective conservation program. By employing an assistant county agent in each county—an especially trained man in conservation work—who gives all of his time to this work, the Extension Service assisted farmers in accomplishing marvelous results at very low cost through a coordinated program. The educational and technical assistance in this program is coordinated through the Extension Service, which works closely with the State and county Production and Marketing Administration committees and all other interested agencies in the State.

A striking example of the results that have been obtained through this work carried on by the Extension Service in Tennessee was related by Mr. Thomas J. Hitch, president of the Tennessee Farm Bureau Federation, before the Senate Committee on Agriculture on May 27, 1947, when he testified in support of the national soil fertility bill, S. 1251, which I am sponsoring together with several of my colleagues in the Senate. I quote the following excerpt from Mr. Hitch's statement:

"I can think of no better way to explain the test demonstration program in Tennessee than to take a community from the start of this work 12 years ago and relate how it has worked there.

"There are many communities in Tennessee that I can think of that are good examples of what the test demonstration program has meant to the Tennessee Valley as well as some that have not been so good. I think of one that I visited just a few days ago. This community was one in the very southern part of middle Tennessee composed of 60 small farmers. I was told the day I was there by several farmers that up to 1935 they raised nothing but cotton and peas, and that they had reached the place they couldn't even raise very much cotton because their land had got so poor. On some of the farms we visited I was told that they had been bought 15 years ago for as little as $10 an acre, and none of the farms in this community would have brought more than $25 an acre, yet today they would ask you $150 an acre for any that could be bought.

"In 1935 there was no alfalfa. Today there is some on every farm. In 1935 there was no permanent pasture, but today every one of them has some. At the beginning of this program there was not a man selling whole milk. Last year they sold $50,000 worth of whole milk.

"Practically all of their farms are terraced. The houses are all painted and many are being repaired. There was as nice a country church as you would see anywhere and a very interesting story was told about it. I was told by these people living in this community that before they had started this community improvement program that they couldn't get along with each other, they were afraid to trust each other.

"As the story of the work of three test demonstrators in the community began to spread others wanted to know what would make their soils respond so they could grow something besides cotton and cow peas. They more and more began to attend these meetings and take part in the discussions, telling their problems and soil needs, until today it is not only a community where they are interested in the welfare of each other, but they are prosperous and doing for themselves many of the things that they have wanted to do for a long time.

"Because they were shown what to do and got some help through their assistant agent, they have changed from a community that would have been depending on some kind of Government relief first to a community of progressive people thinking not only of their own homes but of national problems as they feel they have a part in them because most of them now are paying income tax."

The enactment of the national soil-fertility bill is also vitally important to the success of an adequate Nation-wide program of agricultural conservation in the United States. The agricultural coordination bill clarifies the lines of administrative responsibility and gets rid of duplication and conflicts in the administration as to make possible a well-coordinated program of agricultural soil and water conservation. The national soil-fertility bill fits right into this picture by providing for the development of improved concentrated fertilizers and a Nation-wide educational program through a system of test-demonstration farms and technical assistance to farmers through the Extension Service to show farmers how to use these improved concentrated fertilizers in carrying out conservation practices and efficient land utilization on their own farms.

I sincerely hope that when Congress reconvenes next January, it will enact into law these two important measures.

A Republican Platform

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. LEMKE. Mr. Speaker, for 16 years the Republican Party has been kept out of the White House; this largely because they had no program. Their candidates were "me too" candidates. They aped Franklin Delano Roosevelt. They claimed they could give our country away faster than he could. They, too, were one-worlders.

Eighty percent of the American people demand as the Republican standard bearer a real American—one who believes in the fundamental principles of the American form of government as proclaimed in the Declaration of Independence and established by our Constitution. The rank and file of the Republicans demand as their candidate a man who will follow in the footsteps of Washington, Jefferson, Madison, Monroe, and Lincoln. They demand a liberal as well as an American.

They demand a candidate who will make our foreign policy a crystal-clear issue; a candidate who will not denude America of its natural resources and make it a fourth- or fifth-rate nation; a man with sufficient vision to know that the only way to maintain peace, and the good will of all nations, is by being honest and just to all; a candidate who will avoid meddling in other nations' affairs, and foreign entanglements; a candidate who will not form a combination

with favorite nations. No nation can long exist if the rest of the world hates it.

Attempted paternalism always has and always will bring conflict and hatred. The holier-than-thou attitude has never succeeded among men nor among nations. The one-worlders have now been driven into the cyclone cellar. The fallacy of their ideals has now been exposed to ridicule by the actions of Russia, Holland, and other aggressor nations. Only a Wallace and a Stassen still insist that we can learn to understand Russia. Intelligent people, and especially Lithuania, Estonia, Latvia, Poland, Finland, and other nations, who have been or are being liquidated, understand and have long ago understood Russia.

Again, 80 percent of our people know that our present foreign policy is really an undeclared World War III. They know that an armament race always has and always will end in war. They know that an attempt to boss other nations will end in conflict. They know that to arm the Greeks and the Turks with one hand against communistic Russia, and to ship some 400 times more steel to Russia than before the war, with the other hand, is not a foreign policy but foreign stupidity.

If to oppose this policy is isolationism, then we are isolationists. Only an ignoramus would say that we ever were, or ever will be, an isolated nation. All thinking people know that America has always been the foremost nation in mingling and dealing with other nations. Our people in the past have and will continue to chase the almighty dollar on every ocean, on every sea, and in every land. This we did not do in the past with the feeling that we were a superior race or holier than other nations, but because we felt that the intermingling of civilization was essential to the welfare of our Nation.

Eighty percent of our people demand that we again become the America that we knew—the America of fearless, independent thought—the America that will not continue to give silent approval to liquidation of other nations' people, and the theft of their territory and property.

The performance of our Nation for the past 14 years has not been an honorable one. The weak-kneed, knock-kneed, me-too candidates that the Republicans attempted to elect in the past three elections were doomed to defeat before they got started. This because they had no clear-cut issues. They were me-too followers of the one worlders and the Rhodes scholars.

Little wonder that the electors did not change animals—the elephant for the donkey—in the middle of the international stream. They wanted the elephant to carry the banner of Washington, Jefferson, and Lincoln—not the banner of Wallace, Browder, Stassen, and company. The electors refused to disgrace the elephant by electing a me-too candidate.

Here is a Republican and American platform:

First. We demand that all branches of our Government again observe the Constitution—the Constitution that protects minorities and the unfortunate from persecution at the hands of a reckless bureaucracy. We pledge to the Nation that we will unpack and rehabilitate the Federal courts so that they will again function not as a tool of the executive but as an independent coordinate branch of our Government.

Second. We favor the nomination and the election of the President and Vice President by popular vote in a primary and general election. The term of office for these officials to be 6 years with no election or reelection to either office thereafter. This will reduce political manipulation and corruption—self-perpetuation in office—and the unwarranted assumption of Executive power.

Third. Prohibition of any political, economical, financial, or military commitments, treaties, agreements, undertakings, entanglements, or alliances with any foreign nation or combination of nations, except by authorization and approval of Congress. This puts the responsibility of our dealings with foreign nations on Congress where it belongs. It will prevent foreign nations, in the future, from exploiting our people and involving us in their quarrels. It will prevent giving away our domestic market to foreigners through executive trade agreements.

Fourth. Any elected or appointed officials, or any citizen, who enters, or attempts to enter, into any agreement, commitment, or treaty with any foreign representative or nation, in violation of No. 3 of this platform, or any person who spreads political propaganda as a paid or financed agent of a foreign government, shall be guilty of un-American and subversive activities, and upon conviction, shall be deprived of citizenship, and otherwise punished. This will stop the false foreign propaganda by paid agents. We are capable of running our own Government—we need no foreign assistance.

Fifth. We believe in cooperation and collaboration with all nations for a just and permanent peace. We demand that the four freedoms, with the right of self-determination, be incorporated into the United Nations Charter and that no nation, large or small, be allowed a veto. We demand that our representatives in the United Nations organization do not give tacit or silent approval of the liquidation of other nations' people and the theft of their territory and property.

Sixth. We demand that the sovereignty of the States be reestablished, and that government by bureaucracy be abolished. Government by bureaucracy is inconsistent with the American way of life. For 150 years we got along fairly well without government by bureaucracy and we can do so in the future. We demand that all legislative powers that have been granted and now reside in the many Government bureaus, commissions, and agencies be returned to Congress. This in order to reestablish government by law and not by men.

Seventh. We demand that the over 2,000,000 Federal employees be gradually reduced to less than 700,000, and that there be a reorganization, consolidation, and elimination of all unnecessary, multiple Federal bureaus and agencies.

Eighth. We demand that deficit spending stop and that the budget be balanced. But in order to accomplish this, the governors and other State and local officials must be given to understand that deficit begging must also stop. The constant begging for Federal aid is the cause of bureaucracy, and will in the end mean dictatorship.

Ninth. We favor a living wage for common labor on the American standard, and the ultimate abolishment of slums. There must be an economic floor below which no human being is permitted to fall.

Tenth. We favor cost of production for the farmer for that part of his products domestically consumed. Congress must preserve and protect the domestic market for agriculture, industry, commerce, and labor. It must prohibit importation of agricultural or industrial products until a price equal to the cost of production on such domestic products has been reached. Congress must protect American producers from the manipulation of foreign exchange, and from all raw materials and manufactured goods, produced abroad by labor living below the American standard. Congress must further restrict undesirable immigration.

Eleventh. We believe in employment assurance rather than in unemployment insurance. To insure idleness is economic waste. Congress must make it possible for all able-bodied men and women to labor and provide themselves with food, fuel, clothing, and shelter. It must make it possible for them to raise and educate a family not by unemployment insurance but by employment assurance. It must make it possible for the youth of this Nation to become self-supporting.

Twelfth. There must be an intelligent old-age compensation—security from want. Any person who has worked from the ages of 20 to 60 has produced enough wealth to last for life. If such a person finds himself in financial distress, and without the means of a comfortable livelihood, then it is because society appropriated the wealth he created. Therefore, it is society's duty to protect such a person from want.

Thirteenth. Congress must also resurrect, protect, and promote individual enterprise. It must give to small business a square deal—not a New Deal with stacked cards, points, and loaded dice.

Fourteenth. We must never forget that veterans come first. It is the duty of the Government to see that the veterans are put into the same position as they would have been in if they had never been inducted into the armed forces. They are entitled to the same consideration and should be compensated in paid-up life insurance to the same extent and equivalent in compensation as those who stayed at home received.

Fifteenth. Congress must rewrite and simplify our whole tax system. It must protect private property and enterprise from confiscation by taxation. It must protect small business and individual enterprise by eliminating the economical domination of corporate monopoly. Property rights are but human rights when rightly distributed.

Sixteenth. Congress must restore representative government. It must repeal all laws giving unwarranted power to the Chief Executive. It must again establish itself as the sole legislative branch of our National Government.

"The Greatest Recommendation Possible for a System of Government Is To Make It Work"—Senator George W. Malone

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 22, 1947

Mr. GEARHART. Mr. Speaker, because of its timely importance and the excellence of its composition, I hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD the text of an unusually able and well considered address recently delivered by the Honorable GEORGE W. MALONE, United States Senator from the State of Nevada, at a meeting of the Western Institute of the United States Chamber of Commerce Secretaries and Trade Association Managers which convened in Reno, Nev., a few days ago.

The address to which I have just referred, Mr. Speaker, is the following:

Gentlemen of the Western Institute of the United States Chamber of Commerce Secretaries and Trade Association Managers, the development of the western slope and the entire United States is dependent directly upon the national and international policies finally adopted by this Nation.

The international policy is in a state of flux and depends entirely upon whether the administration decides to warn Russia that a continued policy on her part of infiltration into the European countries will be considered an unfriendly act to this country, and war if she persists—continue to pour money into these countries with uncertain results—or let Europe go her way. The administration has made no decision—and Congress cannot.

Our national policy is hinged squarely upon the diametrically opposed policies of holding our wage standard of living through a flexible import fee representing the differential of cost of production between this country and the most competitive foreign area on each specific product due to the difference in the wage standard of living; and the reciprocal free trade policy being pushed in Geneva at this time without regard to such standards, and which can only result in a lower-wage living standard through imports produced by the Asiatic and European low-cost labor.

FOREIGN POLICY

The adoption of a sane foreign policy by this Nation is retarded by a nervous fear of war, deliberately fostered by an administration using communism as the whipping boy, and building up an international WPA in the same manner as the national WPA was kept alive throughout the thirties through fear of unemployment.

The administration is playing both sides of the foreign policy street just as they always have. At one Senate Appropriations Committee meeting the State Department asked for funds to stop Russian communism in Greece—and at the same meeting requested additional money to strengthen communism by shipments to Russia on the old lend-lease agreement. These shipments include oil refinery equipment and power machinery, which our own people are unable to secure.

The tragic part of the whole thing is that the State Department even now apparently sees nothing wrong with furnishing Russia with oil refining and cracking equipment necessary for production of high-octane gasoline for war planes; and heavy power equipment with which she may manufacture the atom bomb and other war-waging equipment. Yet at the same moment we are spending $400,000,000 in Greece to train and equip an army to stop Russia at the border.

Fortunately, they ran head-on into Senator STYLES BRIDGES, chairman of the Appropriations Committee—one of the most forthright and fearless men that it has been my good fortune to meet—and he literally blasted them out of the committee room.

The administration which is now using Russian communism as a scare-head to secure billions of dollars for expenditure in Europe is the same administration which in 1933 recognized Russia as a blood brother before the President even had his chair warm, without safeguards of any kind whatsoever.

This is also the same administration that continued shipments of oil and scrap iron to Japan up to the time of the Pearl Harbor catastrophe and then sent the boys out in the Pacific to catch the same scrap iron with their bare hands coming back out of Japanese guns.

They have apparently learned nothing from experience.

BIPARTISAN FOREIGN POLICY

We do not have a bipartisan foreign policy in the United States Senate—what we do have is a few Republicans who vote with the Democrats for the disconnected and dangerous emergency decisions of the administration, apparently following the pattern of 1937 to Pearl Harbor.

THE TRUMAN POLICY

The Truman policy, a so-called extension to Europe of the 124-year-old Monroe policy, never had a chance to be effective, primarily because President Truman did not say about the European area—as President Monroe said about South America in 1823—that any invasion of that area by a foreign power with an attempt to interfere with its government or trade relations would be considered an overt act which meant war.

President Truman simply asked for $400,000,000 from the Congress of the United States to stop Russian communism at the Greek border. He did not serve notice upon Russia that a violation of that doctrine would be considered an overt act and indicate that war would result, so it was not a policy at all—it was simply a means of securing an appropriation from the Congress of the United States on the theory of delaying an emergency, but without any definite plan for final solution. The reports are now that they are reemploying most of the old UNRRA crowd that proved such a flop, and that they will be back for more money next spring.

MAJOR POWERS

Two major powers emerged from World War II—not three—not five and not fifty-five. They are Russia and the United States.

When the United Nations recognized five major nations—that number included three countries, England, France, and China, that can only survive through our support—and then only by a drastic reorganization of their way of life.

It is my humble opinion that there are only two courses: First, we can serve definite notice upon Russia that to continue her methods of infiltration in Europe will be considered an overt act endangering the peace and safety of the United States and amounting to a declaration of war, as President Monroe did in relation to South America 124 years ago, or second, we can pull out of Europe; money alone will not solve their difficulty. England took our money and financed socialism. France, Italy, and most other European nations will take our money and finance either socialism or communism, and then crawl under the Russian trade tent.

England has already signed a trade treaty with Russia, and we have approved a peace pact with Italy providing that approximately 200,000 Italians will work 7 years without wages processing raw materials, mostly for Russia and her satellite nations, and we call it reparations. Presumably Uncle Sam will feed the 200,000 men while they work for Russia, since we have already expended more than three-quarters of a billion dollars in Italy since the end of the war.

SIX METHODS OF SIPHONING THE WEALTH OUT OF THE UNITED STATES

There are more ways of siphoning the wealth out of the United States and into the hands of foreign nations than are generally suspected. They are very adept and very active in Washington in creating a psychology by threats of communism, or socialism, or some other "ism" unless we support them, and that promiscuous spending abroad is necessary for our own protection.

These methods are not too well known or understood—and all appear innocuous on the surface—the six most active and effective are:

1. The direct appropriation by Congress "loaned" to a foreign nation; the Greek-Turkey loan is an example.

2. Financing through the Export-Import Bank, as in the case of the loan to Mexico.

3. Slave treaties like the Italian Reparations Agreement just ratified by the United States Senate, in which it is provided that raw materials from Russia and other nations are processed by the Italian workers without wages of any kind as reparation payments, leaving someone (meaning Uncle Sam) to feed them while they are doing slave work for the Russians during a period of 7 years.

4. The World Bank is set up to sell securities to the investors of this Nation, whose money is then loaned to the foreign nations upon the judgment of the Bank officials, with every prospect that thousands of small investors in this country will lose, as in the case of English investors through the Bank of England when the same thing was tried there many years ago.

5. The proposal by the State Department to divide the markets of this country with the foreign nations through the so-called reciprocal-trade program. More harm may be done to the economy and standard of living of this country by our State Department in Geneva during the next 3 months than Congress could repair in several years.

6. There is now in the course of organization a world trade organization operated by the 55 members of the United Nations, each with one vote.

It is indicated that this organization, when perfected, will allocate the markets and production of the world making the universe thoroughly and totally one world. It is difficult to see how we can win, since we have the only market in the world where you can sell anything and get the money, unless we have previously loaned that nation the money to pay for it.

The cumulative result of these plans can only be greatly reduced wages and standards of living in this country.

If these methods are allowed to continue indefinitely we can easily spend ourselves into a form of government that we would not knowingly vote for—some kind of a collective or authoritarian form that it could

require generations of time to throw off, if in fact we could ever overcome it.

FLEXIBLE IMPORT FEE

The objective is permanent peace while increasing the standard of living throughout the world.

It must be recognized, however, that the 55 different standards of living represented by the 55 members of the United Nations present a definite problem in trade relations.

A partial answer to the problem is the determination of the differential of the cost of production on specific products between this nation and wherever our chief competition is located. That differential should be represented in this country by an import fee. Imports are not prevented by such an import fee, but the fees bring the goods in on the basis of an equal wage-standard of living level; as the standard of living wages are raised in other countries the import fees here are reduced in proportion—and when the wage standard of living of the competitive country approximates our own—then free trade is the immediate and automatic result.

The workers in any American industry are entitled to protection from low cost foreign labor equal to the differential of the cost of producing such products in this country and the cost of production in the foreign area where or chief competition is located.

Such a flexible import fee is included in the 1930 flexible tariff act in which it is provided that the President of the United States may at any time request the Tariff Commission to compute the differential of cost of production of any specific product between this country and such competitive nation—that amount can then be made the tariff or import fee by Executive order.

I see no difference between importing the product of low-cost labor and importing the low-cost labor itself.

Let us get our feet back on the ground and face this thing—we have no friends in the world today except through the protection, or of the money that we can offer them. Every nation but ours is being intensely realistic and practical—other nations are working on every angle to improve their position.

INVESTMENTS

Congress does not know how to lend money; it only knows how to give it away. Congress does not have the money to give away, except as it is extracted from the people's production through taxes. Congress does not have the moral right to give away these work dollars soaked in sweat.

Private business not only knows how to lend and invest money, but it also knows how to collect it and to make investments pay dividends.

American private capital in Asia, Europe, and South America, backed by American brains, ingenuity, and know-how, could gradually raise the standard of living of the world, through investments in new enterprises and in rehabilitating the obsolete plants without Government assistance of any kind.

To encourage the investment and operation of such capital it is necessary to rebuild the national and international integrity of the nations of the world. If such integrity could be established no Federal appropriations would be necessary or required, except perhaps for an emergency food supply while they were making their first crop.

BUSINESSMEN AND INDUSTRY

Few remember that when America woke up after the Civil War it was England's businessmen and private investors who furnished the first substantial financing for our transcontinental railroads and heavy industries in this country because they knew that this Nation had integrity and that the country would grow and prosper. They did not give or loan America the money—they took stock and shares in the railroads and industries and were repaid through increased production.

The situation is now reversed. Our businessmen have the experience, the credit, and the know-how. The opportunities for profitable investment throughout the world are almost unlimited, providing the integrity of the nation, members of the United Nations organization can be established and maintained. American industrialists would take stock and shares in the new enterprises and operate them—taking their profit and amortization payments out of the increased production. No appropriation by the Congress of the United States would be necessary.

LOANS

We must adopt a policy for loaning money to foreign nations, and only loaning for the purpose of increasing their productivity. Take a lien or mortgage on the increased productivity to run until the loan is repaid as we do in the case of our own citizens; loan the money for the purchase of industrial and farm machinery, equipment for the production of fertilizer and income-producing materials.

Handle it just like the people treat a good neighbor who has had a bad fire; loan him a team of horses and a plow, and maybe sign a small note at the bank to buy his seed corn and a few necessary things until he makes his first crop.

Put the affected nations in the way of supporting themselves, otherwise there is no end to their needs; they will be just as helpless and hungry next year as they are now.

Why is there no talk of new methods of production, new machinery, and new and more diversified industrial production in the European, Asiatic, and South American countries; why is all of the talk confined to a reshuffling of old interests and old wealth; why are there no plans for creating new wealth—and why is there no effort being made to encourage these countries to raise their own wage standard of living through their own energy and resources?

EMERGENCY FOOD

It is time that we adopted a definite policy in the method of emergency feeding the people of any country, of appropriating the necessary funds and of notifying such nations that the required credit has been established through the proper agency in this country. When shipments of the supplies are made in the approved manner, then the invoice should be sent direct to the Treasury of the United States for payment—quit sending them the cash to be expended anywhere in the world and in any way they may decide—also distribute the food ourselves so it will reach the hungry people and so they will know where it came from.

Treat them like a groceryman treats a contractor whose payments for his work are delayed. The contractor gets credit; he does not get the money from the groceryman so he can go across the street and buy from his competitor.

LABOR

The Taft-Hartley labor legislation is wrong in principle. In the first place, the Government should not be in the business of regulating either the employer or the employees beyond seeing that they obey the laws of the land as everybody else is required to do. The principle of the Wagner Act was wrong in the first place, and the mere fact that we passed another act of a slightly different character on the same principle does not make it right. Under the principle of Federal board control the swing of the pendulum could continue to vibrate with the political philosophy and fortunes of the party in power for generations. It should be decided upon basic principles and then left alone.

The Taft-Hartley labor act together with the Wagner Act should be repealed. There should be no Government labor boards with authority to direct either the employer or the employees to do anything.

In their place there should be enacted a simple statement of national policy which in effect would lay down the principle that:

Employees and employers alike shall have the right to self-organization, to form, to join, or assist organizations to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid and protection.

The Federal Government could very well continue the principle of the conciliation board—having no authority whatsoever, except to cooperate with both parties to a dispute—and then only when invited to sit in—and perhaps to hold hearings and make public their findings. Any necessary authority should be vested in the States. They alone have the power to keep the peace.

The maintenance of free collective bargaining and the integrity of contracts between employers and employees is the only solution for that age-old problem between the man who hires the work done and the man who works with his hands. And that should be the scope of the Government statutes.

I am very fond of Senator TAFT—I can discuss the matter with anyone who believes he could be mistaken—but I will not listen to anyone who questions his integrity.

CAPITAL INVESTMENT AND TAXABLE PROPERTY

Due to increased mechanization and improved methods of operation in industry, the average business investment in equipment per man has increased from approximately six or seven thousand dollars to from eight to twelve thousand dollars.

Continually increased capital expenditure in business is always necessary due to new inventions, obsolescence, and growing demand.

The tax structure and excessive regulation have combined to discourage venture investment capital. A reorganized tax structure and a severe scrutiny of regulatory bodies set up by the Government over the last decade is necessary to regain the required confidence and incentive for such investments which are absolutely mandatory if we are to keep pace with production, employment, and the creation of taxable property.

OUR LOANING TECHNIQUE

We are about to be treated to a repetition of the loaning and spending technique which prevailed during the decade just preceding World War II.

Two advisory committees have just been appointed to determine the maximum amount of money we can loan to Europe and pile on the two hundred seventy billion national debt, together with the amount of goods we can ship them, without wrecking our internal economy—Mr. J. A. Krug, Secretary of the Interior, and W. Averill Harriman, Secretary of Commerce, head the two committees.

It is generally expected that they will read the menu backward and come up with the amount they need which estimates have ranged from five to eight billions of dollars per year for 5 years, making the national debt add up to around three hundred billions.

It will be remembered that when the national debt reached fifty or sixty billions in the late thirties, people began to get jittery—when the versatile Henry Wallace, then Vice President of the United States, came up with the statement that he had estimated the resources and that the country could support a debt of approximately eighty-nine billions—the people settled down until the debt was dangerously close to that amount—and then the world economist, Leon Henderson, after a profound study of national resources, announced that

the Nation was good for a $133,000,000,000 debt—and then we were in the war and costs were forgotten.

And now on September 1st Mr. Krug and Mr. Harriman, following a further study of the natural resources, are expected to start the cycle all over again—if Congress follows their recommendation and appropriates the funds for foreign loans they recommend—that is.

Some advocates of such a loan say it is necessary to balance our foreign shipments and keep up the dollar balance abroad, since we are now shipping nearly $20,000,000,000 worth of goods abroad annually and buying less than one-half of that amount; while some say that the loaned difference is necessary to keep our own industrial plants and farms in full production.

Others have the temerity to say that we should turn more of our production for home consumption and balance the Nation's production capacity against domestic consumption plus the natural exports while there is yet time.

SO-CALLED MARSHALL PLAN

All of this is being done in furtherance of the so-called Marshall plan—which again like the Truman announcement is not a plan at all—but was a simple announcement that no more money will be forthcoming for Europe until the countries of that area decide together how much they need and what they will do with it. Congress had already decided that the Greek-Turkey loan would be the last of the so-called loans for the current session.

There are 29 European countries containing 250,000 square miles less than the area of the United States and three times as many people. The could band together in a United States of Europe for their mutual protection and pool the lines of royal inherited kingdoms and dictatorships into one strong nation of 29 separate states—and reestablish their national integrity through a democratic free election form of government—then a substantial loan to build industrial plants to produce for their own needs would begin to make sense, however, in that event American private capital would do the job.

It is estimated that England and British citizens have approximately $12,000,000,000 in investments in the United States—and that other European nations have approximately eight billions in the same category.

It seems not too much to expect for them to take the twenty billions of dollars, including other outside invested assets amounting to approximately $13,000,000,000, into account when considering financing the new United States of Europe.

THE EMPIRE-MINDED NATIONS

The Dutch, English, and French have always been empire-minded and have always held certain foreign nations under their control for the trade benefits, as witness the trouble that the Dutch are currently having with the Indonesians.

Any reason that may have heretofore existed for the domination of one nation by another has long since passed out of the picture. Such domination is purely and simply a trade racket—resulting in slave labor and trade wars, and must not continue indefinitely if the principle of freemen is to have any meaning. This Nation cannot afford to become a party to a combination of such plans through continuing to lend money for its support.

If the national and international integrity of the nation members of the United Nations can be reestablished the opportunity for American technicians, businessmen and for private capital, investments will be practically unlimited throughout the world for generations to come.

With the European nations joined together in a United States of Europe the manipulation of their currency systems can be abolished including the silver-bloc operations, then the relative value of the world's currencies can be evaluated and some stabilization maintained. It is time to quit juggling their money systems and work to increase production. Devaluing money to lower wages and to escape debt is one of the oldest tricks in the trade, but it also destroys the integrity of nations.

The greatest recommendation possible for a system of government is to make it work.

WAR AND PEACE

Most of our people naturally assume that all of the world is at peace most of the time, since this country has only had its periodic wars and in between peace has prevailed in this Nation.

Even a casual historic review will reveal that there never has been a period over the 5,000 years of recorded history when all of the world was at peace. Even now there are 2' small wars going on in the world, six are in the Far East ranging all the way from civil war, as between the so-called Chinese Communists and the Chiang Kai-Chek forces in China; to the East Indies in the Southwest Pacific where the Dutch are again engaged in subduing the Indonesians.

Those little people weighing about 75 pounds wringing wet, but presumably owning a country which is very rich in many of the things the world needs, which include the spices, rubber, and many strategic and critical minerals and materials needed badly by this country, have a national pride and want to run their own country.

The Netherlands, or the Dutch nation, is known to be an empire-minded nation and have always exploited other nations just as England and France have done over several generations, and are still trying to maintain their status in their satellite nations.

The wages of the Indonesians amount to about two to five dollars per month in our money and the goods produced under the Dutch supervision are sold to us at high prices. It is a trade interest that the empire-minded nations have in other countries, and mostly to exploit the low cost labor in these areas for their own profit.

We have 5 other small wars, or armed rebellions going on in Europe, 6 such disturbances in the Near East and India, and 4 in Latin America, making a total of 21 small wars now in progress, any one of which might light the fuse that would lead to another world conflict, as was done in Austria in World War I and at Pearl Harbor in World War II. Systems of government based upon trade wars or the domination of other nations for any reason will not work and must finally fall of their own weight.

MAKE OUR OWN SYSTEM OF GOVERNMENT WORK

The greatest recommendation possible for a system of government is to make it work. It should be clear to us now that money from our own taxpayers' pockets scattered at random throughout the world is not the answer.

I can say to you, like Churchill said to his people when someone suggested that England relinquish her domination over some of her Asiatic peoples, that he did not become the King's first minister to liquidate the British Empire. I can say to you in a like vein that I did not become a Member of the United States Senate to dissipate the wealth of the United States.

We must make our system of free enterprise continue to work—keep our armed forces strong—continue our laboratory experiments in methods of warfare—keep our secrets to ourselves so that no nation ever knows just how strong we are—establish and maintain the best intelligence system in the world and know what other nations are doing—stand ready at all times to cooperate with all other nations in maintaining permanent peace in the world—and in raising the standard of living for our less fortunate neighbors.

Above all things, we should begin to turn the spotlight on ourselves and determine the effect of our actions on America's future, and if we are really looking for communism and reds, it seems that the hunting is pretty good in some parts of this country and we could practice here while getting ready to take on the Russian Communists. It is time that we sold America back to Americans and set the pattern for the world.

Controlling Floods in the Missouri Basin

EXTENSION OF REMARKS
OF
HON. HUGH BUTLER
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed as an extension of my remarks a radio discussion between John B. Quinn, executive director of the Missouri Valley Development Association, and Russell Smith, legislative secretary of the National Farmers Union, on the question of controlling our floods and developing our water resources in the Missouri Basin. This discussion was broadcast over the Columbia Journal of the Columbia Broadcasting System with Mr. Don Lerch as moderator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mr. LERCH. Next we're going to discuss a question which affects the lives of millions of people—in 10 States of the Nation—known as the Missouri Valley region—including all of Nebraska and parts of Montana, Wyoming, North and South Dakota, Kansas, Missouri, Colorado, Minnesota, and Iowa. So far this year, people in this region have lost hundreds of millions of dollars from floods. Ask a farmer whose fields have been under water—ask a businessman who's been pumping water out of his store—ask a housewife who's been cleaning up silt and mud—they'll tell you flood control is needed—most everyone agrees to that. The question is how. Two gentlemen with me today are going to discuss the two major proposals. Mr. Russell Smith, legislative secretary of the National Farmers Union believes the region should be governed by a central authority similar to the Tennessee Valley Authority. Mr. John B. Quinn, executive director of the Missouri Valley Development Association, believes the plan approved by Congress in 1944 should be continued. Now, Mr. Quinn, since you favor the plan now in operation, will you outline it for us—that is, what is it and what has been accomplished so far?

Mr. QUINN. Well, Mr. Lerch and friends of the Columbia Country Journal, just three short years ago Congress and our late President Roosevelt, realizing the absolute necessity of preserving the bread basket of the Nation and the world for future generations approved the most gigantic, diversified program to develop all phases of natural resources in the Missouri Valley Basin that this Nation or the world has ever undertaken.

Congress made the very important decision to use in this vital undertaking the experienced, established agencies of our Federal Government, who employ the best technical

experts of our Nation. Strong political pressure was applied by political idealists to establish a single independent Government agency—such as the TVA—but Congress in its wisdom realized that the Missouri Valley Basin was a multiple-purpose project that covered a huge territory, 13 times larger than the TVA, and that the program required four agencies, each experts in their own line, rather than just one agency whose major qualification was to administer a political and economic philosophy such as in the TVA.

When the development program for the Missouri Valley Basin, called the Pick-Sloan plan is completed, more than 5,000,000 acres of land will be irrigated, 10,000,000,000 kilowatts of electric power will be generated annually, floods will be controlled and commercial navigation from Sioux City to St. Louis will be a reality. The basic design of the plan provides for 105 reservoirs, for flood walls and levee protection, for soil conservation, soil-erosion control, recreational facilities and fish and wild-life conservation.

The Department of Agriculture, the Bureau of Reclamation, the Corps of Engineers of the United States Army and the Federal Power Commission, all long-time established agencies of Federal Government directly under the control of Congress and the President of the United States, have each been given by legislative mandate a definite, distinctive part in the carefully coordinated plan.

In three short years, interrupted first by the war and again last year by a Presidential order to stop all public works, the Pick-Sloan plan is already 22 percent completed, and has just been given an appropriation to be expended in 1948, that amounts to more money than totally spent in the Missouri Valley Basin since the Republic was founded.

Mr. LERCH. Well, Mr. Quinn, you've outlined the program which is now in operation. Now on the other side of the table, Mr. Smith of the Farmers Union is proposing a Missouri Valley Authority. Now Mr. Smith, just how does your plan differ from the program as outlined by Mr. Quinn?

Mr. SMITH. Well, Don, it differs in two principal respects. They are the two that were cited by President Roosevelt at the time he urged the adoption of a Missouri Valley Authority bill, and that was at the time that he approved the present Pick-Sloan plan. First of those is that administratively, it has become obvious to most of us now that these separate agencies in the valley are competing with each other in a very wasteful manner—that we will never be able to achieve an integrated program—we will never be able to achieve a program that is close to the people—that is responsible to them—unless we make it possible for decisions to be made in the area, and for those decisions to cover all phases of the development and use of resources. Now the second principal difference is that in the present Pick-Sloan plan, we feel that the problems are being attacked piecemeal—that nothing is done until an emergency exists, and that it never is the kind of action that attacks the basic difficulties. In other words, the only way you get an integrated plan is through one directing agency, and the only way you actually control floods or get maximum power development or use the rivers to their best advantage for navigation, for recreation, or for irrigation in the western part is through a single plan. The present plan, in our view, is not a plan at all—it's simply a compromise between two conflicting agencies.

Mr. LERCH. Well now, Mr. Quinn, do you believe that your plan overcomes the weaknesses which Mr. Smith feels are inherent in it—in other words that the administration of the Pick-Sloan plan is loose, and leaves room for a great deal of needless argument between the various governmental agencies?

Mr. QUINN. Well, Mr. Lerch, I'm delighted that you asked that question. The coordinating factor for the agencies of Federal Government is what we call the Missouri Valley Interagency Committee, which is composed of five Governors in the Missouri Valley States, and the heads of the departments involved. This committee has been in operation for 2 years and it has settled every major problem that has come before it.

Mr. LERCH. Well now, let me ask this question of Mr. Smith. Which plan do you believe offers the fastest flood relief—that is, your plan or Mr. Quinn's plan? Which will get the job done first?

Mr. SMITH. Well, there's no question of speed involved. The question is whether you control floods or not, period. Because the Army engineers have been controlling floods theoretically there for 100 years, and yet the flood crest this year was the highest in history.

Mr. LERCH. And yet on the other hand, Mr. Quinn, you say that this measure was approved by Congress in 1944.

Mr. QUINN. Well, Mr. Lerch and Mr. Smith, I might point out that speed to control floods is essential and that nature sometimes provides floods that even the best of plans doesn't contemplate. For instance, in the Tennessee Valley when over $800,000,000 has been expended to control floods, the Army engineers have been called upon again to build a flood-control dam, and as far as we're concerned, we have the best competent engineers and the only plan—we need only adequate money. The MVA doesn't exist. It is purely a theory. Isn't that right, Mr. Smith?

Mr. SMITH. It's a bill.

Mr. LERCH. Well, let me ask what is the status of that bill at the present time, Mr. Smith.

Mr. SMITH. It's in the Senate committee—the Interstate Commerce Committee—and it is highly unlikely that there will be any action in this session of Congress on it, because the President has just asked for additional money for the Army engineers to spend—in our view to waste——

Mr. LERCH. Well, now, what is the President's attitude on this question?

Mr. SMITH. The President's attitude is that he is for a Missouri Valley Authority, but he wants immediately the Army engineers to spend two hundred thirty-seven million out of——

Mr. QUINN. We might put it this way. The President evidently is for an MVA only so far as the few votes it will catch, but I would remind you that he keeps signing the appropriations bills for the existing agencies of government.

Mr. LERCH. Well, now, how do the people in the Missouri Valley feel about it, Mr. Smith?

Mr. SMITH. Well, from what Mr. Quinn just said, I would assume they must be for it, if it is a vote-catching device.

Mr. QUINN. I would like to point out that the Pick-Sloan plan is supported by all governors, all legislative bodies, every farm bureau federation, and Mr. Smith, some of your State farm union organizations are for the Pick-Sloan plan. In other words, it is the only congressional authorized plan, which calls for the development program to be accomplished under the American system of government. No States' rights or powers are surrendered.

Mr. SMITH. Well, any action that's taken as a result of an authorization by Congress will be done under the American system of government. As far as the Farmers Union is concerned, there's only one State organization that has ever approved the Pick-Sloan plan.

Mr. LERCH. Well then, gentlemen, from your positions, it's impossible to reach an agreement on this question. However, from what you have said, you are agreed that there should be a program of flood control and development in the Missouri Valley—but you disagree on how it should be carried out. Your disagreement centers on the administration. Whereas, Mr. Smith, you feel that it's essential to have a central authority in order to gain the full benefits of flood control, navigation, power, and irrigation; you, Mr. Quinn, feel that this can be better achieved under the present plan as approved by Congress—whereby authority is decentralized between the various Government agencies.

It Will Be Interesting To Know Why Mr. Hoover, After a Few Days' Visit in Germany, Is So Vitally Concerned and Should Again Advocate a Repetition of the Tragic Errors of the Past Which, Due to British Influence, Permitted German Cartels To Rebuild Her Heavy Industries

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EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. SABATH. Mr. Speaker, a great deal of attention and publicity has been given to the recommendations of our former President, Mr. Herbert Hoover, on Germany. Since it is unfortunately apparent that many high officials in the Government, due to their former affiliations, seem to agree with his proposals and advocacy, I believe it is important that the House should also consider the implications of Mr. Hoover's views on reconstructing Germany.

Mr. Speaker, why is Herbert Hoover so solicitous toward Germany?

In 1919, as American Food Administrator, he wanted to rebuild Germany, not punish her.

In 1931, the Hoover moratorium on reparations' payments enabled the Germans to utilize all their financial resources to increase the speed of rearmament, and to escape their just deserts for the First World War.

In 1936, he called German military rearmament negligible.

In 1947 Hoover has reported to the President, after only 3 weeks in Europe, that the Potsdam agreement to disarm Germany and destroy her war potential is unwise.

Mr. Speaker, Mr. Hoover seems to be unnecessarily concerned by the future of Germany. I think he is just as wrong about rebuilding German strength now as he was in 1928 when he assured the American people that we would have two cars in every garage and a chicken in every pot, or again in 1932 when he prophesied that grass would grow in the streets of every main street in America under our great, late war President, Franklin D. Roosevelt.

GERMANS ALONE TO BLAME FOR WAR'S DEVASTATION

The whole world, except the Americas, is prostrate because of the ravages of German warfare. Europe is in shambles.

Germany and Germany alone is to blame. Naturally, all this devastation and tragedy have been brought about under that fiend incarnate, Adolf Hitler, who was brought to power by the German industrialists and cartelists and Junkers, and who now are bent on reconstructing and rebuilding a strong Germany for another try, apparently with Mr. Hoover's approval.

Notwithstanding all this, Herbert Hoover appears to be willing to excuse Germany just as he excused her after the First World War, and urged that we give assistance to her. More than once before the Second World War began he pointedly ignored their armies, their tanks, their growing war industry, and their savage trade policies.

Mr Hoover did not show the same solicitude for our own veterans after the First World War, nor for our own hungry and unemployed millions after the 1929 crash.

Why, Mr. Speaker; why?

Hoover says he is anxious to save money for the American taxpayers.

Yet he knows full well that we have just finished a war against German aggression which cost the American taxpayers more than $350,000,000,000, and the lives of 300,000 brave Americans, not to mention the tragedy of 700,000 disabled.

Are we again to save a few millions of dollars now, and spend billions later to destroy the monster he aims to recreate?

Had it not been for the Hoover policies of "be kind to poor Germany" in 1919 and throughout the perilous years that followed, Germany could not have rearmed even with aid of Great Britain, and had the Republican Party not frustrated the will of the American people by keeping the United States out of the League of Nations, the League might have been strong enough to keep Germany and Japan in check. There might have been no World War II. I should think that by now, in the light of history, even Herbert Hoover would know that it is a mistake to allow Germany to grow strong, to create armies and to develop a capacity for again scourging the face of the earth with inhuman and barbarous warfare.

Herbert Hoover already shows equal solicitude for Japan.

LET GERMANY PRODUCE FOR PEACE

Mr. Speaker, I certainly want the Germans to produce as much of their own living as is possible with the resources which they have available.

I want them to mine their coal; their phosphate; their minerals; grow their potatoes; produce their milk and their butter; and learn how to live the democratic way of life--the American way of life; to provide for peace and not for war, and if possible for them, to forswear their Nazi ideology.

But, Mr. Speaker, I would prefer to see the entire German Nation living on our dole than to see one thing done to make it possible for Germany to launch another world war, from which our civilization can never survive.

GERMANY MADE CARTELS TOOLS OF AGGRESSIVE WORLD-WIDE WARFARE

In Germany the German Government deliberately encouraged the forming of international cartels which entwined themselves like the strangulation of a python in the economy of the world so that when Hitler struck, the western democracies were almost helplessly enmeshed in the coils of international cartel agreements.

Many of our own great trusts and monopolies were deep in this international conspiracy to create a world government of the people, by Big Business, and for Big Business, as a vast amount of reliable evidence proves, and as Mr. Hoover should know.

TERRIFIED BY PROSPECT OF STRONG GERMANY

Mr. Speaker, I am terrified by what is happening today in Germany. For all practical purposes, the Potsdam agreement is a dead letter.

Now and then we get a peek behind the iron curtain of Allied occupation. We find that not even the saturation bombing of Germany really destroyed Germany's industry, and the new American Government policy appears to be to restore German industry as rapidly as possible.

It took Germany 20 years, from 1919 to 1939, with only the passive help of her former enemies, to be in position to strike again and destroy the world's peace and prosperity.

Now, with the invaluable help of our own blind patriots, I greatly fear it will be only a few short years before Germany can again set out to conquer the world and destroy civilization.

Three times within my own life the German people have been led by their leaders into a foreign war—the Franco-Prussian War of 1870, the First World War, and the Second World War. Every war has brought death and destruction to other nations; but always Germany has struck outward and kept any great devastation from her own lands, and has emerged more powerful and more dangerous than before.

Just a hundred years ago, in 1848, the forebears of many of the finest and most patriotic families in America fled Germany to escape that always-increasing militarism and aggression and the tyranny of the industrialists and the Junker families. The German leaders have driven out the strongest democratic elements and have led the remaining population farther and farther down the road to international self-destruction.

ALREADY WAR'S HORRORS ARE FORGOTTEN

We have not yet begun to bring back from their foreign graves the bodies of our brave boys, sacrificed to the insane ambitions of world conquest of Hitler and the cartelists who put him in power and supported his mad lust for death and destruction; yet already there are Americans, forgetful of Lidice, of Buchenwald, o Oswiecm, of the Battle of the Bulge, and lured only by dreams of avarice, who want to forget what Germany did and how she betrayed the world, and restore the Germany of cartels, slave labor, and economic warfare.

Yet, Mr. Hoover says that we must ignore the lessons of history. We must discard the economic controls agreed upon at Potsdam. We must repeat the folly of 1919 and the succeeding years when we pampered and petted the spoiled brat of Europe.

Mr. Speaker, there are agencies of our Government which, during the war, gathered together the outstanding economists of this Government, genuine experts in the sick economy of Europe, who had no personal interest in the problems except the restoration and preservation of world peace, and who knew that Germany has always thwarted world peace and cooperation. Their studies and recommendations laid the basis for the Potsdam agreement.

HOOVER 21-DAY EXPERT

Herbert Hoover came back from Europe after only 3 weeks—and I know not how few of those days he actually spent in Germany—posing as an expert.

With no more knowledge than he could glean on that short trip, and as a result of a tour on which he was presumed to be studying the food situation in all of Europe, not the politics or the economics, Mr. Hoover came back and made recommendations which could result only in remaking Germany into the most potent industrial power in Europe in a very short time.

Fortunately, we have expert testimony from other and equally patriotic sources.

We have, for instance, the statements made by James S. Martin, who resigned as chief of the decartelization division of the American military government effective July 1 after having served since December 23, 1945.

Relying, not on the superficial observations of 2 or 3 days, but on the inside, expert knowledge gained in 18 months, Mr. Martin asserted that decartelization is being defeated by American special-interest groups who are trying to maneuver the American Government into a position "of having to oppose communism by sponsoring, in one form or another, monopoly of economic control of Germany."

This is fascism.

CONCERN INCREASES

That there is increasing concern about the new direction of American policy is shown by the widespread discussion of the issues in the American press. Since I began work on these remarks, Mr. Sumner Welles, who as Under Secretary of State helped the great Cordell Hull in the conduct of American foreign policy through our most crucial years, has decried the help-poor-Germany idea so prevalent in the thinking of industry and finance and high Government circles.

I here insert several pungent paragraphs from Mr. Welles' recent discussion of the problem:

> The reactionaries who saw no danger in nazism again demand a powerful and centralized Germany as a buffer against communism. German propagandists, and the sob brothers who are more distressed by the present plight of the Germans than by the tragedies the Germans have inflicted on the rest of the world, once more complain of France's "policy of vengeance."

They have been joined by our occupation authorities, who are apparently unaware that our policies in Germany involve any issues outside of the occupation zones, and by those Members of Congress who would reduce our present expenditures, no matter what the ultimate cost of such a penny-wise, pound-foolish reduction may represent.

If these influences prevail in the determination of our policy, we will sacrifice our basic objective of creating a world order under which we can safely live.

France is the key to European reconstruction. History has shown that France was right in 1919 when she demanded adequate guaranties against a resurgence of German might, and that the English-speaking powers were blind to their own vital interests when they refused to provide her with such guaranties.

If we once more adopt a German policy that endangers French security, we will again lose our chance of helping to bring about European reconstruction and a lasting peace.

As our recent directive stated, Germany must become "stable and productive." The resources of western Germany must certainly become an integral part of Europe's economy. But the only safe way to achieve those objectives is through permanent international reconstruction which meets the needs of all western Europe.

WHAT OF GERMANY'S VICTIMS?

Must we weigh what is our righteous course in European rehabilitation? No. That was determined under the Potsdam agreement. Let us not forget bled-white and war-destroyed France, ravaged and war-destroyed Poland, war-torn and robbed Belgium and the Netherlands, war-overrun and robbed Czechoslovakia, Norway, Yugoslavia, Greece, Luxembourg, Russia, Rumania, Hungary, Austria, Denmark, and Bulgaria, our Allies who suffered with us, whose countries were despoiled. And to the aggressor of those countries—Germany—Mr. Hoover would extend first aid in rehabilitation to again flaunt military might and power. That cannot be.

HOOVER WANTS TO REVERSE POLICY

Mr. Hoover wants to reverse our policies. Instead of reducing Germany to a peaceful, democratic state dedicated to the pursuits of peace, while we give her weaker neighbors an effort to build up their own resources so they can be prosperous without the stifling restrictions of German economic warfare, Mr. Hoover apparently would like to see all the rest of Europe transformed to a great farming area merely to be domineered and under the iron heels of the German cartels.

He seems not in the least disturbed that the heavy industry of Germany is the war industry of Germany. Under Hitler the Germans learned that there is no basic difference between economic warfare and military warfare. They fought both with the same plants, the same cartel agreements, the same savage tariff agreements, the same phony money, the same utter disregard of treaties and promises.

Great God, Mr. Speaker, if Herbert Hoover thinks that rearming Germany is a barrier against Russian communism he is indeed blind.

If we reduce all Europe to abject poverty while we create a German boom, we are inviting communism. We are begging for it.

I know of no better way to cost us the faith and loyalty of the liberated people of Europe than to reward Germany for having started this last war while we punish our friends and allies for resisting.

Let us halt this mad race toward war and race suicide. Let us work and strive for peace. And let us, as a first step, see that Germany stays disarmed.

HOOVER IN 1919

Mr. Speaker, I now shall quote from Mr. Hoover.

On March 21, 1919, in a memorandum entitled "Why We Are Feeding Germany," Herbert Hoover reasoned as follows:

From the point of view of a Governor, I would say it is because famine breeds anarchy, anarchy is infectious, the infection of such a cesspool will jeopardize France and Great Britain which will yet spread to the United States. * * *

From the point of view of the American treasurer, I would say that this is a good bargain because it saves the United States enormous expenditures in Europe for the support of idle men and allows these men to return to productivity in the United States.

In his recent reports to the President on the German economy, Mr. Hoover made approximately the same observations. He said, for instance:

A still further saving to British and American taxpayers is possible if maximum expedition could be made of exports of German manufacture.

The restoration of trade is inevitable and every day's delay in removing these barriers is simply adding to the burden of our taxpayer. * * *

To persist in the present policies will create, sooner or later, a cesspool of unemployment or pauper labor in the center of Europe which is bound to infect her neighbors.

The present reports by Mr. Hoover are not only the rehashing of an old Hoover formula for the preservation of Germany's industrial might, but they are shot through with economic fallacies.

At the outset, I must admit, he succeeded in presenting to the American people a very simple, and hence easily convincing, statement of the exceedingly complicated German problem. But on such questions as exports and imports, Mr. Hoover depends upon 1936 figures on the grounds that in that year, German industry was not "distorted by her annexations and her most intensive armament activity." Surely, Mr. Hoover knows about the devious devices employed by Germany as early as 1936 to bolster her export trade. Surely, Mr. Hoover is familiar with the fact that German rearmament began as early as the establishment of the Weimar Republic.

HOOVER ECONOMIC FALLACIES

Germany's cartelization program began almost immediately after the cessation of World War I hostilities. The German steel cartels, I. G. Farben, the electrical cartel, the coal cartel—all these developed prior to 1936 and reached proportions hitherto unknown in the modern industrial world, so that by 1936 it was clear that no European power was in a position to withstand Germany's economic pressure. The regular trade practices of Europe were upset by Germany's machinations and dumping. No nation could oppose Germany's ruthless trade practices. In the field of heavy machinery and machine-tool industries, and aluminum, Europe became subservient to and dependent upon Germany for supplies. The total result was that Europe's trade and commerce were not in a position to prosper. But it was not only Europe, Mr. Speaker, which was affected by the German octopus; American industry, too, had to shell out, and the consequences were most disastrous when we remember that on the eve of World War II our war preparations were hamstrung by the German cartel network.

The best way to illustrate what Germany did in the 1930's is to show where her money was spent. German statistics available show that between the years 1933–36 Germany spent most of her income on the development of her capital goods or heavy industry. In 3 years, after Hitler seized power, Germany's new investments in heavy industry were increased almost 500 percent, while it increased only 200 percent in the consumer-goods industry. These figures are extremely important and should be kept in mind in discussing Germany's economy, which Mr. Hoover has not done. These figures clearly show that the German economy before the war—yes, and as early as 1936—was deliberately planned to give Germany the mastery over Europe—war or no war. In 1936—and this is for Mr. Hoover's information—with less than 10 percent of the area and 20 percent of the population of Europe, Germany accounted for one-half, and, in some cases, much more than one-half, of the total European production of heavy industries that furnished her war potential—namely, coal, pig iron, steel, nitrogen compound, machine tools, and machinery. In other categories, such as cement, sulfuric acid, electrical energy, cotton and wool yarn, and paper, more than one-third of the European production was concentrated in Germany. Such, in brief, was the picture of Europe's economics in 1936.

GERMANY MUST BE DISARMED

We and our Allies paid bitterly during World War II, for not having learned the nature of such economic controls, and for not having imposed them upon defeated Germany. It is apparent that Mr. Hoover is trying to repeat the very same blunders again when he states:

It is urgent that we at once revise the reparations and industrial demilitarization policies imposed * * * by various Allied agreements.

Mr. Hoover forgets that the whole aggregate of economic and industrial power, left intact after World War I, enabled the Germans to experiment and plan for the future production of weapons of war. When Mr. Hoover now calls for the elimination of the disarmament program, he not only approves the present failure of military disarmament—in

the British zone, for instance, only 7 percent of the tank, gun, and other military factors have been eliminated thus far—but, in fact, is in favor of a policy to leave the tremendous German war potential intact.

Mr. Hoover also ignores the entire problem of atomic research, which would imply that Germany should be permitted to engage in such work.

The implementation of Mr. Hoover's recommendations would make Germany the greatest industrial power in Europe. When Mr. Hoover advocates the scrapping of the reparations program to which our country is committed, he is striking an irreparable blow at the economic rehabilitation of Germany's victims.

Germany's industrial war potential is relatively intact. Germany still possesses over 4,000,000 tons of undamaged machine tools. It is also significant that before the war, Germany, with a population only one-half as large as that of the United States and with an economy not as highly mechanized as ours, had a machine-tool industry and machine-building capacity larger than that of our own countr But Mr. Hoover chose to bypass such significant facts.

CANNOT RELY ON TREACHEROUS GERMANY

Does a strong industrialized Germany mean that she will be automatically on the side of the United States? I think it is pure illusion, Mr. Speaker, to hope that a strong Germany would be our natural ally in any future emergency. Recent history affirms this; yet, undeniably, it is the deep-seated dream of Herbert Hoover and John Foster Dulles and other Wall Street representatives that Germany can be the bulwark against bolshevism. They fail, however, to take into account that the Germans are clever people and make their alliances on their own conditions. They have no particular love for Americans, Russians, British, or French, and surely not for Czechs. Their main concern is Germany, and what will further the interests of the Fatherland will have their undying support. Why, therefore, must our State Department underwrite a policy which has resulted in disastrous consequences in the past? Why must our State Department use as its bible for Germany the discredited theory and principles of Hooverism?

Today pro-German voices are again concocting schemes that they hope will be swallowed by the naive Americans as after World War I. They have taken up the banner of the American taxpayer and with crocodile tears plead that the taxpayer is being steadily impoverished by so-called punitive policies toward Germany. This is not only the slogan of pro-German voices in this country, but I have reason to believe that this new line was born right in Germany itself.

SCHACHT BLUEPRINTS FUTURE OF REBORN, AGGRESSOR GERMANY

Not so long ago, for instance, when the ousted war criminal Hjalmar Schacht was freed by the International Tribunal at Nuremberg, he immediately began to talk about Germany's economic future. Schacht's interest in this problem is quite understandable, inasmuch as he was the chief architect of Germany's rearmament program after World War I and under Hitler. Schacht boasted to reporters that he had worked out a solution for Germany's economic problems, but would disclose it only "to the men who have the power to put it in effect." Nevertheless, he gave his interviewers a break. He stated that Germany must produce and export. Yes; this was his plan, and, as he stated:

> The taxpayer in America and Britain will begin to cry out at the burden of supporting Germany as a beggar people and the German people will not starve without raising a rumpus either.

These are Schacht's plans for rebuilding Germany's industrial war potential. So, we see that Hjalmar Schacht also is worried about the "poor" taxpayer, hoping that the American taxpayer will forget that they spent $350,000,000,000, and millions of lives were sacrificed, to destroy Germany's capacity to wage war.

Mr. Hoover's recommendations, however, regarding the future of Germany, imply that the Allies must ignore the lessons learned from our failure to protect the people after World War I, and to discard the economic controls agreed upon at the meetings of the Big Three. If Mr. Hoover's recommendations are accepted, the Allies will repeat the mistakes made in 1919 and Germany again will dominate Europe.

Mr. Speaker, that is after all the question—shall Germany be permitted to dominate Europe?

She cannot do it if her huge industrial war potential is cut down to peacetime requirements. This is practicable, necessary, and imperative for our future security.

The Foreign Economic Administration worked out such a plan in conformity with the Potsdam decisions. It is a plan which would create a better economic balance in Europe and deprive Germany of her monopoly of industry. This is sensible and sound and would be a real saving for the American taxpayer, not only in dollars and cents, but in terms of the future of our peace.

WHO BACKS STRONG GERMANY HERE AT HOME?

Mr. Speaker, it is rather interesting to note the swelling chorus here at home in support of a revived Germany.

Kurt Mertig, for instance, who was immobilized during the war by the commanding general of the Eastern Defense Command because he was a dangerous enemy alien, an ex-convict, an ex-employee of the German railways and the Germany Library of Information, who had a finger in every pro-German propaganda campaign between 1931 and Pearl Harbor, is the most vocal and raucous voice in that chorus. In his latest vicious propaganda mailing he refers to the United States as "the most inhuman of all victors" and demands we substitute a Hoover plan for the Marshall plan. He also wants to get the American Army out of Germany

This is the man who has the audacity to borrow the name of your party, Mr. Speaker, the Republican Party, to forward his own dishonest ends.

When are you going to do something about Kurt Mertig?

I could go on for many pages with a recitation of the names of revived Nazi propagandists who are weeping crocodile tears for poor ravished Germany just as after the First World War, but I forbear. If I have not already shown the dangers of allowing Germany to rise and sin again, if I have not shown that her war potential is not seriously hurt, then I have talked in vain and we are deaf to facts.

But on close examination you find that the systematic campaign from professional pro-German sympathizers has the backing of representatives of our own huge cartels and trusts and combines.

The "poor, wronged Germany" publicity flows from hidden financial wells in the heart of Wall Street.

It seems to me that Mr. Hoover, mistaken as I believe him to be, is only reflecting and supporting the views of John Foster Dulles and his law firm's clientele of German bankers and industrialists. Our own Government is unfortunately honeycombed with officials drawn from Wall Street law and brokerage firms. They, too, reflect that attitude. Possibly they do not realize how they undermine our own country's best interests, because they see everything through a veil of dollar signs.

It is time for us to forget the short-range profit motives, and look ahead.

We must not, we dare not, we shall not permit Germany to rearm and grow strong, lest we perish, and the whole world with us.

I. G. FARBEN GOES ON TRIAL FOR WAR CRIMES

My attention has been called to an article which appeared in the New York Times magazine under the title "The Fabulous Farben Empire Faces Trial."

Written by Delbert Clark, chief of the Berlin Bureau of the Times, the article is illuminating in its exposition of the dominant role played by this vast and dangerous cartel in the world aggression of the Nazis.

It is obvious that Mr. Clark's historical essay on I. G. Farben is drawn from official sources. I hope that our high officials and all having the real interests of our country at heart will find it possible to read the article.

While I feel it is too long for insertion in whole in the RECORD, I am extracting and inserting several of the pertinent paragraphs showing why the occupation authorities have chosen to indict and try civilian directors of a private industrial empire and why so many of us are disturbed and apprehensive because of the apparent determination of high American personages to restore cartelists to power in Germany.

THE FABULOUS FARBEN EMPIRE FACES TRIAL—FIRST IT CONQUERED THE CHEMICAL INDUSTRY, THEN IT HELPED HITLER PLAN AND WAGE HIS WAR OF AGGRESSION

(By Delbert Clark)

Forty-three years ago half a dozen industrial chemists seated themselves around a table in Ludwigshafen in southwestern Germany and pledged themselves to an association. Out of that almost unnoticed meeting came an organization that was to be the backbone of the national war economy in two great world conflicts. Today 24 successors of the half-dozen are in prison at Nuremberg, awaiting trial as war criminals.

The six principal chemical firms in Germany that formed the trust in 1904 planned to eliminate domestic competition and to dominate the world market in synthetic dyes. By 1926 their number had increased to eighteen. Their fabulous—and infamous—organization bore the name Interessen Gemeinschaft Farbenindustrie Aktiengesellschaft which, freely translated, means Associated Dyestuffs Industries Joint Stock Company.

I. G. PLANNED BOTH WARS

This is I. G. Farben, the huge combine that helped the Imperial German Government to fight the First World War and then helped Adolf Hitler to plan and fight the second. This is the gang of industrialists who through bribery, blackmail, and espionage gained a stranglehold on the world's chemical industry and set about to make Germany master of the world.

Farben executives were not indicted because they made synthetic dyes or because they dominated the world's chemical industry. They were indicted because they formed an alliance with Hitler. They are charged with "planning, preparing, initiating and waging wars of aggression and invasion of other countries; deportation to slave labor of members of the civilian population of the invaded countries and the enslavement, mistreatment, terrorization, torture, and murder of millions of persons"; with plunder and spoliation "pursuant to deliberate plans and policies"; with plotting the rise of Hitler, with espionage and many other things that go far beyond the making of munitions.

INDICTMENT: "SLAVERY AND MASS MURDER"

Count three of the indictment, entitled "Slavery and Mass Murder," relates with horrible exactitude the enslavement and wholesale killing of forced laborers in work camps organized and managed by and for Farben-industrie.

"In its plants Farben accepted and appointed as its security representatives men designated by the SS and the Gestapo, and in the administration of its plants adopted the policies and practices of the Gestapo. Although the Farben plant manager was responsible for the morale and discipline of its slave workers, it was standard policy to call in the Gestapo to enforce discipline.

"Farben was aggressive in the acquisition of slave laborers * * * subhuman standards of living were the established order. * * * Poison gases manufactured by Farben and supplied by Farben to officials of the SS were used in experimentation upon and extermination of enslaved persons throughout Europe."

Such in outline is the nature of the indictment.

There follows a fascinating history of the formation of the trust and of its discovery that the byproducts of aniline dyes were the munitions of war, and then these paragraphs telling of how the trust came to the United States before the First World War:

Early in this century the German chemists realized the military significance of trinitrotoluene, which is readily made from coal-tar byproducts of dye manufacture. Better known as TNT, it is an important ingredient of many high explosives. Abruptly the chemists ceased research for new colors and let stock piles accumulate for the coming war.

Parallel to this development the Big Six determined to thwart development of a coal-tar industry in the United States or anywhere else. There was no objection to attempts to produce dyes so long as coal-tar products from which the dyes were made came from Germany. But there must be no opportunity on the other side of the Atlantic for the development of a coal-tar munitions industry. At one time during this period, when three American manufacturers of heavy chemicals tried to start production of aniline oil and get away from reliance on the German product, the Big Six sent emissaries to the United States with a demand that the production of oil be stopped and offered to repay American firms for expenses already incurred.

When Congress put a 10-percent duty on aniline oil the Germans cut prices below American cost of production. This was not trade, it was war.

Research went on apace, and economic penetration of other countries continued, with branches and agencies set up in the principal countries of the world. Dyestuffs now were distinctly secondary and medicines from coal tar began to assume an increasing importance, but always in the background were munitions of war. It was in the interest of Germany's monopoly in this field that I. G. Farben resorted to espionage, bribery, legislative corruption, and disguised ownership of subsidiary companies abroad.

Then there are these revealing paragraphs:

Even Germans accept the fact of Farben's complicity in Hitler's war plans. In 1932 Farben considered abandoning research in synthetic gasoline, but asked Hitler if his party would support such research. When Hitler agreed Farben cast in its lot with him. And when Goering asked for money to replenish the party treasury Farben tossed in 400,000 marks, the largest contribution of any single firm. Thus Farben headed the German industrialists who prevented the Nazi collapse in 1933.

In the diplomatic maneuvering that led to war Farben stood ready at all times. Hitler absorbed Austria and Farben took over the Austrian chemical industry. A week before the Munich pact the German Ministry of Economics advised Farben that its plans for seizure and operation of the Czech munitions industry were acceptable. After Munich Farben moved into Czechoslovakia. And 14 days after the invasion of Poland, Farben received the "trusteeship" of major Polish firms.

In my eyes, Mr. Speaker, and in the eyes of the world, the events of history already have proved the guilt of this gigantic octopus which has twice tried to encompass world conquest in its slimy tentacles.

But it is fitting and proper that these men should have a formal trial under an international tribunal. It is fitting that their dark misdeeds should be written in ink on the books and thus on the minds of men, as they already are written in blood on the face of the ravished earth and in the souls of fearful people.

I feel that formal conviction will follow. I hope that American officials who are trying to replace the Nazis in power in Germany will be warned by the record of the trial.

And above all, Mr. Speaker, I hope that the American people, and American officials, will be forever warned to be alive to the dangers of monopoly, and will always guard our freedoms against the menace of criminal monopoly.

With the approval and aid of Great Britain, and even of some of our own officials, the partners and representatives and collaborators of this dangerous world octopus are being placed in direct charge of its "de-cartelization," as is shown only too clearly in my remarks on another page in which I insert the text of a warning, with names and facts, issued by the Society for the Prevention of World War III.

Résumé of Work of Senate Judiciary Committee, Eightieth Congress, First Session

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 23 (legislative day of Wednesday, July 16), 1947

Mr. WILEY. Mr. President, I believe that my colleagues and constituents, as well as many others, would be interested in a brief résumé of the work of the Senate Judiciary Committee in this first session of the Eightieth Congress, in particular concerning the impact of the legislative reorganization law upon our committee's jurisdiction and activities. I therefore ask unanimous consent that there be printed in the Appendix of the RECORD, to be published shortly after the recess of Congress, a summary on this subject which I am now having prepared by the staff, in addition to an overall review which I have made of the record of the Eightieth Congress.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

REPORT OF THE SENATE COMMITTEE ON THE JUDICIARY, EIGHTIETH CONGRESS, FIRST SESSION

ORGANIZATION OF THE JUDICIARY COMMITTEE

(A) Historical development of the Judiciary Committee

The Senate Committee on the Judiciary was first designated a standing committee by the Senate Resolution of December 10, 1816, which required that the committee be appointed at the commencement of each session of Congress. This requirement was later changed by Senate Rule XXVI, adopted January 11, 1884, to provide that the standing committees be appointed at the commencement of each Congress rather than at each session (Cong. Rec. 15: 307 and 367). The functions which have been the concern of this standing committee for more than 130 years are now among those which under Public Law 607, Seventy-ninth Congress, have been given to a new committee with a far more extensive jurisdiction.

(B) Jurisdiction of the Judiciary Committee

Under the Legislative Reorganization Act of 1946, all proposed legislation, messages, petitions, memorials, and other matters relating to the following 18 subject groupings are referred to the new Committee on the Judiciary:

1. Judicial proceedings, civil and criminal, generally.
2. Constitutional amendments.
3. Federal courts and judges.
4. Local courts in the Territories and possessions.
5. Revision and codification of the statutes of the United States.
6. National penitentiaries.
7. Protection of trade and commerce against unlawful restraints and monopolies.
8. Holidays and celebrations.
9. Bankruptcy, mutiny, espionage, and counterfeiting.
10. State and Territorial boundary lines.
11. Meetings of Congress, attendance of Members and their acceptance of incompatible offices.
12. Civil liberties.
13. Patents, copyrights, and trade-marks.
14. Patent Office.

15. Immigration and naturalization.
16. Apportionment of representatives.
17. Measures relating to claims against the United States.
18. Interstate compacts generally.

Committee membership is limited by the Legislative Reorganization Act to 13 Senators. Furthermore, under this act each of these Senators is limited to membership on two standing committees with the exception that Senators of the majority party, who are members of the Committee on the District of Columbia or of the Committee on Expenditures in the Executive Department, may serve on three standing committees (sec. 102 (o) (4)). These limitations concentrate a high degree of responsibility on the committees and their members.

Prior to the amendments to Senate rule XXV the subject matters listed in the 18 groupings above were referred largely to the following standing committees:

(a) Committee on Claims, consisting of 13 Senators.

(b) Committee on Immigration, consisting of 14 Senators.

(c) Committee on the Judiciary, consisting of 18 Senators.

(d) Committee on Patents, consisting of eight Senators.

The combined membership of these committees (53 members) and their staffs when compared with the present committee membership of 13 makes apparent the need for a high degree of efficiency and organization if there is to be thorough consideration of legislative matters.

(C) *Internal organization of the Judiciary Committee*

1. Membership of the Judiciary Committee: ALEXANDER WILEY, Wisconsin, chairman; WILLIAM LANGER, North Dakota; HOMER FERGUSON, Michigan; CHAPMAN REVERCOMB, West Virginia; E. H. MOORE, Oklahoma; FORREST C. DONNELL, Missouri; JOHN SHERMAN COOPER, Kentucky; PAT MCCARRAN, Nevada; HARLEY M. KILGORE, West Virginia; JAMES O. EASTLAND, Mississippi; WARREN G. MAGNUSON, Washington; J. WILLIAM FULBRIGHT, Arkansas; J. HOWARD MCGRATH, Rhode Island.

2. Standing subcommittees of the Judiciary Committee: Patents, Trade-Marks, and Copyrights, Mr. FERGUSON, chairman; Mr. MCGRATH. Immigration and Naturalization, Mr. REVERCOMB, chairman, Mr. MCCARRAN. Federal Charters, Holidays, and Celebrations, Mr. DONNELL, chairman; Mr. KILGORE. Constitutional Amendments, Mr. REVERCOMB, chairman; Mr. MCCARRAN. Improvements in Judicial Machinery, Mr. FERGUSON, chairman; Mr. MCCARRAN. National Penitentiaries, Mr. LANGER, Chairman; Mr. DONNELL, Mr. MCGRATH.

(D) *Procedures of the Judiciary Committee*

1. Procedures under section 133 of the Legislative Reorganization Act of 1946: Each standing committee is required by the Reorganization Act to fix regular meeting days for the transaction of business and to keep a complete record of all committee action, including record votes on all questions on which record votes are demanded.

Measures and recommendations shall be reported only by a majority of the committee actually present. It then becomes the duty of the chairman to report promptly to the Senate and take steps necessary to bring the matter to a vote.

2. Judiciary Committee Rules of Procedure: The statutory requirements are supplemented by the rules of the committee, the more pertinent of which are the following:

Rule 1: Five members of the committee shall constitute a quorum for the transaction of such business as may be considered at any regular or special meeting of the committee, subject, however, to the provisions of section 133 (d) of the Legislative Reorganization Act of 1946. No member of the committee shall for the purpose of determining the existence of a quorum of the committee be deemed to be present unless he be personally present.

Rule 4: No vote cast in the committee, or any subcommittee thereof, by proxy shall be counted.

Rule 6: The committee shall, so far as practicable, require all witnesses appearing before it to file in advance written statements of their proposed testimony at least 24 hours before hearing, and to limit their oral presentations to brief summaries of their argument. The committee staff shall prepare digests of such statements for the use of committee members.

Rule 7: All hearings conducted by the committee or its subcommittees shall be open to the public except (1) executive sessions for marking up bills, or (2) for voting, or (3) where the committee by a majority vote orders an executive session.

(E) *Program of the Judiciary Committee*

(a) Scope of Judiciary Activities at Close of First Session, Eightieth Congress

(1) Percentage of legislation referred to Judiciary Committee:

(a) Of the total number of all House bills and resolutions sent to the Senate, the percentage referred to the Senate Committee on the Judiciary was approximately 36 percent plus.

(b) Of the total number of all Senate bills and resolutions introduced, the percentage referred to the Committee on the Judiciary was approximately 29 percent.

(c) Of the total number of all Senate and House bills and resolutions received by the Senate, the percentage referred to the Committee on the Judiciary was approximately 30 percent plus.

(d) Number of bills received, 830.

(e) Number of bills and resolutions reported favorably, 215.

(f) Number of bills and resolutions indefinitely postponed by action of the full committee, 113.

(g) Number of bills and resolutions acted upon, 328.

(h) Number of bills becoming law (Private and Public) (as of close of 1st sess.), 136.

(2) Reports requested on legislation: Number of reports requested from Government departments and agencies on legislation referred to the committee, 930.

(b) Hearings and Executive Sessions of the Judiciary Committee

(1) Number of hearing sessions conducted on legislation, 70.

(2) Approximate number of witnesses (all hearings), 420.

(3) Number of executive meetings of the full Committee on Legislation and Nominations, 42.

(4) Number of executive meetings of subcommittees on legislation, 105 (approximate) Approximately 20 of the above meetings were night sessions.

(5) Number of meetings held by conferees, 21.

(c) Reports of the Judiciary Committee

(1) Bills and resolutions reported by the committee, 215.

(a) Number of printed reports on bills and resolutions, 215.

(2) Number of documents, hearings, etc., printed for the use of the committee, 9.

(d) Nominations Referred to Judiciary Committee

(1) Number of nominations referred to the committee, 69.

(2) Reports of the Judiciary Committee on nominations: Number of nominations reported favorably, 66; number of nominations reported unfavorably, none; number of nominations withdrawn, 1; number of nominations pending at close of first session, 2 (received shortly before session ended).

(3) Hearings of the Judiciary Committee on nominations: Number of recorded hearings on nominations, 52 (the figures do not include routine unrecorded hearings).

SUMMARY

To effect, in an orderly manner, the changes required by the Reorganization Act was an impressive challenge. When these changes became enmeshed in the further reorganization of the Congress, which ensued as the result of the recent election and political change, the combined task of the organizing and reorganizing became enormous. The new Senate Committee on the Judiciary has attempted to meet the challenge presented by this situation. At the close of the first session of the Eightieth Congress it had among other things reported 215 bills and resolutions and had considered 328 of the 830 legislative measures referred to the committee.

Of the total number of House bills and resolutions sent to the Senate, approximately 36 percent were referred to the Senate Committee on the Judiciary and of the total number of all Senate and House bills received by the Senate the percentage referred to the Judiciary Committee was somewhat more than 30 percent.

Examples of committee work

The committee conducted extensive and comprehensive hearings on the issues involved on portal to portal under the Fair Labor Standards Act and reported out the bill which subsequently became Public Law 49.

The committee gave detailed consideration to the more than 500 laws involved in the so-called war and emergency legislation and published three extensive documents in connection with the consideration of these laws and reported out of committee Senate Joint Resolution 123 relative to the termination of war controls and emergency and war powers. This involved legislation ultimately became Public Law 239.

It is interesting to note that in connection with the committee consideration of Senate Joint Resolution 123, the committee cooperated with each standing committee of the Senate in a procedure which is almost unique.

The committee also considered and wrote legislation relating to the several extensions of title III of the Second War Powers Act and the Export Control Act.

The committee also considered a substantial volume of private claims and immigration bills requiring extensive reference and printed Senate reports. In the consideration of these private bills, the committee endeavored to develop certain over-all patterns for future use.

In reporting out a number of so-called corporate charter bills, the committee initiated certain over-all principles which it is hoped will effect a standardization of congressional policy relating to Federal charters.

(1) Immigration

In the consideration of immigration matters the committee, through its study of various private bills, has begun the formulation of certain over-all principles which will be further considered in connection with the very comprehensive immigration study currently being made by a Senate judiciary subcommittee under the terms of Senate Resolution 137. In this general category the committee also reported out bills:

1. Amending section 12 of the Immigration Act of 1917;

2. Amending Public Law 271 of the Seventy-ninth Congress to expedite the admission to the United States of alien spouses and alien minor children;

3. Amending the Nationality Act of 1940;

4. Extending the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés

of members of the armed forces of the United States;

5. Amending the Nationality Act of 1940 to preserve the nationality of citizens unable to return to the United States prior to October 14, 1946;

6. To amend the Nationality Act of 1940 to preserve the nationality of naturalized veterans and wives and minor children and dependent parents;

7. Providing for the extension and application of the provisions of the Classification Act of 1923, as amended, to certain officers and employees of the Immigration and Naturalization Service in the Department of Justice;

8. Correcting an error in section 342 (b) (8) of the Nationality Act of 1940, as amended.

9. To amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals.

10. Amending section 327 (h) of the Nationality Act of 1940.

(Above is a partial list.)

(2) Patents

The committee reported out several patent bills, one of them being the urgent bill relating to the patents involved in certain treaties of peace. Equally urgent was the bill which extended temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto.

The necessity for this latter bill arose out of the hardships occasioned by the war in connection with the filing and prosecution of applications for patents.

Under the direction of the patent subcommittee a study will be made during the adjourned session and should provide data which can serve as the basis for possible over-all patent legislation when Congress reconvenes.

(3) Judiciary

In the fields of jurisdiction traditionally associated with the Judiciary Committee the committee reported out bills:

1. Making criminally liable, persons who negligently allow prisoners in his custody to escape.

2. Amending the laws relating to larceny in interstate or foreign commerce.

3. Proposing the preparation of a revised edition of the Annotated Constitution of the United States.

4. Authorizing additional allowances of good time and the payment of compensation to prison inmates performing exceptionally meritorious or outstanding services.

5. Prohibiting the operation of gambling ships.

6. Amending the Bankruptcy Act with respect to qualifications of part-time referees in bankruptcy.

7. Establishing uniform qualifications of jurors in the Federal courts.

8. Amending the act to express the intent of Congress with reference to the regulation of the business of insurance.

9. Amending the Administrative Procedure Act to authorize commissioned officers of the Coast Guard to preside at the taking of evidence in proceedings under section 4450 of the revised statutes, as amended.

10. Providing secretaries for circuit and district judges.

11. Codifying and enacting into positive law title 4 of the United States Code.

12. Codifying and enacting into positive law title 1 of the United States Code.

13. Codifying and enacting into positive law title 6 of the United States Code.

14. Codifying and enacting into positive law title 17 of the United States Code.

15. Codifying and enacting into positive law title 9 of the United States Code.

16. Amending the criminal code and certain other legislation with reference to part-time referees in bankruptcy to act as agents or attorneys for claimants against the United States.

17. Proposing an amendment to the Constitution of the United States relating to the terms of office of the President.

(Above is a partial list).

(4) Interstate Compacts

In the category of interstate compacts, the committee reported out a bill consenting to an interstate oil compact to conserve oil and gas.

(5) Other Jurisdictions of Committee

The foregoing indicate the general scope of the activities of the committee during the first session of the Eightieth Congress. In addition to the foregoing, the committee had measures referred to it relating to the following categories:

1. Protection of trade and commerce against unlawful restraints and monopolies.
2. Holidays and celebrations.
3. Civil liberties.
4. Apportionment of Representatives.

PROPOSED RECESS ACTIVITIES

1. A comprehensive survey of proposed patent legislation.

2. A survey of committee powers and committee hearings.

3. Digest of reports and studies relating to so-called Mediterranean fruitfly claims.

4. A comprehensive study of the background of the so-called Tidelands case.

5. Possible additional hearings on nominations.

6. Study of monopolistic practices, particularly in the South.

7. A comprehensive digest of all departmental recommendations relative to proposed committee bills covering repealing of obsolete laws.

8. Digest and preparation of departmental reports on bills still pending before the committee.

9. Further hearings on claim of midwest truckers and possible hearings on other claims bills.

10. Extensive study of over-all immigration subcommittee with particular emphasis on displaced persons problem.

11. A review of all claims bills.

12. Continuing study on export controls and second war powers under the direction of subcommittee chairman to determine effectiveness of controls and possible further need for continued extension.

OBSERVATIONS

The review of a single session of Congress functioning under Public Law 601, Seventy-ninth Congress, is perhaps inadequate evidence on which to base any final conclusions.

In the Senate Committee on the Judiciary, however, it was apparent throughout the session that the volume of work appeared to definitely necessitate additional stenographic help.

The Immigration and Naturalization Subcommittee of the Committee on the Judiciary initiated a policy with reference to the consideration of private immigration bills which perhaps warrants study for possible general legislative use.

This policy required the submission of certain supporting data by the sponsor of the bill as a prerequisite to consideration by the subcommittee. This procedure was found to be extremely helpful.

The possibility of the adoption of a rule requiring the submission of certain data to accompany the introduction of every bill may warrant exploration. Such data could include: The necessity for the bill, the objectives sought in the bill, the sponsor's explanation of the bill's provisions, and supporting data. The adoption of such a procedure might serve to insure the careful presentation of legislation and might be of tremendous value to the committees and moreover would occasionally disclose flaws in legislative proposals which might lead the sponsors to withhold introduction.

Another proposal which may warrant exploration would be the possible creation of a pool of carefully selected and trained Senate investigators which would be available to the various standing committees.

Apart from the committee work itself, observations are perhaps in order on the over-all congressional machinery. In this connection it might be well to explore—

1. The "sloughing-off" of complete areas of the Congress' work—either trivial areas, local areas such as relate to the District of Columbia legislation or major areas such as rightfully belong to the State and local governments inherently.

2. The mechanical modernization of Congress, modern folding-room equipment, forms controls, legislative card-punch machine, etc The latter particularly should materially facilitate the necessary collection of important legislative statistical data.

3. Congressional scheduling could be studied with a view to spreading the workload throughout the year rather than concentrating a tremendous number of bills in a relatively short period of time.

Radio Address by Senator Alexander Wiley Over Wisconsin Radio Stations

RECORD OF THE EIGHTIETH CONGRESS

I am grateful for this opportunity to discuss with you briefly the subject of the record of the Eightieth Congress.

This is a matter in which you as a citizen are vitally interested. The Congress which you elected in November 1946 and which opened in January 1947 had a heavy obligation to fulfill the mandate which you gave to it. I believe that it has earnestly fulfilled the mandate to the best of its ability—that it has worked conscientiously and devotedly in the interests of the American people—in the interest of the public welfare.

But let the facts talk for themselves. Let us look over the record of the Eightieth Congress. Let us consider how many bills were introduced, what were the principal bills that were passed, what are the principal bills that still await action, and then let us try to evaluate how well the Congress performed its job for Wisconsin and the Nation.

MY OBLIGATION TO YOU

I feel that as a legislator, I owe this report to you, to submit this summary. Each of my listeners holds a share, so to speak, in America Unlimited. Yes, each of you, whether you are a farmer, a small businessman, a laboring man, a housewife, a clerk, a doctor, lawyer, teacher, a secretary, a storekeeper, holds a share of what might be called preferred stock in our beloved country. There may be differences of opinion among us as to what specific legislation benefits our country best, but all of us love our America and want to see it prosper in a prosperous and peaceful world. Well, how has the Eightieth Congress contributed to prosperity and peace? Let's let the record talk for itself.

VOLUME OF BILLS

Let's note first, however, that over 6,500 bills were introduced in Congress during these seven brief months of Congress' session. These bills ranged from one line resolutions to hundred-page books. They included appropriations bills for over $37,000,000,000, claims bills, immigration bills, treaties, as well as general legislation.

And even before the Congress could take any of them up, it had to complete a legislative reorganization (in accordance with the law adopted in the Seventy-ninth Congress) and a political reorganization. Both jobs it completed with a speed and efficiency that amazed many observers.

Then, it "plowed into" its mass of legislation.

BILLS ENACTED

What bills did it enact Let me read a list of a few of the major bills passed by the House and Senate.

1. Perhaps the major accomplishment of the Eightieth Congress was the Labor-Management Relations Act of 1947. It was designed to protect labor, management, and, most important of all, the American public, from racketeering abuses. It was designed to give us the industrial peace and full production which we so need for prosperity.

2. Another significant accomplishment of the Congress was the Portal-to-Portal Act of 1947. It removed the cloud of financial bankruptcy, arising out of the absurd so-called portal-to-portal claims and affecting the very foundations of American industry. I am proud to say this act was considered in the Senate by the Judiciary Committee, of which I am proud to serve as chairman.

3. Item 3 to Congress' credit is the proposed constitutional amendment limiting the Presidency to two terms. Through this nonpartisan resolution, we hope to prevent the perpetuation in office of any one man which makes for dictatorship. Almost half of the 36 States required for adoption of this amendment have already ratified it. I am proud to say that, here too, the Judiciary Committee was the one which handled this important amendment in the Senate. As in the case of the Portal-to-Portal Act, I had personally introduced legislation to accomplish the very objective which Congress ultimately agreed to.

4. Another feather, I believe, in Congress' cap is armed services unification. After thorough study, it enacted a bill to merge the Army, Navy, and Air Forces under a single new Cabinet Department of National Defense. This will help assure adequate United States preparedness in the atomic age.

5. Another bill enacted sets up a National Science Foundation to encourage United States research.

6. The Presidential succession bill, setting up a new line of succession to the Presidency in the event that the President and the Vice President are unable to fulfill the duties.

7. Repeal of wartime laws, ending immediately, or within a given time thereafter, around 175 of the President's emergency war powers. This was a major step toward placing America back on a full peacetime basis. I am proud to say that I personally sponsored this resolution, and that its initial consideration was also handled in the Senate Judiciary Committee.

8. Along the line of veterans' legislation, there was enacted the veterans' terminal-leave bill enabling the cashing after September 1 of almost $2,000,000,000 of enlisted men's terminal-leave bonds.

9. A bill for 20-percent increase in the pensions of Spanish-American and Civil War veterans and their dependents, designed to help them meet the high cost of living.

10. A bill widening the number of disabled veterans eligible to receive automobiles for their personal transportation.

11. Turning again to civilian bills, the Eightieth Congress established a Commission To Reorganize the Executive Branch of Government for purposes of efficiency and economy.

12. The Congress extended rent controls because of the housing shortage, but made provision for turning this problem over to the respective State governments where it rightly belongs.

13. It sets up a National Aviation Council to stimulate our vital aircraft industry.

14. In the field of foreign policy, the Congress was adequate to its heavy obligations in this war-ravaged world. It enacted the bill for economic aid to Greece and Turkey as a buffer against Russian aggression and as a means of preserving the peace.

15. The Congress enacted all necessary foreign relief appropriations to help disease- and hunger-ridden European and Asiatic peoples.

16. Returning again to the domestic front, the Congress launched much needed investigations: Into the housing shortage, the price situation, our whole social-security structure, our tax system. These studies will provide much valuable background material for later legislation.

17. On a matter vital to Wisconsin, the Congress authorized the minting of 500,000 commemorative coins to help finance our State's 1948 centennial celebration. It had been my privilege to introduce the initial legislation for these coins and to appear in committee in their behalf.

ECONOMY EFFORTS

In all its work the Congress sought to apply reasonable economy to conserve the taxpayers' dollars rather than to spend them like a prodigal as had many previous Congresses. Considerable savings were made in the President's budget, but unexpected foreign commitments served to reduce such savings.

TAX VETOES

The Congress did not, of course, succeed in all its objectives. Perhaps, the biggest disappointment to the American people was the President's two arbitrary vetoes of the tax reduction bills. These bills would have provided 30 to 10 percent reduction in your tax load. Passage of these bills would have meant $4,000,000,000 in the pockets of the American people. This money could have been used for buying food, clothing, for taking care of rent bills, for business needs in the face of our higher cost of living. You can be sure, however, that I, for one, am going to do all I can in the next session of the Congress to see that tax-reduction legislation is enacted in accordance with the mandate of the American people.

OTHER BILLS PENDING

A number of important bills are still awaiting the action of the Congress. Among these bills are the St. Lawrence seaway, Federal aid to education, national health and national housing, increase in veterans' subsistence allowances and earnings ceilings, displaced persons legislation, numerous bills affecting railroads, such as railroad reorganization and rate-making agreements, anti-poll tax and FEPC bills, United Nations Charter revision, universal military training.

Some of these bills may never be enacted into law. Others may yet find their way into the statute books. All of them are controversial and require the thorough consideration of the Congress. Studies are under way on many of them during the congressional recess.

LAKES SEAWAY

As you will note, one of the major items still awaiting action is the St. Lawrence seaway bill. It was my privilege to serve as chairman of the Senate Foreign Relations Subcommittee which considered the seaway. Following extensive hearings, which I personally conducted, the subcommittee favorably reported the seaway bill without dissent. Then, in the face of strong opposition, I asked the full committee to consider the bill. This it did, voting 9 to 4 on behalf of completion of the seaway.

I want to assure my audience that I am going to do everything within my power to have the St. Lawrence seaway bill completed as early as possible in the next session of the Congress. This vital waterway, so essential to national defense and to the economic health of the great Midwest, should not be delayed any longer. The people of Wisconsin and of all America demand its completion, and I will do everything I can to help fulfill their will.

COMMITTEE WORK

The Congress is not closing up shop in terminating the session. My office will be open, as it is always open, to serve Wisconsin 6 days a week, 52 weeks a year. Congressional committees will be busy all summer. And while we are on the subject of committees, let us not forget that the committees of the Senate and House have done an unparalleled job which often escapes public attention In my own Judiciary Committee, for example, we received around 830 bills. We conducted many hearings, confirmed numerous nominations by the President. As a comparison between the Judiciary Committee's work accomplished in the Eightieth Congress and its work of preceding Congresses, we might note that the 830 bills we considered are many times the number of bills considered in both sessions of the preceding Congress. Our jurisdiction has been expanded many fold—considering claims, immigration, civil liberties, antitrust, and many other activities.

We have tried to do the best possible job we could.

No one will claim that the work of the first session was perfect. Every one of us can see faults and omissions in the Congress' work. In many instances the small Republican majority in the Congress was hamstrung by Democratic filibuster tactics. Such tactics succeeded in the Senate in blocking the probe of the Kansas City vote frauds, at least temporarily.

EVALUATING CONGRESS

Well, how can we evaluate the work of the Congress? The answer must come from your own heart, my fellow citizens, according to your personal convictions. My personal standard by which I judge the Congress is whether or not it served the public welfare, not the interest of this or that segment of our population, but the interests of all of us. I feel that, judged by that standard, the first session of the Eightieth Congress did a splendid job in promoting the public welfare.

CONCLUSION

A big task lies before us. The international situation is, to say the least, cloudy. There are dark spots in the domestic picture too. We are, however, enjoying heretofore undreamed of prosperity. Sixty million Americans are working, our national income is at the rate of $160,000,000,000 a year. These are facts of which you and I may be proud.

We may, in summary, be proud, too, of the work of the first session of the Eightieth Congress—a session which I believe, fulfilled the mandate of the American people.

With thanks for the past, with pride in the present, with confidence in the future, the Congress and the American people may go forward.

Statement on National and Foreign Policy

EXTENSION OF REMARKS

OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. HOLIFIELD, Mr. Speaker, the Democrats of California are girding their loins for the 1948 campaign. The record of the Republican-controlled Eightieth Congress in failing to serve the people is the main reason for their zeal.

Under the devoted leadership of James Roosevelt, the chairman of the California State Democratic Central Committee, the people of California are uniting to win. There have been attempts to discredit and discourage real organization of a strong Democratic party. These attempts have been abortive, regardless of their origin or political sponsorship. Disgruntled pseudopolitical leaders on the extreme right and the extreme left have been discomfitted by the growing strength and unity of influential Democrats behind James Roosevelt's leadership. The recent Democratic State Central Committee meeting overwhelmingly approved the official statement on national and foreign policy outlined below. It is a statement of principles, around which all California Democrats can rally for victory in 1948.

Under unanimous consent, I append hereto the statement mentioned above:

The statement on national and foreign policy covers such points as—

The Democratic Party of California, aware that developments of modern science have linked the far corners of the world and brought ever closer associations on our own continent, affirm our faith in certain fundamental principles.

First. We believe that human progress, individual liberties, and the "four freedoms" are most likely to be realized under the American form of democracy.

Second. We believe neither our own people nor new adherents elsewhere will continue to have faith in our democracy unless we prove conclusively that more than any other system it can secure human progress, individual liberties, and the "four freedoms."

Third. We believe that inasmuch as atomic power can easily destroy all civilization and humanity, the United States of America bears the heaviest responsibility in installing methods of peaceful mediation and settlement for the conflicts of peoples and governments.

Believing thus, we feel it is our duty to state clearly our alarm at domestic legislation which, under the guise of curbing the abuses of certain leaders and groups of organized labor, actually destroys the safeguards of economic and social liberty won so recently by the men and women of labor. We heartily commend President Truman for his veto of the Republican-sponsored Taft-Hartley bill, a measure primarily designed, not to correct abuses within organized labor, but to emasculate the legitimate safeguards of collective bargaining.

We believe also that the people should be told that under the guise of an attack upon a labor monopoly, the Republican Party is fostering an ever increasing corporation or business monopoly. It is an undeniable fact that the Federal Trade Commission has warned of a greatly accelerated pace of postwar business mergers and has ascribed high prices directly to them. * * * Monopoly waxes fatter than ever. Three companies account for 89 percent of American automobiles; gasoline prices rise, even at minute fractional changes, exactly together; four companies have 85 percent of our structural steel capacity; four more make all our prefabricated roofing shingles, and 10 percent of corporations control 90 percent of our corporate wealth. These are the sure signs that the Republican Party is making an attack upon labor the excuse for allowing our competitive system to become one of monopoly at the expense of every little business man and woman in the country. We, therefore, urge that the Democratic Party, nationally, put its full weight behind the legislation proposed by Senator O'MAHONEY and Representative KEFAUVER which would put some real strength in the antitrust acts, and we urge that the Department of Justice vigorously prosecute those who are menacing our competitive free-price system. We heartily commend the President for his courage and wisdom in vetoing the inequitable Knutson tax bill; now that the Republican leadership has reintroduced it in the Congress, we urge him to stand firm in again vetoing.

The Democratic State Central Committee of California believes that it has the responsibility to inform the national leaders of our party of constructive suggestions made in our State. Surely no man or woman today in public life has all the answers to the many complex problems which face us, most especially in the field of international relations. We feel that the greatest proof of our loyalty to our country is to give to President Truman the benefit of the considered thinking of the members of our party in this State.

We endorse wholeheartedly the President's stated principles that:

A. We should do everything within our power to bring relief to the suffering people of the world from hunger and economic want and that such relief should know no political boundaries.

B. That, as perhaps the only strong creditor nation left in the civilized world, we should insure that no peoples should be forced to adopt political ideologies of any nature whatsoever because of economic or armed aggression against them.

It is in the spirit of this idealism that we understand the Truman Doctrine to have been conceived.

In wartime it may not be possible to fully take the whole people into the confidence of the national leadership; in peacetime it must be done. We therefore urge that the President, the Secretary of State, and all other qualified officials publicly discuss the full implications of our foreign policy. The Democrats of California feel that it was under the leadership of our party, and here in our own State, that the United Nations was born as the key instrument to a lasting peace. We therefore insist that the strongest possible steps and the strongest possible active policy of cooperation with the United Nations Organization must come from our Democratic administration.

We urge that the United States take the initiative in every possible way for establishing adequate machinery within the United Nations Organization for achieving world peace and the economic recovery of the world.

Unilateral action in international matters must be abolished; only by so doing can that mutual trust among nations essential to lasting peace be fully achieved.

As the strongest of the nations and the one whose people have the highest standard of living, and which by the democratic processes have most nearly achieved the Four Freedoms, the United States has the obligation to maintain bold leadership in support of the United Nations.

We recognize frankly that some countries have not yet lost their fears of Old-World power politics. Russia in particular, struggling to rise from czarist serfdom and having suffered repeatedly from aggression, will be slow in accepting the unselfish idealism which must be the guiding principle for all members of the United Nations. However, we feel that eventually all nations, including Russia, must and will repudiate unilateral action and support wholeheartedly the principle of international cooperation. Any other course, inevitably means obliteration by atomic warfare.

Without the threat of war differing economic systems will be judged solely on their accomplishments for mankind; we confidently reassert our faith in the American way of life.

We endorse the principles of the Marshall plan both because these principles offer the most likely prospect for the stabilization of European life and because the plan itself clearly falls within the regional arrangements specifically authorized by the Charter of the United Nations in article 52. We regret the failure of the Russian Government to cooperate with the Marshall Plan and we urge that she reverse her decision and lend her influence and leadership in establishing a basis of mutual trust among all nations.

We respectfully suggest and urge that a definite policy for giving the people of the world factual information in regard to the working of American democracy via radio, the interchange of students and the encouragement of visitors, cultural and trade, to and from our shores should be given a most prominent place in our program.

We condemn the penny-wise policy of the Republican Party in curtailing the information service of our Department of State, especially when we realize that it has been merely proposed that we spend for the selling of democracy a sum of money smaller than the advertising budget of many of our national business concerns.

We reiterate again that the greatest assurance of lasting peace and the activation of democracy throughout the world will come from a steadfast and successful economy here in our own country. The path of unemployment is the road to war.

We make these suggestions in order that the great body of people in our country desiring to achieve world peace and the principles of American democracy may know with certainty the position advocated by the Democratic Party of California.

Respectfully submitted.

GEORGE E. OUTLAND,
Chairman, Policy Committee.

Meretricious Pamphlet Sponsored by Upton Close Exposed by Former Secretary of War Patterson

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EXTENSION OF REMARKS
OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. SABATH. Mr. Speaker, everyone of us in America who clings to the ideals of Thomas Jefferson, of Andrew Jackson, of Woodrow Wilson, and of Franklin Delano Roosevelt has been dismayed by the rising tide of un-Christian, un-American, and undemocratic bigotry, discrimination, and prejudice in this country we love so much.

We have fought two terrible wars to preserve democracy, and yet within our own ranks there are those who would betray democracy.

In those two wars every racial and religious group in America fought with equal valor. They shared the burdens without stint. Every citizen of America owes an equal duty to his country; but to every citizen America owes equality of law and of treatment.

In time of war there is no difference in the duty owed and discharged by the *Mayflower* descendant and the immigrant not yet naturalized; the foreign-born, the sons of the foreign-born, and

the children of the first families of Virginia fight and work side by side for the country they love equally.

There should be and there must be no difference in peace. That is America.

We cannot touch filth without being dirtied; and in the days of our cold war against the Nazi aggressor there were some who fell into the trap of the Hitler-Goebbels propaganda line. Now that the war is over and American democracy has defeated Nazi abomination, those people have again dared to resume their feeding of un-American and seditious falsehoods and half-truths—the Peglers, the G. L. K. Smiths, the Merwyn K. Harts, and the vermin press generally—ever seeking to divide Americans, and trying to destroy our national strength and unity so much needed in these troubled times.

It is our duty, therefore, Mr. Speaker, to expose the falsity of these exponents of hatred whenever they appear.

Upton Close, whose record of opposition to all things democratic and progressive needs no further elaboration by me, recently issued a pamphlet called the Anti-Defamation League, by one Robert H. Williams. Mr. Close introduces the pamphlet with the innuendo that it was prepared by Maj. Robert H. Williams, Air Reserve, on the basis of information developed by Williams in the course of his military duties as a counterintelligence officer.

It is noteworthy that this publication of Upton Close was printed on the same press in San Diego on which Leon de Aryan prints the Broom; De Aryan was twice indicted for seditious conspiracy during the war.

An official letter from the War Department completely explodes this false insinuation. Former Secretary of War Patterson pointed out that Williams is no longer connected with the military service and that when he was in the Army his work had to do with "weather and air" intelligence and was not connected in any way with the investigation of subversive activity. This is what Secretary Patterson wrote to Justice Meier Steinbrink concerning Mr. Williams and the Upton Close pamphlet:

WAR DEPARTMENT,
Washington, May 28, 1947.

Hon. MEIER STEINBRINK,
National Chairman, Antidefamation League of B'nai B'rith,
New York, N. Y.

DEAR JUDGE STEINBRINK: I have had Closer-Ups Supplement No. 1—the Anti-Defamation League, by Robert H. Williams, carefully checked as a result of your letter of May 1, 1947. I assure you that nothing contained within that pamphlet referring to the character of Jews in the Army had been prepared as the result of any information gathered by Mr. Williams from any official records within the War Department while he was in the military service. His statements reflect the thinking of one individual and do not express any opinion or statement of the War Department.

Mr. Williams served as a major in the Army of the United States (Air Corps) during World War II. He was for a time an intelligence officer in an air squadron overseas, but he was not concerned, in that capacity, with the investigation of Communists or any subversives. His work had to do with weather and air intelligence. He is not now a member of the Air Reserve and is no longer connected with the military service.

Any statement made by Mr. Williams was not made as an agent of the War Department, but was made as a civilian without the consent of or prior approval of the War Department. His statements cannot be considered as reflecting the attitude of the War Department.

Under the circumstances the War Department can take no action, unless in the course of any statement made by Mr. Williams he discloses any information of a classified nature which he has obtained as the result of his service in the armed forces of the United States.

Our Army, made up of Catholics, Protestants, and Jews, brought us the greatest victory in our history, and any statement which would reflect unfavorably on the loyalty of any racial or religious group among them is utterly without foundation.

Contrary to the statement in the pamphlet, B'nai B'rith has a record for patriotic service which was recognized by both Army and Navy citations.

Yours sincerely,

ROBERT P. PATTERSON,
Secretary of War.

Remarks of Hon. Francis Case, of South Dakota, Before the National Rivers and Harbors Congress

EXTENSION OF REMARKS
OF
HON. FRANCIS CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to submit the following remarks made by me before the thirty-seventh convention of the National Rivers and Harbors Congress on May 2, 1947:

Senator MCCLELLAN, distinguished guests and delegates to the thirty-seventh convention of the National Rivers and Harbors Congress, we return to the works of peace—we hope. The assembling of the National Rivers and Harbors Congress in Washington, again, is the sign that the National Congress is expected to give to control and conservation of our water the attention and the money that has lately been given to war.

The difficulty is that we have the war to pay for. We have a national debt of approximately $260,000,000,000. Before the war we though it was high when it climbed to fifty-five billion.

And a second difficulty is that the aftermath of the war is expensive, too. A few days ago Congress completed action on a deficiency bill to appropriate $300,000,000 to supplement the four hundred and twenty-five million previously appropriated to feed our late enemies, in this current fiscal year. And during the past week, the House of Representatives approved a bill to authorize $200,000,000 to supplement previous contributions through UNRRA for war-devastated countries. And next week, the House will consider another bill to authorize four hundred million for Greece and Turkey.

That is 300 plus 200 plus 400, or a total of $900,000,000 within a week or so—for relief and reconstruction abroad.

The latter part of this month, it is expected that the War Department Subcommittee of the Appropriations Committee of the House of Representatives will begin hearings on the budget estimates for the civil functions of the War Department. This is the bill in which you are interested, the bill which carries the money for the Army engineers to carry on authorized river-and-harbor and flood-control projects in the fiscal year beginning July 1, 1947, and ending June 30, 1948.

What are the budget estimates for fiscal 1948?

For rivers and harbors, $101,994,000.

For flood control, general, $163,356,000, plus thirty million of 1947 balances carried forward to 1948.

For flood control, Mississippi River and tributaries, $24,000,000.

For flood control, Sacramento River, $1,000,000.

How do these compare with prior years?

In 1940 for fiscal year 1941, on rivers and harbors, the civil-functions bill carried $67,000,000, against the $101,994,000 requested for 1948.

On flood control, general, in 1940 for fiscal 1941, there was appropriated $70,000,000 against the $163,000,000 of new money requested for 1948.

On Mississippi flood control, in 1940 for fiscal 1941, there was appropriated $30,000,000 as compared with $24,000,000 requested for 1948.

The President's budget for 1948 has been accompanied by the statement:

"The amount of construction provides for continuing or completing work on only those projects for which Congress has previously appropriated funds for construction. This does not provide for starting any additional projects."

That should be kept in mind in comparing the estimates for next fiscal year with the appropriations of 1940 for 1941. Heretofore, the funds appropriated have always embraced some new construction. What attitude the Appropriation Committees of the House and Senate will take on this point, I am not able to say, of course, but that is a point on which I will express my own personal opinion a bit later.

Of the $101,994,000 requested for rivers and harbors, $50,000,000 is for maintenance of existing works, approximately $25,000,000 is for carrying forward projects on which money has already been expended, and of the balance $20,000,000 is for operation of canals, $3,645,000 for examinations and surveys, and the balance miscellaneous.

Of the $163,000,000 for flood control general, $151,000,000 is for construction, $4,000,000 is for plans and specifications, $3,500,000 for preliminary examinations and surveys, and the balance for maintenance, salaries, and miscellaneous expenses.

Of the $24,000,000 for the Mississippi flood-control fund, one-half is for new work and one-half is for maintenance.

I have not been able to attend earlier sessions of this convention and I do not know how much of this information may have been brought to your attention. I note that the distinguished senior Senator from South Dakota, the Honorable CHAN GURNEY, has already spoken in behalf of the Senate Appropriations Committee on this subject and he may have presented these figures. Or, he may have simply speculated on what the House committee would do to these Presidential recommendations.

Appropriation bills originate in the House of Representatives as you know. That is, in the language of the very able chairman of the House Appropriations Committee, the Honorable JOHN TABER, of New York, "we operate on the budget estimates first."

If some of the current columnists can be believed it might be said that the House operates on the budget and sometimes the Senate revives the patient. Be that as it may, I think the record will show through

the years that the Appropriations Committee of the House of Representatives has shown a sound understanding of the values in the rivers and harbors and flood-control work carried on by the Corps of Engineers of the United States Army.

In that connection, it might be noted that the inland waterways of the country carried over 29,000,000,000 ton-miles of traffic in 1945 compared with 9,500,000,000 ton-miles in 1934, just 11 years earlier.

There are three questions of policy which Congress in one way or another is going to pass upon, which I think should be brought to your attention. They bear directly upon the water work in which you are interested.

First, I will mention the question of rates for electric power sold from Government-built hydro projects. Testimony developed during the recent hearings of the Appropriations Subcommittee for the Interior Department developed that there are very great variations in the rate charged for power sold from different dams.

Power is sold from the Bonneville Dam at an average of 2 mills. Within the same consumer area, power from Reclamation Bureau-built dams in the same transmission area is sold at varying prices up to 5 and 6 mills, depending upon the power component when the project's feasibility was passed upon.

When these powers compete, naturally the cheaper gets the market and it may be the market which is needed to maintain feasibility for a given project.

It is not my province to discuss the problem in all its ramifications this morning, but I mention it because some national policy must be decided as we proceed. The problem is involved in the Rockwell and Lemke bills before the Public Lands Committee and the Dondero bill before the Committee on Public Works. I am sure that your members are taking note of the implications for the future program of water use.

The second policy question which must be determined is whether the Congress will appropriate money to start new river and harbor or flood-control projects this yea . As I have noted, the President's budget does not contemplate money for starting additional projects. The amount recommended is only for projects for which Congress has previously appropriated funds for construction.

Is that policy to be followed by the Eightieth Congress? I urge that this Rivers and Harbors Congress of delegates from all over the country ponder the matter and express yourself in your resolutions and in your communications to the Congress of the United States.

I am not authorized to speak for anyone but myself; I do not know how other Members of our House committee feel on this matter. I think there is something to be said for finishing projects with dispatch, particularly flood control projects so as to begin deriving benefits from them. At the same time, for myself, I wish to say, that I do not think the urgency of a project can be measured by whether it has been begun before any given date or not. I have in mind some relatively small projects where the threat of floods to life and property is far greater than some projects where work has already begun. Personally, I think that the urgency of a project is something to be measured by individual examination and not by a blanket rule. I am sure, however, that the Congress will welcome your conclusions on that matter after you have deliberated and considered the projects presented to you.

The third question of policy which will be considered, perhaps not directly but nonetheless actually, is whether appropriations for the development of the United States in the way of improvements of rivers and harbors and control of floods and putting of water to beneficial uses will be abandoned or curtailed because of a demand for relief programs abroad.

In this connection, I call your attention to the lead article in the magazine World Report, for April 15, 1947. Under the head, "U. S. aid to democracies calls for huge investments abroad" the article starts off by saying "If the program is carried to logical end, $21,000,000,000 would be committed in loans and grants in 3 years." It goes on to say that financing at the rate of $7,000,000,000 a year for 3 years is the prospect of "the new U. S. Policy" whose implications have been checked with national and international experts.

Again, this is not the time or place to go into details of that matter, but I think we are warranted in pointing out that the entire amount of money spent on all river and harbor and flood-control projects in the United States from 1824 to 1944, inclusive, has amounted to only a little over five and a half billion dollars, or considerably less than the amount estimated as the cost of the new overseas program in a single year.

The figures, and I take them from a table recently used by Secretary of the Interior Krug, are these:

Existing river and harbor and flood-control projects (1824–June 30, 1944)	$3,996,608,356
Bureau of Reclamation projects (1902–44)	870,105,502
Tennessee Valley Authority (1933–43)	640,350,445
Bonneville Power Administration to Dec. 31, 1944	85,028,136
Total	5,592,093,439

In fact, you could add the original cost of the Panama Canal and still not equal the estimated cost of the foreign relief program for a single year.

I do not need to tell this group that many of these projects in the United States are directly reimbursable. The reclamation projects are. Many public works projects return revenues by the sale of electric power and service tolls. And all of these projects return dividends, whether in cash or other values. Presumably the foreign relief program will return dividends, and I am not seeking to start a debacle on the justification or lack of justification for that program. All of these projects belong to the people of the United States. All I seek to do, is to point out that the Congress and the Nation will of necessity determine how far we can go, and whether or not, the embarking on a very large program of foreign relief will require us to curtail our program of civil works at home.

As I said at the outset, we seek to resume the work of peace—or perhaps I should say the works of peace, the public works program of harnessing our rivers, of clearing our harbors, of preventing floods and of converting sources of damage and destruction into sources of blessing and more abundant living.

This is a constructive task to which we address ourselves. It is a program of which everyone who plays part can be proud all his days.

Vigorous Upturn in Housing Construction

EXTENSION OF REMARKS

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. WOLCOTT. Mr. Speaker, a new 20-year high in housing starts and completions was reached in June of this year, according to a recent Government news release. June 1947 starts of new permanent dwelling units totaled 77,000 compared with 64,100 in June 1946. Figures for July indicate a continuation of the favorable trend. In July 1947 there were 80,000 starts and 65,400 completions which compare with 62,600 starts and only 36,700 completions in July a year ago. For the first 7 months of 1947 there were 440,800 starts and 428,200 completions of new permanent housing units which compare with 402,700 starts and 165,300 completions in the first 7 months of 1946.

Last year's promising start in home building construction was checked by reimposition in late March 1946, of Government building controls. Contraseasonally, permits for new permanent dwelling units reached a peak in March and starts reached a peak in May. This year the home-building industry, freed from Government construction controls by terms of the Housing and Rent Act of 1947, is evidencing a vigorous upturn which holds every promise of continuing on into August in a normal, seasonal pattern.

This vigorous upturn in housing construction has been stimulated in many ways by legislation enacted by the Eightieth Congress. Of the 26 bills reported out of the House Banking and Currency Committee, 8 were concerned with various phases of housing and all except 1 of these bills were enacted into law.

The Housing and Rent Act of 1947 provided for the continuation of rent control in defense rental areas until March 1, 1948. It also recognized that termination of Federal Rent Control was inseparably linked with the question of an adequate supply of housing accommodations. Accordingly, steps were taken to free the housing industry from governmental controls and provide incentive for the production and rental of additional housing accommodations. As noted above the act removed the remaining governmental controls on the construction industry except that the Housing Expediter was given authority to require a permit as a condition for the construction of any building or facilities to be used for amusement or recreational purposes. Incentive was given to increasing the supply of rental housing through removing from rent control, housing accommodations completed or provided through conversions into additional housing accommodations, after February 1, 1947. Properties which had not been rented as housing accommodations—other than to members of the immediate family of the occupant—during the 2-year period February 1, 1945, to January 31, 1947, were freed from rent control in order to bring many of these properties on to the rental market. It has long been recognized that one of the deterrents to the provision of new rental units, especially in the case of the small property owner, was the lack of incentive to invest in new construction or supply additional units by converting existing properties due to the rigors of rent control.

Manufacturers of prefabricated housing accommodations were given assistance in the form of FHA guarantee of loans made through usual banking sources, up to 90 percent of the amount which the National Housing Administrator estimates to be the necessary current

cost of manufacturing such houses. Throughout the act, particular care was taken to assure veterans preference on housing accommodations built for sale or rental purposes.

Public Law 120 of the Eightieth Congress extended the provisions of title I of the National Housing Act, as amended, for an additional 2 years with respect to the authority of the Federal Housing Administration to insure home modernization and improvement loans. To date the title I program has assisted approximately 6,000,000 home owners to improve or repair their property. Operations under this program are comprised of character loans, generally unsecured, which have a relatively short maturity.

The proceeds of these insured loans aid the property owner in such work as repairing the foundation of his home, replacing his worn out furnace or heating system, improving the lighting or plumbing system, building a new barn, service building and many similar repairs or improvements. Many small businessmen dealing in lumber, plumbing, and heating supplies, paint and wallpaper, roofing, and hardware, and those engaged in the fabrication and installation of these materials benefit from this program.

During the war emergency, construction was deferred on many low-rent housing and slum-clearance projects for which Federal Public Housing Authority had contracted to extend financial aid. In many cases, increased construction costs have made it difficult if not impossible for the local housing authorities to reactivate these projects within the cost limitations of the United States Housing Act of 1937, as amended. The FPHA, under date of April 16, 1947, submitted a list of such urban projects comprising 100 developments containing 16,386 units located in 71 cities in 27 States.

By virtue of the provisions of Public Law No. 301, these municipalities with which the FPHA had previously entered into a contract have the opportunity of going ahead with the project by simply absorbing the excess cost above the cost limitations in the act. Thus, these 100 projects for which Federal funds had previously been allocated could be completed and provide additional housing for the communities concerned.

Public Law 85 of the Eightieth Congress provided an additional $35,500,000 to further carry out the program of providing temporary housing for veterans in municipalities and at educational institutions. These additional funds will supply housing accommodations in projects which had been suspended in 1946 and early 1947 due to lack of funds and rising construction and labor costs. The housing provided by this measure is urgently needed for veterans and their families attending educational institutions, and to help relieve temporarily the housing shortage for veterans and their families in municipalities.

Public Law 372 liberalized the provisions of the Home Owners Loan Act of 1933 with respect to certain loans made by Federal savings and loan associations. It provides that such associations may invest their funds in loans insured under title I of the National Housing Act, home loans guaranteed or insured under the GI bill, and other loans for property alterations and repair. Additional assistance in the home-financing field was given by Public Law 311 which increased the maturity of mortgages, acceptable as collateral security for advances by Federal home-loan banks to member institutions, from 20 to 25 years. In view of the fact that many of the FHA insured mortgages and GI insured or guaranted home loans are for 25 years, they were ineligible for use as collateral for Federal home-loan bank advances.

The Housing and Rent Act of 1947 extended the time during which FHA title VI mortgage insurance could be granted from June 30, 1947, to March 31, 1948. When this legislation was under consideration by the House Banking and Currency Committee officials of FHA did not request any increase in the amount of insurance authorized. They anticipated the additional $1,000,000,000 authorization made available by the President in January 1947 would be sufficient to carry the program through March 31, 1948. It is significant that less than 4 months later there had been such an increase in mortgage-insurance applications that studies of FHA indicated the then existing authorization would probably be exhausted before the end of the year and that an additional amount of mortgage insurance authorization under title VI would have to be provided to carry the program through March 31, 1948. Public Law 366 increased FHA title VI authorization by $200,000,000 and gave the President the power to further increase the authorized amount by an additional $200,000,000 should the need arise.

Public Law 366 also contains a provision which makes available FHA title VI insurance in financing the purchase of Government-owned permanent war housing. It will make possible the means by which many veterans can obtain the financing necessary to acquire these war housing units at moderate prices. It is particularly desirable in view of the difficulties of veterans in obtaining housing in the current high-cost housing market. Mortgage insurance for this purpose was authorized in the amount of $750,000,000. There are approximately 166,000 housing units in this Government-owned war housing.

Summary of Major Legislation, Eightieth Congress, First Session

EXTENSION OF REMARKS

OF

HON. ROBERT A. TAFT

OF OHIO

IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a summary of major legislation of the first session of the Eightieth Congress.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR LEGISLATION, EIGHTIETH CONGRESS, FIRST SESSION (JANUARY 3-JULY 26, 1947)

In this session Congress considered a total of 7,289 measures introduced in House and Senate and enacted into law 388 public bills and 131 private bills. The full list of public laws enacted appears in the final issue of the CONGRESSIONAL RECORD daily digest for August 15, 1947. Major legislation is reported below.

AGRICULTURE

Commodity Credit Corporation Extension Act of 1947

(Public Law 130. Approved June 30, 1947)

Congress extended the Commodity Credit Corporation as an agency of the United States until June 30, 1948, and restored its capital. The Commodity Credit Corporation is the lending institution created for the purpose of financing and aiding in marketing of agricultural products. It carries out the program for the support of farm prices.

Federal Crop Insurance Act of 1947

(Public Law 320. Approved August 1, 1947)

A sounder approach to the stabilization of rural economy was assured by placing the crop-insurance program on a county basis and extending such insurance only to counties in which income from insured crops is of primary importance. The Federal Government is thus enabled to study closely the operation of the program and extend coverage in accordance with experience and future needs. Insurance for the 1948 crop would be made through associations and cooperatives operating within local insurance areas.

Foreign Farm Labor Supply Liquidation Act of 1947

(Public Law 40. Approved April 28, 1947)

With the termination of war, extensive importation of foreign farm workers was no longer necessary, though farm-labor shortages still exist in some areas. This act of Congress provides for continuation of the program through December 31, 1947, and for liquidation thereafter. An adequate supply of domestic farm labor was encouraged by placing responsibility on the Secretaries of Agriculture and Labor to take such action as might be necessary to assure maximum cooperation between agricultural extension services of land-grant colleges and State public employment agencies.

Livestock disease control

(Public Law 8. Approved February 28, 1947)

In order to protect livestock and related industries of the United States the Secretary of Agriculture was authorized to cooperate with Mexico in eradicating foot-and mouth disease or rinderpest in Mexican cattle so as to prevent the disease from increasing and spreading across United States borders to western meat-producing States.

Marketing Agreements Act of 1947

(Public Law 305. Approved August 1, 1947)

This Act provides more flexibility in the financing and administration of marketing agreements and provides for a continuity of operation not authorized in prior laws. Formerly, minimum standards for quality and maturity of commodities were not continuously administered. The present law remedies this by providing that the Secretary of Agriculture shall maintain quality and maturity standards above or below parity and continue operations in the public interest.

Oils and fats production census

(Public Law 243. Approved July 25, 1947)

In order to aid in stabilizing the fats and oils production trades, Congress au-

thorized the Bureau of the Census to collect and publish monthly statistics on the quantities and kinds of oil and fat products processors have on hand or in transit to consuming establishments. The prior lack of current statistics such as are provided for the benefit of other industries hampered production and marketing of these basic commodities.

APPROPRIATIONS

All appropriations were carefully scrutinized to insure effective continuation of sound projects and to eliminate those which had doubtful value to efficient operation of the Government. Many reductions were effected by coordinating overlapping and duplicating programs thus making such programs more efficient by simplifying administration and centralizing operations. Without curtailing funds for the essential activities of Government, economy, and a better balance has been achieved between service rendered and the cost of such service. Following is an official table prepared by the Senate Committee on Appropriations showing the appropriations measures, together with the increase or decrease between the amount requested and the amount appropriated:

Summary of budget estimates, appropriations enacted, and savings effected by the 80th Congress, 1st session

Public Law		Budget estimate	Law	Actual increase or decrease
	PART I. REGULAR APPROPRIATIONS			
266	Agriculture	$802,360,608	$613,046,826	−$189,313,782
237	District of Columbia	95,793,160	95,704,737	−88,423
268	Government corporations	50,137,500	35,049,000	−15,097,500
269	Independent offices	8,500,497,759	8,188,822,927	−311,674,832
147	Interior	295,463,060	194,587,859	−100,875,201
165	Labor, Federal Security	1,771,614,039	1,674,158,631	−97,455,408
197	Legislative	76,153,077	55,294,435	−20,858,642
267	Military	5,716,791,500	5,482,529,633	−234,261,867
202	Navy	3,513,000,300	3,268,766,100	−244,234,200
166	State, Justice, Commerce, and Judiciary	698,788,588	551,175,932	−147,612,656
147	Treasury, Post Office	4,099,123,500	3,216,509,450	−882,614,050
296	War, civil functions	619,727,100	502,123,912	−117,603,188
	Total, regular appropriations	26,239,450,191	23,877,560,442	−2,361,889,749
	PART II. SUPPLEMENTAL APPROPRIATIONS			
161	Emergency appropriation	5,750,000	6,180,000	+430,000
271	First supplemental	1,925,687,823	1,658,802,197	−266,881,626
256	Supplemental Government corporations	35,500,000	35,500,000	
299	Second supplemental	242,285,460	106,695,100	−135,590,360
	Total, supplemental appropriations	2,209,219,283	1,807,177,297	−402,041,986
	PART III. DEFICIENCY APPROPRIATIONS			
22	H. J. Res. 154	9,000,000	9,000,000	
25	H. J. Res. 159	243,714,587	243,255,607	−458,980
46	First deficiency, 1947	3,082,332,589	2,835,161,509	−247,171,080
76	Second deficiency, 1947	224,528,415	192,438,859	−32,089,556
20	Urgent deficiency, 1947	179,319,100	179,645,668	+326,568
122	Second urgent deficiency, 1947	61,778,758	72,236,258	+10,457,500
	Total deficiency appropriations	3,800,673,449	3,531,737,901	−268,935,548
	PART IV. PERMANENT APPROPRIATIONS			
	Total	5,951,309,816	5,911,309,816	−40,000,000
	PART V			
	Supplemental and deficiency estimates submitted but not considered	90,805,020		−90,805,020
	Grand total	38,291,457,789	35,127,785,486	−3,163,672,303

NOTE.—To the savings of $3,163,672,303 in the regular and deficiency appropriations above, there may be added $4,017,332,946 of rescissions of authorized and contemplated expenditures canceled by congressional action, making a total of $7,181,005,249 as set forth in detail by Senator STYLES BRIDGES, chairman, Senate Appropriations Committee, in the CONGRESSIONAL RECORD, Aug. 15, 1947.

AVIATION

Congressional Aviation Policy Board

(Public Law 287. Approved July 30, 1947)

Congress established a temporary Congressional Aviation Policy Board to survey and report on development of a national aviation policy adequate to meet the needs of national defense, interstate and foreign commerce, and the postal service; and to provide for formulation and clarification of national policies affecting aviation.

Surplus Airport Act of 1947

(Public Law 289. Approved July 30, 1947)

Under this act Congress permitted transfer of surplus airports and airport facilities without cost to any State, municipality, or tax-supported institution when used for the benefit of the public without discrimination. Harbor or port terminals including necessary equipment should first be offered for sale or lease to States or political subdivisions thereof. The Federal Government reserves the use of airports and facilities in case of national emergency.

CONSERVATION AND FLOOD CONTROL

Emergency Flood Control Act of 1947

(Public Law 102. Approved June 23, 1947)

The sum of $15,000,000 was authorized to be immediately expended by the Secretary of War, supervised by the Chief of Engineers, for emergency repair, restoration, and strengthening of levees and other flood-control works threatened or destroyed by recent floods.

Forest Pest Control Act of 1947

(Public Law 110. Approved June 25, 1947)

To preserve forest resources of the United States, enhance forest growth, and protect forests from the ravages of pests and diseases, the Secretary of Agriculture was authorized, directly or in cooperation with States, Territories, individuals, or organizations, to conduct surveys on all forest lands, appraise infestations and determine measures to remedy such infestations. Not only will this program retard forest losses and aid in flood control but lumber industries and employment of persons in lumber and allied industries will be made more secure.

Interstate Oil Compact Act of 1947

(Public Law 184. Approved July 12, 1947)

This act enabled oil-producing States to extend conservation policies with regard to oil and gas and by joint agreement to secure enactment of legislation preventing wasteful and destructive practices in production methods. The compact includes an interstate commission to foster these objects.

New England water pollution compact

(Public Law 292. Approved July 31, 1947)

Congress approved extension of the authority for the New England States to enter into an agreement to reduce pollution of interstate streams, ponds, lakes, and tidal waters.

Pacific marine fisheries compact

(Public Law 232. Approved July 24, 1947)

Consent and approval of Congress was granted to the fisheries agreement entered into by the States of California, Oregon, and Washington to promote better utilization and conservation of their Pacific fisheries resources by an interstate commission and other measures.

FINANCE

Export-Import Bank Act of 1947

(Public Law 80. Approved June 9, 1947)

To secure a more effective exchange of commodities between the United States, its Territories and insular possessions, and foreign countries, the Export-Import Bank was reincorporated as an agency of the Government, given broader financial powers and operation was extended through June 30, 1953.

Federal Deposit Insurance Corporation

(Public Law 363. Approved August 5, 1947)

This act authorizes the FDIC to retire its capital stock by payment to the Treasury retaining a capital surplus of $1,000,000,000 and the borrowing power of the Corporation is increased to $3,000,000,000 to provide adequately for continuation of bank-deposit insurance.

Federal Reserve banks

(Public Law 41. Approved April 28, 1947)

Federal Reserve banks were authorized to purchase and sell Government securities direct from the Treasury to permit the Treasury to obtain funds quickly to meet temporary situations or contingencies. This enables the Treasury to operate on a smaller cash reserve and results in a substantial saving of interest.

Reconstruction Finance Corporation Act of 1947

(Public Law 132. Approved June 30, 1947)

Under provisions of this act the RFC was extended with many changes in organization and powers for 1 year with lending authority of $2,000,000,000. Loans for domestic improvements, State and local, were authorized, including power to purchase surplus property for resale to small business, to obtain a wider national distribution of such surplus through small-business outlets.

GOVERNMENT COMMODITY AND OTHER CONTROLS

Consumer credit control

(Public Law 386. Approved August 8, 1947)

Consumer credit controls on installment loans (including Regulation W) are eliminated after November 1, 1947.

First Decontrol Act

(Public Law 29. Approved March 31, 1947)

Congress discontinued as of March 31, 1947, broad war powers granted to the President in the Second War Powers Act to control motor and water carriers, requisition property, assign priorities, and waive navigation

and inspection laws. Portions of the act were continued through June 30, 1947, to permit allocations to be completed on articles committed for foreign consumption prior to March 24, 1947.

Second Decontrol Act of 1947

(Public Law 188. Approved July 15, 1947)

A reduced list of materials and facilities in short supply at home and abroad were continued under control to promote production in the United States and to assist export of products required for production in foreign countries of critical material urgently needed in the United States.

Sugar Control Act of 1947

(Public Law 30. Approved March 31, 1947)

Sugar, remaining in scarce supply, was continued under moderate controls until October 31, 1947, in order to insure proper distribution. Inventory controls were authorized, except, for household users, until March 31, 1948. Allocation and pricing powers were placed under the Secretary of Agriculture who was directed to watch the sugar situation and to remove all controls when he determines that supplies are adequate.

Sugar Act of 1947

(Public Law 388. Approved August 8, 1947)

This act of Congress is designed to meet postwar adjustment problems in the production and distribution of sugar and to stabilize the sugar producing, refining, and importing industries by placing producers on a tonnage rather than a percentage basis. The United States market is divided among the several domestic sugar-producing areas. Allocations to certain foreign-producing areas were made in accord with their historic relation to the domestic market to stabilize their economy and for the best interests of the United States.

Termination of certain war emergency acts

(Public Law 239. Approved July 25, 1947)

This act of Congress ended a large number of war emergency measures rendered unnecessary by the termination of hostilities. Many of these measures related to authorizations for use of wartime appropriations.

GOVERNMENT ORGANIZATION

Commission on Organization of the Executive Branch of the Government

(Public Law 162. Approved July 7, 1947)

In order to secure more efficient service in the transaction of public business by Government bureaus, agencies, and boards, a 12-member bipartisan commission was created to study organization and methods of operation. The Commission is to be composed of 6 members from private life and 2 each from the Senate, House of Representatives, and the executive branch of the Government and will report its recommendations to Congress for action.

HOUSING

Federal Home Loan Bank

(Public Law 311. Approved August 1, 1947)

Congress broadened existing law by authorizing Federal home loan banks to accept mortgages having a 25-year maturity (present law 20 years) as mortgage collateral.

Housing and Rent Act of 1947

(Public Law 129. Approved June 30, 1947)

In order to spur the building of immediately needed housing, Congress removed Government controls on construction, except amusement building, and extended rent controls until March 1, 1948. To insure tenants against undue increases in rent after March 1, 1948, provision was made for negotiated rent increases not to exceed 15 percent in return for protection to tenants in their occupancy by a lease to run to December 1948. By that date it is estimated that supply will substantially balance demand making housing and rent controls no longer necessary.

Mortgage Insurance Act of 1947

(Public Law 366. Approved August 5, 1947)

In order to further relieve the housing shortage Congress authorized the Federal Housing Commissioner to increase mortgage insurance for private home building by $200,000,000. In addition $750,000,000 in mortgage insurance was made available to veterans to purchase permanent housing including housing built by the Government during the national defense and war period.

Low-cost housing and slum clearance

(Public Law 301. Approved July 31, 1947)

To enable local housing authorities to reactivate prewar projects for low-cost housing and slum clearance, Congress released such authorities from provisions of prior law which restricted building costs to low prewar levels.

Veterans Housing Act of 1947

(Public Law 85. Approved May 31, 1947)

Congress authorized expenditure of $35,500,000 additional for housing construction for distressed families of servicemen and veterans. The housing program for veterans' families in educational centers had been deplorably slow and provision was made in this act to speed up and complete construction for student veterans and their dependents.

INTERNATIONAL RELATIONS

Devastated Countries Assistance Act of 1947

(Public Law 84. Approved May 31, 1947)

Congress authorized expenditure of $350,000,000 to send essential supplies to War devastated countries. Such supplies were limited to medicine, food, clothing, fuel, fertilizer, pesticides and seeds. A substantial portion of this fund is earmarked for the care and feeding of children.

Greco-Turkish Aid Act of 1947

(Public Law 75. Approved May 22, 1947)

Congress authorized a $400,000,000 loan to Greece and Turkey, providing therein for cooperation with the United Nations.

International Refugee Organization Act of 1947

(Public Law 146. Approved July 1, 1947)

Membership by the United States in this organization to aid in the resettlement and reestablishment of persons displaced by the war was authorized by Congress with reservations providing (1) no person could be resettled in the United States, its territories or possessions without prior authorization by Congress; and (2) immigration laws were not superseded, suspended or abrogated by this act.

Institute of Inter-American Affairs

(Public Law 369. Approved August 5, 1947)

Congress reestablished the Institute of American Affairs and the Inter-American Educational Foundation, Inc., as a single government corporation. The Institute is organized to assist in strengthening the community of American nations and to improve social and economic conditions by concrete programs in the fields of public health, sanitation, agriculture and education.

Pacific islands trusteeship

(Public Law 204. Approved July 18, 1947)

Congress approved the agreement between the United States and the United Nations for United States' trusteeship of the Pacific Islands formerly held by Japan under mandate of the League of Nations. The islands under trusteeship are to be known as the territory of the Pacific islands.

Puerto Rico Organic Act of 1947

(Public Law 362. Approved August 5, 1947)

This act expands the powers of self-government of the people of Puerto Rico by authorizing them to elect their own Governor who is empowered to appoint the heads of all executive departments, except the auditor and members of the supreme court who will continue to be appointed by the President of the United States.

Shipping for foreign relief

(Public Law 127. Approved June 28, 1947)

Congress extended authority of the Maritime Commission to operate, sell, and charter Government-owned vessels until March 1, 1948, in order that grain, oil, and other supplies might be sent abroad through the winter for the relief and rehabilitation of war-devastated countries.

Treaties of peace with Italy, Rumania, Bulgaria, and Hungary

(Executives F, G, H, and I)

On June 5 the Congress ratified the treaties of peace with Italy, Rumania, Bulgaria, and Hungary which had been negotiated and signed at Paris on February 10, 1947, by the nations formerly at war with these countries. The subjects covered by the treaties include guaranty of human rights, limitation of armaments in the ex-enemy states, fixing of reparations, treatment of former Italian colonies and economic and commercial policies to be followed by those states. These treaties were represented to be the best which could be achieved by general agreement and their ratification was urged as a preliminary step for final settlement with Germany and Japan.

United Nations Relief and Rehabilitation Administration liquidation

(Public Law 164. Approved July 8, 1947)

Authorized appropriation of $2,370,000 from unobligated funds formerly appropriated for UNRRA to pay expenses of Government agencies in liquidating the activities of this organization whose work terminated on June 30, 1947.

United Nations Site Act of 1947

(Public Law 7. Approved February 26, 1947)

Contributions to be used exclusively for the acquisition of a permanent site in New York City for headquarters of the United Nations were allowed as deductions from income, estate, and gift taxes. Pursuant to this authorization, the Rockefeller family gave to the United Nations a six-block-long area on the East River, thus terminating the long and disturbing controversy regarding a permanent home for the United Nations.

NATIONAL SECURITY

Army-Navy Nurses' Act of 1947

(Public Law 36. Approved April 16, 1947)

A permanent Nurses' Corps was set up in the Army and Navy with a total authorized strength of 6 to every 1,000 of the personnel of the Army and Navy. A Women's Medical Specialist Corps was established in the Army Medical Department consisting of Dietitian, Physical Therapist, and Occupational Therapist Sections. All laws relating to nurses in the Armed Forces were coordinated and rewritten in this act to simplify administration and to expedite the permanent establishment of the Nursing Corps.

Cadet and Midshipmen Pay-Increase Act of 1947

(Public Law 96. Approved June 20, 1947)

The pay of cadets and midshipmen at the service Academies was increased from $780 to $936 per annum.

Coast Guard Personnel Act of 1947

(Public Law 219. Approved July 23, 1947)

To improve the administration of the Coast Guard and enable the service to make permanent plans for its duties in maintaining national security a permanent commissioned personnel strength was established with ranks distributed in the same percentages as prescribed by statute for the Navy.

Copper import tax suspension

(Public Law 42. Approved April 29, 1947)

Copper for industrial and defense uses remaining in short supply, the Congress suspended certain import taxes on that commodity until March 31, 1949, to encourage increased importation for use of the vital copper industry in manufacture of materials and products essential to commerce and national security.

Domestic Tin Production Act of 1947

(Public Law 125. Approved June 28, 1947)

In order to provide tin supplies adequate to meet pressing military, naval and industrial requirements, Congress provided for study and investigation of the advisability of maintaining a permanent domestic tin smelting industry and to investigate availability of supplies of tin. The Reconstruction Finance Corporation was authorized to finance research in tin smelting and processing and to buy, sell and transport tin and tin ore for the immediate needs of the Nation's armed services and industries.

National Security Act of 1947

(Public Law 253. Approved July 26, 1947)

Unification of the armed services was provided by Congress to bring to the military departments in peacetime a large measure of the unity and effectiveness existing in war. Under the law a single Cabinet member, Secretary of Defense, heads three separate operating departments: Army, Navy, and Air Forces. Other sections established a Central Intelligence Agency and provide for integration of the armed forces under civilian control and for coordination with all other departments of the Government in an efficient and adequate system for national security.

Naval Postgraduate School Act of 1947

(Public Laws 302, 303. Approved July 31, 1946)

Congress authorized establishment of the Naval Postgraduate School to be located at Monterey, Calif., for advanced instruction and training of commissioned officers of the Regular Navy and Marine Corps and the reserve components thereof.

Naval Vessels Conversion Act of 1947

(Public Law 319. Approved August 1, 1947)

In order to insure improvement of naval vessels by incorporating the latest technical and scientific developments, Congress removed the limitation on the amount which could be expended on each vessel to install modern and up-to-date equipment.

Officer Personnel Act of 1947

(Public Law 381. Approved August 7, 1947)

Congress enacted legislation establishing a comprehensive and permanent promotion system for the armed services in harmony with the needs and structure of the modern Army and Navy. Necessary improvements are made in the present Navy system of promotion by selection and the Army system of promotion by seniority is changed to a system by selection. Uniformity in the promotion systems of the two services and further improvement of the armed services career system has thus been advanced.

Panama Canal equipment

(Public Law 160. Approved July 1, 1947)

This act of Congress provides for transfer to the Panama Canal of surplus Army and Navy equipment of all types which may be effectively used. Materials, supplies, tools, structures, vessels, and floating equipment which might otherwise deteriorate can thus be put to immediate use to increase security at this vital point.

Rubber stock-piling

(Public Law 24 Approved March 29, 1947)

In the interest of national defense Congress is authorized to study and report upon the most effective method of creating an adequate supply of natural and synthetic rubber. Stock-piling and rotation of rubber reserves together with certain controls are authorized until such time as permanent legislation is enacted and provision is made for continuing manufacture and sale of synthetic rubber.

Submarine Experimental Construction Act of 1947

(Public Law 63. Approved May 16, 1947)

A sum not to exceed $30,000,000 is authorized by Congress for construction of experimental submarines for national defense.

Voluntary Enlistment Act of 1947

(Public Law 128. Approved June 28, 1947)

In order to establish a career service in the Regular Army for enlisted men, minimum age for enlistment is lowered to 17 with parental consent with terms of enlistment service made more flexible and attractive.

War and Navy Professional Personnel Act of 1947

(Public Law 313. Approved August 1, 1947)

The War and Navy Departments were authorized to create additional professional and scientific positions with salaries from $10,000 to $15,000 per annum for such work. The 30 positions in the War Department and 15 in the Navy Department so authorized are to be included in the classified civil service.

PRESIDENT

Presidential Succession Act of 1947

(Public Law 199. Approved July 18, 1947)

This act provides that in case of removal, resignation, death, inability, or disqualification of both President and Vice President, succession should next go to the Speaker of the House of Representatives and in cases in which the Speaker of the House could not qualify succession would devolve (1) upon the President pro tempore of the Senate and (2) upon the Cabinet, beginning with the Secretary of State.

Presidential term amendment

(Proposed twenty-second amendment to the Constitution)

The Congress passed House Joint Resolution 27 on March 24 proposing an amendment to the Constitution limiting the tenure of the President to two terms, and a Vice President succeeding to office for more than 2 years of the unexpired term would be limited to one additional elective term.

As of August 1, 1947, 18 States have ratified this amendment to the Constitution out of 36 States required to make this amendment effective.

PUBLIC WELFARE AND LABOR

Arbitration in maritime disputes

(Public Law 282. Approved July 30, 1947)

Title 9 of the United States Code concerning settlement of maritime disputes by arbitration is codified and enacted into positive law.

Disposition of materials on public lands

(Public Law 291. Approved July 31, 1947)

Congress authorized the Secretary of the Interior to dispose of materials on public lands such as gravel, clay, sand, stone, and timber, to States and political subdivisions or to persons or organizations not reselling for profit, provided removal thereof is not detrimental to public interest or prohibited by prior law.

Farm Labor Supply Camps Act of 1947

(Public Law 298. Approved July 31, 1947)

To aid localities to continue farm labor supply camps and facilities in the areas in which they are needed Congress authorized the Secretary of Agriculture to dispose of such camps and required purchasers to operate and maintain them for the purpose of housing persons engaged in agricultural labor.

Federal aid to schools

(Public Law 317. Approved August 1, 1947)

Schools overburdened with war-incurred enrollment were extended Federal aid not to exceed $5,000,000 until June 30, 1948, to assist in transition from war to peacetime conditions.

Labor-Management Relations Act of 1947

(Public Law 101. Passed over veto, June 23, 1947)

This act recognizes the mutual rights and responsibility of employers, employees, and labor organizations in labor-management relations by providing for protection of individual employees in their relations with labor organizations, for protection in collective bargaining, for enforcement of labor contracts, for minimizing strikes and labor disputes, and by insuring fair labor practices on the part of employers and employees in the interests of uninterrupted production, the smooth flow of commerce, and the public health, safety, and welfare. Among other things the law provides:

1. Unions may be sued for breach of contract and for damages inflicted by jurisdictional strikes and boycotts.
2. The closed shop is forbidden.
3. The union shop is permitted if a majority of employees vote to favor it.
4. New contracts can provide for union dues deductions from pay envelopes of employees only upon voluntary consent of union workers.
5. Unions are forbidden to spend money or make contributions in political campaigns for Federal Offices.
6. Welfare funds can be established only for specified purposes and only if the employer participates in their administration.
7. Unions become subject to charges of unfair labor practices for failure to bargain collectively, for coercion of employees, and other practices.
8. Unions are required to file financial statements.
9. Government may secure eighty-day injunctions against strikes endangering national health and safety.
10. Neither unions nor employers may terminate a contract without a 60-day notice. Strikes and lockouts are barred within this period.
11. The National Labor Relations Board is increased to five members and the review of cases is placed directly in the membership of the Board rather than as formerly in a review section; reorganized procedure and powers of the Board to investigate, hold hearings and carry out provisions of the act.
12. A new Federal Mediation and Conciliation Service is established as an agency, separate from the Department of Labor, to carry out provisions of the Act with regard to peaceful settlement of labor disputes.
13. A Joint Committee on Labor-Management relations is established in Congress to study the field of labor relations and the operation of the Labor-Management Relations Act.

Portal-to-Portal Pay Limitation Act of 1947

(Public Law 49. Approved May 14, 1947)

This act banned suits by employees against employers for time or overtime used in arriving at the actual place of performance of their principal work or payment for activities which are preliminary or postliminary to their principal work. In cases in which contracts, written or unwritten, or custom includes payment for such activities such payment is not forbidden. Present, past, and future claims may be compromised at not less than minimum wage rates in cases in which there exists, under contract or custom, a bona fide dispute as to the amount payable by the employer to his employee.

Postal Employees Pay Act of 1947

(Public Law 265. Approved July 30, 1947)

This act of Congress gives supervisory employees in the postal service compensatory time for work in excess of 8 hours per day.

REVENUE AND TAXATION

Excise Tax Act of 1947

(Public Law 17. Approved March 11, 1947)

Excise taxes were continued by Congress on certain luxuries, including jewelry, furs, toilet preparations, and distilled spirits.

Wartime Tax Adjustment Act of 1947

(Public Law 384. Approved August 8, 1947)

This act provides for wartime depletion exemptions on certain minerals and terminates tax deductions on charitable contributions or gifts to be used ouside the Unied States or its territories. The $1,500 tax exemption in the armed services for officers and full tax exemption for personnel under the rank of officer is continued until December 31, 1948.

ROADS AND HIGHWAYS

Federal-Aid Highway Act extension

(Public Law 100. Approved June 21, 1947)

This amendment to the Federal-Aid Highway Act changes the existing 1-year limitation on use of highway funds to 2 years to provide time to States and local areas for further building and repair of urgently needed roads.

SOCIAL SECURITY

Federal Bureau of Investigation Retirement Act of 1947

(Public Law 168. Approved July 11, 1947)

This act provides greatly liberalized retirement privileges for agents, inspectors, assistant directors, and the Director of the Federal Bureau of Investigation who have reached the age of 50 years with 20 years of service, in consideration of the rigorous and dangerous duties performed.

Government employees' annuities

(Public Law 263. Approved July 30, 1947)

Employees separated from Government service with less than 10 years of service are permitted to withdraw the full amount of money previously deducted from their salaries for retirement purposes with interest at 4 percent.

Government Utilities Supply Act of 1947

(Public Law 284. Approved July 30, 1947)

Congress authorized the War and Navy Departments to sell electrical power, steam, compressed air, water, sewage and garbage disposal service, gas, ice and mechanical refrigeration utilities and services to welfare activities and private persons in the immediate vicinity of Naval or Military Establishments in cases in which such utilities were not otherwise available.

Nurseries and nursery schools

(Public Law 123. Approved June 27, 1947)

Congress appropriated $150,000 for assistance to working parents with children by providing for continuance and maintenance of nurseries and nursery schools in the District of Columbia.

Old-age assistance payments exemption

(Public Law 131. Approved June 30, 1947)

To aid the aged, States were authorized to disregard until July 1, 1949, income earned from agricultural labor and nursing service in making old-age assistance payments.

Postal Service Substitute Personnel Act of 1947

(Public Law 35. Approved April 15, 1947)

In order to correct inequities arising from conflicting legislation, substitute personnel in the postal service upon appointment to permanent status were allowed credit in that appointment on a calendar basis rather than on a basis of hours of service as in prior law; promotion of substitute personnel was also placed upon a calendar basis, which in effect increased the rates of pay, insuring more adequate wage levels in this classification of postal employees.

Social Security Act amendment of 1947

(Public Law 379. Approved August 6, 1947)

Congress authorized continuation of social-security taxes paid by employees and employers at 1 percent through 1949; the rate would rise to 1½ percent in 1950 and 2 percent in 1952. Federal grants for assistance to the needy aged, blind, and to dependent children was continued to June 30, 1950.

Surplus property for flood damage

(Public Law 233. Approved July 25, 1947)

Congress authorized the President, acting through the Federal Works Administrator, to employ any articles, declared to be surplus under the Surplus Property Act of 1944, to alleviate damage, hardship, and suffering caused by flood or other catastrophe. The Federal Works Administrator is further authorized to act through any Government agency or State or local governments to carry out the provisions of this act.

Teachers' salaries, District of Columbia

(Public Law 163. Approved July 7, 1947)

A minimum salary of $2,500 per annum was provided for teachers in the District of Columbia; classification and assignment methods were liberalized and provision for automatic promotions and annual increases in salary were included.

SOLDIERS AND VETERANS

Beneficiaries of aviation officers

(Public Law 236. Approved July 25, 1947)

Additional beneficiaries were made eligible to receive lump-sum aviation bonuses in the event of the death of aviation officers receiving such bonus. By listing the beneficiaries in succession this act provided for a more equitable distribution of estates of deceased aviation officers who have no designated beneficiaries.

Dependents' transportation

(Public Law 151. Approved July 1, 1947)

This act amends existing law so as to authorize transportation of dependents and household effects of personnel of the Navy, Marine Corps, and Coast Guard to unrestricted domestic posts and to overseas bases.

Disabled veterans' subsistence allowance increase

(Public Law 338. Approved August 4, 1947)

Payments to disabled veterans with service-connected disability of 30 percent or more taking vocational rehabilitation courses were fixed at $115 monthly if single, $135 with one dependent, and $20 per month for one child and $15 additional for each additional child, and $15 per month for a dependent parent.

Federal Employees' Military Leave Act of 1947

(Public Law 153. Approved July 1, 1947)

In order to extend privileges to Federal workers equal to those extended to workers outside Government service with respect to military leave, Federal employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve are placed in the same status as private employees to receive pay and allowances while on military leave as well as full protection in their employment.

Government Life Insurance Renewal Act of 1947

(Public Law 34. Approved April 15, 1947)

To enable veterans to provide a longer period of insurance protection, 5-year level-premium term insurance policies expiring at the end of any 5-year period were made renewable for a second, third, fourth, or fifth 5-year period at the premium rate for the attained age without medical examination.

Government Life Insurance Reinstatement Act of 1947

(Public Law 5. Approved February 21, 1947)

The National Service Life Insurance Act is amended to permit service personnel to apply for permanent or term insurance on enlistment. Removal of restrictions liberalized reinstatement of lapsed insurance; and term insurance held by totally disabled personnel who fail to apply for conversion is automatically converted to the ordinary life plan.

Homestead Entries Act of 1947

(Public Law 82. Approved May 31, 1947)

This act liberalizes the former homestead entry law by allowing up to 2 years' credit on service in the armed forces from September 16, 1940, and, in addition, both husband and wife having veteran status are permitted to count their services jointly in credit against homestead entries.

Institutional On-Farm Training Act of 1947

(Public Law 377. Approved August 6, 1947)

Veterans desiring to take agricultural courses while working their own farms or employed on farms may receive educational allowances of $65 per month for single veterans and $90 per month for married veterans with additional allowances for dependents. Courses are to be given by accredited institutions with 200 hours per year (at least 8 hours per month) attendance, and supervised work experience on the farm or other agricultura establishment is required.

Pension increase for Civil War and Spanish-American War veterans

(Public Law 270. Approved July 30, 1947)

Veterans and their dependents of the Civil War and Spanish-American War received a 20-percent monthly pension increase.

Prisoners of War and Internees Tax Reduction Act of 1947

(Public Law 310. Approved August 1, 1947)

Interned service men and women and civilian personnel who were citizens of the United States and who were removed by the Japanese from United States possessions to confinement outside such possessions were given tax-exempt status for the period of their internment.

Terminal Leave Bond Payment Act of 1947

(Public Law 254. Approved July 26, 1947)

Congress authorized cash settlement of bonds issued to veterans for terminal-leave pay at any time after September 1, 1947, together with interest computed to the end of the month in which payment is made.

Terminal Cash Payment Act of 1947

(Public Law 350. Approved August 4, 1947)

Congress provided that in lieu of terminal leave, cash payments would be made on base pay, plus longevity, and that reenlisted personnel may take a cash payment for accrued leave or transfer accrued leave to the new enlistment.

Vocational rehabilitation loans

(Public Law 115. Approved June 25, 1947)

To encourage returning veterans to take up vocational rehabilitation courses, a revolving fund of $3,000,000 was authorized to extend temporary loans to veterans who might not otherwise be able to enter upon such courses.

The Implications of Federal Aid to and Control of Education

EXTENSION OF REMARKS
OF

HON. RALPH W. GWINN
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. GWINN of New York. Mr. Speaker, all is not well with American education.

Can its ills be cured by Federal aid?

Millions of our citizens say "no" and assert that the sickness of the world is not due so much to the lack of money for education as it is to the lack of God in the instruction in the moral law. If so, Federal aid and control of education by the far-off Central Government would only more completely exclude religious disciplines from our educational enterprise and worsen our situation.

They believe that the Federal influence even now upon education and the political controls of education already exercised by the separate States must inevitably lead the people to put their faith in the false promises and harsh disciplines of the politics of a godless statism. This must lead to the arrest of freedom with its self-government under God's laws and the extensive substitution of compulsory government by mere men over other men.

They contend that if God and the moral law are thrown completely out of our public education, which Federal aid and control of necessity requires, there will be no other God to which the people can turn except the central state. It becomes the source of right and it determines what is wrong in the absence of self-government. This is true in Rome, Berlin, Moscow, and, to a great extent, in London, today. They ask, shall Washington follow?

How far have we gone? The individual States all force payment of taxes to support schools. They compel school attendance under threat of jail for the parents. Likewise, they exclude in most cases all religious disciplines by State administrative influence and compel the pupils to submit to the teachings and doctrines of many inefficient teachers whom the States force upon the local school boards by such measures as the compulsory tenure laws.

The practical effect is to compel, through taxation and State control, the great majority of parents to submit their children to pagan statism instead of the Christian disciplines. Needless to say, this kind of a system is contrary to the original American design for public education which was intended to be a Christian school under local controls and protected by the laws of the States. As a result of statism, millions of people are now protesting by sending their children to private and parochial schools. Such enrollments have risen sharply in the last 25 years from 7.3 to 10.5 percent of all students attending school. Public school enrollments have declined in the same proportions.

If education is supported and administered locally, the people in each place can presuppose God and continue to teach a faith in freedom of men under God. They can keep clear of the false promises of the political state. This way of freedom in education is according to the American design of local town, county, and city responsibility and control.

Even so, millions of our fellow citizens have come to have such faith in education by the political state that they see no ills in it except such as money can cure. All that is lacking is money. So they propose to subject our education to the healing strength of money and call on the compulsory power of the Federal Government to make the towns, counties, cities, and States do what the Federal Government thinks they should do.

Millions of American citizens have no fear of statism. Their faith is in it. They teach it. They crusade for it in the name of doing good for the people through the Government.

Admittedly, some of our States are poorer than others and find it burdensome to provide such educational advantages that neighboring States seem to have. At that, there is great disparity in educational opportunity even within the various parts of our richest States. It is also true that illiteracy is widespread, especially political, economic, and religious illiteracy. Those whose faith is in the governmental power of Washington, therefore, submit that ever the rich States need be prodded by Washington.

Will Washington money cure these evils? If it will, we should expect to find even now in our richest States—where the greatest appropriations are given for education—evidence of the highest level of spiritual, cultural, and political health. And then, what do we find, especially in our richest big cities? There we find the most deeply entrenched one-party political machines with the worst political corruption. These same wealthy cities nourish the greatest degree, by far, of personal inadequacy and dependence on the Central Government for food, shelter, health, education, and employment. Here, too, are found the great centers of communism and foreign ideologies, of a pagan faith in some form of the god-state and the most widespread denial of faith in the one true God and man's fitness for freedom and personal responsibility.

Thus, while it is a fact that such States spend more for education than the poor States they also spend four times more for liquor than for education, while $27 go for chewing gum for each dollar spent on books and $15 are spent to combat crime for each dollar they spend on church and charity. Here, too, is the highest rate of sickness and mental worry leading to a greater proportion of confinement in publicly supported institutions for the mentally sick than in the poor States.

It follows as a matter of course that many persons and pressure groups that descend on Congress in Washington from these rich cities will look to the same false god—the Central Government—for education. They look toward the same Central Government for the remedies to which most of all the peoples of the earth have lately turned to remedy mankind's slow progress.

They argue that the "free towns, cities, and county boards of education, and the legislatures of the individual States, have betrayed their trust of the education of the American youth. They show little educational insight. Washington knows better. Washington should tax and force them to do right by education.

"Without compulsion from Washington, the individual States will collect insufficient taxes for school purposes. Washington will make them spend what they should since the local authorities do not know how to get top-notch results from the school dollar. Washington should take their school dollars to the Washington bureaucrats and send part of them back with instructions as to how to get better education than they can manage for themselves. 'Thank God,' the educational federalists say, 'we can look to Washington.'" Their propaganda slogan is "Federal aid to education without control."

Nicholas Murray Butler once said:

> There is not enough money in the United States, even if every dollar of it were expended on education, to produce through Federal authority, or through what is naively called cooperation between the Federal Government and the several States, educational results that would be at all comparable with those that have been already reached under the free and natural system that has grown up among us.
>
> Unless the school is both the work and pride of the community it serves, it is nothing. A school system that grows naturally in response to the needs and ambitions of a hundred thousand different communities will be a better school system than any which can be imposed upon those localities by the aid of grants of public money from the Federal Treasury, accompanied by Federal regulations, Federal inspections, Federal reports, and Federal uniformities.

A free school in America, the only school worth while, is one that has its roots in the cultural ambitions of a free community. What of it, if the schools of Manhattan are different from those of Alabama or those of Minnesota different from the schools of Wyoming. In fact, the question needs to be raised whether there is not already too much uniformity in our American schools. For too long the emphasis has been on conformity and conformism rather than on local individuality and cultural independence. Whoever said that everything the urban professor of New York experimented with or dogmatically proclaimed must be aped and adhered to by teachers and school boards throughout this vast inventive, adventurous, creative, and multiform American Continent?

The conclusive and overwhelming argument against the lobby for Federal aid is that the American citizens, as represented by their local and State governments, are not now asking, and never have asked, for Federal aid in education. Witness the fact that this year no official request was made by a single State to the congressional committees in the House or Senate for Federal aid. Not one State showed inability to provide its own

education. All showed greatly increased appropriations for education. Nor did any taxpayers' group or chamber of commerce or board of education, from any State, county, town, or city appear, to request Federal aid from Washington.

At the governors' annual meeting at Salt Lake City, Utah, a majority of the governors of the United States expressed fear that the Federal Government would encroach upon the States' handling of public schools if Uncle Sam should move into the educational field through Federal grants-in-aid. The governors also opposed "any plan not first referred to the States officially for report of their need and of the States' inability to meet their needs." They held that, "if any field of government is strictly within the province of the State and locality it is that of education. Local self-government is doomed if it surrenders this responsibility."

The States are learning, as two State legislatures said by resolution, that Federal aid is no aid at all. Still another State recently passed a resolution in its State senate, stating, "The wealth that is taxed by the Federal Government is within the boundaries of the 48 States and could be taxed directly by them and the revenue spent by them and large sums saved thereby." One by one the States are asking for a redefinition of the functions of the Federal Government and for the restriction of its activities. Another said, in effect: "We have taken a good look at Federal dollars and find that they all lose weight on their journey to Washington and back home again."

If this is so, then who is it that wants Federal aid from Washington, and how do they go about getting it?

Anyone at all familiar with the old, old game of seeking the public good by political enforcement through the Central Government knows that every such political pressure movement usually has in it three more or less clearly defined groups. These groups know that since the Federal Government is the weakest link in our whole chain of government, it is also the easiest to attack and to corrupt with the promise of votes in return for favors. It now has little defense left, since the Constitution has been for the most part set aside. What is claimed to be for the general welfare must be considered by Congress, in spite of the constitutional limitations imposed on the powers and duties of Congress. So the pressure groups and lobbies, of which the administrative brand is by far the biggest, are ever present.

The first group in the education lobby which is in constant attendance on Washington consists of the organized educators themselves. Many of them have fallen prey to the false idea that if only education had the power of the Central Government back of it things would improve.

Fortunately, we are still able to count upon a majority of our teachers in the front line of defense of free teachers in a free education. American teachers realize that greater freedom in our schools does not lie in foisting Federal control upon them.

Next, there are those innocent idealists who are motivated by an intense humanitarian urge to give everybody a fair chance. Impatient of the attainments of our educational system and often skeptical of the capacity of a free society for improvement, they hope for the compulsion of Government to speed up the attainment of goodness. They suffer from a spiritual blindness which believes that one can legislate goodness and that not only in material affairs but even in the realm of the values of the spirit and the personality. Such people are the mere tools used by the politicians who execute the reforms and who use the misguided idealists to further extend the political power of a bigger and bigger Central Government. In great unsuspecting numbers they constitute the comfort to the enemies of a free society. In fact, they help the planners of the compulsory States, without being conscious of the crimes they are really committing against their own free society.

Daniel Webster very aptly stated this attitude, in the following words, in the early days of the Republic:

> There are men in all ages who mean to exercise power usefully, but who mean to exercise it. They mean to govern well, but they mean to govern. They promise to be kind masters, but they mean to be masters.

These active and always fanatic planners constitute the third group. They are, of course, the militant front guard of the present Washington lobby for Federal aid to education. Their jobs are often made secure at taxpayers' expense. They seek power for themselves over education. They know that money talks. They also know that once the Federal authority is foisted upon the American schools everywhere, there will be no retreat. On the contrary, there will follow a steadily growing infiltration and domination of the whole educational field by the Federal authorities. They intend to become themselves the authorities who will spend the Federal money and exercise the Federal control. They are in Washington, since they are turned aside by the State legislatures and local school boards—these bodies know them and are able to disprove their representations by giving the facts near at home.

Defeated at home, they descend upon Congress knowing that Congress does not have the facts and is not equipped to learn them. Congress is too far from the facts. Congress is like a court that sits to hear the facts presented, but those for the plaintiff expect that the defendant will supply the facts on the other side. But quite generally in matters of appropriating money, Congress hears only one side—the side of the plaintiff. The plaintiff is generally a Government department or bureau which makes out its own case with increasing cleverness. In this case, the plaintiff is a very old and well established lobby whose members are largely the beneficiaries of the appropriations sought. The defendant is the unorganized, inarticulate public, going about their daily affairs, practicing the arts of freedom. They do not appear before Congress and judgment is often taken against them by default on very inadequate, often untrue, and nearly always one-sided, presentation of the evidence.

For example, the Federal aiders came forward this year before the Committee on Education and Labor and presented the same old charts and the antiquated statistics that they have been presenting every year since 1925. This year, fortunately, opponents of these Federal aid bills—1947 editions—showed that the States have for the school year 1947–48 increased their appropriations by approximately a half billion dollars for the country as a whole. The towns and counties have probably added at least another half billion. The lobby for Federal aid apparently did not know this—at least they did not present these facts. Even 10 of the poorest States, over whose poverty the Federal aiders constantly weep, increased their school appropriations for the year 1947–48 by a total of $104,000,000, or a little over half of the $200,000,000 that the unauthorized planners were asking from the Federal Government for Federal aid to the 48 States.

A number of the States have already exceeded the appropriations for education that it was claimed necessary for the Federal Government to attain for them. Not only have the States of the United States become aware of the need of additional investments in education but a majority of our towns, cities, and counties throughout the Nation have likewise considerably increased their appropriations.

So it is apparent that the States have already provided for themselves more than what the Federal aiders asked the Federal Government to give them. This is true even in the poorest States, but the advocates of Federal aid have not wakened up yet to the extent that the States are helping themselves in the new school year 1947–48. At least they did not mention these facts to the committee. This leads one to question whether it is mere money that they want. It may be control—the very thing they deny. Can this be doubted in the light of the evidence?

In this connection, it is most enlightening to see how the lobby works and also to see revealed in its public statements the character of the people who expect to control the vast money power of Federal aid and control when and if it is ever granted.

The principal registered lobbyist for Federal aid is the National Education Association. It has a membership of 386,643 paying dues for the year ending May 31, 1947, of $1,138,100. Their headquarters and personnel are greater than the Republican and Democratic Party headquarters combined. It is one of the most active power lobbies in Washington and has been for many years. Through its Journal, of national circulation among teachers, it announces:

> Arrangements have been made to throw every resource of the NEA [National Education Association] back of the campaign for Federal aid to education. (NEA Journal, February 1943, p. 35.)
>
> Activities [summarized] of the director [Howard A. Dawson, director of rural education, NEA], in behalf of this bill [the Harrison-Black-Fletcher bill, 1937] as follows: Conducted negotiations for sponsorship and introduction of the bill in both Houses, through executive secretaries of State education associations and State chairman of the legislative commission arranged for controlling of candidates for Congress, for the United States Senate, and for governor in

a majority of the States. (NEA convention board, Cleveland, 1937 report, p. 946.)

The lobby speaks again:

We have powerful friends in Congress. * * * The power of the organized teaching profession has but begun to find expression and I predict that before next November 7 (election date) there will be many people in the Nation aware that the school children of America have a voice of justice and equity as well as a voice of power and of influence. (Dr. Howard A. Dawson, Appendix to the CONGRESSIONAL RECORD, 1944, p. A3937.)

Its Journal constantly hammers away for federalization, as follows:

October is an important month for the campaign on behalf of S. 637-H. R. 2849, because it is the month before election. * * * Candidates who oppose this legislation or who are indifferent to the public schools should be defeated wherever possible. (NEA Journal, September 1945.)

We observe that whether the year be 1937, 1943, 1944, or 1945 the partisanship and intimidation remained the same. Who believes that this self-righteous and haughty spirit might change in 1948 or any other future year when the will of this organized minority of "benevolent" seekers after goodness through Federal compulsion, exercised by Federal bureaucrats, has been imposed upon American education? Imagine them as the educational controllers in Washington dishing out billions, and staying content to exercise "no control." Imagine them as administrators of Federal education changing into bureaucratic lambs that would never think of encroaching upon the rights of free citizens to run their own schools, administer their own funds, and control the education of their own children in their own communities.

Then imagine what will happen when a million school teachers, tens of thousands of janitors and assistants, all educational personnel, have become the direct beneficiaries of appropriations which they might get by such organized pressure politics. Will they not quite generally support the candidates for Congress who make the biggest promises? Each succeeding election our Central Government will become more nearly controlled by employees and beneficiaries from appropriations. It is the vicious circle of statism. Add to the present 2,000,000 Federal employees a million Government-controlled or influenced teachers and public-school personnel. Then add a million tenants in the proposed Federal public housing and you have attained the socialized state, which you will probably have to keep indefinitely.

In the face of such a way of feeling and thinking, it is imperative that we remind ourselves of the brutal truth that the modern state today everywhere is killing off a free society. Wherever the government legislates and appropriates it curtails and extinguishes still another realm of personal and communal liberty, responsibility, and economic capacity. In all languages and among all peoples, big government, however created, means less freedom. The nation is always taken over, not by the good but by the roughest and toughest when the one-party overpowering police state is finally organized.

We should constantly remember that in our country, until now, two areas of the human spirit have been left alone by our Central Government. Two areas have been left free in which the citizens themselves have governed—namely, their religious institutions and their free schools. Protecting the religious area there is the specific provisions of the Constitution itself forbidding the Government to make any laws restricting freedom in religious matters. Above any law of the state, man's obligation and loyalty to God stand.

Having thus safeguarded the religious freedom by explicit language, our Constitution proceeds to treat Federal interference in education with a dignified and eloquent silence. This silence reflects the fundamental faith of the early American Government in its free citizens as the proud and responsible custodians of their children's education. Until now, the individual States, their legislatures, counties, towns, and cities have stood fast in the maintenance of their constitutional liberty against each encroachment by Federal authority in the field of education. Since this is an established fact, the insidious pressure groups demanding the unconstitutional interference with local self-government of schools, based upon local support and responsibility, stand revealed as being unauthorized and unrecognized by any political subdivision of any of the States.

They must be stopped. They must be stopped by a growing passion for self-government and by a resulting fear of the power and propaganda of the Federal Government.

Modern history proves with tragic clarity that where a nation's education is placed under a federally controlled system, freedom dies out. May the Federal Bureau of Education never become the Federal commissar of education in America!

Twelve Months of Surplus Property Disposal Under Gen. Robert M. Littlejohn as the War Assets Administrator Is an Achievement of Which This Nation Can Well Be Proud

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 26, 1947

Mr. BOYKIN. Mr. Speaker, when your gavel called this House to order on Tuesday, July 22, 1947, it marked the beginning of but one more day in which to perfect the legislative program of the first session of this, the Eightieth Congress.

The time set for adjournment was but 96 hours away.

In the heat of the debate which here took place there passed unnoticed on that day a record of accomplishment by an administration of Government set up by this Congress that will forever live in the annals of our Nation as a year of work well done.

Mr. Speaker, I refer to the achievements of Maj. Gen. Robert M. Littlejohn in the first 12 months of his direction of the War Assets Administration. The true and trusted friend not alone of the Chief Executive of this Nation responsible for his appointment, he is the beloved friend and commands the respect of every Member of this Congress—not alone on both sides of the aisle but on both ends of the Capitol.

The question of the disposal of war surplus was a subject of national discussion. It was debated not alone by the Members of Congress in the midst of the war—it was a subject of discussion and debate by the soldiers in the foxholes of Bataan—on the very eve of battle.

The businessmen on the main streets of every town too well remembered the economic upset caused by the dumping of surplus items of clothing, shoes and what not—after the termination of World War I.

The workers in the auto and tire industry remembered how they stood in idleness waiting for the American market to absorb the surpluses of trucks, auto tires, and diverse other manufactures by the consuming public.

The elder statesmen in this body remember the hue and cries that went up at charges that the Army was lighting million-dollar bonfires to dispose of surplus war materials on the battlefields in France.

The Congress had long since decided that there would not be a repetition of those conditions after World War II.

Mr. Speaker, it is unnecessary for me to recapitulate the reasons why the Government in every branch of our armed services and other activities wound up World War II with the stock piles—the volume and value of which reached astronomical figures.

These comprehended not alone a multitude of miscellaneous mercantile articles but an enormous amount of personal and real property.

Much of this was and still is located in the heart of tropical jungles, on the sands of distant deserts—on scores of islands in the great south seas—in the frigid climes of both the Arctic and Antarctic—and in the other most remote parts of this earth.

Primarily these stock piles were due to the fact that the United States had more wealth and natural resources than any other nation in the world. Acting as the arsenal of democracy—in supplying our allies with the products of our mills, our mines, our factories, and our farms—the war's end found them scattered to the furthermost parts of the globe.

Secondly it was because we in America had developed mass production in practically every line of national endeavor to a degree that no other nation in all history had ever achieved.

Over and above all other reasons, however, was the fact that this Congress had made it clear on innumerable occasions—to every command in all our combat forces—that no single American life should ever be sacrificed—if bonds, bullets, or any other accoutrements of war,

if and when dissipated with the utmost abandon, would possibly save the life or the maiming of a single American boy—too many of whom in spite of all that could be done—had been called upon to make the supreme sacrifice.

I repeat that the Congress had declared that it would be better to end the war with new and a surplus of combat boots readied for every soldier in a foxhole; with a new bayonet or a gun for every man on the firing lines in every theater of operation; with more food, more ammunition, clothing and transportation facilities than would have likely been needed rather than risk that a single American boy who bared his breast for battle should go barefoot or hungry or unarmed or uncared-for insofar as the American people and the Congress could humanly prevent in providing instruments of war—guns, tanks, ships, planes—to prevent the loss of life against every possible contingency.

Mr. Speaker, as of July 22 of this year, 3 years had passed since the huge job of surplus disposal was started. It was anticipated that domestic surpluses alone would eventually reach the prodigious sum of $35,000,000,000 worth of surplus properties. The physical volume of merchandise to be marketed alone would have constituted an enormous job in normal times and under normal marketing conditions.

To channel them into private industry on the aftermath of war was a herculean task.

Normalcy would have insured among other factors contributing to the orderly marketing not alone the existence of a good organization for disposal but the evaluations of the failure or success of such a project purely in terms of dollar return from their disposal.

For two long years those charged with that task struggled under the enormity of the job. On top of the tremendous physical job they were faced with conditions created by the snowballing effects of organizational, personnel, and policy difficulties which repeatedly brought the sales program almost to the brink of collapse.

The Congress had long since extended priority to veterans for practically all goods on hand. Let me instance but one problem:

Large plots of lands upon which enormous sums had been expended to create air fields had values as air fields. Their national defense value for future use was far and above their appraised values as building sites for development into subdivisions for veterans' houses.

Yet they would cost enormous sums to maintain. The Army and Congress shied away from these maintenance costs. It was not economically sound to break them up into building lots. Each one project was a major problem unto itself and there were literally hundreds of such air fields subject to disposal.

As stated before, the shooting war was over and had been over for more than 2 years. After succeeding dilemma upon dilemma—or shall I say failure after failure—had manifested themselves, capable governmental administrators became unwilling to risk their reputations in such a stupendous and thankless task as the disposal of governmental surplus properties.

Capable businessmen no longer spurred by patriotic motives for which they had associated themselves with the Government in wartime were now returning to their private endeavors and enterprises.

It was in the face of these problems meeting with almost daily criticism in the Nation's press that President Truman, himself a captain in World War I, and mindful of the spendid work historically done by the United State. Army, resolved to place the stupendous job of surplus disposal in the hands of the United States Army itself.

Mr. Speaker, July 22, 1946, was a truly momentous day. You, sir, stood with other great leaders of both Houses of Congress, members of the President's Cabinet and other high Government officials to observe and hear the oath of office of War Assets Administrator administered by Gen. Edward F. Witsell to Gen. Robert McGowan Littlejohn, formerly Chief Quartermaster of all the European theaters of operation.

The simplicity of the statement made on that memorable occasion by Gen. Bob Littlejohn, standing in the auditorium of the Social Security Building, was a statement typical of all great men. Humbly confessing his pride at having been selected by the Chief Executive as the Administrator of War Assets he said: "Mr. President, I shall give my best to do this job."

He then told of how as a cadet at West Point it was his good fortune to have been intimately associated with Tom Jenkins, the former heavyweight wrestler of many years ago. "Tom," he said, "taught me how to wrestle, and that," he continued, "was responsible for my winning the heavyweight title at West Point. Tom's philosophy which he expounded to all of us 'would be' Army officers was 'There ain't no hold that can't be broke.'"

Mr. Speaker, for 38 long years Bob Littlejohn had served his country in its Army. His life and career typified that philosophy.

The motto of the Quartermaster Corps serving in all theaters of operation was "It will be done" and I knew when he said that "I will give my best to the job" I knew that new job would be done and in a manner of which this Nation could be proud.

Mr. Speaker, what a job. I say, without fear of contradiction, that there has never been an article produced in history, a counterpart of which would not be found in some one of the thousands upon thousands of warehouses that sheltered the assets to be disposed of by General Littlejohn.

From bobby pins to camel-back locomotives, from the most finely ground precision instruments ever produced by the skilled hands of American workmen to the most tremendous caissons and bridge sections.

From canvas canoes to trans-Atlantic freighters, cargo and passenger vessels, oil refineries, lumber plants, smelters, rolling mills, entire chemical industries, with these items being restored to peacetime production the funds in the United States Treasury swelled each day.

Equipment and components that had come from the farmost corner of the earth to constitute the greatest stock of merchandise and the largest inventory of goods ever accumulated in the history of commerce began steadily to move into market.

Mr. Speaker, apart from the huge inventory of goods on hand when Gen. Robert M. Littlejohn took over on July 22, 1946, was the biggest realty selling job ever undertaken. Not alone was it the largest in physical extent and dollar volume but it consisted of an almost fantastic variety of surplus owned real properties, all subject to economic disposal, which had a cost value of $4,122,000,000.

It contained such divergent properties as Army chapels and airport systems, small schools and immense steel plants, sentry boxes and synthetic-rubber factories, octane-gas refineries, ordnance works, aircraft factories, power plants, coal mines, and pipe lines for both oil and gas, railroads and shipyards, dwellings and warehouses, hospitals and chemical warfare factories.

The holdings in size ran from city lots to 40,000-acre military reservations and included whole cities complete in themselves with all utilities installed.

The problems of realty disposal which confronted the new Administrator were many and varied. Skillfully marketed, buyers were found for many of the most desirable industrial properties and sites.

Legal priorities—technicalities—yes, even political considerations—and the lack of uniform procedures continued to hamstring the transfers of nonindustrial properties such as airports, schools, houses, hospitals to political instrumentalities, educational and health institutions and other nonprofit organizations of similar character.

Confronted by a situation grounded in confusion and impeded to slow motion, Administrator Littlejohn immediately took steps which have proven that "there ain't no hold that can't be broke."

Within 12 months after assuming his duties, Major General Littlejohn authorized the disposal of real properties in the amount of $2,875,000,000.

In like manner the merchandise inventories began to shrink as surplus sales were effected almost every minute.

As of July 1, 1947, a total of 1,057 parcels of industrial properties that had cost the Government $3,180,000,000 had been successfully negotiated. Of this total, authorized sales were approved for 806 properties worth $2,019,000,000 in original cost.

The dire forebodings that the Big Inch and the Little Big Inch pipe lines, used for the transmission of oil, the sale of which had administratively bogged down—destined to become two streaks of rust—were restored to a long and useful life.

Administrator Littlejohn actually negotiated their sale for the sum of $143,127,000.

Concerned though he was with respect to the sale of such items as the Inch pipe lines, the Republic Steel plant at

Chicago, the huge magnesium plant in Texas and other supermanufacturing facilities, General Littlejohn was all the while conscious of the declared purpose of Congress to serve the interests of small business corporations throughout the Nation.

He constantly stressed the importance of giving every possible consideration to the claims of small business—and with most significant results.

In the first 9 months, out of 792 industrial plants and the components therefor, 582 were disposed of to moderate-sized business concerns.

Such small business companies availed themselves of 66 out of the 93 plants which sold in the price range of from $500,000 to $1,000,000.

Of the 518 plants which sold for less than $500,000 small business companies obtained 440, or 85 percent of the total.

As a further inducement to small business and the development of plans to obtain utilization of portions of very large properties, the War Assets Administrator sponsored and instituted a number of multiple-tendency projects. Under this program designed to effectuate the declared purpose of Congress to give preference to the small business corporations, Administrator Littlejohn has made it possible for thousands of small concerns either to get started—or to attain their normal expansions unretarded by present-day building costs and shortages.

In the handling of this huge complex and colossal disposal task, General Littlejohn associated to himself as Deputy Administrator another professional soldier known and beloved by a great many Members of this Congress—his good friend and my good friend, Brig. Gen. James Mollison.

The many friends he made in my own city of Mobile, where he served as commander of Brooklyn Field, will always remember him as an indefatigable worker—a beloved and respected gentleman and officer—and a skilled administrator.

Prior to the time that General Mollison was called into the War Assets Administration he had served as the commanding general of the United States Army Air Forces in the Mediterranean theater. He brought to his office expert experience in the appraisal field not alone of aircraft from the standpoint of dollar value but with respect to the application of all such surplus craft to the greatest economic usage in both military and civilian applications and services.

His remarkable background in the Army air services as a flight commander as well as an administrator—his adept knowledge of military aircraft highly qualified him for this particular job.

To him as his deputy administrator, General Littlejohn assigned the job of disposing of all airplanes, airplane engines, other aircraft and aircraft parts which in dollar values amounted to approximately 45 percent of all Government surplus.

When General Mollison took over his task as deputy administrator on February 1 of this year the books of the War Assets Administration disclosed an inventory of in excess of $5,250,000,000 worth of bombers, fighters, transports, training planes, barrage balloons, kites, gliders, and an untold number of warehouses jammed to the eaves with spare engine parts and equipment of all kinds.

An indefatigable worker, General Mollison personally assumed the task of bringing the planes and all prospective buyers together to the end that the merchandise would be put to serviceable use while there yet was still a vigorous demand for that type of merchandise.

Organizing a task force of field men, he gave orders to screen out such material as could be used and to segregate all salable items. These he directed were to be handled by sales agents or sold direct from Washington or where housed at central warehouses.

His nearly 30 years as a pilot coupled with his administrative experience in the Army showed up in the way he tackled the job of disposing of over 20,000 combat planes with the same direct approach methods. Such as those whose chief value were as scrap were expeditiously offered for sale to the highest bidders so that the values of all recovered metals could be moved quickly into industry where needed for fabrication in the industrial reconversion then grossly suffering from material shortages.

In a public statement Deputy Administrator General Mollison recently stated that "Before fall we will have less than one and one-quarter billions in aircraft inventories as against the five and one-quarter billions with which we started less than 6 months ago.

Mr. Speaker, it is the teamwork of men such as Gen. Robert M. Littlejohn and Gen. James Mollison that enabled our Nation to win the war on every battlefront in World War II—whether it was on the land, under the water, on the water or in the heavens above.

Mr. Speaker, I recently came upon a publicized copy of a letter sent to General Littlejohn.

It is such a human document so replete with expression of honest sincerity and appreciation of work well done, I want to insert that letter in the RECORD that my every colleague may value and appreciate the splendid work accomplished in the first year by our good friend, the present War Assets Administrator:

THE WHITE HOUSE,
Washington, July 21, 1947.

Maj. Gen. ROBERT M. LITTLEJOHN,
Administrator, War Assets Administration, Washington, D. C.

DEAR GENERAL LITTLEJOHN: Just a little over a year ago, at my earnest request, you took over leadership of the war surplus disposal program.

Your wartime accomplishments in supplying our armies in Europe, and the ability and forcefulness demonstrated throughout the course of your Army career dictated your appointment as War Assets Administrator.

Neither of us had illusions as to the burden you were assuming. Action could not wait for detailed advance planning. The progress of reconversion depended to a considerable degree on the expeditious, orderly, and effective disposal of our war surpluses. Attainment of the varied objectives of the Surplus Property Act required speed, strength, and stamina.

The past 12 months have seen these requisites supplied. The record proves it.

Early this month the Nation was gratified to learn from the Secretary of the Treasury that receipts from surplus-property disposal in the past fiscal year totaled more than $2,000,000,000, the greater part of which was deposited by your agency. This is a fine record which I am sure you and the people working with you in the War Assets Administration are making every effort to maintain. Please express to your associates my appreciation for the job they are performing.

At the same time let me wish you continued success in your hard-fighting, unselfish service to our country.

Very sincerely yours,

HARRY TRUMAN.

In commenting upon the ability of the choice of Gen. James Mollison by Gen. Robert Littlejohn to be his Deputy Administrator, the Subcommittee on Military Affairs of the Senate Surplus Property Sales Committee recently reported as follows:

It is no coincidence that in one field in which the War Assets Administration has had a good performance record, namely, aircraft and aircraft parts, disposal activities were carried on under the direction of an unusually capable deputy who was permitted an adequate degree of autonomy, and who in turn understood the art of redelegating authority to those below him.

Statement of Hon. Styles Bridges, of New Hampshire, Chairman, Senate Committee on Appropriations, Relative to Work of His Committee and to Savings Resulting From the Economy Program of the Eightieth Congress

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Saturday, July 26 (legislative day of Wednesday, July 16), 1947

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement relative to the work of the Senate Committee on Appropriations in the first session of the Eightieth Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At the close of the first session of the Eightieth Congress, as chairman of the Senate Appropriations Committee, I regard it as proper to report to the Senate and to the Nation a summary of appropriations action taken during the present session. At the same time I wish also to detail briefly various related accomplishments during that time.

In electing the present majorities in the Congress in November of 1946, the people of the Nation went on record as desirous of an economy in government that would curtail the cost of government, balance the Budget, reduce the national debt, and lower the present exorbitant tax rates. Of these four mandates the Eightieth Congress has accomplished three of its objectives. The cost of government has been markedly curtailed. The Budget has been brought into balance. The debt has been reduced. Only

the present exorbitant rate of taxation remains as high as it was during the height of wartime spending. As we all know, this is not the fault of the vast majority of the Members of Congress.

APPROPRIATIONS REDUCED

First, I wish to direct the attention of the Congress to its solid accomplishments, among the first of which would be its outstanding economy record. I am proud of that record. Total savings by the Eightieth Congress amounts to $7,181,005,249. This includes a reduction of $2,361,889,749 from the 12 major appropriations estimates of $26,239,450,191, reducing the total of these to $23,877,560,442; a cut of $402,041,986 in 4 supplemental estimates from an estimated $2,209,219,283 to an actual $1,807,177,297; a reduction of $268,935,548 in 6 deficiency estimates and joint resolutions from an estimated $3,800,673,499 to an actual $3,531,737,901; a reduction of $40,000,000 in permanent appropriations; a reduction of $90,805,020 in supplemental and deficiency estimates submitted but not considered; and a reduction of $4,017,332,946 as a result of rescissions during the present Congress. Total reductions for all these items amount to $7,181,005,249, and this does not include a total of $830,380,811 impairment of capital in the Commodity Credit Corporation which was not replaced by appropriations.

I have seen many statements of late containing differing amounts which have been saved by the Eightieth Congress. This is not surprising, for the ramifications and complexities of the subject lend themselves to differing interpretations. In one listing, permanent appropriations may be excluded. In another, deficiency appropriations made by the Eightieth Congress for 1947 appropriations may not be carried. Again, the amount of rescissions of appropriations made by previous Congresses may or may not be included. Under such conditions, differing conclusions are inevitable. These differences result not from disagreement as to the amounts involved but rather as to what has been included in arriving at totals. In this discussion all savings resulting from the regular appropriations bills, the supplemental bills and the deficiency bills are included. Also included are savings resulting from estimates submitted but never formally presented in appropriations bills, as well as reductions in permanent appropriations and amounts saved through rescissions of appropriations by other Congresses. With this in mind, the figures cited will be found to agree with savings indicated by other authoritative sources. These sources, however, do not include those who for political reasons are fearful of the favorable reaction of the country to the economy drive of this Republican Congress.

Summary of budget estimates, appropriations enacted, and savings effected by the 80th Cong., 1st sess.

Public Law		Budget estimate	Law	Actual increase or decrease
	PART I. REGULAR APPROPRIATIONS			
266	Agriculture	$802,360,608	$613,046,826	−$189,313,782
237	District of Columbia	95,793,160	95,504,737	−288,423
268	Government corporations	50,137,500	35,040,000	−15,097,500
269	Independent offices	8,500,497,759	8,188,822,927	−311,674,832
247	Interior	295,463,060	194,587,859	−100,875,201
165	Labor, Federal Security	1,771,614,039	1,674,158,631	−97,455,408
197	Legislative	76,153,077	55,294,435	−20,858,642
267	Military	5,716,791,500	5,482,529,633	−234,261,867
202	Navy	3,513,000,200	3,268,766,100	−244,234,200
166	State, Justice, Commerce, and Judiciary	698,788,588	551,175,532	−147,612,656
147	Treasury, Post Office	4,099,123,500	3,216,509,450	−882,614,050
296	War, civil functions	619,727,100	502,123,912	−117,603,188
	Total, regular appropriations	26,239,450,191	23,877,560,442	−2,361,889,749
	PART II. SUPPLEMENTAL APPROPRIATIONS			
161	Emergency appropriation	5,750,000	6,180,000	+430,000
271	First supplemental	1,925,683,823	1,658,802,197	−266,881,626
256	Supplemental Government corporations	35,500,000	35,500,000	
299	Second supplemental	242,285,460	106,695,100	−135,590,360
	Total, supplemental appropriations	2,209,219,283	1,807,177,297	−402,041,986
	PART III. DEFICIENCY APPROPRIATIONS			
22	H. J. Res. 154	9,000,000	9,000,000	
25	H. J. Res. 159	243,713,587	243,255,607	−458,980
46	First deficiency, 1947	3,082,332,589	2,835,161,509	−247,171,080
76	Second deficiency, 1947	224,528,415	192,438,859	−32,089,556
20	Urgent deficiency, 1947	179,319,100	179,645,668	+326,568
122	Second urgent deficiency, 1947	61,778,758	72,236,258	+10,457,500
	Total deficiency appropriations	3,800,673,449	3,531,737,901	−268,935,548
	PART IV. PERMANENT APPROPRIATIONS			
	Total	5,951,309,846	5,911,309,846	−40,000,000
	PART V			
	Supplemental and deficiency estimates submitted but not considered	90,805,020		−90,805,020
	Grand total	38,291,457,789	35,127,785,486	−3,163,672,303

REGULAR APPROPRIATIONS CUT

Budget estimates for appropriations under regular appropriations bills amount to $26,239,450,191. The Congress allowed $23,877,560,442 of this amount—a savings of $2,361,889,749. Not included in these totals are permanent appropriations which are treated separately in part IV of the accompanying table. It will be noted that substantial savings were accomplished in all items. In part I of the tabular form is the appropriation record for the 12 major appropriations bills.

SUPPLEMENTAL REQUESTS SWELL BUDGET ESTIMATES

In addition to the regular Budget requests for $26,239,450,191, the President asked for $2,209,219,283 in four supplemental appropriations bills for 1948, making a total request for new appropriations of $28,448,669,474. The Congress reduced these supplemental requests to $1,807,177,297, a savings of $402,041,986, and a total savings in 1948 appropriations of $2,763,931,735. These supplementals are included as part II of the table. Largest items in the supplemental requests are to be found in the First Supplemental Appropriations Act wherein substantial sums were appropriated for foreign aid because of the parlous world situation.

DEFICIENCIES REDUCED

In addition to these regular appropriations bills, four deficiency appropriations bills and two joint resolutions were enacted. Total estimates of $3,800,673,449 in these six measures were reduced to $3,531,737,901, a savings of $268,935,548. A summary of each of these, giving the estimate, the actual appropriation, and the amount saved or expended in excess of the estimate, is included in part III of the table. I shall speak further about deficiency appropriations and their abuse later in my discussion.

PERMANENT APPROPRIATIONS

Included as part IV of the table are permanent appropriations which, by reason of their nature, are not subject to the same amount of revision as are the regular annual appropriations. Budget estimates for these permanent appropriations amounted to $5,951,309,846, of which $5,911,309,846 was appropriated, a reduction of $40,000,000. Included in this amount is an appropriation for $5,000,000,000 applicable as interest on the national debt. When one considers that this $5,000,000,000 neither reduces the indebtedness of the United States nor provides any benefits to the nation, yet at the same time is equal to all expenditures of the Government in any year from 1922 through 1933, then one realizes to some extent the gaping hole in our financial resources, a hole which threatens to sweep away our economic stability.

BUDGET REQUESTS NOT CONSIDERED

Certain supplemental and deficiency estimates were submitted by the Bureau of the Budget but were not considered by the Congress. These amounted to $90,805,020 and are included as savings in part V of the table.

RESCISSIONS

In addition to the large-scale reductions in appropriations made during the current session, the Eightieth Congress has accomplished other economies. Rescissions to the amount of $4,017,332,946 have been effected. These rescissions, which return to the Treasury unexpended sums appropriated by previous Congresses, include the following:

Rescissions made by the 80th Cong.

First supplemental bill	$360,000
Navy Department bill	403,575,000
Independent offices bill	163,100,000
Second supplemental bill	389,496,970
War military bill	1,438,966,500
Agriculture Department bill	40,000,000
First deficiency bill	1,011,423,325
Second deficiency bill	2,500,000
Urgent deficiency bill	567,461,151
Interior Department bill	450,000
Total	4,017,332,946

FACTORS LIMITING REDUCTIONS

It is true that a year ago, even 6 months ago, many of us believed that these cuts could be larger, that the present Congress could accomplish even greater success in reducing the cost of maintaining the Federal Government. A number of contributing factors have delayed more striking curtailment of expenditures.

THE THREAT TO PEACE

One of these factors was the unstable foreign situation. With the major peace treaties yet to be written, with Russian obstruction blocking all efforts at world reconstruction, with the recently announced infiltration of Communists even among our own Federal employees, it would be foolhardy for the Congress to impair the necessary functions of the military arm of the Nation, and it has not done so. Appropriations for the Navy Department amounted to $3,268,766,100

and for the War Department for military functions $5,482,529,633, or a total of $8,751,287,733.

FOREIGN AID

As a corollary to large appropriations for national defense, new and additional appropriations for relief and other aid to friendly foreign countries were made. Total estimates for such aid requested by the President amounted to $1,626,431,400, of which the Congress appropriated $1,440,821,900. Originally the Budget request was for $725,000,000, of which $600,000,000 was appropriated. Later requests were for $901,431,400, of which $840,821,900 was appropriated. These items included a wide variety of aid, including the Greek-Turkish aid program, defense aid liquidation (lend-lease), relief assistance to war-devastated areas, care and handling of surplus property overseas, UNRRA liquidation and governmental relief in occupied areas.

Nor does this include previous commitments currently being expended. Of the British loan of $3,750,000,000, a total of $2,750,000,000 has already been spent. Of the $3,500,000,000 authorized for expenditure by the Export-Import Bank, only $820,000,000 remains uncommitted. And, in addition, the United States has provided the International Monetary Fund with $2,750,000,000 and the International Bank with $635,000,000, the latter amount being subject to an additional expenditure of $2,500,000,000 if necessary.

In appropriating these large amounts for foreign aid, the Congress has joined in the attempt to relieve poor, ravaged people, start reconstruction of war-torn areas, and assist smaller nations to withstand the menacing spread of communism. During the congressional recess members of the Appropriations Committee intend to survey personally the foreign relief and reconstruction scenes in preparation for an intelligent consideration in the next session of Congress of any request for funds which will be made to help stabilize other nations.

GROWTH OF BUREAUCRACY

A second factor contributing to limited reductions in appropriations was the course of Federal expansion pursued by the Government during the past four administrations. Since 1933 the administration has pursued a policy of an increasingly paternalistic Government which per se necessitated larger and larger expenditures as its functions increased in number and scope. During this time Federal personnel multiplied almost four times—from 563,000 to 2,178,000. Annual Federal expenditures rose from $5,000,000,000 to $42,500,000,000. Our debt increased from $22,000,000,000 to $258,000,000,000. The number of Government bureaus rose to 1,039, while the number of offices increased to 46,865 until there was one or more in nearly every American city and town. A vast variety of new functions previously administered by the States or by local units or by private enterprise was taken over by the National Government.

It is true that much of this increase in expenditure and size was caused, in part at least, by the exigencies of depression and war. But much of it was brought about by the administration's philosophy that the lives of its citizens could be better administered by a national government than by State, local, or private organizations. For example, between 1934 and 1946 Federal grants-in-aid to States have cost the taxpayer $29,000,000,000. Federal subsidies have totaled over $13,000,000,000 in the same period; Federal lending has amounted to almost $40,000,000,000. Irrigation, reclamation, crop control, rural development, socialized homestead projects, nationalized housing, power productions, transportation, communication, employment, education, medical research, social welfare, scientific development, insurance of virtually every sort, banking, publishing, and other fields of endeavor have all fallen in varying degrees under the control of the Federal Government, which has absorbed private initiative in public enterprise.

Most of these federally controlled or operated projects could not be abruptly terminated. Long-range Federal commitments must be honored. Furthermore, since most of these were established by legislation, they can only be abrogated by other legislation. It is not the function of appropriations committees to legislate and, during the present session, the committee has made every effort to avoid doing so. Consequently when appropriations were asked for these public enterprises, the measuring stick was our deliberative judgment as to the amount of money needed to carry out these projects most efficiently. Where we have cut appropriations, we have done so not to impair a function but rather because we believed that the function could be carried out as efficiently or more efficiently while practicing greater economies. Appropriations which were denied were only denied because basic enabling legislation was lacking. Appropriations drastically cut were only so treated when it was demonstrated that economy would not impair efficiency, or because, as in large-scale construction work, it was deemed good business procedure for the Government to delay such construction until costs would be lower. This not only is a sensible economy move, but by refraining from placing additional millions of dollars in circulation it acts as a brake on the inflationary trend which has had its effect on the cost of Government. Salaries have risen fully one-third as a result of two recent pay raises. Other administrative costs have increased similarly. Under such conditions prudence dictated that, wherever possible, expenditures must be limited, thereby providing a reservoir of planned construction against what economists have been predicting as an incipient recession.

IRONCLAD COMMITMENTS

Still another factor limiting reduction in appropriations was the inescapable necessity of honoring ironclad commitments. One of these is the interest on the public debt, for which $5,000,000,000 must be provided annually. Another is our obligation to the veterans of the last war and those of other wars. We have appropriated almost $7,000,000,000 for the Veterans' Administration for 1948—and this is not all inclusive. A third major item is the cost of our national defense, for which we have appropriated approximately $8,600,000,000. These three items alone will cost the American taxpayer over $20,000,000,000 in 1948.

Innumerable relatively small items, some of which were unanticipated yet urgent, swelled the total. I shall mention only a few. For example, in order to maintain the safety of air and sea transportation, additional funds were necessitated for ocean weather stations. Again, a marked increase in the infestation of cattle with the foot-and-mouth disease called for deficiency and other additional appropriations if we were not to delay and then spend a larger amount later for the same purpose. The international situation also called for additional appropriations to carry out the loyalty investigation program for Federal employees. It also called for the rebuilding of the Alaskan Railroad, vital to Arctic defense. The enervating drain on our national resources during the war necessitated emphasis on investigations for new supplies of critical minerals. Disasters in coal mines spotlighted the need for additional inspectors, and these have been provided. The necessity of placing large groups of Federal employees in isolated public regions called for the operation and maintenance of schools by Federal funds if the children of these employees were not to be illiterate. In all cases the Congress refused to allow its economy goal to degenerate into false economy.

PROPAGANDA BY GOVERNMENT AGENCIES

One of the greatest obstacles to our attempts at economy in Government, and the only one which was avoidable, was the arrogant refusal of many of the departments and agencies of the Government to cooperate with the Congress, through the Appropriations Committees, in effecting efficient, economical government. I regret to say that they have not only failed to cooperate, but that they have used every lawful and many unlawful methods of attempting to coerce the Congress into appropriating larger sums of public funds than the Congress, after careful investigation, believed either necessary or desirable.

These efforts have in the past been so outrageous that the President of the United States, late last year, sent a memorandum to the Director of the Bureau of the Budget stating that certain department and agency officials have shown a tendency to seek from the Congress larger appropriations than were contemplated in official budget estimates and calling upon him to remind the heads of the various departments and agencies to support only the President's estimates during the course of hearings. Thus these agencies have given evidence not only of directly disregarding the will of the Congress but also the expressed desire of the Chief Executive, and they have done this to an extent which necessitated Presidential action. Such action on the part of the President would have been more commendable, however, if he had himself been more mindful of the precarious condition of the public Treasury in making his own total budget recommendations.

This overt disregard of the prerogatives of the Congress is exemplified best by actions of an official and unofficial nature taken by the executive establishments during the hearings on the 1948 appropriations bills. We all know that under our present appropriations procedure the agencies have ample opportunity through their authorized representatives and witnesses to defend their budget estimates before the Congress. They have been given the chance to present at length any information which they regard as important or pertinent. But this year, under the aegis of what appears to be at times a coordinated plan of attack, many of those agencies which have had their estimates reduced by the House of Representatives have initiated pressure campaigns on the Senate and on the Senate Appropriations Committee, in particular, that far exceed any legitimate defense of budget estimates.

Naturally the people of this country have a perfect right to inform the Members of the Congress as to their opinions regarding congressional action of any sort, either proposed or concluded. Indeed, we Members of Congress welcome this spontaneous expression of views as it is one of the best means by which the representatives of the people can weigh the will of their constituents when legislative pressure keeps us here in Washington. But when Government departments and agencies at the taxpayers' expense attempt to propagandize the American public into applying tremendous pressure on the Congress, then I strongly affirm that these establishments are exceeding their authority.

The Senate Appropriations Committee has in its files concrete evidence that much of the hue and cry, much of the pressure that was exerted on the Congress, was not the spontaneous expression of individual taxpayers but rather the well-organized attempts of Government officials and employees to restore funds without which they would be in danger of losing their jobs.

Various methods were employed. Federal employees were in some instances organized in groups as soon as House cuts were announced. Each group was given specific objectives designed geographically to exert the maximum pressure on the Congress. Newspaper aid was sought, not only through news channels but through importuned editorials,

which, through no fault of the press but because Government officials deliberately exaggerated effects of curtailment of services, alarmed the public. Not content with this, attempts were made to elicit support of civic groups, State and local officials, chambers of commerce, labor organizations, business houses, veterans' organizations, brokers, farmers, and railroad executives.

One favorite method was to announce in the press that House cuts necessitated the firing of a large number of employees. Dismissal notices were then sent to employees—preferably veterans—in a number far in excess of the number actually to be released. This was done knowingly and deliberately by the agency, which subsequently rehired large numbers of these employees without publicity. The most audacious of these propaganda stunts was that perpetrated by a group of public officials—in widely scattered parts of the country and all at approximately the same time—to blame the Congress in press releases for employee lay-offs which were not occasioned by appropriation cuts but by administrative financial errors within the department over which the Congress had no control or knowledge.

These attempts to pressure the Congress into submission to departmental dictates were not the work of a few disgruntled employees. In most instances they were instigated with the full connivance or knowledge of highly placed officials with a full comprehension and an utter disregard of their responsibilities. Furthermore, they were carried on at Government expense, on Government time, using Government vehicles and Government equipment, including the use of the Government free-mailing privilege. I doubt if at any time in our history has Federal money been so widely used to circumvent the will of the elected representatives of the people. That it did not succeed is a tribute to the level-headed attitude of a public which refused to be panicked and to the determination of the Congress to represent the will of their constituents and not the desires of officials in the executive branch.

DEFICIENCY ABUSE

There have been other ways in which the departments and agencies of the Government have flaunted their disregard of the will of Congress. One of these is their continued refusal to limit their expenditures to the funds with which the Congress provides them for a given year. Proof of this is only too evident.

In addition to the regular appropriation bills, the Congress has been called upon in 2 urgent and 4 other deficiency bills to pass more than 650 measures involving $3,531,737,901 in deficiency appropriations. In practically every one of these 650 instances in which deficiency apropriations were requested, the Congress was powerless to deny the requests because of its interest in the welfare of the American people. Many of these requests were caused by Pay Act increases for which the agencies were not responsible, but in many other instances the additional appropriation resulted from the failure of responsible officials in the executive branch to apportion properly their 1947 appropriation. Rather than apportioning these appropriations equitably over the four quarters of the fiscal year, many agencies, with and without the approval of the Bureau of the Budget, have arbitrarily decided that they, and not the Congress, are the best judges of what should be spent and, once having made this illegal decision, have proceeded to apportion their available funds so that these become exhausted long before the end of the fiscal year. They have then come to the Congress and demanded more money. I use the word "demanded" advisedly, for in at least one instance an agency, in requesting a deficiency appropriation, had the unmitigated gall and temerity to state flatly that they had decided, upon the advice of their attorneys, that Congress had no control over the amount to be expended by that agency for a specific purpose. The Congress, through its Appropriations Committees was then faced with the choice of either acceding to these illegal demands or refusing additional funds and thus forcing the agency to curtail or eliminate essential services. Since the latter course would have brought about severe inconveniences to the American public as well as precipitating the firing or furloughing of large numbers of faithful employees, many of whom would have been rehired or replaced on July 1, the Congress had nothing to do but accede to the self-imposed authority of the executive departments and agencies.

No one is so utterly sanguine as to suppose that we can remove the necessity for all deficiency legislation. National emergencies call for immediate action in which normal anticipated budget requirements may need to be disregarded.

But this condition of Executive usurpation of congressional power which has plagued the Congress since 1793 must be corrected unless the function of appropriating moneys is to become an atrophied appendage of the Constitution. Since 1931 through 1946 there have been a total of 3,649 items in 477 measures calling on the Congress to provide $146,295,000,000 in deficiency and supplemental appropriations. A few of these were anticipated by the Congress; others were caused by emergencies arising from the economic recession and the war. But vast numbers of them were occasioned through no other cause than the disregard for legislative mandate and the apparent belief that the departments and agencies were beyond the law. John Randolph in 1806 said the following:

"Appropriations have become a matter of form or less than the shadow of a shade, a mere cobweb of defense against expenditures. You have fixed limits, but the expenditure exceeds the appropriation; and those who disburse the money are like a saucy boy who knows that his grandfather will gratify him and overruns the sum allowed him at pleasure. As to appropriations, I have no faith in them. We have seen that so long as there is money in the Treasury there is no defense against its expenditure."

With 150 years of American history at our backs, we can afford to view Randolph's fears as exaggerated. Yet the problem has continued and still remains, as is only too evident through the intervening years of congressional attempts to regain and maintain its hold on the purse strings of the Nation. From this standpoint the record since 1934 has been a sorry picture indeed, posing the question at times as to whether Congress still possesses control of the Treasury.

I am happy to state, however, that steps have already been taken which, it is hoped, will prevent recurrence of this widespread and flagrant disregard of the mandates of the Congress. Each agency, upon presentation of its deficiency request, has been warned that the committee in the future will look with extreme disfavor at all such requests not involving emergency measures. Hearings have been held probing the cause of recurring deficiencies. The committee staff has been conducting an intensive investigation of all the ramifications of this problem. As a result, with the assistance of the Bureau of the Budget and the General Accounting Office, I intend to present a bill early in the next session of the Congress which will amend the antideficiency law in order to correct this malodorous condition.

REDUCTIONS ACCOMPLISHED

Thus, despite the unanticipated postwar conditions which have necessitated huge appropriations to maintain an adequate Army and Navy, despite the drain of monetary aid which we have proffered foreign countries for relief and economic rehabilitation, despite the necessity of maintaining enlarged functions of public enterprise, despite inflation, the interest on the debt and the obligation to the veterans, despite even the insistent attempts of departments and agencies to continue and even expand their war-swollen pay rolls, despite all these, we have accomplished economies amounting to $7,181,005,249.

NO IMPAIRMENT OF FUNCTIONS

We have done this without impairing the functions of a single Government establishment, although this was not easy. The refusal of many of the departments and agencies to cooperate with us would have been ample excuse to make horizontal slashes in budgets that were obviously top-heavy in structure and gilded with superfluous personnel. The expenditure estimates made by the House and the Senate for the first time as a result of a provision of the Reorganization Act of 1946 might have proved a further incentive for greater cuts. Wisely, the Congress rejected this course, although political advantages would have been gained thereby. Instead the Congress has pursued a temperate policy of deliberative economy, wherein each item of expenditure has been carefully weighed on a counterbalance of benefits and cost.

TRIBUTE TO COMMITTEE MEMBERS

I believe that I can speak for each member of the Appropriations Committee when I say that in completing the investigating, the reporting, and the passing of the 12 major apppropriations bills and the 10 deficiency and supplemental appropriations acts this session, we have done the job with a thoroughness that has never been surpassed in the United States Senate. This thoroughness was occasioned by the unprecedented demands of Executive departments and agencies for restoration of cuts made by the House. In each instance the committee examined the subject completely, regardless of the pressure of time, until it was completely satisfied that the best interests of the country had been served.

In so doing we were motivated by two major considerations of equal importance. One was the taxpayers' demand for economy in government. The other was the recognition that it would be an ill-advised economy gesture which would curtail functions essential to the welfare of the Nation. To achieve the former without impairing the latter was a cause over which every member of the committee labored long and sincerely.

REASON FOR DELAY

To accomplish our purpose required a staggering amount of painstaking labor and time. Fortunately the Appropriations Committees have been provided with an increased staff which has been of aid to us in the tedious job of fact finding. The Senate Appropriations Committee held 168 sessions on a total of 113 days. We heard 2,085 witnesses complete 11,477 pages of testimony. The intensity of our investigations is revealed when I tell you that our first four hearings this year contained more testimony than did all 12 a year previous.

When some of the appropriation bills were not reported out of committee by June 30, the end of the fiscal year, I heard criticism regarding our progress on this very floor by an esteemed member of the committee. I would be the first to thank that member for his constructive criticism were it not that I believe he has overlooked one very important factor. For just as bills cannot be acted on by the Senate until they are brought out of committee, so the Senate Appropriations Committee cannot hold hearings and report on bills which have not cleared the House of Representatives. And this year, for several good reasons, the House passed its appropriation bills at an unprecedented late date. The Reorganization Act required elab-

orately new machinery, administered, as it happened, by a new majority. Undoubtedly the thoroughness of the hearings plus the recalcitrance of Government officials caused further House delays—just as they did in the Senate. Whatever the reason, the Senate received the appropriation bills at a later date than in any previous year which our investigation has disclosed. To exemplify this I chose 1938 as a typical prewar year. In that year all but two of the major appropriations bills had been passed by the House of Representatives prior to May 1. This year only three had passed the House by that date, leaving nine for subsequent action. In 1938 the first bill—the independent-offices measure—was passed by the House on February 3; this year it passed the House on June 18 and the first bill—the Treasury-Post Office bill—was passed on March 11. In 1938 the last two bills were passed on May 20 and June 15, one in each month. This year, three bills were passed by the House in May, four in June, and two in July—one of these 9 days after the beginning of the new fiscal year. Under the circumstances, it seems to me that criticism of the Senate Appropriations Committee for delays in reporting these bills is unfounded, overlooking as it does a rather well-known fact that the Senate Committee cannot take action until the bills have passed the House—unless we ignore the traditional appropriations procedure and initiate appropriations action in the Senate. For these reasons I regard such delay as there has been, which has inconvenienced but a few people, as unavoidable—even laudable—considering the amount we have accomplished.

PERSONNEL SITUATION

Much has been said and written recently about reduction in Federal personnel, and since this matter relates so intimately to appropriations, I wish to say a few words about the current situation. The scare headlines in the newspapers, emanating from the various departments and agencies of the Government would lead to the conclusion that Federal personnel has been decimated as a result of congressional action and that overworked skeletal staffs are operating at top speed to carry out their essential functions.

Nothing could be further from the truth. In June of 1945—the peak employment of all time—there were 3,737,896 Federal employees. As of May 31, 1947, the latest figures available, there were 2,178,092 employees. This is a very sizable reduction of 1,559,804. The question is, Where did this reduction take place? Well, in that same June of 1945 there were 2,634,078 employees in the War and Navy Departments while in May of 1947 there were just 913,225 such employees, a reduction of 1,720,853. This reduction, you will note, is greater by 161,049 than the over-all reduction in all agencies.

In other words, while the military establishments decreased their personnel since the June 1945 peak, the rest of the Government has increased 161,049. Consequently, the oft-iterated statement that the Federal agencies have suffered violent reductions in employees is not substantiated by the facts.

It is true that in certain agencies of the Government there has been a slow, orderly reduction during the past 6 months, but this reduction has not been rapid nor has any agency suffered impairment of its essential functions through the loss of personnel, unless it be by the action of the agency itself in an attempt to embarrass the Congress.

Mark this carefully: Since VJ-day, of the 55 departments and agencies now in existence, 37 have increased their personnel and 18 have decreased their employees. Six of the 10 departments show increases in employment and 23 of the 32 independent agencies show similar increases. Only the five remaining war-emergency agencies have reduced personnel. And in the meantime there have been eight new postwar agencies created. Thus two-thirds of the Federal establishments have been increasing employment since August of 1945, despite the fact that these agencies had all justified increased employment during the war period as needed for war work.

A comparison of personnel with that of the prewar period is even more illuminating. In 1932 there were 563,000 Federal employees. In 1939 there were 928,000. Today Federal employment is over 230 percent of the 1939 figure, an increase of 1,249,256.

Examining this comparison more closely, one finds that the War and Navy Departments have increased their personnel 691,089 since 1939 and the rest of the Government has increased employment by 559,167. With due regard for understandable increases resulting from certain postwar functions, such as those of the Atomic Energy Commission, the Veterans' Administration, and the temporary War Assets Administration, it is still readily seen that the other agencies of the Government have, in fact, and unfortunately, retained many of their war-found gains and in some cases surpassed that total.

I have dealt in detail with this astounding personnel picture because I do not believe that the American public has been given a true picture of the growth of this swollen bureaucracy made up of many agencies who have not only thus far retained their increased employment gained during the war, but who, in a number of cases, have even increased their wartime gains since then.

I believe that with these facts in mind most of you will agree with me that continued reductions in personnel are called for.

THE PROBLEM AHEAD

I have given a great deal of thought during the present session of the Congress to the problem of ever-mounting expenditures in the Federal Government. It strikes me as extremely significant that each of three items in this year's budget exceeds our entire expenditure figure 15 years ago. These three items—military appropriations for the War Department, the Veterans' Administration appropriation, and the interest on the public debt—are likely to remain high for a considerable period. In addition to these, we have other normal and abnormal appropriations which total, in themselves, several times our entire appropriations of a little more than a decade ago.

Occasions necessitating new appropriations are constantly arising. For example, since the submission of the original Budget estimate for 1948 the President submitted to the Congress additional requests for $2,023,252,216. Among these items were requests for over $900,000,000 for assistance to foreign countries. Another was a request for $200,000,000 in appropriations and contract authorizations for the stockpiling of strategic materials. An investigation of the loyalty of Government employees by the FBI was estimated by the President at $8,740,000. Another $16,160,000 was requested for the Civil Service Commission for similar work. A new appropriation request for the Veterans Administration would call for $98,174,800. The spread of the foot-and-mouth disease among cattle brought another request of $74,000,000 to help fight this danger. Another $10,000,000 was asked for the farm labor supply program. The National Labor Relations Board asked for $4,025,300 to carry out additional functions under the new labor law. The Federal Mediation and Conciliation Service asked for $2,650,000. A few days ago we received a request for $250,000,000 for additional flood-control work. These are all new items which did not appear in the 1948 Budget, and there are more. In all, I repeat, they total $2,023,252,216.

These figures did not include the many other new appropriation requests which did appear in the Budget. Larger items totaled over $470,000,000, and even this was not all-inclusive. The larger amounts included requests for $250,000,000 in contract authorizations for the newly created Atomic Energy Commission, $19,749,000 for ocean weather stations to aid navigation, $73,361,400 for an International Refugee Organization, and $65,000,000 for the Federal Aid Airport program and other matters.

Many of these items have not received appropriations as requested, but the mere recitation of them should suffice to indicate the overwhelming problems in connection with curtailing Federal expenditures. For these are all new items, moving in the opposite direction from reduced costs of Government.

I have already mentioned the effect that the rise of bureaucracy has had on Federal expenditures, of the new functions and new services which the Federal Government has imposed and superimposed on existing State and local facilities, thereby pyramiding organizational costs. If we are to reduce adequately the cost of government, many of these functions must be returned to their rightful administrators.

Furthermore, mere lip service to economy in government will not suffice. As elected representatives of the people of the various States, we must, of course, protect their interests. But we must all realize, just as our constituents must realize, that their interests and our interests are first of all in a government that is financially sound. We have a national debt which is beyond the comprehension of the human mind, graphically illustrated as to magnitude when we remember that if we began paying the debt off today at the rate of $1 a second, it would take over 8,000 years to balance the books. We intend to honor that debt. The bondholders of the Nation have confidence in the Federal Government's ability to meet the interest payments on the debt. That confidence must, in the long run, be built on the Government's willingness and determination to put its financial house in order. But this cannot be accomplished if we continue to expand the functions of our Government. Those services which rightfully are the responsibility of the States must be returned to them. We must gage our national expenditures not solely by the yardstick of whether a particular program would be beneficial, but whether, as a Republic struggling to maintain its fiscal equilibrium, such a program is absolutely necessary on a national level, whether we can afford such a program, and whether it might not be more properly administered by the several States.

The voters will support such a philosophy, once they have clearly defined the issues at stake. It is all too human for each of us to desire the enactment of special legislation which will help ourselves. But on a country-wide basis this course can only lead to chaos. If we, as the people's representatives, will stand firm in our unselfish resolves, I am sure that they, the electorate, will wholeheartedly subscribe to this policy.

No one can foresee the future. The uncertain international situation, the need for further rehabilitation of other nations, possible economic reverses at home—these must not be overlooked in our estimates of the future. The Congress has provided for these contingencies to the extent of its power. It has done this not only by appropriating for those measures which it deems requisite to the national security but also by placing the Government on a businesslike basis through the elimination of wasteful spending and the duplication of effort. Much more can and will be done on this score in the ensuing year. Savings accomplished in this present session have already marked us as an "economy Congress." As such, by balancing the budget, making an initial payment on the debt, and reducing the cost of Government, we have started to restore public confidence in the solvency of the Federal Government.

This confidence will be augmented as further economies are accomplished. As a result a strengthened America will face the future with renewed courage and resolve.

The Activities of the Pennsylvania Delegation in the House of Representatives During the First Session of the Eightieth Congress

EXTENSION OF REMARKS
OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. SIMPSON of Pennsylvania. Mr. Speaker, with permission of the House, I extend my remarks dealing in part with the legislative record, of Members of the Pennsylvania Republican delegation in the first session of the Eightieth Congress.

This is a report to the people of Pennsylvania at the close of the first session of the Eightieth Congress, referring particularly to some of the activities and interests of the Republican membership in the Eightieth Congress from Pennsylvania. It is necessarily limited in scope, though an attempt is made to include the major activities of our delegation.

Unhappily the work of the first session of the Eightieth Congress has been beclouded by Democratic efforts to belittle its accomplishments. The executive branch of the Federal Government is controlled by Democrats. They seek to make political capital by misrepresenting with their propaganda machine, paid for with taxpayers' money, the high quality and effectiveness of legislation thus far passed by the Eightieth Congress. We of the Republican delegation from Pennsylvania in the House of Representatives, want the people of Pennsylvania to know the truth, firmly believing that our constituents will approve our efforts, made in the face of continued Democratic opposition, to fulfill the Republican pledges of 1946, upon which we were elected. Had we enjoyed a degree of the cooperation pledged us by the President, following the elections of 1946, more good could have been accomplished; however, instead of cooperation, we had to overcome Democratic opposition in every instance.

At the congressional election, on November 5, 1946, the people of Pennsylvania sent 28 Republicans to the House of Representatives. This was the largest Republican delegation from our State since the 1932 election, when 32 Republicans were named. The 1946 election was in sharp contrast with that of 1936, when the Pennsylvania Republican congressional delegation reached its lowest ebb. The election in 1946 clearly reflected that the people of Pennsylvania desired a change; they had had enough regimentation and control under the Democrats. They wanted economy, lower taxes, less interference with their daily lives by government; in short, they wanted less and not more government. The Eightieth Congress controlled by the Republican Party is fulfilling its pledge to the people.

Our delegation very early in the session adopted a policy of holding frequent conferences and with this in view effected an organization electing the following as delegation officers: RICHARD M. SIMPSON, chairman; HARVE TIBBOTT, secretary; LEON H. GAVIN, whip.

We were saddened during the year by the death of one member of our delegation, the Honorable Charles L. Gerlach, of the Eighth District. Mr. Gerlach was one of the hardest working and most conscientious men in Congress. The delegation is desirous of paying this tribute to his memory. We now have but 27 members in our delegation, but will be back to full strength following the special election in the Eighth Congressional District on September 9, 1947.

One of our earliest and most important jobs was to secure appropriate assignments for members of our delegation to membership on one of the 19 standing committees of the House of Representatives. We were highly successful and now have representation on 18 of them. Because of the size of our delegation we have dual representation on 14 exclusive committees.

I am listing herewith the names of the 27 Pennsylvania Republicans, now in the House of Representatives, their congressional district, home addresses and the committees on which they serve:

E. WALLACE CHADWICK, Seventh District, Rose Valley, Judiciary Committee.

ROBERT J. CORBETT, Thirtieth District, Bellevue, House Administration and Post Office and Civil Service.

WILLIAM J. CROW, Twenty-third District, Uniontown, Veterans' Affairs.

PAUL B. DAGUE, Ninth District, Dowingtown, Agriculture.

IVOR D. FENTON, Twelfth District, Mahanoy City, Appropriations.

JAMES G. FULTON, Thirty-first District, Dormont, Foreign Affairs.

JAMES GALLAGHER, First District, Philadelphia, House Administration.

LEON H. GAVIN, Nineteenth District, Oil City, Armed Services.

WILSON D. GILLETTE, Fourteenth District, Towanda, Interstate and Foreign Commerce.

LOUIS E. GRAHAM, Twenty-fifth District, Beaver, Judiciary.

CHESTER H. GROSS, Twenty-first District, York, Agriculture.

MITCHELL JENKINS, Eleventh District, Trucksville, Merchant Marine and Fisheries, Expenditures in Executive Departments.

CARROLL D. KEARNS, Twenty-eighth District, Farrell, Education and Labor.

JOHN C. KUNKEL, Eighteenth District, Harrisburg, Banking and Currency.

SAMUEL K. MCCONNELL, JR., Sixteenth District, Wynnewood, Education and Labor.

JOHN MCDOWELL, Twenty-ninth District, Wilkinsburg, Un-American Activities and District of Columbia.

FRANKLIN J. MALONEY, Fourth District, Philadelphia, Foreign Affairs.

ROBERT N. MCGARVEY, Second District, Philadelphia, Public Works and District of Columbia.

FREDERICK A. MUHLENBERG, Thirteenth District, Wernersville, Public Works.

ROBERT F. RICH, Fifteenth District, Woolrich, Rules, Expenditures in Executive Departments.

GEORGE W. SARBACHER, JR., Fifth District, Philadelphia, Veterans' Affairs.

JAMES P. SCOBLICK, Tenth District, Archbald, Post Office and Civil Service.

HARDIE SCOTT, Third District, Philadelphia, Banking and Currency.

HUGH D. SCOTT, JR., Sixth District, Philadelphia, Interstate and Foreign Commerce.

RICHARD M. SIMPSON, Seventeenth District, Huntingdon, Ways and Means.

HARVE TIBBOTT, Twenty-sixth District, Ebensburg, Appropriations.

JAMES E. VAN ZANDT, Twenty-second District, Altoona, Armed Services.

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Work in our national legislature is, of course, on a national level. While local interests and localities receive direct benefit, it is intended that all legislation be for the good of the whole country.

Hence it can be said truthfully that in passing laws, beneficial to the State of Pennsylvania, we at the same time are benefiting the entire Nation.

We shall consider our delegation's work in the first session of the Eightieth Congress in two classifications:

(a) Those laws of specific application to Pennsylvania.

(b) General legislation.

For the considerable success we have had during the first session, the delegation desires to express its thanks to the following:

Our delegation and State is indebted to Senator EDWARD MARTIN for his capable and efficient work. Senator MARTIN has cooperated in every way possible with the delegation. He attends our weekly meeting and conferences and particularly assists in expediting House bills, which have reached the Senate. Senator MARTIN, as every Pennsylvanian knows, has spent many years in close association with our legislative bodies in Harrisburg and Washington. He is entirely familiar with the legislative process; Pennsylvania's and our Nation's needs; he is an untiring and willing collaborator with your Representatives in the Congress. As a result of his careful attention to our legislation in the Senate, I am pleased to say that every bill in which members of our delegation were interested was passed, following favorable House action.

We extend our thanks to our House leadership. Our Speaker, the Honorable JOSEPH W. MARTIN, JR., our majority leader; the Honorable CHARLES A. HALLECK, and our Republican whip, the Honorable LESLIE C. ARENDS. We likewise give our thanks to the Republican Steering Committee; for its members are highly cooperative with our delegation in connection with legislation of special interest to our State. Each of them, in spite of his many duties, found time to be unusually helpful to the 14 new members of our Pennsylvania Republican delegation.

We are likewise indebted to others who helped make us known as the unique delegation of Congress. At the beginning of the session we set up the practice of having weekly meetings, at which Members would report on the status of legislation in their respective committees. This gave the entire delegation an up-to-the-minute picture of what was developing, making us one of the best-informed delegations in the Congress. To these meetings, which Senator MARTIN regularly attended, and in whose deliberations all took part, we included Maryland's two Republican Representatives, EDWARD T. MILLER and J. GLENN BEALL, and Delaware's sole Representative, J. CALEB BOGGS, together with Delaware's two Senators, C. DOUGLASS BUCK and JOHN J. WILLIAMS.

With the opening of any new session of the Congress, particularly when the party control changes, as it did in the Eightieth Congress, certain delays are always encountered. At the opening of the Eightieth Congress, two changes occurred, one by reason of a change in party control and the second through application of the Legislative Reorganization Act, effective January 1, 1947.

Any shift of congressional majorities slows the start of a new Congress. Historically, this has been true, whether the Democrats or Republicans take over after an election. There is a necessary shake-up of committee chairmanships and committee assignments. That was not the only situation which faced the Eightieth Congress on January 3, 1947. The Reorganization Act involved cutting down the number of committees to less than half their previous totals, the merging of work of several former committees into one committee, and the reorganization of the work in the committees. It limited assignment of a Member to one of the so-called exclusive committees, and, consequently, all former Members of Congress serving on more than one committee had to determine which committee assignment to surrender and which to retain.

As the Democrats were shifting from the majority to the minority party, their change-over of activities was even more drastic than that of the Republicans. The Democrats were much longer in making their committee selections and therefore in many instances committees were unable to function for a considerable time after the Republican membership was completed. The Democrats were not ready.

The Democratic propaganda machine has said that this Congress was unusually slow in getting started. If that be true, let the record show why.

Throughout the session, we of the delegation fought for and urged economy. We know that our "first line of defense," both in peace and in war, is an efficient national economy, a satisfied and happy people, a Nation where the citizens run the government as contrasted with the nations of slaves to the tax collector. We recognize that some of the "fancy spending" of New Deal years must be stopped, while at the same time, by wise and careful spending worth while and necessary government projects should be continued.

In its work for Pennsylvania, the delegation introduced and supported bills which would help the State as a whole or in part. It also worked actively for the defeat of any legislation which might be contrary to the interest of the Nation and the commonwealth. We present some of the highlights of these activities. It must be noted that where an appropriation is involved, double legislation is always required. First, a legislative committee must approve the project. Then the Appropriations Committee must provide the funds in a separate bill. Thus, it is necessary for members of the delegation to work actively on two separate propositions, pushing them not only through committees but also, through the House itself. Then, when the legislation reached the Senate, our colleague the Senator from Pennsylvania, EDWARD MARTIN, would take up the play from that point.

One of the most important jobs of our delegation this past session was obtaining money for continuance of necessary flood control in the State. Working with Senator MARTIN we were instrumental in securing $5,200,000 for the Conemaugh Dam. An additional $2,236 000 was obtained for flood-control work in or about Williamsport, with another $1-339,000 for the Susquehanna watershed near Sunbury. Likewise the Congress appropriated $1,000,000 for the Clarion River flood-control project $400,000 for Punxsutawney and $200,000 for the Dyberry-Prompton Reservoir project in the Lackawaxen Basin. A start has also been made on planning for the channelization of the upper Delaware River. Partly as a result of your delegation's efforts the benefits of flood control were spread over the entire United States and were not confined to limited areas, as the President desired. We successfully fought an effort to confine flood control to the Missouri-Mississippi Valley, as had been suggested by President Truman. Especially active in flood control work were Congressmen TIBBOTT and FENTON, of the Appropriations Committee, MUHLENBERG, and MCGARVEY, of Public Works, together with western Pennsylvania representatives, who continually pushed for the completion of projects within their areas of the State.

The Pennsylvania delegation sought an appropriation of $75,000 for a reforestation laboratory in eastern Pennsylvania. It would be of importance both toward improving the State's forests, and for flood control, especially in the Delaware River Basin. The project did not get through Congress this year, but we are hopeful of securing favorable action in 1948.

The Congress made an appropriation of $450,000 for the construction of an anthracite laboratory in the anthracite fields of Pennsylvania. Research work there should bring economic benefit to the entire anthracite coal region of Pennsylvania.

In the closing days of the session we were successful, with the cooperation of the New Jersey delegation, in securing passage of legislation implementing a compact entered between New Jersey and Pennsylvania. This legislation enlarges the jurisdiction of the Delaware River Joint Toll Bridge Commission by granting additional powers to build bridges and acquire approaches.

We secured passage of a law transferring a parcel of land in Norristown, Pa., from the Federal Government to Montgomery County, as the site of an annex to the courthouse in Montgomery County.

We secured passage of legislation authorizing the Pennsylvania Power & Light Co. to erect a low dam on the Susquehanna River for use with a steam power plant, which will provide electric current for residents of the Sunbury area. When completed, this steam power plant will consume over 1,000,000 tons of anthracite coal a year and will be of great advantage to peoples whose livelihood depends upon continued operation of the anthracite coal mines.

At the request of the Blair County Bar Association, we were successful in securing passage of legislation transferring Blair County from the Middle to the Western Judicial District of Pennsylvania. The legislation was introduced by JAMES E. VAN ZANDT, of the Twenty-second District, and handled by LOUIS E. GRAHAM, of the Twenty-fifth District in the Judiciary Committee and before the House for passage.

Still pending and very much alive is legislation introduced by GEORGE W. SARBACHER, JR., of the Fifth District, for a new national cemetery for Philadelphia to supplement the old cemetery there which has been in use for many years.

Pennsylvania will benefit by a law extending for an additional year the life of the Federal Aid Highway Act of 1944. Our State receives approximately $75,-000,000 for its road program under the provisions of the 1944 act. The extension is to permit Pennsylvania and other States to use up all the funds allocated to them, even though under the original law the money would be returned to the Federal Government if not utilized by the end of 1947.

The delegation has been actively pushing legislation for stream-pollution abatement. We firmly believe that there is a good likelihood of favorable action upon this legislation during the second session of the Eightieth Congress.

Likewise the delegation was pleased to push and secure the passage of legislation providing funds for some of the State's publicly owned airports.

In addition to supporting legislation before the Congress, we found it necessary to oppose certain proposed legislation which we recognized as adversely affecting our State.

Thus we succeeded in delaying House action on a bill having committee support which would move the research and development laboratory of the Quartermaster Corps in Philadelphia to Boston. Despite the united opposition of our delegation, and the active work of our colleagues, LEON H. GAVIN, of the Nineteenth District, and JAMES E. VAN ZANDT, on the Armed Services Committee, the committee recommended passage of the bill. The delegation remain united in its opposition to the legislation particularly because research work can be done more efficiently in Philadelphia and the Government will save $6,000,000 if the

transfer is not made. Likewise, should this service be moved to Boston, those working with the laboratory and who wish to remain with their work would be forced to leave Philadelphia. We will continue to strongly oppose this unreasonable proposal.

Likewise our delegation is united in its opposition to the construction of the Beaver-Mahoning Canal, which could not be of value to our State or the Nation. It would aid the steel mills in other localities at the expense of the Pittsburgh steel mills and could not help our national economy in any way.

While the delegation has not taken formal action on the proposed St. Lawrence waterway, most of the delegation oppose it. It would adversely affect shipping from the port of Philadelphia, our transportation systems, and our steel and other industrial areas, without a compensating benefit to the Nation. It is particularly objectionable at the present time as it would cost some hundreds of millions of dollars. Our Federal Treasury is in no condition to justify this unnecessary expenditure.

The House Education and Labor Committee through a subcommittee headed by SAMUEL K. MCCONNELL, JR., of the Sixteenth District probed both the so-called beer war of Pittsburgh and labor racketeering in the Dock Street wholesale-produce section of Philadelphia. He was ably assisted by JAMES GALLAGHER of the First District who turned up a number of important witnesses who testified during the sensational Washington and Philadelphia hearings. The information obtained from these hearings was important in shaping the new Taft-Hartley labor law, which protects the rights of the workingman and his employer from labor racketeers.

Our distinguished Senator, EDWARD MARTIN, is chairman of a subcommittee in the Senate which has received national attention following its discovery of the steel gray market. The information and corrective steps taken as a result are vital to the well-being of one of Pennsylvania's greatest industries.

JOHN KUNKEL, of the Eighteenth District, was named at the close of the session as a member of the Select Committee on Foreign Aid. This committee will undertake to secure at first hand, information relative to the need of foreign nations for aid and what is equally important, to ascertain the extent to which our country can assist, without serious damage to our economic life. For many years, the Congress has been forced to accept reports and recommendations on these matters made by the Department of State. Through the Select Committee on Foreign Aid, Congress hopes to secure its own and unbiased findings.

The Pennsylvania delegation has been an influence in the shaping of legislation during the session. Our regular conferences with committee members' reports, reflect the delegation's reactions to current proposals. Thereafter, our opinions may be brought before the legislative committees and bring about desired changes in proposed legislation. When this occurs, the usual result was that our delegation with its 30 votes could and did support the committees' bills unanimously.

Any study of the accomplishments of the first session of the Eightieth Congress may properly begin with the question "What did the Pennsylvania delegation do toward fulfilling their campaign promises?" We are willing and anxious to meet that one head on. Here is the record.

These were our major promises:

First. Tax reduction.

Second. Economy in government.

Third. Labor legislation.

Fourth. House cleaning of communists from government.

Fifth. Veterans' legislation.

Sixth. Limitation of Presidential tenure of office.

Here is what we did:

Twice the Republican Congress passed tax-reduction bills. Both were vetoed by the President and therefore the low-income-bracket taxpayers will not save approximately one-third of their income taxes this year nor will those with larger incomes save one-fifth or one-tenth as the case may be of their income tax. We did the best we could, but due to the Democratic administration's determination to tax and tax and spend and spend, it appears there can be no relief for the taxpayer, under a Democratic President.

Our delegation supported all attempts to eliminate waste and unnecessary spending so evident in the President's budget of the $37,500,000,000 for fiscal 1947. Over almost united opposition of the Democratic Party, we did succeed in saving the taxpayer approximately $3,000,000,000 without hindering any essential Government service. The House and Senate Appropriations Committee ran into stone wall after stone wall when they sought the help of department heads for budget reduction. We soon learned it was the Democratic administration policy to keep Federal pay rolls as high as possible in preparation for the 1948 Presidential election. We deplore such tactics. Had the Democratic leadership cooperated in a sincere effort to save your money, more billions would be available for debt and tax reduction.

Pennsylvania is a great industrial State and our delegation was convinced that the people of Pennsylvania, whether members of unions or not, recognized some amendments were necessary to our labor laws. Consequently, the Pennsylvania delegation gave its support to the passage of the Taft-Hartley labor Law over the Presidential veto. That bill amends the National Labor Relations Act to provide a fairer and truer balance between the employer and his employees. The pendulum which had swung far to the left has returned close to dead center. Some loose-tongued labor leaders and radical politicians have cried out that this is a "slave labor" bill. Such statements are ridiculous and the true answer is already on record. Already under the Taft-Hartley law, the United Mine Workers, including many thousands of workers in Pennsylvania have obtained the best contract they have ever had. Good contracts have been negotiated under it in other parts of the country as well. The thoughtful citizen should remember that over 75 percent of all Members of Congress, Democrats as well as Republicans, voted for this law. Certainly any thinking American will realize that 75 percent of the Members of Congress would not vote to enslave 60,000,000 men and women who work for a living in this country. All know that the unjust strikes which plagued our country had to be curtailed. It is submitted that the Taft-Hartley law will bring about highly satisfactory results for the average workingman, even though it does restrict the arbitrary and unreasonable actions of radical labor leaders.

The Republican Party promised last fall that we would fire Communists off the Federal pay roll. Work along that line has already been started and in the executive branch of the Government, the Federal Bureau of Investigation is handling the investigation. It is significant that the Democratic administration, under President Truman, which ridiculed the idea of their being Communists on the Federal pay roll and are discharging them by the hundreds. Though they may have been on the Government's pay roll for years, nothing was done about it until after the American public spoke in the election last year by electing a Republican Congress.

One member of our delegation, JOHN MCDOWELL of the Twenty-ninth District, serves on the House Un-American Activities Committee. Mr. MCDOWELL is making an excellent record on that committee. He is exceedingly fair and is directing the investigations not only of the subversives of the left, but also those of the extreme right. He has investigated the remnants of the German-American Bund in New York and the rebirth of the hate groups in the South. He is currently a member of the subcommittee probing communism in Hollywood.

This has been an important session for veterans' legislation, notwithstanding President Truman's statement of January 6, 1947, when he told Congress that except for minor adjustments, "I believe that our program of benefits for the veteran is now complete." The Republican Congress did not believe this and have passed some necessary veterans' legislation. For example, the Congress has authorized enlisted men to cash the outstanding $1,800,000,000 in terminal-leave bonds, effective September 1, 1947, instead of being forced to wait 5 years. As there will be a surplus in the Federal Treasury to apply on the national debt, Congress simply directs that this surplus be applied toward the payment of that part of the debt held by the returned soldier. Thus the national debt will be reduced, while at the same time the soldier, due to the action of the Republican Congress will benefit. Our delegation gave this proposed legislation its united support.

The Veterans' Administration received an appropriation of $6,964,467,000 for the next fiscal year which is the largest item in our budget.

Pensions of Civil, Spanish-American War veterans and their dependents were

equalized to meet the present high cost of living.

Automobiles were provided for amputees not covered in previous laws.

The time limit for the reinstatement of national service life insurance policies was repealed.

Provision was made for the refund of income taxes, paid in behalf of service men for the year during which they died in service.

Certain national cemeteries were established.

Thirty-five million, five hundred thousand dollars was provided for veterans' emergency housing.

The revolving fund of $100 loans to veterans taking vocational training, was increased from $1,500,000 to $3,000,000.

Priorities were provided for veterans and their families in obtaining housing materials and rentals.

Two of the veterans in our delegation, WILLIAM J. CROW and GEORGE W. SARBACHER, JR., of the Fifth District, served actively on the Committee on Veterans' Affairs. Mr. CROW is a member of the special investigating committee which checked into complaints at veterans' hospitals. Difficulties were cleared up in several institutions due to his work.

Mr. SARBACHER is a member of the subcommittee investigating reports of irregularities in the Veterans' Administration. From this committee will come recommendations for legislative changes which will prove beneficial to the veteran seeking his rights.

The Republican Party likewise promised a constitutional admendment which would limit Presidential tenure of office to two terms. It was introduced and promptly approved and passed by this Republican Congress. Already about half of the required number of States have ratified this proposed amendment, which in due course will doubtless become a part of our Constitution.

It is not possible within a reasonable space to list all of the other laws passed by this Republican Congress. Some of the highlight measures are selected and briefly outlined.

Two of our Pennsylvania delegation, CHESTER H. GROSS, of York, who is known in Congress as the spokesman for the practical farmer, and PAUL B. DAGUE, of the Ninth District, serve on the Agriculture Committee which originates legislation dealing with the farmers. That committee prepared legislation to protect United States livestock from disease, revised the Federal Insecticide Act to better aid farmers, overhauled the law to provide more protection for forest lands from insects and disease, made Federal crop insurance self-sustaining, and promoted other benefits to the Nation's agriculture. The forest lands bill is of particular importance to Pennsylvania, since no less than 195,000 of the State's citizens privately own parcels of forest land. Both Mr. DAGUE and Mr. GROSS made a regulation for advocating economy in Government—they both strongly opposed the payment of subsidies on such things as wool and sugar.

The Congress passed the important armed services merger bill. This legislation is desired to bring about greater efficiency in the operation of our Army and Navy, while at the same time insuring the permanent and independent status of the Marine and Aviation Corps. Of greatest importance is the belief that in time of emergency this unified control will prove invaluable.

JOHN C. KUNKEL, of the Eighteenth District, is a member of the Banking and Currency Committee. He is generally regarded as the man who first recognized the great oversupply of sugar and who urged the lifting of rationing on sugar to the housewife. After a Republican bill was introduced and due to be acted upon, the Secretary of Agriculture finally canceled sugar rationing. The Honorable HARDIE SCOTT, of Philadelphia, also a member of the Banking and Currency Committee, together with Mr. KUNKEL, gave our delegation excellent representation on that committee. The Banking and Currency Committee this year originated legislation continuing the Reconstruction Finance Corporation for an additional year, but with greatly limited powers. They, likewise, recommended legislation which is now the law, eliminating certain wartime controls over installment purchasing.

The committee also initiated legislation to continue rent control, but provided for its end, unless another extension proves necessary by the next session of Congress. The rent-control law provides for a gradual rather than sudden removal of control and recognizes that control of rents is essentially a State and local matter.

This is in keeping with the views of the Republican Congress that the Federal Government must not permanently move into areas which properly belong to the States and municipalities. The Federal Government wartime temporary powers should be surrendered as soon as practicable. It is to be noticed that home building under the new program and with the lifting of Federal limitations and restrictions has now reached its highest level since before the war.

SAMUEL K. MCCONNELL, JR., was very active in the formation of the Taft-Hartley law and has been named chairman of the subcommittee to undertake a study of the wages and hours law. This committee will be active during the second session of the Eightieth Congress and may have legislation for action at that time.

CARROLL D. KEARNS, of the Twenty-eighth District, is another member of the House Education and Labor Committee. Mr. KEARNS has been very active on the committee and is now chairman of a subcommittee which has been investigating James C. Petrillo, president of the American Federation of Musicians. Presently Mr. KEARNS is conducting hearings in Hollywood in an effort to settle long-drawn-out jurisdictional strikes plaguing the movie studios in Hollywood.

Congress early passed a law terminating what threatened to become a racket in lawsuits, for so-called portal-to-portal pay. The stability of many firms and entire industries was threatened by these retroactive portal-to-portal pay claims, which were not anticipated during the period the work was performed. They have now been outlawed.

The delegation also gave its support to a law providing for the National Science Foundation, which President Truman has vetoed.

We supported legislation continuing the rights of Federal mine inspectors to go into mines for inspection purposes, after making certain that this legislation will not violate the rights of States, such as Pennsylvania, with high safety codes and inspection services of their own.

ROBERT F. RICH, of the Fifteenth District, is a member of the important Rules Committee which determines what legislation shall have the right of way for action by the House. He and the Honorable MITCHELL JENKINS, of the Eleventh District, serve on the Committee on Expenditures in the Executive Departments, which prepared the legislation to eliminate Communists from the Government and which handled the important legislation known as the unification bill.

In the foreign-affairs field, Congress and the administration cooperated to a greater degree than is normal, when they are under different political party control. The Congress was forced to accept the administration's recommendations in many instances, because the Congress has no means of learning directly about conditions which exist in foreign lands. Hence, we must rely upon the executive branch of the Government, which is charged directly with conducting our foreign affairs, though, in self-defense, the Congress has now named a committee, mentioned above, which is studying certain phases of our international problems.

We joined the International Refugee Organization, a branch of the United Nations; we set up the United States trusteeship of Japanese mandated islands; provided funds for UNESCO, and we provided limited money to continue the Voice of America program. Our policy in general is to recognize our leadership in world affairs and to assume our obligations, while remembering always, that there is a practical limit beyond which even our great country dare not go.

The Honorable JAMES G. FULTON, of the Thirty-first District, and FRANKLIN J. MALONEY, of the Fourth District, are our representatives on the Foreign Affairs Committee. Mr. FULTON has been extremely active in the committee throughout the session and has effectively expressed our delegation's viewpoints. Mr. MALONEY was named to the committee very late in the session. He has just been named to a subcommittee charged principally with matters affecting the Middle East and will probably be sent overseas this fall to investigate matters there.

WILSON D. GILLETTE, of the Fourteenth District, and HUGH D. SCOTT, JR., of the Sixth District, serve on the important Interstate and Foreign Commerce Committee. Both serve on the subcommittee now considering a national air-policy program, which is of vital importance in our long-range air-line policy. The committee also provided for voluntary railroad reorganizations by the Interstate

Commerce Commission. This bill passed the House, but has not been acted upon in the Senate. Our members of the Interstate and Foreign Commerce Committee gave their support to legislation of particular interest to Pennsylvania, which authorized the United States Food and Drug Administration to seize spoiled food in warehouses. Newspapers in Pennsylvania have carried a large number of stories on seizure of large quantities of Federal surplus food which was sold to dealers in Pennsylvania for human consumption, although the food was not fit for use.

Pennsylvania is ably represented on the very important House Judiciary Committee. The Honorable LOUIS E. GRAHAM, of the Twenty-fifth District, and the Honorable E. WALLACE CHADWICK, of the Seventh District, serve on this committee and were active in that committee's legislation before the House. In particular, they supported and helped prepare legislation which would limit Presidential tenure of office to two terms, as well as the new Presidential Succession Act, which provides that the Speaker of the House of Representatives is in line for the office of President of the United States after and if the Vice President becomes the President.

Mr. GRAHAM was very active in support of further legislation codifying our Federal laws. One provision of a bill which has passed the House of Representatives and which is of great interest to every taxpayer establishes as a part of our Federal judiciary what presently is the Tax Court. It is expected that this legislation will pass the Senate next year and will become law, and it is certain that its passage will be advantageous to citizens appearing before our courts seeking relief from tax injustices.

The Congress did not overlook American shipping. It has launched an investigation to protect our maritime position and has continued the authority of the Maritime Commission. Because of certain spot shortages which have developed at home and the uncertain international situation, we have provided controls over export of gasoline and petroleum products. The Honorable MITCHELL JENKINS, of the Eleventh District, is Pennsylvania's able representative on the House Committee on Merchant Marine and Fisheries, which has jurisdiction over maritime matters.

A score of new laws came from the Post Office and Civil Service Committee. The Honorable JAMES P. SCOBLICK, of the Tenth District, was principally active in legislation amending the Veterans' Preference Act, so that decisions of the Civil Service Commission shall be mandatory on appeals of veterans. This important committee, upon which ROBERT J. CORBETT, of the Thirtieth District, is a leading committee member, also provided for retirement for Federal Bureau of Investigation operatives after 20 years of service. This legislation was requested by J. Edgar Hoover as a means of helping his agency retain many of its best men, who otherwise would leave Government service for private employment. A Federal employee loyalty bill and an amendment to the retirement laws, providing that anyone who leaves the Government service within 10 years of employment may withdraw his contributions, was also acted upon by this committee and the Congress.

While the efforts of Congress to reduce personal income taxes attracted the most public attention, the Ways and Means Committee of the House, where all Federal tax legislation must originate and of which the author of this statement is a member, was also engaged in other important work.

The Ways and Means Committee have jurisdiction of the reciprocal trade agreements law. The committee conducted lengthy hearings in preparation for possible extension of that law when it expires in 1948.

It originated the law which freezes the Federal security tax at 1 percent until 1950, thereby saving employers and employees each $1,000,000,000 annually, The committee recommended and secured passage of certain legislation to suspend the duty on copper until 1950, because of the need of American industry for more copper. It is presently conducting very important hearings designed to bring about legislation revising the entire Federal tax laws. Our tax laws have not been revised since 1926 and many changes are doubtless advisable. Probably legislation to accomplish this purpose will be introduced after the first of the year and acted upon during the coming session of the Congress.

Our Republican congressional delegation from Pennsylvania looks to the future. We keep before us our pledges made to you who elected us as your representatives. Individually and collectively, our interest and desire is to have only those laws that may be necessary, to assure that every man and woman in Pennsylvania and our Nation, truly enjoys the benefits of free government. We renew these pledges and devote ourselves in the future to what we believe is for the best interests of all.

The Revival of Germany

EXTENSION OF REMARKS

OF

HON. CHARLES J. KERSTEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 26, 1947

Mr. KERSTEN of Wisconsin. Mr. Speaker, the stench from the murder factories of Dachau, Buchenwald, and Oeschwein will linger a long time in the nostrils of human history. The "scientific" purification of European blood by barn-yard genetics and slaughter-house technique by a self-deified Hitler will be set down in the encyclopedias of the future as barbarities that match those of any would-be world conqueror of the past. The war machine by which the hearts of peaceful people were booted and tractored on the land and stung from under the sea and from the sky will probably always be remembered as the great deadly gift of the German Junkers. Yes, the dark cloud of the Nazi scourge has cast its shadows across the German Nation. It will be many years before the sky will clear over that land.

And yet, America is called upon in this historic hour to make a decision for Europe—for the world. The decision must be made with alacrity, with firmness, and with justice.

Shall we sentence 65,000,000 people to a form of semislavery that the late government of those same people sought permanently to impose on at least all other European people, if not the world?

It is comparatively easy to enter judgment in the affirmative. We are far removed from the physical scene of that country with 60 percent of its city homes destroyed, 20,000,000 people, including 4,000,000 children, homeless and most of the population on the edge of starvation. It is comparatively easy because it would satisfy the basic passion of revenge. At first glance, it would also seem to remove the threat of German militarism. It would also require less painful thinking.

It is harder to answer in the negative because that requires the difficult process of distinguishing the really deliberately culpable and those who went on were dragged along by the pressure of events. Of course, the Nazi leaders were dealt with at Nuremburg. And there are other trials. There are many behind barbed wires.

How are we to judge the mass of the German population? There are the remains of the Hitler virus that will stay with many of the youth of Hitler's day. But what of the mass of the people?

Consider the German, as such, removed from the immediate circumstances of domination by a Junkers class and the mad ambitions of the Nazi chief or of a Kaiser Wilhelm—removed from the tensions of middle Europe during the last decades of the nineteenth century and the first half of the twentieth.

Is the person of German race fundamentally different from the person of other western nations?

The answer can be found in America. Apart from irrelevant variances in racial characteristics, the German people who immigrated to the United States and whose descendants we count by the millions are as good and fine a part of our population as any other. Their members are among the front rank of our citizenry as are those of all other national groups, the Poles, the Irish, the Italians, Scandinavians, Jewish, Czechs, English, and all the others who have become a part of our composite people.

The average German American has not the slightest idea of the destiny of Teutonic blood to rule the world.

The proof is that in our two late wars against aggressive German governments, Americans of German origin fought and died to stop those aggressors as valiantly as any other.

The grand spectacle of America has proved many things but none more important than that ordinary people no matter from what race, are pretty much

the same, when their dignity as human beings is protected from despotic forces.

Some will say that every German is a suspect: That every German because he is German desired or connived at world domination by the Kaiser or the Nazis. To those I point to the gold stars opposite the names of German boys on the honor rolls of World Wars I and II all over our land. It is not easy to take up arms against the nation of one's ancestry. Yet, the call of ancestral voices was not heeded by Americans of German origin. Why? Because the great mass of German people in the United States recognized as quickly as any other the vice of aggressive war. Germany is not the only country in which despotism has arisen and from which governmental cruelty has come.

A British government bathed Ireland and other smaller countries with the blood of its defenseless people. A French provisional government turned France into a charnel house and it became fashionable on the streets of Paris to carry a purse made from the tanned skin of an aristocrat and a prostitute was set up in the church of the Madeleine as the Goddess of Reason.

And today the police state of the Government of the Soviet engulfs a large part of humanity.

You could not condemn the English people, the French people, the Russian people or any other people among whom despotism arose to an indeterminate term of semi-slavery.

But now we are confronted with the question of permitting the rise of the point where that nation can support itself and contribute to the adjoining nations that by custom have depended in part on the German economy. Our State Department advocates that rise. Others oppose it. We are in a position to make the decision despite the opposition.

The crux of the revival is the coal, the iron ore, and steel making of the Ruhr Valley. The neighbors of Germany fear a revival of German militarism in the revival of the Ruhr. The danger of another attack is feared in permitting Germany to rise above the level of an agrarian people.

Truly, civilization cannot stand another world war. But, on the basis of the facts now at hand, from where does the danger of a world-devastating war come? It comes from man's recently acquired knowledge of weapons of mass destruction, atomic energy, disease bombs, guided missiles, the conquest of the air.

After hearing the testimony of over 200 experts, the President's Advisory Commission in May of this year stated:

> For a period estimated by responsible scientists at not less than 4 years and not more than 10 years, we can expect immunity from such attack because we alone possess the atomic bomb. After that, the signal for a war against us will, it is to be expected, be a large-scale, long-distance onslaught with atomic explosives against our principal centers of population and production.

If the greatest danger of war is an attack against us and by atomic weapons, what do we propose to do about the danger of atomic energy? Do we propose to the world that the use of atomic energy be outlawed? No. Our plan, the Baruch plan, is to set up an international authority to outlaw the bomb and to control the use of atomic power by the nations for peaceful purposes. The plan provides for inspection of the uses of atomic energy.

If international inspection of atomic energy is considered a safeguard against the dangers of its use for an attack by an aggressor, why is not an international inspection of Germany's industries a safeguard against the revival of German militarism?

Providence has placed within the knowledge of man an energy which could destroy us if it is used for warlike purposes. We propose to control it, to inspect its use, to guard against its warlike possibilities, but we propose its use for the benefit of mankind.

Providence has also placed with us the technical and economic genius of the German people. It should be our purpose and the purpose of the United Nations that that genius be used for the benefits of the German people and of mankind.

By fostering the revival of German industries to their best and most purposeful use along nonmilitary lines a very valuable precedent can be set for enduring peace. It will not be an easy project. It will require close inspection and constructive guidance. The industrial dies to make washing machines and plowshares should never be recast into dies for machine guns and tanks. But if we can now superintend the reemergence of a strong nation along peaceful lines the world will be having its first concrete lesson in practical and constructive disarmament.

It will be a vital precedent. By demonstrating that a powerful and inventive people can really be directed into the path of peace without crushing them our earth will learn a major lesson in civilization.

The world can learn no lesson by destroying the German genius. By intelligent direction of that genius we can, with the help of God, create a precedent that all countries could ultimately follow—dedication of a nation's strength to peace.

It is true we cannot at this time disarm. In fact, we must increase the military strength that we have allowed to fall into temporary abeyance. This is true primarily because might is still the determinant of right in the world. People the world over are yearning for universal agreement on morality, human rights.

But despite this gloomy state of affairs, we must act with faith and courage. We are, by the providence of God, in a position of world leadership. We must demonstrate our ultimate purpose and good will, exercising great wisdom and world statesmanship by guiding the resurrection of Germany. We must assist Germany to arrive at its true dignity, chastened of the errors of its aggressive governments, but strong and capable of taking care of its own needs and the needs of others by nature dependent on it. Above all we should not encourage Germany to make a god of science. The terrible sin not only of the German people but of a great many other people in the world is to look to science for the answer for all the needs of man. Man is a material being only in part. His most important part is spiritual. His greatest needs—now of all times—are spiritual. The passion for scientific development and invention should at all times be subservient to those spiritual demands. When a man or when a government forgets the spiritual nature of man—forgets God—that man and that government is dangerous.

The Law and Government

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, November 17, 1947

Mr. WILEY. Mr. President, it was my privilege to address the annual convention of the American Bar Association at Cleveland on September 24. I ask unanimous consent that the text of this address be reprinted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE LAW AND GOVERNMENT

Permit me to express my gratitude for the opportunity to address this distinguished assemblage. I feel that this is almost a homecoming for many reasons. First, because it has been my pleasure and privilege to know many of the distinguished lawyers and jurists here; second, because you and I have been working together toward common objectives in advancing the welfare of the American legal profession and of our Nation itself.

ASSISTANCE FROM BAR

I want also to express my sincere gratitude for the wholehearted cooperation which has been extended to me as chairman of the Senate Judiciary Committee by your president, my good friend and fellow Wisconsinite, Carl Rix, by your other officers, and by your members. In your letters and telegrams to the committee, endorsing the nonpartisan objectives of the committee, in your suggestions and counsel, we on the Judiciary Committee have found an unending source of assistance for which we are deeply grateful.

The American Bar Association Journal, edited by Judge William L. Ransom, is in particular to be congratulated for its extensive and outstanding coverage of the news on Capitol Hill as it affects the American legal profession and for its constant crusade on behalf of a stronger, sounder judicial system.

EUROPEAN TRIP EXPERIENCES

As you may know, I have just come from a short visit through several European countries. It seems particularly appropriate that we consider for a few moments now the subject, "Law and Government", on which I found it possible to make many observations during my trip. These observations, unfortunately, brought out many contrasts between unhappy conditions of the law which I found in the Old World and the blessed conditions which we enjoy in the New World.

ALTERNATIVE RELATIONS BETWEEN GOVERNMENT AND LAW

You and I know that there are many alternative relationships between law and government in the world today. Let us consider a few of them:

1. We may have government by adequate law. This, I believe, is the government which characterizes our United States of America, where law reigns rather than men. Here, we enjoy civil liberties, trial by jury, freedom from unwarranted search and seizure, habeas corpus, as well as the dearly prized freedom of speech, religion, press, worship. We as individual citizens cannot be made the helpless victims of the ambitious or capricious whims of a chief of state or of his secret police henchmen or any malicious fellow citizen. Ours is indeed a government by adequate law and it is our intention to make it ever more so.

We have not yet achieved the condition of which W. A. Gilbert wrote:

"The law is the true embodiment of everything that is excellent."

We still have a long way to go toward the codification of our law, toward the elimination of statutory deadwood, toward the integration of hitherto unrelated and uncoordinated laws. But we are on our way toward those objectives.

No one of us here can be complacent when we consider, for example, many inadequate laws on the municipal level, obsolete housing codes which serve to sabotage our construction effort by requiring excessive labor, needless materials, etc. These moth-eaten codes are but a sample of the problems we still face at the State and National levels.

The Supreme Court has enunciated the great principles of law concerned with safeguarding fundamental American rights. Chief Justice Waite of the Supreme Court in October of 1875 in the historic case of *U. S.* v. *Cruikshank et al.*, said:

"The equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power."

That same month and year Chief Justice Waite, in the celebrated case of *U. S.* v. *Reese et al.*, said:

"Rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress. The form and the manner of the protection may be such as Congress in the legitimate exercise of its legislative discretion shall provide. These may be varied to meet the necessities of the particular right to be protected."

In the October term of the Supreme Court in 1921 the Supreme Court said:

"Our whole system of law is predicated on the general, fundamental principle of equality of application of the law—'All men are equal before the law'—'This is a Government of laws and not of men'—'No man is above the law'—are all maxims showing the spirit in which legislators, executives, and courts are expected to make, execute and apply laws."

These, then, are the principles which we mean when we speak of a government by adequate law. It is then up to us to determine whether lynching, poll-tax requirements, and acts of omission by State officers which might sometimes cost a man his life, are compatible with the great principles of adequacy in the law.

The exceptions to the adequacy of our laws should not, however, blind us to the rule of their adequacy.

GOVERNMENT BY INADEQUATE LAW

2. Now there is a second condition in which there is government by inadequate law. By that I mean a government which is morassed in a statutory quicksand, however able may be its administrators. Under that condition, the law is a means not for progress, but for paralysis. Law becomes not an aid, but an enemy of freedom. We know that there are many countries of the world whose national advancement has been limited and restricted by a spider's web mass of antiquated statutes handed down from generation to generation without heed as to modern needs.

Most European nations ravaged now by two disastrous wars within a generation, with their moral code eaten away by enemy occupation and/or by, the struggle for bare existence, present a lamentable picture of obsolescent law choking rehabilitation efforts.

It would perhaps be appropriate for me to make some reference to the fact that while free speech is a great traditional right under the Constitution, there is no real and conclusive corresponding protection against group libel.

In the October term of 1936 in the case of *De Jonge* v. *Oregon*, the Court pointed out that freedom of speech and of press are fundamental rights which are safeguarded by the due-process clause of the fourteenth amendment of the Federal Constitution. Here the Court commented:

"These rights may be abused by using speech or press or assembly in order to incite to violence and crime. The people, through their legislators, may protect themselves against that abuse. But the legislative intervention can find constitutional justification only by dealing with the abuse. The rights themselves must not be curtailed."

In the October term of 1918, the Court said:

"The first amendment, while prohibiting legislation against free speech as such, cannot have been, and obviously was not, intended to give immunity for every possible use of language."

It is evident that in a field such as this, where we are properly intent upon safeguarding the sacred right of free speech, we may perhaps be overlooking the proper safeguards against group libel, and in this connection it might be possible to enact legislation requiring:

(1) The right to reply.

(2) Criminal prosecution against concerted activities which breach the peace as was the case when certain groups allied to embark upon a program of racial persecution.

The only alternative to the two foregoing suggestions would, of course, be some kind of continued education.

INADEQUATELY ADMINISTERED LAW

3. There is a third relationship between law and government, and that is government with adequate law but inadequate administration. Under such conditions the laws of the land may be capable of serving as splendid aids for advancing of the welfare of a people, but their administration may be lagging sadly through inadequacy. Those who are entrusted with the power to execute the law may be characterized by corruption, by procrastination, or by all the other ailments to which bureaucracy is heir.

You and I know that even in our own land, the science of administration has hardly advanced to such a degree that the efficient administration of the law of the land can be taken for granted. Europe, with its administration structure decayed by bribery, by favoritism, by red tape, by political appointments, could hardly present a better picture than it does today, even were its laws perfect from the standpoint of reason and justice.

You will remember that Rufus Choate thus defended the law:

"The absolute justice of the state, enlightened by the perfect reason of the state; that is law."

Would that this description could characterize the law of the nations today.

Justice Stevens, the celebrated English jurist, once said:

"The only thing which prevents the English people from seeing that law is really one of the most interesting and instructive studies in the world is that English lawyers have thrown it into a shape which can only be described as studiously repulsive."

I wish I could say that that is no longer true. Unfortunately, however, as this group knows, there is still an element of truth in this statement.

Since 1789, when Congress first met, there have been enacted more than 66,000 laws, and while some of them have been repealed, there still are tremendous numbers on the books. The old idea that any man, even one not necessarily versed in the law, was presumed to have a knowledge of the law, is very much a legal fiction today. Frankly, even the lawyers can't accurately tell you what the law is today, and certainly when the lawyers get into the field of administrative law, it would be extremely difficult for them to know precisely what the law was. I mean no irreverence when I say that the Good Lord himself would have great difficulty in telling you what the administrative laws of the land are. The entire field of administrative law is a complex no-man's land, with very few guide posts, and I think the Congress must be continuously concerned with this problem.

It is, as I pointed out in my opening comments, entirely possible to have good law, and inadequate administration. One illustration of this may perhaps be found in the field of antitrust legislation.

Frankly, the Senate Committee on the Judiciary is approached with suggestions for various enlargements of the existing antitrust legislation. Usually, on scrutiny, it is found that the law on the books is already adequate, which leaves us with one possible conclusion; namely, that the law, though adequate, is perhaps inadequately administered.

TYRANNICAL ADMINISTRATION

4. The fourth relationship, I am sure, has already been suggested to you, and it is, of course, government by adequate or inadequate law, but with tyrannical administration. This is the condition which epitomizes the dictatorships of modern and ancient times.

It makes no difference, it is all too apparent, whether the printed laws of, for example, the Soviet Union, are wise and just, whether they are well codified and streamlined, or whether they are unwise or unjust and badly organized, so long as there is rule by men rather than by those laws, so long as tyranny is the order of the day, and a fuehrer or dictator or similar chief of state rules.

Law, under these circumstances, is a hollow mockery, a sham, and a subterfuge. So long as one man in the State is considered above the law, all men are open to violations of the law.

Communists and their fellow travelers have long boasted of the Soviet Constitution which they hold up as a model of modern law. They neglect to add, of course, that said Constitution is no more than a showpiece to the world, marking a brutal dictatorship of a slave state.

PERVERSIONS OF LEGISLATIVE ENACTMENTS

We could perhaps add a fifth category, and that might be perversions of legislative enactments of the Congress by the courts and by administrative agencies. It is not my intention to dwell on this last category at length, but I can point out, for example, in the field of labor relationships, that the Norris-LaGuardia Act of 1932, which guaranteed and protected union self-help against judicial control by means of the injunction, was originally an attempt to cancel out a small host of what might be called judicial perversions.

The Fair Labor Standards Act of 1938 was an attempt by Congress to exercise its constitutional authority to unburden commerce. It was never intended that the act should be the vehicle whereby impossible burdens would be imposed upon commerce for the

benefit of any one group—labor or any other group. Again there was a perversion.

It has been contended that many recent decisions of the Wage and Hour Act have not been in accord with the fundamental principle of statutory construction; namely, that legislation must be construed to work reasonable, not absurd, results. Here again it has been alleged that it is a perversion of the original intent of the legislation.

In the Senate Committee on the Judiciary we drafted legislation which we felt would cancel out interpretive perversions which have been applied to the Wage and Hour Act.

Apart from all of the foregoing, I should perhaps be remiss if I did not discuss briefly with this fine group the fact that the American Bar Association has cooperated with the Committee on the Judiciary not only in the field of judicial nominations, but also in supplying valuable advice and counsel relating to the general legislation relative to judicial improvements which has been pending before the committee.

I am extremely proud of the fact that the Committee on the Judiciary was able to report out a bill to codify and enact into positive law title I of the United States Code on General Provisions; title 4 of the United States Code entitled "Flag and Seal, Seat of Government, and the States"; title 6 of the United States Code relating to official and penal bonds; title 17 of the United States Code on Copyrights; and title 9 of the United States Code entitled "Arbitration."

There are still pending before the committee bills which seek to revise, codify, and enact into positive law title 18 of the United States Code, entitled "Crimes and Criminal Procedure," and title 28 of the United States Code, entitled "Judicial Code and Judiciary."

A subcommittee of the Judiciary will be working on these latter two codes throughout the summer, and I am hopeful that early in the next session they can be enacted into law.

You will recall also that our committee has been successful in reporting out a bill which would establish qualifications of jurors in the Federal courts—a bill which met with widespread approval from the bench and bars of the Nation.

In connection with this bill, we still have pending a related measure concerned with the payment of fees, expenses, and cost of jurors, and one other related bill which would provide for a jury commission for each district of the United States, and which would regulate its compensation and prescribe its duties.

Other bills pending before the committee and currently being studied which would be of interest to lawyers relate to the regulation of habeas corpus proceedings in the courts of the United States; a bill seeking to incorporate into the Judicial Code the provisions of certain statutes relating to three-judge district courts; a bill amending the Judicial Code, as amended, to increase the limit of the Federal district courts' jurisdiction of claims against the United States; a bill requiring the designation of another judge to sit in the place of a judge against whom an affidavit of personal bias and prejudice has been filed.

These are only a few of the many bills relating to judicial matters currently being studied by the committee, and I might add also that there are quite a number of bills pending before the committee which would make permanent various judgeships and repeal various prohibitions against the filling of vacancies in several of the Federal district jurisdictions.

On all of these now the committee welcomes the valued counsel of members of the bench and bar, and here, as elsewhere, I know that our mutual cooperation can result in constructive legislation.

CONCLUSION

Coke says: "Reason is the life of law." Reason, unadulterated, shows the way to truth and justice, and man-made laws should reflect the same. Our job is to refine human law. When reason goes berserk we get dictatorial trends unless we have in healthy operation the system of checks and balances—not simply in government but in the hearts of men.

Was it not Demosthenes who said: "What we have in us of the image of God is the love of truth and justice."

Paul speaks of "the law of the spirit of life, which saves from the law of sin and death."

Mortal power, as history demonstrates, tends toward corruption. This is all too apparent to us in this age.

We on this continent have evolved the finest of all human systems—the American way. We know that eternal vigilance continues to be the price of liberty. In these days particularly, eternal vigilance is necessary not simply to maintain America adequate to meet the impact of physical force, but so that America will be adequate to meet the impact of unreason, of false ideologies, of isms, that would corrupt.

James A. Farley, University of Wisconsin Centennial

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable James A. Farley at the University of Wisconsin centennial dinner, Hotel Commodore, New York City, on October 17, 1947:

An easterner, like myself, holds it an honor to be invited to a gathering of this world-famous western State university. When we meet to discuss education, two kinds of experience meet: both thoroughly American, and both of them significant.

In the East, the typical youngster goes to a public school and high school. Then, if he is college material, he finds ways and means to attend a college established and maintained by private funds and private generosity, for these dominate. Most eastern universities are not supported by the taxpayer, and consequently are not free. Our eastern boys and girls, if they have the ability, frequently work their way through; or are helped by their families or friends, perhaps with further help from scholarships. The typical western university is State supported; and only recently has the East learned from you the practical place of tax-supported higher education.

We on the Atlantic coast can fairly say that we gave to the country, indeed to the whole world, the first example of primary and high school education, making it possible for a boy or girl to be trained free of charge through high school. That began in colonial Massachusetts, and was picked up by my own State, New York, after the Revolutionary War. This was a great American contribution to civilization: no other country had done it before, and many have not done it yet.

But if eastern colonists contributed the base, I think the credit for making higher education generally available goes to the Western States. This University of Wisconsin, perhaps more than any other university in the United States, opened the best of academic and technical training to a whole people as freely as our forefathers had made literacy possible for all.

As you all know, I am not an educator. The field in which I am best known is politics, and I can speak to you from that humble but very practical angle.

As an American, and, if you will allow me, as a Democrat, I like to remember that the early hero of the great and continuing drama of American education is Thomas Jefferson. Again, if you will allow me, I am proud, as a politician, to remember that Jefferson accomplished this great mission through straight political means. At a time when politics and politicians come in for more abuse than analysis, it is worthwhile remembering that Jefferson, besides being a great philosopher, was a very practical district and State party leader. It was as a party leader that he created the pattern for State universities when he brought into existence the University of Virginia. It is well to remember that it was Jefferson, the national politician, who provided for the support of education throughout the western territory he got for the United States by the Louisiana Purchase—and that he did it by a straight political appeal. On that base was later built the system of State universities which now are the jewels of the American way of life from coast to coast. Many of them, like Wisconsin, need not be ashamed of the fact that they, too, owe their lives to politics, for you owe much to the La Follettes, skilled and capable politicians all.

Many of us wish the history and achievements of universities like Wisconsin were better known outside the United States. I have the doubtful privilege of being on the mailing list of about every propaganda outfit in this country. One publication I see from time to time is the Information Bulletin of the Soviet Embassy in Washington. It has pictures of the schools and universities set up by various divisions of the Soviet Union, creating the false impression that free higher education was available to all only in Communist Russia. Someone ought to distribute, far and wide, a bulletin showing the extent and work of the American State universities. It would be an eye-opener to some people abroad who talk loosely about the failure of the American way of life. For that matter, it might even open the eyes of some critics of America here at home to learn that the wildest dreams of our Communist friends, or perhaps, since the new Belgrade Comintern, our Communist opponents, never included a system of State-supported higher education, available to everyone, which compares remotely either in quantity or quality with the American system of State universities, so brilliantly typified by Wisconsin.

For the fact is that the greatest single factor in the strength and success of America has been our State-supported education. This factor undoubtedly outweighs every other cause, and perhaps outweighs all others put together. It is true that our country is large and has great natural resources; but that is true of other countries, which nevertheless remain backward. It is true that great scientific discoveries have made great development possible; but these developments were equally open to other great countries which proved unable to use them as effectively. It is true that until recently we were free from the greatest burdens of military defense; but other parts of the world have enjoyed a similar advantage. The distinctive resource of the United States was, and is, an educated, trained population. This began as mere elementary training in reading and writing, followed by the creation of a system of free public high schools and crowned, as it is here, by a system of

college education open to any boy and girl with capacity to use it.

The result was a great reserve of highly trained men and women. This proved of vital importance both in war and in peace. By reason of it, Americans were able to make use of their natural resources where an uneducated people would have been unable to unlock the natural wealth around them. As scientific and industrial research opened new possibilities, trained men and women could be found to organize and staff enterprises, public and private, by which these could be practically used. In time of crisis, specialists were available in practically every field from finance to chemistry, from social work to engineering, so that new methods could be devised to meet new problems. In time of war, a trained population has been mobilized twice in my lifetime to form, in each instance, the most effective and most modern military organization the world has ever seen.

None of this could have been done without a people so educated that leadership is available on call, all the way from foreman to managing director in industry, or from corporal to general in an army. Her millions of educated men and women are the greatest resource of the United States.

Today, we are proposing an experiment which promises still further to enrich the American educational scene. The proposal is to supplement state funds by private generosity. It is interesting to recall that a generation ago many people in Wisconsin considered this proposal and disliked it. They feared that dependence on private generosity might injure the freedom of the University of Wisconsin, might make it subservient to moneyed interests which could give or withhold support. Their solution was a purely State-sponsored institution, forbidden to accept outside assistance.

We can thoroughly respect this desire and pay honor to those motives. But we can also recognize that they were meeting this question at a time when the great strength and reputation of this university had not been fully established. Perhaps, there might have been danger that the State of Wisconsin would yield to the temptation of lightening its own budget by seeking private gifts. Perhaps they thought that the financial tycoons of the day indeed might have sought to take advantage of their wealth in the manner they feared. But I think today few of us would consider that danger real.

In our time we have seen the rise of forces seeking to control public institutions through politics; and a tragic Europe has shown us that politicians on the loose can work against freedom of education with far greater violence than has been dreamed of by any millionaire. Both Hitler and Stalin have taught us that power over education can be abused as can the power of private wealth. Both the Nazi and the Communist have proved that, in a manner we are never likely to forget. There is room, in our system, for both public and private support, and perhaps that combination is our best guarantee of freedom.

I happen to be in favor of Federal aid to education where it is sought and is necessary. But I am utterly opposed to any attempt to tie political strings to that aid and I hope the Congress will provide such aid. I am in favor of public universities accepting private gifts; but I would oppose to the last ditch any attempt by a donor to control educational or intellectual policy thereby, and no reputable institution would tolerate any such attempt.

The true guaranty of freedom in education lies not in the form of the aid, but in the determination of Americans to maintain their universities as citadels of the free mind, as well as places of training for youth. The American battle to individual freedom, with responsible concern for the whole community, has been unending since the beginning of our history. To my mind it is foolish to think that a Federal appropriation to help public schools in, let us say, Arkansas, can bind that State to policies contrary to the wishes of the good people of Arkansas, just as it is impossible to think that the University of Wisconsin could be controlled by any private gift if the citizens of Wisconsin maintain their traditional and proud insistence on the right to develop and think freely.

You have a mighty fortress of freedom here in America, whose fate is now linked with the world.

As St. Paul observed long ago, no man lives to himself or dies to himself. In the modern world, certainly no great university exists without powerfully affecting the thought of a great part of this earth. Today we are engaged in a massive contest between that philosophy which unites free men, and that philosophy which insists that human progress can be achieved only at the cost of freedom. In that contest, the light of Wisconsin and all our glorious higher institutions of learning must shine with a brilliancy that will illuminate not only America but the nations beyond the seas.

Some of us have worked in our various ways toward safeguarding and strengthening the American ideal, through war, and crisis, and again through war. Much of this I have seen. I was privileged to take part in some of it. Lest you have forgotten, let me remind you that I am a politician; and I remember that universal education was a politician's gift. I am proud to recall that a number of great Wisconsin politicians made possible this stately and noble achievement of American life, the ever-glorious University of Wisconsin.

Peace With Justice

EXTENSION OF REMARKS
OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Monday, November 17, 1947

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the senior Senator from Michigan [Mr. VANDENBERG], President of the Senate and chairman of the Senate Foreign Relations Committee, at the University of Michigan, in a special convocation, November 3, 1947, honoring the centennial of the organized Dutch settlements in western Michigan. The distinguished Senator used the occasion to make a swift and cogent summary of his views on current problems of foreign policy. It is a matter of such importance that his widely approved address should be made a part of the permanent record, that I am asking consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a great joy to return to my alma mater under these generous auspices. I acknowledge the privilege and the honor with deepest gratitude. The decades since my student days have been rich in dynamic progress for the University of Michigan. Its preeminence is certified not only by Saturday scoreboards, but by every test that may be applied to its cultural leadership, its splendid faculty, its cosmopolitan student body, and its potent contributions to the life of the Republic. Here stands one of the greatest institutions of our time. I constantly find myself in the invigorating mental status of a proud and loyal cheer leader for the yellow and the blue. May this great university continue to move forward to ever greater achievement and glory in enlightened service to humankind.

I am glad to welcome the distinguished Ambassador from the Netherlands, my longtime friend, Dr. VanKleffens. We have been "peacemongers" together upon several international missions. Like the rugged country from whence he comes, he always reflects bold and courageous integrity in his international viewpoints. Like Dutch-American relationships through unbroken years of friendship, he symbolizes hands across the sea—not bricks. His country cooperates with the United Nations. It has recognized the good offices of the Security Council of the United Nations in the internal conflict in Indonesia. The United Nations called for a truce looking toward pacific settlement. The Netherlands promptly acquiesced, as did the Indonesian nationalists. A United Nations mission is now in Indonesia seeking to implement the truce that it may lead to a just peace. There have been mutual charges of breaches of the truce. The place to settle such charges is in the United Nations. I confidently expect the Netherlands to take this view since it has set the tremendously vital and honorable precedent of promptly admitting the United Nations to the exercise of its peace-making function. I expect this to be the attitude of the United States with a frank and fair assessment of the facts.

It is fitting that the Ambassador should be with us at this convocation which gratefully salutes the centennial of the epochal Dutch invasion of Michigan and other Western States in 1847. This centennial is a tremendously significant event in the American way of life. It acknowledges sturdy Dutch traits that are woven into American character. It marks the one-hundredth anniversary of the advent to Michigan of a vigorous people who, since the earliest days of New Amsterdam, have contributed immeasurably to the spiritual, social, economic, and political life of our free citizenship. America needs, in 1947, those same sterling qualities of courage and fighting faith which came to us with our Dutch forebears. We need these same fidelities to God and freedom which those intrepid souls personified. In such a pattern America will ever remain the world's great champion of individual liberty under law.

The Netherlands continue appropriately to be the home of the International Court of Justice, which builds toward the substitution of equity for force in the affairs of nations. In this aspect, it is an eternal lighthouse beckoning escape from the jungle fogs of yesterday. In the presence of this blessed fact, and remembering civilization's debt to the Netherlands for its long leadership in the evolution of international law, I think I can best recognize our old Dutch inheritance this morning by a brief discussion of today's crises in international relations. Therefore, I speak about liberty under law in some of its current aspects.

I wish to speak of peace with justice in a sane and liberated world. It is the dream for which we joined in fighting two World Wars. Frequently the dream becomes a nightmare. But even dreams are not enough. Every prayer in our souls—every resource at our command—must continue to strive toward the reality.

We dare not surrender to discouragements. Too much is at stake. Equally, we dare not surrender the objectives for which we fought. Again, too much is at stake. Science has foreshortened this world to an ominous degree which denies us the luxury of living unto

ourselves alone. The next war could be relatively a matter of minutes instead of months. Yet grim reality warns us that Allied unity has split apart. We must face all of these facts. Intelligent American self-interest cautions us to keep our feet upon the ground. Meanwhile, intelligent American self-interest equally warns us to keep our eyes on the horizons. We cannot run away from the responsibilities of leadership unless we are ready to accept the dreadful price of its loss. It is not leadership for conquest. It is leadership for a just, a permanent, and a collective peace. We have no right or wish to dictate the free decisions of others. Our interest, faithful to the universal pledge of the grand alliance in the recent victory, is solely that these decisions shall be free. Otherwise there is only another truce with aggression. Otherwise there is no peace.

The reality of peace with justice was hopefully patterned in the Charter of the United Nations. It was built on the assumption of substantial and essential unity between the major powers. Their veto in the Security Council was to be sparingly used—according to their own textual pledge at the time. Thus they themselves recognized its potential menace when they created it. It has, indeed, been even less than sparingly used—never by us and only twice by others—except by the Soviet Union which, acting strictly within its legal rights, have virtually paralyzed the Security Council by their 20 vetoes. Any analysis must stem from this current prophetic fact.

There is no veto in the General Assembly. Full freedom for this town meeting of the world fortunately was preserved at San Francisco and it can never be overemphasized. But usually when there are divisions in the General Assembly and in its commissions (which is most of the time) the Soviet Union and its satellites are similarly upon one side and the balance of the world is a heavy majority upon the other. There are occasional refreshing examples to the contrary which suggest the ease with which the world could recuperate if this East-West rift could be cured. But the usual division is five or six to one.

Majorities are not necessarily always right. But it is a hard strain upon elementary logic to believe that these heavily preponderant voices from the conscience of the world could always be so continuously and so consistently wrong. I do not believe they are. But it would be an equal denial of logic to ignore the hazard in this persistently significant alinement. The rights of minorities can be faithfully protected without making our peace institutions impotent to function. At some point in every human institution there must be decision.

This poses the basic issue. But it is by no means so simple. The issue is persistently underscored by world-wide Communist attitudes which most of us believe are incompatible with the peace we all solemnly pledge time and time again. On the one hand, it involves the subversive infiltration of other nations. On the other hand it involves the forceful imposition of the rigors of the police state wherever communism gets control. The question here is not what we would like. The question is the right of free self-determination as promised by all of us in every statement of our war aims and our peace purposes.

This east-west cleavage comes home to us in the most amazing anti-American vilification which ever belabored the ears of the world. It is said that we are Fascists—we who maintain free speech, free assemblage, and free votes even for those who revile us and for whom there is no such Siberia here as would swallow comparable critics behind the iron curtain. It is said we are economic imperialists—we who lend-leased fabulous billions to our Allies, including, for example, an unsettled net account of nearly 11 billions to Russia—we who paid 72 percent of UNRRA's bounty. We are economic imperialists—we who ask not one foot of expanded territory. Our Pacific Islands trusteeship is under the United Nations by unanimous vote, including Russia's. We are economic aggressors—we who ask not one penny of reparations and who have voluntarily relinquished our war booty. We are said to be economic aggressors—we who have made vast and usually doubtful loans to our former Allies in response to their desperate petitions. We are said to be war mongers—we who demobilized our war strength faster than any other major power and with a passion for peace which I fear may have been misunderstood by those who still count their armed divisions by the hundred. We are war mongers—we who possess atomic bombs and yet beg the world to join us in conclusively outlawing atomic warfare everywhere forever. We are curiously called Hitlerites by critics who seem to forget that they, not we, were once in communion with him.

This bitterly illustrates the extent to which suspicion and distrust subvert the restoration of those friendly relations which peace and rehabilitation so desperately need and which America must always be found eager to reciprocally encourage on a two-way street. For all our sakes, the situation needs a heavy dose of total truth. If humanly possible, we all need a successful attack upon misunderstanding. We must be as ready as others in this connection to face the scriptural injunction about motes and beams. Let that be clear. I wish that peace and total truth might have an honest clinic with all the cards face up before the world.

I want a live and let live world if peace with justice can thus be found; and, despite discouragements, I decline, voluntarily, to give up the quest. I want honorable friendship around the earth. I want global disarmament dependably protected against bad faith. I want to rely dependably on the United Nations to keep the peace. But pending reliable evolution in these directions, I want a totally adequate American national defense. Unshared ideals can be a dangerous delusion. I am opposed to appeasements which aggravate the dangers from which they vainly seek escape. So are the people of the United States, according to the latest Gallup poll. This is a tremendously important fact lest our attitudes be miscalculated either at home or abroad. But I am sure we crave decent and honorable agreements. I decline to proceed on the tragic theory that war is inevitable. World War III might destroy even its victors. Only madmen could deliberately want it or neglect honorable methods to prevent it. I still have patience—vigilant patience. But I have no patience with helplessly drifting into the prolonged chaos and deliberate confusion upon which freedom's disintegration thrives.

We should continue vigorously to support the United Nations, taking scrupulous care to respect its authority as faithfully as we demand respect from others. Despite its birth-pangs and its impaired youth, it has demonstrated tremendous values and is still the basis of the world's best hope. So long as we are talking things out, no matter how angrily, we are not shooting things out. I ask those Americans who would dismiss the United Nations as a total loss to remember this. Without the United Nations, the Communist design for a postwar world, which is the chief cause of friction, certainly would have been no less aggressively belligerent. Without the United Nations the design would have matured relatively in the dark. It would not stand out where he who runs may read. It would not be confronting the organized judgment of mankind. Without the United Nations the Soviet Union and its satellites would have gone their own way to their own ends. So would we. So would others. The greater the difficulties which surround the peace, the greater the need for this consultative device, for our sake, for their sakes, for all our sakes. If it does not save the peace, it will fix the crystal-clear responsibility for its loss. This moral verdict of mankind finally is the greatest power on earth. Has this been worth while? Can there be but one answer?

We should continue to urge curative changes in the Charter. The "veto" should apply solely to the use of armed force. At that point it is a constitutional necessity even with us. But it should never apply to pacific means for the settlement of situations and disputes. It was a mistake, demonstrated by events, to do so in the first place. I have always said that 98 percent of the Charter's genius is in these pacific chapters. No peace-loving nation—better say, no peace-living nation—should hesitate to give peace-making this untrammeled, democratic chance. Acting strictly within the Charter, the unified republics of the Western Hemisphere blazed this new and glorious trail at their recent inspiring Pan American Rio conference. A two-thirds Pan-American vote controls all pacific decisions in this regional arrangement. There is no veto except each individual nation's right not to contribute to armed force against its will. Here lies the inviting, enlightened road. Time and events will have to decide ultimately whether any other road will be worth its upkeep.

But the problem which the world confronts is not confined to the United Nations. Other imperative factors—beset by kindred difficulties—are indispensable to stability and peace. Among many such, including a long-merited Austrian peace, my time permits reference only to the typical need for a German peace.

Germany's restoration to viable autonomy is at the core of Europe's rehabilitation. Economic unity of the occupied zones, promised at Potsdam, has been frustrated by our Soviet associates. As an unavoidable alternative, we have linked the American and British zones—with the door always wide open for the Soviets and France to join. This is the nucleus upon which we must build. Germany's twice-ravished neighbors must have complete protection against the re-erection of another Axis threat. To this end we have demonstrated our good faith by offering a 40-year promise of instant military support against the recurrence of a Nazi threat. France and the contiguous low countries have other vital interests which must be resolved. But I am unable to believe that a German Peace Conference could not preponderantly find common ground. If the Council of Foreign Ministers still deadlocks this winter, it seems to me it had better adjourn sine die. The peace conference should be called by those who do agree—open, however, to all interested states whether they agree or not—to write a practical, reasonable peace for the German areas within its jurisdiction. It is infinitely preferable for the Council of Foreign Ministers to come to united terms. But I am saying that disagreement—here or elsewhere, cannot be allowed to postpone peace, rehabilitation, and self-government forever. Peace must have priority.

I conclude with a quick reference to pending fuel-and-famine aids to Europe this winter, and to the so-called Marshall Plan. The former involves elemental human survival in a free society. America will have lost its traditional character if it refuses such relief under appropriate auspices. The latter, the Marshall idea, involves long-range aid to implement self-help and self-sufficiency. If self-help and self-sufficiency can be made to work, this objective may well be

a bargain. We must find reasonable promise of this success because we cannot indefinitely underwrite the world. We must know the total bill, including China. We must frankly canvass our own resources lest we impair our own economy and thus vindicate the sinister hopes of those who expect our economic collapse to end all democracy for keeps. We must be sure of sound administration and adequate cooperation. But within these practical limitations I agree with Secretary Marshall at Boston when he describes the supreme, underlying issue as follows:

"Whether or not men are to be left free to organize their existence in accordance with their own desires or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power."

In any event, we must take one of two calculated risks. There is the calculated risk if we proceed. But let's be honest enough with American destiny not to ignore the calculated risk if we do not proceed. Secretary Marshall correctly says it involves "the danger of the actual disappearance of the characteristics of western civilization on which our Government and our manner of living are based."

And now, this is my final comment. Foreign policy is a legitimate subject of frank debate by our citizens. Foreign policy belongs to the people. It is a legitimate subject of partisan contest if there is deep division. But I raise the fervent prayer that we may ever strive for an unpartisan American foreign policy—not Republican, not Democratic, but American—which substantially unites our people at the water's edge in behalf of peace with justice and liberty under law.

And my last word reverts to the Dutch centennial which richly inspires this occasion. I give you the challenge of the Dutch Dominie, Albertus Christian Van Raalte, leader of the 1847 pilgrimage to Michigan, speaking at the twenty-fifth anniversary which now lengthens to a century. Said he: "To our successors to whom we entrust our inheritance we wish to say—forget not; it is God who pointed it out to us."

How Europe Wastes Food Supplies

EXTENSION OF REMARKS

OF

HON. WILLIAM H. STEVENSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the November 4, 1947, issue of World Report entitled "How Europe Wastes Food Supplies":

HOW EUROPE WASTES FOOD SUPPLIES

(Reported from Berlin, Paris, Rome, London, and Washington)

Europe's wasted food is lost before it reaches the consumer. Hungry Europeans leave clean plates. The food losses begin on the farms. Leaks are frequent along the distribution pipe line.

Food lost includes both home-grown edibles and supplies sent to Europe from the United States. Some waste is inevitable. Other misuse is due to the weakness of European governments threatened by inflation and harried by political enemies.

On the farm, Europe's peasants are trying to get the largest returns they can from the food they produce.

In Britain, Switzerland, and a few other countries, most farmers respect government controls. In the rest of Europe, they are devoting much of their time to schemes to avoid controls. Farm products in large quantities go into illegal markets. The resulting waste is enormous.

"The German farmer is the worst wastrel of food in Germany," says World Report's staff correspondent, Thomas H. Hawkins, in a radiogram from Berlin.

"At least 1,000,000 tons of potatoes are going into the black market this year. That is about 10 percent of the crop. More potatoes and other foods are used to fatten pigs and cattle for illegal sale. Much food hoarded for black markets spoils before it reaches the consumer."

Dispatches from Paris, Rome, and other capitals give similar reports of waste on the farm.

Grains allocated for seed are much higher in proportion to size of harvests than in America. One reason is that much seed is lost on ground that has not had sufficient fertilizer since the beginning of the war. But large quantities of grain meant for seed are escaping into the black markets, thus reducing the amount sown.

Shortage of manpower at harvest time is a cause of crop losses in many European countries. Lack of farm machinery produces food waste throughout Europe. Shortage of tin plate for canning is responsible for the spoilage of much food grown last summer.

Allocation of all grain and other basic foods is managed by governments. But factors beyond the control of individual governments affect the distribution of grain and other foods in all countries.

Use of home-grown grain in 13 countries of Western Europe for the 1946–47 crop year is shown on charts. Distribution of United States production for the same period also is shown. Controls in America at that time were limited to the licensing, purchasing, and transport of grain for export.

Grain and flour that Europe imports from the United States can be used only for human food. That is a condition of United States exports. As a result, Europe uses home-grown grains to build up export enterprises such as dairying and distilling.

Several countries, like Denmark and the Netherlands, which normally export dairy products, are trying to build up dairy herds with home-grown grains. Grain is allotted to breweries in Germany only for beer utilized by occupation forces and for export.

Edwin J. Drechsel, World Report staff correspondent, says in a dispatch from London:

"Whisky distillers in Scotland now must export 75 percent of their output, compared to 55 percent last year. At first, they got only 50,000 tons of barley from the 1946 harvest. Now they are working on an additional 75,000 tons of grain with the understanding that all whisky produced from this amount will be exported to hard-currency areas. As a result, whisky is hard to get in Scotland and in the rest of Great Britain."

Beer and ale in Britain are listed as foods. Calories in both are counted in the nation's food consumption. Beer now is weak and difficult to find.

Transport, or the lack of it, takes a heavy toll of Europe's food. Postwar shortages of railroad cars limit the transport of green vegetables and other foods to cities. Much grain is lost to weevils and rats due to inadequate storage and to transport in contaminated cars.

High prices for black-market foods add to transport hazards. Information from Rome is that whole carloads of food, particularly grain and wheat, have vanished in transit to cities from rural areas or ports. Some of the food spoils in hiding. Most of the rest ends up on the black market.

At flour mills, European governments are trying to get more bread out of short supplies of grain. As supplies dwindle this winter, the rate of extraction of flour from grain will rise. Average extraction rate for flour in western Europe now is close to 90 percent. Current rate of extraction in the United States is about 70 percent.

Some European governments say that America is wasting food by sending flour milled at the United States rate of extraction to Europe. But the residue from American mills goes to feed domestic cattle. Cattle raisers deprived of this source of feed would turn to grain purchases, thus reducing the amount available for export.

Extraction rates vary widely in Europe. Austria, where bread grain is scarcer this winter than ever before, is reducing the extraction rate for wheat to 90 percent from 96 percent. Austrian doctors reported a steady rise in illness due to indigestible materials left in rationed bread at the 96-percent rate. Denmark holds its rate of extraction down to 80 percent in order to provide feed for dairy cattle.

Wheat content of Europe's bread is going lower this winter. Bread in France frequently contains only 20 percent of wheat and rye. The rest is made up of flour from corn, barley, soybeans, oats, and potatoes. Dutch bread contains some flour extracted from sugar beets.

Much of the savings made by the use of substitutes and high-extraction rates is offset by increasing waste in flour mills. Most of Europe's flour mills are small, old, and inefficient. Some millers boost the use of wheat substitutes to get flour for illegal sale.

Bakeries share in the wasteful production of black-market bread. In addition, Europe's bakeries are small. They use old methods considered wasteful in America to produce the hearth-baked bread that Europeans prefer to the pan-baked bread used in the United States. Loss of food value through gases that escape in baking is higher in Europe than in America. Most of Europe's bread is baked by hand.

Rationing in Europe never worked as well as in the United States during the war. Europe has had food rationing for 8 years. Efforts to crush black markets by appeals to patriotism have failed in many countries, particularly those in which patriots encouraged black markets during German occupation

Rationing is generally successful in Britain, Switzerland, and the Scandinavian countries. Reports from Paris say that the rest of Europe is suffering from insecure rations because of countless leaks in the system. Underpaid officials try to meet the cost of living by accepting black market bribes of food.

City dwellers suffer the most from uneven rations. Farmers suffer least. In Portugal, for example, the Government permits farmers to keep the same amount of food that they consumed in normal times. The Portuguese Government frankly told the International Emergency Food Council that any attempt to make farmers share shortages with city dwellers would only lead to fraud and decreased output.

War on waste, due to Europe's desperate need for food this winter, is being waged on both sides of the Atlantic.

In the United States, the goal is to boost exports by about 3,000,000 tons of grain through voluntary savings. Distillers and brewers are reducing the use of grain. Bakers have agreed to halt the competitive system of delivering more bread to stores than the stores can sell. But most of the savings in food is counted on to come from clean dinner plates.

In Europe, dinner plates are cleaned and garbage is combed for food. Governments trying to cut down food waste are going

back along the distribution system to the farms, trying to plug up leaks and cut waste.

Britain, united in an austerity drive to save food, collects about 360,000 tons of waste food a year. Bins for pig food are set up in every block of residential areas. But much of the rest of Europe is suffering from inflation and black markets that are likely to encourage an increase, not a decrease, of food waste this winter.

The Western Hemisphere in the World of Today

EXTENSION OF REMARKS
OF

HON. ROBERT J. TWYMAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. TWYMAN. Mr. Speaker, the following address by James S. Kemper entitled "The Western Hemisphere in the World of Today" contains some very good thoughts, which I hope will be read by the Members of the House:

THE WESTERN HEMISPHERE IN THE WORLD OF TODAY

(By James S. Kemper)

I

You are met here in the First Hemispheric Stock Exchange Conference. That evidences your interest in closer collaboration in your own work. It also evidences your realization that forces are operating to bring American republics into a progressively closer relationship.

We of the Western Hemisphere are disturbed about many things. One of them is Russian aggression. We are upset by the ruthless and successful drive of the Soviet Union for military power and political advantage. Only yesterday Hungary lost her independence overnight. Her government was virtually kidnapped. Hungary had committed no offense. Her land and her people were locked behind the iron curtain in order to increase Soviet power. Poland, Bulgaria, Rumania, and many other ancient states have suffered an identical fate.

Today it is Hungary or Poland. In a decade or two the thrust of Russian aggression may menace the Americas. Hence, the reasonableness of that deep anxiety felt from Canada to the Argentine as Stalin out-Hitlers Hitler in his bid for world domination.

Another thing that disturbs the people of the Americas is the record and especially the prospects of United Nations. Will it preserve peace for us or will it fold up like the League of Nations? Thus far the obstructive attitude of Russia has reduced United Nations to a mere debating society.

Equally disturbing is the plight of Europe. Large areas of that continent are deteriorating at an alarming rate. Today Europe as a whole is perhaps nearer to a complete breakdown than at any time since the fall of Rome.

II

What is the origin of these great factors that dominate our time? What can we do about them?

Speaking in New Orleans in June 1944, I pointed out that the Atlantic Charter had raised men's hopes that we were entering a new era. Millions believed that the end of the war would see redeemed the Charter pledge that all nations would have the right to live under a government of their own choosing. I emphasized that a number of hopes and pledges contained in Wilson's Fourteen Points were thrown out the window after World War I. Then I asked: "Are we to experience the same disillusionment again?"

"It is not a pleasant thing," I added, "but it is the cold, blunt truth that when this war is over, Europe will be right back at the old game of power politics."

Power politics on a vaster scale than ever before is now the order of the day. Instead of the beautiful one world we have at least three worlds with which we are most concerned at present:

1. Communistic Russia and her slave and half-slave satellites.
2. Socialist England, France, and Italy.
3. This Western Hemisphere which still upholds the banner of freedom.

The Russian world has been made possible largely by our stupidity, plus effective use by Russia of U. N. forums for the purpose of confusing the issues, while at the same time she went ahead with her program of absorption and enslavement.

It has become common for speakers in the political arena to denounce Russian aggression and infiltration. But I shall never understand why it took them so long to appraise the obvious implication of things like, for example, the decision to invade Europe by way of Normandy rather than through the Balkans; or the stop order to our troops to permit the Russians to enter Berlin first—to mention but two of dozens of indices.

Now that the Russian program has become crystal clear, we meet the critically serious situation in Central Europe by ministering to the needs of Europe's extremities while the vital problem of Germany (the heart of Europe) is left unsolved.

In my humble judgment we cannot save Western Europe unless we have an entirely new approach to the German situation. There we shall win or lose the fight we are waging to preserve something for the desperate European peoples facing tragedy in all directions.

The plan to reduce Germany to a pastoral state obviously did not make sense. A grammar-school student with a list of European production, imports and exports for the 5 years before the war, could demonstrate to anyone that elimination of Germany as a producing and exporting nation easily could wreck the whole European economy.

It was equally stupid to set up the so-called level of industry plan for Germany on a basis that made it impossible for her even to produce the food necessary to feed her own people. So this hemisphere is being called upon increasingly to make up the deficiencies.

The German problem further is complicated by the policies of the Socialist Governments of England and France. In the bizonal area, the British are endeavoring to nationalize industry. Since German marks are worthless in international trade and are constantly shifting in value within Germany itself, it is small wonder that the German farmer would rather barter what surplus he has for family necessities than sell it for marks.

III

The situation is handicapped by what is going on in England under its Socialist Government. For example, before the war England was a large exporter of coal. Britain's coal provided a much needed product for other European countries and gave her funds with which she could buy things she needed.

But since the Socialist Government of England inaugurated the 5-day, 35-hour week, England's coal production has declined to the point where little, if any, exportable surplus remains. So the workers of this hemisphere are asked to put in longer hours to supply the shortage. The strike of 40,000 English coal miners because they were asked to dig 2 feet more of coal per day evidences the paralyzing influence of socialistic doctrine. By any measuring stick the Utopia simply has not materialized.

Meanwhile on the political front little is being accomplished toward making peace. And right at this point may I add that unless the Foreign Ministers' meeting in November results in agreement for the right sort of peace treaties with Germany, Japan, and Austria, the countries of this hemisphere should act independently.

In other words, we should announce forthwith that we no longer will tolerate continuance of the present policy of delay and obstruction. That announcement should carry with it the statement that we intend to proceed at once with the negotiation of separate peace treaties, inviting all of like mind to join us.

Every so often one hears the query, "But how can we permit Germany to resume manufacture without risking the possibility of a rearmed Germany—again a threat to world peace?" The best information I can get from those qualified to answer is that, having no army and navy, the policing of German industry could be handled—easily handled—by not over 10,000 men.

If that is true, and even if it takes 100,000 men, what are we waiting for? Every day that goes by adds to the chaos, which fertilizes the communistic program, removes hope from the hearts of men, and makes readjustment more difficult and more costly.

IV

Money alone is not the answer. Bad loans never made good friends. They destroy character when what is needed is a rebuilding of character, of faith, and of courage.

I recall a letter I received from a very dear and a very astute English friend shortly after the United States made the loan. He wrote:

"Well, you made the loan, and with it you settled our debt to you for 2½ cents on the dollar. Very generous, I should say, and quite sporting. But what have you done to us? Time alone will give the final answer. But you have part of it already in the announcement of the closing of the Liverpool Cotton Exchange. That evidences that our Socialist government waited until your cotton States Senators had voted for the loan before they stopped the relationships of decades which our textile people had with your cotton producers.

"You'll find that's just a beginning, and you have underwritten it by making this loan. But more than that, and worse still, you have undermined British character.

"What sort of a position does it put us in to accept 97½-percent discount from you when we're not sure we can get even 33⅓-percent discount from our own Empire countries? And what chance have we to save old England if you save our Socialist government? Far better if you had let us stew in our own brewing at least until my people had awakened to the hopelessness of nationalization of industry and returned to the only kind of government that ever has ensured freedom and plenty.

"Don't misunderstand me, please. You did what you did because of your long-time friendship for my country. And you did what those responsible for my Government asked you to do.

"But you now are the strong Nation. Our relation to you is that of a child to a parent. And as you and I, as fathers, know so well, we do not give our children everything they ask of us. We protect them from themselves.

"This is the first time in our many years of friendship that I have undertaken to lecture you. I write as I do only because I wanted you, my best friend in the States, to have the true picture, one that I fear your propaganda services as well as ours are not presenting to your people.

"I hope I am wrong because it will be a sorry world for all of us if we can't stand together and work together for the things we know are right. If England can recapture the old-time fundamentals, we'll come out on top and be ready to help you as we should. But please don't bribe us to be quitters by making any more loans."

That letter was written 14 months ago. A little less than 2 weeks ago Lord Beaverbrook expressed himself on the same general subject. After indicating that Britain blamed the Socialists for the "mess Britain is in," he added: "But it is not the Socialists alone who are responsible for the present state of affairs. The basis of our being in the present condition instead of being well on the way to recovery is the loan and the conditions under which it was accepted. It provided easy money for Britain. It destroyed our prospect of reconstructing our economy on sound lines."

And even more recently Britain's wartime Prime Minister, after commenting on "the incapacity of the Socialist government" and its "strange, un-British doctrines," observed: "I am convinced that the first step to insure our survival must be the expulsion from power of those who have mismanaged, mauled, and maltreated their native land."

On the same day, John J. McCloy, American president of the World Bank, stated that Americans were beginning to question whether dollar loans were the answer to Europe's problems.

If these appraisals are correct, the recent suggestion that the United States pass around some of its gold would not provide the answer. And that regardless of the fact that the United States' excess of gold over liabilities and necessary reserves is much less than generally is realized.

It just may be that the right answer can be found in the old adage, "The Lord helps those who help themselves."

Certainly help which makes mendicants rather than self-respecting, hard-working, frugal citizens is the worst possible kind of help for men and for nations. And always there is the additional factor of the resources of the donor. Certainly United States resources are not inexhaustible. And no lover of freedom could view with anything but genuine alarm the possibility of an insolvent United States in this critical period in the world's history.

V

What should the over-all attitude of the businessmen of this hemisphere be in this difficult time? I shall not attempt to chart a course. I prefer merely to give you some thoughts on the basic problems that may stimulate your own thinking.

In the first place, the pact of Petropolis again demonstrates that we of this hemisphere can cooperate. That stems from the fact that we are willing to give and take for the good of all. If we cannot have that same spirit from others, the sooner we realize it and quit fooling around the better off we and the rest of the world will be.

I suggested earlier that if the foreign ministers come up with another dud, we should then negotiate a separate peace with Germany, Japan, and Austria. That would pave the way for a changed policy toward Germany. Such a policy should completely shackle her against any disturbance of world peace. But it would restore her productive capacity to the great benefit of western Europe and the world.

At Potsdam, Russia agreed that a united Germany should emerge after peace treaties were signed. Whether that agreement is worth any more than the others she so callously has repudiated remains to be seen. In November she should have her last chance to make good on this promise. I believe, furthermore, that we should insist that all the countries asking aid put their own houses in order. At least to such extent as their elections have been free, it is not our business what sort of governments they choose. But if these governments by unsound fiscal policies and unsound economic doctrine negative the aid we give, that aid should be withdrawn.

VI

The world is suffering from the malady of too much government. People, misled by self-seeking demagogues, have come to believe that in government they can find the cure-all for every ill. And in too many cases—and the Western Hemisphere is not free from this symptom—the slogan is "more money for less work."

I am reminded of Lincoln's advice to his indigent half-brother when he wrote:

"DEAR JOHNSTON: Your request for $80, I do not think it best to comply with now. At the various times when I have helped you a little, you have said to me: 'We can get along very well now'; but in a very short time, I found that you were in the same difficulty again. Now, this can only happen by some defect in your conduct. What that defect is, I think I know. You are not lazy, and still you are an idler. I doubt whether, since I saw you, you have done a good whole day's work in any day.

"This habit of uselessly wasting time is the whole difficulty. It is vastly important to you, and still more so to your children, that you should break the habit. It is more important to them, because they have longer to live, and can keep out of an idle habit before they are in it, easier than they can get out after they are in."

That sort of homespun advice is what the world most needs. Unless the leaders of European thought and government can instill some of that philosophy into their people, all the gold in the world will not save them.

But you may ask, what should the American Republics do if we fail to get cooperation from our late allies? That in my opinion would be most unfortunate because then we might have to withdraw from the European scene, limiting ourselves to the donation of such food and other surpluses as we could spare.

Even this would be preferable—unfortunate though it would be—to a go-along policy which in the end would wreck this hemisphere along with Europe. Because eventually Europe must see the light and when that time comes we would have something with which to help.

My hope, and I am sure your hope, is that the Foreign Ministers' meeting in November will bring results. That probably is the only thing that will save the United Nations and make possible at this time any sort of cooperation on a world basis.

VII

In the field of business and enterprise the Inter-American Council is today the Congress of the businessmen of the Americas. The Council feels deeply honored in sponsoring this First Hemispheric Stock Exchange Conference. In welcoming you I wish to express our deep appreciation to the United States Inter-American Council, the Stock Exchange and the Curb Exchange of New York for their most effective support.

By promoting friendship and understanding among the men in the stock exchange fraternity and among your customers, you of this Conference can contribute much to the over-all objective.

I have great faith in people. Given the facts they usually will find the correct answers. I have particular faith in our peoples of the Western Hemisphere. For decades we have furnished a shining light to troubled nations everywhere.

Let us then hold fast to the things we know are right and true. Let us not be afraid to speak boldly for honor and decency, for integrity, for frugality and for fair play. Then regardless of the measure of success we achieve, we shall know we have done our part to preserve Western Christian civilization.

Candidacy of Sam H. Jones in Louisiana

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Monday, November 17, 1947

Mr. OVERTON. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address delivered by me in behalf of Hon. Sam H. Jones, candidate for Governor of Louisiana, on November 10, 1947, and which was broadcast over the State of Louisiana.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am not going tonight to speak to you specifically in behalf of the candidacy of Sam H. Jones or Earl K. Long or Bob Kennon, and, Heaven knows, of Jimmie Morrison. I shall rather talk to you in behalf of the State of Louisiana, which has honored me by electing me to the United States House of Representatives in 1931, and to the United States Senate every 6 years since 1932. My appeal goes forth to those people of Louisiana who are sincerely devoted to the best interests of our beloved State.

I think that you and I may arrive at a conclusion as to whom to support for Governor by a process of elimination rather than, possibly, by any other means.

It is useless to discuss the candidacy of Bob Kennon. I have been in politics long enough to know that it is fruitless for anyone to devote his time and energy either for or against a candidate who has no possible chance of success. And Bob Kennon has less than a possible chance.

I know Earl Long well, better perhaps than any other candidate. I have no particular criticism to make of him, and certainly do not intend to indulge in any abuse of him. I have been criticized by some of the Earl Long supporters because they believe, or affect to believe, that by my failing to back Earl I have deserted the cause and organization of the late Huey P. Long.

There is, alas, my friends, no longer in the State a Huey P. Long organization. It died shortly after his death. It fell into hands unworthy of the trust and confidence that the masses of Louisiana had freely given Huey. There is, therefore, no Huey Long organization back of any candidate for Governor in this approaching January primary. So long as there was a Huey Long organization, officered and manned by the great Governor and illustrious Senator, I stood, as you know, by that organization and its candidates through thick and thin.

I presided over Huey Long's opening meeting in Alexandria in 1928, and I helped to elect him Governor. Huey Long himself declared, as recorded and printed in a United States Senate committee hearing, that "JOHN OVERTON made me Governor, and in turn I made him United States Senator."

Huey said he wanted me in the United States Senate and that I belonged there. He desired me, in 1930, to run against Senator Joseph E. Ransdall. I refused to do so. Two years later I, at his behest, opposed Senator Edwin Broussard and was elected. I gave up a law practice of some $30,000 per year to take an office which paid me $10,000, a net

loss of $20,000 per annum. I have never regretted this financial sacrifice which placed me in a position to try to serve our State and our country.

When, after Huey's election, the effort was made to impeach him and the Louisiana House of Representatives had filed impeachment charges against him in the Louisiana Senate, and his fair-weather friends were leaving him like rats deserting a sinking ship, I went to Baton Rouge, found Huey seated alone in his room in the Heidelberg Hotel, and told him that I had come to enlist in his cause for the duration of the war. For the first and only time I saw Huey's eyes fill with tears.

Our first step was to get up a State-wide meeting in Baton Rouge, which was addressed by Judge Gaston Porterie, by Huey, and by myself. In the course of the speech I made I said in effect:

"My fellow citizens, I am no fair-weather friend. I am no deserter. I am no fence straddler. And when I see Huey surrounded and attacked by his enemies and many of his former friends now turned tailcoat, when I see him with his back to the wall, standing undaunted and unafraid, fighting like a gladiator and his keen blade flashing in the sunlight, I want to say to you that I have also unsheathed my sword, and when the smoke of battle clears away, JOHN OVERTON will be found either standing or lying by the side of Huey P. Long."

To that promise I adhered throughout Huey's eventful career, and until the angel of death called him away from the scenes of his earthly struggles. May I not, without criticizing anyone else, make the factual statement that I am among the few outstanding political leaders of Louisiana who stood always by the side of Huey P. Long.

You may recall that in the early thirties Huey was forsaken by his own brother, Earl K. Long, now running for Governor. You may remember when the effort was made to unseat me as United States Senator after my conceded nomination by an overwhelming majority and my election without opposition, baseless charges were made to prevent me from taking a seat in the Senate. What actually was happening was an endeavor to whip Huey P. Long over my shoulders.

The picture rises vividly in my memory of Earl K. Long seated cheek by jowl with the opponents of Huey Long and myself day by day at the United States Senate Investigating Committee hearings and counseling with the opposition and of his taking the witness stand against me and indulging in a vituperative and terrific attack against his brother. The whole unsubstantiated charges ended, as you know, by the United States Senate unanimously rejecting them and giving their unanimous consent to my continuing as a United States Senator from Louisiana. But let me ask you, who, in that tragic hour, forsook Huey P. Long? Was it I or was it Earl K. Long? Who, including his own brothers, gave to Huey Long more loyal and unswerving cooperation than JOHN OVERTON?

Why should I be called an ingrate or a traitor because I am not supporting Earl Long, who, in words that were quoted in every big daily throughout the United States, undertook to strike down his brother and besmirch his character at the very time when Huey was entering upon his national career that might, in time, have landed him in the White House?

Did Jimmie Morrison ever render any noteworthy service to Huey or openly espouse Huey's candidacy or the candidacies of the Long organization? If he did I do not recall it. And I dare say neither do you, my friends.

Let's consider Jimmie Morrison in a little more detail. I have no personal knowledge of it, but I am asking him will he take the people into his confidence and either affirm or deny the charge that has been made that when he was a candidate in the primary election for the governorship 8 years ago and was eliminated in the first primary, he offered to support Jones against Long for a consideration of some $60,000, and when rejected by the Jones people he accepted $20,000 in cold cash from the Earl Long people to keep silent and to make the public statement that he was "going fishing" on election day?

I was not an eyewitness to it, but will Jimmie Morrison affirm or deny the charge that 4 years ago when again he was a candidate for the governorship in the Democratic primary and was again eliminated in the first primary, he accepted some $50,000 or $60,000 from the Lewis Morgan crowd for his active support?

It is incumbent upon him either to affirm or deny these charges. If he admits them, or they are otherwise established, certainly no self-respecting Louisianian will cast his ballot to elect as Governor of our great State one who will sell his political honor and political influence for a moneyed consideration.

What has Jimmie Morrison to say in answer to the general report that he is being financed in this campaign by the gambling fraternity of New York and the gambling gang of New Orleans? If he is getting such support he will be necessarily under an inescapable obligation to these racketeers, and the State of Louisiana will be in a worse plight than it was when the old Louisiana lottery, like an octopus, had its tentacles around the throat and heart of our State. Thank God, in those days there arose a Murphy J. Foster who freed Louisiana from this shame and iniquity, and I pray to high heaven that in this day there will be enough Louisianians of moral stamina and fiber to prevent the State from again becoming a byword and a reproach throughout these United States.

Let me say to you that I am proud of my unfaltering support of Huey P. Long, and I hope that the great majority of those who followed his banner—and, may I add, my own standard—will rally with me in this fight for the election of Sam Jones. I appeal to them to do so in the interest of Louisiana and its good government.

Jones never opposed Huey Long as a candidate. He never opposed me as a candidate. He never villified me or sought to besmirch my character.

What other reasons have I for supporting Sam Jones? It is not merely, as I have pointed out in a press interview, that he is the most likely candidate to defeat Morrison. In addition, I am supporting him because he has the native ability; he has the understanding of State problems; he has had the experience of 4 years in the Governor's chair, and 4 more years of intense study of Louisiana's problems. I know that he may make mistakes in the future as he has made mistakes in the past, and so have all the other Governors of Louisiana, but I do know that he is going to do his very best for you and for me and for Louisiana.

As you know, my specialty in Congress is flood control and river and harbor and stream-improvement legislation. In this vast work, so intensely valuable to Louisiana, I never received as much wholehearted, generous, unqualified support as I did when Sam Jones was Governor. What, among other things, I am doing is briefly to have the Federal Government spend millions of dollars annually in Louisiana, through the trained corps of Army engineers, to make the streams of our State flood-proof, navigable, free of malaria, protected against salt-water intrusion, and, above all, to make the main streams the basis and backbone of great irrigation projects and vast drainage systems.

Take, for example, the channel rectification, deepening, enlargement, and the removal of snags on the streams of northeast Louisiana known as the Macon, the Tensas, the Boeuf, and the Lafourche; take, for example, the Overton Canal, extending from the mouth of Red River to Shreveport; the Bayous Rapides, Roeuf, and Cocodrie project; the backwater area of the Red River; the Mermentau Basin; the Teche and Vermillion Rivers; and the entire Atchafalaya and Red River Basins.

In this strenuous work I want continued cooperation of Sam Jones as our Governor. He has inaugurated huge drainage systems connecting up with the main streams improved by the Federal Government with the result that millions of acres will be reclaimed for farm production and other valuable uses.

I am appealing to you, my friends, who are interested in flood control and navigation, land reclamation and irrigation and stream improvement, and who have heretofore given me your valuable aid, to help me now in continuing this tremendous battle for the people of Louisiana by replacing in office a governor who has done more in the interests of stream improvement than all the other governors combined in the history of the State.

Sam Jones has, in newspapers, on the stump and over the radio, given to us his platform. It is unnecessary for me to undertake either to repeat or outline it—you should know it by now. I think that he will carry out his platform as he did, in almost every detail, the platform on which he ran as a candidate 8 years ago. He makes no promises of huge appropriations for this and for that, as do some of the other candidates—promises that can never be fulfilled without bankrupting the State treasury and placing an unsupportable burden of taxation upon the already overtaxed people of Louisiana.

Finally, I appeal to all Louisianians to forget the hatreds and bitterness and animosities of the past, and, standing unitedly behind the ablest candidate for governor, march forward to the glorious destiny which the potentialities and possibilities of Louisiana hold for her.

Successful Foreign Relief Demands Strength at Home

EXTENSION OF REMARKS

OF

HON. EDWARD T. MILLER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. MILLER of Maryland. Mr. Speaker, today, the President has called upon us to consider two emergencies simultaneously. Hardened as we have become to these cries since the advent of the New Deal some years ago, the double emergency is an innovation. We are called upon to appropriate $597,000,000 for food, fuel, and the like for France, Austria, and Italy, as interim aid to tide those countries through the next four and a half months. At the same time we are asked to pass legislation to block inflation, relieve monetary pressure by reducing consumer credits, to channel the flow of scarce goods, and to vote powers to the Federal Government to control inventories, transportation, and even to reestablish consumer rationing and price ceilings on basic cost-of-living items, especially food and rents. In other

words, to provide for a controlled economy at home while resisting it abroad.

I do not believe that Congress will accept without protest the role of whipping boy to absorb the wrath of an indignant people because of the unfortunate position in which we find ourselves. The truth is that Congress cannot repeal the fundamental laws of supply and demand any more than it can alter the ebb and flow of ocean tides by legislation.

Although many of the postwar problems were unavoidable, some of our worst difficulties have been aggravated by a fumbling administration and a confused policy which has followed one course one day and another another, while various departments and bureaus of the Government, often have worked at cross purposes. These failures, misrepresentations and miscalculations have not been chargeable to the legislative branch. The responsibility rests squarely with the executive departments and Congress will not willingly share the blame.

The suggested renewal of price controls will certainly encounter bitter opposition. The American people remember too clearly the black markets and scarcities occasioned by the price-control system enforced during the war years. They have noted that even before controls were lifted in regard to sugar, for example, the mere fact that the date for removal of controls had been set made it possible for people to again buy sugar. They now see, although the controls have been completely removed, that prices have not gone up unduly in the case of this commodity because of the fact there is sufficient sugar in the country to meet reasonable needs. If price controls are reestablished, the door will be open for the return of the black marketeer, and although official prices may be lower, the American housewife will again be confronted with empty shelves in the grocery store.

Congress made a determined effort during the past session to reduce the cost of living by substantial income-tax reduction, which the majority firmly believed would start a chain reaction of reduced costs all along the line. This program was blocked by the veto of President Truman, who is now calling for reduced prices, high wages, and billions in loans or gifts abroad all at the same time. He has given no intimation of any change in his insistence on the continuation of high wartime tax rates.

It would seem fundamental that if large sums are expended for buying relief supplies for Europe, that our domestic prices will tend to rise rather than to be reduced.

It may well be that our own self-interest, not to mention humanitarian reasons, dictates that the starving peoples of Europe must be fed. It does come as a shock, however, that such urgent and immediate needs have developed, and one cannot but wonder whether or not the administration has made a proper estimate of the present situation. Only a few months ago a rather unwilling Congress voted the funds that the administration said would be necessary to meet this crisis, and already we are told that far greater sums are needed this winter. Clearly the administration was greatly in error in its estimate of requirements a few months ago. One wonders how accurate the present estimates may be.

The American people have been placed in the position of a purchaser who makes the down payment on a car or refrigerator without knowing what price he will eventually be expected to pay or how long the payments must continue. Clearly, this is not good business. Our Government agencies, although crying bitterly against the high costs of living, by their very method of making purchases, have forced up prices here at home. A private buyer who is confronted with the necessity of buying large supplies of some commodity does not rush into the markets and announce the total of the purchase he is going to make if he is a wise businessman. Instead, he places numerous small orders in different markets and encourages his agents and brokers to buy wherever possible without advancing the price level. It is not so with the bureaucrats who run our big Federal business. A ballyhoo is started even before the wheat, rubber, coal, or other commodity is available as to the huge quantity the Government will need for shipment abroad or for some other governmental purpose. The inevitable result is sharp advances in the domestic price and increased costs to all private buyers.

It would seem that the most important problem to be solved is to determine the full amount of foreign relief that will be necessary to accomplish, with reasonable certainty, the rehabilitation of the areas now threatened by communism and then to determine whether or not it is within the capacity of our economy to meet this need, even though it will entail an increase in the costs of living at home. If we are able to meet the requirements, we must then determine whether we are willing to do so and pay the heavy cost involved. Unless we are prepared to go through the whole program and it has reasonable prospect of success, it is indeed foolhardy to weaken our own position at home. As I see it, the resistance of the sweep of communism with dollars may be successful, and then again it may not.

There is another approach toward maintaining our national security, and that is adequate military preparedness. It would seem to be good insurance for us to take this problem very seriously and to insist on immediate implementation of a sound program. We have been drawn into many wars in the past, and we have never been prepared. It is more than a possibility that if we reverse the procedure of the past and are reasonably prepared for the worst we may have no wars. Unfortunately, today we are not adequately prepared, if one can ever be in the atomic age. Certainly this is no time to procrastinate on what our policy is to be in that regard, whether we attempt to buy security abroad or whether we do not.

Two things I feel confident should be done. We should prepare our land, sea, and air forces so that we have a strong and capable defense, not on paper but in actuality, and at the same time, we should show the world by our every act and deed that our greatest desire is for world peace and that our military strength is assembled primarily for that purpose.

For centuries Britain dominated the seas. Her fleets patrolled the oceans and not only protected the island kingdoms from invasion but served as a stabilizing influence all over the world. Until the supremacy of British sea power was undermined by the development of the submarine and the airplane, a full-scale World War was not possible unless Britain acquiesced or participated. Today, air power has to a large degree supplanted sea power as the means by which the arteries of travel and frontiers of the world may be safeguarded. Overwhelming air power supplemented, of course, by the necessary ground troops and naval detachments, in the control of a truly united group of nations, can maintain the peace of the world regardless of the veto, or willful action of any aggressor.

If the danger to the world and to our free institutions is as great as appears on the surface and from the reports of our statesmen, it would seem that common sense dictates that this Nation should meet its responsibility now. This is the time to establish a strong and ready system of national defense to back up the United Nations while that organization is in the formative period. It is during this postwar period of reconversion and rehabilitation that the danger is greatest. If we act firmly now and make an all-out effort for fair and friendly relation with all nations of the world, the skies will begin to clear. Such part of the taxpayers' money as may be allocated to this program will not be a gamble. Surely the peace of the world should be bought at any price compatible with honor and decency. I fear that foreign gifts and loans, unless backed up by potential military strength, are a gamble. When there is danger of fire, it is not the time to let insurance lapse on one's dwelling. Unpleasant as the reality is, it seems necessary that whatever the solution may be for foreign aid, we should put our armed forces in a position of immediate readiness.

In every war in the past, the fighting strength of our Nation has been drawn primarily from civilian components of the armed forces. In a nation, such as ours, a large standing force of professionals is neither economical nor in accordance with our national traditions. Our citizens would be loathe to see such a development. The alternative, therefore, is to give every consideration and encouragement to the practical development of our National Guard and Organized Reserves. These elements, so important in time of war, are usually neglected in time of peace. It is to the interest of us all to encourage and contribute our personal efforts to the establishment of these forces on a sound and efficient basis immediately. The country is rich at the moment in millions of fine war-trained veterans and they should be helped and encouraged in the present task of molding these reserves into an effective force. They should be sorted

and assigned to units without more delay. A reasonable proportion of these organizations should be called to active training this coming year before the individuals that would comprise them have rusted into obsolescence. At the moment we are either losing track of these veterans that are physically fit and ready, or they are tucked away in paper organizations or composite groups that amount to little more than a not-too-accurate mailing list.

For a number of years before World War II, I commanded an Infantry Regiment of Reserves. The plan in those days called for the regiment to be able to take the field 6 months after D-day. In this age of rockets, radar, and bombers that fly at speeds approaching 600 miles per hour, with cruising ranges of nearly half the circumference of the world, the time of readiness for Reserves should be before D-day, not after.

We should also decide without further delay, the question of whether or not we are to have compulsory peacetime military training. How otherwise can our planners work out a long-time program. But let us remember that, if we adopt such a plan, it will not suffice unless followed through to the point of organizing the trainees into Reserves of which a sufficient number are fully equipped and ready for immediate action.

Our foreign-aid program will have a much better chance of succeeding if backed up by military strength that is immediate as well as potential. So will the United Nations. Under such circumstances our patience will not be misconstrued into playing for time. If we are prepared and powerful at home, we can be more tolerant and less aggressive abroad.

Now, You Tell Us, Mr. President

EXTENSION OF REMARKS

OF

HON. CHESTER H. GROSS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. GROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Sun of November 14, 1947:

NOW, YOU TELL US, MR. PRESIDENT

On Monday next, at the call of the President of the United States, Congress will meet in special session. Custom requires of the President that he shall then submit a message explaining the purposes of that extraordinary convocation.

We should like, with all respect to his high office, to inform him that the country is fed to its teeth with blah and blarney and buncombe. We should like to tell him that we are now looking for facts and for dependable information. Above all, we should like to apprise him of the inconvertible fact that a vast number of his informed fellow citizens expect from him at this time a compact and comprehensive statement about whither the Nation is drifting and about what it may expect when it gets there.

Fifteen long years of bombastic rhetoric have made our people utterly sick and tired of rhetoric. We want only the cold, hard, unquestionable truth.

To put it another way, a steady diet of undigested and indigestible reports has afflicted us all with an intellectual stomach ache. These reports have been so numerous, the President's own accounts of them so unsatisfactory, as to give rise to a lively suspicion that Mr. Truman has not himself thoroughly studied or understood them, but has rather accepted them in their predigested form as prepared for his personal use by advisers whose competency often has been open to question.

We have had the so-called Anderson Report (by a Cabinet Committee on Food Problems) made public on September 26, when the Citizens Food Committee was appointed.

We have had the so-called Krug Report on world needs and United States capacities, made public on October 19.

We have had the so-called Nourse Report (by the President's Council of Economic Advisers) published on November 9.

Other reports submitted to Mr. Truman or to Congress have been the Wedemeyer Report on China (for some mysterious reason never made public); the Additional Report of the Joint Committee on Reduction of Nonessential Federal Expenditures, Congress of the United States; the report of the Emergency Economic Commission for Europe; the report on the Luckman operation; and, now at least, the voluminous Harriman Report.

Out of this accumulation rises, as the genie in an ancient tale arose from a bottle, a monstrous impression that instead of operating under some clear and integrated program, the administration at Washington has been groping through mists of shadowy recommendations presented by persons who were not sure of what they were talking about, and who rarely agreed among themselves—who had neither final authority nor any intermediate power of collective persuasion.

Yet the country is calling for a clear and authoritative statement on foreign policy and a convincing affirmation telling what the domestic policies of the administration really are.

The time has come for President Truman to submit a factual statement on what his administration has done, and proposes to do, especially with respect to the coordination of European aid (under the Marshall plan) and on the granting of at least a measure of relief from the intolerable burdens of inflation and taxation under which the people of the United States are now groaning.

The general public has been patient with discussion, debate, and prolixity at Washington to a point at which patience has ceased to be a virtue. It is thoroughly disgusted with the multiplicity of what seem to be undercover maneuvers bearing upon the Presidential campaign of 1948.

Public attention has centered upon an amazing build-up designed to bring our people to a plunge into additional billions of dollars for the relief of Europe. But we do not know, because the administration has never told us, to what extent, or to what end, this dive will submerge us, our children, and our children's children unto remote generations. We cannot even obtain precise information about what we are now shipping abroad or on the probable effects of those shipments upon our domestic cost of living.

Bureaucrats toss off suggestions of millions, even billions, as a grindstone throws off water under a sharpening blade. But the American people are beginning to ask what are the axes which are thus being whetted. If the President and his fuzzy-minded advisers think that this process is going to continue indefinitely, they utterly misinterpret the present ground swell of public sentiment.

The President and his executive departments alone are in position to coordinate the conflicting data of innumerable unsynchronized departmental reports. But he and his advisers seem reluctant to impart such information as the planners may have. To cite a single example, we have yet to receive from the White House a clear statement about the reckless and ill-timed buying for export by governmental agencies. We do know that the Government bought 19,000,000 bushels of wheat on one day and that, as a result, the price of wheat advanced a dollar a bushel. Then the President set up the Luckman committee.

This country is glad to help alleviate the suffering of others, but among the things which our people would like to know is how we are going to finance aid to Europe to the tune of twenty billions without further boosting our own cost of living. How will this affect taxes? Why do we not propose to tap the $15,000,000,000 already held in the United States in gold reserves and investments by nationals of the very countries we expect to help? Are we to continue to advance political subsidies for the purpose of holding up domestic prices until after the votes have been counted next year? Shall we waste additional billions to be squandered in Europe's black markets?

We respectfully suggest to the President that before he submits that message to Congress he give serious thought to the hunger of our American people for the truth and for a concrete and practical program.

Housing Problem in Connecticut

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. MILLER of Connecticut. Mr. Speaker, last week I requested the legislative counsel to prepare a bill that would prevent the Administrator of Housing and Home Financing from disposing of the so-called Lanham Act permanant housing in areas where the housing shortage is acute. Due to the rush of committee work, the legislative counsel could not have the bill prepared for introduction today. It will, therefore, be introduced at a later date.

During the recent congressional recess, I had numerous conferences with members of the local housing authorities throughout Connecticut. Last month Mr. Raymond Foley, Administrator of Housing and Home Finance Agency, issued a new regulation, known as Public Regulation No. 1, which sets forth the procedure to be followed in the disposal of Lanham Act housing. If this regulation is put into effect, hundreds of families now residing in these Lanham Act projects will be subject to possible eviction upon 90 days' notice.

Mr. Foley contends that his new regulation carries out the intent of Congress. He determines this intent from language found in the Wolcott bill which passed the House late last spring. This bill, however, did not secure the approval of the Senate.

The only law on the subject of disposal of Lanham Act housing is the Lanham Act itself. Under the Lanham Act the Administrator is supposed to dispose of the housing as expeditiously as possible and in the public interest, following the end of the war emergency. No one can

successfully contend that it is in the public interest to dispose of these projects at a time when thousands of families are trying to secure rentals in any of these projects.

On October 22, 1947, I attended a meeting in Hartford, Conn., at which there were present 42 representatives of housing authorities and local disposition committees of 12 municipalities in the State of Connecticut. In these 12 municipalities there are 3,807 units of permanent war housing, all of which are fully occupied, and there are on file with the respective housing authorities 11,760 applicants.

I shall insert as part of my remarks a resolution adopted at this meeting, which contains the thoughts of Connecticut residents who have lived with this housing problem for the past few years. I am also including a copy of a letter addressed to Mr. Raymond Foley, Administrator of the Housing and Home Finance Agency, written by Mr. George T. Holbrook who acted as chairman of the Hartford meeting to which I have referred.

To the thousands of families involved, this is just as great an emergency as that of providing relief for Europe. I hope it will be possible during this special session for the House Banking and Currency Committee to report out legislation that will prevent the sale of Lanham Act housing at this time.

It is well to bear in mind that no subsidies are involved in this type of housing. In most cases the projects are more than self-supporting and the local communities receive adequate funds in lieu of taxes.

Every member of the Connecticut House delegation, supported by Senator RAYMOND E. BALDWIN of Connecticut and Governor James L. McConaughy, have urged Mr. Foley to hold up the sale of the housing units to which I have referred.

The resolution and letter follow:

At a meeting held at the Heublin Hotel, Hartford, Conn., October 22, 1947, at which were present 42 representatives of housing authorities and local disposition committees of 12 municipalities in the State of Connecticut, it was unanimously resolved, that:

"Whereas in said municipalities there are 3,807 units of permanent war housing, all of which are fully occupied; and

"Whereas the seriousness of the shortage of rental housing is evidenced by 11,760 applications on file with the respective housing authorities, as follows:

Housing authority	Number of units	Number of applicants
Bristol	200	151
East Hartford	650	805
Glastonbury	200	319
Hartford	202	4,200
Manchester	500	428
New Britain	800	1,500
New Haven	300	500
Stratford	400	795
Waterbury	300	850
West Hartford	300	1,800
Wethersfield	130	252
Rocky Hill (Wethersfield)	125	160
Total	3,807	11,760

Whereas any sales at the present time will result in the eviction of a large majority of tenants, which will complicate an already desperate situation in such 12 communities: Therefore be it

Resolved, That we, 42 representatives of housing authorities and disposition committees of the following municipalities in the State of Connecticut, embracing Bristol, East Hartford, Glastonbury, Hartford, Manchester, New Britain, New Haven, Rocky Hill, Stratford, Waterbury, West Hartford, and Wethersfield, hereby petition the Congress of the United States to enact necessary legislation to postpone the sale of all Lanham Act warhousing properties in the afore-mentioned municipalities until the present acute and critical housing shortage has been abated; and be it further

"*Resolved*, That copies of this resolution shall be sent to the Connecticut delegation in Congress, Gov. James McConaughy, and Housing and Home Finance Administrator Raymond Foley."

HOUSING AUTHORITY,
TOWN OF WETHERSFIELD,
Wethersfield, Conn., November 6, 1947.

RAYMOND FOLEY,
Administrator, Housing and Home Financing, Washington, D. C.

DEAR SIR: This letter is written as chairman of a committee of representatives of 12 communities in Connecticut in which war housing was built and hence are interested in disposition.

Attached hereto is a resolution and petition passed at a meeting held on October 22. At that meeting were present three Congressmen, together with representatives of the Governor and Senator BALDWIN.

It was also desired by the committee that I write you concerning this situation.

The petition has been deliberately worded to limit action to the 12 communities named. The committee feels that local determination as to disposition is of paramount importance. It feels that any community that desires war housing sold at this time should have that privilege, but in respect to the 12 communities, that the sale of such property at this time is a grave error and will result in very serious community problems.

Public regulation No. 1 changes the priority of purchasers in event of sale, giving veterans generally preference over tenants who are not veterans. As a large majority of tenants are nonveterans, sale will result in the eviction of such tenants. Housing conditions in these communities are such that they will be unable to find housing there, and the situation in Connecticut generally is such that no housing is available elsewhere. You will in effect put a great many hundreds of men, women, children and babies on the street with no shelter whatsoever, and with winter approaching you will create a condition which we believe will be without parallel in this country.

The housing shortage in Connecticut is greater than at any time during the war. During the war a great many temporary units were built but were not occupied because war workers refused to live in them. Some of these were torn down, but the majority are still here. Every one of these units is now occupied, and there is a large waiting list of veterans who are willing to move in at any time. It is to be remembered that these units are substandard and ones in which war workers refused to live, and hence is a very good example of the acute shortage of housing now existing throughout the State.

The vast majority of the veteran tenants in war housing are unable or unwilling to buy. A great many veterans are occupying units which will be altogether too small to meet their needs when their families increase, and, hence, be a very poor investment. Indeed, the addition of children to some of the families makes a condition now unsatisfactory and which will be entirely bad before very long. Practically all of the veterans will have to avail themselves of their GI loan privileges in order to buy. A great many of such veterans are contemplating going into business for themselves after obtaining training and experience in the work that they are now doing, and, hence, are unwilling to use up their credit in buying a house, because they will need it when they go out into the business world for themselves. Hence, the same condition exists as to veteran tenants being dispossessed as is a case of nonveterans. If you go through with the sales you will force some of these veterans to buy in sheer desperation, which will result in building up a large volume of opinion adverse to Federal housing generally.

Should the last order be rescinded and the former order giving priority to present tenants be reinstated it is probable that there would be somewhat less disruption resulting from sales, but in our opinion that is not the proper procedure. We feel that no action should be taken to sell war housing at this time. However, if it is sold we feel that before doing so you owe the duty to each local community to consult with it as to the sale, due to the change in priority, in order to get the best possible advice as to disposition, and your failure to do so will be a violation of the promises made many times to the communities to the effect that they will be consulted. We feel that the change in the order as to sale was made without consultation, and hence you should again confer with the communities before taking definite action.

It has been intimated that your action in proceeding with sale of war housing is because Congress has indicated its desire that such should be done, and have apparently based this upon the provisions of the Wolcott bill. Frankly, this seems strange to us, since the Wolcott bill has not passed the Senate, and, hence, we feel cannot be deemed an expression of the wishes of Congress. It is urged that you get from Congress a much more definite expression of its desires than appear to exist at present before proceeding further.

Most of the 12 communities are now engaged in consideration of building under the Connecticut State Act passed during the last session and which permits construction of housing for veterans. The work involved is very considerable and is taking up a great deal of time. Because of that fact the local housing authorities and disposition committees cannot give too much time to an over-all consideration of disposition of war housing. It is the desire of the committee to consider disposition generally and to suggest general procedures which will meet local conditions with minor variations where necessary for a particular community and which we feel will be of considerable benefit to you. We feel that it is absolutely essential that disposition be orderly, so that there will not be disruption in the smaller communities which is bound to result through wholesale dumping of housing on the market. We are not in a position to discuss this phase of the question at this time but will give you the benefit of our work as soon as it is accomplished. We are sorry that there will have to be some delay, but can assure you that it is because of conditions beyond our control.

It may be that the conditions in Connecticut as to housing are much worse than in other parts of the country. We cannot help but feel that the true facts of the situation here have not been presented to you, or have been presented in a form which did not bring fully into focus the condition with which we are faced. When the Wolcott bill was under consideration by Congress, Public Housing felt that it should be defeated because it did not show sufficient knowledge of housing conditions. As a result of suggestions from Public Housing, a

delegation of tenants and citizens of Connecticut appeared in protest of that bill. A good many of the people who made the sacrifice of appearing have definitely expressed the opinion that they have been double-crossed by Public Housing, because of the change in priority of sale and because you appear to be forcing sale of war housing at a time when it will cause extreme distress to the people involved, as well as to the community in which it is located. The tenants, whether veterans or not, their families and friends in the communities and elsewhere are up in arms over the sales. In fact, it is not exaggeration to say that they are becoming enraged. A result is that your action is building up the mass of opinion adverse to Federal housing generally and includes every phase of your activities. It is my opinion that you are causing the creation of a group of people who will actively oppose any efforts of your agency and may well be a group whose opposition will make that which you have heretofore encountered seem very mild by comparison.

We are fully appreciative of the fact that you have the duty of complying with the laws under which you operate, and that you have the further duty of trying to follow the express desires of Congress, whether formerly enacted into a law or not. However, we also feel that unless directed specifically to do something that will result in harm to the community involved, you should interpret your duties insofar as you can to meet the desires of the community, and should give each community the opportunity to be heard, and to appeal to Congress if that is their only remedy, awaiting the reaction of Congress to such appeal before taking any drastic action such as you are doing.

Again I want to emphasize that we feel that sale should occur in any community where it desires sales, and a delay should occur only at the request of the community involved. We feel that each community should be informed of the proposed action and given a reasonable opportunity to express an opinion before sale actually takes place, and then only if the community consents to the sale.

We are requesting an opportunity to appear before the Gamble committee, the request being made through Senator BALDWIN at his suggestion. I feel sure that the communities will want to be represented in any hearing that may take place.

As suggested above, we want the continued opportunity of presenting at least general plans for disposition. In the larger cities the problem of war housing occupies but a small portion of the time of the Housing Authority and its staff, their interest being centered in slum clearance and similar projects. Hence those authorities will be glad to be relieved from duties respecting war housing. Nevertheless, as you will see from the petition, the cities of New Haven and Hartford feel that sales at this time will create problems in those cities so serious that disposition should be delayed.

The commissioners of housing authorities in smaller communities undertook the work involved as a small contribution to the war effort. The time spent by the commissioners has been considerable and practically all of us would be delighted to be relieved of such obligations, except for the present housing conditions. We feel that our duty to the veterans and community is greater now than at any time in the past. Continuation of war housing in status quo, until the present desperate situation ends, will be a contribution of something, far too little, to the boys who served us. The smaller communities want their war housing sold at the proper time and under proper procedure. These communities do not desire continuation of war housing any longer than needed. However, the time and manner of sale is of utmost importance because of the effect on them, and they feel emphatically that sales should not take place now.

We feel that our situation in Connecticut has not been adequately presented to you, or you would not have ordered sale of any project over the protest of the community involved. It may be that the conditions here are unique and that special consideration is needed. We have no information upon which to base an opinion. We urge upon you to have a very thorough investigation made as to conditions in these 12 communities, and until such is completed and the conclusions discussed with the communities, you hold in abeyance all action looking toward any sales affecting them. We stand ready to give you every possible assistance.

We feel that you have the right and power to stop the sale of war housing in any community which protests, certainly until you have made an investigation, and hence the responsibility for failure to do so rests solely wtih you and will be in violation of the promises of your predecessors in office. If you are unable to agree with that conclusion, we respectfully request that opportunity be given to appeal to Congress for appropriate relief before sales take place.

Respectfully yours,

GEORGE T. HOLBROOK,
Chairman.

Witnesses' Rights

EXTENSION OF REMARKS
OF

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following communication published in the Washington Post of November 14, 1947:

WITNESSES' RIGHTS

A COMMUNICATION

I have read with much interest your November 5 editorial, Speaking of Americanism. This editorial is in line with many other comments which you have published with regard to the activities of the Thomas Committee on Un-American Activities. In spite of many conciliatory phrases in your articles, and an evident willingness on your part to compromise to a certain extent on these issues, it remains true that your views, as expressed on this subject, are based on what I can only regard as fundamental misconceptions.

The most plausible argument in defense of the recalcitrant attitude of some of the persons summoned before the Thomas committee is that they were in substance being asked to incriminate themselves in violation of their constitutional rights and immunities in that regard. The main objections were raised over the simple question addressed to several of these reluctant witnesses, "Are you a Communist?"

Now committees of either branch of Congress, duly empowered to make investigations, have the clear legal authority to summon witnesses, and in general at least to require truthful answers to questions relevant to the authorized investigation. These committees, like the courts, must respect the provision of the fifth amendment to the Constitution, which requires that "No person * * * shall be compelled in any criminal case to be a witness against himself." But the key to the true meaning of this provision in the fifth amendment is to be found in the phrase "in any criminal case."

As has been stated by the Supreme Court in a leading case: "The object of the amendment is to establish * * * that no one shall be compelled to give testimony which may expose him to prosecution for crime. It is not declared that he may not be compelled to testify to facts which may impair his reputation for probity or even tend to disgrace him; but the line is drawn at testimony that may expose him to prosecution." (*Hale* v. *Henkel*, 201 U. S. 43, at p. 66.)

It is not a crime under the laws of the United States for any person to hold beliefs in accordance with the tenets of communism. Neither is it a crime under the laws of the United States for any person to be a member of the Communist Party. Neither is it a crime under the laws of California or of any other State to hold such beliefs or such party membership. Therefore, the inquiry before the Thomas committee as to such beliefs or such membership is not, as a matter of plain common sense, or as a matter of technical legal reasoning, an instance of compelling any person "to give testimony which may expose him to prosecution for crime."

The fifth amendment does not protect witnesses either in judicial courts or before congressional committees from inquiries that "pry into their private affairs," or tend to embarrass them or disgrace them thoroughly in the opinions of others, or even that expose actual criminality in cases where such criminality is no longer punishable legally, as in the case of crimes that have been effectively pardoned, or which have been outlawed by the statutes of limitations. As the Supreme Court stated in Hale against Henkel, "the line is drawn at testimony that may expose him to prosecution."

A moment's reflection ought to convince anyone that parties in legal actions (and witnesses who are not parties and who have no present interest to be served by the litigation) are constantly called upon to give testimony about shady transactions, unethical and unconscientious dealings on their own part, breaches of contract occurring without any moral excuse, negligence more or less gross and ridiculous, all of which may lead to substantial or even ruinous legal liability to make reparation or to pay damages.

And as to compulsory inquiries by governmental bodies, the briefest reflection about our tax system, or about investigations by the Federal Trade Commission, or the National Labor Relations Board, should demonstrate to one that there is no general immunity in favor of persons who feel that their "private affairs" are being pried into or who point out that the questions may greatly embarrass and truly disgrace them.

Your editorial takes the view that the Thomas committee's method "has the effect of denying rights which are implicit in our constitutional philosophy." But our constitutional philosophy is based on a balance of interests as between governmental power and private right or immunity. The legislative power given to Congress is extremely important and it is better that legislation should be based on information rather undertaken in ignorance of actual situations. This implies that Congress and its committees have the right and duty to use compulsory methods to secure appropriate information. This conclusion has been several times emphatically supported by Supreme Court decisions. (See, for example, *McGrain* v. *Daugherty* (273 U. S. 135); *in re Chapman* (166. U. S. 661); *Jurney* v. *McCracken* (294 U. S. 125).)

The recognition of the appropriateness of these inquiries is certainly a part of our constitutional philosophy, and indeed not primarily to render impregnable selected individual legal immunities, however historic, but rather, as the preamble to the Constitution itself states, "in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common

defense, promote the general welfare, and secure the blessings of liberty" for all the people.

To determine accurately what measures will adequately insure domestic tranquillity or provide for the common defense, the Houses of Congress must make many choices, among alternative possible courses of action. It seems obvious that it will be better to have these choices founded on concrete information rather than guesswork. Since the function of Congress will often be to ward off dangers that menace our domestic tranquillity or that threaten to deprive us of the blessings of liberty (that is, of the benefits of our present liberties), these inquiries of Congress and its committees may frequently be addressed to minority groups and crusaders, who are thought by Members of Congress to be potentially dangerous.

The dominant purpose and the characteristic effect of these inquiries and investigations are to obtain helpful information. The effect on individual witnesses is one of the inconveniences of living in a highly organized society.

Obviously, some tribunal, rather than the recalcitrant individual, must be the ultimate judge of the propriety of the questions asked.

Primarily this tribunal would seem to be the House of Congress itself that authorized the investigation. And in a practical sense the ruling of the investigating committee may be controlling. But in the present instance the relevancy and propriety of the questions about Communist Party membership and Communist beliefs seem to me to be hardly debatable from a logical point of view, whatever tribunal is called upon to decide the issue. It is not a question really of relevancy or of limitations on the legislative power of Congress in the premises, but rather of alleged immunities of the individual as against the power of the Government of the United States, acting in a preliminary way to safeguard by adequate factual investigations the great interests committed to it.

But how is the scope of these individual immunities to be determined? We must indeed draw a line of demarcation between governmental power and private rights in this field as in many other fields. But in relation to this particular problem of compulsory testimony, the Constitution has itself drawn the line, and has used the criminal case concept as the basis and the limit of the constitutional immunity.

The line thus drawn is not essentially technical, but practical and popular. The line of demarcation has been drawn so as to balance the needs of practical government, based on massive democratic forces, against the claims of the individual. To extend the immunity of the fifth amendment beyond that conception would not be to carry out the spirit of the Constitution as against the letter, but would be to upset the balance between great conflicting needs which the letter of the Constitution was intended to reconcile.

The true philosophy of the Constitution is to be found in what the fifth amendment does not say, as well as in what it does say. The specification of certain cases of immunity from testimonial compulsion implies that that immunity does not attach in other situations. Obviously, the literal provisions of the Constitution must all be taken into account, and not merely one set of them. But it is equally true that our reasoning about the philosophy of the Constitution, the spirit of the Constitution, and the general purposes of the system must be based on all the provisions handed down to us, and not merely on certain selected passages.

CHARLES S. COLLIER,
Professor of Law,
George Washington University.

WASHINGTON.

Address Before Convention of Americans for Democratic Action

EXTENSION OF REMARKS
OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. MADDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a speech made by me before the Indiana-Ohio regional convention of the organization, Americans for Democratic Action.

This speech was made last Saturday afternoon at Wilberforce University, Wilberforce, Ohio:

I am thankful for this opportunity to speak to the delegates attending this Ohio-Indiana regional convention of students for democratic action. It is especially gratifying to know that this convention is being held at Wilberforce University, one of America's great educational institutions that has done so much for the youth of the country.

The officers and members of your organization are to be congratulated for the service which you are rendering in educating and informing the youth of America on the important problems confronting our Government, both from a domestic and international standpoint.

Two world wars have been fought within the lifetime of the older people now living. After World War I, we experienced gigantic reconstruction problems. At that time, numerous mistakes were made by our national and international leaders in trying to solve those great problems. We are at present involved in the solution of more gigantic problems, caused by the aftermath of a far more devastating conflict than we endured 30 years ago. It is highly important that the American people should not make the same mistakes which we made after World War I. In order to avoid these pitfalls, the Congress and the leaders of your Government need the advice and guidance of organizations such as yours and other groups throughout the country, both collectively and individually. Your elected leaders will always readily respond to public opinion in the solution of these governmental problems.

For over 5 years the economy of the world was torn asunder by the greatest war in all history. This economy cannot be returned to normalcy in a few months or a few years. It will take time, work, solemn thought and sound judgment on the part of your national and world leaders to bring us successfully through this trying period.

HIGH COST OF LIVING

Millions of Americans are more interested in an immediate lowering of the high cost of living than any other problem. The responsibility for the present high prices can be directly placed on the doorstep of World War II.

Since Pearl Harbor our Nation's leaders have had the responsibility of controlling our economy through emergency regulations, until we can again attain a normal peacetime production. When the Japs made their malicious attack in 1941 our President and Congress immediately inaugurated artificial controls in order to carry us through the hazardous wartime period. These emergency regulations kept down the cost of living to a remarkable degree for over 5 years, in spite of inflationary pressures from selfish interests and politicians. It is estimated that price controls during that period saved the American consumer over $8,000,000,000.

Immediately after VJ-day, lobbyists and profiteering groups converged on Washington to pressure Congress and spread propaganda throughout the country that price controls must not be extended.

We have discovered, to our sorrow, that the termination of the shooting war did not restore our economy to peacetime operation.

It is the duty of the American people to devote some sound thinking to our economic danger and not blindly follow self-seeking interests for the solution to their problems. Had the people throughout the country realized this a year ago last June they would not have allowed the Congress to sabotage price control and launch us into this maelstrom of inflationary high prices. Artificial controls kept the cost of living down successfully during the war, and they should have been continued until we recovered from the war upheaval.

Today we hear and read statements from radio commentators and some newspapers blasting forth false propaganda on who is responsible for high prices. The consuming public is more concerned with legislative remedies which will bring the cost of living back to normal. The American people well recollect the full-page advertisements which were placed in the newspapers throughout the country 18 months ago, urging Congress to "eliminate price controls, all price controls, including those on food, and production on all the things we need will step up fast. Prices will quickly adjust themselves to reasonable levels." If you have forgotten those advertisements of 18 months ago, and the people responsible for them, go to your local newspaper and ask to see their files.

President Truman has on several occasions asked this Eightieth Congress to take constructive steps against inflation and to curtail monopolistic profits, but without result. It is my earnest hope that when the leadership and Members of this Eightieth Congress return to Washington for the special session next Monday they will realize that the rising cost of living threatens our whole economy and the peace of the world.

Congressional Members should visit homes in industrial and metropolitan areas where the heads of some families are trying to feed from 5 to 10 people on 92-cent butter, dollar pork chops, 80-cent eggs, 20-cent milk, 14-cent bread, and other necessities relatively high. I hope our legislators will be convinced that veterans, who are selling their war bonds to buy the above necessities, cannot go on doing this forever.

It is astounding to learn that many industries right now in the middle of great prosperity are hedging against overproduction and curtailing output. Too many manufacturers think prosperity rests on a planned scarcity as a means of sustaining prices rather than on expanded demand caused by cutting prices. Can it be that certain monopolies are desirous of feathering their own bed so that they can rest comfortably in a depression that will be sure to come if this "boom and bust" economy is not curtailed?

The farmers of the Midwest should be particularly aroused over a repetition of their experience after World War I. They can easily detect the same legislative tendency that gave them the lean, poverty-stricken years during the 1920's and led them into the dark depression of the early 1930's. It was the crippling of the consuming purchasing power of that period that brought 12-cent corn and 30-cent wheat with its accompanying foreclosures and lack of prosperity. When the industrial workers cannot purchase the farmers' products in abundance agriculture will start into an economic tailspin. The propaganda machine of the special-interest group has succeeded in driving a wedge between the

farmer and the wage earner. The welfare of the farmer and labor is interdependent—prosperity for the one means prosperity for the other.

All our economic groups—labor, industry, agriculture, business (both large and small)—should stop, look, and listen. Unselfish cooperation of all segments of our economy is essential to defeat this inflationary tailspin in which we are now embroiled.

The American people will always rally as one in a critical emergency. We have arrived at that emergency now.

EXTENSION SERVICE

I have introduced a labor extension service bill in Congress. This bill will aid in extending useful and practical information among wage earners and increase the resources and facilities available to them. It will establish a Labor Extension Service in the Department of Labor, administered by the Secretary of Labor. It will also greatly aid the creative capacities of workers who together with the farmers, comprise the Nation's basic productive assets. It would set up a cooperative plan between the Department of Labor, colleges, and universities, so wage and salary earners could take advantage of these educational facilities. This would comprise classes and discussion groups so they could learn more about their everyday problems in industry and in their communities. Under this plan, workers would be able to secure teachers in labor history, labor economics, collective bargaining, labor journalism, labor-management relations, and other essential problems. This facility will be available to any and all groups of workers who may apply for these services. It would operate under a State Labor Extension Board consisting of at least 9 and not more than 15 members, working in cooperation with approved institutions. Standards would be set up by the Department of Labor for these services which would have to be met by the various educational institutions.

UNFINISHED LEGISLATION

This legislation is only one of numerous bills which the Congress should consider and enact for the progress and welfare of the great mass of our people. I could briefly mention some of the pieces of legislation which can be classified as unfinished business. This Eightieth Congress has neglected much-needed legislation to provide homes for millions of veterans and other groups throughout the country. Full employment, minimum wage, antiinflation, antilynching, FEPC, flood control and river development, and public health are other important and necessary legislative problems which this Congress should consider and enact before adjournment next year.

ANTI-POLL-TAX LEGISLATION

The anti-poll-tax legislation is highly necessary at this time because it will give the franchise to almost 10,000,000 citizens of our country of all races.

The enactment of this legislation is more necessary and essential today than at any time in our history. Our Government has assumed the leadership of the world. Our democracy must radiate practical examples of liberty and freedom for all the world to emulate. If we are to spread democracy abroad, the finest and most effective way to bring that about is to encourage the spread of democracy at home.

We could well pattern after Australia in practicing true democracy. In that great country there is a poll tax, but it is a poll tax in reverse. The citizen who pays the tax is the citizen who fails to discharge his patriotic duty of voting. If a poll tax existed at all in relation to the right to vote, it should be inflicted as a penalty for not voting and applied to every man and woman in America of voting age.

In this critical period of world history our Congress should now and forever unshackle, as far as we are able, unfair, unfortunate, and unpatriotic restrictions and give to all people of our country in the very fullest degree the right to vote.

The passage of this legislation will give to over 10,000,000 people the right and the privilege to vote without paying a poll tax. It will free from this handicap and limitation, approximately 7,000,000 white citizens and 3,000,000 citizens of the Negro race. Moreover, it will stimulate an interest in government. It will make for better citizenship. It will bring about more intense representation on the part of elected officials. By giving this great segment of our population the right to vote it will eventually bring about legislation that will improve housing conditions, health, education, employment, and other progress which will improve the American way of life.

Millions of persons today cannot vote on these important issues, and by reason of the poll tax they are not receiving the representation to which they are justly entitled.

We must remember that these 10,000,000 disfranchised citizens were not barred from donning the uniform of their country and offering their lives to preserve liberty and freedom, not only in this country but throughout the entire globe. It occurs to me that if the man has the right and privilege of defending his country in battle he merits the right to cast his ballot for the men and women who will represent him in his National Government.

Let us pass this anti-poll-tax legislation and give to a great segment of our own people the right to full, free, and complete citizenship, within the confines of their own country, and that will be the most effective message of democracy that we can send out to the other nations of the world. It will inform them that we not only stand for democracy abroad but we are practicing it at home.

PRESIDENT'S COMMITTEE ON CIVIL RIGHTS

One of the greatest accomplishments of President Truman's administration was the creation and successful functioning of the President's Committee on Civil Rights. This outstanding committee of representative Americans, after months of sincere and conscientious deliberation, recently submitted their report and recommendation to the President and the Congress of the United States. This committee elaborated on and made practical and factual recommendations for legislation that will improve and further the American way of life to millions of individuals and numerous groups in our population. This committee interpreted new meaning into the Bill of Rights of our Constitution.

Its work was confined principally to the following four basic rights, which is the Magna Carta all Americans love and revere.

1. The right to safety and security of the person

In referring to the first of these great rights, this Committee stated that freedom can exist only where the citizen is assured that his person is secure against bondage, lawless violence, and arbitrary arrest and punishment. Freedom from slavery in all its forms is clearly necessary if all men are to have equal opportunity to use their talents and to lead worth-while lives. Moreover, to be free, men must be subject to discipline by society only for commission of offenses clearly defined by law and only after trial by due process of law. Where the administration of justice is discriminatory, no man can be sure of security.

2. The right to citizenship and its privileges

In regard to the second, it is a purpose of government in a democracy to regulate the activity of each man in the interest of all men; it follows that every mature and responsible person must be able to enjoy full citizenship and have an equal voice in his government. Because the right to participate in the political process is customarily limited to citizens, there can be no denial of access to citizenship based upon race, color, creed, or national origin. Denial of citizenship for these reasons cheapens the personality of those who are confined to this inferior status and endangers the whole concept of a democratic society. To deny qualified citizens the right to vote while others exercise it is to do violence to the principle of freedom and equality.

3. The right to freedom of conscience and expression

In regard to the third, in a free society there is faith in the ability of the people to make sound, rational judgments. But such judgments are possible only where the people have access to all relevant facts and to all prevailing interpretations of the facts. How can such judgments be formed on a sound basis if arguments, viewpoints, or opinions are arbitrarily suppressed? How can the concept of the marketplace of thought in which truth ultimately prevails retain its validity if the thought of certain individuals is denied the right of circulation? The committee reaffirms our tradition that freedom of expression may be curbed by law only where the danger to the well-being of society is clear and present.

4. The right to equality of opportunity

In regard to the fourth, it is not enough that full and equal membership in society entitled the individual to an equal voice in the control of his government; it must also give him the right to enjoy the benefits of society and to contribute to its progress. The opportunity of each individual to obtain useful employment and to have access to services in the fields of education, housing, health, recreation, and transportation, whether available free or at a price, must be provided with complete disregard for race, color, creed, and national origin.

RECOMMENDATIONS

In order to carry out the recommendations of the President's Committee on Civil Rights, the Congress should, at the earliest opportunity, reorganize the Civil Rights Section of the Department of Justice and also establish regional offices and bring about expansion and greater use of civil sanctions.

The Committee also recommended the establishment, by various State governments, of law-enforcement agencies to work in cooperation with a permanently established Civil Rights Commission under the Executive Office of the President.

Millions of Americans today are demanding that definite and permanent steps be taken to initiate the practical workings of true democracy within our country. This democracy must apply to all Americans, including majority and minority groups, collectively and individually.

What greater example of representative government could be presented to the backward nations of the world than to have this great Republic radiate the torch of free democracy by practically applying it to every man, woman, and child within our borders?

The People's Mandate and the Convening of Congress

EXTENSION OF REMARKS

OF

HON. RICHARD M. NIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. NIXON. Mr. Speaker, under leave to extend my remarks in the RECORD, I

include the following editorial from the San Marino (Calif.) Tribune of October 30, 1947:

THE PEOPLE'S MANDATE AND THE CONVENING OF CONGRESS

The American people are about to witness, at the very beginning of the next session of the Eightieth Congress, assembling at the President's call on November 17, the opening act of a national drama, titled "The People's Mandate," of which the first session staged the prologue only. The number of acts, what feelings the audience, the American people—who decreed the writing of the drama last November 5—will evince during the performance, what will be their verdict and status at final curtain fall, all hinge upon how genuinely representative of the audience, with what conviction to reestablish and maintain American standards, the actors, Senators and Representatives, have learned and will act their parts.

The crisis, now and for long past menacing the Nation, is an all-inclusive crisis, of which the President's two-way crisis of soaring prices at home, and demands upon American resources from abroad, is but a part, an aspect, a verse in a whole chapter. This all-encircling crisis, impending, very real, has to do with American fiscal and economic stability, and implies our very survival.

Let the forthcoming Congress, then, meet this all-inclusive crisis head-on—while there is yet time—by making its chief aim and purpose the reestablishment and maintenance of national financial and economic soundness. Let the Congress proceed, instanter, so to do, with conviction, and without reservation, equivocation, backing and filling, playing politics, election campaign planning, or compromise with bureaucracy—bureaucracy, itself largely blameworthy for the present, over-all crisis, which it fosters and seeks to perpetuate. Compromise is intolerable when the safety, stability, the very endurance, of the United States of America is at stake. The issue is joined—the People versus Bureaucracy.

There can be no mere treatment of symptoms if a permanent cure of this Nation's complication of ailments is to be brought about. Treatment must reach and attack the cause, not the symptoms.

To this end let the Congress desist from feeding the people palliatives and resort to the one indicated, specific remedy, fiscal and economic restoration. Let the Congress set its foot upon Government extravagance, inordinate spendings, deficit financing, and waste of both money and resources; let it fearlessly relegate bureaucracy to—the street; root out communism, and every vestige of it, from public office; stabilize the currency; cut down presently confiscatory taxes; take government out of business and stop its trafficking in food and commodities, thus opening the way for incentive, initiative, capital, to find their way into industry and trade, under American free enterprise; and with savings and gains thus brought about, reduce the national debt.

Anything less than this will not suffice. Anything less will be but a travesty on the people's mandate. Anything less will make of all other acts and doings of Congress, and of the Congress itself, a sounding brass or a tinkling cymbal.

The action herein urged need in no way militate against nor interfere with helping Europe's starving people through the coming winter. Congress can act speedily to provide food for immediate needs, leaving any long-range program—within our resources and Europe's willingness to help itself—for consideration with congressionally ascertained facts as a foundation.

California's irrational, confusing system of entering candidates' names on the ballot so that voters of all faiths may be corralled, has been getting an overdue and highly deserved drubbing from some of the State's political leaders.

Chairman John Barcome, of Los Angeles County Republican central committee, recently warned fellow Republican chairmen that stability of the two-party system is being jeopardized by this overlapping, leading to a personalized government which in most respects is as evil as anything ever produced under a system of boss rule. Candidates make personal appeals for election, and no appeal whatever upon party principles. They are trying to be all things to all men.

Chairman Hanley, of the San Francisco Republican county committee, has been trying for several years past to get the obnoxious cross-filing law repealed. Lt. Gov. Goodwin Knight has declared against the practice and pledged himself to back any campaign to do away with it.

The wonder is that this cross-filing law, fittingly named because it works to such cross-purposes, has been so long permitted to endure. It rests upon the thesis that the electorate votes for people rather than principles and that, anyway, party principles are enough in accord so that they may be combined in the selection of any one candidate, which, obviously, they are not, else is there no sense in a two-party system at all. Cross-filing is merely a vote-catcher.

There is a vast difference between the crossing of party lines by Congressmen and legislators as to, say, any single issue, and the seeking of votes from all parties on all issues at election time.

It is the responsibility of parties to clearly set forth their tenets and purposes, and the business of voters to choose between them and vote for the candidates who stand, respectively, for them. Cross-filing is a straddlers' refuge.

The Man Who Got Rich

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following press release by Hon. Samuel B. Pettengill, former Representative from Indiana:

THE MAN WHO GOT RICH
(By Samuel B. Pettengill)

This is the story of a man who got rich giving his money away. Of course, you will want to know how he did it.

He was a kind-hearted, soft-headed, old chap who ran a little grocery store down by the Harry Hopkins High School in Nuttown. Sometimes he did pretty good, and then, again, not so good. So he got to thinking and thinking. Morning and night the boys and gals tramped by his store on their way to school. But they didn't buy anything much. So he asked them, how come? And they said, "We suffer from a dollar shortage."

Well, right then the big idea was born. Uncle Sam (for that was what we called him) went to the People's Bank of Nuttown and borrowed a hundred bucks, in one-dollar bills, all crisp and crinkly like. He gave a dollar to each of the first hundred school kids who went by. But he made them solemnly promise that they'd spend the dollars in his store. They all promised.

Well, sales boomed all day. Uncle Sam never had so much business and was pleased as all get-out. Come night, he showed his wife his cash box jammed full of those dollar bills and bragged about his brains no end. He was sure tickled with himself. He said he planned to do it that way every day. And so he did. Of course, he ran up some big bills with his wholesalers because the school kids kept getting his money, and not them. Howsomever, he settled up with them by signing a flock of I O U's.

Well, Uncle Sam passed his grocery-store plan on to President Truman, and Harry was pleased as punch with it. Harry had run a store once himself and hadn't done so well. But back there, he hadn't known how to do it—how to get rich by giving his dollars away.

So Harry called in his advisers, Marshall and Krug and Harriman, and told them how Uncle Sam had filled his store with customers. They all said, "Wonderful" and bounced right back with a plan. It got to be known as the Marshall plan, but betwixt you and me, it was the grocery-store plan, but on a world scale.. It was going to make all poor people rich by never letting them suffer from a "dollar shortage," and it was going to make us rich, perpetual-like, by having no end of customers with dollars to buy at our store.

Congress asked a lot of fool questions, so they had to start the Marshall "grocery store" plan on a small scale—with only $19,000,000,000. But we made our foreign friends promise to buy at our store. They promised.

So the ships left New York loaded with 19,000,000,000 dollar bills. And when they got to Southhampton and Cherbourg, they turned plumb around and brought the dollars right back, same as the school kids, with orders for iron ore and coal and petroleum and boxcars and lumber and meat and butter and everything. And boy, how the plan did work.

We felt so good that we expanded the plan ten times over for the Chinese and East Indians and Hottentots—1,000,000,000 folks, in all—who were so much worse off than the Europeans that they could help us get rich, just no end, buying at our store.

And that is how we went on the biggest binge in history. It was just like Thanksgiving the year round. Everybody got so much Turkey and I O U's that they almost choked.

Review and Outlook

EXTENSION OF REMARKS
OF
HON. ROBERT HALE
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. HALE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wall Street Journal of October 27, 1947:

REVIEW AND OUTLOOK
PLANNERS' LAST STAND

Since early summer it has been common knowledge that Europe faced a food deficit which would tax American food supplies. The fact was freely discussed in this and many other publications and in Washington news dispatches.

After 3 months of discussion, on September 25 President Truman appointed a Citizens' Food Committee, headed by Charles Luckman. It was supposed to frame a program for voluntary food conservation.

The committee members—at least, most of them—took their assignment seriously. They began to make individual studies and to mobilize their own experience to the task. These ideas were to be brought together and whipped into a program—so committee members supposed, anyway.

But before this could be done and less than 2 weeks after the committee was named, President Truman and Mr. Luckman went on the radio. This was on October 5. The President, asking voluntary action, nevertheless, devoted himself to abuse of the grain trade, and Mr. Luckman announced a food-saving program.

That program was not the work of Mr. Luckman's committee. It was handed to Mr. Luckman. Not only were the committee and Mr. Luckman bypassed, but the Secretary of Agriculture was bypassed. What was the source of the program and who are its authors this newspaper has been unable to ascertain. It was imposed on Mr. Luckman and the Secretary of Agriculture.

To sum up, 3 months are allowed to pass. Then a committee is named. Before it can act and over the head of the Government department best equipped to handle food matters, there is given the country a hastily drawn program of unknown authorship.

The character of the program is just what its genesis would lead one to expect.

It is a small thing, perhaps, but indicative; people are bidden not to eat poultry on Thursday. This is announced to the country with all solemnity. Then it is discovered that the three poultry consuming holidays—Thanksgiving, Christmas, and New Year—all fall on Thursday. Would any man or group that had been giving the matter real thought have made that error? At least they could have read the calendar.

The program is foolish on its face. If it were followed, which it will not be, it would not accomplish its purpose of saving grain. It would back up the slaughter of meat animals which consume grain. The Secretary of Agriculture knows that, although he dare not, of course, say as much.

Because the program is so foolish, the people regard it coldly; many mayors and some governors even refrain from giving it lip service by merely disregarding the message asking their cooperation. We hear voluntary action has failed.

So to carry on the summary; after 3 months of delay, there is a great fuss and flurry with shouts of emergency. There is handed down a hastily drawn and foolish program and almost immediately its failure is hailed. So we must have Government controls.

Well, there is the meat in the coconut. The voluntary program was meant to fail. Even before it had been announced its failure was predicted and Washington bureaus were at work drawing up compulsory measures.

Now, we come to another strange circumstance.

Ten days ago Washington thought it had found existing funds and authority to provide the help for Europe. Even those who had been urging a special session of Congress had come to the conclusion that one would not be necessary because the means of help were available without further congressional organization. But while some of Mr. Truman's intimate advisers were saying that and while his own legislative leaders were advising against a special session, the President determined to call one.

And what is this special session to do? Two things:

Give authority and funds to aid Europe, which authority and funds are at hand.

Vote Government controls over the economy.

The latter is the real purpose.

To summarize as we go; voluntary measures are sabotaged, compulsion is called for. Compulsion requires congressional authorization and so Congress is called into session. There is little other reason for calling it.

Ensuing acts of the drama are readily predictable.

Europe is starving. The Communists are ready to overrun the continent. They will then come right over here; you will be asked to imagine their hot breath on the nape of your neck. For the sake of humanity, for the love of country, who are you to cavil when the bureaucrats reassemble in Washington and begin to tell you what to do and how to act? Of course government controls flopped before, but it will be different this time; just a little control.

Look under the bed and behind the bushes. There is much too much evidence that it is being "planned that way."

Now let's look at this proposed program of compulsions and see if some place we have not met it before.

There's power to set margins on commodity exchanges; that's one phase. It has been tried and it did not reduce grain prices; neither will it. But in case you have forgotten, there is a program put forward at a recent international conference to place all grain trading in the hands of Government and to make all grain raisers surrender their product to Government.

Another proposal is to allocate domestic use of key commodities. This also is aimed at big grain users. Also it fits the plans of the international food boondogglers, who have ably assisted the forces of starvation wherever they have appeared. It's part of the plan for Government to monopolize grain.

So there are a couple we have met before.

Another proposal is to subsidize dairy products and livestock which might encourage farmers to market cattle and hogs before they reach top weight. Very ingenious. However, the livestock industry is the largest in the United States and this is a proposal to gut it by draining it of supplies.

Let's go on. There would be authority to revive some wartime powers over transportation and these might include regulations to speed up delivery of steel to freight-car makers. There's control of the steel industry. And not e en the Socialist government of Great Britain has yet found out how to nationalize the steel industry without nationalizing everything, because so many things depend on steel.

And then perhaps there will be some price-fixing authority. No return to over-all price fixing and rationing; perish the thought. Just a few commodities and the President will use powers over them very sparingly and reluctantly. In measured terms any such representation is a lie. You cannot shorten supplies by rationing and allocations and avoid price fixing and you cannot have price fixing of some things unless you have over-all price fixing.

Well, let's get on with the program. No tax reduction. How nicely the idea of helping Europe fits in with the things that the administration wants to do. Must have taxes to fight inflation and all that. The fact is that taxes contribute to high prices and demands for higher wages.

Also there would possibly be a revival of the excess-profits tax. For the parentage of that one look to the CIO and the Communist platform.

And maybe controls of consumer credit should be retained. Marriner Eccles, the head of the Federal Reserve System, has been fighting tooth and nail to hold that authority. Now, will Europe go to pot if it is removed from his hands?

What we see proceeding in the name of assistance of Europe is the last stand of the bureaucrats. The managed economy advocates who think that they know what is best for people better than the people know, the pinkish contingent which has romped Washington for a dozen years, the stuffed shirts who fear—and rightfully—that another year will oust them from prominence, the drooling incompetents who have infested Government bureaus see big government as their salvation. They have no intention of giving up without a struggle. They exploit human misery. They exploit a situation which might involve their country in a war.

These same people misled Mr. Truman into advocating wage advances. They induced him to write his veto of the Taft-Hartley Act. They induced him to his tragic course in relation to price control. They have maneuvered him into another emergency of their own making.

When Congress meets let it first determine what the United States can spare for Europe. There are people in Washington who can tell them.

Then let Congress put the job of mobilizing food shipments where it belongs, in the hands of the Secretary of Agriculture.

And finally let Congress declare once and for all the idiocy—the criminal idiocy—of trying to fight communism by regimenting the only really free people on the globe.

Preposterous

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD I note that the President's Advisory Committee on the Merchant Marine has recommended a 4-year program for the construction of 46 passenger-carrying vessels, and, in addition, the committee said national security recommendations required that this program be supplemented by the building of a number of high-speed dry cargo and tanker vessels.

On the same day that the report of the President's committee was released, I was not surprised to read an article in the Washington Times-Herald by Jack Doherty stating that the Government had sold 96 oil tankers to foreign purchasers despite an impending east-coast fuel-oil shortage caused by lack of tanker transportation.

Mr. Speaker, I stated above that I was not surprised at this announcement, as this is in keeping with the inconsistency of our Government in most of the programs since the war, in sending the substance and resources of this country to foreign nations.

Mr. Speaker, you will recall that I have consistently called to the attention of the Congress the fact that we should always and at all times think of our own country and provide for our people first, and thereafter, if there were surpluses over and above the requirements for our own people, that then it would be most proper for us to assist foreign nations to the fullest extent. Self-preservation is the first law of nature.

Mr. Speaker, I represent one of the largest oil-producing States in the United States, and my district is one of the largest oil-producing and refining districts in Louisiana, and I was informed by some of the officials of the large oil refineries in my district and in Louisiana that they do not have sufficient tankers to send their products to all parts of the United States and that they made every effort to purchase the tankers owned and operated by the Government during the war, but their offers were not accepted.

Mr. Speaker, from the article referred to it is noted that there is some question as to the legality in the sale of these 96 surplus tankers which are so critically needed to transport oil to our own people in the North and East, and I hope that the Attorney General will find that those responsible for the alleged transfer of these tankers were without authority to consumate the transaction as these tankers are so badly needed by our own country now, and to replace the same would require years. If we lose these tankers to foreign nations, our own citizens will suffer. Mr. Speaker, I am including in these remarks the article to which I refer above which is as follows:

UNITED STATES TO COMPLETE SALE OF TANKERS VITAL TO AMERICA

(By Jack Doherty)

Defense Secretary Forrestal and Navy Secretary Sullivan yesterday said the Government is morally obligated to complete the sale of 96 oil tankers to foreign purchasers, despite an impending east coast fuel-oil shortage caused by lack of tanker transportation.

Testifying before a Senate Small Business Subcommittee, Sullivan said the tankers were sold to foreign nations in the hope that this might ease transportation problems for oil in the Middle East and prevent depletion of American supplies.

PRICE TOO HIGH

Forrestal declared that no consideration, long- or short-term, is more important to this country than oil in the Middle East. At the time of the sale, he pointed out, no United States firms offered to buy the tankers because they felt the price was too high.

Senator WHERRY, of Nebraska, subcommittee chairman, charged that there is obviously a conflict of purpose and judgment somewhere in the picture, adding it was urgent that all available tankers be kept under United States flag operation in coastwise shipping to ease the imminent east coast fuel shortage.

LEGAL QUESTION

WHERRY asked Forrestal whether the Government was legally committeed to sell the tankers. "Gentlemen's agreement are usually kept." Forrestal replied, "even in Wall Street."

Both Forrestal and Sullivan said they were awaiting a decision by the Attorney General on the legality of the tanker sale. WHERRY has charged that the sale is in violation of the Merchant Ship Sales Act and endangers national security.

Peacetime Conscription—Let the People Decide

EXTENSION OF REMARKS

OF

HON. HOWARD H. BUFFETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday November 17, 1947

Mr. BUFFETT. Mr. Speaker, under leave to extend my remarks, I am including herewith a radio address delivered over radio station WOW, Omaha, Nebr., November 8, 1947:

Fellow Nebraskans, as you know, Congress has been unexpectedly called back to Washington for a special session. Before leaving, I want to report to you on a question which will probably be before Congress in the near future.

Almost 2 years ago I was at this same microphone, reporting to you about the British Loan scheme. On that broadcast, in January 1946, I expressed this fear: "A loan to finance an English venture into socialism will do them no good in the long run—and it will pour gasoline on the fires of inflation in America."

You know what has happened. The loan was rammed through Congress, despite the majority opposition of the American people. The British have moved far into socialism—their humble people are hungry—high prices have resulted in America—and the solemn pledges of the loan agreement itself are in the wastebasket.

Now the same administration is scheming to shackle us with Europe's deadly militarism

That is the subject of this broadcast—peacetime conscription. As your Congressman, I have always tried to keep you informed of my views on the vital issues before America.

Currently a highly organized and well-financed campaign to steamroller conscription through Congress is going on, using the New Deal emergency methods. Certainly on an issue of this magnitude you should know my views.

As some of you have undoubtedly discovered, the administration is pushing this drive from many quarters. Already powerful political and financial groups have pressurized every Congressman in America to make him promise to vote for peacetime conscription.

Tonight I have only time enough to take up three angles of this conscription demand, which the proponents try to soften up by calling it universal military training. In Germany it was called Hitler youth camps.

My first proposition is that conscription does not provide national defense. The second is that conscription is not actually wanted for national defense—that actually its real purpose is to carry out the global plans of internationalist groups, who want American boys to police the world like Caesar's Roman legions.

My third and most important point is this: Conscription should be passed on by the people through a constitutional amendment.

First, let me dispose quickly of a couple of the many erroneous arguments for universal military training. The claim is frequently made that a gigantic military program that includes conscription will make us immune from attack.

You and I know that claim has been used by the war-making groups in every big country in Europe. Like the idea of a perpetual motion machine, it has never worked out that way.

And let me make this fact clear at the outset. As your Congressman, HOWARD BUFFETT is for a strong national defense. But I want the genuine article, not a counterfeit, and conscription in peacetime does not fill the bill.

You have heard some people say that the Pearl Harbor disaster would not have happened if we had been prepared.

The simple truth is that we were adequately prepared there. We had defensive power that could have blown the Japs clear out of the water, but the Washington command that was seeking war needed a disaster that could only occur if our forces were caught unawares. Were they caught unawares at Pearl Harbor because Washington planned it that way, or was it criminal stupidity?

Could any system of peacetime conscription prevent top officials from repeating that performance, whether it was betrayal or bungling? I don't believe so.

Now, let's analyze conscription from the standpoint of national defense. Is universal military training in peacetime necessary or desirable for an adequate national defense? On that claim rests the whole case of its advocates.

If it is necessary for our national defense, then we should adopt it. Or if it even seemed advantageous in order to contribute to a strong national defense, then I would be inclined to favor it.

But on this question there is no need to guess or experiment. To appraise the value of conscription for national defense we can find the complete record in the history books.

Compulsory military training is not a new idea. It's as old as the battlefields of Europe.

Modern conscription started in France under Napoleon. For a few short years Napoleon overran Europe. Then he was decisively beaten at Waterloo, and France has never itself won another major war.

The Prussians in Germany were the next to take on compulsory military training. Germany has since been involved in two world wars, both of which they lost disastrously.

Russia under the czars, modern Italy and Japan were the other major powers who resorted to peacetime conscription. All of them have gone down to defeat and misery.

That, friends, is the unbroken record of compulsory military training for major nations—defeat in war and reduction to a second-rate power.

With this deadly record of disaster, most certainly there are other reasons why this administration is trying to fasten conscription on the American people.

From my post in Washington, I am convinced that one of the reasons behind the cry for universal military training is not defense of America, but continued foreign intervention.

Already it is leaking out how plans are being made to send American boys to police Palestine as the British troops move out. How many Americans in military uniform have already been sent to Greece and Turkey?

How many are now on their way there in ships that pass in the night other ships carrying home the lifeless bodies of American boys, boys who were sent out to die by political leaders piously orating about the Atlantic Charter? Only the militarists in Washington can tell you and they are silent.

How many American boys are already guarding either oil fields or Army airfields strangely located in Saudi Arabia? Again only the Army can tell you and they are silent. You must consider the implications of these questions now. Listen!

Will your boy, happy and full of life on his eighteenth birthday, be policing the streets of Jerusalem a year or two from now, subject to a hidden bomb or a sniper's bullet? Or will he be lying wounded along some corporation's oil pipe line in Saudi Arabia, crying for help while his life's blood slowly soaks into the hot desert sands, thousands of miles away from his native land?

Every mother and father in America should be facing this prospect now, before the internationalists shackle us with conscription. Then they would have the life and death power over your son. If this bill is passed, your chance to protect your boy's life is gone. He is then a pawn and tool of an administration trying to interfere and meddle all over the world.

Here is a sample of their thinking: Not many weeks ago I listened to an administration leader in Congress boosting for the school free-lunch program. His principal argument was the advantage of feeding our youngsters well so that they would make good fighters in future wars.

In other words, today in power in Washington there are those who consider your children like cattle in a feed lot.

Another hidden purpose of the conscription drive is the desire of the administration and its military leaders to indoctrinate

and regiment the thinking of our youth. They want the youth for the same reason that Hitler demanded the youth—to indoctrinate them with militarism and goose-stepping regulation, at a decisive point in their formative years.

Now we come to the most important argument against this high-pressure conscription drive. My appeal here is directed to the many honest and sincere proponents of universal military training. I respect their convictions on this matter. Because they are unquestionably patriotic and sincere, I am hopeful that they will consider this point. Compulsory military training would eliminate a vital part of the freedom guaranteed in the Declaration of Independence. That sacred document guarantees to each American certain inalienable rights, including life, liberty, and the pursuit of happiness. Peacetime conscription would destroy two of these: the right of liberty and the right of the pursuit of happiness for our youth at the most critical time in their lives.

Such a complete change from the freedom guaranteed by the Constitution is a vital decision that only the people should make.

The prohibitionists had the integrity to take the route of a constitutional amendment. When they proposed that abridgement of liberty, the people decided the issue. Are those promoting compulsory peacetime training willing to let the people decide? Their actions indicate that their answer is "No."

But if they will not submit this proposal to the people by the orderly method of constitutional amendment, you and I can only conclude that they do not believe in government by the people, and that they have already succumbed to the Hitler and Mussolini concept that the people cannot be trusted. Under the American form of government this is a basic issue of freedom that only the people themselves should decide.

The reactionary promoters of conscription who are afraid of the people will immediately cry that there isn't time to take this issue to the people. You and I know that alibi is false.

Today we have about 8,000,000 well-trained men who would be available immediately in a true emergency. These trained Americans make certain that we have sufficient time to consider this fundamental change by the legitimate method of constitutional amendment. Isn't that more American than to force conscription through a Congress largely terrorized by military pressure groups?

In closing, let us pessimistically assume, like the militarists do, that we are in danger of sudden attack from Russia.

Well, you folks know my record of opposition to the gigantic handouts to Russia—opposition when the big boys now hollering for conscription were giving everything to Russia and licking Joe Stalin's bootstraps in the bargain.

Then these administration leaders were hailing Russia as a great democracy. Were they fools or liars? You decide—I can't. But now let us accept their claim that world peace is not assured for any extended period.

That means that the United States must be able to defend itself. On that we are all agreed. But compulsory military training, on its record, is a failure at defense.

We must continue to have a sure-fire method of winning. That means the best and most advanced scientific research, an unparalleled air force, a strong Navy, a global intelligence service, a strong mechanized striking force, and a strong National Guard and ROTC, vigorous and dynamic enough to attract our youth on a volunteer basis.

We have the atomic bomb. We have a navy larger than all the rest of the world put together, and no sustained military attack can be brought to American soil without naval supply. We have, roughly, 100 aircraft carriers; the Russians are reported to have none.

Considering this colossal American military power right today, I wonder what is up. Is the administration afraid of the shadow of its own power, or is its leaders secretly planning to precipitate war to continue themselves in public office?

Must there be a war under every Democratic President?

America must remain strong, productive, and free. In any event, I want you and all the American people to have the decisive voice on this basic issue. That is the American way.

I trust the people.

I challenge the promoters of peacetime conscription to trust the American people.

Let the people decide.

Commentator George Reedy Poses Real Question on European Recovery Program

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday November 17, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit an analytical commentary which I heard this morning at 8 a. m. on the European recovery program, or, as it is known to the people, the Marshall plan.

The discussion, by George Reedy, veteran Washington correspondent and commentator of WOL, the Mutual Broadcasting System station in Washington, was, no doubt, heard also by a great number of Members of the Congress, and should have been heard by all of them.

Therefore, I have secured a copy of that part of his broadcast and present it herewith. It should prove interesting reading for the Congress and the country.

The American Congress is meeting today for one of the shortest but most critical sessions in our history. Within the space of a few brief weeks, it is being asked to find strong locks and bars to the doors that safeguard western Europe from the wolves of communism.

The basic issue is simple. It is the threat to the few remaining nations of the Old World that have decided to stick with democracy. We are told they cannot survive without help. That help can come on a large scale only from the United States.

Americans have always been a generous people. But in this case we are asked for the aid in the name of our own self-interest. It is not just a question of feeding and clothing Europe. It is a question of preserving friends for help in a show-down with communism.

At the moment, the aid under consideration, is only temporary. It is intended to take France, Italy, and Austria through the coming winter. But it has been made clear that this is only the beginning. We are asked to meet an immediate situation.

If, however, the President's advisers are correct, the future of our country and possibly the world rests on the decision. They believe that those three nations will go to pieces without American help. The people who will pick up the pieces are the Communists.

That would represent the beginning of the end. It would be impossible for other democratic nations of Europe to hold out against the Soviet Union. One by one they would fall. Even England, for all its stout independence would be hard-pressed.

There is no doubt that the American people have set their faces sternly against communism. In this country it has succeeded in gaining no more than a toehold. Even that is fast disappearing. We are a nation that believes in the rights of the individual over all.

Therefore a Communist Europe would bring us in direct conflict with a world dominated largely by our enemies. Our only allies would be too weak to be of service. Their geographical position wouldn't even make them buffers against any direct onslaught.

The temporary aid to France, Italy, and Austria will not, of course, stop this process. It is intended only to prolong it and give us time to consider more realistic and thoroughgoing measures. The Marshall plan will be the basis for hammering out the long-range program.

The measures which we hope will preserve a world in which we can live comfortably will not come up until the regular session of Congress. That is when the soul-searching decisions must be made. We must determine just how far we can safely sacrifice to attain our ends.

It isn't easy to determine the amount of aid we can give. There are dangers in sending too much and there are dangers in sending too little. The one would bankrupt us and the other would be a waste of time, money, and goods.

Any program that falls short of giving the western democracies a chance for independence is worse than no program at all. It merely places our wealth in a strategic location where it can be grabbed by the Communists.

On the other hand it will do no one any good to send too much and bankrupt ourselves. We cannot lead the world unless we have a functioning economy at home. The job we have set for ourselves comes to no less than leading the world out of its misery.

There are signs that we can defeat communism decisively if we play our cards right. The spreading wave of riots in Italy and France could well be a sign that the Communists know the people are turning against them. In desperation they may be resorting to violence.

If this is true, we must play our hand with especial care. This is a critical moment in our history. If we are found wanting, we stand to lose all that has made our Nation great.

Inconceivable

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. LARCADE. Mr. Speaker, I thank you for the privilege to extend my remarks in the RECORD, and since we are assembled in extra session to consider making additional appropriations to foreign countries, I feel it is my duty to my constituents to call to the attention of the Congress the fact that the State Department and the Army has refused to

use surplus farm and surplus farm products in the relief programs thereby affecting the farmers of America and naturally resulting in affecting the entire economy of our country.

Mr. Speaker, I made every effort to induce our governmental agencies charged with the administration of the relief programs to give consideration to our own farmers and the economy of our own country by utilizing the surplus farm and farm-canned agricultural products, and with your permission I wish to include below copies of a letter dated August 1, 1947, addressed to the Honorable the Secretary of State, and also a copy of a statement issued by me on September 6, 1947, as follows, to wit:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 1, 1947.

Gen. GEORGE C. MARSHALL,
Secretary of State,
Department of State,
Washington, D. C.

DEAR GENERAL MARSHALL: I am taking the liberty to write you and call to your attention an amendment by Senator TYDINGS which was added to section 302, part III of H. R. 4269, making an appropriation for relief purposes, etc., and with the administration of which legislation your agency is concerned.

The amendment added to this legislation was as a result of the demand of taxpayers of the country generally, who put up the money for the appropriations, and who have surplus farm and food products which should be used in these programs. At the instance of Congressman EDWARD T. MILLER, of Maryland, and the writer, the Subcommittee on Food of the Committee on Agriculture of the House of Representatives, presided over by Congressman AUGUST H. ANDRESEN, of Minnesota, held hearings on this problem. The hearings are now being printed and I would suggest that you obtain a copy of the same, and if so, I believe that you will realize the seriousness of the situation as it affects our farmers and taxpayers and that their demands are proper and should be complied with.

There is no longer administration by Executive order and it is my opinion that Congress will insist upon their wishes being complied with and the letter and spirit of the legislation adopted by the Congress administered in compliance with the same. The economy of this country and consideration for its citizens, the taxpayers, and their industries should be paramount in the administration of the program herein discussed rather than the fancies or idiosyncrasies of the beneficiaries of the largesse of our taxpayers.

I represent the largest sweetpotato-producing area of the United States—Louisiana—and my section is critically affected by a tremendous surplus of sweetpotatoes, and the entire industry is in distress as there is a surplus of over 2,500,000 cases of canned sweetpotatoes, and while I am in favor of utilizing other surplus foods my obligation is first to my own constituents. The resistance from those charged with the purchase and distribution of food insofar as sweetpotatoes are concerned was that sweetpotatoes did not contain sufficient calories and vitamins, etc., and that foreigners did not know how to use or prepare sweetpotatoes, etc. For your information I am enclosing a statement showing the caloric and vitamin content of sweetpotatoes, and all that is needed to use same for food is to open the can with a can opener, hatchet, or ax. Also, sweetpotatoes do not require anything added to them in order to eat them, whereas wheat or other grains require costly additions.

Another bureaucratic argument has been that foreigners did not know how to eat sweetpotatoes. In answer to this, when the UNRRA was to use sweetpotatoes which were dehydrated, we had them prepare labels printed in eight foreign languages to place on the cans giving instructions. The same can be done with canned sweetpotatoes.

I am respectfully calling to your attention these facts in regard to the administration of the funds of the United States taxpayers appropriated for the relief programs, and I further respectfully request that the same be given consideration with a view to utilizing sweetpotatoes in these programs and to feed our armed forces in the occupied countries, and if not, my State and the entire sweetpotato-producing area of the United States will face disaster as the new crop is now coming on, and if the surplus is not utilized for relief purposes, there will be no market for the new crop.

It is my opinion that this situation is comparable in other sections of the United States where there are surplus food and farm products, and it is my opinion and the opinion of the Congress that the funds appropriated should be used also to give relief to our own people, the taxpayers.

Very respectfully,

HENRY D. LARCADE, JR.
Member of Congress.

WASHINGTON, D. C., *September 6, 1947.*

STATEMENT BY HENRY D. LARCADE, JR., REPRESENTATIVE FROM LOUISIANA, ON THE FOOD SITUATION

It is my opinion that the Government administration of the relief and other programs is largely responsible for the unprecedented high prices for food in this country. These programs for relief of Europe, Asia, and the areas occupied by our country are being administered by the State Department and the Army, and as a result of that administration, which I think is a short-sighted and intransigent policy, and by their refusal to heed the mandate of the Congress by not purchasing supplemental surplus farm products because they claim that some of these surplus foods do not contain an equal amount of calories as do grains and fats and oils, they are responsible for the increased prices of food to the American consumer.

There used to be certain fundamentals which prevailed, such as prices were based upon supply and demand, and that there was a cause for every effect.

I still believe that these fundamentals prevail in regard to the present food situation, and the disregard for the same bring about the present situation due to the arbitrary and unreasonable policy of those in charge of the purchasing of the foods used in the present relief and other programs by the purchase of only the basic and high-calorie-content grain, fats and oils, and other items, and which results in the skyrocketing of the prices that the American consumer has to pay in competition to the Government. In other words, the more of these foods that the Government buys, the higher up goes the price and the more money the product costs the American taxpayer. Last year the Congress appropriated approximately $9,000,000,000 in these programs, and as a result of the policy of the administrators the cost of a comparable amount of food purchased was doubled in price, thereby doubling the cost of these items to the American consumer.

During the last year the United States exported to all foreign markets nearly 1,800,000,000 pounds of meat and edible fats, 306,341,000 bushels of wheat, fruits and vegetables valued at $296,877,000, and dairy products and eggs valued at $450,206,000.

Another factor in addition to the cost of the basic and selective foods taken away from the American consumer is that it increases the price of other foods. As an example, with a decrease in the production of 1,000,000,000 bushels in the corn crop, with the use of grains in the Government programs, the cost of corn is increased as a consequence, and following the price of meat goes up sky high, as corn is used to feed cattle and hogs which produce meat, etc.

Practically every State in the Union has surplus farm products which would be used in these programs and the utilization of these surplus farm products would help the economy of the entire United States, and instead of ruining the American farmer who produces the food, and who puts up the money that Congress appropriates by paying the cost of the same by paying taxes, the utilization of farm products would protect our own domestic economy and provide some stabilization for farm products.

Those in charge of the programs have disregarded completely the mandate of the Congress in their instructions to the governmental agencies charged with the purchase of these foods for relief purposes, for as a result of hearings held on the subject before the House subcommittee on foods of the Committee of Agriculture headed by Representative A. H. ANDRESEN, of Minnesota, an amendment was included to the food relief bill directing the Government to purchase as far as possible and practicable, farm surplus commodities in the spending of the money appropriated by the bill. The carryover of surplus canned foods of all kinds throughout the United States from last year may well upset the economy of the country unless some of these canned foods are purchased in the relief programs, and the fact that there is so much of these surplus canned foods is due to the Department of Agriculture and other governmental agencies calling upon the farmers of the country to increase and expand production as these foods were critically needed by the Government. The farmers responded and now they cannot sell the foods asked to be produced by the Government. In the meantime, another crop is being harvested, and the processors and distributors will not buy these new crops as their warehouses are full of canned foods from last year.

I have been in Washington for a week with a constituent from my district, Mr. J. F. Dexauche, the largest sweetpotato handler in the United States, who contacted all of the governmental officials and agencies who make purchases for these programs, and Mr. Dexauche offered sweetpotatoes in cans which contain high calorie and vitamin value at a rate and price delivered in Hamburg, Germany, lower and below the cost of delivering the same potatoes in Chicago, Ill., but they were not interested, notwithstanding that the Department of Agriculture recommends that sweetpotatoes be utilized in these programs to the fullest extent.

The Department of Agriculture recognizes the seriousness of the situation as the same affects the American farmer, as for instance, in the sweetpotato industry under discussion, the new crop is now being harvested and growers complain of a very limited demand; therefore the Department of Agriculture under the Steagall amendment will be forced to purchase these fresh new crops of sweetpotatoes at the support price and as the fresh sweetpotatoes do not keep, the American taxpayer will make another contribution and take a loss, as no doubt, the potatoes will have to be dumped as was the case with Irish potatoes some time ago.

In other words, the potatoes will not be purchased by the buyers until they dispose of their present stocks of surplus canned sweetpotatoes.

This is only one illustration of the seriousness of the situation, and other farm products and industries are likewise affected.

I am sure that the Members of Congress are greatly disturbed about the present high costs of food and with the administration of the relief-food programs, and with the announcement that a special session of Congress will be convened to consider the matter, I feel that they will do something about this situation.

It is my opinion that the Congress may reorganize the whole existing set-up for relief purposes by taking the administration away from the present administrators, or discontinue the program entirely unless the economy of the United States is taken into consideration, and unless this is done, it is my further opinion that the Congress will refuse to appropriate any further funds for these purposes as the taxpayer who puts up the money through taxes must be given consideration, for apparently, as I have stated, no consideration has been given either to the utilization of farm surplus farm products, canned and uncanned; nor has any attention been paid to the imposition of increased prices for the American consumer which has been brought about by the use of the scarce and critical basic foods which are essential to the American consumer; and further, in the administration of the program, no attention has been paid to the mandate of the Congress under the Tydings amendment providing for the utilization of surplus farm products.

Normally, bread used to cost the domestic consumer from 5 to 6 cents a loaf; now the American housewife has to pay 15 and 16 cents for a loaf of bread, and other foods are proportionate in cost, all due to the Government insisting on utilizing only the best and basic foods for relief and other purposes.

Mr. Speaker, I also ask permission to include in these remarks a copy of a newspaper article quoting the Honorable STYLES BRIDGES, the Republican Senator from New Hampshire, which was published in the Washington Times-Herald, of date November 15, 1947, which is as follows:

MAKE SURE RELIEF SUPPLIES REACH NEEDY, BRIDGES URGES—SENATOR ON EUROPEAN TOUR SAW "MILES OF AMERICAN GOODS SPOILING ON DUMP"

CONCORD, N. H., November 14.—Senator BRIDGES, Republican, of New Hampshire, said today the United States should halt aid to Europe until certain the material is reaching the proper recipients and should investigate what he called wholesale European misuse and destruction of American relief goods.

BRIDGES, chairman of the Senate Appropriations Committee that just returned from an inspection of the European area, recommended a "sort of reconstruction finance corporation" to make certain relief goods reach the common people for whom they are intended.

SAW UNITED STATES GOODS ON DUMP

He said he saw "miles" of American goods spoiling on a dump where they had lain a year or more, and charged that Communist guerillas in Greece were wearing clothes and using weapons sent under lend-lease to the Greek Army.

German war plants in the American zone, he said, were being dismantled and shipped to Russia and her satellites, "the greatest potential threats at this time."

BRIDGES said it was inconceivable that Congress should be asked to appropriate $500,000,000 for the occupied areas in Europe "while at the same time we are allowing the destruction of the only chance to get Europe on a self-supporting basis."

CALLS POLICY ASININE

The United States, he said, is doing in Europe "some of the most asinine things I ever heard of any country doing."

He said money and food would not solve the immediate problem in Greece because of the current loose methods of distribution. He urged the United States send Army officers to work with the Greek Army against the guerillas or withdraw all aid from the country.

Before approving funds for European aid, BRIDGES said, his commission would investigate several asinine and stupid situations.

The senior New Hampshire Senator said the United States should insist that European countries put their houses in order and install new methods of taxation to replace their present weird and loose system.

URGES CURRENCY REFORM

European currencies should be stabilized, BRIDGES said, and the United States should first appraise the home situation and determine what can be spared and then decide where it can be used most effectively.

Throughout Europe, he said, was "the shadow of the threat of communism."

Fifty-Year Pastorate of Rev. T. J. C. Stellhorn

EXTENSION OF REMARKS

OF

HON. ALVIN F. WEICHEL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. WEICHEL. Mr. Speaker, not too many have a golden anniversary in the service of God, but few provide the spiritual need of the church in the same community for half a century.

Mr. Speaker, I want to pay tribute to Rev. T. J. C. Stellhorn who is celebrating his golden anniversary of spiritual service to his people in the same parish, and I want to include a newspaper item covering his 50-year pastorate at Zion Lutheran Church, Sandusky, Ohio:

DR. STELLHORN'S ANNIVERSARY TO REVIEW RESULTS OF HIS 50-YEAR PASTORATE HERE

(The fiftieth anniversary celebration of Dr. T. J. C. Stellhorn's pastorate at Zion Lutheran Church will feature a review of some of the tangible fruits of his 50 years of faithful and untiring service. The festival service at 11 o'clock Sunday morning at the junior high school and the testimonial banquet following at 1:30 will dramatically present these visible evidences of his ministerial activity.)

During Dr. Stellhorn's 50-year pastorate at Zion Church, he has founded and established three Lutheran congregations, and given considerable assistance in the establishment of another Lutheran congregation in the Sandusky area. When Dr. Stellhorn first arrived in Sandusky in 1897, the parish of Zion Church extended from east of Huron to what was then known as Mustcash, which is now known as White's Landing. In addition to his duties in Zion Church, he was in charge of a small congregation which had been established many years before at Mustcash. In 1901 Dr. Stellhorn gathered the Lutheran people in the village and country surrounding Castalia into a congregation and founded Grace Lutheran Church of Castalia. The work at Mustcash was later on combined with Grace Lutheran Church in Castalia.

Then, Dr. Stellhorn turned his attention to the need for a Lutheran Church in Huron. In 1902 the Zion Lutheran Church of Huron was founded and served by Dr. Stellhorn until 1907. At this time this parish was combined with the St. John Lutheran Church at Union Corners and called its own pastor. As soon as these two parishes had been established, the need for a Lutheran Church was recognized in the Venice area. Sunday schools were conducted at Venice in the town hall, and at a small red brick schoolhouse at Brick Mill, a mile and one-half south of Venice, and also in the town hall at Bay Bridge. These three Sunday schools were eventually combined into one when Zion Lutheran Church erected what was first known as the chapel at Venice in 1914, which has been since 1926 the self-supporting Trinity Lutheran Church of Venice. In the years 1905–06, Dr. Stellhorn gave considerable time and effort in helping the St. Paul Lutheran Church of Sandusky to become solidly established as a congregation.

Besides this work in the Sandusky area, Dr. Stellhorn saw the opportunity to establish a Sunday school at Vickery. This has since been incorporated into the St. Paul Lutheran Church parish of Clyde. These three flourishing Lutheran congregations, Grace of Castalia, Zion of Huron, and Trinity of Venice, and in addition St. Paul of Sandusky, give dramatic evidence of the unflagging missionary zeal of Dr. Stellhorn. These congregations and their pastors, the Reverend C. J. Renner, of Castalia, the Reverend Wm. R. Lucht, of Huron; the Reverend Norman H. Schellhase, of Venice; and the Reverend J. A. Griffith, of Sandusky, are all uniting with Zion Church in the festival service at 11 o'clock at the junior high school.

EXERTS CHRISTIAN INFLUENCE

Another evidence of the great Christian influence which Dr. Stellhorn has exerted upon countless numbers will be dramatized in the presence at the fiftieth anniversary celebration of the men who were led to dedicate their lives to the service of God during these 50 years of Dr. Stellhorn's pastorate. At present these men are scattered far and wide in the church, from Baltimore, Md., to Appleton, Wis. They will march in an impressive processional of clergy along with the pastors of the local Lutheran congregations at the festival service at the junior high school. At the testimonial banquet at 1:30 these men will be presented and will be given the opportunity to briefly testify of the influence of Dr. Stellhorn in their lives. The following are the names of those who have dedicated their lives to the Lord's service during the 50 years of Dr. Stellhorn's pastorate at Zion Church:

The Reverend George Hein, Baltimore, Md.; the Reverend Walter Wietzke (deceased); the Reverend William F. Schmidt, D. D., Youngstown; the Reverend Frank Reuter, Appleton, Wis.; the Reverend Leonard Ludwig, D. D., Niagara Falls, N. Y.; the Reverend Arthur Knupke, Payne, Ohio; the Reverend Theodore Stellhorn, Jr., Sandusky; the Reverend August Gysan, Alexandria, Va.; the Reverend Ralph Piper, Columbus; the Reverend Maurice D. White, Lima; the Reverend William Kiether, Oregon, Ill.; Prof. Magnus Payson (deceased); seminarian, Earl T. Knaus, Jr., Philadelphia, Pa.; and vicar, Richard Gast, Detroit, Mich.

During these same 50 years, a considerable number of young women who were reared in Zion Church have left their home congregation to help their husbands in the service of the Lord. They are Mrs. Martha Vandersee Harman, Cleveland; Mrs. Lena Lehman Knauer (deceased); Mrs. Luella Ley Hein, Baltimore, Md.; Mrs. Ida Baum Allwardt, Fort Wayne, Ind.; Mrs. Christine Baum Woelke, Pidgeon, Mich.; Mrs. Helena Gundlach Ludwig, Niagara Falls, N. Y.; Mrs. Cora Knupke Doermann, Tirupati, India; Mrs. Doris Gundlach Giese, Cessna Park, Ill.; and Mrs. Mary Shellhorn Hacker, Shippenville, Pa.

These daughters of Zion Church have also been invited to return for this fiftieth anniversary celebration and will be presented at the testimonial banquet.

HAS ACTIVE PASTORATE

It is impossible even to arrive at anything near an accurate figure as to the number of worship services which Dr. Stellhorn has conducted during these 50 years, or of the sermons which he has preached. He has preached at least twice each Sunday on the average throughout these years; this would mean that he has conducted and preached for at least 5,200 worship services. However, the records of the official ministerial acts which Dr. Stellhorn has performed during his 50-year pastorate presents a tangible and impressive evidence of the very busy and active pastorate which he has had. He has administered the sacrament of holy baptism to 3,548 persons; he has confirmed 3,173 children and 613 adults into the Lutheran faith after having carefully instructed them; 1,874 couples have been united by him in the bonds of matrimony, and he has officiated with the comforting message of God's word at 2,555 funerals.

William E. Didelius will serve as the organist for the festival service at the junior high school. He has chosen to play Prelude on Ein Feste Burg, by Faulkes, as organ offertory, Priere, Suite Gothique, by Boellmann, and as postlude, Jubilate Deo, by Silver.

The choirs of all of the churches participating in the celebration are to form a large chorus of 125 voices for the festival service. Harold Parker, the director of the senior choir of Zion Church, is directing this mass choir. They are singing two favorite anthems of Dr. Stellhorn, My God and I, a Latvian spiritual arranged by Sergei; and Unfold Ye Portals, by Gounod. Miss Laura Long, the organist of Zion Church, will accompany the choir anthems on the piano.

Many inquiries have been continuing to come in for additional reservations for the testimonial banquet. All of the 700 places at the banquet tables have been spoken for. However, those who have been unable to obtain reservations may hear the program by being seated in the balcony of the junior high school.

Navy Day Address of the Secretary of the Navy

EXTENSION OF REMARKS
OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. HÉBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Navy Day address by Secretary of the Navy John L. Sullivan before members and guests of the Navy League of the United States, Roosevelt Hotel, New Orleans, La., October 27, 1947:

I have many reasons to be happy at this opportunity to meet with you here in observance of Navy Day. First, I recall a long and cordial association with the Navy League and its councils throughout the United States. The outstanding manner in which the Navy League conducts this annual observance is a conspicuous token of the loyalty that your organization bears to the Navy; and I know too that this loyalty and support prevail not only on Navy Day, but every day.

I am also very happy at being introduced to the wonders of the Crescent City. New Orleans is a city of fabulous memory in the history of American civilization. All the elements of its being—its founders, its culture, its resources, its very geographical location—make it unique among American cities. More than that, this great metropolis was in the forefront during the war among those communities that gave the Navy the wherewithal to vanquish the enemy.

But, above all, I am grateful for this opportunity to discuss with you the importance of ensuring public consciousness of the role of the Navy in the framework of National Security and as a potent factor for world peace.

We know the pride which this part of the country has for the United States Navy, and I want you to know that the Navy is proud of the help you have rendered to it through the years.

Today is the twenty-sixth observance of Navy Day, and I believe it has very special significance for us and for the United States.

For the first time, our comrades in arms of the Army and of the Air Force are participating in Navy Day throughout the United States. This unity of purpose which has existed between the services, but which previous administrative arrangement served to obscure, is now evident to all. I believe that Navy Day affords all of us a splendid opportunity to reaffirm this unity, which now finds true legal symbolism in the National Security Act, which has set up, under a Secretary of Defense, the organization we know as the National Military Establishment.

Somewhat like the Three Musketeers, we are "all for one and one for all." In this we reflect—as our lasting unity as a nation does—the true meaning of the motto of the United States, "E Pluribus Unum."

I am sure I do not need to point out to you that there is no feeling on our part that we were more than a partner in the great struggle from 1941 to 1945. It is not the implication of the Navy Day slogan, "Victor in War—Guardian in Peace" that we were the sole victors and that today we are the sole guardian.

Everyone knows what a magnificent part our Navy played in winning the war. This can be said of the other services as well, because it was the close teamwork among the Army, Navy, Air Force, Marine Corps, Coast Guard, and our valiant merchant marine which gave us the final victory. This triumph was not alone the feat of the military which bore the brunt of physical assault on land, on sea, and in the air. It was founded upon the support of our citizens at home who carried on the battle of production in industry and in agriculture. The cordial bonds between the Navy and American industry are fittingly symbolized by the contribution of your great city of New Orleans, whose industry gave the Navy ships and equipment with which to meet the enemy in all theaters of war.

This spirit of teamwork is perhaps the most conspicuous characteristic of the American citizen. Our military services, supported by industry at home, united their efforts to form the undefeatable team. These forces engaged the enemy wherever he could be found with a unity of action which made final victory inevitable. This coordination—proven in practice—is now made complete and permanent by the law of the land which gives being to our new National Military Establishment.

It is my firm belief that this legislation provides all the elements essential to the formation of an integrated force adequate for our national security. With a Security Council under the chairmanship of the President of the United States, our national aims may be effectively evaluated with respect to the risks and the stakes which involve. We are indeed fortunate that this new organization was created during the administration of the present encumbent of the White House who is deeply interested in giving this country a security system as perfect as men can make it. Every time we meet with him, I am surprised at the detailed knowledge he has of the organization and functioning of all three of the armed services. I doubt if any President of the United States has ever known more about the services or devoted so much of his time to their welfare as our present great President, Harry S. Truman.

The Munitions Board and the National Security Resources Board will determine how these commitments may be reconciled and integrated with the requirements of the civilian economy. With the counsel and cooperation of all other agencies of the Government we shall be able to make a realistic evaluation of our national security in terms of foreign policy, international trade, and the preservation of world stability through protection of the rights and interests of free nations everywhere.

I cannot leave the subject of our newly formed Military Establishment without tribute to its great leader, the first Secretary of Defense, Hon. James Forrestal. I know that all of you here today share a special pride that the first Secretary of Defense should have been called to that position from a long and successful term of service to his country. As his successor, I realize all too well the high standard which he set as Secretary of the Navy, a standard constituting a challenge to any man who follows him in that office. Consequently, for my part, it is not only with pride but with humility and determination that I undertake the duties which have been so capably executed by my predecessor.

The confidence which I feel in the new integrated military establishment, however, and the great leadership under which it is administered, does not alter the fact that laws and leadership are but a part of the total requirement. To all these, there must be added the backing and support of loyal citizens. By the National Security Act of 1947, the coordination of the Navy's activities and operations with her sister services has been clearly established, but the armed services cannot maintain authorized complements of manpower without the active support of the citizens of this country. Speaking for the Navy I can tell you that this problem of manpower procurement is at present most urgent. The need for personnel is more critical than at any time in the history of the Navy.

This crucial condition is the result of a combination of circumstances unique in our history and the remedy lies only in adequate appreciation of the role of sea-air power in supporting the foreign policy of the United States. In the 2 years since VJ-day, the Navy has lost manpower in such enormous numbers as to render normal operation difficult. In the light of world conditions, this shortage of personnel is a matter of concern to every American citizen. The Navy League must encourage the youth of this country to take active part in safeguarding our national security.

Perhaps it is only natural that following a hard-fought war there should be a slackening of interest in military service. We are not a belligerent people and the peaceful ways of civilian life tend to distract us from our duties toward national security. But it is especially dangerous at a time like this to be lulled into a false sense of security and to lose our awareness of the need for preparedness. We must stimulate this awareness among our people. We must recognize that there are forces loose in the world today which are inimical to our Government and to our way of life—forces whose ideologies are at cross-purposes with the democratic processes of peace-loving people. We must be prepared, if necessary, to defend our freedoms whenever and wherever they are challenged.

In the possession of ships and equipment, our Navy is large. Yet mere possession avails us naught unless our ships and equipment can be ready for use in time of need. Most of

our ships are in storage, preserved in the so-called "mothball" fleet, which is maintained as a reserve against any emergency. If this fleet is to be of value, the Navy must have enough trained men in its regular and reserve ranks to man these ships and place them in effective operation within a reasonable time. I ask your support in helping us solve this manpower problem.

I believe you will recall the folly of scrapping our Navy after World War I. We shall not repeat this folly. As members of the Navy League, you have a patriotic duty to create a live public consciousness of the need for adequate sea-air power. The integrity of the national defense organization and the security of our country and our very homes depend upon the support of the people. That is why I take this occasion to impress upon you, the members and friends of the Navy League, the seriousness of the problem and the responsibility which you share in solving it.

Sea-air power is a potent factor in the maintenance of world peace. The Navy has become an integral part of the coordinated services but its mission and its functions remain the same: to protect the coasts of the United States, to support our forces of occupation in former enemy countries, to protect our peaceful commerce on the seas, and in all appropriate ways to support the foreign policy of the United States.

Now the very nature of sea-air power makes it a potent factor in international relations, because its chief characteristics are mobility and flexibility. Therefore, it is inevitable that the Navy should maintain itself always abreast of happenings in far-off places. It must provide defense of our own sea approaches. This is no small task when you consider America is virtually an island surrounded by two great oceans. We must have naval forces adequate for control of these approaches.

But our responsibility does not end here. The United States must share in the responsibility of maintaining the peace of the world. To accomplish this, we must have free access to world waterways at all times and be able to deny such access to the enemy in time of war. The magnitude of this task becomes apparent when you consider that 70 percent of the earth's surface is water. There is no possible way of fulfilling this obligation without adequate sea-air forces in being and trained personnel to man them.

The disastrous consequences of inadequacy have been graphically illustrated in recent history. At the beginning of World War II, naval weakness invited attack in the Pacific. The result was Pearl Harbor and temporary loss of control which prolonged the war at great expense in lives and national wealth. Aggressor nations have always been tempted to attack any country whose defenses are so weak as to make the gamble worth while. We must make certain that there will be no future repetition of such perfidy. America is universally acknowledged to be the leading nonaggressor nation. Immediately after World War II, with the greatest Army, Navy, and Air Force team in history, we accomplished the fastest demobilization the world has ever known. We granted the Philippines their independence on time. We have committed ourselves unswervingly to the principles of the United Nations. The smaller nations of the world look to us as the greatest bulwark for peace in this war-weary universe.

Developments in the world today emphasize our responsibility and our need for sea-air power adequate to fulfill our obligations.

The health and vigor of this Nation, its very life, depend upon the exchange of goods we are able to make with the rest of the world and thus furnish our economy with the lifeblood of raw materials we do not ourselves produce.

No one who lived through World War II can ever forget the degree to which our military production is dependent upon the importation of critical materials. Unfortunately, very few of us realize the extent to which our peacetime nonmilitary industrial production depends upon these same imports.

We Americans have been prone to boast of our self-sufficiency, but if the steady flow of even a few raw materials were interrupted for just a short time the economy of this country would suffer a ruder jolt than it received in the early 1930's.

Not a ton of steel can be manufactured without manganese. Yet we depend upon imports for 97 percent of our needs.

High-speed tools require alloy steel which derives its hardness at high temperatures from tungsten. We import 60 percent of our tungsten requirements.

Chromium is used as an alloy in the making of stainless and heat- and acid-resistant steel. These steels are indispensable to the oil and chemical industries. We depend almost entirely on imports for essential material.

Before and during the war the United States consumed about 45 percent of the world production of tin. It was all imported.

During the war the United States produced 27 percent of the world output of lead, but we consumed 50 percent of the world output.

The figures are almost the same for zinc.

The drains upon our reserves of copper and iron ore are well known to the American public, as is also the fact that both of these commodities are now being imported in great volume.

At the very peak of our war effort, during the second quarter of 1945, the daily consumption of petroleum products for the military services and domestic consumption was a little over 5,500,000 barrels per day. Today, that consumption is almost 6,000,000 barrels per day.

It should be obvious to all Americans that the steady, peaceful flow of commerce over the seven seas is a vital necessity to this country. Without it, our economy would retrogress 50 years.

To no one would such an event be more calamitous than to the armed services. We know that there can be no real military strength that is not based upon a strong economy. Our industrial potential, our resources and mass production methods, and the skill of our manpower have combined to make us the great Nation that we are. National foresight must keep pace in order that a strong national economy be assured. Your Navy will never be a partner to any action which in any way tends to undermine it. On the contrary, we will continue to be zealous in the cultivation of an ever-stronger economy and a dynamic industry of ever-increasing tempo.

The establishment of a new world system is not going to be accomplished overnight. At the best, there will be delays, irritations and seemingly endless disappointments. We must not permit them to discourage us. In the trying years that lie ahead, when we feel that our zeal and our determination is flagging, we might remind ourselves that we are asked only to work for something for which many men died.

We must wage peace as we waged war—with everything we have, with all our strength, all our skill, and all our heart.

I am among those who believe that to secure the peace until it works we must be militarily strong. The strength of all the resources which have made America great is only valid when properly insured against destruction by any possible enemy. When the chips are down we have only what we can effectively protect.

We have had an example of this within very recent memory. We became the victims of aggression 6 years ago because we had not fully learned the lesson which World War I should have taught us and our guard was down, even though we knew that international banditry was on the loose in Europe and Asia.

Conversely, 2 years ago, when our military, naval, and air strength was at its peak, we exerted an influence in international affairs commensurate with our position as the greatest democracy in the world. In the months since VJ-day we have pared this strength down to but a shadow of its former self, and day by day, as demobilization progressed, as we closed strategic bases or put the major part of our fleet in "moth balls," our representatives in the council of powers which we call the United Nations have found their tasks increasingly difficult.

The time has come to be firm with ourselves if we wish to give meaning to the firmness we would assume in democracy's defense abroad. The time has come when we must count it a privilege to be among those who would be as bold in the pursuit of peace as we were daring in our recent battle for survival.

The opportunity which lies before us may be our very last if we do not seize it eagerly and pursue our peaceful purpose with all our zeal.

While I bespeak the Nation's need for strength, I pray God that the day may come when there is no longer any need for a navy, or an army, or an air force—when the argosies of the sea and the land and the air shall be the peaceful convoys of commerce.

I trust that that blessed day of real and total disarmament will come during our lifetime. But until it does, we must not defeat ourselves through unpreparedness. We must be strong so that we may effectively champion peace throughout the world.

I am confident that Americans, with one voice, will affirm with me, on this day, the necessity for an army, an air force, and a navy capable of snuffing out any threat against the just and enduring peace for which the entire world yearns.

In unity there is strength and in our strength lies the peace of the future and the salvation of humanity now and for the far tomorrow.

Some Thoughts on Foreign Aid

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks, I include an editorial from the Detroit Free Press, Detroit, Mich., of November 2, 1947. This is one of the great newspapers of Michigan and the Middle West. Whether any individual is for or against foreign aid, the views expressed by this great editor, John S. Knight, are food for thought and worthy of the most careful consideration.

FOREIGN AID PLAN SHOULD BE JUDGED ON FACTS—NOT PROPAGANDA

Before Congress meets in special session on November 17 to consider President Truman's recommendations for stop-gap aid to Europe, there is time to evaluate the potency of the long-range Marshall plan as an effective weapon in our undeclared war against Russia.

State Department advisers to the President declare that immediate help for Europe is necessary to prevent starvation and civil unrest, particularly in France and Italy. They believe also that an annual outlay of from five to eight billions a year under the Marshall plan is the only practical way to prevent communism from enveloping Europe.

There can be little quarrel with the appropriation of funds for purely humanitarian purposes. No American with the slightest tinge of conscience is unwilling to help feed the hungry, clothe the naked, or furnish fuel to keep little children warm and comfortable.

There is, however, grave doubt in our mind as to the wisdom of pouring billions of dollars into Europe every year to route communism and "contain" Russia. That doubt would not exist if there were good and sufficient reasons to believe that such a plan can, in the long run, succeed.

With their abiding and naive faith in the dollar as a cure-all for our ills, Americans are not seeing the European situation in its true light. In their childlike trust they cling tenaciously to well propagandized fallacy and fiction while disregarding the hard and unpalatable facts.

Here are a few of the current illusions that are badly in need of airing:

1. The illusion that billions for Europe will bring about a permanent improvement in living standards.

The facts are that while American dollars will bring some temporary relief to the needy, the promise of an unending flow of dollars has actually retarded European progress in a sense of self-help. George Weller, of the Chicago Daily News foreign service, says the truth is "that European nationalism is inefficient, greedy, mendicant, and plain lazy."

Europe is sure that America's resources are unlimited and cannot be drained. Our failure to develop a realistic method of combining aid to Europe with strong American controls has checked hunger but retarded badly needed internal reforms.

2. The illusion that Italy and France will go Communist if the United States doesn't pay their bills.

The facts are that this is a form of political blackmail to get more American dollars. No nation in Europe has turned to the Communists for this reason. Not one of the seven Communist-dominated states, Poland, Czechoslovakia, Yugoslavia, Albania, Bulgaria, Hungary, or Rumania welcomed the Soviets because the masses were starving.

They turned to Russia because its political agents, backed by the Red army, forced them to capitulate.

3. The illusion that the late President Roosevelt was the only American who could "get along" with Marshal Stalin.

The facts are that Roosevelt got along so famously with Stalin because he conceded practically every point at issue. As the result, Russia now has nine-tenths of the Balkans and military bases in the Pacific 1,600 miles closer to San Francisco than our outer defenses at Guam.

4. The illusion that our neighbors in Europe are making a valiant fight to get their economic houses in order and will succeed if more American aid is forthcoming.

The facts are that many wealthy people in France are living in luxury, and reports of starvation have been grossly exaggerated in both Italy and France.

The British socialist government is afflicted with a hopelessly inefficient bureaucracy. Nearly 2,000,000 civil servants are riding on the backs of the sturdy British people. In one of Britain's best-managed coal mines under private ownership absenteeism now runs as high as 50 percent on Mondays.

American loans are supporting this burdensome bureaucracy which might have been overthrown long ago had we refused to pay the bills.

5. The illusion that communism is really a revolt of the masses.

The facts are that the Soviet leaders are shrewd, calculating dictators whose ultimate goal is world conquest.

The "masses" are merely the human pawns of a rigidly disciplined police state.

6. Lastly, and most tragic, is the illusion that we can buy peace.

The facts are that Russia is simply biding her time, waiting until America is bled white before striking her mortal blow.

The more money we spend, the longer a shooting war may be delayed. But when the money is gone and we can give no more, the Russians will be ready for world war III.

Former Secretary of State James F. Byrnes advocates using "measures of last resort" if Russia refuses to conclude a just peace treaty with Germany and withdraw her troops.

What the Secretary overlooks is that neither we, nor any combination of nations, can match Russia's present armed strength.

To back up our tough talk are 10 army divisions; Russia has 180, plus 60 from her satellite powers.

The United States has 1,720 combat planes, and 144 very heavy long-range bombers. Russia has 44,000 combat planes, many of them necessarily obsolete, and little strength in bombers.

Our naval and cargo ships number 3,080; Russia has 200 submarines.

Her reserve troops outnumber ours 5 to 1.

Our great superiority lies in the possession of the atomic bomb and the vast potentials of our war industries when fully mobilized.

Russia's unlimited manpower is neutralized by her lack of industrial plants.

What all this adds up to is that we could throw an effective atom armada against Russia but probably could not prevent her troops from overrunning Europe. Such a war might result in a stalemate until Russia was able to match us in atomic warfare. In that eventuality, the world would be reduced to rubble.

What, then, can we do?

While no plan of action can be devised that will insure us against war, the following steps would seem to be logical steps in our endeavor to prevent war:

1. Retain and develop our moral leadership in world affairs.

2. Rebuild our air force to a point of terrifying superiority in numbers and technological development.

3. As a condition of our economic assistance, demand strategic air bases throughout the world from which attacks can be intercepted.

4. Strengthen our regular military forces in troubled areas of occupation, depending upon universal military training, if necessary, to furnish the men for domestic duty.

5. Institute a program of rearmament which will give us the military strength to back up our tough talk with something more than words. In other words, let's speak the only language that Russia can understand.

All of these points have been urged in this column for more than a year. We are not enthusiastic about universal military training, but if voluntary recruiting fails, it may be the only method of reconstituting our armed forces.

Such a program can be called imperialistic and an open invitation to war.

To us, it presents fewer risks than exhausting our resources at the rate of $12,000,000,000 a year in what we are convinced will be a vain effort to buy a lasting peace.

The irony of the present situation is that anyone who questions unlimited aid to Europe is promptly labeled an "isolationist," but if he thinks internationally in terms of military strength, he is tagged as an "imperialist."

It seems to be the commonly accepted view in official Washington circles that war with Russia is inevitable.

If that be true, what George Weller calls a foreign policy of patching up the world's pants with billion-dollar checks had better be revised in favor of smaller European checks and bigger American airplanes.

The checks can't fight.

JOHN S. KNIGHT.

As It Was Then—Is Now

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to submit excerpts from an editorial from Harper's Weekly, of New York, under and of date October 10, 1857, and which I think might be of interest at this time, as follows:

THE LESSON OF THE DAY

It is a gloomy moment in history. Not for many years—not in the lifetime of most men who read this paper—has there been so much grave and deep apprehension; never has the future seemed so incalculable as at this time. In our own country there is a universal commercial prostration and panic, and thousands of our poorest fellow citizens are turned out against the approaching winter without employment, and without the prospect of it. In France the political cauldron seethes and bubbles with uncertainty; Russia hangs as usual, like a cloud, dark and silent upon the horizon of Europe; while all the energies, resources, and influences of the British Empire are sorely tried, and are yet to be tried more sorely, in coping with the vast and deadly Indian insurrection, and with its disturbed relations in China.

It is a solemn moment, and no man can feel an indifference—which, happily, no man pretends to feel—in the issue of events.

Of our own troubles no man can see the end. They are, fortunately, as yet mainly commercial; and if we are only to lose money, and by painful poverty to be taught wisdom—the wisdom of honor, of faith, of sympathy, and of charity—no man need seriously despair. And yet the very haste to be rich, which is the occasion of this widespread calamity, has also tended to destroy the moral forces with which we are to resist and subdue the calamity.

It is no time for idleness or trifling, for forgetfulness or selfishness. The complexion of every country, and of the world, rests at last upon the character of individuals. If men are false and timid, affairs, the course of events, are tainted by the cowardice and falsehood. It is every man's business, therefore, to keep his heart and his hands clean—to be brave, and hopeful and very humble. Extravagance, vanity, the lust of luxury, are crimes in the men of today. At home we shall have direct appeals to our sympathy in the swarms of honest laborers for whom there is no work. Abroad, the appeal will be more indirect, in the extremity of a friend and ally.

Good friends, let our conduct prove that the call comes to men who have large hearts, however narrowed their homes may be; who have open hands, however empty their purses. In times of peril we have nothing but manhood, strong in its faith in God, to rely upon; and whoever shows himself truly a God-fearing man now, by helping wherever and however he can, will be as blessed and beloved as a great light in darkness.

Veterans' Homestead Act of 1948

EXTENSION OF REMARKS
OF

HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to me yesterday to extend my remarks in the CONGRESSIONAL RECORD and include therein a bill which the American Legion asked me to introduce, I submit the following:

The National Housing Committee of the American Legion met in Washington, D. C., October 8–10, 1947, to arrive at decisions that were necessary because of existing mandates of the national convention to the committee.

In the report of the national housing committee to the national executive committee, American Legion, May 5–7, 1947, the national housing committee stated:

> This year it is not likely to be the shortage of housing that will deprive a veteran of a satisfactory home as much as it will be the high cost of adequate housing.

This statement has become fact during the past months and is becoming an increasing problem which, if the veteran is to be adequately housed within the scope of his ability to pay, must be solved.

After extensive and comprehensive study the national housing committee developed a plan which they sincerely believe will provide veterans with homes for rent or for sale at a monthly carrying charge within their means to pay. A general explanation of this plan follows:

The national housing committee has discovered that the American Legion community-action program for housing veterans is successful in many communities throughout the United States in providing good homes for veterans at prices they can afford. By enlisting the hard work and unselfish idealism of outstanding veterans who are leaders in their own home town, it has been possible through nonprofit corporations sponsored by American Legion posts to erect comfortable homes within the income of World War II veterans.

After much careful study and evaluation, the committee became convinced that this technique was one good answer to the veterans' housing problem if it could be formalized, given adequate supervision, and arrangements made for favorable financing. Furthermore, it has the tremendous advantage of letting veterans of World War II assume the leadership in solving their own housing problems once they are given the proper tools.

The report of the committee continues:

> Preliminary drafts were discussed with the best brains in investment banking, commercial banking, mortgage banking, real estate, Veterans' Administration, building supplies, home builders, and other agencies of Government, and the housing industry; also, the committee employed as a professional consultant Mr. Frederick M. Babcock, of Washington, D. C., one of the outstanding authorities in the field of construction and financing of housing.
>
> The committee found that there was uniform agreement among all these diverse groups that it was feasible and highly desirable to proceed to the specific development of legislation along the indicated lines as set forth in the recommendation below.
>
> B. RECOMMENDATION
>
> 1. That the national executive committee of the American Legion meeting at Indianapolis, Ind., on October 30–31, 1947, do adopt and approve and direct the legislative director of the American Legion to introduce into the Congress of the United States at the earliest practicable date, and in no event later than January 15, 1948, a bill known as the Veterans' Homestead Act of 1948, to embody the following principles:
>
> (a) Administrator of Veterans' Affairs shall be authorized to issue Federal charters to nonprofit corporations upon application of five honorably discharged veterans of World War II having suitable ability, character, and responsibility.
>
> (b) Such veterans' homestead associations would:
>
> (1) Construct and purchase housing to be sold to veterans for occupancy by themselves, their families and dependents.
>
> (2) Construct, purchase, maintain and operate housing to be rented to veterans.
>
> (3) Make loans to veterans for the purchase of housing.
>
> (c) These associations would have all specific powers to enable them to achieve their objectives as set forth above.
>
> (d) The Administrator of Veterans' Affairs would supervise the operations of such associations and inspect their financial records and establish rules and regulations for their guidance.
>
> (e) No veteran could become a member until he had at least $100 in the hands of the association.
>
> (f) No association shall construct or purchase housing costing in excess of a sum equal to the product of the total number of family units multiplied by $10,000 or in excess of either (1) the number of members of the association, or (2) the number of veterans in the community who are prospective purchasers or tenants.
>
> (g) Suitable provisions shall be made to prevent speculation in the sale or rental of such housing by purchasers or occupants.
>
> (h) The permanent financing of property acquired or loans made by such associations shall be done by the medium of bonds sold by the Veterans' Administration as the fiscal agent of such associations and with the guaranty of payment by the United States Government. Not more than $2,000,000,000 of bonds may be sold. The income derived by the purchasers of such bonds from the bonds shall be exempt from Federal, State or local taxation.
>
> (i) The interim financing for such associations, pending the issuance of bonds, shall be provided by loans from the Veterans' Administration upon the non-negotiable note of the association. Such loans will be made from a revolving Veterans' Administration fund of $100,000,000.
>
> (j) Such associations shall make new loans and acquire property for sale or rental only for ten (10) years from the termination of World War II. After that they will remain in existence for such period of time as required to liquidate their affairs.
>
> (k) If associations are improperly operated or cannot meet their obligations, the Veterans' Administration may step in and operate their affairs until they get back on their feet.
>
> (l) The Federal Works Administrator is to be given $200,000,000 to make not in excess of 50 percent grants-in-aid to States, cities, counties, or other political subdivisions or associations for provision of streets, sidewalks, utilities, fire protection, street lighting, schools, recreational facilities, etc.

The legislative draft of the bill, which I introduced today, is as follows:

A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to provide homes for veterans, through veterans' homesteads associations and the public facilities essential therefor

Be it enacted, etc., That the Servicemen's Readjustment Act of 1944, approved June 22, 1944, as amended, is amended by adding at the end thereof the following new title:

"TITLE VII—VETERANS' HOMESTEAD ACT OF 1948

"CHAPTER XVI—GENERAL PROVISIONS

"SEC. 1600. Short title: This title may be cited as the 'Veterans' Homestead Act of 1948.'

"*Declaration of policy*

"SEC. 1601. In enacting this title to alleviate the existing housing shortage, it is the intent of the Congress to provide means of ownership and financing, within the framework of our private enterprise system and without vast expenditures of public moneys, whereby veterans themselves, associated together within their own communities, can build, buy, or rent homes upon terms which veterans can afford; and to provide the public facilities essential to such homes without the imposition of additional financial burdens upon veterans who may be owners thereof or tenants therein.

"*Definitions*

"SEC. 1602. As used in this title, except where the context otherwise requires, the term—

"(a) 'Administrator' means the Administrator of Veterans' Affairs in the Veterans' Administration.

"(b) 'Association' means a Veterans' Homestead Association chartered pursuant to this act.

"(c) 'Housing' means permanent-type housing with modern sanitary and sewerage-disposal facilities; does not include transient housing such as tourist cabins, motor courts, or apartment hotels; but may include multiple-family dwellings or groups of single-family dwellings constructed or operated as units, or constructed for sale or sold for operation as cooperative enterprises by the tenants thereof.

"(d) 'Improved' as applied to real property shall include (a) grading, landscaping, and any other site development; and (b) construction, repair, remodeling or demolition (whether for salvage or reuse), of buildings and other structures thereon.

"(e) 'Real property' means land, whether or not improved, and any buildings or other structures thereon, including fixtures and other personalty attached thereto.

"(f) 'State' means any State of the United States, any Territory or Possession thereof, and the District of Columbia.

"(g) 'Veteran' means (i) any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of 90 days or more, or (ii) the surviving and unmarried spouse of any such person.

"(h) 'Note' means a short-term obligation maturing in 12 months or less, issued by an association pursuant to this title.

"(i) 'Bond' means a long-term obligation, maturing over a period of more than 1 year, issued by an association pursuant to this title.

"(j) 'Public facilities' includes public highways and parks, roads, streets, curbs,

gutters, and sidewalks, bus stations and bus stops, water storage, purification and distribution works, sewage, garbage and refuse collection, treatment and disposal facilities (including trunk and lateral sewers), fire stations, fire equipment and fire plugs, street lighting facilities, schools, community centers, and recreational facilities.

"Separability

"SEC. 1603. If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of this title, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"CHAPTER XVII—VETERANS' HOMESTEAD ASSOCIATIONS

"Organization authorized—Administrator to issue charters

"SEC. 1700. The Administrator is hereby authorized, subject to the provisions of this title and under such rules and procedures as he may prescribe, to provide for the organization, incorporation, examination, operation, and regulation of associations to be known as 'Veterans' Homestead Associations' and to issue charters therefor pursuant to such standard form thereof as he may prescribe.

"Chartered associations subject to rules and procedures

"SEC. 1701. A Veterans' Homestead Association to which the Administrator shall have issued a charter pursuant to section 1700 hereof, and which shall have accepted such charter, shall thereafter, so long as such charter remains in effect, be eligible to all the benefits of this title and shall be subject to all the provisions of this title and the rules and procedures of the Administrator issued hereunder.

"Qualification for membership

"SEC. 1702. Five or more veterans, of ability, good character, and responsibility, as determined by the Administrator, may organize a Veterans' Homestead Association. Each association shall determine its own rules of eligibility for membership therein subject only to the conditions that (a) membership shall be limited to veterans; (b) no veteran shall become or remain a member unless and until his accumulated payments to the association, in accordance with section 1707, shall equal or exceed $100; and (c) the number of members, at all times, shall be at least five.

"Primary purpose of associations

"SEC. 1703. Each association shall be organized and shall operate on a nonprofit basis. It shall have as its primary purposes (a) the construction or purchase of housing to be sold to veterans for occupancy by themselves, personally, together with their families or dependents; (b) the construction or purchase and operation and maintenance of housing to be rented to veterans for occupancy by themselves, personally, together with their families or dependents; and (c) the making of loans to veterans for the purchase of housing to be occupied by them, personally, together with their families or dependents. To this end, and pursuant to rules and procedures issued by the Administrator, each association shall provide maximum opportunity and priority for the purchase or rental of such housing, first, to members of such association and, second, to other veterans.

"Number of associations

"SEC. 1704. The Administrator may, in his discretion, charter one or more associations in any locality; and he may, in his discretion, refuse to charter any proposed association upon his finding that the veterans in the locality in which it is proposed that such association would operate are or will be adequately served by an association or associations then already chartered for operation in such locality.

"Powers of veterans' homestead associations

"SEC. 1705. Under rules and procedures issued by the Administrator, each association shall have the following powers:

"(a) Subject to the provisions of section 1708, to purchase, or otherwise acquire, any real property or leasehold or other interest therein, whether improved or unimproved, to subdivide, construct improvements on, repair, modernize, renovate, maintain, and operate any such property, and to purchase, or otherwise acquire, any personal property necessary or desirable for any of the foregoing;

"(b) Subject to the provisions of section 1709, to hold, sell, or contract for the sale of, lease, rent, mortgage, or otherwise deal with, encumber, hypothecate, or dispose of any acquired property, all on such terms and conditions as may be deemed proper;

"(c) Subject to the provisions of section 1708, to lend money to veterans to enable them to finance the purchase of or construction of residential properties for occupancy by themselves, personally, together with their families or dependents: *Provided*, That in no case shall the maturity of any such loan exceed a period of 30 years;

"(d) To purchase, construct, improve, or otherwise provide, to receive grants for, and to maintain and operate public facilities (which shall include for this purpose gas and electric distribution lines and facilities) reasonably necessary or desirable for the housing provided by or of the association, where such public facilities are then not otherwise available for such housing: *Provided*, That no association shall operate any mercantile establishment or other commercial enterprise or operate any amusement enterprise for which any admission or fee is charged;

"(e) To make, issue, sell, and deliver its bonds and notes in the manner and to the extent provided in this title;

"(f) To build up and maintain reasonable, permanent reserves, under rules and procedures to be issued by the Administrator and subject to his semiannual review, which shall not exceed in the aggregate, however, 3 percent of the total principal amount of bonds and notes of such association outstanding at the time; and

"(g) To make, adopt, repeal, and amend bylaws, to employ and to pay reasonable salaries to the officers and other employees of the association for services performed (which officers and employees need not be veterans), and such other powers, not inconsistent with this act, as are customarily enjoyed by nonprofit corporations and are necessary or convenient for the conduct of the business of the association.

"Annual and other reports of associations

"SEC. 1706. (a) Every association shall file, with the Administrator, not later than 90 days after the close of its fiscal year, an annual financial statement and shall also furnish to him such other financial statements at such other times as he may require. All such reports shall be in such form and in such detail as may be prescribed in rules and procedures issued by the Administrator.

"(b) The Administrator shall make, annually and at such other times as he deems necessary, an examination of the financial books, records, and affairs of each association, in the manner customary for supervision of fiduciary institutions.

"Payments by association members

"SEC. 1707. Members of an association shall not be required to pay dues. Each association shall provide in its bylaws for the payment by each prospective member, periodically, by installments or otherwise, of the sum of $100 to be accumulated on the books of the association to the credit of such person. The sums so paid shall not bear interest. Each such sum shall be entered on the books of the association as a credit to the member making such payment for possible application either:

"(1) as payment on a home purchased by such member from the association; or, (2) as security for rent on a home rented from the association by such member. Each association shall provide further, in its bylaws, that a member may voluntarily withdraw from such association at any time and may receive back an amount equal to the amount of his accumulated payments to the association (unless such payments shall have been applied as payment on a home purchased by such member from the association) but only after one year following the date of the initial payment and then only upon 60 days' notice to the association.

"Limitation on cost and amount of housing

"SEC. 1708. (a) No housing shall be constructed or purchased by an association unless, in the opinion of the Administrator, the estimated final cost of such housing when completed (exclusive of related real property designed for commercial operation), as determined by the amounts of firm contracts for the acquisition of real property, the improvement thereof, the construction of buildings and the acquisition of related personal property, plus an amount equal to 5 percent of such contracts plus an allocable share of the estimated indirect or overhead costs and expenses of the association, fairly attributable to such housing, shall not exceed a sum equal to the product of the number of family units in such housing multiplied by $10,000.

"(b) No association shall maintain and operate as rental property any housing (exclusive of related real property designed for commercial operation) having a depreciated cost exceeding a sum equal to the product of the number of family units in such housing multiplied by $10,000.

"(c) No association shall construct or purchase, or contract for the construction or purchase of, or otherwise acquire or contract to acquire, a total number of family housing units in excess of either (i) the number of members of such association, or (ii) the number of veterans in the community who may reasonably be considered, in the opinion of the Administrator, prospective purchasers of or tenants in such units.

"(d) An association shall not make any loan to any veteran for the acquisition or construction of housing (i) if such housing includes more than one family unit; (ii) if, in the case of acquisition, the current market value of such housing is, in the judgment of the association, less than the amount of the loan; (iii) in excess of $10,000, plus necessary closing costs; (iv) which in the opinion of the association is beyond his ability to repay.

"Sale or rental of housing

"SEC. 1709. (a) All housing of an association shall be sold or leased for such prices or at such rents, as the case may be, as shall reasonably represent the actual cost thereof to the association, including (i) all costs of acquisition, construction, or improvement; (ii) the reserves to be provided in accordance with section 1705; (iii) interest on and amortization of bonds or notes of the association fairly attributable to such housing; (iv) direct costs of operation and maintenance of such housing; and (v) an allocable share of the overhead or indirect costs and expenses of the association fairly attributable to such housing.

"(b) Any deed or other instrument made by an association for the sale of its property or any mortgage or other instrument supporting a loan to a veteran for the construction or purchase of housing shall provide that such property shall not be sold or otherwise

disposed of within 10 years from the date of acquisition of such property by such purchasers or borrower unless it shall first have been offered for sale back to the association at the original price paid to such association by such purchaser or at the acquisition cost to such borrower, less any depreciation which shall have occurred by that time and plus the fair value of any improvements which such purchaser or borrower shall have made to such property.

"(c) As a condition to (i) every sale of housing by an association to a veteran and (ii) every loan by an association to a veteran for the purchase or construction of housing, such veteran shall furnish to such association an affidavit stating that (i) he has not theretofore purchased any housing from any association which has not been offered for sale back to such association and (ii) he has not theretofore obtained any loan from any association for the purchase or construction of housing and sold the property thereby acquired without first offering it back for sale to such association; (iii) he does not have outstanding any loan obligation to any association chartered under this title; (iv) he does not own any housing acquired from any association chartered under this title.

"(d) The terms of any sale of housing made by an association shall, among other things, grant to the purchaser the right to pay at any time the full amount of the purchase price or the full amount of any mortgage given in connection with such sale.

"(e) Every lease made by an association shall contain a prohibition against subleasing.

"(f) Every sale or loan made by an association shall contain a prohibition against leasing without first giving the association the right to select the lessee and fix the consideration and conditions of the lease.

"Loans by Administrator to association

"SEC. 1710. In order to provide interim financing for associations, pending the issuance of bonds as herein provided, the Administrator is hereby authorized to make loans to associations to provide—

"(a) Initial working capital for an association;

"(b) Development expenses preliminary to the commencement of actual construction of housing; and

"(c) Funds to enable an association to make loans to individual veterans for the purchase or construction of housing, preliminary to the completion of such purchase or construction.

"Each association to which any such loan may be made shall make, issue, and deliver to the Administrator its note in the principal amount of such loan. Each such note shall be a nonnegotiable unconditional obligation of the association, issued against its general credit, and payable from its general assets, shall bear interest at the rate of one-half of 1 percent per annum payable semiannually and shall be payable within such period (not exceeding 12 months from the date of issuance thereof) as the Administrator may determine. Upon application by an association the Administrator may, in his discretion, renew any such note, for successive periods not exceeding 12 months each, in the event he determines that, at the time of the application for such renewal, the issuance of bonds would not then be to the best financial interest of such association. Payments of interest on and principal of such notes shall be made to the Administrator, and the money so paid may be used by him for the making of further loans hereunder.

"Bonds of associations

"SEC. 1711. (a) For its permanent financing every association is hereby authorized to, and shall, issue its long-term bonds. The bonds shall be negotiable unconditional obligations of issuing association, payable from all its assets and secured by a mortgage or other lien upon all or any part of the real or personal property or assets, or revenues and income of such association as shall be specified in said bond.

"(b) The bonds shall be in such forms and denominations, mature serially within such periods, not exceeding 40 years from the date of issuance thereof, bear such rates of interest, be payable as to both principal and interest at such times, but subject to such other terms and conditions and be issued in such manner and sold at such places as may be authorized by the Administrator, pursuant to rules and procedures issued by him.

"(c) Under rules and procedures issued by the Administrator, (i) bonds may be issued under and secured by an indenture or trust, and (ii) the bonds or indenture may provide for the addition, release, or substitution of security.

"(d) To the extent appropriate, as determined by the administrator, the proceeds received by an association from the sale of its bonds shall be used to redeem its notes.

"(e) No association shall issue any bond if the issuance thereof would bring the aggregate of the principal amounts of all bonds of such association, then issued and outstanding, to a total sum in excess of the aggregate amount derived by multiplying $10,000 times each of the family housing units constructed, purchased, remodeled, or financed, or otherwise acquired, or financed by such association, for subsequent sale as housing units or for subsequen maintenance and operation as rental housing units, or acquired by veterans under loans from such association, exclusive, however, of property designed for commercial operation.

"(f) The aggregate principal amounts of all bonds issued by all associations shall not exceed the sum of $2,000,000,000; and the Administrator shall not authorize the issuance of any bonds in violation of this subsection.

"(g) No association shall issue any notes or bonds except as authorized by the administrator, pursuant to rules and procedures issued by him.

"Guaranty of bonds

"SEC. 1712. (a) The bonds of any association, issued pursuant to Section 1711, shall be fully and unconditionally guaranteed upon their face by the United States of America as to the payment of both principal and interest, and in the event that such association shall be unable, or shall not, make any such payment upon demand when due, payments shall be made to the lawful holder of such bond by the administrator. To the extent of such payment the administrator shall succeed to all rights of such lawful holder.

"(b) The bonds of any association, issued pursuant to Section 1711, shall be lawful investments and may be accepted as security for all fiduciary, trust and public funds, the investment or deposit of which shall be under the authority or control of the United States of America or any officer or agency thereof.

"Tax exemptions

"SEC. 1713. (a) Notwithstanding any provisions of the Internal Revenue Code or any other law to the contrary, the interest payable and paid on any bond of an association, issued pursuant to Section 1711, shall be exempt from all taxation now or hereafter imposed by the United States of America.

"(b) Notwithstanding any provisions of the Internal Revenue Code or any other law to the contrary, the net earnings of any association shall be exempted from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or other local taxing authority.

"(c) Subject to the provisions of section 1713 (b), no State, county, municipal or other local taxing authority shall impose any tax upon any such association or its charter and franchise, capital, reserves, property, surplus, loans, or income, greater than that imposed by such taxing authority on other similar local non-profit associations.

"Sale of bonds

"SEC. 1714. The Administrator shall act as fiscal agent for every association in the sale of bonds. He shall, in his discretion, determine whether such sale shall be by negotiation or by open competitive bidding, and shall issue rules and procedures governing the conditions of the offer, the receipt of bids, and the sale. In no case shall any bonds of any association be sold for a sum less than the aggregate principle amounts thereof. The Administrator shall charge no brokerage fee in conection with such sales of bonds, but he may withhold from the proceeds of any such sale an amount equal to his actual costs of handling the offering and sale of such bonds. The moneys so withheld may be used by the Administrator for the making of loans to associations pursuant to section 1710.

"Funds of associations

"SEC. 1715. The funds of an association may, as provided by its by-laws and in accordance with rules and procedures issued by the Administrator, be deposited in any bank or banks. No association shall invest its funds in any securities except obligations of the United States of America, or obligations unconditionally guaranteed by the United States as to the payment of both principal and interest, or obligations of a State, and, in any event no such investment shall be made except with the approval of the Administrator or pursuant to rules and procedures issued by him.

"Distribution of earnings—Dissolution of association

"SEC. 1716. (a) At the end of any fiscal year any net earnings remaining to an association, after fully providing for the payment of all debts and obligations of such association, then due, and after providing for the reserves then currently required, shall be set aside in a special account to be used (1) for the purchase or redemption by the association of its notes and bonds then outstanding, or (2) with the express approval of the Administrator, for any other lawful purpose of the association.

"(b) If the members or directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of such association to violate any of the provisions of this title, the charter, and all the rights, privileges, and franchises of such association shall be forfeited. Such violation shall, however, be determined and adjudged by a proper District Court of the United States in a suit brought for that purpose by the Administrator, in his own name, before such association shall be declared dissolved.

"(c) Any association may, at any time, apply to the Administrator for its voluntary dissolution, and if, in his judgment adequate provision shall have been made for the payment in full of all debts and obligations of such association, he shall promptly effect such dissolution.

"(d) Upon any dissolution, whether voluntary or involuntary, the net assets of an association, remaining after payment in full of all its debts and obligations, shall escheat to the United States.

"Regulations of Administrator

"SEC. 1717. (a) The Administrator shall have power to issue general rules and procedures for the effective implementation and administration of this title, pursuant to the provisions hereof and not in conflict herewith.

"(b) The Administrator may by rules and procedures provide for such supervision of associations as he may deem necessary to the proper administration of this title and the protection of holders of bonds and notes.

"(c) The Administrator shall have full power to provide in the rules and procedures herein authorized for the reorganization, consolidation, merger, or liquidation of any association or associations, including the power to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the assets, liability, and surplus of the same; and to release any such association from such control and permit its further operation: *Provided*, That in any case where the Administrator appoints a conservator or a receiver for any association, such conservator or receiver shall act primarily for the protection of holders of bonds and notes issued by such association.

"(d) The Administrator may delegate and authorize successive redelegation of any authority conferred upon him by or pursuant to this title, to any official or employee of the Veterans' Administration. The Administrator shall not act through, or delegate any such authority to, and any other agency or any official or employee thereof.

"CRIMINAL PROVISIONS

"SEC. 1718. (a) Whoever (1) falsely makes, forges, or counterfeits any bond, note, or other document in imitation of or purporting to be a bond or note issued by an association, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged or counterfeited bond, note, or other document purporting to be a bond or note, issued by an association, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any bond or note issued or purporting to have been issued by an association; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious bond or note, issued or purporting to have been issued by an association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment of not more than 5 years, or both.

"(b) Whoever, being connected in any capacity with an association, (1) embezzles, abstracts, purloins, or wilfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it; or (2) with intent to defraud an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Veterans' Administration or of an association, makes any false entry in any book, report, or statement of or to the Veterans' Administration or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any bond, note, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine or not more than $10,000, or by imprisonment for not more than 5 years, or both.

"(c) Any veteran who makes any false statement in the affidavit required by section 1709 (c) to be furnished by him to an association in connection with his purchase of housing from such association, or in connection with any loan which he may obtain from such association shall be punished by a fine of not more than $10,000, or by imprisonment for not more than 5 years, or both.

"APPROPRIATIONS AUTHORIZED

"SEC. 1719. There is hereby authorized to be appropriated to the Veterans' Administrator—

"(a) for each fiscal year such sums as may be necessary to enable him to carry out his administrative functions under this chapter;

"(b) for the making of loans to associations pursuant to section 1710 the sum of $100,000,000 to remain available until expended; provided, however, that, upon the expiration of authority to make such loans, any balance then remaining, together with all moneys from time to time thereafter received from associations in payment of such loans, shall be covered into the Treasury as miscellaneous receipts;

"(c) such sums as may be necessary to make guarantee payments on bonds as provided in section 1712.

"TIME LIMITATION

"SEC. 1720. The authority of the Administrator hereunder (i) to issue charters to associations, (ii) to make loans to associations, and (iii) to authorize the issuance of guaranteed bonds hereunder, shall end 10 years after the termination of World War II as declared either by Presidential proclamation or by concurrent resolution of the Congress.

"CHAPTER XVIII—PUBLIC FACILITIES ESSENTIAL TO VETERANS' HOUSING

"Grants by Federal Works Administrator authorized

"SEC. 1800. The Federal Works Administrator is hereby authorized to make grants to States, political subdivisions thereof, other public bodies, and to associations for the construction, repair, improvement or extension of public facilities wherever the Administrator of Veterans' Affairs shall find that such public facilities are necessary for or will facilitate the more effective use within the community of housing provided and to be provided for veterans under chapter XVII hereof.

"Amount of grant

"SEC. 1801. The amount of any grant made hereunder shall not exceed 50 percent of the cost, as determined by the Federal Works Administrator, of the public facilities provided therewith.

"General conditions of grant

"SEC. 1802. No grant shall be made hereunder unless—

"(a) The public facilities for which such grant is made shall be determined by the Federal Works Administrator to conform to any applicable over-all State, local, or regional development plan approved by competent State, local, or regional authority; and

"(b) The public body or association to which such grant is made shall give assurance, satisfactory to the Federal Works Administrator, that (1) it will adequately maintain the public facilities for which such grant is made; (2) the assessments or other charges which would otherwise be imposed for the provision of such public facilities will be reduced by an amount equal to the grant; and (3) in the case of a public body, it will make available, for the housing for which such public facilities are provided, all other public facilities it then provides for other housing generally, and upon like terms and conditions.

"Special conditions of grants to associations

"SEC. 1803. No grant shall be made hereunder to any association unless (in addition to the conditions specified in sec. 1802)—

"(a) The Federal Works Administrator shall determine that the type of public facilities for which such grant is made are, under applicable local law or practice, customarily provided in the first instance by real-estate developers or builders; and

"(b) Such association shall agree to transfer such public facilities after completion, without compensation, to an appropriate local public body, if and whenever any such local public body may be willing to dedicate such public facilities to public use and to maintain them under the conditions specified in section 1802.

"Delegation of authority

"SEC. 1804. The Federal Works Administrator may delegate and authorize successive redelegation of any authority conferred upon him by or pursuant to this chapter, to any official or employee of the Federal Works Agency.

"Appropriation authorized

"SEC. 1805. There is hereby authorized to be appropriated to carry out the provisions of this chapter and for administrative expenses in connection therewith not to exceed $200,000,000 to remain available until expended."

The President's Message

EXTENSION OF REMARKS
OF
HON. FREDERICK C. SMITH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. SMITH of Ohio. Mr. Speaker, President Truman's message should leave no doubt in the minds of the American people respecting the intentions of his administration. The powers which the President asks the Congress to grant him, together with those which he already possesses, would for all practical purposes be as great as those which Mussolini and Hitler were able to inveigle their countrymen into surrendering to them.

The President stated that price inflation threatens our entire program of foreign aid; that we cannot abandon foreign aid; and that we cannot abandon our people to the ravages of unchecked inflation.

He well knows that much of the present inflation in the United States is being caused by providing foreigners with billions of dollars which they are using to buy our goods and, in so doing, bid up domestic prices. To prevent further inflation, he asks to have price control and rationing restored. Among other things he also asks for the power to seize the grains held and owned by the farmers so that he may ship them to foreign countries. To cure the inflation which the administration's foreign give-away policy is causing, President Truman asks the American people to surrender their liberty and divide their standard of living with practically all of the rest of the world. I, for one, shall not go along with this program.

McLemore Is Glad He Saved Cap To Tip to Marines

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Henry McLemore which appeared in the Evening Star, Washington, D. C., Monday, November 10, 1947:

McLEMORE IS GLAD HE SAVED CAP TO TIP TO MARINES

(By Henry McLemore)

I am glad I saved my little soldiers' cap.

I threw away my trousers, my coat, and my combat boots. The Government took up my M1 rifle, my carbine, and my long drawers.

But out of it I saved my little cap. It's ringed with the blue ribbon of the Infantry. I'm glad I saved my little cap because I want to tip it today. I want to take off that cap in honor of the only fighting organization in the world that is better than the Infantry.

I want to tip my cap to the marines.

MARKS CORPS' ONE HUNDRED AND SEVENTY-SECOND YEAR

Today the Marine Corps observes its one hundred and seventy-second anniversary. From the time the marines were authorized by the Continental Congress up until today they stand as America's finest fighting men.

Any man who fought for his country has pride for the outfit he was in. Men who flew planes will swear to you that the Air Force had the best guys. Men like me who walked down the dirty long road will argue all night that the rough end of the stick belongs to the Infantry. Sailors will tell you that the Navy won the war and that sea power is everything.

Yet when a marine walks into the room you gotta shut up, because his heart beats to the tune of a song that's been proved to be on the level. Let the children sing "Near You" but when a marine sings or whistles he whistles or sings of a story of bravery that has been matched, perhaps, but never outdone.

NEVER HAD SAFE LANDING

The marines walked into Guadeloupe in 1798 and they didn't spare the blood. They added The Shores of Tripoli in 1804, and in 1847 they wrote Montezuma into their hymn. I could get very sentimental about the marines, but I'd rather put it this way:

The marines never land after a place is secured. They never come in with cans of fruit cocktail in their pockets and they have never known in time of war what it is to assault a volley ball court. The marines, if you are following me, are the gents who come in first. When they lower the boats the marines jump in. If you don't know how dangerous or rugged the coral is, the marines can tell you. They have been there. The fresh blood and plasma is late but the marines don't wait until it gets there. They are the Americans who look at it, don't like it, and say to themselves, "Let's get a toehold for the other boys."

This may be treason to the blue that I wore on my cap but the marine is a better soldier than the infantryman. He's meaner, and that's what makes for a good soldier.

WAR MEMORY DIMMING

World War II is slipping into the mist of yesterday and we Americans are forgetting what so many men did for us. Even the dismal honk of the ship bringing back the war dead does not arouse us. Men who gave their lives for this country are being buried while we fret over meatless Tuesdays and eggless Thursdays.

Yet I declare that in any marine encampment in this country, or wherever marines are stationed throughout this world, shoes are shined, rifles are cleaned, and the bugle's call will send them to the fullest fulfillment of a citizen—the defense of his country.

The marines' motto, if my Latin teacher didn't lie to me, is Semper Fidelis. To my knowledge a marine has never violated that motto.

I hope that this is a tribute to the marines. If I had a son, and he lived up to the marine tradition, I, as a father, could ask no more, because I would be the father of a man.

Controls Will Retard Oil Production

EXTENSION OF REMARKS

OF

HON. CHARLES W. VURSELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. VURSELL. Mr. Speaker, the President's message on European aid and the administration's report on the reduction of tariffs on gasoline and refined byproducts by 50 percent struck a twofold blow against greater oil production in the United States.

The President advocates a return to price control and an interference in the oil industry and in other industries that will create confusion and cause a decrease in production. He asks for the power to control exports which would give him the authority to export under the Marshall plan all the steel and oil he deems necessary to implement such a plan. To do this he will, of course, have to take these commodities away from the American people.

The danger in such a move is best illustrated by how the administration has used the power of export control with reference to steel casing and oil pipe line products during 1946 and 1947. During the third quarter of 1946, in a free market without the use of controls we were only exporting 32,000 tons of steel casing and oil pipe line to Europe and other countries. About July the President put into operation export controls compelling a greater amount of this steel to be channeled into foreign export. From July 1946 to June 1947 steel casing and oil line pipe being exported increased from 32,000 to 95,000 tons. These exports controlled by the President increased 300 percent. They propose, under the Marshall plan, to export not only more steel casing and oil line pipe but millions of gallons of gasoline and refined products more than in the past to implement the plan. And, in addition, they propose to export whole and complete refineries ready to be set up and put in operation in Europe at a time when we are short on refinery capacity and these refineries are needed here at home. It must recall to the minds of Members of Congress and the American people the complete refineries so freely given Russia during the war.

They are proposing for interim aid that we ship $60,000,000 worth of oil to France and Italy; that pattern will be suggested for various other countries by the administration. They ask for these controls so that they can ship these natural resources to foreign countries at a time when oil products are 3½ percent lower today than they were a year ago when oil stocks for power and heating purposes on the east coast are 17½ percent less, or 11,700,000 barrels less than a year ago. There will be suffering of people in their homes on the east coast and a slowing down of our economy because of this shortage of oil and oil products.

There is a shortage of all oil products in the Middle West of 3½ percent, or 1,800,000 barrels.

There is an increase in oil supplies in only one section of the United States, the Gulf coast, of 3½ percent. The reason of this increase is the lack of oil tankers to transport this small amount of oil through the Gulf and up to the Atlantic to the east coast. This shortage of tankers has been brought about by the administration selling to various countries our oil tankers at a fraction of their real cost and at a time when we are short of steel in this country with which to rebuild such tankers and a shortage of steel which is preventing the building of railroad oil tank cars and railroad cars generally. This country needs today the immediate construction of big steel oil and gas pipe lines from Texas to the North and East, and the steel for these pipe lines is unavailable.

In the face of this steel shortage, the Government has recently agreed to supply and ship to Arabia for the building of a 1,000-mile pipe line some 300,000 tons of 30- and 31-inch big oil-line pipe. With export controls, the Administration can channel not only steel, oil, and oil products, diverting them to Europe, but can divert practically any commodity it chooses at will.

This is a tremendous power to place in the hands of subordinate bureaucrats delegated to them by the President.

The second blow struck at the oil interests by this administration was the announcement by the State Department that under reciprocal trade agreements recently consummated at Geneva, Switzerland, the duty on gasoline and refined oil byproducts had been reduced by 50 percent. This will discourage exploration and production of oil throughout the United States and the hundreds of thousands of barrels of gasoline shipped into this country will prevent the employment of labor and capital from refining this gasoline in the United States. It will slow down oil production, make it less profitable, and displace labor. They have opened our door to the monopolies of other countries and other monopolies that will be builded by the pipe line in Arabia to invade our markets to the detriment of those investors and employees of our oil industry here from the top man to the lowest-paid laborer.

We must not lose sight of the fact that these controls establish the ability to transfer oil discovery and exploration from the United States to anywhere in the world that a few men in Government may decide fits best that which they refer to as our foreign policy.

This power to furnish the supplies for the drilling of wells, for pipe lines, and the steel for construction of refineries in foreign countries is now being used. When such projects are completed, we find that such foreign exports are accommodated by our having reduced the tariffs by 50 percent this week, which furnishes a ready market for their products in our country.

Problems of Small Business

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. CRAWFORD. Mr. Speaker, we have had considerable experience in this country in recent years to the effect that the more Government controls operate the less chance small business has for survival. As Government bureaus are created to carry out powers delegated to the President by the Congress and which powers deal with economic controls, the Government bureaus find their jobs more administratively possible through channeling the volume of business through great centralized units, the few heads of which can be called to Washington and dealt with. The more we move into a regimented or centrally controlled economy the less chance the small businessman has for survival.

Yesterday the President, in the summary of his recommendations, requested the Congress to extend to him peacetime economic powers which go beyond anything yet experienced by our people, even in wartime. The National Federation of Small Business, incorporated under the direction of George J. Burger, director, must have sensed some of the things which are now known when, under date of October 25, it addressed a telegram to President Truman at the White House, signed by the federation's president, C. W. Harder, and on October 28 released to the press a statement inquiring why the administration had not yet appointed small-business representation on Government agencies as called for in Senate Concurrent Resolution 14, adopted by Congress almost 5 months ago.

The economy which has made this Nation as great as it is and which will have to continue such production as may flow for the benefit of the people of this country and other countries has heretofore very substantially relied upon small business, and in the future it will have to be founded on that particular stone.

To think in terms of successful big business without the cementing and binding influence of small business would be an economic fallacy which would soon destroy the economic fabric of our people. Our only chance for economic survival is to always maintain a healthy atmosphere in which small business can come into being, operate, and survive.

The matter referred to follows:

The National Federation of Small Business has called on President Truman for a clear statement of the Government's intentions toward small independent enterprise during the current domestic and foreign crisis.

In its message, the federation inquired why the administration has not yet appointed small business representation on Government agencies, as called for in Senate Concurrent Resolution 14, adopted by Congress almost 5 months ago. Noting that long-range solutions to current domestic price difficulties lie ultimately in increased production and competition, the federation asked just what the administration plans in the way of vitalizing and protecting small, independent enterprise—the keystone of economic progress. In this regard, the federation asked just what the administration plans to suggest to the special session of Congress in the way of long-needed revision of taxes, in the way of assuring capital flow to presently existing and new small, independent enterprises, and what it will suggest in the way of a concrete antitrust program designed to unshackle small business. The federation asked, too, just what plans the administration has to integrate small, independent enterprise effort into foreign-aid programs, and what the administration will propose to safeguard the legitimate rights of small, independent business if legislative controls over business are adopted during the special session.

The federation noted that apparently reliable reports indicate that monopoly and international cartel groups are moving into position to use American foreign relief for their own ends; it asked just what safeguards the administration will propose to check such an eventuality. It asked if the administration is prepared to recommend that foreign relief plans contain definite provisions requiring positive maximum self-help on the part of the countries to be benefited before relief is given them. And it asked if the requirements of our national well-being are being given equal consideration in all plans to be presented by the administration.

The federation asserted that small, independent enterprise is desirous of doing its share in the current crisis. At the same time it declared that little encouragement has been given it by government. The federation asked President Truman to advise it definitely just what the administration will do to rectify this condition.

Text of the federation message to President Truman follows:

OCTOBER 25, 1947.

President TRUMAN,
White House, Washington, D. C.:

The National Federation of Small Business, Inc., views with great interest your decision to call on Congress for consideration of problems presented by prices at home and foreign relief need abroad.

This we say because over the Nation small, independent enterprise views with increasing alarm much of actual and projected governmental policy in both fields. First, small business cannot understand why the administration, fully 5 months after passage of Senate Concurrent Resolution 14, and in face of a grave national emergency the solution of which will require the united efforts of all segments of our national fabric, has not moved positively to insure small, independent business representation on all government agencies, particularly those of the policy-making variety, in which the interests of the American economy are affected.

Second, small, independent business keenly aware of the fact that production and competition alone present the long-range answers to current problems, would appreciate knowing definitely what steps the administration is prepared to recommend in the special session for the vitalizing and protection of present and new means of production and competition. Is it prepared to help insure continued unimpeded flow of capital to presently existing and new small business productive and competitive distributive facilities? Is it prepared to recommend tax adjustment along lines repeatedly suggested by members of the federation and recently suggested by the Commerce Department Small Business Advisory Committee? Is it prepared to recommend a strong, vigorous antitrust program as suggested to the congressional Joint Committee on the Economic Report by me on July 14, to free productive and competitive distributive small enterprise from monopoly restraints and unfair trade practices? Is it prepared to urge passage of pending antitrust law strengthening legislation, as supported by federation during the first session of the Eightieth Congress? Is it prepared to urge that small independent enterprise be integrated fairly into all foreign-relief planning? Is it prepared to urge provisions for protection of legitimate rights of small, independent enterprise in any and all legislative controls that may be developed for exercise over all business? Is it prepared to urge needed changes in national labor laws to grant equality of opportunity to small enterprise?

Third, small, independent enterprise views with increasing concern apparently reliable reports that monopoly groups and international cartels are readying themselves to slice great chunks out of all American relief expenditures. It wants to know if the administration is prepared to recommend specific controls to safeguard American aid which, in the final analysis, represents hard-earned tax dollars furnished by all American citizens against any such depredations.

Fourth, it wonders if the administration is prepared to recommend that foreign relief plans contain definite provisions requiring positive maximum self-help on the part of countries to be benefited before relief is given them.

Fifth, it wonders if the requirements of our own national well-being will be given equal consideration in all plans presented by the administration.

Mr. President, the small independent businessman wants to do his share to help in the current crisis, but so far he has been given very little encouragement in the way of actual deeds by Government. While he has received paternalistic pats on the head and has heard pious praises sung, he has been quietly frozen out of all activity. We would appreciate immediate advice from you as to just how small, independent business is to be integrated into the foreign-relief effort and what steps the administration is planning to recommend in the special session to preserve and protect small, independent enterprise from undue harm during the life of the current crisis. We will be happy to convey to our entire membership, the largest individual membership of any business organization in America, the reply you give to this request for information.

Small, independent businessmen federation members to a man contend the Nation will be ill served and the cause of free democratic government will be positively damaged if in the present emergency small, independent enterprise should be unduly harmed. Free competition and independent enterprise have vitalized our Nation to the point where it is the hope and envy of the world. We do not serve either ourselves or the world by tearing down the props of our success.

Small, independent enterprise awaits your reply and will follow with interest your recommendations to Congress.

C. W. HARDER,
President, National Federation of Small Business, Inc.

Letter of Hon. John P. Stewart, of Atlanta, Ga.

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. DAVIS of Georgia. Mr. Speaker, the people of the United States are becoming more concerned over the dangers we face as the facts unfold about

the world situation. Ex-soldiers, fathers and mothers, and taxpayers are wondering what lies ahead and whether we are meeting the issues squarely. They are not concerned with partisan politics, but rather with the vital issues of stopping communism, preserving peace, preventing waste of our natural resources, and preservation of our domestic economy, while we do our part in relieving the misery and destitution of the war devastated areas.

It is refreshing and most helpful to have the views of citizens who are thinking about these matters. I received recently a letter from Hon. John P. Stewart, of Atlanta, Ga., an outstanding lawyer in my congressional district, which I believe is worth the time of Members to read. Under leave previously granted, I insert his letter herewith:

ATLANTA, GA., *October 13, 1947.*

Hon. JAMES C. DAVIS,
United States Congressman,
Old Post Office Building,
Atlanta, Ga.

DEAR JUDGE: I don't often write my Congressman, although I have written DICK RUSSELL, who was a classmate at Georgia, a time or two on subjects our post was interested in. This letter is not official and I know my personal views are not important—but perhaps I can be a guinea pig and thus help you learn what fairly well informed people here are thinking on the big subject we are all concerned about—Russia and the Communists.

1. We are undertaking too much to try to feed and police most of the world. It's the same principle as when you lend a friend money or do someone a big favor. They usually end up by demanding that you do more and blaming you for all their troubles. We cannot give Europe all the food or money it needs, so because we have halfway promised it, they finally hate us and turn to Russia—at no expense to Russia.

This seems elemental, so why can't we avoid making such an obvious mistake?

We think we should give emergency food relief and all reconstruction aid that can possibly be put on a business basis. We should buy goods from them as much as possible, but not give them big gifts of anything.

2. Many of us feel that Truman is too "soft" to head our Government in these hard-fisted times, unless he is willing to take advice from such men as Marshall and Eisenhower and work through such agencies as OSS and give them plenty of authority and money. The current Reader's Digest has two articles which throw light on this—that about Wild Bill Donovan's OSS and the article about Albania. Also, the paper recently carried news of Albanian patriots being shot by the Communist government for being spies of the United States. In other words, Russia is giving us credit for doing what we should be doing—but the hell of it is, it isn't true. It would be most encouraging if we were openly fighting communism by giving full aid to the peoples' parties and anti-Communist organizations.

If timid souls say this would be an act of war, we can always point to the political murders and overthrow of peoples' governments which Russia has openly managed. Russia will find an excuse to fight the minute she thinks she can win.

Here's the way it looks to us ordinary citizens:

A. We are being too idealistic and altruistic and are not facing the raw facts.

We are shooting bird-shot (money and food) at the whole world and hitting nothing, and if we are helping anybody much, we are helping unfriendly governments and people and the Communists as much as we're helping our friends. This is foolish and stupid. It's said our millions of dollars of supplies to Albania were sold by the Communists to the storekeepers, then confiscated back, and the money and goods sent to Russia. We know what Tito did with our American aid. Why arm and strengthen our enemies?

B. Why not a practical policy? We could fight Russian methods effectively—which we're not now doing—and could make friends instead of enemies by helping only our friends; and could be strengthening the defense of our country (by upholding the democratic governments in western Europe) instead of pouring our wealth and supplies down rat holes that all lead to Moscow.

Here's how we think it can be done.

In the first place we must keep our armed forces and our Government finances strong.

Also, we've got to realize that if a nation like France wants to go communistic, we haven't enough food and money to spare to prevent it. We must fight some other way. Russia uses the natives by selling them bunk. We could use them by selling them the truth, and showing them that we help our friends, i. e., those citizens and organizations that actively fight communism.

We should by all means use an OSS at full strength to get and disseminate information and to organize patriotic underground movements in every Communist-controlled country to counteract the work of the Communist leaders.

Since the Communists put no value on human life and use false charges and mass murder as a matter of course, we are inclined to be too squeamish and think there's nothing we can do but send the Red Cross to "feed the people."

If 100 of the key Communist leaders were abducted from the trouble spots of Europe and put in a concentration camp for 5 years (since we are too humane to simply shoot them as the Communists would do) it would do as much good as a billion dollars' worth of food given indiscriminately to our friends and enemies alike—and as much good as landing a million men on the European continent.

Suppose the patriotic societies fostered by our OSS men in Albania knew that we would back them to the limit, with food, guns, planes, etc., they'd soon handle their own troubles. If the native traitors who lead the Communists who are trying to plunder the country are snatched from their beds and carried away in the night, as now happens to all who dare oppose the Communists—then they'll soon lose a lot of their bogus zeal for Moscow.

This was really the basis of the original Ku Klux Klan movement, and that was the only thing that really worked in the Reconstruction days in the South.

In the meantime, we can continue our debate with Russia in the United Nations for the purpose of educating our people, which I am afraid is the only useful purpose it will ever serve.

The third world war is well under way. In the past nobody on earth has been as stupid as our peacetime Army leaders. Can't we change that now?

Russia screams that we are war mongers. Why not fling the charge back in their teeth and tell them we will fight them with their own methods—since they're better than our present ones—and will be prepared to fight for our rights whenever they are invaded.

Then if we keep ourselves strong and make useful friends and allies—instead of false friends for whom we have done too much—we should not fear the outcome of the war when it comes.

We'd like for you to represent us along these lines and feel sure you will do so.

With kindest regards and best wishes, I am,

Very truly yours,

JOHN P. STEWART.

Boston Regional Veterans' Administration Understaffed

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. LANE. Mr. Speaker, under the GI bill of rights, we have solemnly undertaken to do everything reasonably within our power to help the veterans of World War II. In the Boston regional office of the Veterans' Administration, that is not being done, because there are not enough employees to handle the heavy case load. This unfortunate situation is responsible for much hardship and disillusionment among the veterans and places an unnecessary burden upon the personnel of this overworked Boston office.

This calls for a deficiency appropriation in order that we may give prompt and adequate service to our veterans.

Bear in mind that the Boston area is both an educational and industrial region, with a proportionately large number of claims. The recent cut in the number of employees has resulted in inefficiency and delay in handling claims for schooling, medical, and dental treatments, interviewing of veterans' claimants, assistance in filing claims, and adjudication of claims.

The Boston office was reduced 10 percent, putting it below the ceiling which was considered the minimum for carrying out its responsibilities. On the other hand, other regional offices throughout the country with a much smaller case load per employee, were cut only 1½ percent.

This has caused a traffic jam which threatens to paralyze the functions of the Veterans' Administration in this area.

There are 2,400 employees at the Boston regional office, with another reduction in force scheduled for next June. There is a case load of 215,000 veterans' claims. There are 80,000 running awards and 60,000 veterans in training.

The various veteran organizations are up in arms in protesting that this neglect be remedied through adequate appropriations to care for all deserving veterans.

Roland L. MacDonald, service officer, Department of Massachusetts, Marine Corps League, reports:

There are at present, approximately 15,000 applications for dental treatment. The average cost per case is $85, therefore, approximately $1,275,000 will be required to clear this back-log of $100,000 per month over and above the present monthly allotment for dental treatments. At the present time there are only three dentists on Dental Rating Board and it is obvious that dentists must be employed in the adjudication section to clear the back-log and to keep it current. There are thousands of veterans that are badly in need of dental care, whose physical condition would improve and infection eliminated * * * such as veterans suffering with arthritis, ulcers, and many other service-connected disabilities which are aggravated because of infection from neglected teeth.

The national service office of the Jewish War Veterans of the United States of America estimates that—

The following personnel are needed at once in the following departments:

Rehabilitation	40
Contact	30
Medical (clerks and typists)	25
Finance	85
Insurance	6
Manager's office	3
Administrative	36
Claims (filing clerks, etc.)	20
Dental (clerks and typists)	25

The cost of the above additional personnel for the various VA regional office departments is figured at about $700,000, plus the amount of $1,250,000 for the proper treatment and care to be given to the dental claims of the veterans.

Samuel I. Williston, department service officer for the Veterans of Foreign Wars, Department of Massachusetts, as a result of an investigation into conditions at the Boston regional office, makes the following recommendations, among others:

FINANCE

Immediate increase of personnel in this department and permanent help are necessary. For several years now it has been the policy of the Veterans' Administration to loan extra help to Finance from other departments several times a year. This causes a stoppage in the departments which must sacrifice this help, and this also gives to Finance inexperienced help to do their work. About the time the help is trained so that they are of value to Finance they are sent back to their own department.

If Finance is to get the checks out it must have permanent help and not borrowed personnel. There is also entirely too much secrecy and too many obstacles placed in the way of the veteran obtaining information as to why he did not receive his check. Delays in payment of awards are certainly without reason. If this department does not function properly the entire Administration is criticized.

REHABILITATION

This is a department that can stand much study and correction. Too many complaints are coming in from veterans of poor service. The training officers are overloaded and unable to be available to the veteran and to know his problems. The Veterans' Administration should maintain a close supervision over the veteran and his place of training. The training officer should be able and available to settle all the problems of the veteran. Veterans have to wait many months for checks and equipment and must constantly go to outside agencies to help in straightening out simple problems.

There are entirely too many veterans denied training due to nerve conditions who do not have a severe nerve condition. These veterans should be given a chance to rehabilitate themselves. These men want to help themselves. The answer is, "No, you are too nervous." Much improvement can be made in this department.

Joseph M. O'Connell, national service officer for the Disabled American Veterans, has this to report about the medical unit:

MEDICAL UNIT

A full day's work in this section consists of 200 examinations per day. I dare say that there are many days when there are not 200 examinations scheduled. Out-patient treatment cases in this office vary anywhere from 800 to 1,000 cases per day. To render service on this large scale the medical unit has a force of 380 people. This figure includes the personnel assigned to the Veterans' Administration offices in Springfield and Worcester. Of this total 380 people, there are only 69 professional persons, including doctors, nurses, and dentists. Clerical help in this section has been curtailed to the point that when a veteran is notified of his physical examination he is also sent the first page of his examination with the request that he fill out the first 26 questions. We have observed that this policy is very unsatisfactory because the majority of the veterans do not fill out the questions correctly and consequently the information submitted to the rating boards is neither correct nor complete. There have been occasions where the veteran has actually been reduced in compensation because the necessary information, such as his complaints and treatments, have not been fully described. It is assumed that the average veteran is intelligent enough to answer these questions fully and correctly on his own behalf, but as a result of our findings there have been cases (especially in neuropsychiatric cases) where the veteran doesn't understand the questions and because he gives incorrect information the case is not clearly understood by the rating boards. Sometimes the veteran's handwriting is so illegible as to make it difficult to determine just what treatment the veteran has had and how many times he has received treatment. We very definitely believe that when a veteran is called in for examination, as has been the case in the past, these questions should be asked by the Administration and the answer filled in by the medical unit instead of by the veteran. Oftentimes the veteran turns to the service organizations for assistance in completing the form, thereby placing a tremendous burden on the organization. Although all service organizations are ready and willing at all times to render service to veterans, we feel that this is an unnecessary burden and it is rightfully the responsibility of the Veterans' Administration.

On the question of out-patient treatment on a fee basis, this office feels that it is a very serious problem which must be met. The majority of veterans living outside the immediate area of Boston are attended by local physicians on a fee basis. We have been informed that the Medical Unit has had to reduce by half, in many cases, the number of treatments authorized per month. This office has had complaints from doctors as well as veterans on this score. One case which has come to our attention is that of a veteran who has been taking treatment on a fee basis from his own doctor for over a year at the rate of six treatments a month and he has now been reduced to only three per month. In cases of this type we definitely feel that harm will be done to the disabled veteran. The personnel of the Medical Unit are doing all in their power to help veterans in every possible way, but an estimate has been made that 25 more persons are needed immediately to take care of the drastic reduction in authorizations for out-patient treatment on a fee basis. There are veterans living in the immediate vicinity of the Boston regional office who are employed 8 hours a day, 5 days a week. They have no way of receiving out-patient treatment at the regional office without loss of worktime and they therefore have been authorized to receive out-patient treatment on a fee basis. Now that this procedure has been discontinued, the veteran has to make out on his own as far as treatments are concerned. If he takes a day off from work to obtain treatment at the regional office he loses a day's pay or approximately $8.

There is also the howling of the employer who does not want to put up with the absence of the veteran in order that he may obtain VA treatment. We feel that this situation should be taken care of immediately before more serious complications arise concerning the employing of disabled veterans, and the loss of pay to veterans who have been denied the right of obtaining out-patient treatment on a fee-basis.

Coleman Curran, department adjutant of the American Legion, and Eddie Reilly, service officer of the AMVETS, have expressed similar criticisms.

The veterans charge that penny-pinching economies effected by short-sighted groups in Congress are responsible for their present plight. Although they realize the necessity of providing funds for the reconstruction of Europe, they cannot help but ask: "Must it be at the expense of American veterans who became disabled in the fight to preserve our freedom?"

I am confident that the American people, once they know these facts, will support the demands of the veterans that sufficient appropriations be made to insure efficient service to those who sacrificed so much. In this connection, it is small wonder that the armed forces are behind in their enlistment quotas. The shabby treatment accorded the veterans of World War II is hardly the inspiring example that will induce younger men to volunteer for service to their country.

A deficiency appropriation will enable the Boston regional office to function properly. Beyond that, the Committee on Appropriations should make a thorough study of this problem so that sufficient personnel will be provided to care for the case load. We cannot default on our obligations to the veterans.

Address Before Massachusetts Knights of Columbus

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Addressing a State-wide gathering of the Knights of Columbus in Boston last night, Congressman PHILIP J. PHILBIN roundly denounced left-wing malefactors who are spreading religious, racial, and social hatreds in this country and called upon a union of patriotic Americans to combat the activities of communism and all its works.

"Free religious worship is one of the most sacred rights guaranteed by the Constitution," said PHILBIN, "and we cannot stand by silently and idly while Reds and fellow travelers here and abroad attack and seek to destroy it." Referring to left-wing efforts to generate social frictions between racial groups and classes of our body politic, PHILBIN declared that the first step in combating these tactics is to observe zealously the constitutional safeguards guaranteeing equality of treatment and opportunity for all persons without regard to their religion, race, station in life, or any other extraneous factors.

The Clinton Congressman lashed at Russian aggression and infiltration in Europe and Asia and emphasized that the most dangerous infiltration of all was occurring right in the United States. This movement is well organized and embraces practically every

segment of American life. There is hardly a social or economic activity that is free from the baneful influence of Communist and subversive propaganda, he stated.

"We cannot lend ourselves to warmongering, but we must at all costs protect our own Nation and its precious freedoms," PHILBIN declared.

"One would be blind indeed who could survey contemporary world and national conditions without appreciating the urgent need for this type of American organization. I have just returned from an extended tour of European nations, during which I visited many places, talked with many people, and studied the rapidly moving events of that harried and troubled section of the world. It is hardly possible for me to describe the privation and suffering, the political unrest, and Communist agitation that I found in many countries and which are symptomatic of world-wide conditions caused in large measure by left-wing conspiracies. Out of the widespread devastation, the shattered economies, the dire hardship and hunger which presently exist there, it is difficult to conceive the early restoration of stable, economic structures and orderly government. In fact, from day to day the situation seems to grow worse until countries of Europe seem to be seething cauldrons of desperate Communist activity aimed at the overthrow of all existing institutions. The Reds have scored many political victories by deceiving the people with flagrant propaganda or by engaging in actual fraudulent practices tantamount to stealing the elections. When these methods are not successful, as recent events prove, they have no hesitancy in starting armed revolts and insurrections, inciting violence, promoting great public disorders looking toward the capture of these countries and governments by force. All the while they sound pious words of devotion to democracy and hold themselves out as the defenders of representative government and as champions of the suffering and afflicted.

"In these ruthless campaigns to capture control of erstwhile peaceful democratic nations, the Reds have not been deterred by fear of international retaliation nor concern for the opinions of other nations. They have been ruthless, destructive, and bloodthirsty. Hitler at his worst could not exceed their outrages against human decency and their heartless, merciless treatment of individuals and groups who refuse to do their bidding.

"I need not tell this gathering that the very first technique of the Communists is to destroy all religion and all free worship. These left-wing malefactors are spreading religious, racial, and social hatreds not only in Europe but in this country, and one of the great and crying needs of the moment is a loyal union of patriotic Americans to check the activities of Communists and all its nefarious works.

"We well know that free religious worship and the right of the individual to order his own life free from regimentation by a radical superstate is one of the most sacred rights guaranteed by the Constitution. We cannot stand by silently and idly while Reds and fellow travelers attack and seek to destroy these precious human rights. Neither can we be unmindful of left-wing leaders who at this very time are working desperately to generate social frictions and hatreds between racial groups and other classes of our body politic.

"Although we have won the war, the freedoms we believed we had secured through very bitterest sacrifice are in grave peril. Communism is spreading steadily and speedily over many formerly free nations, threatening the liberties of these helpless people. Brazen attacks are made upon our own government officials and the policies of our own Government. If we are to continue as a free nation, indeed, if the ideal of human freedom is to continue to live in this world, America must meet every challenge to our own free institutions at home and abroad. We cannot permit any nation to ruin the peace which so many of our boys died for through aggression, infiltration, and Marxist conspiracy. We cannot permit any group in this country, however strongly entrenched, to strike at the heart of our governmental and business systems through subterfuge or preparation for rebellion.

"Now is the time to take a definite position toward organized communism at home and abroad, to put our own house in order and check the enemies of democracy within our gates. One of the very first steps in combatting this widespread radicalism is to observe zealously our own constitutional safeguards guaranteeing equality of treatment and opportunity for all persons without regard to religion, race, station in life or other extraneous factors.

"As we deplore and denounce Russian infiltration in Europe and Asia let us recognize that the most dangerous infiltration of all is occurring right here in the United States. Let us move to check it before it is too late and let us move to check the outrages against freedom and self-determination which are being perpetrated by Russian communism abroad. To be sure we must maintain our national defense and armed power at a high pitch of efficiency and effectiveness in order to protect our Nation and carry out our international commitments. We must not, however, lend ourselves to warmongering but, on the other hand, seek peace through collective action and, if necessary, revise the United Nations charter so as to outlaw the unconscionable use of the veto power which is making a laughing stock out of what we believed would be a great and effective agency for maintaining world peace. We can and should also use economic measures available to us, and by joining with other nations, as well as by our own action, shut out from world trade and intercourse any and all nations—be they principals or puppets—which refuse to be bound by rules of human decency, and which are carrying on aggression or ideological warfare against other nations and democratic ideals.

"Let us recognize that our primary responsibility is to our own country, that we must constantly strengthen and protect it, that we cannot weaken it in any way by misguided, unsound, or unwise policies, and that we must all determine to preserve our democracy, our economic system and our way of life against the attacks of left-wing malefactors. Let me repeat and reemphasize—unless we move promptly to safeguard our own institutions and the welfare of our own people, there is great likelihood that this Nation will find itself engulfed in the whirlwind of collectivism and hatred which has laid so much of western civilization in ruin and shambles, and which, indeed, now threatens all of us."

Relief Program in Italy

EXTENSION OF REMARKS

OF

HON. J. EDGAR CHENOWETH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. CHENOWETH. Mr. Speaker, I wish to call the attention of the House to an article that appeared in a recent issue of the Pueblo Chieftain, published at Pueblo, Colo., and which deals with our foreign-relief program. This article contains the observations of Mr. Vincent Massari on the failure of our relief program in Italy. Mr. Massari is one of our prominent citizens of Colorado and enjoys an excellent reputation. He has just returned from Italy, where he made a thorough investigation of the whole relief program. He certainly presents some startling facts in this report and confirms the suspicion that many of us have entertained that the food and supplies being sent to Europe are not reaching the destitute persons for whom they were intended.

Yesterday we heard the President request Congress to appropriate additional sums for relief in Italy and other European countries. In view of this report by Mr. Massari, not a single dollar should be appropriated until we are certain the conditions he describes have been corrected. I cannot support an appropriation like this when I know the money will be used to promote the interests of a political party in Italy instead of being used to relieve human suffering. I think the time is here for us to be honest with the American taxpayer who is furnishing this money with such a lavish hand. I submit Congress cannot continue to make these millions of dollars available for relief when we have the proof that they are being diverted to black markets and used for political purposes.

In view of the fact Congress will soon consider the request for additional funds for Italy, I hope every Member will read the accusations made by Mr. Massari. It is most distressing to learn that our efforts to assist the needy and deserving people of Italy have been so frustrated.

The article follows:

UNITED STATES AID SENT ITALY FUTILE IF BLACK MARKETS CONTINUE

Unless black marketing is stopped in Italy, relief supplies to that country will not help the starving people, Vincent Massari told Lions Club members at the Vail Hotel Thursday noon.

Massari, who recently returned from Italy from a special investigation mission for the Columbian Federation, declared he will prove that about 40 percent of what America sends to Italy is distributed with prejudice to foster the cause of political party and not of the Italian people.

The United States policy, he said, has not helped the real democratic elements in Italy, and the present administration of Premier De Gasperi is a continuation of Mussolini's Fascist rule.

ONLY ONE NEW LIBERTY NOW EXISTS IN ITALY

There is only one new liberty existing in Italy—"the liberty to infringe upon the old and new laws, the right to speculate on the misery of their fellowmen, and the right for fascism to actually reenter the Government with a Fascist sympathizer at its head. This man is none other than Alcide De Gasperi," Massari asserted.

"Several months ago members of the Cabinet, Vanoni and Campilli, were accused in Parliament of having accumulated millions. A committee was appointed among members of Parliament. The charges were proven, but Vanoni and Campilli are still members of the Cabinet, protected by Premier De Gasperi.

"Can you be surprised by these things when Fascists recently liberated by a general

amnesty are still holding responsible positions and resuming the old play?"

Massari, who is well known throughout this country and in Italy as well for his opposition to fascism and all its principles, went to Italy for the express purpose of investigating for the Columbian Federation, of which he is national president, just what is happening to relief supplies that are pouring into the country. The people are not informed as to where the little relief they do get is coming from.

ARREST OF OFFICIALS MAY BE NECESSARY

Any help that is sent in the future to Italy, Massari declared, should be conditioned on the removal of black-market operations, even if this means the arrest of a few Government officials and American black marketeers.

The recent visit of Lva Perón, of Argentina, to Italy is an indication that fascism still is not dead in Italy, Massari stated. It was followed by mass protests by the workers of Rome against the government and against the Fascists salute used by Mrs. Perón.

Massari charged that our governmental representatives and officers of the armed forces have not mingled with the common people in small communities; that they are approached by the society people and the Fascists of the old days; that they make their reports from what they are told and not from what they themselves see.

Massari explained why De Gasperi won a vote of confidence a short time ago. "I will tell you that the vote was taken right after Count Sforza announced that the United States had renounced her share of Italian ships given her under the peace treaty; that the majority on the Saragat motion was only 37 votes, while 63 members of the assembly did not vote at all; and finally because, between the two evils, the Italian people chose the lesser. They do not want communism and they've had more than enough of dictators. They add that the worst democracy is always better than the best dictatorship."

"The Italian press announced for our consumption that the Communist Party received a defeat in the municipal election of Rome. This is far from the truth. The Communists in this election have received 10 percent more votes than last year, and more than De Gasperi's party. It is true also that the De Gasperi party received a larger vote than last year, but this was accomplished at the expense of the Qualunquisti Party of Giannini, another name for Fascists."

Massari explained that many of those who have voted with the Communists are not Communists at all but wish to register a protest vote against the De Gasperi regime and who do not want their votes to be lost on a minority party. Leader of one of the minority parties, the Republicans, is Col. Randolfo Picciardi, leader of the Italian anti-Fascists who fought in Spain during the revolution and who was trying to form a legion of Italians from North and South America to fight against the Nazis in Italy before the landing of our troops on the shore of Italy. He was refused permission by the United States, who were more willing to deal with the House of Savoy.

Italians, said Massari, would like to see the United States take a middle-of-the-stream course, not a one-sided course as at the present, as long as Italy has a good Republican Party, and a good liberal party, and a good democratic party. They resent being told for whom to vote, or who to have for premier. They resent the fact that relief is distributed to help the party in power and not for the benefit of the people, most of whom never have seen a pound of flour, a pair of old shoes, or any of the old clothes from all that have been sent over to them from here.

Anniversary of the Blood-Drenched Battle of Gettysburg and Memorable Address November 19

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday November 18, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following article by Bill Collins, Jr., which appeared in the Lawrence Sunday Sun on November 16, 1947, Lawrence, Mass.:

ANNIVERSARY OF THE BLOOD-DRENCHED BATTLE OF GETTYSBURG AND MEMORABLE ADDRESS NOVEMBER 19—50,000 SOLDIERS FELL IN HUGE STRUGGLE—IN OBSERVANCE OF ABRAHAM LINCOLN'S DEDICATION OF A PORTION OF GETTYSBURG BATTLEFIELD AS CEMETERY, SUN WRITER GIVES GRIPPING ACCOUNT OF WAR OF THE REBELLION'S MOST STUBBORN STRUGGLE, TURNING POINT OF WAR

(By Bill Collins, Jr.)

The tall man was tired.

It was strange that he should be tired at this time, if you consider fatigue as a result of physical and mental labors. The tall man with the weatherbeaten face of a farmer had worked hard all of his life. Since as far back as he could remember into the distant days of his childhood, he had worked and toiled to make his way. When he was eight, he was swinging an axe with the strong heft of a man. When he was 21 and his family moved to Decatur, Ill., from Indiana, he walked the entire distance—200 miles—driving a four ox team through mud and water, and upon arrival helped his father clear the land and build a home for the family. So many incidents in his lifetime had been strenuous and tiring—much more so than the business of making speeches. But on this November day, he walked slowly, with his head bowed a little, and with a heavy weight in his heart—and he was tired.

He was tired because his country was tired—because he and his people were weary of fighting and bloodshed, of battling with their brothers—tired of war communiqués, of remembering the slaughters of Bull Run and Fredericksburg, and Murfreesboro and Chancellorsville—tired of the chaotic confusion of killing.

It was November 19, 1863, and the place was Gettysburg, and the tall man was Abraham Lincoln—and he was tired.

The man standing at the fore of the platform shook his hand and introduced him proudly to the people gathered on the plain of Gettysburg. The people cheered and applauded. Some whistled. Others shouted, "Hooray for Honest Abe." And the tall man smiled. These were his people and he loved them.

The tall man with the sideburns, holding the work-weary hand of a woman wearing calico * * * the man with the short, squat frame who was standing on a barrel * * * the boy with the Union soldier cap and the bright wealth of wonderment in his eyes * * * the woman holding a baby in her arms, with no man to hold her hand since Chancellorsville * * * these people, these men and women, boys and girls, little children who gaped at him with open mouths and wide, watching eyes—these were his people.

Even as he was preparing to deliver his speech—a speech drafted roughly while he rode a bouncing, jouncing train to Gettysburg—he was thinking. He was thinking of the others there at Gettysburg, assembled on the plain—the dead. On this day he was to dedicate a portion of a battlefield as a cemetery—final resting place of men and boys who had fought to hold Lee and his Confederate Army back, to keep Lee from marching on to Harrisburg, capital of Pennsylvania. Perhaps it was fitting that they be buried where they fell—for this was their land; they fought for it and died for it. The tall man looked at the straggling strands of grass, the cool, lumpy, loamy earth—and he knew, as the soldiers knew, that it was more than earth * * * it was their land—their native land, their country.

Then he stood quietly, casting his gaze far out over the heads of the living as he began to speak—and it seemed he was addressing the others assembled there—the dead.

It was as though he were making a promise.

"Fourscore and seven years ago our fathers brought forth upon this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal. * * * Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. * * * We are met on a great battlefield of that war * * *"

Those who were watching and listening heard his strong, woodsman's voice roll out across the flat field, echoing on the soft, cool wind that ruffled gingham frock collars and tousled the tawny hair of farmers. Some, those who were watching the tall man's face more closely, saw his expression change just then. His face took on the look of a listener, and his voice softened just a trace.

The tall man, in his mind, was meeting with the dead. He felt as though he knew them well. He seemed to walk among them as they broke camp and moved about, talking rough soldier talk, wishing they were home.

Looking out across the sea of faces, upturned, rapt, he saw Lee's army moving onto Seminary Ridge, and the Union army, under General Meade, gathering on Cemetery Ridge, nearly opposite one another. He heard the shouted orders, the cacophony of muskets being loaded, or sabers being drawn. He heard a boy begin to rattle wooden sticks upon a drum—and a man with a stentorian voice singing about John Brown's soul.

"We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this * * *."

Somewhere in the tall man's mind a bugle sounded. Men, moving like puppets guided by the strains of the bugle, leaped to their feet, crawled on their stomachs, and tried to kill one another. The sun moved higher in the heavens, to get a better view of this mortal jousting. The field became warmed and there was the stench of burnt powder and the whining sob of shells. Men fell on their faces, clutching their bodies, seeking to stop a bullet that had already past and penetrated flesh.

A man in blue, with half a face, began to cry for "Molly." A boy in gray sought the shelter of a tree, dragging a stump of leg along the brown, soft ground plowing a furrow in the earth—with drops of blood for seeds in planting. Then the twilight came, and the musket fire made little red holes in the dusk—and it was night, and quiet came, except for living, dying skirmishes beneath the blinking stars.

"But, in a larger sense, we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it far above our poor power to add or detract * * *."

It was the second day, and Lee's men made a wild rush to get Little Round Top, but

were beaten back with heavy loss. A Confederate soldier ran blindly up the hill, his eyesight bleared red by the blood that trickled into his eyes from a wound above his temple. He fell and then began to crawl—and then he lay quite still. There was a Union shell hole in a letter from his wife, a letter which held a lock of hair from the head of his first-born son—and a shell hole in his breast. A Union youth stood up in half-crazed excitement and aimed at General Lee. A cannonball knocked him down, his musket in his hand, unfired.

The tall man wandered amongst these men, impervious to the shot and shell, unmindful of the hell. He held a canteen of water to the lips of a man who was murmuring a woodsman's prayer. He pushed the hair from the eyes of a man who slumped behind a tree, a bullet wound in the flesh above his knee. He offered solicitude to a youth who lay with his face buried in the earth, screaming out in fear.

Later in the day, Lee's men got a foothold on Culps Hill, but were soon driven out. When they fled a boy with a sweetheart's bright, blue hair ribbon tied to his musket-piece tumbled headlong into the dirt. Others fleeing stepped upon him in their hasty retreat to safety. The boy began to crawl, then realized it was no use. He wrote a love letter in the sand with his bloodstained fingertip. The salutation was "Dear Mary."

"The world will little note, nor long remember, what we say here, but it can never forget what they did here * * *."

The drummer boy, scarcely old enough to tote a musket but wearing a soldier's cap, began to rattle on his drums—and the third day of death at Gettysburg began. A musket ball slammed through his drum and he fell with his sticks upraised. It was a welcome to the day. The third verse of a terrible, grotesque poem—the author's name was Death.

Lee sent General Pickett, with a force of 15,000 Confederates, to attack General Hancock on Cemetery Ridge. To reach the ridge, they had to cross a mile of open ground. Grimly, steadily, unmindful of the shrieks, the dying gurgles of their comrades, they advanced across the plain. The Union guns were ablaze with death-dealing musket fire. Men and boys, young and old, tall and short, good and bad—all exposed themselves to lead, and many fell to the grassy earth, kicking, screaming, praying, dying. Their ranks were ploughed through and through with shot and shell—Gettysburg was a man-made hell.

The Confederates charged up the slight slope of ground and broke part of the Union line. Men yelled curses at the wind, and men begged mercy from their God. Hancock's lines held. The Union rifles pumped shot after shot into the advancing army. Union soldiers lay flat on their stomachs and aimed carefully at the buttons on tunics, where hearts should be.

Pickett could go no further. With fragments of his division, for only fragments were left alive, able to retreat, he moved his men backward in defeat. The man singing about John Brown's soul was laughing as he sang. He aimed his musket methodically and fired at the man who held the Confederate flag. Another shot at Armistead, who was leading the Confederate advance. Then the singing stopped—with a musket shell and a rifle's roar echoing the chorus.

"It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us; that from these honored dead, we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain * * *."

It was the end of the most stubborn battle of the war. Almost 50,000 brave men fell in the contest. Lee had failed. At the end of the third verse of the blood-drenched poem of Gettysburg Lee retreated across the Potomac and never made another attempt to invade the North.

The plain of Gettysburg was littered with dead and dying, wounded men. A boy was calling for his mother. A man was swearing in a frenzied craze. A wife 500 miles away was rocking her youngest child to sleep with a song about its soldier father. A swallow dipped in flight as it flew across the field * * * and God covered the unsightly scene with the pitying curtain of night.

"* * * that this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth."

The crowd paused then cheered and stomped and whistled, but Lincoln did not hear them—he was thinking of the others. It was as though he were making the dead a promise * * * and with his words, the tall, tired man had woven a thought * * * that shall not perish from the earth.

Cause of French Hunger: Failure of Farm Policy

EXTENSION OF REMARKS
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the World Report of November 11, 1947:

CAUSE OF FRENCH HUNGER: FAILURE OF FARM POLICY

(Reported from Paris)

The French people are facing hunger this winter because of a Government farm policy that did not work.

Once almost self-sufficient in food, France finds itself begging for grain throughout the world. Bad weather is partly responsible, but it becomes increasingly evident that faulty planning has made the situation much worse than it might have been.

Largely as a result of Government miscalculation, there is less bread for the French now than when the Nazis occupied their country.

France has been transformed from a food-rich to a food-poor nation. The wheat crop, the country's mainstay, is the smallest since 1815, when there were many millions less mouths to feed. Frenchmen who puzzle over how it all happened are finding that this year's bad weather explains only part of the story.

Agricultural position of France in peacetime has always been strong. The country raised virtually all the wheat it needed. The crop averaged 8,050,000 tons a year between 1930 and 1939.

In sharp contrast is the 1947 wheat yield, now estimated at only 3,200,000 tons. This is considerably less than half the amount required to feed the nation.

Responsibility for the extent of this year's crop disaster rests jointly with the Government and wheat farmers. They set the stage.

The wheatlands had shown their ability to come back after the war. Crops rose from 4,247,000 tons in 1945 to 6,568,000 in 1946, when more than 80 percent of the prewar acreage was sown.

But for the current crop, farmers seeded almost a million fewer acres.

There was no margin against heavy losses. When bad weather struck, it was disastrous.

Government's part in bringing about the dangerous reduction in acreage is shown by Paris dispatches to be a product of conflicting policies.

Controlled prices forced the farmer to take the lowest return in years for his wheat. In terms of gold francs, he was getting less than at any time since 1895. Prices allowed for other crops were more attractive.

Inflation, meanwhile, was sending prices even higher on nonrationed goods that the farmer needed. This led the farmer to mistrust the currency the Government would give him for wheat.

Farmer's reaction was that it was not profitable to plant wheat when the price did not come up to what he thought it should.

Different crops, accordingly, were put in. Controlled prices on oats, barley, and corn promised a better return.

Diversion of wheat for livestock feed increased. Herds and flocks offered the farmer a hedge against inflation, enabling him to keep a part of his wealth in stock on the land. Moreover, poultry, eggs, and meat would bring more on the black market than the Government would pay for the grain that went to produce them.

New program that the Government is putting into effect is designed to remedy matters in time to get greatly increased production for 1948. According to Paris reports, it has these main features:

More acreage. Area sown in wheat must equal the 1937-39 average on each farm. Tax penalties will be imposed on farmers who sow less than the minimum.

Higher prices. Wheat growers are to get 91 percent more money for their crops than last year. Taxes on the farmer's profit from the crop have been cut.

Stricter control. Delivery regulations are tightened. Threshing contractors are responsible for an exact report on the amount of grain threshed for each farm.

Effectiveness of the program will depend on how well the French farmer responds. Given normal weather, a large wheat crop next year is possible. But the compulsory features of the plan do not sit well with the growers. Compulsory reports on threshing resemble the unpopular rules that were enforced during the German occupation. Forced deliveries also irritate the farmer, who has had long experience in outwitting the Nazis who demanded the same thing. The Government will have to find ways of overcoming these and other objections before it can rely on the wholehearted cooperation from the farmer necessary to restore France's farm production.

Address of Hon. Charles E. Broughton, of Sheboygan, Wis.

EXTENSION OF REMARKS
OF
HON. FRANK B. KEEFE
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. KEEFE. Mr. Speaker, the eighty-third annual convention of the Benevolent and Protective Order of Elks, was held this year in the city of Portland, Oreg. The convention was presided over by the grand exalted ruler, Hon. Charles E. Broughton, of Sheboygan, Wis. Mr.

Broughton is a distinguished American and a resident of one of the splendid cities in the congressional district I have the honor to represent. He has rendered outstanding service to the Nation as an editor in promoting and supporting civic betterment. His work in the Order of Elks is inspiring and under his leadership it is a great moving force in defense of America and our ideals of life. Because his annual address to this great convention is a masterpiece of good sound Americanism, I ask unanimous consent that it may be incorporated in the CONGRESSIONAL RECORD as a permanent contribution to the cause of liberty, freedom, and tolerance. It follows:

May I express to Brother Frank J. Lonergan, chairman, my sincere appreciation for a setting such as this, and to you, Mayor Earl Riley, and the citizens of Portland, the gratitude of the membership of the entire order. To Acting Gov. Marshal Cornett, your kindly words will be an inspiration while we remain in this State and retrace history and your progress during the intervening years between 1925 and 1947.

While I was in the Ohio Valley Hospital, at Wheeling, W. Va., recovering from injuries received in an automobile accident, I could not help but feel sorry for you, Mayor, when I read this Portland dispatch:

"PORTLAND, OREG., May 9.—City commissioners professed alarm when rumors flew through the city hall that Mayor Earl Riley had taken up knitting. The commissioners learned later that someone had confused a doctor's report. It said that his ribs—not his nibs—were beginning to knit."

This is our third visit as a grand lodge to the city of Portland. First in 1912, again in 1925, and now in 1947. Over the span of 35 years, Portland has grown tremendously. The whole State of Oregon, with its diversified industries, its timber resources, its fruit and beauty as an outdoor State, has an appeal and Portland in particular with its scenic beauty, is likely to draw us back this way again.

When we were here in 1925, we had the largest membership in our history up to that time.

In the years that followed we have had losses and gains, but tonight we are well over the 900,000 mark. This gain is not attributed to any one man, it belongs to all those of the grand lodge down through the years, who have kept the faith, and guided the endeavors of the subordinate lodges.

It is not for me to review the long history of our order, but to remind you that the Benevolent and Protective Order of Elks has ever had in mind, those finer things in life, which have made the United States of America the greatest nation on the face of the earth.

Our order is typically American. None but an American citizen can acquire membership. Upon our altar are the flag and the Bible, constant reminders of our duty to God and country. We are not concerned about a man's religion. That is a matter of his own choosing. Neither are we concerned with a man's political philosophy so long as he is an American. But we are concerned that the Government of ours shall not be hampered or hamstrung by individuals who have only hate in their hearts and would undo all of those things that are beneficial to mankind.

It is well for us to take note of the action of the A. F. of L. Upholsterers International Union in expelling from membership the business agent of the Minneapolis union for his Communist activities. In December last, at a social meeting the business agent and others were discussing the shooting down of American planes by planes of the Yugoslav Government. Testimony was offered by union members that the defendant said among other things, "They got what they deserved," and commented further that he would fight on the side of Russia in the event of war between Russia and the United States.

If we are going to meet the challenge as true American citizens, we must drive from our midst every enemy of this Government. Those who do not like our way of life have an invitation to pack up and leave, and the sooner this is brought about, the sooner we will be keeping faith with those who gave their all, that we might enjoy uninterrupted freedom. Communists detest law and order. We of the Benevolent and Protective Order of Elks and true American citizens believe in law and order and upholding and defending the Constitution of the United States. The call is here, the time is now.

I feel that this has been a year to pause and review our principles, just as it has been a timely year for this great country to pause and repeat the Bill of Rights of our United States of America. In my acceptance speech last July, when you conferred upon me the great honor of grand exalted ruler of this order I said:

"We are living in a world of increasing responsibilities. We of the Elks must assume our individual and collective obligations."

This new sense of responsibility for a wider and more consistent application of democratic processes in organization for work, play, worship, and education has concerned me this year of my stewardship. As I traveled through the country I have tried to emphasize the legacy we have inherited from Lincoln—tolerance—"without regard to race, creed, color, or national origin."

Our country represents freedom at its best. To preserve that freedom, we must fight. As your grand exalted ruler, I have fought every movement which would undermine or dethrone this our American Government.

You can't afford to gamble away the principles that have made the United States what it is, the best example of democracy on the face of the earth.

It has stood the test of time. It exemplifies the ideals of Washington, Jefferson, and Lincoln and the many others who have served this country and whose forceful leadership have taken us ever higher in our constant quest for the ultimate in democratic government. Ours is a way of life that requires constant alertness to retain the precious gift of freedom.

In more recent years we have had a lesson of hatred existing in our own midst. We have had an example of enemies at home and abroad endeavoring to change this Government. We have had religious prejudice marching under a banner based upon intolerance. During my year I can look back on our achievements with pride. In my own State the Ku Klux Klan has been outlawed; in Indiana an antihate law has been passed unanimously. Thus the seed of tolerance is reaping a well-deserved harvest.

The Benevolent and Protective Order of Elks was created by a small group of men who were lonesome and wanted companionship and an opportunity to do welfare work to aid the poor and crippled children of the city of New York. As the Benevolent and Protective Order of Elks grew, its scope of work widened. It founded a home for the aged at Bedford, Va., where we have facilities to house 450 brothers with comfort and convenience. Now and then an aged brother who has met with adversity comes to us asking our assistance and the grand lodge joins with subordinate lodges in giving him a home, and the major portion of expense falls upon the grand lodge.

It is a great source of pleasure to know that our meetings through the years have been given over to creating facilities like this and providing necessary funds through the Elks National Foundation, appropriations from the Elks magazine and from the individual lodges and members, so that we can care for the underprivileged, and help the afflicted. Early in the life of Elkdom social activities were made a part of our order, but we have never let the social side dominate. No one will ever know because we never tell of the many fine things that are done for little children, the happy moments that are created at Christmas time when we play Santa Claus. These are some of our achievements.

I am not going to dwell at length on the Elks National Foundation, one of the finest of our activities. This foundation was established in 1926 and has grown until today it represents more than $1,600,000. Over 90 percent of the lodges and the State Associations are giving generous financial support to the foundation. Individual members of the order are aiding and each year we find our foundation reaching greater heights and privileges to carry on crippled children's rehabilitation, education through the most valuable student award, and scholarships allocated to the States, giving the boys and girls, seeking higher education, an opportunity to reach their goal.

Time will not permit me to dwell on all our activities, but there is one that we cannot overlook. The Elks National Veterans Service Commission, which supplanted the Elks War Commission and which today is taking up where the war commission left off, has a program of sponsoring entertainment in 148 hospitals in 41 States. This is a work most commendable, and it will continue until the last injured veteran leaves these hospitals. In my travel over the country I have heard nothing but praise for this activity.

During our two wars, World War I and World War II, we spent millions of dollars in lending aid, building hospitals, and in the latter war creating fraternal centers and outposts where the young men leaving for the fighting zone could get a little taste of home for a brief breathing spell before they embarked.

This service was rendered under the Elks War Commission and at the last grand lodge session a new commission, we might say a peacetime commission, known as the Elks National Veterans Service Commission, was created. In peacetime we are faced with problems equally as great as were encountered during the war. We have many of the boys who were welcomed into our fraternal centers, now in hospitals for years to come.

I want to take this opportunity to thank Elks, their wives, daughters, and friends who worked day in and day out in these fraternal centers that the young men might enjoy recreational facilities and companionship. It will always be one of the bright spots in our order and it could not have been carried out except for our ladies.

I would like to tell you a little story of a young man who tried to get into the Air Corps immediately after Pearl Harbor. He was underweight, but was so insistent in his desire to fight for his country that the commanding officer told him to come back a year later and in the meantime build up his weight by prescribed exercise. He came back a year later and was accepted into the Air Corps and while fighting over Germany his plane was shot down and he was wounded. He was sent to Denver suffering with tuberculosis. Later he was transferred to Rest Haven in my own State. Early last fall the family was notified that he had but a short time to live. They wanted to make his last Christmas a happy one, and so they went out to Waukesha and inquired what he would like most for Christmas, as they all wanted to go together and get him something. They would have given him an automobile even though he couldn't run it. Anything to make that Christmas a memorable one in his life. His brother inquired for the family and Jay's reply was, "I will settle for a membership in the Elks. They are a fine bunch of Joes." Arrangements were made and he was initiated Christmas Eve. About a month ago I

received a letter from this young man, Brother Jay R. Schatz from which I quote:

"Your kindness and that of all the other Elks to me at that time indeed made my Christmas a perfect and memorable one. I hope that some day I may prove worthy of your kindness.

"I'm sure you'd be interested to know that the Elks show which is here once a month is the best entertainment we have. Speaking not only for myself but for all the veterans here, I know that it ranks as tops and is preferred to USO and all other shows. We all thank the Elks from the bottom of our hearts.

"Fraternally yours,

"JAY R. SCHATZ."

I like to tell this story because this boy did not become interested in the Elks because it was a fraternal order. He wanted to become a member of the Order of Elks because it had been so kind to him and the many thousands who were entertained in all of the metropolitan fraternal centers when they were going out to do our fighting.

Following World War I we erected a memorial building in Chicago in honor of those who fought and died for our freedoms. At the last grand lodge session arrangements were made for the rededication of this beautiful marble memorial in honor of the veterans of World War II, and on September 8, last, a vast assemblage of Elks and others made this a notable occasion. This memorial building is maintained out of the earnings of the Elks magazine that comes to you monthly and which is one of the finest publications of any fraternal order.

Our magazine chronicles the events of the year. It broadcasts to the members what we stand for. It reminds us of the rich heritage we as Americans enjoy. Our Creator had in mind a free people. You can only enjoy the fruits of a democracy when you are free.

The Constitution of the United States and the constitution of the Benevolent and Protective Order of Elks, operating side by side and hand in hand for 70 years as copartners, is a guaranty for the future. We must hold firm to this faith that the demands in time of peace are as great as in time of war.

The flower of this land gave of their full measure in two wars that the American Bill of Rights—our charter of freedom—would be preserved. They were not asked as to their religious or political faith when they enlisted. Why this questioning now?

We are not going to let a small group of enemies, a minority grow to a majority, such as occurred with Hitler, if I know the spirit of the American people. Nor if I know the spirit of Elkdom. We won both wars. We can win the peace of the world if we keep faith with those who sacrificed.

If we hold high the torch of liberty, and let tolerance without regard to race or creed be a legacy entwined with our flag, what a beautiful standard to follow.

Guard well that flag!
Your flag, my flag, the people's flag.
The flag that makes men free!

Armistice Day Address

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. FOOTE. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include the following address delivered by me at the Armistice Day program of New Haven Post, No. 86, and the Sergeant Stanley Fishman Post, No. 319, Jewish War Veterans, on Sunday, November 9, 1947, at the B'nai Jacob Synagogue, 347 George Street, New Haven, Conn.:

Chairman Mann, members of New Haven Post, No. 86, and Sergeant Stanley Fishman Post, No. 319, Jewish War Veterans, and your auxiliaries and guests. You have conveyed a rare honor upon me this evening in allowing me to come into your house of worship and join with you on such a historic and solemn occasion. Since I took the oath as a Member of the Congress of the United States, I have not had such a sacred privilege. I really feel at home as I see so many friends before me.

We are met here tonight to pay tribute to the memory of those who died in two world wars, namely, to the 48 New Haven Jewish-American veterans of World War I and the 56 of World War II, who made the supreme sacrifice. Also remembering at this time the 3,500 of World War I and the 11,000 Jewish-Americans of World War II in this country who made the same sacrifice.

I should like to feel also, that this is a tribute to 800,000 Jewish-American men and women who fought in both of these horrible conflicts. I feel, too, that tonight we honor the memory of the 6,000,000 who died in the scourge that was called nazism, to the men and women who suffered at Belsen and Auschwitz and Dachau, who fell victims in hundreds of towns across the scarred face of Europe. The world cannot forget the beasts who slew the infant and the aged alike, who tried to drown an entire people in a blood bath of hate and inconceivable greed.

The history of our America is also the history of the Jewish people, who helped to make it what it is today. Two Jews, Luis de Santangel, Chancelor of the Royal Household, and Gabriel Sanchez, Chief Treasurer of Aragon, were the strongest backers of Christopher Columbus, and aboard the *Santa Maria* sailed Luis de Torres, the interpreter. When the Dutch came to New Amsterdam they allowed traders of your faith to ply the Hudson, and later one of them was Hayman Levy, who gave a young fellow his start in the fur business. That young gentleman was John Jacob Astor, who received a dollar a day for his labors. The history of the United States is filled with the names of Jewish men who helped to build this Nation in peace and in war. Isaac Touro, the Newport, R. I., rabbi; Jacob Rivera, who introduced the sperm-oil industry to America; Aaron Lopez, whose 30 merchant ships plowed the seas, and who founded Leicester Academy at Leicester, Mass.; Judah Monis, instructor at Harvard. After receiving his M. A. there in 1720, he published the first Hebrew grammar in North America. Jacob Lumbrozo, the physician, who landed in Maryland in 1656; Francis Salvador, of South Carolina, the first Jew to sit in a provincial assembly and who died in battle with the British. The Plymouth Colony Code of Laws in 1636, the Massachusetts Code of 1647, the Connecticut Code of 1650 were all based on the law of Moses, and in the New Haven Code, adopted in 1639, over half the statutes came from the Old Testament. Upon the example of the feast of Sukkoth, the Puritans established their feast of Thanksgiving, which we shall observe shortly. As early as 1765 a group of Philadelphia Jews, among them Barnard and Michael Gratz, banded together in public protest against the importation of British goods more than a decade before the Revolution. Mordecai Sheftall was Governor of Georgia in 1801. Aaron Levy gave his name to Aaronsburg, Pa. And, of course, we cannot forget Haym Salomon, whose financial genius and devotion to the patriot cause, was one of the principal mainstays of the forces led by Gen. George Washington. Haym Solomon was the first Polish Jew of record in the United States. It was Abraham Mordecai who built the first cotton gin in the State of Alabama. Adolphus Sterne served with the Texas Congress, fought against Mexico, and was one of the first representatives of the Lone Star State in Washington. Moses Albert Levy was surgeon general to Gen. Sam Houston, and the Surgeon General of the Confederacy was David Camden de Leon, also one of your own. Judah Touro gave $10,000, the first quarter of the cost of the Bunker Hill Monument, and he gave the old mill of the Norsemen at Newport to the people in the park which bears his name today. The name of Commodore Uriah Levy stands high in the annals of the United States Navy, for he abolished the practice of corporal punishment aboard our men-of-war and humanized the service on the sea. Judah P. Benjamin, a Yale man, served as United States Senator, as Secretary of three Departments of the Confederacy, and after the defeat of the South became a distinguished leader of the British bar. In the Civil War seven Jews were awarded the Congressional Medal of Honor. Fifteen Jewish sailors went down with the battleship *Maine*. The first man to fall in the Battle of Manila in the Spanish-American War was Sgt. Maurice Joost, a Jew. What reader of the history of the First World War does not thrill to the exploits of Sgt. Benjamin Kaufman, Sgt. Sydney Gumpertz, Corp. Barney Salner, Sgt. William Shemin, Corp. Hyman Silverman, and many others, not to forget the immortal Sam Dreben. It seems only yesterday that Irving Strobing sent the last message from heroic Corregidor; that we heard of Pvt. Harry Cohen in the advance on Oran; of Corp. Barney Ross, United States Marine Corps; of Pvt. Hyman Epstein on Sanananda; of Master Sgt. Meyer Levine, Lt. Norman Segal, Maj. Carl Lichter, Capt. George Laven, Jr., Lt. Comdr. Samuel Isquith, Lt. Comdr. Solomon Isquith, General Rose, and our own Sgt. Stanley Fishman.

There are many other names on the scroll of honor in the war just past, names that will live forever in the radiance of courage and honor and faith. Because of their gallantry, because of their sacrifices, this house of God is safe in an American city. Because of them we may gather without fear. In these harrowing times, when the world is torn by strife and distrust, we, the living, must bear the torch our heroes have lighted above the angry flood. We must bear it high, forever conscious of the responsibilities they have bequeathed to us. We must guard, first of all, the democratic doctrine in whose name they laid down their lives; we must never rest so long as a single man is in chains anywhere in the world; we must feed the hungry and clothe the naked, care for the widow and the orphan and he who has borne the battle; if we do not do these things we betray the trust these men had in a living nation. We do not seek war. We seek peace. The rolls of the dead, the ruined cities, the blasted lives, the crippled, the diseased, the agonies of civil war are enough to convince us of the futility of armed conflict. The price is too great. You cannot bargain with the gods of war. Today we are a free and a proud people. We must not be misled by demagogues or false prophets. We shall not mortgage the future and the future of our children. But we must be alert to the needs of the moment. We must realize that the United States, willingly or unwillingly, is the leader of the democratic world. We would not impose our philosophy of government on any man, but we cannot stand idly by when we see a foreign "ism" clamped about his neck without his just consent. From every corner of the world the friends of individual freedom are looking toward Washington for guidance and help. Can we turn a deaf ear to those pleas? Can we deny a helping hand to the little men and little women who kept, and who still keep, the

light of freedom burning in their hearts because of their faith in the power of the United States? Can we turn away from the nameless children who wander the face of the earth weeping for the parents they have never known? The boys who died in the far islands of the Pacific and at the very gates of the torture camps of Europe should give us that answer. That answer can be found in the graves of a hundred cemeteries marked with the Cross and the Star of David. That answer can be found in the hearts of those who suffered and were oppressed. That answer can be found in the soul of a living America. The weeping that assailed the silent sky above the burning ghettos shall be heard. The very stones of the temples and synagogues cry out for justice. The sacred parchments that were crushed beneath the boots of the SS will burn their eternal messages into the minds of all who know and who love the truth. The God of Moses led the Israelites through the wilderness because they believed in Him and obeyed His commands. The Commandments, which came down from Mount Sinai, are the laws of life for Christian and Jew alike for you and for me. If anyone today repeats the query of Cain, "Am I my brother's keeper?" he may find the answer in the American way of life, in the course that America shall take in the coming months. Our motives in peace as in war are challenged and misunderstood. Even our charity is twisted into an ugly thing. But if we go forward together, each respecting his brother, each praying in his own way, each one acting in justice and in mercy, we cannot fail, we must not fail, for we are the hope of those who have no hope, and in our triumph shall all mankind live and prosper in peace.

Address of Franklin D. Roosevelt, Jr.

EXTENSION OF REMARKS
OF

HON. GEORGE A. SMATHERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. SMATHERS. Mr. Speaker, at the national convention of the Young Democrats in Cleveland last Thursday, I had the privilege and the honor of appearing on the same platform with several of my distinguished colleagues here in the House of Representatives and Franklin D. Roosevelt, Jr., of New York. Mr. Roosevelt was the keynote speaker of the convention. His message to the convention was realistic, affirmative, and bold. It was in keeping with the liberal traditions of the Democratic Party as had previously been so well enunciated by the speaker's father, the late and great Franklin Delano Roosevelt.

Under leave to extend my remarks, I include herewith a copy of the speech made by Franklin D. Roosevelt, Jr., to the national convention of Young Democratic Clubs:

I am happy to be here at this first postwar convention of the Young Democrats. You will forgive me if I dispense with the usual platitudes of convention oratory. The times are too critical for that. In 4 days Congress will be reassembling in emergency session at the call of our President. That special session of Congress may well determine whether democracy is to survive in western Europe and whether the present inflationary boom is to be followed by an inevitable collapse. Depression or prosperity, peace or war, those will be the real issues underlying the decisions Congress will be called upon to make.

I know that I echo your sentiments when I congratulate the President for casting aside political considerations and calling back Congress to deal with the grim realities confronting postwar America. It is our job as young Democrats to rally the young men and women of this country to support the bold, far-reaching measures that alone now can save the situation.

We Democrats say to the young men and women of our country: The rifle was the weapon with which you won the war; the ballot is the weapon with which you must win the peace. There is too much at stake for you to allow politics to be the monopoly of the politicians. Whether it is hot lunches for your children at school, or the price of your groceries, or whether that uniform is to be kept in moth balls—whether it is a house to live in, a decent job to work at, or security in the ownership of your farm—all of these issues are political issues. The failure to vote is in itself a form of voting: the failure to vote is actually a vote cast for the enemies of the people.

We say to the young voters of the country: register; study the issues; scrutinize the candidates. We are confident that if you do these things when you cast your vote it will be a Democratic vote.

I urge the young men and women of America to come into the Democratic Party. Join one of our political clubs. Participate in the activities of those clubs. It is in the political clubs that these nominations are made. It is in the political clubs that issues are crystallized. The citizen who limits his electoral activities to voting on election day is in the position of voting for a candidate other men have chosen and making a decision about issues that have been framed by other people.

Great challenges confront our country—challenges such as the harnessing of our mighty powers of production to the use and higher standard of living of all the people, not just increasing the most fabulous corporate profits in history, which are even embarrassing to the economic overlords of Wall Street; constructive utilization of atomic energy, the implementation of the President's civil rights program, the enactment into legislation of the economic bill of rights, the building of one world. These issues will be shaped and fought out in the political arena. What nobler or more satisfying vocation can there be than to help resolve these challenges in a way that advances all mankind further along the road of liberty, equality and economic security and peace.

The Democratic Party is the party of youth. The great social advances of the last 15 years were initiated by the Democratic Party and enacted into legislation only over the bitter resistance of the Republicans. We take pride that the CCC and the NYA were Democratic achievements. The Democratic youth programs restored to millions of our young people a sense of self-respect. They provided them with technical skills. They built up and strengthened their health. None of these measures was instituted as a preparation for war and yet they had a good deal to do with the superb army, navy, and air force our country put into the field when war came. It was Democratic leadership that provided for the veteran GI bill of rights, job training, education, veterans' housing, such as it is.

In a world in which no nation is disarming, America has to remain strong militarily and I, for one, want to go on record here and now in favor of universal military training. But we must always remember that military might is insufficient by itself. That is why universal training must embrace more than the manual of arms; it must be a school of citizenship, advancing men on the road to maturity and democratic responsibility, full employment, the opportunity for education, freedom from discrimination because of race, creed, and color—all of these things and many others are embraced in the unity which constitutes the Nation's strength and vitality.

To the youth of this country the Democratic Party offers a philosophy—a philosophy which fundamentally is based on a belief in the dignity and rightness of free men and on the conviction that human rights come before property rights. Because of this convicton, the Democratc Party believes that economic policy should be concerned primarily with the millions of workers, farmers, and small businessmen at the base of the economic pyramid, who when they are well off and prosperous the country as a whole is well off and prosperous. The political corollary of this philosophy is that in the long run the majority of the people can be relied upon to make the right decisions, to make the decisions that work out best for the common good. It is a faith in the majority as distinguished from the conservatives' belief that a small aristocracy of either education, wealth, or birth alone has the wisdom and judgment to exercise political and economic control. It is a faith in the average man and represents the tradition of Jefferson, Jackson, Wilson, and Roosevelt.

When the Republican congressional leadership cooperated with the NAM and big business to end price controls in June 1946, they were expressing the opposite philosophy—that what is good for big business is good for the Nation. There can be no doubt that the ending of controls has given big business the biggest profits in history. But for most Americans it has meant a reduction in their standard of living, and for the country as a whole it has meant inflation.

When Senator BRICKER at a Republican conference on rent control declared that if the landlords were not taken care of through the relaxation of rent controls "it would not be the kind of Republican Party I am used to," he was again reflecting the Bourbon philosophy of the Republican Party. The Eightieth Congress, the first under Republican leadership since 1932, demonstrated that the Republican Party still remains the party of special interests, of the big-business plutocracy.

What a Roman holiday took place last winter when the special interests came back into Washington in the brief cases of the Republican majority: The trade-unions were the first to be thrown to the lions. Then they went after the farmers and attacked the soil-conservation program. Then they turned on the school-lunch program. Then they organized a little lynching party for rent control. Nothing was spared—public power and reclamation, the housing agencies, cooperatives—it was a sickening carnival of the greedy. Perhaps it is just as well, for it gave the people a preview of what might happen if the Republicans were to gain full control of our Government.

I want now to deal with the central question of our times—peace. The creation of a unified world that is free from tyranny and the threat of aggression is the greatest challenge that confronts our generation. The millions of Americans who served in the armed forces come home from the war wanting peace and wanting to get along with the peoples of all nations. Instead of one world, however, the postwar years have witnessed an ominous ending of wartime unity. Sometimes the air is so filled with international character assassination, in the Vishinsky manner, that we all get an uncomfortable feeling that we are only on a furlough.

We are a peace-loving generation. Our desire for peace, however, should not be con-

fused abroad with a lack of attachment to the traditions and institutions of our country. I do not know whether my words can get to my Soviet comrades-in-arms with whom we so recently fought shoulder to shoulder, but I think it is appropriate for me to say today on this platform before a convention of young people of the political party which for the last 15 years has been identified with a policy of cooperation with the Soviet Union, that cooperation is a two-way street, that we are as strongly attached to our form of government as the Soviet young people are to theirs; that we resent foreign slurs on our leaders as much as they do on theirs, and that we don't like to be pushed around.

Americans know that we cannot have one world exclusively in the image of capitalist America. But neither can it be exclusively in the image of Communist Russia. We favor a policy that will allow the peoples of all nations to determine for themselves their form of government and economic system free from the domination and intervention of strong neighbors. The big problem in international relations today is that of finding a basis by which different economic and political systems can get along together. Is the Soviet Union prepared sincerely to accept such a cooperative concept as a starting point? I say to the leader of Russia this is the key:

1. Good faith of your given word.
2. Sincerity of your objectives.
3. Honesty of the conscience of your government.

I do not wish to be misunderstood. The supreme object of American statesmanship—and may I here pause to pay tribute to the great leadership of Secretary Marshall—I repeat, the supreme object of American statesmanship must continue to be the building of peace and not preparation for war. But until the Soviet Government is convinced of the folly of its present two-world policy, America must remain itself militarily strong; it must strengthen its sister democracies; it must give full support to the United Nations.

In a few days Congress, on the call of President Truman, will be back in Washington to deal with the interlocking problems of inflation and foreign aid. It is important that this representative gathering here assure the President of our support for generous, unstinting, and rapid aid to Europe.

The economy-minded Republicans may try to pervert the Marshall plan into a global dole. But we cannot haggle over the price of peace. Aid to Europe should not only be for the purpose of relieving hunger and misery, its object must be to restore and rehabilitate the European economy as a whole. It must be a cure and not merely a palliative. It must provide capital, equipment, know-how, technicians. We must give Europe the tools by which they can begin to produce themselves. We must give aid without strings attached to such aid. Our aim is the restoration of free, independent nations. We cannot and must not dictate to peoples their forms of government.

The survival of democracy and the peace of the world are now dependent on the scope and speed of our aid. I reject the argument that large-scale help to Europe will stimulate shortages at home and inflation. During the war we equipped and supplied vast armies in the field and at the same time, raised the standard of living at home. We can accomplish the same thing now without reverting to the over-all system of controls enforced during the war. A limited allocation and control program will curb the inflationary boom and, at the same time, enable us to meet our international obligations.

One thing is clear: the American people will not allow this special session to bog down in politics as usual. It is regrettable that Senator TAFT saw fit to turn down Senator MCGRATH'S offer of a political truce during the special session of Congress. I want to remind Mr. TAFT that time and again, before and during the war, when the Republicans subordinated the defense and foreign policy of this country to political considerations their leadership was overwhelmingly rejected by the voters. The crisis today is as great as it was in the days before Pearl Harbor. There are Republican leaders who placing country before party have ably and generously cooperated in hewing out a bipartisan postwar foreign policy behind which our country has been united. We hope that their mature judgment will prevail over a Republican congressional leadership that still dallies with the remnants of isolationism in the form of a TAFT dribble.

My father, in a speech to the young Democrats of America, said that the age of geographical pioneering has finished, but that the period of social pioneering has just begun. He enlisted the country, and particularly the youth of our country, in a great crusade against social injustice. That crusade goes on. With the New Deal, Nation-wide thinking was brought to bear on the great social and economic problems of our time and the principle was firmly established and approved time and again by the voters, at the polls that in the campaign against social and economic inequality the full powers of Government should be used, but used in a way that would not impair civil and political liberties. The New Deal provided no final answers to many of the problems it dealt with They are the problems to which we must address ourselves. They are the challenge to our generation. I know that you will join with me in saying, "We accept the challenge."

Letter of Charles W. Layne, M. D., of Newburgh, N. Y.

EXTENSION OF REMARKS
OF
HON. KATHARINE ST. GEORGE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday November 18, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks, I include in the Appendix of the RECORD the following letter which I received from Charles W. Layne, M. D., 246 Grand Street, Newburgh, N. Y., on the legislative problems before the Congress:

NEWBURGH, N. Y., *November 14, 1947.*
Mrs. KATHARINE B. ST. GEORGE,
United States House of Representatives, Washington, D. C.

DEAR MRS. ST. GEORGE: You are about to convene an extraordinary session of Congress for two purposes, (1) to combat inflation, and (2) to do something about the Marshall plan. These two objectives are completely antithetical; it is absolutely impossible to do both. If you foster the Marshall plan you are going to increase inflation; if you do something to impede inflation you must discard the Marshall plan.

To my mind, we need some legislators who will repeal and repeal and repeal and undo many of the things which have been done since 1933, thereby allowing the American people to get back to some sane economy. Our purpose should be to make ourselves strong instead of trying to have more and more regulations and give away more and more money.

Sincerely yours,

C. W. LAYNE.

Sermon Delivered During Dedicatory Exercises of Merrimack College, Andover, Mass.

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein the following excellent sermon which was delivered by Rev. Cornelius T. H. Sherlock, diocesan superintendent of schools, Boston, Mass., during the dedicatory exercises of Merrimack College, Andover, Mass., on Monday, September 22, 1947:

Your Excellency, Most Reverend Archbishop, Right Reverend and Very Reverend Monsignors, Very Reverend and Reverend Fathers, Fsteemed Brothers, Reverend Sisters honored guests, students of Merrimack College, friends, this is an historic occasion. We are gathered here this morning in the Church of St. Augustine to assist at the beginning of a most important institution. The ceremony in which we are taking part shows forth generations of Christian leaders in a world in need, a succession of Catholic trained men and women whose power in a world in crisis may well be immeasurable. To be present at this beginning of Merrimack College is a matter for self-congratulation but it is, as well, an occasion for serious prayer.

I should be most remiss in my duty toward the truth were I to fail to pay tribute to those who inspired and made possible this momentous undertaking.

From a host of good works that have characterized these first 3 years of the administration of Archbishop Cushing there emerges an unmistakable pattern of predominant concern, his consuming interest in the problems of youth. This interest has been recognized at higher levels of education and administration and it was but natural that the bishops should choose him as the one most fitted to be the bishop-leader of youth work in the Nation. To his more than substantial encouragement of the Catholic schools of the archdiocese I am, by my position, the most happy witness. His encouragement to those in educational work is their anchor in difficulty and their power in progress. It was His Excellency's fatherly love for boys and girls and his strong consciousness of the need for articulate Catholic leaders in all walks of life that made him the enthusiastic sponsor of this newest college in the archdiocese of Boston. The clergy and the faithful of this area are most grateful for the gift of a supremely generous and inspiring patron of Catholic education.

This adventure in the field of college training is in peculiarly capable hands. The Order of St. Augustine is one of the oldest religious institutions in the church. It traces its origin back to the great St. Augustine himself and finds its foundations already laid down at the beginning of the fourth century. Its development into a more coherent institute was a matter of a relatively short time. Its survival as a pulsating and vibrant influence in the world of today indicates a vitality and flexibility at once sound in a great religious tradition, and realistic and adaptable in a world of many changes. Time and again its members have suffered at the hands of their enemies and at certain times have been apparently overwhelmed by the vicissitudes of national and world history,

but when the storms subsided they reappeared with a power and energy that was amazing.

The fathers of St. Augustine took an important and honorable part in the exploration and Christianizing of this country. Over 400 years ago we find their names among the heroic Christian teachers of early America. Their story here has been one of continued godly educational work and the ceremony of this morning simply marks the latest episode of their long and glorious history.

It is the function of education to provide for the student all that is necessary to make his life a success. If education does not provide the equipment necessary for successful living then it has failed. But education for successful living assumes that there are certain objectives to be reached. What are these purposes of education?

The philosophers of learning have grouped educational objectives into several classes. It is an obvious purpose of education to develop the student, to train and encourage the realization of himself so that the qualities of soul and body, the powers and skills that are within him, may grow and develop to the limits of his capacity. Certainly self-realization is a valid objective of education. The student will be living in a world of human beings with rights and obligations like his own. His education must help him to live socially among his neighbors. He must, as the saying is, adjust well to an exacting and varying society. He must attain the reasonable objectives of human relationships. He lives in a land where democratic ways are encouraged and civic duties are numerous. That education would be much at fault were it not to train him for his civic responsibilities. He must live in a competitive environment and he must earn his living by his own abilities. Inadequate, indeed, would be the education that would fail to help him to economic competency.

But in the face of these briefly suggested aims of education it is only too true that a man may succeed as a doctor, or a merchant, a lawyer or a politician and yet fail as a man. A woman may be renowned as an artist or executive and, in reality, be still a failure. The objectives set had been realized in a successful career but the successful career is not an end in itself. These so-called objectives are but means to an end. The true and ultimate end of man is the realization of a supernatural destiny.

When God made boys and girls he gave them no transitory goal. He made them for Himself and the lisping child learned at his mother's knee that to gain the whole world and to suffer the loss of his soul was failure. The scholarly St. Basil, many centuries ago, in his address to young men on the right use of Greek literature, stressed the point in these words: "We Christians, young men, hold that this life is not a supremely precious thing. * * * Neither pride of ancestry, nor bodily strength, nor beauty, nor greatness, nor the esteem of all men, nor kingly authority, nor indeed whatever of human affairs may be called great, do we consider worthy of desire, or the possessors of them objects of envy; but we place our hopes upon the things that are beyond, and in preparation for the life eternal do we all things that we do." The great saint would have his students study all things, prepare for all the demands of successful living, but he set a scale of values that gave all things their just measurement, their exact position in the hierarchy of good, places beneath the ultimate objective of man's creation, the fulfillment of God's will and his own eternal happiness. Yes, indeed, even here on earth, as we realize the temporal objectives of education, "in preparation for the life eternal do we all things that we do."

This, in reality, is the admired integration of Catholic education where all subjects are studies and all successes are attained only in the light of a supernatural destiny.

A few educators and many noneducators feel that religious subjects, introduced into a teaching curriculum, which is otherwise secular, can supply the acknowledged need for religious education. This the Catholic college must deny. It is necessary that every subject, nay, every learning situation should be permeated by Catholic thinking and Christian attitudes. To use the words of the Holy Father, Pope Pius XI, "* * * It is necessary that all the teaching and the whole organization of the school, and its teachers, syllabus, and textbooks in every branch, be regulated by the Christian spirit, and under the direction and maternal supervision of the church; so that religion may be in very truth the foundation and the crown of the youth's entire training, and this in every grade of school, not only in the elementary but in the intermediate and higher institutions as well."

And so it is in the Catholic college that every subject, whether it be history or literature, biology or mathematics, is approached from a Catholic viewpoint, and taught in an atmosphere pervaded by Christlike attitudes and Christian thought. It is this we have primarily in mind when we describe Catholic college education. This is an education that is right, and a right education cannot fail. An individual student may now and then fail to profit by this education, but the failure must be attributed to some other cause than the system in which he failed. A right education cannot fail.

This is the education that trains for true success in life. It prepares men and women to succeed in temporal things only that they may devote themselves more freely to the art of living, the art of living fully now and richly for all eternity.

The school, even at the college level, is acting as the agent of the parent. By the nature of things the family is the natural learning situation for the youth. But the demands of a complex society make imperative the engaging of competent aids in the adequate instruction of students. American Catholic parents long ago committed themselves to an expensive and exacting program of Catholic schools and colleges on the general assumption that they wanted their children trained in schools whose scope of program was broad, and whose aims were long in range. It appeared to these Catholic parents that schools that left God out of their curriculum or who, at best, placed God and things religious in a subordinate place, gave children and youth a distorted view of the truth. Such programs indicated too clearly to the student that spiritual values and eternal verities were of slight importance in the world of the educated man or woman. Such distortion in learning by the child meant only one thing to the Catholic parent and that one thing was failure of the child in the art of successful living.

Catholic parents would not brook failure in the lives of their children, so they presented the only answer they knew—a vast system of Catholic schools and Catholic colleges and universities. Thus they supplied an education at once broad and far reaching, while at the same time it was beautifully unified and integrated by an all-pervading spirit of religion. In their own tongue they repeated the well-known thought of the patron saint of this college, "Let every good and true Christian know that wherever he may find the truth, it belongs to the Lord."

We live in a world of devices and techniques. They have their importance and we should be lost without them. But they will not save education in a distraught world. For many years now education has been buffetted about in a tempest of relativity, a storm of shifting winds, or arbitrary and constantly changing values. Certain values, transcendent and unchanging must again be secured, permanent and inviolate.

St. Augustine, in his turbulent youth, had loosed his hold on God's eternal truths. He lived in his life a philosophy of convenience and of pleasure. Through the windly insights of the benign Ambrose he found his way back again to the secure and permanent values of God. And turning his back on the shifting glitter of the city of man, he wrote his great work the City of God. There is an analogy in this figure applicable to our situation here today. These students must prepare themselves to live in the cities of men. The distracting glitter and the unstable values of synthetic cities can be both dangerous and pitiful. However, because of the education they will have received here at Merrimack College, they will be prepared for successful living. They will not close their eyes to the realities of the world, but they will face these realities through the lasting vision of the city of God.

This type of education is a tremendous gift. These students, during the next 4 years, will receive much from Merrimack College, more than ordinary mortals may rationally hope to receive. They will be the selected beneficiaries of an education established at the cost of great effort and serious sacrifice. Such munificence, such generosity on the part of those who made this education possible, imposes obligations on the students who enjoy these collegiate benefits.

The world can reasonably expect that they will be leaders in their own communities and in their own spheres of activity. But the leadership they will exercise, like the education they shall have received, must transcend the present. It must lead others not only to temporal happiness but to the supernatural happiness of everlasting life. Of them it must be said that they profited much from what was offered here and that the world was better because of the influence they exerted as a result of their Catholic education at Merrimack College.

Constitutional Rights Denied to Voteless District of Columbia

EXTENSION OF REMARKS

OF

HON. JAMES C. AUCHINCLOSS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. AUCHINCLOSS. Mr. Speaker, in accordance with my unanimous-consent request, which was granted, I am very pleased to insert in the CONGRESSIONAL RECORD a copy of a speech about the present government of the District of Columbia, made by Mr. Philip L. Graham, publisher of the Washington Post, on the occasion of the New York Herald Tribune forum.

Mr. Graham paints an eloquent picture of the present chaotic condition in the District government and makes a very strong argument for reform and the establishment of home rule. His address follows:

The Constitution of the United States declares that "All persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States." And it goes on to proclaim that "no State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States."

Well, in the District of Columbia—the seat of the Federal Government—there are some 870,000 citizens whose privileges of citizenship have been very markedly abridged, not by any State but by the Federal Government itself.

They are denied the right of representation in the Legislature which frames their laws—a right defined by our founders in their Declaration of Independence as "inestimable to them and formidable to tyrants only."

They are even denied any semblance of local self-rule. Their municipal government, such as it is, consists of appointed proconsuls neither responsible nor responsive to their will.

Their dependency exceeds by far that of the people of Guam, Puerto Rico, or Samoa. Not even the forms of self-government allowed to the conquered Germans and Japanese are granted to the residents of Washington.

This situation has both practical and moral consequences for the people of the United States, as well as for the people of the District of Columbia.

Let us look first at its cost to the Nation. The La Follette-Monroney committee on the reorganization of Congress put it this way: "The Nation cannot afford the luxury of having its national legislative bod" * * * perform the duties of a city council for the District of Columbia."

Now, nominally, the government of the District consists of a Board of Commissioners of three members. But they are possessed of little real authority.

Actually the greatest control of Washington is held by the District Committees of the House and Senate, although they share substantial power with the District Appropriations Subcommittees of the two Houses. In addition, almost every other Federal official in town has something to say about District government. The President appoints various local officials. The Budget Bureau must approve local bills being submitted to the Congress. The Secretary of the Interior runs the park system and one of our five separate police forces. The Secretary of the Army runs half the city's water system while the District Commissioners run the other half. The Civil Service Commission, the Bureau of Standards, and some sixty-odd other boards and commissions all make contributions. About the only agencies that leave us alone are the International Pacific Salmon Fisheries Commission and the Alaska Rural Rehabilitation Corporation.

Let me offer an illustration of how the machinery of government operates in Washington. Let me show you how your Senators and Congressmen are forced to use their time because Washington has no local government. Some time ago the National Capital Park and Planning Commission, a Federal body, recommended the removal of two stone gate posts which constituted a traffic hazard in the side street running between the White House and the State Department. The District Commissioners were ready enough to accept the recommendation. But with them, to think is not promptly to act.

First it was necessary to secure the approval of the Federal Bureau of the Budget. Next a bill was introduced in the House and referred to the District Committee which, in the fullness of time, reported favorably. Then the full House pondered and finally passed the proposal.

The Senate, however, was still to be reckoned with. The Senate's District Committee first had to approve the measure. And finally came the day when the greatest deliberative body on earth set aside its consideration of universal military training, of peace treaties, and of other trivial undertakings to determine that the two stone gate posts should, indeed, be removed.

All that remained now was to speed the bill to the White House. At last the bulldozers could be put to work.

There is nothing singular about this rigamarole. The whole involved procedure must be gone through whenever the District needs a simple ordinance. The Seventy-eighth Congress, a wartime Congress, devoted time and attention to 57 separate District bills dealing with such matters as the sale of shad and herring, the disposal of dead human bodies, and the provision of butter for patients at St. Elizabeths Hospital.

You people of the 48 States send your Representative to Congress to deal with problems of significance. From your point of view, this absurd condition is frustrating your will by demoting your Senators and Congressmen to the level of city councilmen.

From the point of view of the people of the District of Columbia, the condition is altogether tragic.

It results inevitably in bad government. The crime statistics of Washington are truly shocking. During the first 6 months of this year, the Nation's Capital moved to the top of the list among cities of its population grouping in the number of cases of aggravated assault, burglary, and petty theft. Yet, there is very little that the citizens of the community can do about it. The Washington Post showed that not only was the crime rate appalling but that it was being concealed by false statistics and inadequate official reporting. But the Superintendent of Police is appointed by the Commissioners, who are themselves appointed by the President, and, therefore, have no fear of retribution at the polls. When a resolution was offered in the closing days of the last congressional session for an investigation of the Police Department, a single senatorial friend of the Police Superintendent succeeded in blocking it.

And that situation is typical. The people of the District have no control over local officials, none over the allocation of funds for operating local government, and none over the local taxes imposed upon them.

Congress has persistently refused to extend the District income tax to those thousands of Government employees who live in Washington, enjoy the facilities of the community, but claim permanent domicile elsewhere. Why? Because the people who claim permanent domicile elsewhere are supposed to be voters and constituents of Congressmen. The District is nobody's constituency.

The moral consequences are still more serious. The people of the District are not incapable of self-government. In point of fact, they comprise a higher percentage of college graduates and high-school graduates than any community in the country. And Government is their principal occupation. But the sorry truth is that there has descended upon them to some extent that apathy which is characteristic of dependent peoples everywhere. They tend to submit to absentee rule which is maintained by force majeure and to accept conditions which they seem unable to change.

Almost a year ago an unofficial plebiscite on self-government was held in Washington. The results showed to some degree a disappointing lack of enthusiasm for home rule. Although prior to the plebiscite all Washington newspapers put on a drive to get out the vote, the turnout was smaller than it should have been. And a considerable opposition to home rule was indicated. Although 84 percent of the voters recorded themselves in favor of representation in the Congress, only 70 percent voted for local self-government. Now, while this result shows a tendency to apathy about self-rule, 70 percent is after all an unambiguous majority. And before one gets too smug about Washington, remember that no other city has had so to test community support of self-government.

It must be admitted that there are shabbier reasons than mere apathy behind some of the opposition to home rule for Washington. It would be dishonest to avoid mention of them. In its culture, Washington is essentially a southern city. In the Capital City of the world's greatest democracy, formal racial segregation is extensively practiced. Undemocratic racial ideas work with multiplied force in the undemocratic atmosphere of a community deprived of the right of self-government. They work in a vicious circle. The lack of local government keeps the citizens from gaining any practical experience in working out racial adjustments on a local level. This begets a climate of ignorance and blind fear which in turn has led many white citizens to be willing to give up the franchise themselves rather than permit the Negro to vote.

After last year's plebiscite a study of the attitude of a cross-section of voters showed that only 1 percent of Negro voters opposed home rule, whereas over 40 percent of white voters opposed it. The fear of Negro domination of the government was the reason most frequently given for opposition to home rule. Yet further examination showed that this fear resulted largely from basic ignorance about the number of Negroes in the community. The 1940 census had found that 28 percent of Washington's population was Negro and subsequent studies of the population show that the percentage is still about the same. But one out of every three white residents wildly exaggerated the proportion of Negroes, and it is among those misinformed, fearing a Negro majority that does not exist, that the opposition to local suffrage is highest.

There is a saying in Washington that home rule is like the weather. There are signs, however, that this is now changing, that someone at last is going to do something about it. This summer a subcommittee of the House District Committee under a chairmanship of Congressman AUCHINCLOSS, of New Jersey, conducted extensive hearings on home rule and reorganization of District government. The subcommittee's report is now being prepared and we hope that it will recommend legislation establishing home rule.

A prompt end of the present situation must concern not only us in Washington but all of you who have a responsibility for its continuance. It concerns you for two reasons. First, in these times of important decisions, you cannot want your Senators and Congressmen to fritter away their energies passing local ordinances for Washington. And, finally, you cannot desire continuance of the mockery of our principles involved in holding the Capital City of this democracy in voteless bondage.

Markets—Managed or Free?

EXTENSION OF REMARKS

OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. ROBERTSON. Mr. Speaker, on every side today we hear some reference to the competitive system, and it has long been an accepted principle of the United States Government to at least attempt the enforcement of laws against business enterprises of the trust character operating in restraint of trade.

Hon. Robert E. Freer, Commissioner of the Federal Trade Commission, recently delivered an address to the Purchasing Agents' Association of Denver, Colo., dealing with many phases of their work, including this particular phase.

His address follows:

It has been suggested that your organization would be interested in a discussion of recent Federal Trade Commission activities affecting pricing methods, particularly as these activities might relate to the economy of the intermountain terr.tory.

At the outset it should be emphasized that the Federal Trade Commission is not seeking to enforce arbitrary methods of pricing, and is suggesting no formulae to replace any of the pricing practices, the legality of which has been questioned. Thus statements that the Commission seeks to enforce universal f. o. b. mill pricing or to set up local monopolies are simply without foundation.

The Commission has questioned the legality of a number of pricing systems in recent years—not on any new or strange legal theories, but because either they were the result of a combination to fix and maintain prices or were discriminatory under the Clayton Act, and its Robinson-Patman amendments.

The law is well settled that any combination or conspiracy to fix or maintain prices is illegal. This is no new or strange theory. Under the ancient common law free markets in which the buyers participated in the price-making process were set up and obstructions to freedom of the market were prohibited. Whether physical or monopolistic in nature, such obstructions were forbidden.

Thus it was a public offense to forestall the market by purchasing commodities before they reached the market in order to resell them at higher prices in the free, open, and legitimate market.

It may interest you to know that, reflecting this traditional view, public markets at which produce is sold by farmers directly to consumers, frequently bear signs prohibiting price-fixing and stating that violations will be punished by fines as high as $50.

It was a public offense also to engross, or in modern parlance to "corner," a commodity in the market because this was regarded as an attempt to enhance prices and as a denial of equality between buyers and sellers. For similar reasons it was regarded as a public offense for a middleman to regrate or pyramid the cost between producer and consumer, the modern counterpart of which we have in our present so-called gray markets.

The rule was also developed at common law that a seller who entered business to serve the public generally must serve all comers at a reasonable price and without discrimination. The Clayton Antidiscrimination Act is a Federal recognition and restoration of that ancient common law rule modified somewhat to meet modern conditions. Our other antitrust statutes[1] are also designed to reach practices which have been recognized for centuries as inimical to the integrity of a free competitive market.

I wish to point out to you some of the cases of interest which the Commission has acted on in recent years. An order was entered against a group of manufacturers of crepe paper requiring them to cease and desist from employing by agreement a method of pricing which involved dividing the country into three large zones, within each of which customers of the same class paid the same delivered price, irrespective of the differing freight costs to customers. The Circuit Court of Appeals sustained the Commission's order, saying:

"One glance at the three-zone map for bulk crepe will show the artificiality of the zone structure and intention to obviate any natural advantage of location from price determination.

* * * * *

"We think the artificiality and arbitrariness of the zone structure is so apparent it cannot withstand the inference of agreement. The Commission evidently could not believe that Wisconsin companies would deprive themselves of the natural benefit of location in the Midwest and proximity to the West, over eastern competitors, were it not agreed that they would have equal chance for the eastern business, where most of the crepe paper manufacturers were located."[2]

Note particularly that the order of the Commission and the decision of the court were based squarely upon an agreement to employ the zone system of selling, and further that the court was impressed by the regional discrimination against the West inherent in the scheme.

In another recent case, the Commission entered an order requiring the manufacturers of milk and ice-cream cans to cease and desist from an agreement to employ what has been characterized as a freight-equalization system of pricing. By this method, each producer quoted an f. o. b. price at his factory and calculated delivered prices by adding the rail freight to destination. Where use of his own f. o. b. price, plus freight, amounted to more than the f. o. b. price of a competitor, plus freight to customer from the competitor's plant, the latter formula was used in quoting. In sustaining the Commission's order against collusive use of this practice, Judge Major of the seventh circuit court of appeals said:

"It is argued, perhaps correctly, that such a freight system had long been employed by industry so that members thereof might deliver their product at the same price. * * * Such being the case, the fact still remains that it was employed by petitioners for the purpose of fixing the delivered price of their product, and by such use price competition was eliminated, or at any rate seriously impaired. On the face of the situation, it taxes our credulity to believe, as argued, that petitioners employed this system without any agreement or plan among themselves."[3]

Still another similar proceeding involved what is known as the single basing-point method of pricing, whereby everyone in the industry quoted a price at a single point, and added freight to the customer's location. The Commission entered an order requiring the producers of malt to cease and desist from continuing this method by agreement, and, with Judge Major again writing the opinion, the circuit court sustained the Commission's order, saying:

"We are of the view that the Commission's findings that a price-fixing agreement existed must be accepted. Any other conclusion would do violence to common sense and the realities of the situation. The fact that petitioners utilized a system which enabled them to deliver malt at every point of destination at exactly the same price is a persuasive circumstance in itself."[4]

All of the above cases have been plain, old-fashioned price-fixing cases. In another series of cases the Commission and the courts have considered the legality of the so-called single-basing point system under the Clayton Act and without reference to conspiracy or agreement.

The producers of corn syrup employed a method of pricing known as Chicago plus, whereby a producer in Kansas City, for instance, sold to his customers in Kansas City by adding to the prevailing Chicago price the rail freight rate from Chicago to Kansas City. Thus, all bulk corn sirup was priced on the fiction that it was produced in and shipped from Chicago. The Supreme Court of the United States upheld the Commission's orders in these cases,[5] saying in the Staley case:

"In none of the markets in which respondents had a freight advantage over their Chicago competitors did respondents reduce their prices below those of their competitors. Instead, they met and followed their competitors' prices by prices rendered artificially high, by the inclusion of unearned freight proportioned to the amount by which their competitors' delivered costs exceeded their own.

"We cannot say that a seller acts in good faith when it chooses to adopt such a clearly discriminatory pricing system, at least where it has never attempted to set up a nondiscriminatory system, giving to purchasers, who have the natural advantage of proximity to its plant, the price advantages which they are entitled to expect over purchasers at a distance."[6]

To the extent that these orders may result in the elimination of "phantom freight" and reflection of territorial advantages to buyers located near factories remote from the old Chicago base, important savings to large geographical areas may be expected.

It is common knowledge that certain areas in the west and south have suffered from discriminations of the type I have mentioned, due to pricing of goods on the fiction that they have been produced and shipped from some eastern industrial center. It is not in my province to discuss the details of such matters which have not been investigated and considered by the Commission, so I cannot elaborate on this situation as it may affect Denver and the inter-mountain territory. But to illustrate the manner in which such artificial and discriminatory pricing methods may adversely affect the industrial development of a community, I would like to recall a situation which was developed in our investigations in the corn syrup industry. The largest producer in the industry had a plant at Chicago and another in Kansas City. Prices in Kansas City, even though they involved no actual freight charges, were calculated on the Chicago price, plus freight to Kansas City. A number of manufacturers of candy were located in and around Kansas City, and corn syrup constituted one of their principal raw materials. As far as price was concerned it made no difference whether they purchased from the plant in Kansas City, a plant in St. Louis, a plant in Chicago or a plant in Iowa. In any case, the price was Chicago plus freight. As was stated by the Supreme Court in affirming the Commission's order, the "phantom freight" differential in favor of the Chicago candy manufacturers placed them in a more favorable position, and several of the Kansas City manufacturers moved their factories to Chicago.

As a matter of interest to you, it was found in the corn products industry that shipments from Kansas City to Denver or Salt Lake involved 10 cents per hundred pounds of unearned or "phantom freight," this being the difference by which the actual shipping charge from Kansas City was lower than the freight rate from Chicago used in computing the Denver price.

To recapitulate: These proceedings which have involved the legality of methods of pricing have been squarely based on price-fixing conspiracy or upon price discriminations which injure competition and which cannot be justified by legitimate differences in the cost of manufacturing, selling, or shipping. No new or strange theories of law or economics have determined or affected these proceedings. The Commission is not seeking to confine industry to local territories or to prevent national distribution by any concern which can achieve such distribution without either entering an agreement on prices with its competitors or resorting to unjustifiable discrimination.

On this subject, I have recently read several speeches by a colleague of mine which constitute ringing defenses of what he calls administered prices, and in which he decries proceedings of the Antitrust Division of the Department of Justice and the Commission

[1] Cf. sec. 4, F. T. C. Act, 52 Stat. 111, for definition of antitrust acts.

[2] *Fort Howard Paper Co. et al.* v. *F. T. C.*, 156 Fed. (2d) 899.

[3] *Milk and Ice Cream Can Institute et al.* v. *F. T. C.*, 152 Fed. (2d) 478.

[4] *U. S. Maltsters Ass'n. et al.* v. *F. T. C.*, 152 Fed. (2d) 161.

[5] *Corn Products Refining Co. et al.* v. *F. T. C.* and *F. T. C.* v. *A. E. Staley Mfg. Co. et al.*, 324 U. S. 726, 746.

[6] 324 U. S. 746, at p. 757.

as part of a game of "cops and robbers." He has proposed as a substitute for present methods of enforcement of the antitrust laws new legislation which in effect would grant immunity from action under the antitrust laws to industries which would get together and draw up a set of trade practice rules under the auspices of the Federal Trade Commission. There has been some favorable comment in the trade journals on this legislative proposal.

I appreciate that businessmen generally are the stanchest defenders of the system of freedom of economic enterprise under which this country has reached its present high standards. Yet for some reason they frequently fall for a proposal to "manage" that system, or the part of it in which they are most immediately concerned, through group action. Thus a group of wholesalers may become intensely irritated by what they feel to be the unfair practice on the part of manufacturers in selling direct to certain retailers, bypassing the wholesaler. The natural urge is to do something about it.

The Commission has had numerous cases of this sort in the past, where such groups have gotten together to pool their strength to do something about it by way of organized pressure on manufacturers to cease selling direct to retailers. I have no doubt that the men involved in these matters have been firm advocates of free competition and that it would have been impossible for most of them to have built up their businesses without resort to real competition. They would be the first to resent any organized group which tried to enforce rules of conduct upon them, yet apparently feel no inconsistency in maintaining a blacklist of manufacturers with whom they will not deal as the result of some real or fancied wrong.

The competition of the free market is in many respects a ruthless thing. A man may build a costly plant near his raw materials but distant from his markets. Discovery of raw materials nearer the market may ruin him unless the discoverer can be persuaded to price his product so that his advantageous location is equalized. This same thing may occur where any of the other factors, including new machinery or processes, research, or just plain American ingenuity throw an industry out of balance for a time, and give some producer advantages not enjoyed by others. From the standpoint of the businessman, the easiest thing to do is reach some understanding whereby the status quo is preserved and the man with the advantage forbears from translating it into lowered prices.

The temptation to soften the effects of competition is ever present in business—it is perfectly understandable that a man might resort to agreement with competitors to avoid failure. Perhaps you gentlemen are familiar with individual instances of such coerced or desperation agreements which you consider to be justified morally, ethically, and legally. However, can you visualize the remarkable industrial growth of this country under any system of private or governmental controls which would have removed the harsh realities of free and vigorous competition? Can you visualize the growth and development of our present automobile industry if it had been organized and run to keep in business the badly located, badly run or uneconomic producers whose bones lie along the trail?

What are the alternatives to free and fair competition? Only two present themselves to my mind. One is a system of industrial controls by business itself. The other is a similar system in which the responsibility is shared both by business and the Government. Now, to be realistic for a moment, do you gentlemen who are in industries in which for example, lumber, brick, cement, steel, or copper is a basic raw material really feel that you could substitute the absolute decision and judgment of a group of producers of such basic material for the forces of a free competitive market? Do you feel, at heart, that any group in such an industry is wise enough and unselfish enough to run the industry in the public interest so that it could be removed from the operations of the antitrust laws, or other control? Without meaning to cast any reflection upon the ability or the integrity of the basic material producers, I doubt seriously that you feel that they could be entrusted with such a responsibility, and, probably, you believe that in any case the end result of such assignment of responsibility must be to place some sort of check upon their actions, so that when their primary interest in the welfare of their stockholders might conflict with the larger public interest, the public will not suffer. The only check which can be used for this purpose is the Government itself, so that such a course must lead to divided responsibility for management of industry between industry and the Government, much as has been developed in the field of public-utility regulation.

When I spoke of the two alternatives above I was referring to the short-range prospects. It does not require any great stretch of the imagination to foresee, in the long run, that managed markets, either by businessmen themselves or by businessmen under Government supervision, must lead ultimately to a disappearance of any lines of demarcation between business and government and the development of the super state which will tell us all the whats, whens, whys, and hows of everything we do. It may seem strange to you that I should oppose a proposal which no doubt would convert the Commission from an agency with less than 600 employees to one of many thousands of high-powered accountants, economists, lawyers, investigators, consultants, and Lord only knows what else.

We had some experience with substitution for competition of Government-regulated industry controls during the NRA period. Entry into certain fields was restricted, as were additions to plant facilities. Production controls were formulated. Nearly every conceivable control to alleviate the distress of competition was tinkered with in one or the other of the codes. Pants pressers, filling-station operators, and even manufacturers who refused to conform to the rules laid down were hauled before the courts. A seller who deviated from the prices, terms, or conditions of sale filed with the code authority in order to secure a choice piece of business was a chiseler. What had in other times been normal individual rights and legitimate business practices suddenly became illegal.

I refuse to believe that American businessmen want to return to such a system of management and controls as a permanent, peacetime proposition, in spite of their grumbling at the imperfections of the free market in operation.

The sponsors of legislation to substitute a "rule of law" in industry and to supplant the present antitrust policy by one of self-imposed rules of conduct, deny that they propose a return to anything like the NRA codes. They urge that the proposals would not interfere with the Sherman Act and the Federal Trade Commission and Clayton Acts, and would instead serve as a cooperative means of enforcing the law without the necessity of prosecutions and orders to cease and desist. If this is really true, why then is it stated to be necessary to suspend the antitrust laws for those industries which meet and formulate rules? Present procedures of the Federal Trade Commission encourage any industry group to come in and draw a set of trade practice rules to eliminate unfair or deceptive practices which may be present, and to promote ethical and moral standards of conduct above and beyond the minimum standards necessary to "get by." The Commission has always avoided approving any rule which would promote conduct in violation of the antitrust laws, and the trade practice rules as now drawn do not give anyone immunity from the antitrust laws. Even the NRA codes purported to give lip service to the Sherman Act and exemptions from its operations were specific and narrow in scope under NRA.

I presume that under any such program as is proposed, trade practice rules would be concerned with the intimate details of industry operation. Anything less would defeat its own purpose. I question whether proponents of such a plan have thought the matter through to its logical end product which can only be complete and thorough government regulation. I am a Government official and I would be the first one to tell you that there is no single man or group of men in the Government service, or likely to be in the Government service within the next several hundred years, sufficiently wise and dispassionate to substitute his or their judgment for the "natural" regulation of a free market.

Furthermore, is it possible for us to maintain political freedom of action where our economic affairs are managed inside or outside the Government? In many countries in Europe economic freedom has been practically eliminated. A man may not open a grocery store where he pleases, or operating a grocery store, may not sell what he pleases. A baker must not make and sell a cookie containing more than a fixed percentage of sugar—a regulation no doubt inspired by the "righteous" ire of confectioners over inroads of bakers into their field. A host of similar controls could be cited. I doubt that a people subject to such minute regulation of their economic life can ever be said to be politically free. Our success in developing this Nation to its present pinnacle of living standards and personal and intellectual freedom can be attributed to our liberal capitalist system and to our insistence, through the courts and the forum of public opinion, upon the principles of the free market and the right of every man, subject to the basic rules of fair play, to risk his money or his time and effort in making a living.

The sum of the efforts of all of us is the free market, and it can never be controlled or managed successfully by any small group of men for more than an instant. Its rewards for success are munificent and its penalties for failure are harsh, but it is truly representative of all of us. The retail druggist in Kalamazoo, the wholesale grocer in Keokuk, the steel fabricator in Toledo—all of them make up the market, and it is by the collective judgment and experience of all of them that business moves up and down and ebbs and flows. Ten, a hundred, a thousand businessmen may be wrong about a decision at any one time, and many may fail as a result, but the cumulative effect on the market may be very slight. On the other hand, consider the effect of such an error by a Government official or a group of businessmen with the power of management of the market.

I would like to leave you with this one thought in parting: When you are urged to join in a movement to repeal the antitrust laws, to support a program of self-regulation for industry, or to foster managed markets, stop and ask yourself whether the immediate advantages urged upon you outweigh the prospective paternalism of a controlled economy wherein Government officials may have the responsibility for every important economic decision. Never forget that the American economic machine is the most unbelievably complicated organization that the world has ever seen—that its continued functioning depends upon the automatically interrelated operation of hundreds of thousands of working parts, any of which can affect its efficiency. Even the relatively simple proposition of setting ceiling prices during the wartime emergency required an organization of thousands upon thousands of employees

which could function very imperfectly since every action in setting a price at one point necessarily raised a host of other problems and complications at other points. During the NRA and during the war we had some experience with cooperative controls of the markets. We also have been able to observe the results of such controls in other countries. While some measures of control are doubtless necessary in periods of emergency, there is nothing in our experience with them which would make them attractive or recommend them to us as a steady diet.

The difficulty with controls is that no one has yet devised a system whereby the other fellow can be controlled to act 100 percent of the time in our benefit and where we ourselves can retain freedom of action.

Do not let the irritations, the discomforts, and the imperfections which are so obvious in the free competitive enterprise system blind you to the fact that it is the foundation stone upon which is built our American way of life.

Above and beyond passively resisting attempts to enlist him in movements to vitiate the antitrust laws, every citizen should work actively to preserve the American way of life and the free competitive system upon which it rests. You who are engaged directly and actively in business have even more of a direct stake than that of your citizenship, since the companies that you represent are the direct beneficiaries of the freedom of that system. Neither the Federal Trade Commission nor the Department of Justice would be able to enforce the antitrust laws against the active resistance of an unwilling and unsympathetic populace. In the last analysis, the effectiveness of the enforcement of the antitrust laws, or that of any other set of laws in our democracy, must depend upon your willingness to accept them as guiding principles in your daily actions, and to give them your active support in your daily business affairs.

Resolutions of Poweshiek County (Iowa) Farm Bureau

EXTENSION OF REMARKS
OF
HON. KARL M. LeCOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. LECOMPTE. Mr. Speaker, the Poweshiek County (Iowa) Farm Bureau, at its annual meeting on November 8, 1947, adopted resolutions which are both timely and farsighted. In order that other Members of Congress may have the benefit of the views expressed, I include the following resolutions of the farm bureau organization:

1. We reaffirm our allegiance to the United States, the Department of Agriculture, the Extension Service, and the Iowa and American Farm Bureau Federations. We will cooperate with them to the fullest extent.

2. We pledge our whole-hearted support to the churches, schools, and all other organizations in the county working for community betterment.

3. We favor the support and full participation of the United States in the United Nations organization and the constructive programs of the Monetary Bank and the Food and Agriculture Organization.

4. We feel that a revision should be made of the present parity formula to include the cost of farm labor and modernizing it to become more equitable to the producers of all farm products.

5. We believe that under present conditions the control of production of our agricultural commodities is necessary so that the supply will be in line with the demand. We recommend that this program be continued and administered by locally elected farmer committeemen up to and including the state levels. We further recommend the continuance of Federal Commodity Loans and purchases, when necessary to maintain the prices of farm products.

6. We favor the 100-percent collection of the State income tax rather than higher property taxes.

7. We recommend that all income-producing property held by nonprofit organizations be taxed as other property.

8. We recommend that a more intensive State and Federal road improvement program be developed for the construction of all-weather secondary roads and demand that our State and Federal money be allocated on a need basis. We urge that county road building funds be more efficiently used and an extensive use of the district plan be made.

9. We favor top priority for available State aid to be given to the Agriculture Land Tax Credit Fund to make effective the 15-mill ceiling on property taxes for school purposes levied against farm land.

10. Since a number of the counties of the State now receive $5,000 county appropriation annually for extension work, while others like Poweshiek County receive only $3,000 annually, we recommend that legislation be enacted so that all counties will receive $5,000 annually.

11. We recommend the employment of a fulltime county nurse.

12. We recognize the valuable assistance rendered to agriculture by the Agricultural Extension Service, the Experiment Station, Iowa State College, and the United States Department of Agriculture.

13. The need of more soil conservation practices in Poweshiek County is becoming more evident each day. We recognize the value of the soil-conservation work as carried on by the Poweshiek County Soil Conservation District.

14. We endorse the Women's Family Living Program which emphasizes the home as a most important unit in developing cultural and economic education in our communities, which now are a vital part of world affairs.

15. We recognize the valuable training being given our rural youth through 4-H club work and vocational agriculture and homemaking schools. We feel that every rural boy and girl should have an opportunity for the training afforded by these programs.

16. We commend the Farm Service officers and manager and the general and special insurance agents for their work and the efficient operation of their groups.

17. The various cooperative associations in the county have made a successful and valuable contribution to agriculture. We pledge continued support and assistance to these organizations.

18. We recognize the value of the publicity and support which the papers of the county have given during the past year and express our appreciation to them for their fine cooperation.

Morrison Outlines Platform

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. MORRISON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from one of my constituents and my platform:

NOVEMBER 15, 1947.

Congressman JAMES H. MORRISON,
Washington, D. C.

DEAR JIMMY: I suppose you are going to be very busy in Washington with the special session. The campaign is coming along fine and you are a cinch to win.

The solid supporters of Huey Long are not going to vote for Earl Long because Earl Long doublecrossed Huey and tried to send Huey to the penitentiary. Then too, Earl couldn't win the last two times when he had the Old Regular support. Now he hasn't got the Old Regulars nor nearly as much support as the last time so he can't run any better than a poor third.

Looks like you are way out in front over Sam Jones. You may win in the first primary, but I feel sure you will defeat Sam badly if there is a second primary.

I want you to put your platform in the CONGRESSIONAL RECORD. You have done a wonderful job as a Congressman and I feel sure that you will make a good Governor. Your work in behalf of the farmers, particularly the rice, sugarcane, cotton, strawberry and sweetpotato farmers will bring you thousands of votes.

Being a veteran myself, I know of your work for thousands of veterans and they are really whooping it up for you.

Here's wishing you the best of luck and success.

Yours truly,

LOUIS OURSO.

To the People of the State of Louisiana:

The following is my platform. I firmly resolve to restore the government of the great State of Louisiana to the people, where it rightfully belongs. This means as Governor of Louisiana I will eliminate the control of the Jones-dictated incompetents and profiteers who for 8 years past have taken so much money from the people and given so little in return. There will be no compromise with the usurpers of the people's rights. I pledge myself to eliminate them from position and influence in our State government.

The following is the Jimmy Morrison ticket, composed of four present officeholders running for reelection, two veterans, and other outstanding individuals: James H. Morrison, for Governor; J. Y. Fontenot, for Lieutenant Governor; Lucille Mae Grace, for registrar of State land office; K. K. Kennedy, for attorney general; A. P. Tugwell, for State treasurer; John R. Jeter, for secretary of State; L. B. Baynard, for State auditor; John E. Coxe, for superintendent of public education; D. M. Riddle, for commissioner of agriculture.

LOCAL SELF-GOVERNMENT

I stand unequivocally for local self-government. This means that as Governor of Louisiana I will recognize the elected officials, whether they be municipal, parish, or State officers, and their duly constituted authority as given to them by their respective electorates. Let there be no misunderstanding on this point, to wit: JIMMY MORRISON is for local self-government.

ECONOMY IN STATE GOVERNMENT

I will recommend to the legislature an orderly and well-conceived plan for the economical operation of our State government and all its agencies, boards, and other instruments of government which exist in any manner by virtue of State support. This means I will guarantee a stop to the squandering of the tax money paid by the citizens of this State—and it also means that the people of this State will get a dollar's worth of service or material production for every tax dollar paid to the State. Attention is directed to the following indisputable fact that, since Sam Jones became Governor in

May 1940, the total revenues collected by the State have reached the staggering sum of $829,021,004.32, as of June 30, 1947. This means that the past two administrations have collected almost $10,000,000 per month from the taxpayers of this State. This is almost $300,000 a day that the past two administrations have collected and given the people absolutely nothing in return—the people want to know where has the money gone. No words need be added to these figures. They tell the appalling story of mismanagement, squandering, and financial abuse that has been forced upon the people of Louisiana. Over and above all indictments that the record plainly makes is the fact that for the past 8 years Louisiana has not enjoyed one single, solitary piece of advancement or achievement, except in the field of public education. No new institutions, no new roads, no new bridges, no new buildings—nothing of a permanent nature has been accomplished; yet, the burden of the taxpayer is greater than ever before. Revenue collections are beyond the dreams of the most optimistic, and all the money has been spent. Indeed it is in order to ask the administrators of this State for the past 8 years: What did you do with the millions upon millions you collected from the people for the past 8 years?

HIGHWAYS

I will build paved, concrete highways and other hard-surfaced roads. Louisiana, the once proud possessor of one of the finest systems of paved highways in the Southern States, now, after the past 8 years, lags far behind her sister States. The magnificent highways built prior to 8 years ago have been permitted to decay and fall into ruin without any surplus of dollars being set aside for the time when roads could be repaired. Highway planning has practically remained in the talk-stage with little, if any, results being evident for the past 8 years. I will propose to the legislature a program that eventually will provide hard-surfaced roads for the whole State and eliminate the dusty, expensive-to-maintain, and dangerous gravel, shell, and poorly-constructed roads that plague this State and destroy so much equipment and take so many lives. The latest Government statistics show that Louisiana stands third in the Nation in bonded indebtedness, surpassed only by California and New York, and stands second in the Nation in per capita debt, next to Arkansas. This is four times the average of all the other States and three times greater than that of Mississippi. There are few States in the Union, if any, that collect and bond and rebond and allot and reallot so much money for roads and get so little. Notwithstanding the huge sum of $199,419,772.60 that has been received by the Department of Highways during the last 7 years, no roads to speak of have been built or maintained. Those in the war-camp areas were reconstructed with a grant of $9,500,000 from the Federal Government.

I pledge the farmers and rural folks immediate action to give them roads and take them out of the muck and mire into which the last two administrations have forced them. At every session of the legislature farmers and rural folks have begged in vain for roads that have been promised them but never built, notwithstanding the all-time record collections of the taxpayers' dollars. I will appoint to the highway department men who know the State, men who desire to give Louisiana a fine network of roads, men who will be ever loyal to their trust, men who will give full value in return for every dollar spent. This policy will be a significant contrast to that pursued by the politicians who have operated the highway department during the past 8 years with such wanton disregard and open disrespect for the people of Louisiana.

I pledge the people of this State that I will provide for the construction of four-lane highways in and out of every major city in Louisiana. This all-important traffic artery has been promised and repromised and even provided for but never built. I also pledge our administration to widen every main highway in the State and to introduce safety controls on all our principal arteries of traffic. I promise to use the full power of the office of Governor of Louisiana to complete the long-talked-about and never completely accomplished New Orleans-Lakeshore Highway. I will do this when I am your governor, whereas all you have had has been promises, loss of life, destruction of property, inexcusable inconvenience, and no real construction worthy of mention. The completion of the great Lake Ponchartrain seawall from the Industrial Canal to the south shore has for 8 years been ignored. This is a vital and badly needed project. These improvements would place New Orleans on a comparable basis with Miami, Chicago, and New York. Wonderful recreational facilities would be provided our people during the long summer months, to say nothing of the protection in lives and property the seawall would provide. One of the main objectives of my administration will be the completion of this seawall. I further promise that I will construct substantial bridges over all rivers and streams throughout the State and to replace those that are inadequate and made practically useless by lack of care and attention.

EDUCATION

The great educational system of this State will be advanced and expanded to the fullest extent under my administration. The universities and colleges, the trade schools, the public-school system, the adult vocational activities, and every form of youth and adult education will have my deep and sincere interest. This means I will labor for constitutional dedication of sufficient revenues to guarantee that the present amount of State financial support will be maintained as a minimum in order that a long-time program may be undertaken without fear of curtailed revenues. It also means that I will increase the State public-school fund to meet the expanding educational needs of this State. I will provide better salaries for teachers. This State should and must guarantee a minimum salary of $2,000 for beginning qualified teachers, with annual increases for experience up to a minimum of $3,600. I will provide increased salaries for bus operators, janitors, maintenance and lunchroom workers, and other school employees, in order to insure a livable wage for these worthy people.

I will continue the development of a strong, diversified, and well-balanced program of vocational education to meet the needs of every community. This program will further the expansion of trade-school education and other adult vocational activities, including community canning and service centers. Standards for living for many of our people must be lifted and economic independence encouraged for all. I will foster and expand our veterans' training program so as to vocationally equip our former service men and women through the best possible farm training and training on the job in trades and industries. I will provide adequate college housing facilities for all veterans desiring a higher education. I will uphold and strengthen the teacher-benefit laws providing for retirement, tenure, sick, and sabbatical leave.

I will assure every child a free school lunch and means of transportation to and from schools, and I will guarantee a substantial lunch that will be good, wholesome, and nutritious. Not only my knowledge of State affairs but also my activities as a United States Congressman in helping to secure additional funds for the lunch program give me a clear insight into the needs of our school-lunch program. I hold a deep and abiding interest in our youth and pledge to them and their parents the full power of my administration in their advancement. It is no longer enough to be able to read and write; it is our responsibility to give every child of our State a high-school education.

I favor the establishment of a veterinary school at Louisiana State University.

VETERANS

There are over 300,000 veterans in this State, and I pledge to these great and honored men and women the support and recognition to which they are so justly entitled. This means that I will, to the extent of the power of the office of Governor of this great State, give preference to veterans in employment and aid their cause whenever possible. I propose to reorganize the department of veterans' affairs. This department will be completely nonpolitical, and only competent personnel will be employed. In selecting the head of this branch of our State government, I will accept nominations from various veterans' organizations. I propose to appropriate from the general revenue of the State a veterans' aid fund of $2,500,000 to be used for relief purposes. The amount of $500,000 will be dedicated to the immediate relief, during my term of office, of indigent and helpless veterans. The remaining $2,000,000 will be securely invested and held in trust, the revenue from which will create a lifetime fund to carry on the relief work of this department. All veterans of the State of Louisiana will be eligible to obtain assistance from this department. Those requiring food, clothing, medical aid, funeral expenses for dependents, or any other immediate relief may apply through the department's nearest local service officer. Widows of veterans and dependent children under 18 will be eligible. The veterans applying for relief through this department will be first checked to determine whether other forms of relief, such as Federal, State, parish, or local are due applicant. If these are unavailable or inadequate for the emergency, this department will grant the claim at once. If the emergency should exist for more than 3 months, permanent methods of rehabilitation will be provided. Supervision will be provided to insure that the allowance will be spent for actual necessities. The cash amount to be given to any veteran will be determined by the circumstances involved in each individual case. The service officers of the various veterans' organizations will be called on to investigate and prepare claims, thus permitting a needy veteran to deal wtih a fellow serviceman familiar with his circumstances, who knows local conditions and can fairly estimate the amount required to meet the emergency. I also propose to furnish rent-free quarters for veterans and their families living in Federal veteran-housing projects located on the grounds of State institutions and attending school.

State soldiers' bonus

I favor a State soldiers' bonus for World War I and World War II veterans.

CIVIL SERVICE AND RETIREMENT

I favor the merit system in the operation of our State government. It will be my position that the civil service of this State shall be fairly and objectively operated so as to give security to those who need protection. Favoritism, such as has been evidenced in the operation of this program thus far, will not be permitted to creep into the just administration of the civil service when I am Governor. Under my administration, I pledge that no employee of the State government shall be subject to political domination and pressure, such as now exists. The people of this State do not want civil service to be used as a club in behalf of any political faction.

I further pledge my support of the State retirement plan for State employees. I shall view favorably the extension of the retirement plan to include city and parish employees.

OLD AGE AND SICK BENEFITS

I will remove from the old-age pension program all its presently humiliating requirements. I pledge myself never to traffic in politics with the old-age pension plan. To do this is, to my mind, the lowest form of political chicanery conceivable. No person qualified for a pension ever will have to subject himself, or herself, to indignities and humiliations in order to receive that which the Federal and State governments have provided. My knowledge of this all-important subject, gained as a United States Congressman, gives me a comprehensive insight into this essential social problem. I will bring the old-age pensions back to what they were before the advent of our present "class" government. I will do my utmost to raise the level of pay to $50 per month for those who are 60 or over. We have an obligation to those who have served honorably in life when they reach 60 years of age. And, too, we must and shall protect and provide for those who are struck down by mental or physical disabilities. I will provide proper benefits for all who become disabled, regardless of age. This covers complete State assistance to those of our citizens who are indigent, blind, or otherwise incapacitated. I will forever advocate help to the aged and sick in a worthwhile way.

Fifty dollars per month pension

I favor a $50 per month old age pension for every citizen of Louisiana over the age of 60.

HOSPITAL AND HEALTH SERVICES

I promise to develop a measure of financial security for the continued operation of those hospitals throughout the State that are operated with public funds. I firmly resolve that as Governor of Louisiana there shall never occur, as has happened during the past 8 years, any suspension of the fundamental functions of our public hospitals. I propose, upon taking office, to have a complete and exhaustive survey of the entire State program of hospitalization made and to recommend to the legislature that sufficient funds be provided for the full 12-month, 24-hour-a-day operation of the State-owned hospitals. This means, in short, that the needy and unfortunate who are ill shall never suffer for lack of adequate hospital facilities as long as JIMMY MORRISON is Governor of Louisiana. I also propose that, where no public hospitals are available, the State will construct receiving stations for the temporary alleviation of human suffering until the patients can be transported to the hospitals. I will provide, particularly for the rural areas, free ambulance service to the hospitals. I will also provide mobile dental clinics to serve those of our citizens in the rural sections of Louisiana. The health standards of our people must be raised. It is folly, indeed, to construct and equip massive hospitals and then, through mismanagement and misdirection, allow these institutions to fail in their service to the public.

The utter lack of concern by the past two administrations for the unfortunate sufferers of tuberculosis is a blot upon the State of Louisiana. The State should promptly proceed to construct, in a desirable location, a hospital of sufficient size for the treatment of these cases. To this end I will advocate that the legislature promptly provide the means for the establishment of such a hospital for sufferers from tuberculosis. Adequate funds will also be provided for all State-operated hospitals to enable them to diagnose and treat all persons afflicted with cancer.

PROGRAMS FOR OUR INSTITUTIONS

The treatment of the mentally afflicted in our State institutions stands as an everlasting indictment against all who hold the power to correct this terrible situation. I guarantee to provide complete care, in keeping with the best medical standards, for the mentally ill people of this State. We should hang our heads in shame at the treatment that has been afforded these unfortunates. I propose to furnish clean and comfortable quarters to these people and to provide an adequate medical staff, properly trained, for the difficult task of treating psychopathic patients. The prime objective of this service will be to return patients to normal life. Those who are incurable will be made as comfortable and happy as possible.

PENAL INSTITUTIONS

The institutions of punishment of the State have too long been political footballs. I shall have all penal institutions studied and shall inaugurate a practical, humane, and orderly policy for their operation. I shall have the most modern and advanced methods applied to all places where offenders are housed. Too little thought is given to rebuilding and restoring these people to society. I shall do my utmost to have the most competent people available accept the responsibility of operation of our penal institutions and I shall demand of them a supreme effort for the betterment and rehabilitation of the inmates.

Our reform schools, as they have operated in the past, have fallen far short of their opportunity. These schools at present are making practically no contribution to the reformation of the unfortunate girls and boys assigned to them for rehabilitation. In many instances they have had bad habits and wrong ideals fastened upon them instead of having their mental and moral attitudes improved. The approach to this important social problem has been misdirected in that the program has been handled as one of criminal punishment rather than educational rehabilitation. The State department of institutions is not the proper guardian for these children who have been denied the benefits of proper home training. What these children need is the guiding hand of well-trained and sympathetic men and women teachers. The State supervision of this work should be removed from the State department of institutions and placed under the State department of education, where it will be administered in a professional and sympathetic manner. When I am Governor, I pledge myself to work in behalf of this improvement in the training of our juvenile delinquents.

PROTECTION AGAINST STORMS, FLOODS, ETC.

I will sponsor legislation that will provide safeguards against the heavy toll in lives and property which has been taken all too often by nature in the form of storms, floods, etc. Pitiful, indeed, is it that our fellow citizens and their loved ones should be wiped out, as has occurred so recently in south Louisiana, particularly in Jefferson Parish. I shall not merely indulge in lip service. To the contrary, I firmly promise the people in areas exposed to these hazards that the great State of Louisiana will carry out its obligations to provide for their safety, their lives, and their property. The forces of nature can defeat the resistance of man, but, when man through his power of government fails to construct ordinary safeguards, then it can truly be said that the Government, because of poor leadership, has failed to do its duty. I will ask the legislature to grant such powers as will enable me to send immediate assistance to the sufferers in such grave emergencies.

YOUTH PROGRAM AND STATE PARKS

This State has a great obligation to its youth. The proper safeguards must be thrown around our young people. I intend to inaugurate a youth program on a large scale. I shall entrust this task to trained men and women and do my utmost to make Louisiana the shining light in the Nation on youth advancement. Parks, playgrounds, contests, social affairs, and the many and varied offerings that interest young girls and boys will be made accessible to our youth. Juvenile delinquency must and will be mastered; a better State and a better Nation result from a healthy and happy younger generation. I will have an immediate survey made of all our great State parks, whose development has been sadly hampered by lack of sufficient funds, and bring them to a point of expansion and prominence worthy of their possibilities.

NATURAL RESOURCES

The great natural resources of this State have been loosely handled and poorly directed. Hodgepodge methods of a changing variety have been the order of the day for 8 years past. I will invoke a sane and workable policy, denying to none their just rights and demanding proper return for the State on a fair and equitable basis. The people's right to demand the benefits from the gifts which nature has bestowed upon them must be recognized as paramount. And, too, industry, landowners, producers, and all other parties directly at interest must have the rights and protection that a state and nation of free enterprise afford. I will place in effect a sound and fair program covering our natural resources that will not be subject to the whims or the selfish interests of any clique or individual. Any landowner who is blessed with having natural gas under his land will have the right to sell, in order to receive his royalty, that gas at the highest possible price, with the understanding that a reasonable conservation policy to protect the State's interest be maintained. A just treatment of this question will be my objective and will result in bringing order out of the chaotic conditions that have existed all too many years.

TIDELAND SUIT

The feudal atmosphere that encompasses the struggle between State government and the Federal Government in the tideland suit must be removed. Louisiana is a coastal State and, as such, believes that its land underlying the tides and navigable waters is the property of the State. This contention has been overruled by the Supreme Court, with the resultant effect that title to producing areas under water has been denied the States. I have had experience with this subject in the Congress of the United States and voted with the majority, in the Congress, to protect States' rights. Jurisprudence has been established which inflicts great injury upon our State as well as all others. I will do all within my power to recover this tremendous loss and join with the governors of the other 47 States to preserve not alone our holdings but also sovereign rights. I shall at the meeting of the Democratic Party do all in my power to have inserted in our party platform a plank demanding the return to the States of that which has belonged to them since we have been a nation.

RECLAMATION PROJECTS

The unused expanses of this State should and will, under my administration, provide greater use and insure higher health standards through a practical and feasible program of drainage. Low, watered, and other desirable areas that can be converted into fertile soil for planting or grazing or even construction make for greater opportunity for the people of this State. This is a vital reclamation project, worthy of time, attention, and money, but it has had only lip service for the past 8 years. I will not merely talk about a State drainage program. I will recommend one to the legislature and put it into effect.

AGRICULTURE

Agriculture is the foundation of life. The greater part of my life has been lived in a farming area. I have privatel, and publicly represented farmers practically all of my life. I am proud to lay claim to the fact that I consider myself part and parcel of that great and noble array of Lousianians who are known to the world as farmers. I will recommend to the legislature the most far-

reaching and comprehensive farming program that the best minds of the State and Nation can suggest. I will collaborate with the Federal agencies and expand State services to farmers to an extent that Louisiana shall rank with the foremost agricultural States in the Union. Research, assistance, institutions, demonstrations, and actual productivity on a greater and finer quality basis for every product from the tilled soil, including farm products and livestock, will be one of my greatest objectives. My efforts will not only be directed toward raising larger and better crops and finer and more profitable livestock, but also toward helping every farmer dispose of his products at the best price, in the quickest manner possible. No stone will be left unturned to help the farmer in every way.

FISHING, TRAPPING, HUNTING, AND WATER HYACINTHS

The trapping and fishing industries are of great importance to our people. These occupations provide work for many thousands of our people. The time spent on developing these great outdoor industries has been too little. I will propose to the legislature a program to enlarge and expand these industries by insuring greater production and a finer quality of the catch. The State has this obligation. I will see that the State assumes it. I will put a stop to all of the ridiculous and unjustified red tape that has done nothing but confuse and befuddle trappers and fishermen for the past 8 years. I will endeavor to eradicate the water lilies, hyacinths, alligator grass, and other impediments, within the ability of the State's power to make accessible many streams, inlets, and other bodies of water that are gradually being choked and ruined by these useless and toll-taking growths. I will abolish all fishing license fees for all Louisiana fishermen. I will also abolish all license charges on all boats used for fishing and trapping. I will likewise advocate the repeal by the legislature of the State gasoline tax on all gasoline that is used in boats. I propose to inaugurate a program through the department of wildlife and fisheries to restock the streams and forests of this State with the all too rapidly disappearing natural life of the State. Louisiana is a hunter's and fisherman's paradise. I assure the sportsmen of the entire State, north, south, east, and west, that I will have a special division within the department of wildlife and fisheries proceed immediately to restock our streams and lakes with fish, and forests with wildlife, including quail and other forms of wild game.

REFORESTATION

A State program of reforestation worthy of the great State of Louisiana will be started when I become governor. Louisiana must and will expand its reforestation program. The first step to this end will be the development of an adequate fire-protection service. Too much emphasis cannot be placed on reforestation, which means so much to our State and its people.

PROPERTY TAXPAYER RELIEF

I am convinced this State can and should do more toward encouraging home ownership. I will immediately upon taking office as Governor bring about a new and a broader program for the relief of property taxpayers. Further homestead exemptions are possible, and an intelligent study of this subject will prove that this is so. The property tax relief fund will be analyzed with the view of giving greater assistance to the home owners through the medium of greater homestead-tax exemption

COMMERCE AND INDUSTRY

The natural advantage and resources of Louisiana make it the most promising region in America in attracting new industries and business. I pledge that, as Governor, I will cooperate with all business and industry, both large and small, and do everything within my power to attract new business and industries to our great State. I further pledge that I will cooperate with business and industry to the end that no harmful, unnecessary taxes or regulatory laws shall be imposed by the legislature with my permission or sponsorship that would in anywise retard the growth and development of Louisiana.

The encouragement of foreign commerce at our great port cities must be one of the major objectives of this State. The port of New Orleans must truly regain its position in importance as the gateway to Central and South America.

It is my firm belief that with a careful, businesslike administration, with competent personnel handling its affairs, no increase in taxes will be necessary.

FISCAL AFFAIRS

The fiscal affairs of this State have drifted to a complex and involved condition. There are too many useless agencies, boards, and delegations or partial delegations of authority that tend to create disunity, greater expense, and less efficiency in the operation of the State government. Inexperience and utter lack of understanding of fiscal affairs in the past 8 years have brought about this condition. It must be corrected, and regimentation must be curbed. So-called expert plans by imported efficiency experts have been costly to the State and harmful to a proper conduct of the State's fiscal affairs. I propose to get down to good old "horse sense" business methods and to eliminate all useless agencies, boards, and individuals, thereby insuring a saving to the people in time and money. Departments that mean nothing but confusion and unnecessary expense will be eliminated.

CHIEF-EXECUTIVE APPOINTMENTS

Every department in this State within the purview of the chief executive will be manned by competent persons of recognized honesty and ability. Every department will be carefully analyzed, and wherever necessary improvements will be made to render better service to the taxpayers of Louisiana. None within the power of my appointment as Governor shall serve the people unless he or she is trustworthy and competent. Those who will be part of my administration shall carry out the will of the people, and not dictate or try to dictate to the citizens of this great State. I will endeavor to secure Louisianians for all important administrative positions.

This platform will be enlarged upon as the campaign progresses. All phases of State government naturally cannot be touched upon in this short document; however, in campaign speeches the members of the JIMMY MORRISON ticket will go into greater detail with a full submission of figures and facts to support each and every position taken in this platform. The pledges which I make, with God's help, the cooperation of my official family, and the support of the people of Louisiana, I intend to carry out.

Sincerely,

JAMES H. MORRISON.

The President's Program

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of November 18, 1947:

THE PRESIDENT'S PROGRAM

The President's address at the opening of the emergency session of Congress was by almost any test a genuinely commendable effort, reflecting both in its form and substance the application of much time and painstaking thought. It commended itself particularly, it seems to us, in four respects.

In the first place, although Mr. Truman touched on the issue of long-term aid to Europe, he wisely put off detailed discussion of that problem for a later date, concentrating on stop-gap relief and the closely related subject of domestic inflation. In the second place, he made it clear that he regarded the inflation problem as one on which action was already long over-due and on which Congress would have to legislate regardless of what course it elected to pursue in Europe. As he said, "we can no longer treat inflation as some vague condition we may encounter in the future. We already have an alarming degree of inflation * * * and it is getting worse." The reason the foreign-aid program ties in so closely with domestic inflation—as Mr. Truman rightly discerns—is that to embark upon such a program at a time when inflationary forces are already at work in the United States would be to accentuate the already rapid rise of the price spiral, an outcome which might conceivably not only defeat the foreign-aid program, but even bring a smash-up of our own national economy, now functioning at its highest rate in history.

The third point which commended itself in the President's address was the concreteness of its recommendations. Others in the administration, far less politically vulnerable than the President, including his Council of Economic Advisers, while they have urged that anti-inflation action be taken, have shied away from making any but the most general proposals. If there had been any advance qualms among those who shared his general views on this subject it was not that he would propose the wrong things but that he would have no specific program to offer. Any misgivings on that score have now been dissipated. One may or may not agree with all of the 10 anti-inflation steps that the President calls for, but no one can say that they are ambiguous or difficult to understand.

Finally, aside from his forthrightness in this respect, the President, we feel, is entitled to a special word of commendation for recognizing, as he did, the interdependence of wages and prices. In his tenth, and final point, he urged that Congress authorize the placing of price ceilings on products in short supply which basically affect the cost of living or industrial production. To which he added, "and to authorize such wage ceilings as are essential to maintain the necessary price ceilings." This was the basic policy adopted, of course, in the months immediately following VJ-day. The principle was subsequently modified and finally abandoned altogether, to the great detriment of the Nation's price structure. The President believes that there will probably be few occasions for using this authority, but, as in the case of several of his other suggestions, he thinks it should be granted if only to keep as a shotgun behind the door.

If the future may be judged from the past, a number of the controls which Mr. Truman seeks authority to impose, or reimpose, are almost certain to become the subjects of lively controversy. No one can seriously quarrel with that. But it is to be hoped we will be spared the anguished cries of those who raise the spectre of totalitarianism whenever a government attempts to combat an emergency with emergency measures. It is probably no exaggeration to say that the private enterprise system has less to fear from hostile foreign propaganda than it has from those who are either unable or unwilling to grasp

the fact that if that system is to endure and thrive in normal times then it must be saved from the unnatural strains and stresses of war and other national emergencies, as well as from its own excesses, which have a way of manifesting themselves on such occasions.

The President and the Crisis

EXTENSION OF REMARKS
OF
HON. CHARLES B. DEANE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. DEANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post of today:

THE PRESIDENT AND THE CRISIS

The President meets head-on the dilemma which is presented to this country by the double-barrelled need of sustaining free institutions abroad and halting our own "alarming" inflation. Without a doubt our inflation is due in part to our shipments to the necessitous nations. No government can enter the markets for the purchase of a third of our wheat for export without putting up the price. But to stop our consignments would be to indulge in a squint-eyed policy. If the nations are not helped they may not survive as independent countries. As Mr. Truman puts it, "Human misery and chaos lead to strife and conquest. Hunger and poverty tempt the strong to prey upon the weak."

Mr. Truman's meaning is as plain as daylight. He has, as we all must have, the Soviet Union in mind. If these nations were to be submerged in a Russian world we should have to face a startling readjustment of our domestic life, a readjustment in the direction of a bristling armed camp, ready for military action. Knowledge of the impact of such a contingency has been envisaged by all American statesmen since Jefferson. Jefferson said that the one thing this country can never tolerate is a Europe under the tyrant's heel. If the statement were valid in days dependent for communication on the sailing ship, its validity springs to the eyes now that space has been conquered. There is thus no choice. We must introduce safeguards at home while continuing to help Europe tide over its food and fuel crisis till action has been taken on the Marshall Plan for applying a cure in place of a palliative.

Mr. Truman's message is worded in a style befitting the critical occasion which brought the Congress in session. His phrases are as eloquent and as persuasive as any we recall in a Presidential message. Rightly he keys his request to the "great responsibility that goes with great power." He speaks humbly of our possession of both these attributes. It is, as he says, "an awe-inspiring truth that the manner in which we exert our strength now, and in the future, will have a decisive effect on the course of civilization."

Our inflation is in part responsible for the slow progress of European reconstruction. Only from the Western Hemisphere, free as it is from devastation, come the goods needed for repair and sustenance while repair is in progress. But the rising prices of these goods already have absorbed Europe's dollar resources and its American credits. The same experience will attend the Marshall plan unless the American inflation is arrested. When the Paris report on the Marshall plan was drafted, certain assumptions on American prices were made which, in the light of events in the last few months, now seem unsound. A sound price structure in America, in short, is basic to world reconstruction.

But the inflation has to be stopped in the interests of every American. The existing pinch is evident in every home below the top brackets. President Truman puts it in figures. The housewife who goes to buy food today must spend $10 to buy what $7 bought a year and a half ago, and the cost of living is still climbing, at a present pace of 16 percent a year. If this price inflation threatens our entire program of foreign aid, how much more immediate and personal is the impact upon our own people?

In the circumstances the President's prescription is as bold as the crisis demands. Inflation is a phenomenon of too much money competing with too few goods. President Truman would reduce the money pressure by curbing the excessive use of credit by business and consumer alike. On the goods front he asks for authorization of allocation powers where these are no longer available and for the continuance and strengthening of export controls. These powers are an essential instrument in the war on waste that we must now declare. The third category of measures will be the most contentious. Mr. Truman asks for the renewal of selective, not over-all, price controls "on vital commodities in short supply that basically affect the cost of living," coupled with the necessary wage controls lest wage increases render impossible the task of maintaining these price ceilings. The President approaches this request with evident reluctance, saying he is aware that he is proposing drastic remedies, but the signs of "runaway" inflation give him no option. It is what William James would call a "forced option." It should surely be apparent that Mr. Truman, who a short while ago was talking of these powers as the prerogative of a police state, would be the last man to use them if they were not needed.

In this as in other items in his program the President has displayed the wisdom that comes from attention to the stark realities disclosed in his momentous message. The inflation they are intended to arrest would inevitably lead to the depression on which the Soviet is reckoning for an unimpeded path to conquest.

Congress and Aid to Europe

EXTENSION OF REMARKS
OF
HON. RICHARD F. HARLESS
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. HARLESS of Arizona. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting an editorial by William R. Mathews appearing in the Arizona Daily Star entitled "Congress and Aid to Europe" and analyzing the most important issue now facing this session:

CONGRESS AND AID TO EUROPE

The special session of Congress that President Truman has called for November 17 will place before our country those two closely related subjects—aid to Europe and high prices. Because the excessive demand from Europe for food and other supplies is one major cause of high prices in America, this joint consideration by Congress is certain, although aid to Europe will get the spotlight.

That the American people will approve of aid to meet starvation is almost certain. They have that much heart. On the other hand that they will approve of the appropriation of several billions a year for some years to come for a general program of European reconstruction, is open to serious doubt. That doubt is based upon a deep-seated lack of faith generated by a continuous and humiliating record of defeats in the field of foreign affairs. Only if conditions to guide the use of that aid are written out in detail in any proposed legislation by Congress, will the program pass.

In such circumstances, if the plan of the President and General Marshall is to receive sympathetic consideration, it must revive the faith of the American people by following some basic principles, such as the following:

(A) The European countries must show a record of self-help individually and cooperatively among themselves.

(B) American aid to be contingent upon such a record of continuous self-help and to be suspended to any one or more countries that fail to live up to such conditions. Aid to be administered by an all-American agency and not by any international one.

(C) Instead of opening up credits which could be used to promote the flight of capital from Europe, goods only should be sent.

(D) Recognition and agreement by participating powers that Germany is the key to European recovery and is to be made self-supporting, with due precautions against rearmament.

(E) Recognition that loans or gifts by the American Government can be continued for only a few years, even if the program is successful. Consequently, if European countries expect such a movement of capital continued, they must so organize and conduct themselves as to attract private capital.

(F) Recognition by the American people that their own tariffs must be lowered to encourage increased imports as the only true means of allowing Europeans to become self-supporting by paying for what we send them.

(G) Recognition by the American people that they must use their political power promptly, honorably, and firmly, to meet any threat to the peace of those nations that are friendly to us and participate in the plan.

(H) Application of these same principles to any legislation affecting the Orient where Japan must be made self-supporting without rearmament.

Briefly stated, this means European self-help as much as it does American help; and, as a corollary, it can be said Europe will not be stimulated into helping herself unless America compels it as a price of American aid.

An impartial observer can see that Europe is capable of helping herself to a far greater extent than she has done. She can make more extensive use of the unemployed labor in Italy to make up for labor shortages in Britain, France, and other countries. She can, as her productivity increases, trade finished goods for what will be during the coming years the surplus food of the Danube Basin. That the Soviet Union, in response to French inquiry, said it had wheat for sale provided France could give something in return, indicates how, despite the Soviet Union's denunciation of the plan, it can participate in the indirect benefits of European recovery.

Such self-help will reduce the demand for American food. That will cause American prices to fall. Thus is the recovery of Europe directly related to high prices in America.

Increased productivity in Europe also requires maintenance of law and order. For us to give aid to countries where the governments lack the will or the competence to keep open the channels of trade would be like pouring water down a rathole. For us to assume that economic aid can be substituted for competence to govern, will lead to painful disillusionment. For us to subsidize continued strikes, 5-day weeks, and the blighting of initiative will be much like

giving an opiate the effect of which will be temporary.

We cannot tell other countries what kinds of governments they must have, but we can rightly insist that the governments we aid live up to certain basic conditions. If the British people want a socialist government, that is their business, provided we are not called upon to pay for its incompetence. Any help to Britain should be made contingent on a steady increase in Britain's coal production.

The same principle applies to France. When people have coal under their feet and won't dig enough of it to keep themselves warm, and their industries humming, they are not helping themselves. Indeed, they are asking Americans to do things they don't want to do.

We have a right and a duty to question the advisability of using American funds to maintain various overvalued European currencies at obviously false levels. The net effect of those artificially maintained values is to slow down trade, create infinitely more paper work, and postpone a settlement that must ultimately be made before there can be a sustained recovery in Europe.

The key to increased productivity in Europe, however, is Germany. The concentration of 70,000,000 highly skilled, hard-working people who have grown up around the coal resources and the steel making of the Ruhr makes it so. Nearly 48,000,000 of those people are now under Anglo-French-American jurisdiction. They are capable of making an enormous increase in the wealth production of Europe, if we allow them.

If, instead of attempting to exact vengeance that has been costly for us as well as for the Germans, we had allowed them to go back to work, the European recovery would be greatly advanced by today. The Germans could now be trading finished goods for at least a part of the food supply from the Danube Basin. We would not be shipping our steel to Germany to meet fabrication emergencies there. We would not be sending 300,000 tons of American food each month to keep the Germans from starving.

Because Germany is the key to recovery in Europe, our future policy there becomes one of the most vital subjects Congress must consider. If Britain and France, or Britain, France, and the Soviet Union, under one political pretext or another, are going to block, hamper, or restrict German recovery, we might as well call the turn now, and deny all aid to them. Otherwise, we would have a permanent job supporting 48,000,000 Germans in the Anglo-French-American zone on a dole paid for by American taxpayers. If the people of France, Britain, and the other countries cannot see that they need the wealth that Germany can create, they should not ask for nor get American aid. If they can shift to us the consequences of their costly political mistakes, they can never be expected to alter such blighting policies.

But Congress should also understand that American policy has been, and still is, partially to blame for conditions in Germany. There is no use crying over the costly spilt milk of the vengeance of the past, but this policy, even in a mild form, should be brought to an end. Two more years of futile de-Nazification and Nuremberg and Dachau trials will, by depriving Germany of hundreds of thousands of its ablest leaders and best brains, hamper German recovery, weaken our own prestige among the German people, and cost American taxpayers still more money. American food and resources will continue to be drained to maintain Germany on a dole, when she could be self-supporting.

Congress should take note that there seems to be an almost deliberate American attempt to force a Socialist society on Germany. Why is this policy allowed to continue? Why are German industrialists, coal mine owners, and others, prevented from taking charge of their businesses? Are we going to sponsor German enterprise under private ownership by which German productivity could be restored, or are we going to force government-directed enterprise, with its blighting bureaucracy on German industrial life?

Answers to these questions will have direct bearing upon congressional appropriations. Free enterprise will arouse and stimulate those creative abilities for which the Germans are noted. The results will benefit all of Europe, and America as well. To turn German industry over to a German government would concentrate its productivity and control under one political head. That would be more dangerous than encouraging diversification of ownership and allowing such ownership to function for some years to come under an Allied inspection authority.

In any event, the paramount objective of restoring German productivity is the recovery of Europe, not so much because it will help the Germans, but because it will help all of Europe and reduce America's burden. This can be done without rearming Germany industrially. For any program of European aid to be used as a disguise for maintaining Germany on an American dole, would be a fraud on the American people.

In the face of this general situation, Congress must set down minimum requirements to govern the use of appropriations it will be asked to make. It must delegate its power within definite limits to a competent and independent agency. That agency must be duty-bound to carry out the instructions of Congress.

To expect such a policy to be popular with Europe would be to expect the impossible. On the other hand, Members of Congress in touch with the American people know that the time is over when American people can be hoodwinked and bamboozled by sugar-coated but specious pleas for help.

If this program, with its conditions, is to be carried out, a separate independent agency, called the American Reconstruction Corporation, could probably do the job better than the Department of State or Department of Defense. Such a corporation, responsible directly to the President and to Congress, would not meet with the diplomatic opposition that the Department of State, for instance, would be compelled to recognize. This new agency must be able to talk turkey to foreign governments, and assume the responsibility for getting the job done as well as accepting any blame or glory. It would also attract more capable men, men who would become discouraged by the protocol and the red tape of the Army or the State department.

These conditions obviously amount to the use of our political power as well as our economic strength. We must not be afraid to face trouble squarely, and insist upon our way when we are paying the cost. We must act instantly to meet any threat to the peace with force if necessary.

Certainly we shall be criticized by Communists throughout the world and the Soviet Union itself for exacting such conditions. We must expect that. We are strong enough and disinterested enough, our consciences are clean enough, to allow such criticism to run off our backs like water from a duck.

Such a program, with its use of $6,000,000 to $8,000,000 over a period of 2 years, is a thoroughly practical one politically. Where mere mention of $19,000,000,000 or $22,000,000,000, spread over 4 years, frightens Members of Congress as well as the American people, a 2-year proposal is a speculation which the people can probably be persuaded to make.

If this initial problem brings results, as it can if it is administered wisely, and the European countries cooperate, the American people 2 years hence would be more inclined to make further advances. They will support successful ventures, but they will turn thumbs down on a boondoggling project.

This program will put Europe under the incentive to make good by being fully cooperative. The chances are that by getting European recovery started, private capital may begin to assume a good portion of the future burden. The International Bank for Reconstruction and Development could begin to sell more of its bonds to the general public and thus provide funds. The Government could be relieved of this financial and administrative burden. The increased productivity of the world would give the only honest and truthful answer to the problem of high prices.

As a program, it will not commit our Nation to the uncontrolled help of lend-lease and the unlimited objectives of an ideological war. We should carry it out not with the idea of stopping communism, but with the idea of giving to Europe something better than communism. We can do it solely as a matter of good business speculation, from which we can withdraw, if it should go sour.

It is a positive answer to any Communist threat to western Europe. It will stimulate European self-confidence. It can give the Soviet Union and its satellites a demonstration that our intentions are peaceful, and that our methods are productive and beneficial to them and to the direct recipients. It will not arouse Europe's hopes unduly; it will not bamboozle our own people.

We should not say that this money is borrowed. It should be treated as a gift. Our people should be told that the great good America will reap from it is the benefit that comes with an increased production of wealth in a peaceful world. That is the only real cure for high prices.

Morrison Answers Overton

EXTENSION OF REMARKS

OF

HON. JAMES H. MORRISON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. MORRISON. Mr. Speaker, under ordinary circumstances, I do not stop to answer wild and false statements uttered or circulated by the agents of my opponents, but when a Member of the United States Senate from this State stoops to become the guttersnipe purveyor of falsehoods in behalf of a defeated candidate, it is time to denounce these falsehoods. This campaign has been characterized by rumor peddling. It has been the one weapon of the Long-Jones boards of strategy, but history demonstrates that all falsehoods fall of their own weight.

JOHN H. OVERTON, a senile and doddering old man, who has on several occasions vented his spleen on me because I have dared to help people of this State who live in his district, and who appealed to him first for help and got nothing, dragged his senatorial toga in the slime of falsehood on Monday night. He did this in the interest of a candidate, Sam Jones, who said that he, OVERTON, was unfit to sit in the United States Senate, and that he had been elected by fraud and ballot-box stuffing. I sometimes wonder how low a man can sink when we are presented with a spectacle of this old man wallowing in the mud of falsehood in order to bolster the declining

cause of a man who publicly referred to him as a political crook.

Everything in life that JOHN OVERTON has got he got from the Old Regulars of New Orleans. What a shame that this back-stabber has no more decency than to appear in public against them.

JOHN OVERTON says that my campaign for the governorship is being financed by New York gamblers and racketeers. This is just a plain, low-down, common lie, and OVERTON could have found out the truth had he desired.

JIMMY MORRISON had no more to do with New York gamblers coming into this State than the man in the moon. JOHN OVERTON knows that this is true. JIMMY MORRISON had no more to do with them coming back into this State after they were closed up in 1940 than MacCaulay's traveler from New Zealand. JOHN OVERTON knows this is true likewise.

If memory serves me right, these New York gamblers returned in 1942. Is OVERTON too senile to remember that a man called Sam Jones was Governor for 2 years after this? Does not OVERTON know that a simple word from Sam Jones as Governor would have stopped every gambling device in this city and State? Or tell us, John, was Sam in on the deal?

It may be true, as this doddering old man says, that these people are financing some candidate's campaign. But they have given not one red cent to JIMMY MORRISON.

To the people of Louisiana, I say look around you. For the past 8 years JIMMY MORRISON has had nothing to do with the State government and Sam Jones has had all to do with it. Is not that the answer?

With reference to OVERTON'S other mouthings, they are as false and as phony as he is. In the two campaigns that have gone before this, JIMMY MORRISON has supported the men he thought best fitted for the office I make no apologies for this. If, in exchange for this support, these candidates offered to pay some of his campaign debts, that was but to be humanly expected. I am a poor man and I have twice run for the governorship without funds or organization, impoverishing my friends, and plunging myself into debt that I am still paying. I could easily have feathered my nest had I believed the Sam Jones type of government was a good thing for Louisiana. I did not and do not now.

Not all the OVERTONS on earth will ever elect Sam Jones Governor of this State. Not all the lies or foul slander will obscure his record. The voters are too well informed.

Veterans' Bonus

EXTENSION OF REMARKS
OF
HON. DAVID M. POTTS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. POTTS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over Radio Station WHN, New York, Friday, November 7, 1947, on behalf of the American Legion, Bronx County, on the veterans' bonus:

Two Sundays ago in the gray mist of early morning the *Joseph V. Connolly* sailed up the Lower Bay into New York Harbor. It was carrying out a sad mission, and as if it knew and felt that sorrow, as did the silent thousands of Americans waiting with sad hearts, and was weighted down by it, that good and sturdy ship lay low in the water. It was returning to loved ones in mute form its heavy cargo of once virulent and strong and mighty, young Americans—Americans who but a few short years ago interrupted their education, stopped their varied labors and left these same shores determined to preserve for you and me and themselves, should they be fortunate enough to survive the awful carnage which was to be their lot, that precious heritage of life, liberty, and the right to happiness which despotic nations abroad were then threatening to extinguish. They and their comrades-in-arms have preserved those blessings for us who remain here on earth.

I participated with about 150,000 others in the awesome memorial services in Sheep Meadow of Central Park to the first of our soldier dead of World War II to be returned to these shores. Selected to represent the dead of that war was a soldier to whom had been awarded posthumously the Medal of Honor for gallantry and heroism in action, above and beyond the call of duty. Noble words are those. We thrill to them. Typical are they of the goal which our American soldiers generally set for themselves whenever the opportunity should present itself.

Many thousands of tearful mothers, fathers, sisters, brothers, wives, and sweethearts of soldiers, sailors, and marines never to return in living form were present to pay their respects to their loved ones on this occasion. Perhaps it was their son or husband or brother who had been so chosen. His name was withheld because he represented all. Perhaps he was there in their presence. They could not know. One thing they were certain of, though, he was there in spirit.

For the fallen heroes the problem of life on earth have been settled for all times. They rest in peace. They need no longer concern themselves with worldly affairs; with working out a livelihood; of gaining an education; of rearing a family; of being respected citizens.

For them the duties of being fond parents or devoted sons or husbands are ended; of seeing that Junior or Sister have their sore fingers cleaned and bandaged; that their colds and other illnesses are attended to; that they get to school and are wholesomely fed, clothed, and their little bodies kept warm.

Others will have to perform those duties now. Perhaps it will be mother, out of the Government insurance, or others in her place if she, too, has gone on, or, finally, society in the keeping of its obligation to the veteran.

But for the buddies who came back to their families, the problems are not ended. They are there—real, and must be met.

At this point. I want to give full praise to the great efforts of the American Legion, Bronx County, and of its bonus committee, headed by its energetic and resourceful chairman, Milton Seligman, for taking up the cudgels for the veteran in connection with the New York State bonus overwhelmingly accepted by the people of this State last Tuesday. I have seen numerous instances, in some of which I have had the privilege of helping, where the American Legion has gone all out to see that the veteran, whether a Legion man or not, got all the law said he was entitled to.

I want also to thank and to congratulate the people of New York State for realizing their obligation to the returned veterans and to the families of our departed veterans and for voting to discharge that indebtedness in part last Tuesday. All major parties joined to bring the bonus to fruition. Their efforts were nonpartisan. They joined hands to this end when the New York State Legislature first enacted favorably upon it in 1946 and again in early 1947 in conformity with the requirements of the State constitution that it be acted upon favorably at two successive sessions of the State legislature. And now the people to whom it had to be referred for final decision have ratified that action by a tremendous vote.

As a matter of fact, the problems of the returned ex-GI are larger to him because of the years spent in service which otherwise would have been gainfully and productively employed in equipping him for later life—perhaps at school in furtherance of his education, perhaps at the workbench in gaining years of greater experience at his job to stand him in good stead at promotion time. But, in any event, fruitful years so far as his economy is concerned rather than wasted years.

We owe it to the veteran to make up to him as much as we can of that which he has lost as an individual in society's behalf; to help him meet his temporal obligations and needs; to give him a lift—a helping hand.

For the returned veteran there may be a number of war-created problems which he must resolve. Problems which, in the normal course of peacetime years denied him, he could have taken in stride and discharged with ease.

Perhaps they are the financial problems which accompany marriage. That is, of purchasing furniture, of paying the doctor and hospital when baby arrives, or of having Junior's tonsils removed.

Perhaps they are employment problems, of getting started in a business or occupation at a beginner's wage which, except for his years in the armed service, he would have overcome by now. The New York State bonus will help ease the veteran's reconversion to civilian status.

The bonus is not charity; it is not a dole. The veteran has purchased it with his sacrifices and valor expended over many terrible years. The money which he used was his blood and that of his buddies spilt for us on alien fields that we might be saved the awful carnage here. The price he paid was a costly one. We could not deny him that which he bought. The bonus is tangible evidence of our thankfulness that he has done so much for us. It constitutes our sharing with him the things which he saved for us.

New York State has led the way. It is a good beginning. I say "beginning," because in a larger sense we can never completely make good to the veteran that which he has lost. Presumably bonus legislation will one day be considered in Congress. Any such legislation which has merit, I shall support.

One Hundredth Anniversary of Discovery of Gold in California

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. BRADLEY. Mr. Speaker, in 1948 the State of California will commemorate the one hundredth anniversary of the discovery of gold in California. I present herewith a resolution of the Board of Supervisors of the County of

Los Angeles requesting that a commemorative stamp be issued on that occasion:

IN RE CENTENNIAL OF DISCOVERY OF GOLD IN CALIFORNIA—RESOLUTION URGING POSTMASTER GENERAL TO ISSUE COMMEMORATIVE POSTAGE STAMP

On motion of Supervisor Jessup, unanimously carried, it is ordered that the following resolution be, and the same is hereby, adopted:

"Whereas the people of the State of California will be commemorating the one hundredth anniversary of the discovery of gold in 1848, the gold rush in 1849, and statehood in 1950 during the next 3 years; and

"Whereas these events started a long chain of spectacular developments in our civilization, culminating in the emergence of California as the great giant of the western slope of North and South America; and

"Whereas the first in this series of events, which was to turn California into a golden land of unlimited opportunity, was the discovery of gold on January 24, 1848, in Coloma, El Dorado County; and

"Whereas the centennial of this event next January 24 will signal the official start of all centennial observances in the State: Now, therefore, be it

"*Resolved*, That the board of supervisors urge the Postmaster General of the United States to issue a commemorative postage stamp honoring that significant event, and that it be used to spread the glories of this great State to the far ends of the world; and be it further

"*Resolved*, That the first two stamps of this commemorative issue be given to the President of the United States and to the Governor of the State of California for the purpose of exchanging mutual pleasantries on this occasion; and be it further

"*Resolved*, That copies of this resolution be dispatched forthwith to the Postmaster General so that he may initiate the machinery necessary for issuing the stamp, and to each California Congressman and Senator so that they might lend the weight of their official positions to the suggestion outlined herein."

I hereby certify that the foregoing is a full, true, and correct copy of a resolution which was adopted by the Board of Supervisors of the County of Los Angeles, State of California, on November 12, 1947.

[SEAL] EARL LIPPOLD,
County Clerk of the County of Los Angeles, State of California, and ex officio Clerk of the Board of Supervisors of Said County.
By RAY E. LEE,
Deputy Clerk.

Problems Facing the Special Session of Congress

EXTENSION OF REMARKS
OF
HON. DAVID M. POTTS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. POTTS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio talk delivered by me over Station WBNX on Friday, November 14, 1947, on problems facing the special session of Congress:

Next Monday your Congress will be confronted in special session with problems that may shape the destiny of this country and the world for years to come.

I doubt that any other Congress in our short history has been compelled by world events to meet and attempt to solve such vast and grave economic issues. That is why I would like to have you consider with me some of the factors that have brought this special session into being. Speaking as a Republican Member of the House of Representatives, I feel very deeply the responsibility that falls upon each of us as we sit down in Washington in legislative session next Monday, the 17th. We can assume that the eyes and ears of the entire world will be watching and listening to our every action. In our own country the average citizen, worried and harassed by the black cloud of inflation, will follow anxiously each day's debate and deliberation.

For a moment I would like to discuss some of the causes of our present confusing dilemma.

Everyone has a right to ask, 1, How did we get into this sorry mess, and 2, How are we going to get out of the swirling currents without permanent damage to our national economy and well-being?

The high cost of living in America is more than a political issue. History has shown that free governments frequently come to disaster on the rocks of dictatorship and totalitarianism because of unsound financial practice.

A bankrupt government is usually a weak and bewildered government and one of the certain symptoms of bankruptcy and confusion is uncontrolled inflation.

The brutal fact is that we not only have at this very moment a serious degree of inflation but uncontrolled inflation itself. What really frightens most of the people is that they are threatened with more and more inflation because inflation, like power, feeds on itself.

You may rightly ask, How did it all begin? Some administrators have argued that the termination of price control is the chief cause of high prices. That is like saying that a weak dike is the cause of a disastrous flood. That does not make sense. People living in the lowlands know all too well when the floodwaters sweep over their homes and destroy their crops and the lives of their neighbors, that the trouble began back in the hills where the spring freshets race down the gullies and sweep in growing torrents to form the black floodwaters of destruction.

Inflation occurs when the supply of money is greater than the supply of goods and services. Stated in another way, the total price of things on the market is usually the total amount of money that the people are willing to spend. This occurs whether or not the Government tries to control prices because as we learned by bitter experience recently, when price control prevents free exchange, the goods go underground and free transactions take place in the so-called black market.

Thus price control affects only the manufacturer or the merchant or the consumer who is unwilling or unable to break the law. Inflation was begun when the huge amounts of money added to the total money supply gathered such momentum that it could not be dammed up behind a strong, protecting wall.

In other words, we are simply paying today for unsound free spending and deficit financing practices.

You have only to recall that the volume of money in circulation increased from $5,500,000,000 in 1933 to more than $28,000,000,000 today—an increase of over 400 percent in money in circulation.

It should be borne in mind that during these same periods bank deposits and currency outside banks increased from $42,500,000,000 in 1933 to $100,000,000,000 during recent months.

This tremendous increase in purchasing power is not the cause of inflation—it is inflation. We should go a step further and recall that there was no corresponding increase in production.

This radical inflationary policy was followed from 1933 right through 1941—before we became involved in war and were compelled to borrow hundreds of billions of dollars more in order to finance our military operations all over the world. With the expenditures actually necessary to finance our military efforts, no one has any quarrel. But there is considerable evidence to indicate that many of our wartime expenditures were extravagant and just plain foolish.

As a direct result of he policies followed for a decade and a half, policies which were aggravated but not created by the war, we now have a dangerous degree of inflation.

This was accomplished through taxes designed to discourage industry from expanding its enormous production facilities and by many other devices. It was claimed that the cost of living just had to come up. So a philosophy of economy of scarcity was adopted. Few of you have forgotten that it was decided to remedy the low cost of living by ordering the killing of pigs and the plowing under of cotton and sharply restricting corn and wheat acreage. Remember the Government payments not to grow potatoes.

Meanwhile more and more dollars were pumped into circulation. More money was spent than was raised in taxes, and you know how heavy taxation has been.

Excessive amounts of money were obtained by printing bonds by the bale, placing them in banks, or selling them to individuals in order to receive dollar credits in exchange.

No one could stop this avalanche, even when some of our most astute economists foresaw the peril and sounded the disaster warnings. The voices of the minority were drowned out by the rumble of the mimeograph machines in the Washington bureaus.

Today the dike has been breached, and the inhabitants of our once happy valley have been caught in the raging torrent of inflation.

Is it any wonder that the present administration is confronted with a staggering and confusing dilemma and the President has now asked the Congress to cooperate with him in rescuing the country from threatening disaster?

Is it any wonder, my friends, that the Congress should now remind Mr. Truman that cooperation is a two-way street?

In effect, in calling this special session of Congress, the President, on one hand, is seeking to have us repair the nearly fatal damage to our economy by the heedless spend and spend, tax and tax philosophy, and at the same time is imploring us to implement the State Department's feverish first-aid program for the suffering nations of the world.

It should not be forgotten that more than 2 years ago the administration was confronted with the problem of removing wartime controls, with the knowledge that unless this was done in a sane and orderly fashion great damage might be done to our economic structure.

At first, faced with the certainty that the transition from a war to a peacetime economy would drastically reveal to the people the full consequences of unsound policies, an ineffective effort was made to perpetuate controls.

When Congress enacted a bill this year to provide for a reasonable extension of controls and their orderly and gradual termination, the bill was vetoed and the Nation was suddenly thrown into a period of uncontrolled prices at a time when it was bound to work the greatest damage.

Is it any wonder that the housewife in the lower income brackets may not yet fully realize how much of the Nation's total tax

bill she and her family are paying. And remember that this tax burden is not limited to the amount withheld from the pay envelope in direct taxes.

Let me put it this way: Every time the home maker buys a loaf of bread she pays a share of the taxes of the farmer, of the taxes of the miller who ground the flour, of the taxes of the baker who bakes the bread, and of the taxes of the grocer who sold the loaf.

In this way the individual American is paying more and more for the excessive high cost of Government.

Let's examine the question of your skyrocketing grocery bill.

When we remember that the total food bill of the Nation for 1946 has been estimated by an agency of the Government itself at approximately $39,000,000,000, the cost of Government, which is included in the form of taxes paid all the way down from the farmer to the purchaser, becomes thoroughly appalling. As a matter of fact, between one-quarter and one-third of the total national income is being diverted into the dead-end street of taxation. Thus, you have less and less to spend for food and the necessities of everyday living.

In the first session of the Eightieth Congress, which concluded in July of this year, the Congress undertook to do something toward reducing the excessive costs of your Government. In fact, the Congress sought to take drastic and sound action in reducing the excessive cost of Government by twice passing an income-tax reduction bill which would have reduced our Federal tax burden by about $4,000,000,000.

It should not be overlooked that a tax reduction of $4,000,000,000 would have amounted to an increase in the take-home pay of millions of taxpayers, and this would not have been inflationary because it would not have increased the cost of production.

There are undoubtedly many of my listeners who send food packages to relatives residing across the sea. That is charity. It is the milk of human kindness. Those of you who do so are to be congratulated for your kindness and generosity. To do so, you must, of course, expend some of your own money to make the purchase. By doing so you make your own economic position less secure. Every five or ten or more dollars you expend for that purpose means you have that much less for yourself and your own family.

So it is with the Nation. And just as there is a limit to how much an individual can spend to send food abroad to his relatives, so there is with the Nation. Consequently, we must decide what is the limit of our ability to continue to so provide for humanity abroad.

A very dear friend of mine of international reputation recently epitomized what he considered our approach should be. He said: "The only way to help an able-bodied man, is to help him to help himself." I think that thought applies to nations as well.

Is it any wonder therefore that we should remind the President and his advisors that the people have a right to know how much they will have to spend now for relief abroad.

It is not ony a question of what we should spend for relief but how much we can afford to spend in American dollars and what will be the drain not only upon our pocketbooks but upon our not inexhaustible supply of resources.

We can only reach the conclusion that we must do our best at this very late hour to reestablish out of threatened domestic chaos a semblance of order through restoration of the principles of sound financing.

Of course we must meet the challenge but we cannot afford to jeopardize our own economy by submitting to continued cries of crises. During the war we met all our obligations and there is no reason why we cannot do it in peacetime.

The President has appealed to your congressional leaders for cooperation. But it must be conceded that Congress holds the purse strings despite the fact that our efforts were thwarted by veto after veto in the first session of the Congress.

The administrators should realize by now that the people have the right to know all the facts in full detail as they may develop from day to day. And the people must be allowed to decide for themselves through their representatives what direction our Government must travel to reach our destination of lasting peace and prosperity in safety.

The people want to know what we have already spent abroad—and what we shall be asked to pay now and later for these adventures in world-wide relief—and that includes what has already been handed over to other countries and what we have been committed to ship in wheat, coal, and other precious commodities overseas, while Americans try to understand the tactics of forcing us to eat less and less at home. The American people have amply demonstrated their generous impulses in feeding the starving and clothing the naked of the world. And they are entitled to know all the needs in plain English—without bureaucratic cover-up and double talk.

Armistice Day Address of Judge J. F. T. O'Connor

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. SHEPPARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Judge J. F. T. O'Connor, the Breakfast Club, Los Angeles, November 5, 1947, Armistice program, over KFWB, Warner Bros. Pacific coast hook-up:

Twenty-nine years ago along the snow-covered muddy trenches the command rang out, "Cease firing." Church bells tolled, whistles shrieked, bands played, crowds filled the streets of every city and town all in celebration of the war's end. There were 8,538,315 soldiers on both sides: the Allies and Central Powers—who did not hear the cheers. They made the supreme sacrifice. One hundred and twenty-six thousand were Americans. In World War I 4,355,000 were mobilized.

Armistice Day is a solemn occasion, not a celebration. The winter snows, the summer rains, have these many years fallen on the graves of our heroic dead—it was a war to end wars—this hope and high purpose found its defeat in the crazed mind of a dictator.

Armistice Day is dedicated to the memory of those who fell in battle and to honor those who carry through life the scars of the conflict. This day a grateful nation recalls their sacrifices and, in a small way, pays its humble tribute.

This day has a second purpose. It is to analyze the problems of the day, and to suggest a solution. This is our obligation to the soldiers living and dead who preserved our liberties. Peace to all men—how can that be accomplished? Soon another winter will bring terror to the starving people of Europe; little children too cold to sleep and nearly too hungry to eat—we must not let them die—they are not to blame for the lack of vision or the treachery of the world leaders. Down through the ages has come the command: "Suffer little children to come unto me." Shall we heed the command or shall they perish?

America has opened its great heart. A train leaving our fair city with several carloads of food will gather more food as it speeds on its way to the Atlantic coast, and then across the ocean to relieve the famished people of a war-torn world. This, the idea of one man, Drew Pearson. Let another train follow with warm clothes, shoes, and blankets—to help a shivering people through the cold winter—there is enough discarded clothing in American homes to keep Europe warm.

When the war factories were no longer needed to supply our armed forces and those of our gallant allies, would it not have been a constructive plan to utilize them for the manufacture of farm machinery such as plows, drags, seeders, binders, mowers, threshing machines, garden tools, hoes, rakes, and send these to Europe together with seed of every kind, and, in addition, send foundation stock: cattle and horses and barnyard fowl. Our Agricultural Department could send men experienced in successful farming to teach modern methods to our friends across the sea. They would become self-supporting which should be the aim of every self-respecting man and woman. Our best contribution should be implements of peace rather than engines of war. It is not too late; it would supplement the Marshall plan by raising food abroad instead of here; the transportation problem would be solved; there would be less drain on our economy resulting in more food for our own people at less cost; and fewer dollars would be required for the needs of Europe, which would, in turn, reduce our tax burden.

This is not a dream. I can see the fields green with growing wheat, oats, rye, and barley. I can see the cattle grazing in the tall grass, the alfalfa, and clover. I can see the gardens with corn, potatoes, and every kind of vegetable. Those of us who have lived and worked on a farm know the miracle of nature; mother earth responds to the touch of the energetic hand. This would be democracy in action. This would keep faith with the soldier dead and the soldier living. It would be a fitting dedication of Armistice Day.

Address of Fleet Adm. William F. Halsey

EXTENSION OF REMARKS

OF

HON. CLIFFORD DAVIS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. DAVIS of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address delivered by Fleet Adm. William F. Halsey, Jr., retired, which he delivered on the occasion of the Armistice Day luncheon sponsored by the American Legion of Memphis, Tenn. It was truly a powerful speech. He fairly captivated the citizens of the mid-South through his personal appearances and through his several addresses carried by radio.

Memphis has become very much interested in the operations of the Navy because of three very large establishments located in the city during the war, and which have been continued. Rear Adm. Felix Stump has endeared himself to the entire Southland. He is an able naval

officer and not only inspires the troops under his training program but receives the wholehearted support of all of his civilian neighbors.

Admiral Halsey's address follows:

I am honored to join with you in observing Armistice Day. It is fitting that we should now honor two generations of Americans who gave their lives for their country in two world wars.

I see many veterans of each of these wars here this afternoon. Those of you who served in both wars will agree that there are several points of similarity between the two.

Despite the advances modern civilization has made in the science of destruction, wars can never be made humanitarian affairs. War will always mean death and destruction, whether by arrow and "Greek fire," or by rocket and atom bomb. The results are always death and misery, both of which the world can well do without.

Memphis has known the horror of war in the loss of her soldier and sailor sons who made man's greatest sacrifice for their Nation, on fields and seas far from home. We can never replace that loss. But the means of preventing a recurrence in future years lies within our grasp. We must not let ourselves become butter-fingered.

This is more easily said than done. We are used to our democratic way of life, and we like it. If we didn't, we would use the liberties it guarantees to change to some other way of life. Recently we have been showered with evidence that a small minority in our midst is trying to change our form of government. This they might do in two ways. First, persuade us to change it ourselves, and, second, change it for us.

We can recognize the tactics, for they are much the same as those used by the Nazis during the war, when they unsuccessfully tried to divide the Allies by instilling doubt, jealousy, and distrust among our leaders and our peoples.

Living Nazis and Fascists, smarting from the pain and shame of total defeat, must gain great satisfaction from watching the disintegration of the winning allied team by the same means with which they themselves tried to accomplish it. It would be truly ironic if they should see their wartime aim realized during the postwar era.

Our diplomats have an extremely difficult and delicate job. Theirs is a very straight and narrow path to lasting peace and cooperation between nations. The obstacles they encounter, and the difficulties that beset them are too numerous and varied to recount.

At times their negotiations are so delicate that a single outspoken newspaper editorial or radio comment may undo months of painstaking effort on their part. If they take sides on a controversial issue, they may be accused either of warmongering or fellow-traveling, depending on which side they take.

In any case, they may be accused of imperialistic motives by radical elements at home or abroad.

Personally, I think our statesmen are doing a magnificent job, despite all obstacles. But it is a job we cannot expect them to do alone. They must have our full support rather than our criticism.

They may make mistakes; no one is infallible. Yet we must remember that they know far more about their jobs than we do; that they possess information that is, for security and other reasons, not accessible to us; and that they are making difficult decisions in behalf of the majority, and not for isolated groups of individuals.

The present world situation demands a firm and clear-cut foreign policy on the part of the United States. The first requirement for such a policy is the wholehearted support of the American people. The second is the confidence of the people in their chosen diplomats.

Any show of disunity, indecision, and disagreement regarding our foreign policy merely serves to weaken our position in the eyes of the world.

This reminds me of the story of a famous admiral. While a young lieutenant, he was officer of the deck when his ship was navigating a very tricky channel. The civilian pilot told the helmsman to steer to starboard. At the same time the captain ordered him to steer to port. To avoid an accident by the confused helmsman, the young lieutenant calmly said, "Steady as you go." The helmsman obeyed the compromise order and an accident was avoided.

We must remember that a helmsman's job is at best difficult. It becomes dangerous if both passengers and crew shout conflicting orders from every side. Instead of loud criticism and conflicting advice, our helmsmen need the same cooperation that any commander expects from those on board in order to run his ship in the best possible manner.

In the Third Fleet, our ships had to be efficient. Their crews had to be prepared to carry out the orders and implement the decisions of the captain and his seniors. Every man on every ship had an important part to play, whether he was a cook, radioman, storekeeper, or gunner's mate. The same is true in the peacetime Navy, and the same is true in our country as a whole.

When an apparently small item, such as giving up meat on Tuesdays and poultry on Thursdays, can have a decided effect on our foreign policy, then it becomes obvious that every American must take an active interest in his Government's relations with the rest of the world and give his representatives the support their responsibilities demand.

National military and naval strength is a tangible form of our support. If we wish a permanent peace, not only for ourselves, but for the entire world as well, either the United States or the United Nations must have the capacity to repel aggressive states.

I hope the United Nations will work, but it will take some time to organize and equip a world police force of a size and strength adequate to prevent aggression and maintain peace. Until that time we should let no nation or group of potential aggressors outclass us in military might.

By remaining strong on land, at sea, and in the air, we discourage aggression and promote world peace—we lend force and meaning to the words of our diplomats—and we guarantee that our way of life will not be changed by any force more sinister than our own free will.

That's what I mean by supporting our Government, its leaders, and its representatives. It is not war talk, for if we are strong, there can be no fear or war. I do not advocate censorship in any way, shape, or form, but I do advocate clear thinking before we echo the alarming fears and accusations of a minority who set themselves up as experts.

We must make it plain to our Government and to every nation that we will back it to the limit. Only in the knowledge of our power and unity can our representatives exercise the full might of their convictions.

In the years following the first Armistice Day, the democracies made a mistake and the effects of it were all but disastrous. History can repeat itself, but it need not if we face realities with clear vision, and not through rose-colored glasses.

The finest memorial to our gallant dead of two world wars would be a guaranty that there will never be need to celebrate the end of a third. The boys who didn't come back deserve something more lasting and beneficial than monuments of stone and bronze. They died for peace that we might live in peace. We must not let them down; we will not let them down if America remains united.

March of Freedom

EXTENSION OF REMARKS
OF
HON. RICHARD F. HARLESS
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Tuesday November 18, 1947

Mr. HARLESS of Arizona. Mr. Speaker, pursuant to unanimous consent granted by the House, I am inserting in the CONGRESSIONAL RECORD an article from the November 6, 1947, issue of the Arizona Daily Sun of Flagstaff, Ariz., which includes a poem, entitled "March of Freedom," written in 1945 by James Patrick McGovern, special Washington correspondent of that newspaper, and dedicated by him to national welfare, with the thought that it "may be found expressive of the American ideals our country has fought for in the past, is fighting for in the present, and is destined to fight for in the future":

SUN MAN'S VERSE TO BE INSCRIBED IN LEGION HOME

The following poem, entitled "March of Freedom," written in January 1945 for the American Legion, by James Patrick McGovern, special Washington correspondent for the Arizona Daily Sun, is to be inscribed on a wall panel in the new home of the Bethesda-Chevy Chase Post, No. 105, at Bethesda, Md., of which Captain McGovern is a member:

"MARCH OF FREEDOM

"Our valor now makes live each yesterday
Of bitter struggle wreathed with heroes' deeds,
Since first our fathers blazed their dauntless way
Through virgin tracts and sowed their hearths' new seeds.
Our homes then grew in beauty, love, and peace
Within the fortress of our fruitful land,
Which promised that our State would never cease
As long as justice ruled the heart and hand.
But freedom is an ever-restless sea;
It must be always woced and won again.
To change is life, to strive is destiny;
The rust was never deep for sword and pen.
Our future thus must give our past its due
Of victory again, of peace more true."

—*James Patrick McGovern.*

Relations With Russia

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. BARKLEY. Mr. President, I ask unanimous consent that an address dealing with our relations with Russia, delivered by the Secretary of State in Chicago, November 18, which has been referred to this morning by the junior Senator from New Jersey [Mr. SMITH], be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE GEORGE C. MARSHALL, SECRETARY OF STATE, AT A DINNER SPONSORED JOINTLY BY THE CHICAGO COUNCIL ON FOREIGN RELATIONS AND THE CHICAGO CHAMBER OF COMMERCE, PALMER HOUSE, CHICAGO, ILL., TUESDAY, NOVEMBER 18, 1947

The American people, I believe, have a sound understanding of the basic principles and objectives of our foreign policy. These have been expressed on many occasions by responsible officials of this Government beginning with the President. They are understandable, I believe, to you all because they have their origin in the American conscience and in the deeply rooted traditions of our people. No American, I am sure, questions the desirability of this country promoting wherever it can the right of people to govern themselves and the rule of impartial law as against the exercise of arbitrary power. These principles require no elaboration. But, true as they are, such generalities do not always serve to clarify for our people the current problems with which we are now faced. They do not in themselves answer the question, "What is it all about?" They do not in themselves provide an answer as to why at almost every turn we find ourselves in disagreement with another power with whom we were so recently allied in the common cause. I shall tonight confine myself to the problems relating to one area of the world which at the moment are occupying the attention of the administration and the Congress and with which in another aspect I will be dealing at the meeting of the Council of Foreign Ministers which opens in London, November 25. That is the related problem of the revival of the European community and the peace settlements with Germany and Austria. I shall try to avoid oversimplification on the one hand and bewildering detail on the other.

In my statement before the committees of Congress on November 10, I laid great stress on the entity known as Europe and its importance to the world and to the United States in particular. So important to the understanding of our present problem is the meaning of the European community that at the expense of repetition I will restate it. Europe, or what through centuries has been known as Europe, is a community of nations which despite racial and religious differences, commercial rivalries, and sporadic internecine wars has developed governmental procedures and an advanced civilization. We are a part of that civilization. Our national traditions—the foundation on which our entire civilization rests—find their counterpart, if not their origin, in some part of this European community.

Europe is a natural grouping of states designed by geography and history to function as a community if it is to function well. Because of the character of its people, the nations comprising the European community function harmoniously and effectively only if they are permitted to operate of their own free will. The logic of history would appear to dictate the necessity of this community drawing closer together not only for its own survival, but for the stability, prosperity, and peace of the entire world.

Due to the Nazi attempt to subjugate the entire European community, Europe was plunged into a great war. The central question that arose at the end of this war was in effect what was to be the future of this European community. Was it to be restored to a position of stability so it could work out its own problem, or was it to be kept in a state of permanent dependency and eventual absorption into a system alien to its traditions and civilization?

It is generally recognized that the major responsibility for finally crushing nazism devolved upon three powers, none of which can be strictly classed as a continental European state. The efforts of two of these powers have been consistently directed since the military victory toward the restoration of the European community to its former status. They have been so directed partly out of compassion but primarily, I think, because they recognized the historical fact that a revived, revitalized Europe is necessary to a peaceful and prosperous world order.

For centuries Europe occupied a preeminent position and exercised a dominant influence in international affairs. Before the recent war it was one of the two highly industrialized areas on earth and enjoyed a correspondingly high standard of living. Today Europe is devastated and dispirited, but once it regains strength and confidence it will draw on its store of resources, energies, skills, and spiritual qualities and again make major contributions to world progress. This is the goal of those who are genuinely devoted to the cause of European recovery.

Unfortunately, it has become apparent that the third great power which contributed so much to the common victory evidently does not share that purpose. For reasons that are still obscure, it is endeavoring apparently to prolong the present unsatisfactory state of affairs indefinitely. If this purpose prevails, obviously the prosperous European community we knew before the war cannot be reestablished within the foreseeable future.

This brings me to an important conclusion. It is this divergence of purpose concerning the future of Europe which is the cause of many of the present differences between the United States and Soviet Russia. The divergence is not due to any direct clash between the national interests of these powers.

It is my belief that if Europe is restored as a solvent and vigorous community, this issue will have been decided and the disturbing conflict between ourselves and the Soviets, insofar as Europe is concerned, will lessen.

It seems evident that as regards European recovery, the enlightened self-interest of the United States coincides with the best interest of Europe itself and of all those who desire to see conflicts of whatever nature resolved, so that the world can devote its full attention and energy to the progressive improvement of the well-being of mankind. The place to begin that process is Europe.

I have referred to the fact that Europe formerly stood as a strong, and constructive element of the world's economy and political order. Its trade, both among the European countries themselves and with other regions, was a major factor in the international exchange of commodities and services and was a direct stimulus to productivity throughout the world. The stabilizing influence which Europe as a concert of independent nations exercised on the remainder of the world was a basic factor in assuring the security of our own nations—a fact which we acknowledged by twice committing our total resources to the preservation of the integrity of the continental community, free of single-power domination.

The near collapse of Europe has left weakness where once there was strength, and has created in effect a political and economic vacuum. It is certainly not our purpose to exploit the situation by filling the vacuum with American power. The map of Europe today bears witness to our true intentions. West of the line where the Allied armies met, nations in their own way are grappling with their postwar problems, each in accordance with its distinctive institutions and traditions, free of external pressure. The proposal of the United States to assist in the recovery of the nations that responded to the suggestion of June 5 has no purpose other than to restore Europe as a self-supporting community of states and to terminate as speedily as possible dependence upon us for aid. It is unfortunate that only 16 European states felt free to participate in the Paris Conference on Economic Cooperation. This Government is willing to cooperate with every nation that pledges a generous effort to the common cause of European recovery.

We are now intimately working to this end with governments of varied political complexions—some constitutional monarchies and some republics both with Socialist ministers, some controlled by conservative elements, and some constituted on coalitions. This is a fact that everyone can see, and it should dispel completely the propagandistic assertions that we seek to impose the American pattern on others.

Much has been said about the various freedoms, about democracy, about the right of people and of nations to determine for themselves without restraint the forms of government they desire. Much has also been said regarding the desire of the United States Government to influence other nations to follow what we believe we follow with constantly increasing success—that is a philosophy of government dedicated to the freedom and welfare of the individual. That is our earnest desire. It is certainly not imperialistic and it does not indicate a passion for war.

We realize that we cannot expect the same conceptions to be held by all countries. Different races, different traditions, different histories and rates of development lead to different results, but on fundamentals I think we find a general agreement among peoples the world around.

If the United States entertained any idea of extending American influence or domination over Europe, our policy would not be directed toward ending European dependency upon this country, but toward perpetuating that relationship. The clarity of the record and of our intentions, however, has not prevented Soviet officials and Communist groups elsewhere from waging with increasing venom a calculated campaign of vilification and distortion of American motives in foreign affairs. These opponents of recovery charge the United States with imperialist design, aggressive purposes, and finally with a desire to provoke a third world war.

I wish to state emphatically that there is no truth whatsoever in these charges, and I add that those who make them are fully aware of this fact.

What is the record? We have annexed no territory. We have not used the greatest military power and military resources ever assembled to acquire for the United States a special-privileged position, either political or economic. Furthermore, since the close of hostilities the United States and Great Britain have voluntarily reduced the area of their sovereignty in the world. Colonial areas and dependent people have been assisted to achieve full independence. New countries have emerged from under the United States and British flags to take their place as members of the United Nations.

While the western democracies have been reducing the area of their sovereignty, one country has taken the opposite road. The Soviet Union has in effect considerably expanded her frontiers. Since 1939 she has de facto annexed territory comprising an area of more than 280,000 square miles, with a population of some 22,000,000 people.

The American proposal for assistance to Europe is directed toward production, construction, and recovery. It is a genuinely cooperative undertaking, which is being worked out in an atmosphere of mutual trust and with careful regard for the sovereignty of nations. Indeed, this joint endeavor by the United States and 16 European states is a clear and convincing demonstration of cooperation freely given, to achieve the common good. As such, it perfectly reflects one of the basic precepts of democracy.

This Government recognizes that elements of uncertainty are involved in so vast and complex an undertaking. But we believe that the promise of success more than justifies the risks. We are completely convinced that the risks of not attempting to restore Europe are far greater than those involved in taking positive action as now proposed. We recognize that our people will be called upon to share their goods still in short supply and will have to forego filling a portion of their own requirements until the greater needs of Europe have been met. This is a direct contradiction of the allegation that we are seeking to dump surplus goods in Europe in order to avoid the depressing effects of oversupply. This particular charge of dumping must have a strange sound to those Europeans now desperately seeking the very essentials of life. And it must sound equally odd to Americans who are standing with money in hand impatient to buy goods which we are sending to Europe to meet a more urgent need. But such is the breath of propaganda.

I should like in this connection to make a few comments regarding propaganda in general and particularly with regard to the debates and procedure of the United Nations Assembly. It seems desirable to analyze the situation somewhat and clear up some of the issues prior to the meeting of the Foreign Ministers in London.

During the meeting of the United Nations Assembly there was a great deal said, with considerable vituperation, regarding the attitude of the Government and people of the United States toward the Soviet Union, along with the direct accusation that a war spirit was being fomented by our press and by distinguished citizens who were named. A portion of this, the major portion I assume, was intended for pure propaganda purposes. But I also assume that there may have been some genuine feeling that the purposes of this Government and the attitude of most of the American press were definitely hostile to the Soviet Union. As a responsible official of the United States Government I would like to see more restraint than is sometimes exhibited in discussions of international issues.

But as regards the critical attitude recently manifested in this country toward the Soviet Union, I should like to distinguish between this effect and its cause. To determine that cause it is necessary to go back at least as far as the summer of 1945, immediately following the German surrender. At that time I think it was a fact that the people of the United States had as high a regard, or I might better put it, appreciation, for the Soviet people and their sacrifices, and for the Soviet Army and its leaders, as they held for any other people in the world. But today, only 2 years later, we are charged with a definite hostility toward the Soviet Union and its people, which constitutes a complete change in our attitude since the summer of 1945.

I recognize this effect. I would not characterize it as hostile. But the important question is, what produced this tremendous change in our national feeling and attitude? The truth as I see it is that from the termination of hostilities down to the present time the Soviet Government has consistently followed a course which was bound to arouse resentment of our people.

Just what the purpose of this remarkable procedure has been, particularly during 1946, I have been at a loss to determine. So many of the actions of that government were provocative without any other evident purpose. I have endeavored to find at least a partial explanation in the historical characteristics of the Russian Government and its officials through a long period of years and not solely related to the present regime. While some light can thus be cast on the problem it does not, even in a small way, explain why a government should proceed with apparent deliberation to destroy the invaluable asset of high regard and good will which it possessed in the attitude of the American people and why it should deliberately provoke such animosities as are evident at this time.

The people of this country are God-fearing people. They have been very patient in their attitude toward misrepresentation of their actions and motives when their only purpose has been to help the other fellow. Today our people have been virtually driven into a state of active resentment and, having been goaded to this point, they are accused of having lighted and stoked this great fire of public resentment. This last is propaganda, yes, of the most brazen and contemptuous character. But since it affects the very stability of the world, it is time to call a halt to such inflammatory practices.

I am not pessimistic regarding the progress made by the United Nations during the recent Assembly meeting. The fact that the world has a forum for free debate is in itself a hopeful portent for the future. The fact that debates have sometimes included more of vituperation or diatribe than of logic or adherence to the facts was unfortunate, but in the long run, I think, merely incidental, and an always present possibility in any democratic debate. The Organization did pass through a serious struggle, but I think it emerged without loss of potential strength. The question now is, Where do we go from here? Which leads me to the coming Conference of Foreign Ministers in London.

The problem of restoring the European community inevitably raises in acute form the problem of Germany. The restoration of Europe involves the restoration of Germany. Without a revival of German production there can be no revival of Europe's economy. But we must be very careful to see that a revived Germany could not again threaten the European community.

I am not speaking of the revival of Germany in a military sense. There can be no question of the absolute necessity of keeping Germany disarmed and demilitarized. Today, Germany is completely disarmed. Measures have been proposed by the United States and supported by the United Kingdom and France to insure the continued demilitarization of Germany for 40 years. Thus far the Soviet Union has, in effect, rejected that proposal, by wholesale amendments of its purpose; but the offer still stands.

The revival of German militarism, however, is not the only important factor involved in the relationship of Germany to a restored Europe. There is an imperative necessity for safeguards to insure that the economic power of Germany shall not be used by a future German Government as a weapon for the furtherance of exclusively German policies. This poses admittedly a complicated and difficult problem. An attempt artificially to limit German peacetime economy could easily prevent the essential revival of German production to an extent that would render impossible the economic revival of Europe.

The answer to the problem would appear to relate primarily to the future role and functioning of the great industrial complex in the Ruhr. The United States believes that safeguards must be set up to insure that the resources and industrial potential of the Ruhr, particularly in respect of coal and steel, should not be left under the exclusive control of any future German Government, but should be used for the benefit of the European community as a whole.

The charge has frequently been made that the United States in its policy has sought to give priority or intends to give priority to restoration of Germany ahead of those of the other countries of Europe. The truth is that far from having been accorded a preference over any Allied country, German recovery has lagged so far behind that of the other countries of Europe as to retard the whole effort for European recovery. At the present time industrial production in western Germany is less than one-half that of prewar. The food supplies are seriously below the minimum requirement for health and efficiency and German foreign trade is only a small fraction of its former dimension. In fairness to the American taxpayer who has been contributing hundreds of millions of dollars annually to support the people in the American zone, Germany must be made self-supporting as quickly as possible. With safeguards against any revival of German militarism and with measures to assure the utilization of the basic products of the Ruhr for the good of the European community as a whole, I believe that Europe and the world will be adequately protected against the danger of future German domination. In these circumstances it should be possible to proceed to the establishment of a provisional central authority in a federated German state, and to the final framing of a peace settlement. We shall earnestly endeavor at the Conference in London to make progress along these lines.

Now I have tried to give you a picture of certain of our major international problems. These are not the only problems with which we are dealing. There are other areas of the world in which we face situations of immense complexity and gravity. But what I have told you this evening may give you a better idea of the character of our international problems as a whole and of our approach to them.

We are aware of the seriousness and extent of the campaign which is being directed against us as one of the bulwarks of western civilization. We are not blind to any of the forms which this attack assumes. And we do not propose to stand by and watch the disintegration of the international community to which we belong.

But at the same time we are aware of our strength, and of the fact that there is great need in many countries for our help and our friendship. We can afford to discount the alarms and excursions intended to distract us, and to proceed with calm determination along the path which our traditions have defined.

I will approach this conference in London with an open mind and will seek only for a sound basis for agreement. I will seek to avoid statements for mere popular or propaganda effect, no matter what the provocation. It is my purpose to concentrate solely on finding an acceptable basis of agreement to terminate the present tragic stalemate and to speed the advent of a new era of peace and hope for Europe and the world.

The Voice of America in Europe

EXTENSION OF REMARKS

OF

HON. H. ALEXANDER SMITH

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. SMITH. Mr. President, Secretary Marshall in his Chicago speech on Tuesday last put bold emphasis on the propaganda which the Soviet-Russian Government is conducting against the United States. That he chose to do this on the eve of his departure for the Foreign Ministers Conference in London has given his remarks extraordinary importance. The effect of his speech has been to emphasize even further the importance of establishing an adequate information program that will enable the United States to tell the truth to the hundreds of millions of people throughout the world who are exposed daily to the stream of vitrolic anti-United States

propaganda coming out of Moscow and from Russia's satellite communistic dominated countries.

During this last summer the joint Senate and House group, authorized by the Congress, visited the capitals of Europe to study our over-all information program. As cochairman of this committee I made a radio broadcast last week over the Columbia Broadcasting System giving a general summary of our observations. The full report of the committee is now being prepared and will be reported to the Congress in the near future.

I ask unanimous consent to have my radio address, entitled "The Voice of America in Europe," printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As chairman of the Senate group of the Smith-Mundt congressional committee investigating our Voice of America program abroad, I have just returned to the United States from a 2-months' study of the new war that's going on in Europe. It is a war of words, directed against the United States by Russia and her satellite countries operating from behind the iron curtain. The invective that has been turned loose against us by these countries in their effort to force communism on Western Europe is so vicious as to be almost unbelievable to anyone who hasn't actually heard it. We are accused of virtually every political and moral crime under the sun. Our democracy is decried as an instrument to enslave our people. The radio is the chief weapon by which this war of words is being blasted at us, but it is not the only weapon. It is being carried on by paid rumor-mongers, and in the Communist-controlled press of the countries which wish to be friendly with us. It is being carried on in dozens of other ways more subtle perhaps, but none the less effective.

My experiences and my observations on this investigating trip impel me to use every means at my disposal to try to let the American people know what is happening to us in Europe. They also impel me to do everything within my power to convince the Congress of the necessity for strengthening the Voice of America as one of the key steps in overcoming the effects of the propaganda that is being used against us.

First, let me outline to you what I mean by the Voice of America. The Voice of America is the international information program now being conducted on a limited scale by our State Department. It takes in our international short-wave radio programs directed to the countries of the world in some 24 languages. It includes some 59 American libraries operated in half a hundred foreign countries. It encompasses our exchange of persons program with other countries under which American teachers and specialists in the sciences and arts go to these countries at their invitation to assist them, and under which we encourage students, teachers, and others to come to the United States to study, and give us the benefit of their own cultures. It includes also the daily informational news services to our embassies throughout the world to keep them informed of the news from America and to enable them to pass it on to any persons in foreign countries who wish to publish it or otherwise disseminate it.

In short, the Voice of America is our own instrument for projecting a full and fair picture of the United States to the other nations of the world.

This effort to tell the truth about the United States has taken on vastly increased importance as a result of this new war of words that has been directed against us in Europe. Its importance is further enhanced in the light of the efforts we have been making to relieve hunger in the war-ridden countries of Europe and the Far East. And it becomes of transcendent impotrance now that we are at the point of providing additional billions through the Marshall plan in aid to these countries in our efforts to forestall chaos and prevent starvation abroad.

It has been our sincere hope that Russia, and all the satellite countries would participate in this humanitarian effort. Russia not only has refused to do so, but Moscow has applied pressures on the satellite countries to prevent their participation. Russia has not only declined to join in this effort, but she has organized a consolidated Communist propaganda service, with headquarters in Belgrade in a concerted move to destroy our European recovery program. This is all part of her plan to impose communism on Europe for Russia well knows that communism can thrive only on chaos and human misery; that a happy, well-fed population does not turn to her type of dictatorship. The Moscow plan is to divide, and then absorb.

Our present Voice of America, in the light of these new needs is wholly inadequate to meet the needs of our country. It must be strengthened far beyond our previous conceptions of its size and scope.

Congress has become aware of the need for this expansion, and at the last session directed the investigation by the committee of which I am co-chairman. The legislation needed for the expansion of our international information service is even now before Congress, in the form of the Mundt bill, giving congressional authorization for these activities, which hitherto has been lacking. The Mundt bill was passed by the House of Representatives by a substantial bipartisan majority last June. It has been carefully considered by the Senate Foreign Relations Committee and has been reported out to the Senate, where it is now on the calendar for action by that body. I hope for early Senate approval of this bill with some strengthening amendments which now seem to be desirable.

In order to assess the value of our Voice of America as it is now conducted, as well as to determine the need for the expanded program, our committee this summer spent 2 months in an exhaustive investigation of the subject. Its members visited all the countries of Europe except Russia, Yugoslavia, Albania, and Ireland.

We found in every country we visited that we are losing this war of words. Our own Voice of America is pitifully weak compared not only with the efforts of Russia and her Communist satellites, but compared also with the efforts in the same field that are being made by friendly countries such as Great Britain and France.

Russia has turned loose against us a propaganda machine of incalculable size and effectiveness. No one can even estimate the resources that are being poured into it. It employs every kind of device of mass communication to din into the ears of the populations of every country of the world, the lies and distortions by which she hopes to keep the world in chaos and ultimately to control it. The grist for this gigantic propaganda machine comes direct from Moscow with almost every act of her government, and every speech by her representatives at the United Nations designed for propaganda value in the war of ideologies.

Among the nations that are friendly to us the importance of adequate international information programs has long been recognized. Even today Britain, under an austerity program which has reduced her governmental expenditures to the barest minimums, spends some $40,000,000 a year on these activities as compared with the meager $12,000,000 appropriated for our Voice of America for the current fiscal year.

Everywhere we went in Europe we were asked, "Why doesn't the United States, with its commanding position in world affairs and its vast international responsibilities, make a greater effort to assure that its story is told abroad, and that the facts about its policies and purposes are made known to other peoples?" The answer to that question, of course, is that we as a Nation have not yet recognized the importance, as a factor in world peace, of having other countries understand our policies and purposes.

On all sides we saw evidences of the extent to which misrepresentations of the United States and its policies are prevalent. We were asked in many places whether, for example, there was any truth to the Russian charges that we were seeking imperialistic control over Greece, Turkey, and of all the countries we are trying to aid. There was all too little knowledge of the aid plan as it was enunciated originally by Secretary Marshall in his Harvard speech last June in which he clearly stated our motives. The Paris Conference of 16 nations to survey the needs of Europe was pictured as a device of the United States to clamp selfish controls on these countries, instead of as the device of free countries to work out by themselves the basis on which aid could be made effective for their peoples. We were accused by our detractors of controlling this conference despite the fact that we were not even represented there, but the people of Europe—at least vast numbers of them, never heard the truth.

I believe so implicitly in the necessity for telling the truth to these people, and in the urgency of so doing, that I have today requested Secretary Marshall to prepare, for our use in Congress, a plan for expanding our Voice of America operations throughout the world to a scale which he deems adequate to meet the new demands created by Russia's organization of the Comintern and by the Marshall plan itself.

I have suggested to him that we start from scratch in our new consideration of our information service in the light of the changed conditions; that this new plan be engineered to meet the realities of the European situation as we have found it; and that the plan be provided as speedily as possible so that the Congress may give it the earliest possible attention.

In closing, I want to emphasize that it is not my desire, nor the desire of any responsible American with whom I have talked about this problem, to have our country engage in the kind of propaganda war that is being carried on against us. Every effort in our own international information program should be directed toward telling the simple truth about the United States to the other peoples of the world. We should be factually accurate; so scrupulously accurate that no one can successfully challenge us. And we should speak over such commanding facilities that our voice can be heard wherever there are people who want to hear us.

The United States, despite the attacks being made on us by communism, has a vast reservoir of good will everywhere in the world. We must, for the sake of our friends in these countries, as well as for our own sake, let them know the truth about our own democracy, and about our hopes and aspirations for world peace.

The Value of Humor

EXTENSION OF REMARKS

OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have reprinted in the Appendix of the RECORD the text of an address delivered in Beloit, Wis., by

our colleague the senior Senator from Wisconsin [Mr. WILEY].

The address was on the subject of the value of humor. It was delivered at a dinner of the Rock County Wisconsin Republican organization and it marked the appearance on October 13 of Senator WILEY's book Laughing With Congress. It is my understanding that many of the Members of Congress are mentioned in the book, and I therefore think this address is of particular interest.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HUMOR'S VALUE FOR A BETTER AMERICA

(Address by the Honorable ALEXANDER WILEY, United States Senator from Wisconsin, at the Rock County Republican dinner in Beloit, Wis., October 7, 1947. Dinner marked publication on October 13, 1947, of Senator WILEY's book Laughing With Congress, by Crown Publishers, New York)

I am grateful for this opportunity to appear before this fine group in the good city of Beloit. I want you to know how much I appreciate your courtesy and your kind reception to my book.

I will keep my remarks very brief. As was once said about a speech: "The longer the spoke the more the tire." Or, as another fellow put it: "Be bright, be brief, be gone," or, "If you can't strike oil in 20 minutes, stop boring."

VISITS TO BELOIT

As you so well know, the Congress has been in almost continuous session for so long that I have been unable to get back to Beloit as often as I would like. Even now, as you know, I am preparing to leave again for Washington to be on hand early in November for the sessions of the Foreign Relations Committee, which will consider the European-aid program. So, it may be some time before I get back to see you kind folks again. Nevertheless, you can be sure that the memory of these very pleasant hours together will long be a source of deep gratification to me. Moreover, I will take back with me your frank reactions and suggestions on Wisconsin and national affairs.

SUBJECT OF LAUGHING WITH CONGRESS

I would just like to say to you a few words about the book to which you have so kindly referred. As I state in my introduction to the book, my primary reason for its preparation is to help spread a bit of good cheer on what is often a sadly misunderstood subject—the United States Congress—to show the human side of the Congress. All of us, as I mention in the book, need a sense of humor in these trying times.

The Book of Books, as you know, is crowded with instructions to man to "rejoice always," to manifest good cheer rather than gloom. "The joyfulness of a man prolongeth his days," we read.

LINCOLN'S HUMOR AND OTHER RELEASES

Some of you may recall that I have often referred to humor as one of the three great safety valves or releases which characterized one of our greatest Presidents and certainly by far our greatest Republican, Abraham Lincoln. Yes; humor was one of his "safety valves" in hours of crisis, and the other two were a great and abiding love of the Republic and Lincoln's ability to commune with his Maker. Perhaps if I get the opportunity and spare time I may be able to do some further writing on the other two vital elements in Lincoln's trio—a book on love of country and another on prayer or communion with God on high. I am sure you'll agree that every American could indeed profit from Lincoln's example.

As a matter of fact, even President Truman said a few days ago that a President of the United States would be in a "heck of a fix" if he didn't have a sense of humor.

WHY A SENATOR WRITES A BOOK

Now, on this matter of writing, please don't misunderstand me. I lay no claims to having great writing ability. Writing is not my business, nor do I believe that it should be the business of any Senator or Representative of the United States primarily. We have an obligation to the people to get our legislative job done. I work 80 hours a week, and I'm proud to do so for our people. To cite an example of that work in the last session of the Congress, I reported a total of 206 Judiciary Committee bills. And that's just one aspect of our tasks.

Nevertheless, as I see it, and as you undoubtedly do, it is up to each American legislator to help inform the American public, to help bring light to it. That is the only reason why any writing is justified by a Congressman or Senator. Through the medium of this book—which was written in odd snatches, mostly late in the evening—I hope to get across certain ideas, to demonstrate, for example, that Congressmen are human beings and are big enough to like humor even if it is at their own expense; to demonstrate that the Congress has always been a victim of bouquets and brickbats, mostly brickbats, and most of which are unjustified. As one newspaper crack put it:

"If God had made Congress,
He would not boast of it."

Well, I believe on the contrary that we may indeed be proud of our Congress, although we recognize some of its shortcomings.

REPUBLICAN GAGS

One of the particular parts of the book that I very much enjoyed doing was that entitled "The Gag Party Between Political Parties." Perhaps you will recall the so-called joke in it, for example, to the effect that no Democrats carry life insurance because no one can make out their policy. Or Speaker Tom Reed's description of the Democratic Party. He said: "It was like a man riding backwards in a railroad car. He never sees anything until he gets past it." Then there is the one about the farmer who responded to a question about local politics from a visitor. The farmer said: "Well, my neighbor over in the next place is a bit 'teched' and he is a Democrat. My wife and I are Republicans. Our baby is a Wet, and our cow is a Dry."

Perhaps, too, you recall the one about the time Speaker Reed was heckled during a campaign speech. At last the heckler got up and said to Reed: "Aw, go to—let us call it—Hades!" To that Reed replied: "I have traveled in many parts of the State and have spoken at many meetings, but this is the first time I have received an invitation to the Democratic headquarters."

SERIOUSNESS OF CONGRESS

Those, then, are some of the samples of the humor of Congress. It is not the humor of professional comedians, because our job is the most serious job in the world. And on this matter, I would like to clear up what may be some further misinterpretations regarding my conception of Congress. As I relate in the book, there may be some few folks who erroneously think that I regard the Congress lightly, or, for that matter, who think that I regard the issues of the day as jokes. Such an interpretation is, of course, absurd and I am sure that if there are any such people who make it, they are very few indeed.

A United States Senator's job is no joke. I regard the high office which the people of Wisconsin have twice tendered me—a son of immigrants—as my life work—as my mission for constructive work. I am grateful to Wisconsin with depth of feeling that I can never adequately convey. I have accordingly dedicated the book "to the happiness of the people of Wisconsin, and of all America, and of their children and their children's children."

No, gentlemen, I do not regard my job or any Congressman's job as a joke. I want to do an even better job for you in Washington. I am your servant—that is why Wisconsin has sent me to our Capital—to serve State and Nation.

The Congress of the United States is the most important and most serious legislative body in the world today. On it, the fate of our Nation rests, and, indeed, perhaps the fate of the civilized world. Let no man snidely ridicule the Congress, let no man viciously belittle it, lest he serve to sabotage "the one last hope of the world" in this era of dictatorship.

Wholesome humor about the few foibles of the Congress is one thing; malicious, hateful, sneering, subversive jests about the Congress or about the sincerity of its Members are another thing. The American people have enough judgment to separate each type of humor.

GRIMNESS OF ISSUES

No; there is very little humorous about the issues Congress faces. As you know, I have just returned from a brief trip with Mrs. Wiley in war-ravaged Europe. We know from first-hand observation that there is very little, if anything, humorous about Europe's woe. There is very little humorous about our own American problems—about high prices, for instance, about the need for all-out production; there is very little humorous about the housing shortage or about Government controls; there is very little humorous about the tremendous bureaucracy which is weighing on the shoulders of the American public; there is very little humorous about high taxes, or about the menace of communism, and so on down the line.

But there are some comical aspects of these grim issues, and I have tried to relate some of these aspects so that by "recharging our batteries"—by letting off a little bit of steam—we can better handle these difficult problems.

You remember this fact, no doubt: Abraham Lincoln, when he came to some of his most difficult Cabinet sessions and saw his Cabinet members tense, their muscles tied into knots and features grim, when he saw this before him, he would not enter immediately into a discussion with his Cabinet members on the important issues they faced. On the contrary, he would tell them a joke or two. He would get them to unbend, to loosen those taut muscles, and so by using the safety valve of humor he would enable them to be adequate to their problems.

CRITICISM OF LINCOLN'S HUMOR

Lincoln, you will recall, was criticized for his humor. Some newspapers and others tried to taunt him as a clown, a buffoon, a country bumpkin. But the American people—the common folks "whom God loved so much that he made so many"—they understood Abe; they laughed with him. So, too, they can laugh with Congress.

OUR NEED FOR HUMOR

So you see, what I hope to do in some small part through the medium of this book is to add a bit of humor to our lives so that we can better meet our responsibilities. It has been my privilege and pleasure to send with my compliments copies of the book to a number of places where I know that a bit of humor is particularly needed, to some of our veterans' hospitals, for example, where the heroes of our First and Second World Wars still lie in their beds, wracked and broken by war in everything but spirit. I have sent more copies of the book to libraries and to other folks and institutions who I think can stand a bit of good cheer to make the clouds roll away.

All of us need humor, and, as you gentlemen have so well demonstrated today, you appreciate that great fact.

CONCLUSION

As fellow Republicans, I know that you are going to be adequate to your responsibilities next year, that we are going to work together as a team here and throughout the country, to elect a Republican national administration and a Republican Congress, in order to assure better direction of the ship of state. And that is no joke either.

Thanks again for your courtesy, and I hope to see you all again very soon.

Statehood for Hawaii

EXTENSION OF REMARKS
OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Honorable JOSEPH R. FARRINGTON, Delegate from Hawaii, in the opening program of the New York Herald Tribune forum in New York City on the night of October 20, 1947, regarding the bill which passed the House on June 30, 1947, granting statehood to Hawaii, which bill is now pending before the Public Lands Committee of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The time has come to admit Hawaii to the Union as the forty-ninth State.

The people of this Territory have demonstrated that they are fully capable of self-government, and they believe that they have been promised it. They are entitled to their rights as American citizens. These rights can only be realized completely and irrevocably as citizens of a sovereign State.

Granting statehood to Hawaii at this time would greatly enhance the influence of the United States in the Pacific and among all dependent peoples. It would demonstrate our belief in the principles of democracy and self-determination. The House of Representatives recognized the soundness of this policy by adopting on June 30 of this year H. R. 49, the bill providing statehood for Hawaii, and sent it to the Senate, where it is now pending.

To compel the people of this Territory to continue in their present status would be not only the violation of a promise but contrary to the wish of the people themselves, who voted, by a majority of more than 2 to 1, for statehood in a plebiscite in 1940. It would also be positively harmful.

It would weaken the tradition of self-reliance that has marked the development of Hawaii as one of the most progressive and prosperous communities under the American flag. It would invite the enactment of retrogressive measures that would severely injure one of the greatest experiments in democracy ever launched by this country.

To anyone who challenges this statement, let me point out that in opposing statehood for Hawaii in a recent article, Dr. Nicholas Murray Butler, president emeritus of Columbia University, proposed that the people of Hawaii be given a semi-independent status. He would turn back the clock to a form of European colonialism so completely discredited that the people of the Pacific want none of it today. His proposal is positively insulting to a people who are proud, most of all, of their American citizenship. Not a single one of them has even entertained the thought of a government other than one which would identify them, in every respect, as completely American.

Dr. Butler objects, moreover, to Hawaii becoming a State because it is noncontiguous territory. This question was settled in 1900, when Hawaii was incorporated in the Union as a territory and made an integral part thereof by the organic act of 1900. Objections because of distance have long since been eliminated by the development of modern methods of transportation and communication. Hawaii today is closer to Washington than Boston was to Philadelphia at the time of the Continental Congress.

The dangers and uncertainties of the territorial form of government are evident in the serious discrimination suffered by the basic industry of Hawaii. Sugar produced in Hawaii constitutes almost 25 percent of all the sugar produced under the American flag. But Hawaii is compelled to ship it to the States in its raw form, excepting only a small portion that is consumed locally. This is required under a law that has been on the statute books of our country since 1937, despite vigorous protests from Hawaii's people. It constitutes a restriction on our trade and commerce that is not only un-American but whose implications hold serious threats to Hawaii's future development.

Under present conditions, a simple act of Congress is all that is needed to reduce Hawaii's people to a status of complete dependency and political slavery. Through a period of more than 10 years, the people of this American Territory have been threatened successively with government by the Army, Navy, or both; complete disenfranchisement with government by a commission appointed in Washington, and elimination of the residential requirements covering the appointment of our principal executive and judicial officials, which would give Hawaii government by carpet baggers.

During the war, the Army set up a military government under martial law in Hawaii that was without precedent in this country. It was a government patterned after that used in occupied countries. Its abuse of power and violation of fundamental American rights was a scandal. This government was eliminated only after a bitter fight by the civil agencies of the Federal Government, and has since been roundly repudiated by the Supreme Court of the United States.

The people of Hawaii believe they are entitled to better treatment than this, and to the security in their rights as American citizens that can come only with State government.

To deny Hawaii's people statehood because of their racial origin would be the most tragic error of all. It would not only retard the political development of this territory, but seriously bring into question the sincerity of the United States in its professions of democracy. It would weaken the postion of the United States at a time when democracy must become dynamic to meet the challenge of Russian communism.

For close to a century now, Hawaii has been the great meeting ground of Pacific people. There they have found, in the tradition of the native Hawaiian people, a measure of friendship, tolerance, and fair play unparalleled in the world today. These people have come to Hawaii through a period of well over a century, from every one of the 48 States, from China, from many countries of Europe, from Japan, and from the Philippines. Each has made an important contribution to the development of these islands. In the American system of free public-school education, economic opportunity, and political equality, they have found a sound basis for living in happiness and harmony, despite their unusually diverse racial origin.

Today all but a small portion of Hawaii's people are American citizens. The war proved their loyalty beyond the shadow of a doubt. They love this country. The record of the FBI and the Army and Navy Intelligence Services shows that there was no sabotage and no subversive activities among Hawaii's people. The Americans of Japanese ancestry who composed the One hundredth Infantry were all from Hawaii. They became the most highly decorated unit in the American Army and were also the spearhead of units formed subsequently of Americans and Japanese ancestry from all parts of the country. They were the product of Hawaii's system of education, economic opportunity, and political equality. They proved, if anything ever proved, that loyalty to this country is not a question of race but of the heart and of the mind.

Hawaii, for half a century, has been a lighthouse of democracy in the Pacific. The leaders of free government in the Far East have always found in Hawaii protection and inspiration in their efforts to achieve liberty in their native countries.

In the light of this record, in the light of our declarations in behalf of democracy and self-determination, in the light of our responsibilities for the government of the Pacific islands, in the light of our hopes for the Philippines and our objectives in China, and more particularly Korea and Japan—we of the United States cannot afford now to deny to our own people in Hawaii the privileges and responsibilities of democracy that can only be achieved by State government.

Since becoming a part of this country by voluntary annexation in 1898, Hawaii has consistently paid into the Federal Treasury each year more than at least 14 individual States. The total contribution is far in excess of the money spent by the Federal Government in Hawaii, except, of course, the funds spent on national defense.

Government in the Territory has been maintained at a high standard throughout this period. Although privileged to do so, Congress has never found it necessary to exercise its right to veto a law passed by the legislature of the Territory. Illiteracy is virtually unknown in Hawaii. A large portion of the funds paid in taxes to the government of the Territory is used to maintain a system of free public-school education which extends even into the most remote rural areas and is far above the standard of many States.

The same high standard prevails in the fields of public health, public works, laws for the protection of labor, law enforcement, and last—but by no means least—finance. Neither the Territorial government nor any of its subdivisions has ever defaulted on a bond issue. Their financial rating has always been of the highest.

Hawaii has virtually no absentee landlordism. Its sugar and pineapple industries, monuments to the American system of free enterprise, are owned and controlled by the people of Hawaii. It has many other enterprises and sources of independent business that see in these islands, strategically situated at the gateway to the Pacific, great promise for the future.

As far back as 1900 Congress found Hawaii's development so much in the American tradition that it decided to make the islands a territory of the United States and give the citizens of the Republic of Hawaii citizenship in the United States. In a succession of congressional investigations into the question of statehood for Hawaii, beginning in 1935, evidence has shown beyond dispute that Hawaii has met all the requirements for statehood asked from other territories upon entering the Union.

The last of these investigations was conducted early this year by the House Committee on Public Lands. The committee decided by unanimous vote to recommend to the House the adoption of legislation ena-

bling Hawaii to become a State. The action of the House in voting approval of this legislation followed on June 30 of this year, and the bill was sent to the Senate, where it is now pending before the Committee on Public Lands.

We of Hawaii have always believed we would be given statehood upon meeting the same requirements that governed the admission to the Union of 29 territories. In the debate on the organic act amendments were offered providing that adoption of this legislation should not be construed as promising statehood to Hawaii at any time in the future. These amendments were rejected in both the Senate and the House. This action is but one of many that have led Hawaii's people to believe they would become a State. This belief has been further fortified by planks in platforms of both major political parties, the utterances of many public officials, and the results of investigations carried on by Congress over a long period of years.

President Truman has already recommended statehood for Hawaii. His Secretary of the Interior, Julius A. Krug, who has been very aggressive in supporting legislation for this purpose, has announced that the President would sign the bill passed by the House if it also passes the Senate.

The people of the country are in favor of statehood for Hawaii. A Gallup poll showed this last spring. The enthusiastic response to the favorable action of the House leaves no doubt about it.

Now it remains for the United States Senate to act. The hour of great decision is here.

Hawaii was ceded to the United States by the people of those islands of their own free will. With faith in the future and confidence in the integrity of this country, they placed themselves, their islands, and their destiny in the hands of the American people.

Today, after almost 50 years of tutelage, they are prepared for the responsibilities of statehood. They believe this is their right and their destiny. They believe that as citizens of a State they will have a vitally important contribution to make to the future of this country. To admit Hawaii to the Union now is in the national interest. It will enhance the position of our country in the Pacific and among liberty-loving people everywhere.

As American citizens, we ask finally to be admitted to the Union as a matter of simple justice and fair play.

Foreign Aid

EXTENSION OF REMARKS
OF
HON. ELMER THOMAS
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. THOMAS of Oklahoma. Mr. President, I am in receipt of a statement in the nature of suggestions and recommendations with respect to what our Government should do in affording aid to the unfortunate people of the devastated areas of Europe. Because of the nature of the statement, I ask permission that it be printed in the RECORD: The statement is from Mr. Robert M. Harris, a former citizen of the State of Oklahoma.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Relief and loans to foreign countries to be considered by Congress in special session is of such paramount importance that I make the following suggestions for your consideration:

RELIEF

It is vital that relief go direct to the people involved and not become entangled with foreign governments and the intricacies of their politics. There is a distinct danger that unless relief is handled properly it may find its way into communistic or anti-American hands. This has happened in recent months and years.

To that end it seems imperative that all relief should be handled under definite American control and supervision, perhaps through the American Red Cross or a similar Government agency, which proved so successful and helpful after the last war in this field.

FOREIGN LOANS AND CREDITS

The objective of all foreign loans or credits should be to help distressed nations abroad to help themselves. Of necessity, such loans or credits should be on a long term and revolving basis. They will have to be guaranteed by the foreign buyer, his bank and his government, and by our Government. A Government Credit Insurance Agency charging reasonable premiums for a guaranty, similar to the Government war risk insurance which proved so successful in the last two wars, would minimize the burden of the United States Government guaranty and the premiums paid would probably cover any or all losses involved.

These foreign loans or credits should be made on a business basis and only with friendly and noncommunistic nations. The purchases made from these funds should be limited to American commodities, machinery, and goods, whenever it is in the interest of our economy. The American seller to assume at least the risk of his profits. By handling foreign loans in this way it will have this direct benefit:

1. The loans will in no way help communistic or governments not friendly to the United States.

2. The loans will be kept free of politics both here and abroad and will likely, therefore, be repaid, which seldom happens when governments make loans to governments.

3. By keeping the loans in business channels, the loans will not only likely be repaid but they will be most helpful in reviving industry and reconstruction in Europe along commercial, practical, and American lines.

I have discussed the foregoing with outstanding bankers, economists, and practical businessmen. They commend it. The experience of my firm in doing business with most of the nations of the world during the past 40 years convinces me that this program, properly carried out, will do much to help these foreign countries to save themselves and redound to the benefit of our country.

Reclamation—Insurance for Our Food Supply

EXTENSION OF REMARKS
OF
HON. HUGH BUTLER
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on reclamation which I delivered in Phoenix, Ariz., October 30, 1947, at the sixteenth annual convention of the National Reclamation Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, it is always a source of satisfaction to get together with a group of people who are so interested in extending irrigation and bringing additional land into greater production. The National Reclamation Association is an organization devoted to increasing the productive wealth of this country. In that respect it offers a sharp contrast to many other well-known organizations, which I will not name, which appear to be much more interested in dividing up the wealth or in taking away the wealth of others. It is a contrast of which you should be proud. This country was built by men who were primarily interested in creating new sources of wealth—and they did an amazing job in a very short time. By following in their footsteps you are carrying on the tradition that has made America great. We shall never have a stronger and more prosperous America, with higher living standards for all, unless we seize every opportunity for the development of still greater production of everything that human beings need and use—and that is what you are doing. I congratulate the National Reclamation Association on the constructive position it has taken on the various questions relating to the development of our national resources, and on its long history of successful achievements in that regard.

Last January I was honored by being named chairman of the Senate Committee on Public Lands. This newly enlarged Senate committee has jurisdiction over legislation dealing with the development of our land resources, including irrigation. In other words, it absorbed the duties of five old committees, including Irrigation and Reclamation. As soon as I was selected for this post, I resolved to do my utmost to deserve the honor—by informing myself as fully as possible on every aspect and every phase of our irrigation development, and the problems connected therewith.

Since the end of the session last summer, I have devoted my entire time to making good on that decision. Aside from a short trip to Alaska, I have spent practically all of the last few months in visiting and touring around the western States. I have taken every opportunity to look over the reclamation projects that are in operation, as well as those that are under construction and those that are still in the planning stage.

I was already fairly well acquainted with our own development in Nebraska. However, I had not had an opportunity to see the progress all over the western half of the Nation. Let me assure you, the results already achieved are awe-inspiring. The thousands of prosperous and productive farms that have been irrigated under private and Federal irrigation plans are the best possible proof of the soundness of the entire reclamation program. They are doing their full share toward meeting our national need for food and other agricultural products.

The progress already made is clear proof of the change that has come over our methods of thinking about and dealing with our water resources. For too many years we considered only our surplus water problems—a danger to be guarded against. We built higher and higher dams and levees to keep excessive water flows from injuring us. But now I believe the whole country has come to realize that water is much more an asset than a menace. Upstream engineering to catch the waters where they rise and divert them to useful purposes has come to be recognized as the real solution to our water problems.

Too much water is still a serious problem in certain areas. I have a rather close personal knowledge of that fact from the disastrous floods we have had in the Republican River Valley in southern Nebraska.

The most urgent problem before the Nation is our food supply. The proposals to continue shipping abroad gigantic quantities of grain will obviously put a severe strain on our available supplies, and the floods and drought we have experienced in many parts of the country have cut production sharply. The President, and other high administration officials, and Members of Congress, have all been deeply concerned as to means of maintaining an adequate food supply. A wide variety of suggestions have been made for dealing with this situation. Conservation measures of various sorts are being tried out on both a national and a local level. The problem of our food supply has never been more in the public eye.

Here is exactly where reclamation comes into the picture. If there is one thing that reclamation means, it means more food. I mentioned the great impression made on me by the various irrigation projects in operation. Over 20,000,000 acres of our country are under irrigation at the present time, about one-fourth under Federal projects and three-fourths under privately constructed and operated projects. Millions of tons of food and forage are being produced annually. The Bureau of Reclamation hopes to bring under irrigation another 400,000 acres of land by next year.

Yet the strongest impression I received from my tour was not the achievements to date but rather, I was struck by how much remains to be done. Our geologists tell us that there is enough water, now unused, to irrigate another 20,000,000 acres in the 17 reclamation States. This water, if put to use, would give us about 200,000 additional farms, and each one of those farms would soon become a miniature factory, supplying the Nation with increasing quantities of food.

Think of the production that those millions of additional irrigated acres could supply us, if they were already in use. Last year, according to the Bureau of Reclamation estimates, between eleven and twelve million tons of food and forage crops were produced on Federal reclamation projects. Shortly before I left Washington, I secured figures on production of various crops on just the 2,500,000 acres which receive all of their water from Bureau projects. On these 2,500,000 acres, our farmers produced last year 2,359,000 tons of alfalfa and other forage crops; about a million tons of sugar beets; 22,000,000 bushels of grains; over a billion pounds of fruit; 66,000,000 bushels of vegetables; and smaller quantities of other crops. That was the production on less than 2,500,000 irrigated acres for which we have detailed, accurate reports.

From these figures you can see the production possibilities of an additional 10 or 20 million irrigated acres. Use of all our water in the West would permit us to multiply those production figures by 10. It would give us 20 million tons of alfalfa and other forage crops, almost 200 million bushels of cereals, etc., right down the line. Altogether, an additional 20 million irrigated acres would supply us each year with between 50 and 100 million additional tons of food and forage crops. This acreage, properly distributed among the crops that we need most, would more than make up for the food shortages from which we are suffering this year. If we had that production right now, no one would be worrying about our national food supply.

There is one other angle to this question that I should mention. Irrigation offers a sharp contrast to the picture of floods and droughts and other hazards which have cut down crop yields in other parts of the country this year. With an assured supply of water, the irrigated areas produce year after year large quantities of high-quality foodstuffs. Irrigation is in itself a form of crop insurance.

Some of my statements may seem sort of distant in the future, yet a substantial part of this picture is already coming true. The construction program of the present fiscal year, based on the appropriations made by the session of Congress just ended, will be, I believe, the largest in the history of American reclamation. A figure of about $200,000,000 in construction work has been set as the goal for the Bureau of Reclamation for this fiscal year.

This construction will be the first big installment on a short-term program aimed at investing another $1,500,000,000 in projects already authorized by Congress. These projects already authorized contemplate the irrigation of 4,000,000 additional acres of land, together with the other benefits associated with irrigation, such as power and recreational development, flood control, etc. By the Bureau's present schedule, it is hoped to complete these authorized projects within 6 years.

I might mention that this schedule may require a supplemental appropriation by Congress to provide additional funds for the current year. During the course of my travels this summer, I visited several places where the construction work had slowed down or was about to be closed down, apparently for lack of sufficient appropriations. I know that when the appropriations were voted by Congress last summer, a sincere attempt was made to arrive at figures which would take care of the actual construction needs of all the projects. There was a general feeling that construction would be delayed because of the difficulty in securing construction materials, labor, and so forth, and that the Congress was anxious to avoid voting larger sums of money than could be spent efficiently. It is rather difficult to compute accurately 12 to 18 months in advance exactly how much money will be required on a given construction job.

It now appears that in the case of some projects, funds are not sufficient to carry the construction work through the entire fiscal year, and these projects, including Davis Dam on your own Arizona-Nevada border, might have to close down if additional appropriations are not provided. If that is the case, I feel sure that Congress will be willing to reexamine the need for funds on the various projects. I feel confident that necessary funds will be provided.

Speaking for myself, I do not like the present stop and go method of financing reclamation projects. It is not good business. When once we have decided to construct a project, we should make funds available as rapidly as they can be wisely expended. The people in charge of the program and construction should be in a position to plan the work as a continuous, smooth-running operation. It is poor business to stint on the funds for a project under construction that will start paying dividends when completed. Delaying work on a project on which construction has been started is not economy; it is simply waste.

Completion of the authorized projects I have mentioned, bringing water to 4,000,000 additional acres, would go a long way toward making up the food deficit that I have been talking about. If I keep returning to this question of our national food supply, it is because that is one phase of the question in which the whole Nation is interested. It is also our chief reason for expecting the support of the rest of the Nation for our program. Reclamation might, in fact, be called our national food insurance. We have found this year how badly we need that insurance. Perhaps that experience will make it a little easier in future years to secure the support of the East, the Middle West, and the South for our program.

In this brief address I have chosen to spend most of my time on only one phase of the subject of reclamation—its relationship to our food supply. There are other sides of the program in which you are interested.

Two particularly important and highly controversial questions would each require more detailed treatment than I have time to give them, and I imagine they are being covered elsewhere in your program. I refer to the issue of so-called valley authorities, and to the question clarifying the intent of the Reclamation Act of 1939 and eliminating the confusion created by the solicitor's opinion of 1944. I do not intend to spend much time on these two questions at present, but I do have one comment to offer. In my opinion, both of these controversies were created, to some extent, by the failure of Congress to draft sufficiently precise and definite legislation as a guide to the administrative agencies executing the programs.

In the case of the controversy regarding the meaning of the Reclamation Act of 1939 it is absurd that laws should be written in such a way that different people could come to exactly opposite conclusions regarding the intent of Congress in passing those laws. Congress should have expressed its intent in such a way that no one could mistake its meaning. If that had been done originally, no basis for controversy would have existed. We would not have to do the job all over again, trying to explain exactly what we meant to say in the Reclamation Act of 1939.

In the same way, I believe that much of the demand for valley authorities has been created by the overlapping jurisdiction assumed by different agencies of the Federal Government operating on vague mandates of authority from the Congress. If we do not tell the Corps of Engineers, the Bureau of Reclamation, the Agriculture Department, and other agencies exactly where their powers begin and where they end, we should not be surprised when each agency is tempted to encroach a little on the jurisdiction of the other agency. That has happened in some cases, and the resulting confusion, I believe, has played a large part in lending plausibility to the idea of valley authorities.

In other words, I believe that Congress must bear part of the blame for some of the unfortunate confusion that has been created, and I want to admit that fact frankly. In recent years I think we are doing a little better job. For example, in the Missouri River Basin we took the bull by the horns and adopted a clear-cut program by enacting the Pick-Sloan plan for the Missouri. In authorizing that plan we laid out clearly the job to be done and we defined very definitely which part of that job was to be done by the Corps of Engineers and which part was to be performed by the Bureau of Reclamation. Since 1944 we have had very little trouble with jurisdictional disputes between those two agencies in the Missouri Valley, and we have also experienced a perceptible lessening of enthusiasm for the authority idea. The principal argument in favor of an MVA has evaporated, now that we have a coordinated plan.

If we could write all our reclamation legislation in as clear and concise a manner as we did in drafting the Flood Control Act of 1944, I believe there would be far less controversy and confusion, and we could go ahead faster with the main job of bringing more water to more land. The primary responsibility for that job rests with Congress. But in doing that job we in Congress must rely heavily on the National Reclamation Association. Your organization has the technical knowledge and the contact with actual operating conditions that is absolutely necessary for the preparation of sound legislation. We need and appreciate your help very, very much.

One other job which requires our constant attention is to keep reorganizing the administrative machinery to fit our changing needs. As an example, I have in mind the situation

that exists in respect to irrigation projects on the Indian reservations.

There are two organizations within the Department of the Interior having charge of irrigation and reclamation projects. One is the Bureau of Reclamation and the other is the Office of Indian Affairs. There is apparently no need for this duplication of functions, and last session, Senators ROBERTSON, of Wyoming, ECTON, of Montana, MALONE, of Nevada, LANGER, of North Dakota, and I joined in the introduction of a bill (S. J. Res. 82) providing for the transfer of the irrigation projects on Indian reservations to the Bureau of Reclamation.

The history of Federal reclamation on Indian reservations dates back to 1867, when an appropriation was made to build an irrigation system on the Colorado River Indian Reservation here in Arizona. Irrigation in this region goes back to prehistoric times, in rude form and with a primitive method of agriculture. Appropriations for varying amounts have been made over the years since 1867 to provide irrigation systems on Indian lands. Several projects, in fact all the larger and more prosperous of the Indian irrigation projects are not really Indian, but are largely settled and cultivated by white people. On such projects as the Yakima, Flathead, Crow, Wind River, Uintah, and Fort Hall, most of the farming is done by the white people. There is really no good reason that I can see why such projects should be under the management of the Office of Indian Affairs. Our proposed legislation would transfer all records, property, and personnel to the Bureau of Reclamation, along with the transfer of the functions, powers, and duties of administering these projects. This is only one sample of Bureau simplification, which I feel should be inaugurated.

In conclusion, I want to return to my title subject by reminding you that our national need for food is not a passing crisis or a temporary thing. We are still increasing in population—over 1 percent per year. In fact, this last year it was 1½ percent. We are not bringing under cultivation an additional 1 percent of acreage every year. We can't; the good land of the east and central parts of the country is already in use. Iowa is 98 percent tilled. Nor are we improving agricultural productive efficiency very fast. Highly productive, irrigated agriculture is the only answer, and I predict that we shall see the need for it more and more clearly during the coming years.

According to a recent news report, our administration has plans for the expenditure of millions of dollars for the irrigation of some 800,000 acres in Greece. This program in that far-away country is to be under the supervision of an irrigation adviser from our own Reclamation Bureau. This news is evidence of the interest that other countries have in the development of their own agricultural resources. I mention it only to point the moral of my own theme. If we can afford to spend our money and use our men to develop the irrigation possibilities of other countries, it would seem to be elementary wisdom to proceed as rapidly as possible to the full exploitation of our own resources.

Several years ago I told the reclamation people of my State that irrigating an addditional million acres of Nebraska land would mean more to the State than the discovery of oil. I believe that is true, and I believe it is true all over the West. If we can continue with the sound progressive development of our water resources along the lines charted by your organization, we will be adding permanent wealth and permanent resources for the production of the world's greatest need—food.

Do Higher Wages Account for High Prices?

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, November 20, 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Do Higher Wages Account for High Prices?" by Hon. Lewis B. Schwellenbach, the Secretary of Labor. The article appeared in the New York Times magazine on November 16, 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DO HIGHER WAGES ACCOUNT FOR HIGH PRICES?

(By Lewis B. Schwellenbach)

During October wage negotiations were conducted between the owners of dairies serving the New York metropolitan area and their employees. These resulted in the granting to the employees of an increase of $8.50 per week. This amounted to a weighted average cost increase per quart of milk of six-tenths of a cent.

In that area splitting of the price increase or decrease into proportions less than one-half cent is not permitted. These employers were confronted with the proposition of either increasing the price one-half cent and absorbing the one-tenth of a cent cost increase or charging 1 cent increase, out of which they would profit to the extent of four-tenths of a cent over and above the cost of the wage increase. They decided upon the latter course and attempted to secure delivery to the purchasers of five and one-half million quarts of milk consumed in the metropolitan area of an announcement of an increase of 1 cent per quart.

That notice, dated October 27, 1947, started with the following language: "Substantial increases in the cost of operations due to the new higher wage rates of employees, made effective as a result of negotiations just concluded, compel us to advance home delivery prices or store delivery prices, etc., effective October 27, 1947."

I have no information concerning the wage increase other than the fact that it was negotiated. I do not know on what margins these dairies operate so as to be able to state concerning their ability to absorb the one-tenth of a cent if they had increased the price only one-half cent per quart. I do know that the statement made, which I have just quoted, is very similar to statements made whenever prices are raised after wage increases are granted. Almost invariably the seller attempts to place the entire blame upon the wage increase, and by inference the public tends to blame labor unions exclusively for their price increase. I think this announcement should have said that of this new 1-cent increase, six-tenths of a cent was going to labor and four-tenths to the dairies in which these laborers work.

The conclusion I am trying to draw is a very narrow and limited one. It is simply that wage increases are not the exclusive cause of price increases. If that conclusion is accepted it would follow that price increases are not exclusively due to the efforts of organized labor.

I think that constant repetition of statements similar to that put out by the milk industry has caused the American people to accept a fallacy well recognized by students of logic. Its technical name is post hoc ergo propter hoc, which means, literally, "After this, therefore the result of this." As they have read of wage increases and then heard announcements of price increases in which the statement is made that these were due exclusively to wage increases, most people in America have thought that that was true. Actually it isn't true.

During the period since VJ-day consumers' prices on all items have increased from 130 to 165, while the prices of food have gone up from a little above 140 to 205. Both of these increases use the average between the years 1935 and 1939 as the base of 100. Measured on the same base, up to the end of the second quarter of 1947 the prices of food products increased 72 percent over the 1939 level and the prices of manufactured products 48 percent.

Very largely the people who grew and processed the food products are not organized into unions. Almost universally the people who produced manufactured products were organized into unions. The farmers themselves did not fix these prices. They were fixed by the operations of the commodity exchanges in various parts of the country. The increase in consumers' prices came almost entirely after June, 1946, when for all effective purposes price controls were abolished by the Congress.

During the war both prices and wages were controlled. There were no increases in either which could frighten anyone who might fear an inflationary threat. Therefore I think that the important figures are those which involve the postwar period. During this time we have heard and read the argument that postwar price increases have been caused by postwar wage increases. The facts are that between VJ-day and August, 1947, wages of factory workers have increased 21 percent, while prices have increased 24 percent. Of that 24 percent, 20 percent occurred after the lapse of OPA in June, 1946, and 15 percent of the 21 percent increases in wages came after that date. These facts prove my point that wage increases did not exclusively cause price increases.

But that is not the complete answer to our question. The fact that since VJ-day wages have lagged behind prices by 3 percent is not sufficient to satisfy the American people. There are other factors which enter our increased price structure. Clearly everyone has a responsibility to attempt to protect our economic structure against inflation.

One factor which has undoubtedly reflected itself in our price structure is corporate profits.

I do not approach the question of corporate profits with any scalpel in my hand to try to disembowel either the corporations, their officers, or stockholders. Our economic system is based upon profits. Without them it could not function. On the other hand, I do not think there is anything so sacred about them that, when anyone in Government mentions profits, businessmen should want to go underground with whatever they have and become frightened about what they call their risk capital.

The plain fact is that corporation profits have risen tremendously in the last 2 years. During the third quarter of 1945 (when VJ-day occurred) corporate profits were low. I do not think it would be fair to use that figure because of contract cancellations by the Government. It seems to me fairer to those who oppose my contention to take the full year of 1945. During the first half the profits were higher, and during the last half they were lower.

This shows profits after taxes of $8,900,000,000. These increased $12,500,000,000 for 1946. During the first half of 1947 the "annual reported profits of all corporations" totaled $17,000,000,000 after taxes. I do not

know, and nobody knows, how much each corporation or each industry shared in these profits. Such figures are not available to anyone. However, it seems to me that no fair-minded person could help concluding that a reasonable part of those profits could have been used to keep prices down during this period when the inflation threat hangs over our head.

The chief argument used by those who ask us to close our eyes to these profits concerns inventories. It is asserted, and I assume it to be true, that included in this 1947 profit figure is an inventory which cost $4,100,000,000. It is contended that, because the future value of the inventory is uncertain, the whole amount of it should be disregarded. Everyone knows that it is unreasonable to ask the consumer to disregard this entire item. While the whole $4,100,000,000 may not be received for it, a substantial part of it will.

The other argument used to support the position that no part of this profit can be used to protect our price stfucture is that the corporations must set up reserves. Of course, they must do so. Good business requires it. But at the same time the workers of the country need a nest egg to protect their futures. According to the Federal Reserve Board, more than two-fifths of our families decreased their savings in 1946. The Board estimates that 40 percent of the money represented by the decrease was spent for essential living expenses, 20 percent for durable goods, 20 percent for rent, and 20 percent for transfer to other investments. In other words, 80 percent was for necessities.

I do not pretend to know just how much of these profits could and should have been used to protect the consumers against excessive price increases, or how much represented necessary reserves. Anyone who attempts to say that is either divinely endowed or should be in an institution. But I do know that a part of it could or should be used in an effort to keep prices down. I also know that those who rested on their oars, satisfied that they could pin the entire blame on labor unions, were doing a distinct disservice to the companies they ran and to the American public which wants to keep our free-enterprise system and the democracy under which we live.

There are other factors in this problem of price increases. One of the favorites for discussion right now is our foreign-aid program. Undoubtedly this factor cannot be disregarded. But as was pointed out by the Council of Economic Advisers on November 1, this is largely psychological because actually our exportable surplus is larger than the amount so exported. Using the language of the Council, "the effect of the foreign-aid program upon the domestic economy to date has been substantially less than that of the total export surplus."

Another argument made by at least one prominent citizen is that the failure of the two tax bills this year to obtain Presidential approval is to blame. This is on the theory that if people had more money to spend they would not complain about high prices. When one considers that for the great mass of the people the tax savings would not exceed $30 per year this argument needs no further pursuit.

Another factor was pointed out in the Council's report. That is the increase in domestic consumption. For example, it points out that the per capita consumption of meat has increased from a prewar level of 125 pounds per year to an estimated 155 pounds a year in 1947. Compared with the total the increase is not important enough to account for the marked rise in prices.

It has been contended that I had no right to use the figures from VJ-day or from June 1946 as starting points in reaching my conclusion.

This is certainly a reasonable argument worthy of consideration. I call attention to the fact that I have not abandoned the 1939 base. I have simply made use of that part of the statistics so based which I think pertinent to the discussion. I would call attention to the fact that the Council of Economic Advisers which consists of three of the Nation's outstanding economists and statisticians, used the same periods in the last two reports.

The issue in which we are interested is prices. They have risen abruptly since VJ-day and since June 1946. Our question is the extent to which the rises were caused by wage increases and other material factors. I believe I have proved that wage increases are not the exclusive cause of higher prices.

Foreign Aid and Domestic Economy

EXTENSION OF REMARKS
OF
HON. KENNETH S. WHERRY
OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. WHERRY. Mr. President, the able senior Senator from Ohio [Mr. TAFT] made an excellent address on November 17, 1947, which was broadcast over the NBC network. I ask unanimous consent that it be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today, the President of the United States demanded that Congress and the people turn the clock backward. He advocates a return to the days of war, of the OPA, the War Labor Board, and the War Production Board. He demands power in his individual discretion to fix prices or not fix prices, to fix wages or not fix wages, to prevent purchases by the housewife unless she gets ration stamps from some new Federal board, to dictate to every farmer where he shall sell the products of his farm and at what prices and to regulate the details of every business, control its inventories, regulate its acquisition of raw materials and direct the disposition of its finished products.

He wants price control against the producer, wage control against the workingman, rationing against the housewife and the restaurant, every kind of control over the businessman. It means the setting up of a Federal bureau with literally hundreds of thousands of employees, and agents prying into the daily lives of millions of people. We know this is what it would mean because we saw it happen here. Such a proposal is not progress, nor is it liberalism. It is reaction and a step toward a completely totalitarian nation.

Evidently under this administration we can never return to a state of peace. We still have war taxes. We have a war budget. Now we are to have war controls. Most of our Presidents have regarded war and its incidents as the worst calamity a people could suffer, except a loss of its liberty. But the present administration is so eager to retain the incidents of war that one can only doubt whether there is a real will to peace.

The President represents that these powers will be sparingly used only with relation to vital commodities in short supply which basically affect the cost of living, or basically affect industrial production. Everything, he says, is to be done on a highly selective basis. If there is one thing which the OPA certainly learned, it is that you can't do price control partially. The President ended controls himself partially on the ground that you could not control some prices unless you controlled all. All important commodities are interrelated. If you ration and fix the price of meat, everybody rushes out to buy chickens and eggs. Controls immediately must be established over them. Who is to determine what are vital commodities and whether they affect the cost of living? The definition itself is so broad that it includes 90 percent of all commodities. No; the President is only trying to sugar coat the pill. This is the OPA. This is the police-state condemned by the President himself only a month ago. This is the end of economic freedom.

Certainly prices are too high. Certainly unreasonable increases in wages may be requested. Certainly more food is being consumed in this country than necessary. But if we can't meet problems of this kind within our system of free competition and incentive, then we must regiment prices, wages, and rationing forever.

Apart from theory, there are three practical objections to adopting a police state. First, it chokes production instead of increasing it, and what we want is more production to give people what they need at reasonable prices. We saw under the OPA controls how many important products disappeared from the market. The housewife couldn't buy any butter, any meat, any soap, or canned goods. No man could find a white shirt or a new suit. There was no leather because of the black market, slaughtering of beef, and no shoes. There wasn't any lumber or building materials. And none of them came back until we got rid of OPA. The English have complete price control and rationing, and they haven't got enough to live on. They have no incentive to get production. Men don't work longer hours because there isn't anything to buy with the money they could earn. Surely with that example before us we don't want to socialize and regiment America.

In the second place, nobody knows enough to do the job of control as well as it is done by natural economic law. There are probably a billion transactions a day in this country, and no one knows how to fix the prices and conditions to govern those sales. I saw the little men who struggled with the problem in the OPA bureaus. They created books and books of regulations, and had to amend them daily. If their rules fitted the East, they didn't fit the West or the South. And there was no relief from bungling and injustice.

Certainly this administration has shown no evidence of ability to do the job. Look at the mess made of the voluntary food-saving program to carry out a highly desirable purpose. Meatless Tuesdays and chickenless and eggless Thursdays never did make any sense, because everyone ate chickens and eggs on Tuesdays and meat on Thursdays, leaving them just where they were. Last Thursday morning on the dining car the steward told us that while he could not serve eggs, he would substitute wheat cakes on every order. So to save wheat for Europe the travelers ate wheat cakes in America. What difference would it have made if the Government had had legal power to enforce its decree? The compulsory plan would have been the same fool plan, and just as ineffective.

Third, price controls won't work in peacetime as I shall develop later.

The reason this country has a surplus of food to ship in such tremendous amount is that we have pursued a system based on liberty. If we go back to Government restrictions, there won't be any surplus to ship abroad, and we will be subject to the same paralysis of initiative which exists in Europe and England today.

Bad as the price situation is, this is no emergency like war. According to the President's own statement, the average income of individuals after taxes has risen 30 per-

cent since 1929 in terms of actual purchasing power. The average man is therefore 30 percent better off than he was at the high point of prosperity 18 years ago.

The average workman is better off today than he was in 1939 just before the war in spite of the high prices, because his wages have gone up 110 percent while the cost of living has only gone up about 65 percent. Nearly half the families in the country have two workers in the family, and those families are better off than they were before the war. Unfortunately, there are still a large number of families whose wages or fixed income has lagged behind the increase in prices. We have to do everything we can to get prices down or increase their income, but we don't need to surrender liberty to meet every economic problem. What emergency except a political emergency justifies making the President an economic dictator with power to run the lives of each businessman, farmer, workingman, and housewife?

This high price condition is no accident. It has obviously resulted from the policies of the administration which has controlled this Government for the last 15 years and throughout the war. Prices are high because demand is greater than the supply. Although the supply is tremendously increased over prewar, the money available for spending has increased still more. The war was financed on inflation with a deficit of $50,000,000,000 a year for 3 or 4 years. The money created then and saved by the people is coming into the market to buy goods. Under lend-lease we distributed dollars around the world, and now those dollars are coming back from South America and elsewhere to buy goods that are insufficient for our own needs. Through the Bretton Woods fund and bank and the British loan we have distributed more dollars to be spent here. At the same time we have kept Government expenses and taxes many times higher than they were before the war. The administration has resisted any attempt to cut expenses, or cut taxes. Every cent the Government spends puts more money into the buyer's side of the market.

The huge tax burden from this expense amounting to about $40,000,000,000 a year—plus twelve billion of State and local taxes—30 percent of the national income—is a burden on millions of taxpayers. A lot of the taxes, however, are passed on into the cost of manufactured products. When you buy a pair of shoes you help pay the taxes of the farmer who raises the cattle, the livestock dealer, the packer, the leather processor, the shoe manufacturer, and the retailer. Probably 25 percent of what you pay on most articles is made up of taxes.

Probably the most important cause of high prices is the tremendous volume of export buying. True, we have an exceptional income here at home in the United States but the income of our people is practically balanced by our production. When we impose on top of this balance $20,000,000,000 of foreign purchases, we can hardly be surprised that a great increase in demand outruns our supply and forces prices up. This year we are exporting at the rate of twenty billion, and importing at the rate of nine billion. That means that $11,000,000,000 of market demand are coming from abroad with no goods to balance them. About half of it is balanced by taxes, but the other half is pure inflation.

The President recommends that we extend and strengthen export controls. Why, he has had power to control exports right along, only he hasn't exercised it in any effective way. He has permitted the world to come in with the dollars we gave them, and bid up the price of our goods.

Of course we have to export to Europe to prevent starvation and chaos. Everybody agrees on that. There isn't any substantial difference about the necessity of doing something at once to carry Italy and France through the winter, through a short range emergency program. From the point of view of checking communism, this program is essential. But it is more or less useless unless we change our policy in Germany and our policy in China. Secretary Marshall is apparently uninterested in saving China from the Communists at a very reasonable cost, while advocating billions for western Europe.

It is most unfortunate that there is not a word of encouragement in this message for those fighting against communism in China without ammunition and with their backs to the wall. His effort to reestablish the economy of western Europe with American dollars is completely hopeless as long as he continues in Germany to destroy the industrial plants which alone can make Germany self-supporting.

People seem to feel that we cannot check exports without causing hardship and starvation, but as a matter of fact of some $20,000,000,000 of exports in 1947, only about 40 percent go to Europe—12 billion go to every other section of the world, North America, South America, Asia, and Africa. Surely we should ration the rest of the world on steel, grain, and oil before we even consider rationing our own people. Today the Russian Government has an active commission here buying American goods and paying gold for them which is better than credit, but just as inflationary. Much of what Russia is buying is heavy machinery, good for the manufacture of munitions. Why does the President grant export licenses for goods of this kind when steel and various types of machinery are insufficient for our own needs?

I have pointed out that the tremendous exports are one of the main causes of high prices here today. They can be cut down. In fact, if they continue at the present volume they present a threat to the whole economy, because they cannot possibly be maintained indefinitely when the world returns to normal. In 1929 we built up a false export trade based on private credit. When it became apparent that the loans were not to be repaid, all lending stopped, and the sudden unemployment which resulted here contributed heavily to the depression of 1932. Now we are repeating the experiment with government funds instead of private funds.

We have been aiding Europe at the rate of about $5,000,000,000 a year of Government grants, loans, and other aid. I think we can maintain that rate without further serious effect on prices, if we cut down on other exports and other Government expense, certainly without any need for setting up police state controls. But I cannot see any reason for increasing the rate of the very generous contributions we have been making. No nation has ever been so generous or made such tremendous effort to export as we have during the past 2 years. We cannot endanger our whole economy and our whole liberty by trying to increase that $5,000,000,000 rate to the $8,000,000,000 a year requested by the foreign nations at Paris.

The European Socialists do not seem to realize that if we are to continue our $5,000,000,000 program for any length of time, it must be based on a continuation of that liberty; that while temporarily we might increase our output by Government restrictions, in the end we would soon be subject to the same paralysis of initiative which exists in England and Europe today. In other words, Europe has to take the limitations which are inherent in a free system if they want the benefits produced by it.

We have shipped more food and other assistance out of this country than any other nation has ever before accomplished for the world. We cannot stretch that liberality too far or there will be nothing to ship. We cannot ship so much that under a free system it will lead to a period of "boom and bust."

In short, the way to hold prices down is for the Government to spend less money and reduce taxes, to limit exports and to hold the Marshall plan within a reasonable figure, and to control the growth of private credit. The Marshall plan is not primarily to relieve hardship and starvation. Our whole contribution for food, fuel, and fertilizer under this plan will probably not be more than $2,500,000,000. The rest of the assistance requested is desirable, but much of it is not essential, certainly not worth another OPA in this country. Apparently the President thinks that we cannot adopt his version of the Marshall plan without police state controls and another OPA. I said last week in New York that the President was asking for two completely inconsistent policies at the same time. I said that if he wanted the $8,000,000,000 European form of the Marshall plan we cannot have lower prices, if we want lower prices, we have to give up that Marshall plan. If the Marshall plan is essential for the preservation of Europe and the world, then we can better stand higher prices than we can stand a complete relapse to a Fascist regimentation of every individual in the United States. But I believe very strongly that we can adopt a modified Marshall plan probably with more benefit to the countries concerned than if we are too lavish, and I believe that we can hold prices at reasonable amounts with such a modified plan, if we cut other expenses and taxes, control credit, and limit exports.

Surely, the American people do not desire a return to the days of OPA. They know that the controls won't work. They remember the shortages and the black markets. In time of war a morale develops which makes it possible to maintain some control, but in time of peace these controls are certain to fail. They will not hold real prices down, if we permit other conditions to go on forcing prices up. The American people don't like to be regimented, and they don't like to be ordered around by Federal officials. Our experience with prohibition and with OPA both prove that vast black-market operations develop which the Federal Government itself is unable to control. Morals are broken down because it pays to be a criminal.

Surely, the President's memory must be short. It was the President's own Decontrol Board which took off the controls on dairy products and grains in 1946. It was the President himself who took off controls on meat just before the 1946 election. It was the President himself who took off almost all other controls in December 1946 before the first Republican Congress in 14 years even convened. Can he sincerely believe that the Government could now enforce the controls he is asking for without a vast army of enforcement agents? Or even with such an army?

The President's adoption of this police-state program represents the final surrender to the left wing. The President himself indicated clearly within a month his disapproval of price control. What has happened since? The growing importance of the Marshall plan? But three committees of eminent men examined the plan and found that we could safely undertake it, or the essential part of it, without serious danger to this country. While some mild forms of allocations were suggested none of the committees thought a complete price control, wage control, rationing system was necessary. Only Leon Henderson and his crowd, and the Political Action Committee of the CIO advocated this program. There has been no change in conditions except the conditions of political strategy.

From a Republican political standpoint it might be better for the Congress to give the President the power which he demands. It could only result in failure and a revolt of public opinion against any man who is trying to enforce the law. I have had Republicans say to me that we should swallow our prejudices and pass these measures for political advantage, so that chaos and confusion

will rebound to our advantage in November 1948. But it seems to me that the issue is far deeper than any political issue. We stand at the cross-roads today between a free America and a planned economy. This is the last stand of the planners who think they know how to run the people's affairs better than the people can know themselves. If this effort succeeds in time of peace, there will never be a time when an emergency cannot be summoned up to justify the continuation of these powers. It was only a month ago that the President himself said that consumer rationing and price controls were police-state methods. That is the issue today, not only in America, but throughout the world. This country is the great bulwark of a free life, and from that freedom has developed the greatest and most productive country in the world and the country where the people are better off than any other country in the world. Shall we abandon that philosophy for the police-state methods which have brought the rest of the world as seekers for charity at our door?

Address of Hon. John L. McClellan, of Arkansas, Before the Arkansas Wood Products Association

EXTENSION OF REMARKS
OF
HON. JOHN L. McCLELLAN
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES
Thursday, November 20, 1947

Mr. McCLELLAN. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by me on the 28th of October, before the second annual convention of the Arkansas Wood Products Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members of the Arkansas Wood Products Association, and friends, one of the principal benefits of a recess period of Congress is that it affords to Members the opportunity of conferring with their constituency and the citizenship of the Nation which they represent. The importance of such contact and consultation between Members of Congress and the individuals, groups, and different organizations can hardly be overemphasized. From such associations, there is developed a closer relationship between the people and their lawmakers, and this results in a better understanding of all common problems—local, national, and international in scope—that are directly related to Government and the affairs of state.

These considerations, along with others, and the genuine pleasure of greeting and having this delightful association with you, have motivated my presence here today.

I congratulate your officers and entire membership for having developed and perfected this splendid organization. Because of the great importance of the timber and wood works industry to our national economy and welfare, the establishment and services in this State of an association like yours have long been needed, and it is a source of personal gratification to me that it is now in existence and functioning. I have no hesitancy whatsoever in predicting its future growth in power and useful service to the industry and to our State and to the Nation.

Your association gives to us who are representing you in the National Congress a source to which we can turn for accurate information, and for counsel and advice on issues vitally affecting the industry itself and, in many instances, on problems of general concern. Your officers in the past have freely exercised the privilege of making suggestions and submitting to me the recommendations of your group. These have been welcome and helpful to me in the discharge of my official duties. I believe almost without exception, after due deliberation, my opinion has generally coincided with those entertained and expressed by you. I hope, and I am sure, this cooperation and pleasant relationship will be continued in the future in the spirit and for the purpose of mutual helpfulness.

It would be highly presumptuous for me to attempt a thorough discussion of any subject peculiarly related to the industry that you represent. Your knowledge and experience in this field of enterprise surpass, I am sure, any information of which I am possessed. But as a member of our national lawmaking body, I must be and am concerned about the welfare of all our principal industries and about the usage made of all our great natural resources.

The four major natural resources of our State and Nation are the soil, the timber, the minerals, and our waters—our lakes and streams. These natural resources provide the physical sustenance of human existence and are basic factors in the health, strength, economy, and prosperity of our community and national life. Three of these—our soil, our timber, and our minerals—are by their very nature exhaustible. Two of these—our soil and timber—by proper use and management can be conserved and the depletion from use and consumption thereof can be in many instances substantially restored. The third—our minerals—man cannot restore. Therefore, our only means of prolonging their availability is by conservation in their use. The fourth great resource—water—is generally not depletible but is rather inexhaustible. With it, we only have to develop its potentialities in order to make it serve our industrial and human needs.

Although we are fortunately blessed with a system of government that embraces the free-enterprise system where human rights, including property rights, are exalted and respected, it is recognized and accepted that for the promotion and protection of the State and national interest, the Federal and State Governments have a large responsibility with respect to these basic natural resources to the end that they may be preserved and made to serve the common good.

While you are primarily and occupationally interested in and identified with one of these—timber—you are also of necessity vitally interested in all of the others.

Because of the Government's responsibility for the protection, preservation, and conservation of these indispensables, it has been my opportunity and privilege as a Member of the National Congress to help enact laws and make appropriations of public funds for the authorization and carrying out of programs designed and intended to promote the preservation, conservation, and proper utilization of all four of these major, basic resources. These programs in part provide for soil conservation, forestry reserves and preservation, depletion allowances for certain minerals, and for irrigation, navigation, reclamation, flood control, and the development of hydroelectric power.

I make no attempt at comparison of the importance of these various Federal programs. They are all worth while, they are all valuable, and all contribute in a large measure to the welfare and future prosperity and strength of our Nation and to the high standard of living of our people. I have taken a special interest in all these programs because without exception every one of them is important to the economy of our State.

Time, of course, will not permit me to discuss the value and all the benefits we derive from each of these programs, but I do wish to dwell in some measure upon that great resource of timber, the industry with which each of you is identified.

The geographic area which the State of Arkansas embraces was abundantly and richly endowed by providence with the great variety and high quality of timber resources. When the white man first visited this area, it was covered with some 32,000,000 acres of excellent forests. In fact, trees covered the entire area of the State except that occupied by our waters and a few hundred thousand acres of land in the Grand Prairie section. In the natural course of progress and the increase in population, more than one-third of our original forest lands has been converted into farms and into industrial and other uses, so that now we have left only 20,000,000 acres of forest lands that are available for the future growth of timber.

Our virgin supply has largely been consumed, and although it has been estimated that we have at present the equivalent of between forty and fifty billion board-feet of growing stock, 1 year's national supply, we know that in our highly developed economy such reserves unless maintained and increased will not be adequate for all our needs of tomorrow. If we are to be wise as a state, as a nation, and as a people we must use the necessary means and employ practices of usage that will conserve and maintain this large reserve and substantially increase it by cultivation, growth, and restoration.

We of this generation have no moral right to denude the forest areas of our land and dissipate this great natural resource to the extent of leaving an impaired heritage to future posterity. To do so would impoverish the Nation. We of the present generation are in reality trustees, the keepers, of these natural endowments and have the continuing responsibility, where it is possible to do so, to leave adequate reserves for the comfort, happiness, and prosperity of the people who will inhabit this great Nation in the generations and centuries to come. It is thus incumbent upon us to practice good husbandry, to take and use without waste only that part that is essential to our own well-being, and to promote the growth and restoration of this resource to the extent that it is possible to do so.

In this age of global wars, and when the peoples of the earth are beset with grave and perplexing problems that endanger national existence and civilization, and with the clashing of two divergent and diametrically opposed forms of government and ways of life, in which ultimately one may survive and the other perish, it is imperative to our freedom and to our existence that we as a nation remain strong. In more than one instance where we once had an abundance of vital and strategic resources, we know now that these resources are not unlimited for all time and that shortages or lack of adequate reserves have already begun to appear. This need never be true of our forests for either our domestic or peacetime needs, nor for purposes of war, in that eventuality, if we use the intelligence, the wisdom, and ingenuity of which we are possessed. A lack of timber reserves in a great and prolonged military struggle could seriously weaken our striking power and our defensive resistance. This, of course, applies with equal force to the depletion of our soil and minerals.

Therefore, if America at the time of some crisis in the future is to have that strength in natural physical resources to enable her to have adequate military defenses and the

striking power to repel any aggressive foe, it is essential that the necessary reserves be developed and at all times maintained.

The danger of a future war to which I refer is neither mythical nor is it fantastic. It has happened before, it could happen again; it is a dreaded and unthinkable possibility. But, until a permanent peace has been won, not to recognize that war is a possibility would be the height of national stupidity, and not to be prepared as best as we can would be inexcusable and possibly fatal folly.

We must trust, we must pray, and labor every day in the vineyard of peace in the hope that it will ultimately dwell upon earth and that there will be good will among men. But until a genuine peace has been attained, America, remembering the past, must not be indifferent and slothful at the present nor unconcerned and neglectful of its future.

Dismissing, however, any contemplation or prospect of future wars and the need for military strength and assuming that peace will henceforth reign supreme, there still remains full need for the conservation of our forests and the proper utilization of our wood and timber resources. If we are to enjoy a continually increasing happiness, prosperity, and higher standard of living. These considerations and objectives are within themselves sufficient to warrant and require that you and I as citizens, that all of our people, and State and Federal Government, promote long-range programs and employ practices in forest husbandry and in our wood and timber processing and usages. It is a source of extreme gratification to me that a major part of the industry, and those of you who are identified with it in Arkansas, are fully cognizant of these necessities and that you have inaugurated fruitful programs and practices that are making a valuable contribution not only to the conservation of this great vital resource but that in the processing of wood products, you are finding ways and means of eliminating tremendous waste that has occurred in the past and are ever exploring and finding new uses, new services, that wood products can be put to for the enjoyment and convenience of our people and for the enrichment of our Nation.

I was particularly pleased when our last State legislature, under the leadership of our present Chief Executive, had the vision, the wisdom, and the statesmanship to greatly increase State appropriations for the forestry program. The $450,000 appropriated by our State legislature, when matched by Federal funds that are available, makes possible the expansion of the program to include millions of acres of forests that have not heretofore been within reach of the limited programs of the past.

The appropriations of the Federal Government for all phases of forestry programs were $70,000,000 for this fiscal year. Although I recognize the pressing necessity for economy in government, I hope that I can, and that our people can and will, always distinguish between true and false economy. To save a dime and lose a dollar can never be a sound fiscal policy. The saving of a dollar of public funds while suffering the loss of far greater values in any of our national resources is false economy under any accounting system or appraisal of true values.

So long as I have the honor of serving you in the Senate, as these issues and measures come before me, it shall be my purpose to study their merit and measure their worth in terms of tomorrow as well as in terms of today; and with my present understanding and judgment I shall continue to support and vote for adequate appropriations essential to the preservation and development of our natural resources and the enhancement of our national wealth.

Yes, let's keep America strong—militarily, resourcefully, and economically. Only in that way can we make sure of our future. I have an abiding faith that you, individually and as a group of citizens of Arkansas, identified with one of the largest industries in the Nation, will keep faith and remain steadfast in this high purpose and patriotic duty. I trust that your Federal Government and the Congress, and that I as one of its Members, will wholly meet our responsibilities to you, to the Nation, and to future generations.

We Are Losing the War of Words in Europe

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. MUNDT. Mr. Speaker, under leave granted me by the House I am placing in the RECORD at this point an article on European conditions which I wrote at the request of the editor of the Sunday New York Times and which appeared in the November 9 issue of the New York Times Magazine.

The purpose of this article is to present as best I can, on the basis of my observations and studies in 22 European countries, the necessity of developing and maintaining an effective and adequate American information program overseas.

I am convinced that we will be engaging in a futile and ineffective program indeed if America limits its efforts to feeding the stomachs of Europe while the Communists concentrate on feeding the minds of Europe. Europe is today as hungry for American facts as it is for American food.

If we are really going to strengthen the forces of freedom abroad I am certain we must supplement any program of economic aid with an effective program of education and information in Europe which will not only dispell the illusions created by Soviet propaganda but which will also develop a clear understanding and appreciation abroad of American policies, American concepts, and American plans for the preservation of peace and the restoration of prosperity.

WE ARE LOSING THE WAR OF WORDS IN EUROPE

A CONGRESSMAN WANTS TO STRENGTHEN AMERICA'S VOICE AND OUTLINES A PLAN TO MAKE IT MORE EFFECTIVE

(By KARL E. MUNDT)

(KARL E. MUNDT, Representative from South Dakota, has just returned from leading a joint Senate-House committee through 24 European countries, where its members studied political conditions and the operation of the State Department's international information program.)

Europe today has become a vast battlefield in which adjectives have replaced armaments as the active elements of attack and defense. So clearly are the lines being drawn, however, in this battle of words and ideologies that shooting may once again supplant the shouting unless positive American leadership is promptly and prudently exerted to help restore good sense and sound government in Europe.

Moscow and its controlled Communist parties in every European capital have taken the initiative in this word war. They have devised and are directing a campaign of vilification and misrepresentation which throughout Europe has the United States and the United Kingdom as its primary targets. As the larger and the stronger of the two countries dedicated to democratic freedoms and non-Communist devices, the United States is being pummeled by propaganda over the air waves, in the press, and by all the other methods known to the arch propagandists of communism, to the point where we must either answer the challenges and criticisms being hurled at us or reconcile ourselves to the fact that our silence in Europe is certain to harvest for us a crop of ill will and resentment entirely unjustified by our policies abroad.

How should American leadership be employed to put oil upon the troubled political and economic waters now boiling so violently in all but a few European countries? Is it a job we can afford to undertake? Are we equipped to do it? Is it one giving reasonable promise of success? Is it a challenge which we dare ignore?

Having just returned from a 6 weeks' congressional study trip in Europe on which I served as cochairman of a joint Senate-House committee studying economic and political conditions in 22 European countries, I am convinced that early and intelligent action on the part of America can go far toward rescuing Europe from both chaos and communism.

Our committee devoted much of its attention overseas to the propaganda and information programs not only of our own country but of England, of France, and of Russia. In no country did we find our American effort in the field of public relations abroad as extensive or as well staffed as that of England and Russia; in some countries we are actually trailing the French as well in the use of information services in the all-important task of making and holding friends in Europe.

Fortunately for us all, it is only the Russians and their Communist satellites these days who are directing their propaganda barbs against us; the net effect of the English and French efforts, in fact, is to help offset the allegations of our attackers, but in the final analysis only Americans, with American facts and American skills, can convince the people of Europe that American policies and projects are devoid of the sinister motives attributed to them by the Russian propagandists whose goal it is to make them fail.

Czechoslovakia provides a good illustration of what we observed in country after country in Europe, although in Poland and in the Balkan countries the men of Moscow have made even greater progress with their program of abuse and misrepresentation. In Prague we have an able and alert young American, Frank J. Lewand, in charge of our American information activities. He has one American assistant and three helpers recruited from Czechoslovakia. This pitifully inadequate information team is supposed to keep the people of Czechoslovakia advised about the true intent and purposes of American policies.

They are expected to maintain and staff our information library in Prague (we have no information outposts or personnel in any other city of the country); they are supposed to provide background interpretative material and translations for speakers and editorial writers; to book showings for our documentary films and provide projectionists; to circulate translations of the American daily wireless news and information bulletins to the Czechs most active in public opinion molding fields; to aid in arranging exchanges of students, teachers, cultural leaders, and the like between Czechoslovakia and the United States; to translate the contents of the Prague newspapers and relay them to our State Department so Washington can be conversant with what is being said about us abroad.

All these tasks and many more comprise the day's assignment for these American information officials who, if each of them were triplets, could not begin to provide the services essential in telling the American story in Czechoslovakia.

What is the result? Slowly but surely we are losing the struggle to win favor in the public opinion of that country. Against our few minutes of radio time beamed by short wave to Czechoslovakia, the Russians direct several hours of programs each day to the people of this tiny country. In contrast with our Tom Thumb team of information officials, the Russians maintain information centers all over the country abundantly staffed with well-trained workers. Throughout Europe it is everywhere the same. In this cold war of words and ideologies, the Russians are using big artillery and rockets while we rely on popguns and pistols.

Whether behind the iron curtain or in western Europe we found the pattern of the Red propaganda to be the same. The United States is portrayed as the dollar diplomat, the sinister imperialist, offering food and fuel and monetary aid to Europe for purely selfish purposes. We Americans are pictured as trying to buy the soul of prostrate Europe for a poor mess of porridge. Andrei Vishinsky's violent outpourings at sessions of the United Nations are love sonnets compared with the vicious falsehoods the Reds circulate about us in Europe.

The Marshall plan and other proposals for American aid to countries outside of Germany are pictured as (1) a frantic effort to avoid an inevitable American depression by foisting off on Europe unneeded supplies inadequate for Europe's needs; (2) an unconscionable attempt to give priority to the German aggressors over the countries victimized by the Nazis in the restoration of war-torn Europe; (3) a brazen plot to restore the military might of Germany after which we shall withdraw our occupation forces and leave Europe once again to fall victim to German armies.

Up to now, we Americans have largely contented ourselves with efforts toward feeding the stomachs of Europe while the Russians have concentrated on feeding its minds. If this formula is continued, it is easy to envisage the result at the end of the trail. We may help avert starvation in Europe and aid in producing a generation of healthy, physically fit individuals whose bodies are strong but whose minds are poisoned against America and whose loyalties are attached to the red star of Russia. If we permit this to eventuate it will be clear that the generosity of America is excelled only by our own stupidity.

Compared to the cost of supplying the physical needs of Europe, the expense of providing facts for its minds is but trifling. Less than 1 percent of our total aid to Europe would be required to set up and maintain a United States information program abroad adequately staffed and well equipped to carry the story of American concepts, purposes, and policies to the people of Europe, whose hunger for these facts actually exceeds in its intensity and scope their hunger for American food.

The task of telling the American story in Europe is far less prodigious than might be supposed. In the first place, on both sides of the "curtain," the little people of Europe are yearning for information about, and inspiration from, America. They look to us as their last mundane ray of hope. They attach credibility to what we say and print. They devour American books and magazines. They crowd into our information libraries to read our daily newspapers even though the papers reach them 2 months old. They stand in line to see our motion pictures, whether documentary or commercial films. They covet the opportunity to study or visit in America.

In the second place, we now have the nucleus of an information service around which we can build effectively in Europe. Regardless of what some critics have said about William Benton, recently resigned Assistant Secretary of State in charge of our information and cultural activities, this country owes Mr. Benton a deep debt of gratitude for his persistent battle to keep alive and at work at least a tiny remnant of the information service our military authorities felt it essential to maintain in order to win a shooting war.

Certainly, it is now clear we cannot complete our victory and win this war of words without a greatly augmented and expanded information service. It is also clear that only by winning this word war can we avert a shooting one in Europe. Our committee visited 23 American information outposts in 22 countries (in Turkey there are information offices in both Istanbul and Ankara) and we agreed that if it were in our power we would not remove from office or replace a single man or woman now representing America in this program overseas. Mr. Benton's office recruited or retained men or women in the field information offices of Europe of whom Americans may well be proud.

Here is what the situation in Europe would seem to require if the Voice of America is to be heard and understood by people long since grown tired of hearing only the wolf call of the Communists:

1. The establishment by substantive law of a permanent Office of Information and Educational Exchange within the State Department of the United States. My bill, H. R. 3342, passed by the House last July, and now on the Senate calendar for action, would accomplish this result. Once enacted into law, this office should be administered by an Assistant Secretary of State with perhaps two divisional chiefs, one to head up the information activities (radio, press, exhibits, films, libraries, et cetera) and the other to direct the cultural phases of the program (U. S. relations with UNESCO, student exchanges, lecturers abroad, musical and dramatic renditions, English language and other classes abroad, etc.).

2. The field force in each country should be expanded to include at least an administrative information officer, a librarian, a press attaché, and perhaps a cultural officer in addition to local assistants.

3. Background stories on American life and motives, interpretative articles, and current news items where commercial wire services do not supply them, should be supplied (translated into the languages of the countries receiving them) to the newspapers, the radio people, and the leaders in the public opinion of every country.

4. Competent speakers and constructive films should be made available to foreign countries seeking them as means of acquainting Europeans with the American picture and the American program. All countries this side of the iron curtain have English-speaking clubs or associations of Friends of America which are actually pleading for services of this type.

5. Exchanges of students and scholars, professors, lecturers, newspaper people, leaders in all fields of endeavor, should be encouraged and facilitated between the United States and every country willing to cooperate on a reciprocal formula. We found American-educated men and women holding government positions in many foreign capitals—invariably they were great bastions of friendship for the American program.

6. American counselors and advisers should be made available to governments requesting them to aid with their complicated and confusing problems of finance, taxation, census taking, weather forecasting, agricultural methods and what not.

7. As a quid pro quo for further American aid in Europe, free radio time should be provided to Americans for the broadcasting on standard wave lengths, from local radio stations in the languages of the recipient countries, information programs about the scope and purposes of American aid and about American policies generally as they pertain to Europe. Since virtually all European radio stations are owned by the state, this is a return consideration easily provided if we are prepared to utilize the opportunity. Short-wave broadcasting from America, relayed by BBC in London or over American-owned stations in Germany or Algiers, should be beamed to the "curtain countries" and to Russia, where otherwise nothing but falsehoods about America are ever heard.

8. As a strictly reciprocal concession for the literature foreign embassies and agencies circulate in America about their countries and their governments, America should insist on the right—and utilize the opportunities—to circulate in other countries magazines, periodicals, or bulletins setting forth the facts about ourselves.

9. Information libraries, display rooms featuring exhibits and photographs about America, should be established and maintained in the major cities of Europe, with mobilized units occasionally touring the provinces so that people could have available to them the truth about America by reading it in the magazines, books, and papers which are published for Americans. To some extent, translations should be made available in European languages.

10. Congress should appropriate without delay sufficient funds to make the foregoing minimum program a working reality while the decision against communism in Europe can still be won without a shooting war.

What would it cost? I recommend an annual appropriation for this purpose of $50,000,000. Perhaps it could be done for less, but it seems foolhardy to skimp on a program so essential to the peace and prosperity which we all desire so greatly. After all, $50,000,000 is just about one-third the cost of constructing a modern battleship under prevailing building rates.

By the expenditure of just two battleships spread across the next half dozen years in Europe this $300,000,000 spent as insurance to make our economic aid program an effective instrument for peace may well make it unnecessary ever again to engage another American fleet in battle action. It should be worth the trial.

If we try and fail, we have spent very little in the effort, but if we fail to try we may have squandered all we have elsewhere spent in vain. Let the Voice of America ring out in Europe as the voice of truth and the bugle call of hope. Against it the false calls of communism can win few converts, and when aggressive communism ceases to gain ground it will start receding very rapidly. The Communist regime is what I describe as a "bicycle government"— to be effective it must keep moving forward rapidly; it loses efficiency as it decreases its momentum; when it slows down it wobbles; when it stops it falls. And like a man on a bicycle, it cannot back up either gracefully or safely. Positive American action in Europe now along the lines described can, in my opinion, stop communism's advances.

All that we require is the courage and the imagination, now, to establish and implement a program of sound information abroad which will be comparable in time of peace with the unprecedented initiative we Americans are always able to display in time of war. America should no longer neglect this great opportunity awaiting it in Europe to finish World War II in such a way that world war III will never come to cloud our history books.

Report on Grass Roots Tour of My District

EXTENSION OF REMARKS
OF
HON. HERBERT A. MEYER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. MEYER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith the following report of a recently completed grass roots tour which took me to every one of the 105 towns in my district where there is a post office.

Are people interested in problems facing our Government? Would anyone show up at the post offices when I came there to give me their views? If they did, would they talk freely about their views on national problems, or would they be apathetic about the whole thing?

Those questions were all answered in a most heartening manner. Told in advance that this was not a political or speech-making tour, that I wanted to meet the people of the district personally, Republicans and Democrats alike, to learn at first hand their problems and get a true cross section of their thinking on matters of national import, the people of the Third District came out to meet me and demonstrated that this area in the heart of America is truly sound to the core.

People are thinking about the mess the world is in and the decisive part America must play in cleaning up the rubble left by two world wars. They are alive to the responsibility of the people in a free Republic, where the Government is the servant of the people, to guide that Government in its course.

As might be expected in view of the headline role held by foreign affairs right now, that was the subject on which the most people expressed opinions. Many shades of opinion were voiced, but generally speaking the feeling was that we should do what is necessary, with due regard to our own economy, to feed the hungry and clothe the naked, but we should have something pretty definite as to the actual needs and some accurate information on just how much they are doing to help themselves.

"When bigger and better sacks are made, Uncle Sam will be holding them," said one lady half humorously, half seriously, deprecating the manner in which UNRRA and other relief furnished by the United States had been handled, without proper credit to the givers and without careful distribution where needed. They do not want that to happen again. And they want concrete evidence that those we help are doing something to help themselves. It does not make sense, they say, for hungry people to be striking and refusing to produce. They feel, too, that Uncle Sam should not alone assume the burden of feeding the world and they ask why other countries, such as Canada and Argentina, with surpluses should not contribute to this relief. "I'm against building up a global WPA and it looks like that is what some of our planners are doing," many said. This protest was invariably followed by the comment that thousands of our own needy people in this country are entitled to some semblance of a decent living. "We are all for helping the hungry folks abroad, but what about our hungry folks right here at home," they asked.

There were many expressions about the danger of getting down to the bottom of our own barrel of resources. "Suppose we have a wheat crop failure next year, and we are due for that, then what? Maybe these international planners have an answer for that," said one dirt farmer, "but it doesn't make sense to me."

In brief, they want no more of the blank-check era. They are insisting that on any further appropriations for relief there must be strings attached whereby we are assured that the relief actually goes to those in need and not into black markets and those who receive this relief must definitely know that it comes from us.

The food-saving campaign also was talked about a great deal. Speaking of one meatless day a week, one man said, "I wish someone would guarantee me 1 day a week that I could have meat." The eggless day got no more approval. Just plain saving of food in general, reducing the amount that goes into garbage cans is what the majority favor. In smaller localities, they pointed out that they already are very saving, but feel that in larger places, especially among apartment dwellers, there is room for savings.

The attitude of Russia in the United Nations and the infiltration of Communists into many phases of American life were of much concern to the good people of the Third District, whose loyalty to representative government is an outstanding characteristic.

"Russia is like a boy playing corner-lot baseball who gets mad if he can't do all the pitching," said one man whose memory went back to the days of playing what youngsters used to call work-up, push-around, or similar names.

Many other matters were brought up. Among them were bureaucracy and the high cost of government, prohibition, branch banking, large land holdings, World War II bonus payments, national old-age pensions and World War I pensions, minimum-wage law, socialized medicine, Taft-Hartley bill, exporting of automobiles and farm machinery, community-property tax, opposition to the return of OPA and rationing, rent control, REA activities, Federal aid to schools, taxation, the freedom with which Russians can move about our country while the Soviet forbids a Senate committee to inspect our own Embassy in Moscow, Brazil's break with Russia, portal-to-portal pay, universal military training, and so forth.

A high light of the tour was the appearance at some of the points of high-school civil government classes, with their teachers, who came to ask questions about details of the working of Congress not covered in their textbooks. These young people, I am sure, were representative of similar classes in other schools in the district, and it was stimulating to look into their eager young faces and sense their interest in the procedure of government.

As a newspaper publisher it has long been noted that when some writers despaired of the younger generation, people working closely with youth such as schoolmen, Boy and Girl Scout leaders, and the like, took an opposite view. These young people convinced me that they are going to hold firm to Americanism when they take their places among the voters who rule our Government.

I am grateful to all who took the trouble to meet me on this tour and give me the benefit of their counsel. They gave me just exactly what I was after. That was a cross section of public opinion which would enable me to better represent the people of the Third District when I go back to Washington to be their voice in the free assembly of the sovereign people.

Leadership in Asia Under a New Japan

EXTENSION OF REMARKS
OF
HON. ELBERT D. THOMAS
OF UTAH
IN THE SENATE OF THE UNITED STATES
Thursday, November 20, 1947

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address which I delivered at the University of Michigan, Ann Arbor, Mich., on August 5, 1947. This address closed a series of lectures given under the general subject, The United States in World Affairs. My theme was Leadership in Asia Under a New Japan. Unless our representatives err and unless they are guided by old hates and biased objectives America is now offered her greatest opportunity in constructively building a part of the new world as we dreamed during the fighting days of the war when we assumed that we knew the objectives we were fighting for. We can neglect this opportunity and we probably shall. That we shall not is the hope I have expressed in this address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

World conditions and the relationships between nations make it impossible, much as I should like it, to spend all our time this evening on Japan. Japanese-American relations must fit into American world policy. Therefore it is necessary to point out by way of premise one or two facts that must be kept constantly in mind throughout my discussion.

First of all, few have noticed that the Truman Doctrine and the Marshall Plan, in reality, have their origin in what we have done in the Far East. China was told to put her own house in order before she could depend upon future aid, and Japan is now looked upon as the very center of American activity and policy of that phase of the Truman Doctrine which stands for the support of peoples attempting to remain free of economic controls and political dominations.

With Congress having before it resolutions which call for the admission of Hawaii and

Alaska as States, Japan becomes more of a neighbor than ever. Our administration, as trustee of the former Japanese Islands of the Pacific makes us an actual administrator of territory which was formerly controlled by Japan and a close neighbor to nations and peoples, who, until the imediate present, have been considered far off.

Our first treaty with Korea, which was completely forgotten when the Japanese annexed that land, seems now, as far as our responsibility there is concerned, to have again come to life and Korea looms large, and we stand today, as we always have, in theory, for the independence and territorial integrity of China.

Our tasks are not going to be easy. They are going to be many times harder than they have ever been unless we properly orient ourselves to the basic values of our various friendships and responsibilities in Asia, and, without prejudice and without hate, evaluate honestly who are and who must be our friends if even a semblance of peace is maintained in the Eastern Hemisphere.

In our new relations with the Philippines, the recasting of controls in Indonesia, in Indochina and Siam—in the continued development in their individual national responsibility—the commonwealth states in the Pacific all contribute factors to our policy and to our plans. In a way, Australia and New Zealand are now as close to us as Canada.

The new India, whether united or divided into parts, has given us an entirely new relationship—one which will test the ability of our diplomatists to evaluate new conditions and work in accordance with them, and a test of executive understanding and leadership in carrying on our new responsibilities in that part of the world. To the thoughtless, they seem to be few, but to those who know the strivings of the people of all Asia to the challenge given them by a mere reading of the political concepts of the West and the free intercourse with our missionaries, they are many. A reminder of a single event will make my point. When William J. Bryan was in India, he left this thought, and it never died: No matter, he said, in effect, how much you may dislike Britain, never forget that you should be forever grateful to her, for she gave you the English language, in which the concepts of liberty have been expressed.

Great as these factors are though, the responsibility for seventy-odd million Japanese, functioning under a new constitution sponsored by us, and, when the time for peace actually comes, introduced to the world as an American-directed product, our biggest and greatest task is, of course, Japan herself.

Almost a century has passed since Commodore Matthew Perry anchored his tiny squadron of small vessels in Tokyo Bay. Faced with this impressive display of power, the Japanese were forced to accept their first modern treaty. This treaty served to open Japan to the West and exposed her to western idealism, western realism, European and American ways. In almost a decade from the time of the first treaty students from Japan had arrived in America and the teacher-student relationship was begun. In the late summer of 1945, again an American, this time a soldier, led the spearhead of the greatest concentration of armed strength the world has ever known into Tokyo Bay. From a turret of the flagship *Missouri* flew an American flag of 31 stars—Commodore Perry's flag of an earlier day. On the deck below, Gen. Douglas MacArthur received the imperial surrender. Japan had been opened for a second time and exposed again to western idealism, realism, and practices. It is hoped that this second opening will renew an even firmer student-teacher relationship.

We know now only too well what dire consequences sprang from the earlier contact between our country and Japan. Japan followed with zeal all she thought represented best the strength of the West, our military and naval habits. Two or three centuries of Shogonate, military single-willism, plus the fact that her constitution was set up by a revolutionary government, proved to be factors so strong that even the new constitution and the new leadership could not overcome the habits and the thought of the past. Perry's visit was conceived in a mixture of American self-interest and American good will, but it was the first link in a chain of events that led to the acme of the world's use of force to combat force at Hiroshima and Nagasaki.

Having emerged from the long slumber of centuries of hermit-like seclusion, the Japanese grasped eagerly at the new material techniques of the West. It is inevitable that the learner should attempt to imitate his teacher and, like so many students, the imitation was accepted and indulged in without, of course, attempting to interpret completely that which was imitated. The Japanese learned the West's techniques, learned them well, and applied them ruthlessly, testing their new-found strength in a series of wars spaced almost regularly at 10-year intervals. The Chinese-Japanese War of 1895; the Russian-Japanese War of 1905; the World War of 1915; the Manchurian Incident of 1931; and finally in 1941 the Second World War. The peoples of the West followed this strange spectacle of growing power in the Orient, first with amusement, then with surprise, then awe, and finally, after the rape of Nanking, with either indignation or terror and horror. It was a hideously fascinating spectacle. From an island base rich in natural beauty but wretchedly poor in the substance of power and scarcely larger than New Mexico, the Japanese reddened the map of Asia in ever-widening arcs until at the pinnacle of their military success their empire encompassed an area equal to that of continental United States.

This, then, was the end result of a seemingly insignificant naval visit more than 90 years ago. What can we expect from the "second" opening of Japan, carried out under such strikingly different circumstances? As you know, it required almost 4 years of devastating war, appalling sacrifices of American lives, and an immense united effort to pry loose the Japanese from their conquests and to force them once again back into the confines of their homeland. But now the arrogant alien boot no longer echoes in war-torn China. The Japanese Fleet is at the bottom of the sea. Flattened beyond recognition are many of the great cities of Japan, where the abundance of Asia and what she could secure from the West had been fashioned into deadly instruments of aggression.

We have won at tremendous cost this second opportunity to "open" Japan. We had to pool our courage, our skill, our intelligence, and our imagination in a common undertaking of unbelievable magnitude. Our responsibility is not merely to make the victory that finally came a vindication of our technology, but even more a triumph of a way of life based upon decent ideals, a fulfillment of American democracy and its dream of human freedom.

But are we equal to this new task? Can we meet the challenge of the second opening of Japan, and in a larger sense the challenge of the peace, with a trust in the strength of the atomic bomb. No; we need something more. Will we retain the war-forged spiritual unity and the determined will to achieve, now that the objective is to construct rather than to destroy? Can we supply the needed leadership to the world when the basic requirement is no longer guns but mechanisms of peace and ideals? Our capacities to wage the war were admittedly unsurpassed. Our capacities to lead the peace are presently undergoing careful scrutiny in many parts of the world. Japan must have no cause for losing faith in her teacher.

Although we share the control of Japan with our allies, the circumstances of the war have projected America into a position of primary responsibility. Our task bids fair to challenge all of our capabilities which can only become successful on a cooperative basis, and cooperation never succeeds unless there is a fusion of common ideals and common characteristics. Have I thereby set the stage for an impossible contingency? Is there anything in the way of ideals common between us and our former enemy? If our answer is to be generated by hate, it will be definitely "no." If, though, through a study of history and what has actually taken place, without our being against Japan just because we are for some other country, we can discover many common ideals and aspirations. If it had not been for these common ideals and aspirations, the peace, as it did come in Japan, would never have occurred. The atomic bomb, despite the Emperior's reference to it, and again admitting that it was a contributing factor, was not the basic factor which brought about the surrender and with it the complete trust on the part of our former enemy that America would honor every promise she made. How was it brought about that a country and a people, who have been credited with being individually and collectively self-sacrificing and still having an army of 4,000,000 men trained and equipped who had never shot a bullet at an enemy, surrendered unconditionally and still realized that that which they were doing could be done with honor. It could not have been from a fear of a call for more sacrifice. It must have been from trust. And how was it, despite the fact that many leaders of our Government justified the use of the bomb on the score of military necessity and knew little about what had gone on since the very days of Pearl Harbor in attempting to bring about a complete surrender where guerrilla warfare could be avoided, that armies scattered over almost half a globe could be returned without piecemeal fighting and disorder. Something must have been going on because a people of over 70,000,000 could not be converted overnight by the destruction of a comparatively small city after larger cities had been destroyed without affecting their spirit.

It is because I believe that a future successful building of Japan depends upon an appreciation of the ideals which will go into that building that I am going to attempt to point out that which can be accomplished by reference to that which has already been accomplished. And if the same spirit can control the future as it got control of the hearts and minds of the Japanese people in the past, we can build hopefully; and, under our tutelage, Japan can become a leader of Asia in developing national solidarities and peaceful international activities to such an extent that the rebirth of new Japan will affect the lives of the millions and millions of other peoples in Asia.

When I say that, I do not in any sense condone one single act which the Japanese Government did in bringing about war with America. I have, time and time again in talking to the Japanese, repeated one theme, and that was that the government led by Matsuoka and Tojo had actually become apostate, that these leaders turned their backs upon the fundamentals of their greatest leaders, and that the acceptance of their theories would lead to Japan's utter destruction.

You will remember that after Pearl Harbor the Japanese Government instituted a monthly celebration in honor of the Pearl Harbor victory. The idea of apostate leadership struck me so forcibly that I wrote one or two magazine articles and developed the first of what became my messages to the Japanese people. I pointed out in December 1941 that never in the world's history had a nation of 70,000,000 people deliberately moved to its own destruction to the extent that I

called it national suicide. I was, of course, an American and Pearl Harbor outraged me even, I think, more than anyone else because it seemed proof positive that wicked forces in Japan had completely gotten control of the finer thinking of the great men I used to know. I was so convinced that the destruction of Japan was certain that I started my appeals directly to the Japanese people. The OWI institutionalized me and my messages were sent regularly up until January 1, 1946. All the time I stressed one theme, an appeal to the Japanese people to overthrow their false leaders and to return to the teachings of Meiji Tenno and his associates.

As time moved on we were thus in a strong position of being able to explain what was meant by unconditional surrender and ultimately were able to unite the Japanese people in the thought that it was not necessarily the aim of America to destroy their basic institutions. We repeated that surrender with honor was attainable if it were lived up to in honor, and thus came the unheard of surrender and almost universal respect for what the Emperor had done.

The convincing of our own people of the necessity of avoiding anarchy in Japan was not an easy task. I call to mind now one radio program I was on in which the great man with whom I carried on the discussion maintained that anarchy in Japan would be welcomed. Calculate if you can the loss of life to our boys and the millions more of destruction that we would have had to have fought through if we had not gotten the type of surrender we did. Now my point is that that surrender had to be organized and was not an impulsive thing resulting from the destruction of Hiroshima and part of Nagasaki. If the Japanese leaders had succeeded in convincing their people that Japan should fight as the last machine gunner fought at Iwo Jima or Okinawa to utter destruction, who can figure how long it would have taken our soldier boys to have burned and blasted out of China and other places of Asia all of the Japanese who were there.

All during the war, both in our own country and in Japan, not much was publicly said and not much was quoted that went out in our psychological warfare. But if what was said had not been very effective, why was so much attention paid in replying? If the Japanese people did not hear what the OWI sent out under the name of Senator THOMAS, why did the Japanese radio go to the trouble to try to belittle and abuse all that Senator THOMAS stood for? At any rate, the results did come out as I maintained from the very beginning were possible. My and the OWI's 5-years' work may be completely marked off as having been useless, but the results remain. I have stressed this point because I believe that the future success of American and Japanese cooperation in bringing stability to Asia depends entirely upon our being able to appreciate common viewpoints from which we can operate and through which there will be joint agreement. The surrender is proof that it can be done.

In the messages to Japan, I took the stand that modern Japan was at her very best in thought and in action during the days of the Meiji era when such men as Admiral Togo and General Nogi were the instructors of the present Emperor. I knew both Togo and Nogi. I knew their lives and I knew their ideals, and I knew what the present Emperor had been taught as a boy. I knew also Admiral Nomora. He, too, had become an instructor of the princes in the peers school. I knew his philosophy about the world and what the result would be if Japan and America should fight. I knew that the present Emperor and his little brother, Prince Chichibu, had both been taught that friendship with America was of prime importance for the success of Japan and that if Japan went to war it would end with the destruction of the Japanese prestige in the world. It was because of this knowledge that I had such faith in the effectiveness of the two messages which some of us urged President Roosevelt to send directly to the Emperor before Pearl Harbor. I knew these boys could never forget these teachings. To an extent, therefore, I knew that my appeal to the Japanese people would also bear fruit if any of my words got to the Emperor. I know now that they did. Have we not in the basic teachings of the necessity of friendship with America, which was drilled into the mind of the present Emperor as a child, a key to the position of the future Japan in the world? Is there throughout all of Asia another nation with the educational system which, when properly cleansed of propaganda, can unite a people as Japan was united for evil? Can this not be turned to good purposes with lasting effect if the good purposes are based upon truth?

That Japan can achieve national solidarity we all know and admit. That she has been a good and constructive member of the community of nations in the past we also know. To anyone who wishes to understand the schemes of national planning which Russia, Germany, and Italy later followed, he should study the antecedents of those schemes tried in the development of Japanese nationalism from 1868 down to 1900. Thus we have a people who have been schooled and who can be united to deal with; a people, too, who have been united at times for good quite as much as they have been for ill. When one realizes the whole history of the development of nationalism all over the world, one is not surprised that a people such as the Japanese, who consciously were imitating others, did at times take more seriously the written word and what was being done in the world than a people who were not conscious of imitating. Give the Japanese people and Japanese nationalism an honest psychoanalysis and that which has occurred in their land can be explained on the basis of what had occurred in other lands. Japan's acceptance of the Axis theory of Mussolini and Hitler makes the strutting of Matsuoka today seem the comic opera stuff it was. But Japan's leaders, like Matsuoka, were not the only people in the world, although they acted the part more ridiculously, who fell for the strutting.

Look at the Japanese soldiers' record in the Boxer War. Note the respect which Nogi and Togo both had for noncombatants in the Russian-Japanese War, where General Nogi, during the battle of Port Arthur, sacrificed brigade after brigade rather than let his fire reach defenseless persons, women and children and noncombatants. Then read an Italian writer's thesis written after the First World War in defense of horrible warfare and translate that into Japanese and have it accepted literally by a people who were admittedly following, what we know today, were false leaders and you have an explanation of the Japanese change of character and what took place at Nanking and other atrocity centers. The philosophy of warfare took a terrific change after the last war. Writers began putting forth the ideas of horrible warfare, and the more horrible the more quickly it was to be over. The sad part about that attitude is that when people get an idea from someone else and not from their own experience and translate that idea into their own language and into their own way of behaving, horrible warfare becomes beastly warfare, and there is much of the last war that has to be characterized as low-down, beastly warfare. Thus we see that the seeds which matured in the destruction of Pearl Harbor had their beginnings in the Western Hemisphere.

Japan is a nation that definitely wants to be led in world affairs. She needs the association of an honest mind and teacher. The Japanese people have never once lost the student attitude. I do not mean by that that the nation and culture of Japan is devoid of much that is their own, because they are not. But I do want to leave with you the thought that every act of Japan since the arrival of Admiral Perry and the decision of the Japanese leaders to take upon themselves Western ways has been an act of following and not of leadership. As long as Japan had the leadership of Great Britain under the Anglo-Japanese alliance she had a constructive leadership. I am not advocating an American-Japanese alliance, but the war has put us in a position of either being good neighbors, of assuming the teacher-student attitude, or of completely withdrawing and allowing friendships to be sought in less helpful centers, as they were when Japan looked to Italy and Germany as friends and broke with their former allies, the British, and her association with us.

Now, if there is to be the student-teacher position plus good neighborliness, because the good-neighbor policy must work east and west as well as north and south, we have an obligation to perform. If we will do our part there is no doubt in my mind but that Japan will do hers.

It is important that we have clearly in mind what it is that the United States proposes to accomplish in Japan. Our objectives are not secret. They have been stated clearly and firmly many times. They are objectives that are entirely in harmony with the purposes of the United Nations. They were endorsed by all the major Allies at Potsdam. What we desire is the full demilitarization of Japan and the removal of obstacles which thwart democratic activities in Japanese society. At the same time we will allow the Japanese people every opportunity to resume a peaceful and respectable place in the world.

I said before that the primary responsibility for the success or failure of the Allied objectives rested with the United States—that the future of Japan would be determined largely by our actions. There is, however, also a clear limitation on our responsibility. We cannot create democracy in Japan, for democracy, as General MacArthur has said and we all know, "is a thing largely of the spirit." General Marshall, echoing the ideals of Lee, which he undoubtedly planted in his heart as a youth at the Virginia Military Institute, has defined it in a way that Jefferson would applaud and at the same time realize that his teachings were as much a part of American leadership today as he hoped they would be when he wrote that he and Adams would yet look down from heaven with joy at the fulfillment of this great dream. Marshall's words should be taught to every school boy and girl in America, should be translated and made part of the education of each youth in Japan. These are his words:

"I realize that the word 'democracy' is given many interpretations. To the American Government and citizens it has a basic meaning. We believe that human beings have certain inalienable rights—that is, rights which may not be given or taken away.

"They include the right of every individual to develop his mind and his soul in the ways of his own choice, free of fear and coercion—provided only that he does not interfere with the rights of others. To us a society is not democratic if men who respect the rights of their fellowmen are not free to express their own beliefs and convictions without fear that they may be snatched away from their home and family. To us a society is not free if law-abiding citizens live in fear of being denied the right to work or deprived of life, liberty, and the pursuit of happiness."

Surely I will be excused for a moment's diversion to say what I have said so many times that the outstanding characteristic in our world leadership in the World War is that our great generals and admirals are statesmen first and military geniuses second. If this is not a complete proof of the American

ideal of citizen soldiery, I do not know what else it may be. An almost day-to-day association with our Secretaries of War and the Navy during the war period gave me a renewed appreciation of the basic idealism which underlay their acts.

Democracy is a way of life a long time in the building. Our legitimate objective and the most we can hope to accomplish is to establish and permit to grow in Japan those conditions under which democracy can flourish. At the same time, we must remain on guard against a revival of forces which, just a short time ago, were calling for a "hundred years war" against us and crashing planes in mad suicidal dives on our naval vessels. Let us make no mistake; militarism in Japan is not a mere surface phenomenon involving a few generals and admirals. It is more a manifestation of imitation of evils found in the West and the tragedy which befalls a people who cast off decent ideals to follow apostate leadership.

The work of the occupation has fallen into three main categories: Demilitarization, political and social reorientation, and economic reconstruction. In considering each of these it is important to remember that the actual task of administering the policies has rested largely with the Japanese Government, operating under the authority and supervision of the supreme commander for the allied powers.

The most tangible result is seen in the demobilization of Japanese military power. Within a very short time after the surrender, forces in the homeland were completely disbanded and armaments production was brought to a halt. When the Japanese had completed these assignments, they were ordered to dissolve their war and naval ministries. Then came the return of the pioneers of Japanese expansion—the 6,600,000 civilians and soldiers scattered in outposts throughout the Pacific and in Asia. This tremendous job of repatriation was completed by the end of 1946 except for large numbers of Japanese prisoners still held by the Russians. Still another phase of demilitarization has been the war crimes trials. These have been conducted with justice. In addition to the major criminals still undergoing trial in Tokyo, scores of other Japanese have been made to answer for the flagrant atrocities they committed against the helpless during the war. These trials receive full publicity in Japan so that the ordinary people may know to what depths of wickedness their military descended.

Of course, the complete destruction of Japan's current ability to wage war is not in itself perpetual insurance against a revival of military power. In the long run the prevention of militarism must depend upon the further growth of the democratic idea among the Japanese people. It is at this point in allied policy that the problem of demilitarization merges with the larger questions of political and social reorientation and economic reconstruction.

What we should attempt in these fields is the establishment of an environment in Japan which will predispose the people of that country to a peaceful revolution of tremendous consequence. We should introduce in a few years the nonmaterial aspects of hundreds of years of western culture—the fruits of the Renaissance, political liberalism, Christian humanism—in short, all those ideals and spiritual values which have tempered the material advance of the west. But, in addition to that, the oldest of all Chinese learned culture, based as it was upon a deep and appreciative study of the Chinese classics, should be revitalized and brought to life under the auspices of teachers who have accepted the theory of the dignity of the individual and the notion of the processes of government which spring from an acceptance of the principle of inherent right in the individual and above all the great principle that governments are instituted not for their own perpetuation nor their own good, but for the people they represent.

To bring about the desired reorientation of Japanese society, every phase of Japanese life must be affected. The initial targets already aimed at are the feudal components of the social structure and elements in public life which had championed totalitarianism. These impediments to freedom had to be uprooted and swept into obscurity before any constructive measures could be undertaken. Therefore, thousands of persons in government, business, education, and public information were screened. Scores of Japanese with militaristic leaning have already been excluded from public life. Furthermore, the thought-control police—the dreaded Kempei-tai—have been abolished, and the fanatic patriotic societies, such as the Black Dragon, have been dissolved.

State Shintoism, chief perpetrator of the imperial divinity concept, has been abolished. This is not the great revolution which many writers have stressed. The Shinto religion, even in my day, was a religion without a theology, without a hierarchy, and even without a system of morals, excepting for the influence which those priests who did read and who understood the Chinese classics might have accepted. Ancestor worship alone had little state significance until it was pointed out to the Japanese by westerners that it was not necessary for the whole nation to become Christian, as was the plan, in order that nationalism might properly be accepted, since, thoughtlessly, it had been pointed out that nationalism, as a state ideal, had developed only in Christian countries. The scheme was for the Crown Prince to become a Christian and that when he succeeded to the emperorship the transition would be easy.

At this time it was pointed out that, if Shinto were made to stand for the concept of the divine right of kings, as evolved in the West, Shintoism could become a state religion and made into a political concept to develop the theory of national patriotism. The Mikado cult has ceased to operate in the realm of mysticism. The Emperor, Hirohito, has been humanized and placed both constitutionally and in practice on a level comparable with that of King George of England. In my day the Mikado cult, as a political necessity, had not become so universally accepted that those few teachers, who talked about the development of the Japanese Constitution and compared the Emperor's political position to that of the King of England, were interfered with. I remember one debate in Parliament where this was openly one and, while the member of Parliament was chided because he was reminded of the fact that the constitution carried the provision of the inviolability of the Emperor, it did not seem then archtreason to discuss the point.

While the effect of these preliminaries were spreading through Japan, the Japanese Government was pushed into a series of actions designed to establish a basis for genuine democracy. Restrictions on political, civil, and religious liberty came to an end and thousands of political prisoners—potential leaders of a new Japan—were released. The notoriously brutal Japanese police received a reschooling in practices of common decency and courtesy. New textbooks in geography, history, and morals cast Japan in an entirely different light for the pupils of the elementary and secondary schools.

The press, the radio, and the screen all experienced a new freedom. They ceased to be the mouthpiece of officialdom and their liberty was limited only for the interest of Allied objectives.

One of the most far-reaching changes concerned the women of Japan whose position in society had long been backward. They were granted legal equality. This change cannot be marked off as a purely theoretical one as some critics have sought to do. That the women will exercise their new rights is indicated by the first election after the establishment of the occupation. They constituted 67 percent of all voters. They elected 38 of their sex to the house of representatives. One of my own students, who wrote his masters' thesis in the middle twenties on the subject the Introduction of Women's Suffrage in Japan, became one of the leaders in this movement.

My point in mentioning this is to show that there are thousands in great movements in Japan who are prepared to assume leadership in many fields in bringing about Japan's great social and political changes. The University of Michigan is well represented in these fields.

The trends toward political, economic, and social democracy set in motion by General MacArthur's directives culminated in the new constitution promulgated on November 3, 1946. Much ill-informed criticism has been directed at this constitution. There are those who say that the document is alien to the Japanese character, that in allowing it to be promulgated General MacArthur has provided the shell of democracy without the substance. The fact remains, however, that the document is one of the most democratic fundamental laws ever devised. It conforms in every respect to the most advance concepts of the political, economic, and social responsibilities of government. That it is un-Japanese does not destroy its basic purpose. Almost everything that we attempt in Japan at this time might be labeled un-Japanese since we are attempting to reform and redirect Japanism, not to preserve it intact. MacArthur, himself, has clearly stated that the constitution, however liberal, does not of itself create democracy. However, what it does do, is to provide the legal structure within which democracy can develop. That is all that any constitution could do. That is all that we intend to do. The process of giving substance to a fundamental social concept is something which can be undertaken only by the people who live under it. The task is a timeless one and we shall not know soon with what degree of success the Japanese will discharge it. Knowing the Japanese and knowing that the seeds of democratic thought are already there, I am convinced that democracy has taken genuine root in Japan and that it will endure. All are impressed by the recent Japanese elections. A preponderance of moderate candidates was elected, and the national government is now headed by a Socialist, who is a Christian, Tetsu Katayama, whose views follow those of the British labor party. His cabinet is of a coalition type and it contains a considerable conservative element.

The political and social progress of Japan during the 2 years of the occupation has been very impressive. In the long run, however, it is likely that the final test of our policies will take place in the economic field. If we fail there, democracy will not stand in Japan. Let us not forget that the advance of totalitarianism in Europe was built largely on the promise to end the economic chaos into which the various nations had fallen.

The great family trusts—the so-called Zaibatsu—have been dissolved and large landholdings have been divided. Responsible trade unions have been encouraged. The motive behind these measures is to break up excessive concentration of wealth in impoverished Japan and to diversify economic power and responsibility.

There are some problems of the Japanese economy that are beyond the control of the Japanese themselves. Consider for a moment that the arable land in Japan now available to feed a population of between seventy and eighty million people is equal to slightly more than one-half the farm acreage of the State of Illinois. We have got to face the fact that Japan does not and cannot produce sufficient food. The prospects for any significant increase in agricultural production in the foreseeable future are exceedingly remote. As a matter of fact, in

the absence of large imports of fertilizers there is more likely to be a drop in output. Then remember that Japan's major cities were destroyed. Familiar as the Japanese are to overnight destruction, such as the Tokyo earthquake and fire of '23, the Osaka and Aomori fires, and the volcanic eruptions, yet the destruction of her cities on a scale greater and more extensive than the destruction in any country in Europe makes it too much for us to expect them not to have greater economic consequences.

It is clear that Japan's sole hope of maintaining even a tolerable standard of living depends upon the redevelopment of peaceful foreign trade. Until this can be done, the United States must advance essential food supplies. It is hardly necessary to stress that if widespread starvation takes place in Japan, not only would our democratic objectives be defeated, but the security of the occupation itself would be placed in costly jeopardy. The Japanese authorities have been prodded into developing the most equitable distribution of food supplies. Beyond this the responsibility rests with the people of the United States and with their Congress to make available basic assistance until economic recovery reaches the point where Japan is once again self-sustaining.

At present three factors hamper Japan's recovery: The economic break-down and exhaustion within Japan; the failure of the Allies to settle finally the reparations problem; and the barriers to free Japanese trade in the world markets. In each of these instances, only initial corrective measures have been taken.

Regardless of what the Japanese themselves do, however, we must recognize that ultimately the tempo of Japanese recovery is intricately related to Allied policy on the question of reparations and foreign trade. The principle of compensating the victims of Japanese aggression with a part of Japan's productive capacity is recognized by all the Allied powers. But it is imperative that the Japanese be advised as quickly as possible on the precise terms of the reparations settlement. Until this is done they cannot go forward with their recovery plans. In the case of foreign trade, the Japanese will be permitted some private trading after August 15. But this is only a partial solution. Japan must be able to purchase essential nonstrategic raw materials freely abroad, and to sell finished products in the world markets. This may run counter to the views of some selfish interest in the Allied nations, but the alternatives are a continuous drain upon the taxpayers of the United States or mass starvation in Japan. These are the inescapable realities of the situation.

But regardless of the distress caused by bad economic conditions, Japan must be guided from that most fatal of all premises—that to feed the people must come first, social and political reforms after. That is the fallacy to which Italy has sunk with such fatal results to the good, well-being of that great people. My plea is that political, social, and economic upbuilding go hand in hand, for they are related.

The destruction of Japan was so complete, her defeat so colossal, and her governmental changes so revolutionary that there is no other way out for Japan, excepting to attempt to be a good student and a good neighbor. Common sense, therefore, is the only guide which Japan need follow. But pure common sense will not see us through in our end of what must be a bargain. We have got to appreciate our student. No teacher is successful if he has no sympathy for, appreciation and comprehension of his student. To know Japan, therefore, to understand her basic ideals, to appreciate both the good and the bad of her characteristics becomes our prime essential. We must cease to be satisfied with following a policy of rather ill-trained unsympathetic experts.

Economically Japan has always been dependent upon our trade; more than ever that will be the case. The invention of nylon and its universal acceptance by the ladies of the world may bring an economic repercussion upon the Japanese silk industry from which it cannot recover. Nylon and war have both got to be overcome. But Japan's success economically is more certain than it has ever been if she can remain free from the destructive burdens of a terrible taxation which was necessary to maintain her unnatural armaments. Thus Japan economically faces the new world with skill, abundance of labor, organizational ability, a knowledge of knowing how to work together, and a craftsmanship unexcelled. Given these factors plus a halfway decent market she will succeed. That she will have that market depends upon us. We will have to do some adjusting there. Japan's skill in meeting the demands of consumers in almost any line was, you remember, so much a factor before the war that those who judged war entirely on the basis of economic competition felt that she and her selling abilities must be destroyed. Thus if we become her sponsor and her economic ally in raising her own standard of living and help her to get her goods into the markets of the world she will become a profitable ally, not only to us but to the whole world.

Socially Japan must of necessity work for the raising of standards in the rest of Asia or she, like ourselves, will be overcome by lower standards, if the thesis that poverty anywhere affects the living standards everywhere is true. If we have learned so well that war anywhere is the concern of all everywhere, then Japan can join enthusiastically with us in attempting to arrange her economy so that her standards may contribute to the betterment of the standards throughout the world.

The Japanese money system is, of course, completely destroyed. But we have there a people who have been used to a stable currency and that can be assured them again by association with us. Her yen should be pinned to our dollar.

Politically we need not fear a return to any philosophy at all which is distasteful to our American democratic ideals if we will but give the Japanese people a chance again to read and study about Washington and Lincoln and such other American leaders as every Japanese schoolboy studied during the development of the Japanese school system. The war was carried on by leaders who were as false to the Japanese traditions as they were accepted by the majority of the Japanese people a generation and a half ago, as they were false to world thought. Japan can again be brought into the sisterhood of nations with the Rising Sun as a token of a restoration of an old aspiring, an old striving, crushed by the rise in the world of a false doctrine of the notion of a single will in a state under the leadership of dishonest, ill-trained, overambitious Hitlers, Mussolinis, Matsuokas, and Tojos.

Under the old theory, the Emperor owned all of the land and all of the people and was father of all. These concepts are taken from the theories put into the Chinese characters. The people in a paternal sense were never forgotten. They had no rights, but they needed no rights because the Emperor was all benevolent. That was theory. We have today in Japan a constitution based upon our own American notion that governments exist for the benefit of the people, that governments themselves have no rights but that the rights belong to the people, that the property is the property of the people and the governments only use the property for the people's benefit and for public use. The Emperor in this picture is a guardian, therefore, of the people's property and the people's well-being. That, too, is theory. It is the key to American-Japanese cooperation. Leadership in Japan, no doubt, will come from the people inspired by these ideals and the Emperor will be an interpreter of the people's aspirations. Think that through as you consider the whole of Asia and see if it is an exaggeration to say that the making of new Asia will undoubtedly come under Japanese leadership. The culmination of the American revolution is not yet complete, but it is surely on the way.

This is what I said in 1943: "The after-war world will be a world with the center of interest shifted away from the Western Hemisphere to the east. Asia, like Europe, is allied with distant powers and divided within. Yet, the preponderance of Asiatic populations will throw the center of gravity to the Eastern Hemisphere. Since the beginning of time, Asia has been a world problem. Now it is the world problem. The conflicts in which the four major Allies—Russia, China, the United States, and Great Britain—are fighting are Asiatic conflicts. But long after Asia will have ceased to be a theater of military operations it will be predominant; for the three greatest social, political, and economic revolutions—the Chinese, the Indian, and the Russian—are essentially Asiatic.

"Our fundamental concepts of democracy and our religious and political recognition of the dignity of the individual and his inherent rights are necessary to the solving not only of Europe's problems but also of Asia's. Our belief in the rights of revolution gives us confidence in the face of change. With faith, then, in our idealism, the world will go forward as it follows American leadership."

If my prediction is true, the place for Japan in the fulfillment of the prophecy is plainly seen when we catch the spirit of her new constitution. Our whole success depends upon our being able to keep the thought of the leadership in Japan in harmony with what we said in our psychological warfare and to build the future Japan upon what we told the Japanese was their own ideals as taught them during the best part of the Meiji era.

Racial Relationships

EXTENSION OF REMARKS

OF

HON. CLYDE R. HOEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. HOEY. Mr. President, I ask unanimous consent to have inserted in the Appendix to the RECORD an editorial entitled "Remedy Worse Than Disease," which appeared in the Raleigh News and Observer under date of November 2, 1947. This editorial was written by Hon. Josephus Daniels, who was Secretary of the Navy for 8 years during President Woodrow Wilson's administration, and who completed 8 years of service as Ambassador to Mexico in 1941.

Mr. Daniels has been active in promoting good race relationship throughout his long and eventful public career, and in this editorial he discusses calmly and dispassionately the report of the Civil Rights Committee.

I also ask unanimous consent that another editorial, entitled "Aycock Chartered the Way," from the same newspaper, be inserted immediately following the first editorial.

Gov. Charles B. Aycock led the educational movement in North Carolina

in the beginning of this century, and it has resulted in providing a splendid system of public schools in our State, in which the white and Negro teachers receive the same compensation when holding the same certificates and having the same number of years' experience. The viewpoint expressed in this address by Governor Aycock in 1901, while he was Governor of the State, is the basis upon which our State has proceeded, and is the only basis upon which peaceful and harmonious relationship can be maintained throughout the South and the Nation.

The report of the Civil Rights Committee betrays a woeful lack of understanding of the real conditions which exist in this country. Some of its recommendations are good, but others fail utterly in offering any solution of the race problem. To adopt the views of this committee throughout would result in chaos, rather than in orderly and peaceful conditions, and would hinder the great progress which is now being made in a fair and just determination of the race problem to the good of all concerned.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Raleigh (N. C.) News and Observer of November 2, 1947]

REMEDY WORSE THAN DISEASE

In November, 1946, President Truman appointed a committee, with Charles E. Wilson as chairman, known as the President's Committee on Civil Rights. The service expected of this committee was thus stated in the official statement from the White House:

"The committee is authorized on behalf of the President to inquire into and to determine whether and in what respect current law-enforcement measures and the authority and means possessed by Federal, State, and local governments may be strengthened and improved to safeguard the civil rights of the people."

Last week the committee made public its report in a 178 page pamphlet. A digest of this report appeared in Thursday's News and Observer and other papers. A careful reading of the exhaustive report, accompanied by charts, discloses that substantially the recommendations of the committee may be summed up in these 14 points:

1. That the 48 sovereign States should be abolished or reduced to the status of the type of provinces, most civil rights questions to be administered by Federal appointive boards with powers equal to those of the State or the judiciary.

2. That no individual or firm be permitted to give employment to any person unless approved by a board with the power to kill or make alive under a so-called Fair Employment Practices Act.

3. That majorities have no rights equal to those of minorities.

4. That whereas in State enforcement of law as to civil rights there are so many miscarriages of justice that this function of government as to minorities be transferred to Washington.

5. That there shall be no segregation in schools, colleges, churches or elsewhere.

6. That suffrage and election laws be exclusively enacted and enforced by the Federal Government unless the States agree to be the puppets of legislation giving sovereign power to boards or commissions appointed by the Federal Government.

7. That no funds from the Federal Treasury, collected from all the States, can be employed for education, health, or the public welfare in any State where segregation is practiced in schools or hospitals and aid to the poor or in transportation.

8. That a Federal board shall enforce compliance with the policies of nondiscrimination and a permanent commission to insure civil rights and make the FBI a sort of gestapo.

9. That Federal control of housing and renting be adopted.

10. That in the armed forces all races shall bivouac together and end all segregation.

11. That the requirements for voting be prescribed by the Federal Government beginning with a congressional act to forbid poll-tax payment as a voting prerequisite.

12. That Congress enact an antilynch law.

13. That steps be taken to have a rehearing and change of the decisions of the Supreme Court on civil rights cases in 1883 and the substitution of the dissenting opinion of Justice Harlan.

14. That the decisions of the Supreme Court, beginning with its decision in *Plessy v. Ferguson*, in 1896, which held that segregation was not discriminatory be overturned.

In long and elaborate arguments and citation of history, the committee seeks to justify these 14 radical steps that would make of the Federal Government the sort of government that Alexander Hamilton desired, minus the king he preferred, to the sort of government Washington, Jefferson, and Madison set up—one that has been an indissoluble Federal Government with fixed and limited power, with sovereign indestructible States functioning in all fields not assigned to the central government.

The committee has gone far afield from the instructions given by President Truman in creating the committee, and discussed what should be done with reference to communism and other issues that are not directly related to civil rights.

The long report contains little or no reference to the duties imposed on the State or local governments or the many conspicuous actions of officials in the Southern States to uphold all the laws and secure the civil and other rights of Negroes in the South. But there runs like a thread through the entire voluminous report an emphasis and denunciation of the cases where the States have failed in their duties. Stress is laid on failures in certain Southern States to punish men guilty of lynchings. The report of condemnation of these failures is not more severe than were contained in the press and by officials in those States stained by the failure to convict lynchers. While magnifying and denouncing—and properly—lynching there is no word of condemnation of those guilty of the rapes for which the crime has most frequently been resorted to, or the indignation felt by most southern people who are portrayed as guilty of prejudice against the Negro. A Russian reading the horrible recital of lynchings—and condemnation cannot be too severe—would feel justified in the slanderous statements some of their spokesmen have broadcast about American wrongs to minority groups. The report does not indicate that this most heinous crime that shamed the States where they occurred have greatly decreased and that public opinion in the South is as strong in condemnation of lynching as the members of this committee. They write as if the crime would cease instanter if the Federal Government had sole authority.

The authors of this report seem to be obsessed by the need of turning over the protection of civil rights to Federal boards and commissions and other officials. The history of the enforcement of laws by the Federal authorities does not justify the belief that they are sacrosanct and there would be no miscarriages of justice by turning over all prosecution to Federal officials. They are human and their record of convicting violators of the law does not justify such supreme faith that all would be well if they were given the exclusive power proposed by the report. To be sure, it is nowhere said in words that States are to be relegated to the scrap heap and the Federal officials given exclusive power, but there is no escape from that conclusion after reading the various indictments and recommendations.

The worst lawbreakers in America today are the magnates who head the trusts which violate the antitrust law. It is the duty of the Federal Government to protect the despoiled people by enforcing that law. They have plenty of lawyers and plenty of money, but what is the record of conviction and punishment? Not only have violators of the law not been jailed but there have been few convictions and in these cases the penalties have been little more than a slap on the wrist. With that record, and the failure to convict the profiteers who robbed Uncle Sam in war contracts, who can believe that all would be well by turning over the civil rights prosecution to the Federal authorities—particularly since the commitee recommends permanent boards—"all boards," said Woodrow Wilson, "are long, wooden, and narrow."

There is much in the report of injustices that should be righted. Injustice to any man—particularly the weak—is a disgrace and stigma on our country. Denial of the right to vote for nonpayment of poll tax is indefensible, but that has been ended in most States and is on the way out. Lack of equal educational facilities is indefensible, even though in the South any lack is being remedied. The authors recognize the situation in the South with a larger number of children than in other parts of the country and they state that Mississippi spends 3.41 percent of its income for education while New York only spends 2.61 percent. Even so, "this means $400 per classroom unit in Mississippi and $4,100 in New York. Negro and white school children, both suffer because of the South's basic inability to match the level of educational opportunity provided in other sections of the Nation."

After that fair statement, what does the committee suggest? A majority advocate denying any Federal aid sorely needed in the South unless the Southern States are compelled to send white and Negro children to the same school—a proposal which the members know is equivalent to a denial of needed assistance for the children of both races. The report states that all the members did not concur in advocating the Big Stick of saying to the South: "End segregation or we will urge starving your schools." No man who understands the situation, and would have better schools for both races, would advocate the policy recommended by a majority of the committee. The report should have printed the names of the members who did not favor giving aid to schools in States whose constitutions compel separate schools for the races.

The proposal to deny Federal funds for education if there is segregation in the schools is equivalent to making an offer with one hand and denying it with the other. If in the Southern States, where there is a large Negro population, the tender of Federal aid for schools is accompanied by a demand for mixed schools, every man who knows southern sentiment knows the tender of the money thus conditioned would not be accepted. The proposal is a "promise to the ear" to be "broken to the hope."

The people of the South are aware of their shortcomings. They have not always done as well by the Negro as they should, but that is not sectional. There has been no worse race riot in the country than in Detroit, but, though southern failures and wrongs are paramounted there is no allusion to such scenes as occurred in Detroit or to the segre-

nation of the Negro in Harlem and lack of welcoming him above the Potomac.

There is no reason to doubt the good intentions of the members of the committee, but portions of the report breathe ignorance of and prejudice against the South. It is alleged that the South has race prejudices and that its segregation laws are proof of prejudice. The South is no more free from it—maybe not so much so—as the people in New York who segregate the Negroes in Harlem and wouldn't let a Negro family live on Fifth Avenue or enter Groton or its other like schools. Prejudice, injustice, lack of consideration for the Negroes who have come far from slavery is indefensible. They should be treated with justice, paid well for good work, afforded educational advantages, given fair trials in courts, guaranteed the right to vote when they possess the required qualifications, and given friendship and help. Most folks in the South give these things more and more. The Negroes in the South are advancing, owning more homes and getting better wages as they are in other parts of the country. These better conditions, with good will and friendship, should grow and be reciprocal. They cannot be advanced by such exaggerated and prejudiced statements as abound in this report or by turning over all protection of rights to a Federal bureaucracy.

With no doubt of the good intentions of the members of the committee and approval of the good portions and the information the report contains, the carrying out of the recommendations would not abate any of the situations which the members wish to act upon. It might aggravate them.

The remedy proposed would prove worse than the disease, a disease that needs healing rather than the proposed surgeon's knife. It is not certain that a well-meaning committee has not dug up more snakes than can be killed.

[From the Raleigh (N. C.) News and Observer of November 4, 1947]

AYCOCK CHARTED THE WAY

In declining to agree with the report of President Truman's Committee on Civil Rights as to the end of segregation as practiced in the South, the people of this and other Southern States are actuated by no feeling that militates against opening doors to education and advancement of the Negro than those misguided friends who, while segregating him in the North, demand that the South shall depart from separate schools and separate churches and separation in public assemblies.

The South today is guided by the wise counsel of Gov. Charles B. Aycock as set forth in 1901 in an address to the Negroes of North Carolina at the Negro State Fair in Raleigh. Governor Aycock said:

"What you wish, what you need, more than recognition by the President or other people in authority, is the establishment among yourselves of a society founded upon culture, intelligence, and virtue, and in no wise dependent upon those of a different race. * * *

No thoughtful, conservative, and upright southerner has for your race aught but the kindest feelings, and we are all willing and anxious to see you grow into the highest citizenship of which you are capable, and we are willing to give our energies and best thought to aid you in the great work necessary to make you what you are capable of, and to assist you in that elevation of character and of virtue which tends to the strengthening of the State. But to do this it is absolutely necessary that each race should remain distinct, and have a society of its own. Inside of your own race you can grow as large and broad and high as God permits, with the aid, sympathy, and the encouragement of your white neighbors. If you can equal the white race in achievement, in scholarship, in literature, in art, in industry, in commerce, you will find no generous-minded white man who will stand in your way; but all of them in the South will insist that you shall accomplish this high end without social intermingling. And this is well for you; it is well for us; it is necessary for the peace of our section; it is essential to the education of your children that you shall accomplish this high end upon this point."

Nobody has compressed so much wisdom into a statement that should govern the course of members of both races as is found in the address of Governor Aycock to the Negroes of this State. It is to be regretted that the members of the President's Civil Rights Committee did not have access to this address so they could have incorporated it with approval in their report.

The Impact of the Marshall Plan

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. O'MAHONEY. Mr. President, the Cosmos Club of Washington, D. C., an organization of distinguished scientific and professional men, celebrated its sixty-ninth birthday anniversary on the evening of November 17, when it was my privilege to have the opportunity of speaking on the impact of the Marshall plan. I ask unanimous consent that the text of my remarks may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE IMPACT OF THE MARSHALL PLAN

Once again the people of the United States must come to grips with destiny, while peace and progress under freedom hang in the balance. Until the First World War was fought, our decisions directly affected only those who lived within the borders of our own country. Now our decisions affect not only ourselves, but the people of the whole world.

We cannot separate ourselves in this hour of decision from the rest of mankind. It must be understood why this is so before any intelligent judgment can be reached upon either the necessity or the impact of the Marshall plan.

SCIENCE HAS DESTROYED ISOLATION

Let me begin, therefore, by asserting that we ourselves by our own achievements have destroyed the isolation which once was the protection of the United States from the errors and tyrannies of other lands. By the use which we have made of our own freedom, by the manner in which we have released the individual energies of the millions who make up our population, we here in the United States have wrought most of the scientific advances which have almost abolished time and distance and which have made the world so small that no part of it is separated by more than a few hours from any other part.

Modern means of communication and transportation are essentially the achievements of the free people of the United States. In a very real sense we have made the world what it is today, and we cannot act as though the tremendous scientific and technological progress of the last 50 years is nonexistent.

UNPARALLELED DEVASTATION

This, however, is not the only sense in which we ourselves have been the authors of the problem we must solve. It is too easy to forget the contribution that we made to the world devastation that must now be repaired if freedom is to be preserved. Hitler prostituted science and technology to achieve a total war. To his side he drew other totalitarian powers who carried on the war with the deliberate purpose of destroying everything in their path so that subjugated peoples would become economically as well as politically dependent on the new arbitrary rulers of the world. When we were drawn into the war we finished the job of physical destruction. We laid low not only the productive facilities of the enemy nations, but the productive facilities likewise of those areas of friendly nations which were occupied by the enemy. By our military power we destroyed the physical capacity of the people of the devastated areas to support themselves.

More than that, we destroyed organized government, by which alone people can maintain order and create the conditions under which they may support themselves. Upon the conquered peoples we have imposed what is to them an alien military government. We knew from all the written history of man that government by force cannot successfully be imposed upon any people. Men were endowed with freedom by their Creator. No earthly power can take that freedom away. It is our task now to reverse the program of Hitler. We must repair the devastation of war in order that people everywhere may have liberty and may be dependent upon themselves both economically and politically.

The military victory which cost us the lives of 300,000 young men, and the broken bodies of hundreds of thousands of others who will never be restored to health, resulted in destruction such as was never before wrought on this earth. The science and technology which we, like our enemies, also used made World War II the most appalling conflict from which mankind ever suffered. The issue before us now is whether we can walk away from that destruction with any hope of realizing the objectives for which the war was fought—the objectives of human progress for which this Nation was founded.

RESTORE EUROPEAN CAPACITY OF SELF-SUPPORT

The Marshall plan is a proposal to help the people of Europe to restore the devastation of war and thereby make themselves once again self-supporting. The problem has three general aspects which cannot be separated one from another. It has a humanitarian aspect which appeals to Americans almost without exception. It also has an economic aspect and a political aspect, both of which are intimately related to the scientific and technological achievements which we utilized so successfully in fighting the war, and both of which are also intimately related to the ideals of human freedom, to attain which we waged the war.

If our contributions should be confined to the relief of human suffering, if we should neglect the obligation to help to reconstruct a world in which both the economic system and the political system shall be free, then our humanitarian doles will be wasted, and all the sacrifices of blood and treasure made during the fighting will have been fruitless.

There are those who have cynically referred to the Marshall plan as "operation rathole." I undertake to say that if those cynics should have their way, the crass term they have invented would have to be applied to the entire American effort in the fighting war, because nothing would then be saved from the ruin.

The task before us is no easy one. It involves great risks—risks of inflation and risks of great drafts upon the commodities essential to our own future. The alternative is so dreadful that we must assume the risk if we have any determination to perpetuate the American ideals of living which have been cherished on this continent from the beginning. Our choice now lies between going

backward toward weakness with the cynics who do not understand that America has become the greatest nation in the world with consequent opportunities and obligations, or going forward under the courageous leadership of those who still carry in their souls the vision of the future which illumined and inspired the leaders who founded and preserved this Government.

INACTION MEANS DESTRUCTION OF FREEDOM

Failure to reestablish a sound economy in the world by which people can be self-supporting means the destruction of these principles of free government to which this Nation has been always dedicated. The people of this country cannot hope to live in prosperous security in a world where the people of every other nation are living in misery or serfdom. History teaches us that dictatorships arise out of calamity. When men are incapable of supporting themselves, and when they are incapable of obtaining the instruments of self-defense by which to overcome the physical instruments which arbitrary power can use to suppress freedom, then they surrender the right to govern themselves, and totalitarianism ensues. If we allow totalitarianism to spread over the rest of the world for lack of intelligent and devoted loyalty to our own ideals of human freedom, we shall only be inviting attack.

It is, therefore, the part of wisdom for us courageously to adopt a policy of securing freedom for other peoples, not by resort to force but by contributing from our own resources to reestablish peaceful living in the devastated areas of the world. That is my interpretation of the purpose of the Marshall plan.

WHY GOVERNMENT MUST ACT

What then about its effect upon us? If it be asked why this Government should invest public funds in the reconstruction of Europe, or why the task should not be left to the people of Europe themselves, the answer once again is found in the scientific and technological nature of the modern world in which we live. The construction of the industrial plant by which we produced the supplies to fight the war was made possible only by public funds. Private capital did not and would not take the risk. Fully 80 percent of the entire cost of the facilities which were constructed here to produce the war supplies necessary for the conflict was contributed out of the National Treasury. What we sometimes fail to realize is that the instrumentalities and devices which are necessary in the modern world are of such magnitude and require such tremendous expenditure of capital that private risk capital is difficult if not impossible to obtain, and public funds must be utilized. Reconstruction of the areas and the production facilities destroyed in total war is likewise a task for Government rather than for private enterprise. So the restoration of a sound economy in Europe, requiring as it does investment of huge sums for which there is no private source, must necessarily be a Government activity. The preservation of a free economy requires that while recognizing this fact we recognize also the necessity of keeping always in mind the desirability of so organizing the program as to preserve individual economic opportunity.

MARSHALL PLAN INVOLVES COMMODITIES, NOT DOLLARS

And what about our capacity to make the Marshall plan effective?

First, let me say that we are not dealing so much in dollars as we are in commodities. We talk of dollars, and the 16 European governments which assembled in Paris talked of dollars, only because the dollar is the one currency of the world that has a value recognized everywhere. It has that value because we alone of all the nations which participated in the war have come through the conflict with our productive capacity unimpaired. Indeed, it has been expanded.

Let us consider food, the first essential of the Marshall plan, whether we look at it from its humanitarian, economic, or political point of view. The people of the United States were not badly off with respect to the consumption of food in the 5 years, 1935-39. Indeed, we were better off than most of the other people of the world. We were eating 125 pounds of meat per capita, more than 37 pounds of eggs, 340 pounds of milk, 235 pounds of fresh vegetables. With respect to all major food commodities, these prewar records have been exceeded in 1946 and 1947. This year we are consuming 123 percent of the meat we consumed in 1935-39, 127 percent of the eggs, 132 percent of the chickens, 119 percent of milk, 111 percent of fresh vegetables, 140 percent of corn products, and 153 percent of breakfast cereals. True, in 1947 the per capita civilian consumption of flour was 98 percent of the average for 1935-39, but the fact is clear that food consumption in the United States this year is running approximately 25 percent ahead of prewar food consumption, and we have been producing that food here at home from the largest acreage ever planted. Less than 10 percent of our food production last year was exported, and even that percentage was reached only because of the heavy exportations of wheat, which happens to be capable of the most efficient handling because it not only has a high caloric value, but is easy to ship.

RELIEF ALONE NOT SUFFICIENT

If now we should send food abroad only for humanitarian purposes, it is obvious that we would then be treating the symptoms and not the disease, with no prospect that the demand for food doles would come to an early end. The strain upon our own resources can be most effectively and speedily brought to an end by helping the Europeans to restore food production there. Obviously we shall be lessening the demand upon our own supplies of food if by our investment we enable the Europeans to obtain the tractors, the other farm machinery, and the fertilizer that will enable them to produce again their own supplies.

Although the United States has been and is now an importer of nitrogen fertilizer, and although our consumption is increasing, there is good reason to believe that we can expand our domestic production. Certainly we are well supplied with phosphate rock, and though we have been importing potash, our production and other estimated reserves are such as to make it certain that the Marshall plan offers no threat to our future on this score, particularly if we adopt a domestic policy designed to eliminate all possibility of private restrictive practices on the domestic production of fertilizer.

What is true of food is likewise true of other commodities that are in short supply. The domestic demand here at home for steel exceeds all previous experience, because we have had full employment since shortly after the termination of the war. And demand for all products has consequently increased, so that even though production has been expanded in most lines we have a relative shortage that operates to increase prices. In order to build a pipe line for oil from the lush fields of the Middle East to the shores of the Mediterranean, we have authorized the export of a large quantity of steel, which could be very well used here at home. That steel will contribute to increasing the European supply of petroleum, another shortage commodity in Europe. Surely it is clear that the restoration of steel production in Europe will operate to increase our own supply by the degree to which it cuts down the demand upon our exports.

PRODUCTION IN EUROPE ESSENTIAL

In the days before the war, Italy imported almost 60 percent of its coal supply from Germany, and American coal is being exported at the expense of the people of the United States to supply this Italian deficiency. How can we better cut down our expenditures for American coal shipped abroad than by restoring coal production in Germany and in England. France has not been self-sufficient so far as coal is concerned, and since fuel is the basis of all industry, anything that we can do now by realistic expenditures over and above the merely humanitarian level will operate to increase European supply, and, therefore, world supply of the commodities upon which economic restoration depends. To those who pretend to think that the people of Europe do not care to work, I should point out here that in France before the dollar crisis arose coal production was running at a rate of 115 percent of the production of 1938. Unfortunately, however, France before the war was not producing enough to supply its own needs. I might also add the observation of one of our most distinguished and able financiers and economists, Mr. Eugene Meyer, chairman of the board of the Washington Post, who, speaking to the District of Columbia Bankers' Association on October 20, last, on his conclusions reached during a recent visit to Europe, said:

"The crop failure also has a great deal to do with industrial production in France and elsewhere in Europe. You hear the widespread comment here that the Europeans are not working as hard as they should, nor producing up to their proper capacities. But I am convinced that had they had a good crop their industrial output would have been much higher. They could have spent some of their dollars that went toward buying food on essential raw materials for their factories, and they could have had more of the physical stamina that is necessary for high industrial production."

This is not the forum in which to present a detailed analysis of all of the commodities which will be required to effectuate the Marshall plan. That has been well done in the Harriman, the Nourse, and the Krug reports on the executive side, in the report of the Herter committee on the legislative side, and in the report of the Committee on European Economic Cooperation prepared by the Paris conference. All of these reports are extremely encouraging in the broad and intelligent manner in which they have been prepared. I think no one can read the report of the Paris Conference without feeling that the European governments democratically organized in western Europe desire only to be enabled to reestablish an economy in which their people can be self-supporting. One result of the war has been that intra-European trade has been destroyed, so that the capacity of one European country to contribute to the restoration of another has been seriously impaired, and while there has been a substantial degree of recovery through media created after the conclusion of hostilities, the interchange of products has not been restored in such a manner as to enable the people of these nations to purchase with their exports the imports which are needed to restore and stabilize their economies.

SOVIET GOVERNMENT IMPEDES PROGRAM

The situation is complicated by the fact that the Soviet Government unquestionably believes that the capitalistic system cannot save itself. And so it has to date preferred to impede recovery in western Europe rather than to contribute toward it. The sad truth is that Moscow, in pursuit of power over the entire Eurasian Continent, has actually laid seige to western Europe, denying it food supplies from the eastern zones and promoting disorder within the boundaries of the democratic nations. This raises clearly the political objective of the Marshall plan, namely, to halt the spread of totalitarian philosophy not by the resort to force but by the resort to moral and religious principles of constructive cooperation among the peoples of the

world. The long road to permanent world peace can be shortened if we accept the responsibility of leadership in a program of reconstruction, just as in the war we accepted leadership in the military program.

THE AMERICAN CAPACITY TO PERFORM

Some there are who shudder at the estimated cost of the rehabilitation program as recited in the Paris report, the Harriman report, and the report of the Herter committee. The fear has been expressed that this is an expenditure beyond that which the people of the United States should be called upon to make. It has even been suggested that it is a burden beyond our capacity to bear. This opinion, I think, can be held only by those who do not comprehend the economic and the scientific strength of the people of the United States, who do not comprehend the fact that our greatest resource is the individual abilities of our people, a resourcefulness which has flourished in the soil of freedom.

Too little attention has been given to the fact that the Seventy-ninth Congress, in 1946, after the fighting had stopped, rescinded appropriations and canceled contract authorizations amounting to more than $70,000,000,000, appropriations and authorizations that had been made during the war without a single dissenting vote. We were unanimously ready to expend for purposes of destruction more than $70,000,000,000 in excess of the sums we did expend. That, I repeat, was for the purpose of destruction. It was a sum greater by $22,000,000,000 than the entire national debt of June 30, 1940. It was a sum three times as great as the maximum estimate of the Paris Conference of the cost of the 8-year program for rehabilitation.

If we were willing to make this additional expenditure to carry on the work of destruction, how can we fear now to invest a fraction of that sum in the effort to build a sound economy and to preserve real democratic governments that recognize the dignity of the individual man?

Surely it is clear that the alternative will not save us any expenditure. If we abandon the attempt to lay the economic basis for permanent peace, the alternative is continuing expenditure for military purposes with the danger that we shall drift into the ultimate disaster of a third world war which can end only in the destruction of our own economy and in the destruction of all of those ideals of human freedom and progress which have been the cherished objective of Americans from the beginning.

Expenditures for military purposes never end. They grow from year to year. And the burden of these expenditures will never be lifted from the backs of our people until we win world peace. The cost of the Marshall plan upon the other hand will be a diminishing burden because year by year as the productive capacity of Europe is restored, the drain upon our resources will be lessened.

Within a year after the Marshall plan has been adopted we shall be able to judge its effectiveness and to determine whether or not it is in fact the road to peace. Indeed, the current events in Europe seem to indicate that the Soviet regime is convinced that the Marshall plan is the instrument by which a democratic economy and democratic government may be restored in Europe. The current riots which have been precipitated in Italy and France are not the riots of the people. They are the riots which are inspired by the leaders of the ideology which wants to see the Marshall plan fail.

AMERICAN GENIUS CAN PRODUCE

This program of European reconstruction is not only in harmony with our traditional ideals and within our financial capacity, but, I think, also—and this statement is particularly appropriate for this group—it is well within the genius and the skills of the American people. When it is undertaken, it should, in my opinion, be accompanied by another program designed to develop and expand the utilization and conservation of all our natural resources. For an infinitesimal fraction of the sums we are prepared annually to spend upon the maintenance of military preparedness, we could broaden our educational facilities, conserve our water supplies, increase our agricultural output, expand our production of electric energy, stimulate the development of new sources of mineral supply, and experiment in the discovery of substitutes for those few commodities of which we are in short supply.

The wonders which have been accomplished with startling rapidity by the American engineer, the American inventor and the American scientist, have outrun our capacity to understand that this generation is living in an age of plenty. The international rivalries, jealousies, and wars of the past, have usually been the result of efforts to gain control of commodities which were in short supply. Justinian went to war with Persia because the Persian king was sitting astride the silk road from China. The robber barons made their indelible mark upon European history because they, too, were motivated by controlling the distribution of commodities of which the people did not have enough.

Now, however, if we look back upon the scientific developments of two world wars, we know that the dependence of mankind upon traditional sources of supply has been diminished to a remarkable degree. Now that we have jet propulsion, which gives promise of reducing our dependence on high octane gasoline for the operation of high-speed airplanes, and now that we know how to make synthetic liquid fuel from oil shale and from coal, it is certainly no longer essential for us to think in terms of traditional international relations in order to gain control of deposits of natural petroleum in other parts of the world.

SCIENCE AND RELIGION BRING A NEW ERA OF PROGRESS

The electronic tube is invisibly opening the doors to a new era in which new plastic materials can be more rapidly manufactured than ever before, and penicillin can be developed with vastly greater speed and greater volume to fight disease. Synthetic fabrics are making available new garments for glamorous dress. New methods of making alumina from alumina clays is relieving the aluminum industry from its dependence upon bauxite, and the whole field of light metals offers opportunity for development heretofore undreamed of.

New occupations are being created. New purchasing power is being brought into existence. New markets are being developed because we have full employment. We have entered the age of plenty. No longer is it necessary for us to follow the monopolist in the economic field or the totalitarian in the political field, both of whom have been activated by the belief that there is not enough to go around. There is enough. Science has made it so.

If we look into the future with the scientist and the philosopher instead of backward into the dark past with the exploiter of human needs, if we listen to the lessons of science and religion, we may hope with confidence that an intelligent and a courageous effort to raise the standard of living for people everywhere will at length enable us to lead the world to peace.

No iron curtain can conceal from the peoples of the world the human progress that can be won by a nation which harbors real faith in freedom and has the courage to act upon it.

Medical Care and National Health

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered last night at the Biltmore Hotel, New York City, by Bernard M. Baruch at a dinner sponsored by the Medical Society of the State of New York, the Coordinating Council of the Five County Medical Societies of Greater New York, and the Greater New York Hospital Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You do me honor to ask me to talk to you about health. I almost became a doctor myself.

When I was a boy, my mother took me to a phrenologist. His office was across the street from where Wanamakers now is. He felt the bumps on my head and asked my mother what she expected to do with me.

She replied, "I am thinking of making him a doctor."

"He will be a good doctor," said the phrenologist, "but my advice to you is to take him where they are doing things in finance and politics—he might even make good there, too."

It has been a long detour for the prodigal. He has returned.

In many ways I am sorry I did not become a member of this noblest of professions. For I believe we approach a great adventure in health. That is our goal. I think it obtainable. It would be gratifying to take a more active part in it.

All my thoughts on medicine are colored by memories of my father, Dr. Simon Baruch. He was the wisest man I ever knew. He pioneered in surgery, physical medicine, and "incurable diseases." Often, I heard him tell prospective medical students:

"Do not enter the medical profession to make money. Study medicine only with the idea that your greatest compensation will be knowing that you help your fellowman. Do not expect gratitude and you will never be disappointed."

As Chairman of the War Industries Board in the First World War, I realized how important to defense was the health of our citizens. That awareness was reinforced many fold during this past war.

In preparing a report for the late President Roosevelt on manpower, I was shocked to learn at least 4,000,000 men had been rejected as IV-F's—unfit to defend their country. Some, not all, of these defects were preventable.

How much more shocking would have been the record, if everyone had received the same examination?

Since then, I have given the problems of medical care much thought. It deeply concerned me that we not fail the returning veteran, so I studied their medical needs. From that, it was only a step to related problems of general medical care for all.

Soon I was up to my neck in reports, statistics, speeches, congressional hearings. I conferred with many persons, doctors, and nondoctors, experts, and amateurs.

May I tell you some of my conclusions. They may not be particularly new to you, pioneering this field. They may be helpful, coming from a nonprofessional mind.

But before I list them, I would like to point out that the medical science and art have conferred a new and great benefit upon society in the last generation. The years of our lives have been heavily increased. This helps not merely the individual, who wants to go on living—and living in dignity and self-respect—but all the people to live more comfortably and freer from fear.

And now to go on with my exposition:

There is no question—the need for more medical care exists.

Also, there is no question this need will have to be met.

The problem is how?

All over the world, the masses are stirring for higher living standards. Improved medical care is a foundation of that better standard. Without good health, of what advantage are higher wages or shorter work hours, better education or greater leisure?

The families whose earnings disappear with serious illness—the many who suffer disease which your skillful diagnosis and treatment could have prevented or halted—or whose limited means bar them from the medical attention available to you and me—these people will not remain content.

This striving of the masses for better living is felt everywhere. In health, your profession must steer that surging tide into channels of improvement. Then, the surge does not overspill into the revolutionary flood, which washes away more than it brings.

One of the last things Woodrow Wilson wrote—called "The Road Away From Revolution"—was this:

"In these doubtful and anxious days when * * * the road ahead seems darkened by shadows which portend dangers of many kinds, it is only common prudence that we should look about us and attempt to assess the causes of distress and the most likely means of removing them."

That was Wilson's method—to assess portending dangers, and anticipate them by timely action. So he proposed the realistic League of Nations, which men rejected as a dream—and got a nightmare. Wilson knew social change was inevitable. He worked to steer that change into orderly channels.

You should take that as your guiding star.

Society usually divides into three broad groups.

At one end—the left end—are those who burn with a passion to change everything as quickly as they can—if not quicker.

At the other—right end—are those who want things just as they are.

In the middle are people, like Woodrow Wilson, to whose school I belong, who believe in intelligent progress and seek to guide it.

What differentiates these three groups is their attitude toward that vital element of life—time.

The left-enders feel time panting hot on their necks.

The right-enders use time to fight rear-guard actions, all the way.

The middlers—sometimes both left and right call us muddlers—seek to come to terms with time, preserving the best of the past, discarding the outworn, and moving on to a better future.

In the matter of adequate medical care, too many doctors have been fighting a rear-guard action for too long. I feel I must warn those doctors—time is running against them. The medical profession has justly earned great influence in the community. It can keep that hold only as it moves forward. It will lose that hold if it has nothing but objections to offer, if it has eyes only for what not to do.

We must look for what can be done—and do it.

The great question is how? I do not want to seem to say I know the answers. We do know the public is demanding better and more medical service through some action, political or otherwise.

What is this adventure in health I see dawning, and toward which you all have been keeping the doctor's vigil through the night? This adventure, which you will have to lead—or it will fail—has many elements:

1. More and better doctors in more places.
2. An immediate, complete survey to modernize medical education, with greater emphasis on chronic and degenerative diseases, mental hygiene, and preventive medicine.
3. More hospitals more evenly spread through the country.
4. Less specialists; more general practitioners.
5. Reorganize medical practice, stressing group medicine where needed and voluntary health insurance.
6. For those who cannot afford voluntary insurance, some form of insurance, partly financed by the Government, covering people in by law. I would call this "compulsory health insurance," if that term's proper meaning had not been lost.
7. Increased medical research.
8. Greatly expanded physical and mental rehabilitation.
9. Education to make health a national habit.
10. A vigorous, preventive medical program, reaching everyone—children above all.
11. A new Cabinet post for health, education, social security.
12. Creation of a nonpolitical watchdog committee to safeguard progress in medical care for veterans.
13. Increased numbers of well-trained nurses and technicians.
14. Adequate dental care.
15. A stabilizing economy—inflation will make worthless any health program or anything else.

Each of these would take a speech by itself. I can but sketch some of them.

Even the least ambitious schemes for improving the Nation's health require more doctors, all competently trained. Why aren't more doctors being educated? In studying that question, I was struck by how expensive training a doctor has become—in dollars and in time. In its fine report on "Medicine in the Changing Order," the New York Academy of Medicine states:

"There seems no alternative other than Government aid if educational standards are to be raised or even maintained. * * * If medical schools are to continue as centers of research * * * here also Government aid may be necessary."

If science and medicine ask the Government for aid—which even the conservative deems necessary—they must expect he who pays the fiddler will call the tune. This means the Government will rightly insist upon no discrimination in medical care because of race, color, or creed. It will rightly insist upon opportunity for all to enter the profession and advance on the sole basis of ability and character—without restrictions of race, color, creed—or sex. And, I hope, without fear of, or favor from, the State.

Minimum standards should be set for institutions getting financial aid.

How much more the Government is likely to insist upon will depend upon the more progressive leaders in your profession.

According to the academy's report—I quote: "There has been no fundamental reorganization of American medical education since about 1910." That finding certainly calls for your profession undertaking—now—a most thorough, down-to-earth survey to modernize medical education, making recommendations so boldly inspiring the people will gratefully back them. No one can draw up a better program than doctors.

Chronic illness and preventive medicine deserve greater attention. In all fields—I hope in war as well—there is a new accent on prevention. From answering fire alarms, our thinking is progressing to fireproofing.

Preventive medical care should commence as close to the beginning as society can reach. I favor a major, sickness-prevention drive at the public school level. This should include compulsory examination of all children at regular intervals. Means should be made available for correcting defects disclosed.

How wonderful, if children were taught how to properly eat, sleep, sit, stand, play and take care of themselves, developing both the knack for getting along together, and self-discipline—physical and mental.

Even when medical care is available, many adults neglect or refuse to use it—often because of social taboos, as in venereal diseases, or psychological dreads, as in cancer and tuberculosis. These attitudes reflect our not having outgrown the awkward age in thinking about disease and health. We do not really have a grown-up, national health habit—although we are getting there.

People need to be educated on the virtue of medical care; how to use it; how to prevent disease. The greatest asset of any nation is a healthy, educated citizenry.

And now to what is perhaps the toughest problem—how can better medical care be extended to those who cannot afford it?

Your organizations have been particularly active in pressing voluntary health insurance. You and others have proven group insurance to be a sound, practical way. That is a great achievement. You can be mighty proud of it.

But I would not be frank—nor friendly—if I did not add what you know. It is not good enough.

Rome was not doctored in 1 day. It may be, as some have told me, that the needs of the bulk of our people can be met, given time, through voluntary insurance. What troubles me most are the needs of that sizable segment of society, which does not earn enough to pay for voluntary insurance.

The American Medical Association—its bureau of medical economics—estimated in 1939 that families earning $3,000 or less—two-thirds the population—cannot afford the cost of serious illness. Some of these can afford voluntary insurance, although inflation has reduced their number. But what of the little fellows who cannot?

I have asked that of nearly everyone with whom I have discussed medical care. Nothing has been suggested so far which promises success other than some form of insurance covering these people in by law and financed by the Government, at least in part—what some would call compulsory health insurance.

Since doctors, nurses, technicians, and hospitals already are strained, such insurance probably would have to move in stages. That requires careful study. Any program should utilize existing medical facilities to the maximum—it must to get started—and be organized to the local level.

Nationally, the program might well be administered by a body of doctors and nondoctors to keep medical care as free from politics as possible.

As to financing, my own preference runs toward the Government meeting only part of the cost, with part coming from pay-roll deductions from employers and workers. In time, these deductions will become absorbed in general costs of production. I have the utmost confidence in the efficiency of American industry—both labor and management—and which good health will stimulate. We can absorb these medical costs better than other countries which must also meet these needs.

The detailed problems raised by so-called compulsory health insurance are too numerous to be discussed tonight. I have weighed them most carefully. Many doctors and many lay people have sought to paint this issue as a choice—all black or all white. I have found every aspect of medical care to be gray—the happy color sensible compromise wears. All law imposes compulsion. A form of compulsory health insurance for

those who cannot pay for voluntary insurance can be devised, adequately safeguarded, without involving what has been termed "socialized medicine." The needs can be met—as in other fields—without the Government taking over medicine, something I would fiercely oppose.

Law protects society. It is the absence of law which destroys it.

I do not fear government taking its legitimate part in medicine, any more than I fear it in education or housing. There should be just one Federal agency, with Cabinet rank, for all health and human welfare problems. I do not like Government agencies to be like Mahomet's coffin, suspended between heaven and earth.

Some say many people do not know how to pick their doctors. So with any human activity. The best insurance against poor choice is improving the general quality of all doctors. But, good or poor, it must be the patient's choice. No one else's.

May I interject this about inflation? Should health schemes fail, be sure to ask—were they killed by the plan itself—by incompetent administration—or by an inflation which ruined the plan's financing.

In connection with this doctor-government relationship, it is a pleasure to point to the excellent medical progress in the Veterans' Administration—thanks primarily to Gen. Omar Bradley and Gen. Paul Hawley. They would never have accomplished their good work had they not refused to allow the politicos to move in on them.

I would like to see the President name a small committee of top-grade citizens—some doctors, some lay people—to act as a vigilant watchdog over the veterans' medical program, so the ground so arduously gained may not be lost when someone replaces General Bradley. He should be supported by the entire Nation—particularly by doctors. His is the kind of courage and vigilance which will assure good administration of any health program.

More doctors must be distributed to more places in the country, which requires, among other things, less stress on training specialists, more on general practitioners. A number of counties do not even have a doctor. This reflects, in part, a lack of facilities in which doctors can work. Happily, some of this will be corrected under the Hill-Burton Act for hospital construction, with Federal and State governments cooperating.

Orderly change is the American way of life. Remember the spirit of your oath of Hippocrates. Use your own good judgment to move along with humanity's legitimate aspirations in its trek toward better living.

I would hate to see any medical-care program under guidance of others than those who have the know-how. So would the American people. That is why I urge the doctors to get in and pitch—not stand by on the side lines. You need fear politicians or bureaucrats only to the degree you fail yourselves. You must take the leadership—no—yours is now the leadership. Keep it.

This meeting is an outstanding example of your deep concern to meet the need for action.

I have met people in all fields of human endeavor. I respect no group more—for your unselfish zeal and devotion to the sick, for the jealously with which you guard your professional virtue—placing beyond the pale the rare violator of your oath.

I envy you the thrill which comes from relieving a patient from pain and, often, snatching one from death.

I still am sorry that that phrenologist didn't let me become a doctor.

Your situation reminds me of something my father said back in 1873, while president of the South Carolina Medical Society:

"Let us not be silent, but offer our facts, and defend them while we may.

"As an Arabian sage has said, 'What good comes from Ali's sword, if it be sheathed?

"'What good from Sadi's tongue, if it be silent?'"

Address by Secretary of Labor Before Convention of American Federation of Labor

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EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the Secretary of Labor, Hon. L. B. Schwellenbach, before the convention of the American Federation of Labor, at San Francisco, Calif., October 6, 1947. The Secretary's speech is of universal interest at this time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I received with gratitude the invitation extended to me to attend this great convention of the American Federation of Labor. I am reminded of a similar convention which I attended during the time I was in the Senate and Dave Beck asked me to go to Cincinnati to attempt to sell the idea of eating Washington apples to the delegates to that convention. The fact of the matter was that we needed new markets for our apples. It was either in 1937 or 1939. By that time we had lost one of the great markets for our apples. That was on the sidewalks of New York and on the main streets of other large eastern cities, where, during the depression years, unemployed, crippled veterans eked out an existence by selling apples on the streets. That condition need not and it must not be permitted again. One of the blackest blots upon the American escutcheon was made when we permitted economic conditions to be such that those who had lost their eyes, or had lost their legs or arms, were forced to go, like penitent beggars, upon the streets of our great cities to receive the reward which they thought a grateful government would give to them for their gallant service.

We are in a peculiar stage in our national economy. We are in a stage of prosperity. We have a national income of double that which we had in the peacetime years prior to the war. We are employing the 60,000,000 people, to whom President Roosevelt referred, despite the scoffing of everyone who opposed him. Yet, there are those in high position in the industrial life of our Nation who look forward to a depression. Some of them are inspired by fear. Some of them are inspired by the hope that by creating a slight depression they may lessen the labor market and get men and women to work for wages they set rather than for wages which have been arrived at by free collective bargaining. The president of the National Organization of Purchasing Agents a few weeks ago said that a little depression would be a good thing for the American people. Some people are in the whispering stage in their propaganda that a depression may soon recur. Both groups know not what they do. In the first place, no one knows, when they start a depression, the limits within which it may be contained. The leaders of American life who talk about and even think about a desirable small depression are stupid in their thinking and blind in their concept of the future of America. No economy which is permitted to remain static, or which is manipulated into being contracted, can continue to exist among the world-wide pressures of today. Our economy must expand. So many people today are talking about the desirability of getting back to the good old days of 1939. I was in the Senate at that time and I read my mail. There were a lot of people who weren't very happy then.

The economic problems today are intricate and difficult of understanding. Everything that is done in one industry has an effect upon other industries. I was interested in reading protests made by the president of the American Furriers' Association, begging all those who set the styles of furs in New York that they finally agree upon the length of women's skirts. I am frank to admit that I am not nearly so much interested in that subject today as I was 20 or 30 years ago. However, I was interested to find that the fur industry was losing millions of dollars a week while waiting for the stylists to determine for them the length of women's fur coats. That is typical of the extent to which our economy today is intermingled.

I am convinced that the most powerful force which can furnish leadership in the solution of our economic problems must come from the trade-union movement in the United States. Why? First, because it does represent the largest factor in our population; second, because it does touch more intimately than any other factor the problems of the great mass of the American people, whether they are within or without the organized labor groups. What you in organized labor have today is a tremendous responsibility which in turn gives to you a tremendous opportunity.

I now believe, and I always have believed, in the dignity of the individual man. He stands erect; he has a soul and a spirit, and he looks forward to eternal life. There is only one deficiency from which the individual man suffers. That is, that he alone has not been provided with a voice sufficiently loud to make his plea heard by very many people. Lacking in this, man has attempted to make up for it by organizing or by joining with groups that have organized. We in America particularly have followed the path of organization. We have organized governments, national, State and local. We have organized churches of many denominations. We have organized associations of manufacturers and a confederation of local chambers of commerce. We have organized Rotary Clubs and many other civic organizations. I have named just a few of the many organizations within our country. These groups had a perfect right to organize. They consist of groups who had similar ideas and wanted those ideas put into effect. They are respectable organizations. The press kowtow to them and the attainment of leadership in one of them carries with it the respect and acclamation of his neighbors. Nobody wants to outlaw them. Nobody wants to dictate to them. However, when we get into the field of labor, when the people who work and give the toil and the sweat which makes possible the most efficient operation of our mechanical equipment, when they try to organize, immediately they are suspect. Their efforts to organize are resisted, their efforts to effectuate some results for those they represent, take on a sinister aspect in the public view. Those who have joined in the rank and file of organized workers have been told that their leaders are deceiving them and attempting to sell them down the river to their employers. I remember a couple weeks after I took my present office receiving a visit from a man whose name I obviously cannot give, but who, if I did give it, would be recognized by each of you delegates as being one of the most outstanding leaders in the trade-union movement. He was retiring because of ill health. He was retiring in an attitude of unhappiness, chiefly because of the fact that his son had abruptly brushed him off when he suggested that he would like his son to follow in his footsteps in the trade-union movement. He said, "I have always tried to be honest, both with my members and with employers. I have tried to work for the best interests of the great mass of people in

America. I think I accomplished something. I consider my profession as an honorable one, but my son refuses to follow because he doesn't want to be classified as a labor leader."

Let me give you another example. Last spring when I appeared before the Appropriations Committees of the Congress and asked for a measly $116,000 to carry out the workers' education program, the committees held up their hands in holy horror. They were outraged to think that the Federal Government should spend that amount of money to attempt to give some education to the workers of America on questions of organizing, and by explanations on difficult clauses in contracts with their employers. I have no quarrel with the farmers, for example. Certainly they are entitled to such education as the Department of Agriculture provides for them through its Extension Service and through the use of its county agents, these selfsame Members of Congress who attacked with such vigor a measly appropriation that my department might be of assistance to the workers did not hesitate in appropriating millions for similar individuals on the part of the Department of Agriculture. I might point to other departments of the Government that receive substantial appropriations for similar activities.

I know how you can cure this situation. It is very simple. Just have each one of the international unions in the country direct that meetings of local unions shall exist exclusively for serving tea and ice cream and cake, with entertainment by local boys and girls of talent, and prohibit any discussion of economic affairs, political affairs, or relationship with employers. I promise you that within a month the attitude of everyone in the country who now abuses labor unions would be changed. You would become respectable. Your leaders would probably all be invited to membership in local organizations. Probably very soon some of your leaders would be invited to head up the committees that are engaging in drives for the raising of funds by welfare organizations. But what kind of a union would you have. What would men like Sam Gompers think about you? Down through the years the strength of the labor movement has come because of the willingness of its leaders to fight for what they thought was justice for their rank and file. The economic situation today requires that union leadership carry on in the same spirit as it had in the days of Gompers and the other great leaders who made the good fight when everyone else had turned against them.

I don't claim that all labor leaders are perfect. There have been many things done which have not reflected to the credit of the labor movement. I am only going briefly to mention two. First, the labor union leader who becomes satisfied and complacent. He who wants to maintain the status quo or go back to the prewar period. If his feeling of satisfaction and complacency result from old age, then he ought to be retired. The second group consists of those who receive their instructions and carry out the directions which are given to them by some foreign power. For them I recommend that they be picked up by the seat of the pants and the nape of the neck and thrown out bodily. The American labor movement can well meet its own problems without domination or direction by anyone whose orders come from places beyond the limits of the United States. In this, I do not apply it exclusively to labor unions. I apply it to every class of organization, particularly Government and political parties. If a political party can't win without such help, it can at least retain its self-respect and its character and its honesty.

This statement leads me to a discussion of the most important economic issue facing the United States at the present time. That is the high cost of living. It is important, not only domestically, but also in the matter of foreign relations. It is what the American people are thinking about today. It is a problem the answer to which must be found. I do not say that we cannot live in a world which is partially run by dictators and partially run by democracies. I do say, however, that we cannot live peacefully and prosperously and happily if the rest of the world is permitted to succumb docilely to the totalitarian idea. We should at least have learned that modern warfare does not permit of victory. Even the unconditional surrender of a large nation only means to those who receive it the cares and labors of supporting it. I can say to you with whole candor and frankness and honesty that since VJ-day I haven't heard even a hint that anyone in authority in our Government wants another war, but the situation which confronts us makes it necessary, if we are to avoid that war, that we provide for those nations which are willing to help themselves a sufficient amount of materials to prevent their docile acceptance of totalitarian leadership. As a consequence, it has become necessary to ship to those nations which come within the categories described by Secretary Marshall such part of American production as is necessary to prevent disaster in western Europe.

This leads me directly into a discussion of the cost of living and the causes for its increase and the possible measures that may be taken to prevent further increases. Just by way of interest and amusement, I want to discuss two proposals made by a very prominent Senator who recently visited the Pacific coast. While here in California, he propounded the doctrine that the solution of our problem would come from a reduction of wages and of profits to some figure not higher than 60 percent above the 1939 level. Apparently, as he traveled up the coast in his private car, he gave some thought to that solution. Apparently he came to realize the machinery of government which would be necessary to enforce it. It may be that he also, on thinking the problem through, came to realize the resistance that would come toward such a program. Although he might not be particularly interested in the resistance of the workers, the resistance of the ones who have been making profits since VJ-day would very definitely appeal to him. At any rate, he abandoned that theory when he got up to Seattle and put forth a new theory which was equally naive and equally amusing. He there said at a press conference that it was not the amount of price increases that was important. He said that it was because price increases hurt that they were important. He belabored the President for vetoing the two tax bills and said that if either one of them had been signed by the President that the reduction in taxes would have been sufficient so that everybody could afford to pay these high prices, they would not hurt anybody, and the problem of high prices would soon disappear from the minds of the American housewives. I call this naive and amusing because the actual fact is that for the great mass of the American people the reduction in taxes proposed by the tax bills was only $30 per year. If you don't know how much groceries $30 will buy, go home and ask your wife. Or, if you are impatient about it, just divide $30 by 365 days and then you won't even need the assistance of your wife in determining how unrealistic was the Senator's proposal.

I assume that most of you either heard the President's speech last night or read it in the morning papers. In it he called upon the American people for sacrifices. He asked them to eliminate waste. He asked them to realize the necessity of cooperation on the part of every American citizen. This war has not yet been won. It only will be won when the ideals and objectives for which we fought have been achieved. The President's message of last night should be counted among the war documents. He is determined to use all the power that the law gives him to meet this problem. He is determined to use such powers in cooperation with the American people and, if it is humanly possible, to avoid the asking of new legislation to implement his present powers. Whether or not he succeeds will depend upon the cooperation he receives and I ask you of the American Federation of Labor, who represent more organized workers than anyone else in the United States, to join in that cooperation.

I have a reason for asking this. You have a personal stake in the success of this effort. For over 2 years the favorite vocation of those opposed to trade-unionism has been to attempt to blame each price increase upon wage increases. There has been more or less of a let-up in that front since Labor Day, when a number of speeches were delivered concerning it. I think that I, as Secretary of Labor, and that you, as members of organized labor, should go out of our way to be fair in any analysis of this problem. If we do, it will be such a refreshing contrast to the campaign that has been carried on against you. I think we should admit frankly that there is a relationship between wage increases and price increases. At the same time, I think we should fight with all of our vigor any effort to continue the campaign to tie upon the wage earners of the country the label of being exclusively responsible for the increase.

I think that in part those who control the propaganda machines and who are opposed to organized labor want the American people to forget the prediction that they made in May and June of 1946, and to shoulder the blame upon their favorite whipping boy—the labor unions. The facts don't bear them out. The so-called economists whom they employ to get the figures to support their statements must blush with shame every time the publicity agent grinds out a release.

Let me repeat the statement that frankness and honesty compel me to state that there is a relationship between wage increases and price increases. It is not, however, a pushing process or a pulling-up process. All American labor attempted to do was to pursue prices and never, in the last 15 months, have they been able to catch up. Living costs during that period of time have increased 20 percent. Weekly and hourly earnings of factory workers have risen less than 15 percent. The $49 or $50 take-home pay of the average worker today buys just about the same goods and services that his $33 did just after Pearl Harbor. In other words, wage increases have been used as the excuse for price increases. To that extent responsibility must be accepted, but they have not been the cause of price increases because they have never succeeded in attaining a goal of level of price-wage relationship.

There is another simple answer to this question insofar as it refers to the organized workers. I have no quarrel with the farmers of this country, who take for their products amounts that result from speculation in the grain exchanges. Even if the farmers of the country unanimously agreed to a reduction in prices so far as they were concerned, that reduction would never reach the American consumer. It would get no further than the pockets of the speculators on the various exchanges throughout the country. Another cause of the increase of farm products comes from the use of so much grain by the distillers of whisky. In case some of you may be worried about the proposal of shutting down distilleries, I can say that I have it on

very high authority that there is enough whisky in the United States today to last for 20 years. That ought to put to rest the fears that anyone here might entertain. The fact is that the prices of food products have increased 72 percent over prewar prices and the prices of manufactured products have increased 48 percent during the same period. Very largely the people who grew and processed the food products are not organized into unions. Almost universally the people who produce the manufactured products are organized into unions. Therefore, the facts support the proposition that, regardless of wage increases brought about through collective bargaining contracts, the increase in prices due to other causes greatly exceeded that in the field where labor unions operated.

There are some who attempt to blame the increase in living costs exclusively on the exports to foreign nations. There again, the facts fail to support their conclusions. The year 1929, despite the disastrous collapse of the stock market toward the end of the year, is very typical of the so-called prosperous years during the last half of the 1920's. In 1929 we exported 6.8 percent of our gross national product. During the first half of 1947 we exported 8.8 percent of our gross national product. It stands to reason that this 2-percent increase over the 1929 picture cannot bear any substantial blame for the increase in prices since June 1946.

There is another factor which has been, let us conservatively say, submerged so far as the public presentation of the problem is concerned. That is the factor of profits. I accept fully the contention that any manufacturer or any corporation is entitled to make profits. The profit motive is the basis of our whole economy. I would no more favor a general regulation of profits than I would a compulsory arbitration of labor disputes. I also recognize fully the right and the need of any corporation to set aside a portion of the profits for future use. Good management demands it. I do contend, however, that to the extent that profits result in price increases they cannot be defended in this particular period of our national economy. Corporation managers say quite properly that they must set up reserves against the day when they might be subject to losses. What I do object to is that many of the same people who contend for that right—to make their corporations secure—also contend that the wage earners of America should dip into their savings and let their personal futures take care of themselves. I think the wage earner is as much entitled to get a nest egg of insurance for the future as is a corporation. It is a proved fact that savings by wage earners decreased 45 percent as between 1945 and 1946. It is a proved fact that the present savings of the great mass of the American people are 30 percent below what they were on VJ-day. I am frank to confess that I don't know and I don't believe anybody can lay down rules as to just what profits a corporation should make and how much it should retain for reserves. But I do know that for the first quarter of 1947 the profits of corporations were $857,000,000, compared with $323,000,000 for the same period a year ago. Corporations manufacturing automobiles earned almost half as much for the first quarter of 1947 as they did for the entire year of 1939.

I present these facts that you may know that the problem of prices entwines itself through every major problem which confronts your federation, your internationals, and your locals. The President has asked for a program of voluntary reduction. There are some who say the voluntary system won't work. It must work, and it can work. Let me give you one example. At the conclusion of the First World War the Chinese people decided, as a matter of national policy, that they would boycott the goods manufactured in Japan. China was then a much more disorganized country than it is today. The Chinese war lords had partitioned the country, and in domains of their own creation they were the unquestioned rulers. Yet, despite this fact, the Chinese people were able to effect a boycott so successful that in 1922 the Japanese Government, in return for the Chinese agreement to abandon the boycott, signed the Nine-Power Pact by which it agreed to respect the territorial integrity of China. It is true that 9 years later the Japanese violated this agreement. But, nonetheless, it gave to China a 9-year period in which to develop sufficient strength so as to prevent Japan later from completely enveloping the Chinese country. What they could do under those circumstances, with their problems of disorganization, lack of communication, and multiplicity of languages, we in America can do today in answer to the plea of President Truman.

I said at the outset that I appreciated your invitation. I appreciate it not merely because it gave me a chance to visit with a lot of old friends but also because it gave me the opportunity to present the point of view of the Department of Labor on some of the problems that lie ahead. If the workers of America, organized and unorganized, are to succeed in their efforts to secure a reasonable chance to live in comfort, decency, and peace, those workers, all of them, must have a strong Department in the Federal Government that will give them the services they need. I told you what happened to the workers' education program. While not so drastic, some more shackles have been put upon most of our programs. It is part of our job to assist the States in the promotion of health and safety measures. In order properly to carry out this function the President asked for $718,000. The House of Representatives eliminated the appropriation altogether. The House and the Senate, in conference, restored this to the extent of $200,000. That was done in the name of economy.

The President approved a budget of $6,764,000 for the United States Employment Service. It is part of our job to get jobs for people. This was reduced by 44 percent to $3,300,000, including the complete elimination of $893,000 for the Veterans Employment Service. Four hundred field assistants of this Service have been separated. How soon those who say they represent the American people forget the sacrifices and suffering of those that bared their breasts that American freedom might live!

Congress reduced the President's request for the Wage and Hour Division by more than $2,000,000. This reduction will mean that only 28,000 of the 550,000 covered establishments will be inspected during this fiscal year.

There is some talk about the next session of the Eightieth Congress increasing the minimum wage to 60 cents an hour. During the last Congress and this one I have advocated an increase to 65 cents, with a scaling upward to 75 cents an hour. Perhaps the Congress will pass a bill which will authorize a necessary increase in the floor under wages. I am not the least bit interested, however, if Congress passes such an authorization bill and then fails to provide sufficient funds with which to carry it out. There are two parts to this program. One is the authorization and the other is the appropriation. One cannot go without the other and if the first is passed, it will be a mere phantom bill, or, to use a more understandable phrase, it will be simply "a phony." This form of deception will not be permitted without forceable attention being called to it so that the American people may see what is happening.

The Bureau of Labor Statistics furnishes all the basic figures for most of the planning that is done not only by labor but by industry in the United States. Never so much as now is there necessity for accuracy of those figures. Never so much as now has it been necessary to cover the field which the Bureau wants to cover. Yet the appropriation for that purpose was reduced from $6,900,000 to $3,400,000. Repeatedly, prominent, important, and sincere Members of Congress have said that they would not commit themselves until they knew all the facts. The cutting of the throat of the principal fact-seeking agency of the Government lends some support to the thought that I may have used the word "sincere" inadvisedly.

If we are to have a strong Department of Labor we will need the support of those in the labor movement who are organized. The Department was created for you and for all of the unorganized workers of America. We need your support. I have come here to ask it. I want that support not merely when the bills are a couple of days away from passage. I want it throughout all of the weeks of the year.

I did not come here to lecture or even to point out to you the policies which you should adopt. Anyone who attended the Labor-Management Conference of 1945 knows the extent to which labor was handicapped because of the differences in its ranks. For myself, and I speak for myself alone, I look forward to the day when the Secretary of Labor is one who has behind him the background of actual experience in the labor movement. I tell you frankly that that day cannot come until more unity is achieved.

In conclusion, may I say that the problems which confront all of us inside and outside of Government are stupendous in their nature. They will not be solved by complacency or self-satisfaction. They will not be solved until the American people realize that our economy must be an expanding one. Those who wish for the "good old days" are simply thinking wishfully. The history of the world is one of advance. When the world failed to advance it deteriorated and almost rotted. We think back to what happened during the period of darkness following the destruction of the Roman Empire. Our eyes alight with the fire of enthusiasm when we turn the pages on to the days of the Renaissance.

America can advance. It must advance. It must advance if it is to survive. It can advance if the American people will it. This Nation, the richest in the history of thee world, containing more resources, more opportunities, and a future that can bring prosperity and happiness to all of us must not be permitted to lag. It will require stoutness of heart, loftiness of purpose, sincerity of method. The clouds of fear must never be permitted to darken the pathway of American progress. We must have faith in ourselves, faith in the system under which we live, and faith in God upon whom we rely.

In the vanguard of marching America, the faith, courage, determination, and the flag of the American Federation of Labor must always be found. I am sure it wil be there. With the support of the organized and unorganized workers of America our aspirations will be attained and there will be no end to America's road to success.

Training for Democracy

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial

entitled "Training for Democracy," from the Washington Post of November 15, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRAINING FOR DEMOCRACY

The twelfth annual convention of the National Council of Negro Women, just completed in Washington, has afforded a heartening example of democracy in action. From some 24 States of the Union, delegates representing the 850,000 Negro women members of the organization assembled here for study and inspiration in dealing with the current problems of citizenship and of leadership in their home communities. The theme of the convention was: Building a Bridge to Universal Peace Through Understanding. And in the discussion understanding of issues was stressed no less than understanding of peoples. Four workshops were in session—on health, education and child welfare, on employment, on housing, and on legislative strategy.

These women will go home with knowledge of the Marshall plan, with a sense of the urgency of food conservation, with something of the know-how of mobilizing opinion and organizing for community action. This is the way things get done in a free country. We offer our congratulations to the National Council on their awareness of responsibility. And we offer them congratulations, too, on their perennially younger, more dynamic founder-president, Mary McLeod Bethune, one of the great women of America.

An Appeal to All Americans of Italian Origin

EXTENSION OF REMARKS

OF

HON. C. WAYLAND BROOKS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. BROOKS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter entitled "An Appeal to All Americans of Italian Origin," written by the supreme venerable of the order, Sons of Italy in America. The letter is a significant appeal by Americans of Italian extraction on behalf of their brothers and sisters in Italy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN APPEAL TO ALL AMERICANS OF ITALIAN ORIGIN

Our brethren across the sea are carrying a heavy burden in their struggle against the evil forces of communism; with poverty staring in their faces, and darkness immediately ahead, there is danger that the hand of Moscow may hurl them into a condition of servitude to the whims and caprices of Russia which aims to overwhelm the Italian people and to enslave them under atheistic communism.

We, who are in America and sense the common bond of blood, cannot stand idly by; we cannot evade nor ignore our own natural duty; we cannot fail to uphold our ideals of freedom and democracy at home and abroad.

To do this all Americans of Italian origin in the United States must make immediate, tangible sacrifices for them, our brethren in Italy. Help must be sent to them; packages of food, clothing, and medicinals must continue to flow from us to them, so that they may have the physical strength to oppose communism. Communism thrives on the confusion and chaos caused by the dire need of the people. Our material assistance to the Italian people will give them moral support and renewed hope in their fight to survive.

Do you want Italy to become communistic?

Do you want God dethroned from the altars and the hearts of the Italian people?

Do you want Italy to die?

I know that you do not.

Our thoughts must reach our brethren in Italy; what we think, what we believe, and what we feel we must impart to them in writing now and frequently. Our letters will form the links that will keep the chain of understanding unbroken. Russia will have to break that chain first, before she can engulf the Italian republic.

I beseech all of you, therefore, to write to your friends and relatives to keep the faith, to believe in the future of Italy.

We have faith in Italy.

America has faith in Italy.

The death of Italy as a nation would darken the whole world and we of her blood would betray our American way of life which opposes totalitarianism in all its form if we did not raise our voice in her defense.

Tell ou. people in Italy to believe in America, to believe in the sincerity of her human sentiments and in her unselfish friendship. Tell them to fight communism, to save and preserve the immortal Italian traditions of Christianity and civilization for our posterity.

This I ask of you in the name of the Order Sons of Italy in America, in behalf of our common heritage, in the interest of our people.

GEORGE J. SPATUZZA,
Supreme Venerable.

CHICAGO, ILL., *November 10, 1947.*

Issues Before Congress

EXTENSION OF REMARKS

OF

HON. KENNETH S. WHERRY

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. WHERRY. Mr. President, the able senior Senator from Ohio [Mr. TAFT] made an excellent address on November 10 before the Ohio Society of New York. I ask unanimous consent that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a great pleasure to speak again to the Ohio Society of New York. For more than 50 years Ohioans have played an active part in the affairs of this great city and have gathered together from time to time to remind each other that they are still Ohioans and proud of it. Everywhere I go I find Ohioans active in the affairs of other States. They must have found it more interesting or profitable to reside elsewhere, but they still have a strong State loyalty. In spite of their absence, our population and agriculture and our manufacturing continue to increase. Ohio is a more complete cross-section of the United States than any other State. Its dynamic economy is typical of the results achieved in this Nation by a system based on liberty.

During the last 2 months I have talked to many audiences, presenting the record and the philosophy of the first Republican Congress in 16 years. Tonight I wish to discuss more completely the issues which will be before the special session of Congress meeting next week. I wish to say at the outset, however, that we are proud of the record of the party during the past session. To the extent of our ability we kept the promises which we made in the election of 1946. We brought an end to the war and eliminated most of the war regulations which remained. We reduced the expenses of the Government by approximately $3,000,000,000, although the President said we could not take 1 cent off without wrecking the Government. We passed two tax-reduction bills, which he vetoed. We passed a labor-management relations bill to free the people of this country, the employers, and the union members themselves, from the interference and control of arbitrary labor leaders. Over the most violent minority opposition I have ever seen we passed this bill over the President's veto, with the concurrence of more than half the Democratic Congress.

All of these measures were inspired by the basic philosophy of the Republican Party—liberty and equal justice under law. The whole world is divided today between those who believe in a government dominated by a free people and those who believe in a totalitarian government dictating in greater or lesser detail the lives of its citizens. In the domestic field, the Republican Party believes that the size of the government and its power to regulate its citizens should be reduced; that it should be an umpire and not play in the game itself; that it should not tell the farmer, the workingman, the business man or the housewife how to run their affairs. It believes that progress should be resumed in the fields of agriculture, production, public welfare and science under the same principles of individual and community liberty which have made this country the most productive country in the world. Certainly the government has a part to play, but it is that of adviser and assistant—and traffic cop if you will—and not that of dictator. At the first session of the Eightieth Congress the Republican Congress showed its ability to function as a party, to develop a program within its party philosophy, to carry out that program, and to keep its promises to the people.

The President has called us in special session next week to deal with two matters which were not before the regular session—the rapid increase in prices during the past four months and the question of emergency aid to Europe. The President himself had removed nearly all price control before the Republicans took over on January 1 of this year, although he could have continued it in many fields until July 1, 1947. Up to June there was reasonable belief that prices and wages had reached a point of stabilization—until the failure of the corn crop, the failure of European crops, and the tremendous effect of a greatly expanded export demand. Since Congress adjourned prices have resumed their rise, particularly in the agricultural field. I fully agree with the President that the situation is a serious one for many families in this country and that definite changes in Government policy are called for, most of them executive rather than legislative.

As far as the President's request for more European relief is concerned, the Congress at its first session appropriated what was requested by the administration up to July, and included in the $36,000,000,000 budget about $4,000,000,000 for Europe.

At the special session of Congress I do not see how we can confine our consideration to the questions of inflation and emergency aid to Europe. I do not understand how we can intelligently consider either of these problems without analyzing what is proposed in the more permanent Marshall plan, and also considering the effect of the present

huge Government expenditures and the corresponding tax burden on prices and business activity. I do not say that we can or should complete these matters before Christmas, but they must surely be given consideration in order to reach an intelligent conclusion on prices and emergency aid.

The Marshall plan is, of course, inflationary and means that prices will be higher than they otherwise would be. The very threat of the plan has contributed to the price rise. The emergency-aid program raises many of the same questions which must be dealt with in providing permanent aid. When the President spoke of emergency aid to the congressional leaders in September, it was apparently confined to enough food, fuel, and fertilizer to carry France and Italy through the winter. More than half the funds required for that program were found without congressional action. The emergency plan now presented calls for a much greater sum and covers all kinds of assistance to France and Italy, increased sums for the occupied areas, and the taking over in full of the British obligations in the British zone in Germany. In fact, for France and Italy it seems to be a 6-month edition of the Marshall plan. Therefore, it raises all the questions raised by the Marshall plan itself as to the character of goods to be shipped, the conditions to be attached, and the type of organization to administer the plan.

Nor can we act on prices without considering the effect of the huge Government expenses and the abnormal export demand, still unrestrained by any exercise of the President's legal power to limit exports. We cannot consider Europe unless we also consider the proposals for aid to China and our undertakings to Latin America. Who knows what these are? Where is the Wedemeyer report? Emergency aid to Europe has priority—but let's stop fumbling in the dark. Surely we have gone far enough on a piecemeal basis. Before anything else is done Congress ought to have the whole story, both foreign and domestic, if we are going to have a policy at all instead of drifting with the tide.

The so-called Marshall plan presents a complicated mixture of foreign and domestic policy. It involves huge taxes from the American people and Government expenditures. It affects the prices to be paid by 40,000,000 families. How far shall we make a present to other peoples of the fruits of our labors? Do the advantages to be gained in foreign policy outweigh the disadvantages at home? We have seen in the past 3 months the development of a carefully planned propaganda for the Marshall plan, stimulated by the State Department by widespread publicity and by secret meetings of influential people in Washington and Hot Springs. Yet only 2 weeks ago Secretary Marshall himself pointed out that there was as yet no Marshall plan at all. We knew only what the foreign nations had asked for. But the propaganda machine is ready to ballyhoo the Marshall plan, whatever Secretary Marshall finally says that it is. Let us have all the facts and debate them fully. The people have been urged and persuaded too often to accept on faith and without question the foreign policy of the administration. Anyone who opposed the policy of the moment has been labeled an obstructionist and an isolationist.

But the terrible economic condition in which the world finds itself today is the result of the administration's foreign policy at Teheran, at Yalta, and at Potsdam, and the idiotic Morgenthau policy we have pursued for the past 2 years in Germany. Prior to the entrance of Senator VANDENBERG into the picture our attitude toward Russia was one of complete surrender. We were told then that to save the world we must pour out unlimited lend-lease money to Russia, as now we are told we must pour out unlimited sums to defeat Russia. We gave them billions in goods under lend-lease without a condition looking to their behavior in the postwar world. We seemed to feel that we had to pay Stalin to keep him in the battle against Germany and we accepted his view of military strategy and attack. With the aid which we were giving him, he took over the Balkans, leaving us to conduct the war against Germany. When we could have occupied all of Germany, we stopped our armies and even withdrew from territory actually occupied in battle. We turned over Berlin and eastern Germany to the Russians, which gives them the ability to dominate by force the great countries of eastern Europe. President Truman and Secretary Marshall approved the policy of Teheran, Yalta, and Potsdam, and participated in it. Are we to accept their judgment on foreign policy today without the most critical analysis?

To a certain extent, the administration is trying to cover its faults by pointing to the bipartisan foreign policy. Most people do not realize that that policy had nothing to do with Teheran, Yalta, or Potsdam. It has extended only to Senator VANDENBERG's participation in the formulation of the United Nations Charter, in negotiations with European nations regarding peace in Europe, in the regional agreements with South American nations, and a few other subsequent policies. In these fields Senator VANDENBERG has taken the lead and accomplished results which could never have been reached without his force and sound judgment, but in most other fields of foreign policy he was not consulted until the policy itself had been formulated.

In 1945, with a blare of trumpets, we were told that the economic problems of the world would be solved by the International Bank and the International Fund, at a cost to the United States of $6,000,000,000. If this was done, we were told by the Treasury Department, loans to Great Britain would be wholly unnecessary. As I said at that time, the fund was utterly unsuited to the problems of the world at that time. It is now only serving the purpose of distributing a few billion dollars around the world without reference to merit or to need. These dollars are coming back to the United States to force our prices up.

In spite of the Treasury Department, we were soon faced with a $4,000,000,000 British loan. Again we were told it was necessary to save the world and would surely do so. Britain itself did not require so much for exports from the United States, but the loan was to make sterling a medium of world exchange and reestablish world trade. Today the loan is nearly gone and the problems of Britain are apparently as great as they were when it was granted.

Three billion five hundred million dollars was furnished to the Export-Import Bank, and that, too, has almost disappeared.

About $3,000,000,000 were spent on UNRRA, a large part going to countries under Russian influence and redounding to Russian advantage. At the end of 2 years no voice was raised in America to continue such an inefficient outlay of American money by an international organization.

I do not say that these sums were all wasted or that some action was not necessary. I do say that they were accepted by the American people because of high-pressure propaganda without careful consideration, that they were unsuited to the purpose, that proper conditions were not imposed, that the sums were excessive, and that a large part of the money was wasted. They have not only financed excessive exports from this country and thus increased prices, but they have scattered more dollars around the world which are yet to come back to exchange for our products. The administration can't get away from the New Deal principle that Government spending is a good thing in itself. They so overdrew the picture to convince our people that these grants were entirely for our own benefit that even the Europeans came to believe they were conferring a favor on us by accepting our loans—that we had to export to prevent a depression. It is our Treasury and our State Department who invented the fallacy of a dollar shortage for which they imply the American people are responsible.

I have been in a number of States from the Pacific to the Atlantic coast during the past 2 months. I know what the public attitude is about further loans to Europe. The man on the street is indignantly inquiring how long we are going to have to give away the products of our labor to other nations. Before further aid is granted he wants to know the reasons for and against continuing such gifts.

And so tonight, admitting the powerful reasons for continuing aid to western Europe, I wish first to describe the danger and cost which such aid involves to the people of the United States, particularly in the amounts and form suggested from Europe.

1. Aid to Europe at the rate proposed by the European nations means $8,000,000,000 of taxes in 1948 on the American people over and above what they would otherwise pay. If a billion dollars of this money is handled by the International Bank, perhaps the taxes need be only $7,000,000,000. But to balance this there would be at least another billion dollars to other parts of the world. Eight billion dollars is two-fifths of the total sum paid in personal income taxes by the people of the United States. It is almost equal to all the income taxes paid by corporations. The adoption of this plan means that every person in the United States must pay more tax than otherwise and that the pay-roll check will be subject to a much larger deduction.

In my opinion the great tax burden of today is already a dangerous threat to a free economy. Fifty-two billion dollars paid in 1947 in local, State, and Federal taxes amounts to about 30 percent of the national income. Every man is working 3 days out of 10 for the Government and only 7 for himself. The tax burden on individuals and on corporations is such that little incentive remains to expand production and give the new jobs necessary to have progress continue in this country. Furthermore, taxes on the lower-income groups are so heavy, the deductions from the pay-roll envelope so great, that employers have to increase wages, which means increased costs and increased prices. The best way to stop the spiral of inflation and relieve the condition of the lower-income workers is to give a general tax reduction instead of another wage increase. Such a reduction would be impossible if we accept the full figures of the Marshall plan.

2. The adoption of the Marshall plan has a direct tendency to inflate prices further in the United States. There can be no doubt that the tremendous rate of exports in 1947 played a material part in the increase in prices we have seen during this year. The exports of goods and services this year have been at the rate of more than $19,000,000,000 per annum, balanced by a rate of only $8,000,000,000 of imports. The excess of exports over imports, therefore, has been at the rate of more than eleven billions. To the extent that this excess has been balanced by budgetary items covered by taxes, it does not increase the total purchasing power in the United States, but it has only been so balanced to the extent of about $5,000,000,000. The other five or six billion dollars is inflationary, whether it comes from dollar balances accumulated by foreign countries during the war, or from other means of financing.

It is quite true that the price situation today is largely due to the tremendous income within the United States—to the fact that the American people are better off than they have ever been before. But the income of our people is practically balanced by production. When we impose on top of this balance $20,000,000,000 of foreign purchases,

of which some $5,000,000,000 is direct inflation, we can hardly be surprised that the great increase in demand outruns our supply and forces prices up.

I have read with much interest the report of the President's Council of Economic Advisers. If this had been prepared as a brief to support the full-sized Marshall plan, it could not have been more ingeniously argued. Their view seems to be that while the price of one or two products like grain may have been forced up by foreign demand, the tremendous export surplus has had little effect, and its continuation will have no effect at all if we impose a few domestic controls on grain and steel. But purchasing power is not static. It shifts from one article to another as price or supply changes.

In order to support their argument, the advisers have to take the extraordinary position that we should continue exports at the rate of $20,000,000,000 a year, even if a large part of the surplus is given away, and that any reduction in admittedly abnormal exports at this time would require a dangerous adjustment. Even in 1946 we only exported at the rate of $15,000,000,000 with plenty of artificial stimulation. The argument of the Council Report is just another form of the theory that the Government must spend to maintain prosperity. How could a reduction in exports possibly injure us when we haven't enough steel for several hundred home industries, or enough freight cars, or enough grain, or enough oil? The Council have let their realization of the needs of Europe affect their economic judgment.

It seems perfectly obvious that exports, even at the 1946 rate, are abnormal and cannot continue. If we begin to build up an economy based on such a rate of export, we face the same kind of collapse which occurred in 1930. From the point of view of our domestic economy nothing could be more dangerous than an export trade created or continued by dollar loans in an amount which cannot be indefinitely continued and ca never be repaid. Some excess balance of export is no doubt justified temporarily against the time when foreign countries will be able to export more goods. But the excess of 1947, if it is continued by the Marshall plan, is a menace to our economic safety.

The Council of Economic Advisers say that exports will be no larger, even if we adopt the Marshall plan. With this conclusion I cannot agree. There is no real evidence that foreign nations have exhausted their gold and dollar balances. Advances from the International Bank and International Monetary Fund will tend to increase rather than decrease. Through lend-lease and otherwise we scattered so many dollars around the world that they may well be coming back for years to come to compete with our own citizens in driving up the price of goods in short supply.

We granted to the President the arbitrary power to limit exports. He has failed to exercise it, and his failure to do so is one of the main reasons for the increase in prices. Few realize that of $15,000,000,000 of exports only $6,000,000,000 is going to Europe, and $9,000,000,000 to North America, South America, Asia, and Africa. Surely we should ration the rest of the world on steel, grain, and oil before we even consider rationing our own people. What sense does it make to prohibit distilling in this country while we ship millions of bushels of grain abroad to be used in distilling? Today the Russian Government has an active commission here buying American goods and paying gold for them—which is better than credit, but certainly inflationary. Much of what Russia is buying is heavy machinery, good for the manufacture of munitions. Why does the President grant export licenses for goods of this nature when steel and various types of machinery are insufficient for our own needs? If we don't want higher prices we will have to reduce exports to the rest of the world.

Broadly speaking, the President is asking for two completely inconsistent policies at the same time. If we want the Marshall plan, we cannot have lower prices. If we want lower prices we have to give up the Marshall plan. The Marshall plan may be worth the cost, but let's be realistic and face the fact that there is a cost.

3. The Marshall plan, unless very carefully administered, can easily be an encouragement to the continuation of unsound policies by European governments. I feel very strongly that we overestimate the effect of our dollars in foreign countries. I feel very strongly that 90 percent of the solution of their own difficulties lies in their hands and in the policies of their governments and their peoples—with one exception, namely, in Germany, where the solution lies rather in our hands. Those who have been abroad testify that where conditions are particularly bad it is usually due to the policies of the government.

In many countries inflation is rampant because of the failure of the government to balance its budget and reduce its expenses.

In many sections the people expect to improve their standard of living while doing less work. It is hard to see why our people should ship coal abroad, for instance, when the European shortage of coal is largely caused by the unwillingness of the miners there to work either long hours or continuously.

The situation in France—and even in England—appears to be made worse by the determination of the government to maintain the value of its currency at a figure well above its real value. Thus exports from France to this country are discouraged by the fact they cannot get the real value in francs of the dollars paid for such exports.

The more we loan money to these governments, the less pressure is brought against them to improve their own policies. Our loans have helped them balance their budgets without taxation. They do not suffer as they should from the unwillingness of their own people to work. They are enabled to maintain a false value for their currencies.

I opposed the British loan of $3,750,000,000 and suggested that instead we give them $1,250,000,000 and confine its use to purchases from the United States. Today practically the entire loan has been spent and Britain is little better off than they were when the loan was first granted. Without the loan necessary adjustments might have been made sooner.

It is said that this third objection which I have urged can be met by imposing various conditions upon our loans. I agree that conditions should be imposed, but I think their effectiveness can be overestimated. I doubt very much if the different plans for following our money to its ultimate use abroad are either desirable or practical. Some conditions would be impossible to enforce. When a government assumes obligations and chooses to repudiate them, that is the end of the story. Furthermore, conditions such as were imposed with the British loan required the British to do things which it turned out they could not possibly do.

If we go into these countries we open ourselves to charges of interference and imperialism. If we impose conditions which turn out to be unpopular with the people, we nullify to a large extent such credit which we might otherwise obtain. We give the Russians a basis for the charge that we are trying to dominate the countries of western Europe.

It seems to me that the only conditions which can surely be enforced are conditions as to the particular type of goods which can be exported from the United States, and a limitation of any commitment to 1 year. Whether it should continue after that year ought to be determined by the results in the particular country concerned. There might even be a continuation of aid in proportion to increased production, as suggested by Senator BALL.

Our experience with conditions under the original Marshall proposal up to date has not been very promising. One of the conditions was to be some kind of customs union between western European nations. While these nations mentioned the subject in their report and agreed to consider it, there is not really the slightest hope that there will be any such union, and there is no way in which we can compel it.

4. The effort to export $8,000,000,000 of goods on Government credit will almost certainly force the reimposition of wartime controls. Even the President's economic advisers speak of allocations for domestic use, and minimum powers necessary for a frontal attack on price increases. Foreign nations are blaming us for high prices and suggest that we should ration ourselves so that more may be shipped abroad. The CIO is demanding the revival of OPA.

I would regard the return of price control in peacetime as a major calamity to the United States which no probable Marshall plan benefits can justify. Consumer rationing is only one degree less objectionable. I don't know just what allocation power means, but it certainly is the power of government to control priorities and decide how much of each controlled commodity American users can enjoy.

The trouble with all government controls over the free competitive system is that to be effective at all they have to be constantly extended to other related fields, until we reach the strait-jacket of the OPA, with a choking of all initiative and growth. In peacetime the American people won't submit to such controls, and black markets merely destroy legitimate business and enrich the racketeers. Also they create a complete disrespect for law.

Furthermore, few governments have the knowledge or the judgment to do the job as well as natural economic law—certainly not this administration. Look at the mess made of the voluntary food-saving program to carry out a highly desirable purpose. Meatless Tuesdays and eggless Thursdays never did make any sense, because, of course, everyone ate chicken and eggs on Tuesdays and meat on Thursdays, leaving them just where they were. Last Thursday morning on a dining car the steward told us that wherever eggs appeared on the menu he would substitute wheat cakes. So to save wheat for Europe the travelers ate wheat cakes in America. If the Government had had legal power to enforce its decrees, the plan would have been the same fool plan, and just as ineffective.

The reason this country has a surplus of food to ship and such tremendous productivity is that we have pursued a system based on liberty. The European Socialists do not seem to realize that if we are to continue a program for any length of time, it must be based on a continuation of that liberty; that while temporarily we might increase our output by government restrictions, in the end we would soon be subject to the same paralysis of initiative which exists in England and Europe today. In other words, Europe has to take the limitations which are inherent in a free system if they want the benefits produced by it.

We have shipped more food and other assistance out of this country than any other nation has ever before accomplished for the world. We cannot stretch that liberality too far or there will be nothing to ship. We cannot ship so much that under a free system it will lead to a period of "boom and bust."

I doubt if we can safely ship more than 400,000,000 bushels of wheat out of this coun-

try without disastrous results. If so, the European countries ought to be told now, so they are not left without grain before their next harvest. We cannot underwrite the food supply of the world, and we must not give the impression we are doing so.

It is suggested in the Harriman report that we can authorize "set aside" and priority orders. But this does not solve the price problem, for it leaves less for the domestic market and so forces prices up. We are likely to be led into price control and rationing only to find that they are broken down by black markets and inefficiency as they were after the end of the war.

The adoption of the European plan therefore would, first, continue an intolerable and dangerous tax burden; second, inflate prices further in the United States; third, encourage unsound policies in Europe; and, fourth, force futile and dangerous regimentation on American productivity.

I have tried to state clearly the tremendous cost of the European version of the Marshall plan and the objections to it, and yet I am prepared to support in some reasonable amount the general principle of aid to European countries to enable them to help themselves. The whole world is embattled today between the ideology of communism and the ideals of liberty. We must do what we can to prevent the spread of communism. I might point out, however, that many who want to pour out dollars to prevent communism abroad are criticizing a congressional committee for trying to find out who the influential Communists are in the United States. They are merely trying to bring Communist activity out in the open so the people can know where it is working underground. Surely if we want to fight communism we ought to begin at home.

Unquestionably our aid will create conditions abroad less favorable to the spread of communism. But in the long run, the people of France, for instance, are going to decide for themselves whether they go Communist or not. We are too much inclined to overestimate the effect of American dollars. A credit of American dollars, encouraging unsound policies and giving the basis for the charge that we are trying to dominate their country, may easily assist communism rather than prevent it.

No one can have anything but sympathy for those who have suffered such tremendous hardships and such tremendous destruction. Undoubtedly there are many things which need to be done in the rehabilitation of those countries which can be done only by machinery and other products made in the United States. Those countries can obtain them only if we extend the credit to buy them. The emergency situation leaves them with little food and inadequate coal and fertilizer. While our resources are limited, we can do something to carry them through until more normal conditions prevail.

Weighing all of the considerations, and even at some danger to our own people, I believe we should provide aid to western Europe in reasonable amounts, but I think that even the figure suggested by the Harriman committee is higher than is safe. That committee has laid down in forcible terms the true principles of aid to Europe and the necessary limitations on that aid. But the exact figure selected looks more like a compromise than a scientific conclusion. It seems to have been reached from the point of view of European needs, rather than of American safety. In a field of such uncertainty probably a scientific conclusion is impossible.

I would like to suggest that the German policy of the Government is even more important to the reestablishment of Europe than the Marshall plan. In fact, the condition which exists in Europe today can be traced very largely to the administration's own policy in Germany. In effect, we adopted there the Morgenthau plan, which was suggested at the Yalta Conference, and which was for all practical purposes approved at Potsdam by President Truman in the text released on August 2, 1945. The policy of occupation was designed expressly to convince the German people of their criminal responsibility and to reduce them to a level of subsistence only. Production of all important manufactured goods was to be prohibited or limited, with the exception of coal. Payment of reparations in kind was to leave enough to enable the Germans simply to exist without external assistance. Millions of Germans were to be deported from eastern Germany and thrown into the rest of Germany to feed and support.

The policy of Potsdam was carried out by a directive issued to the commander in chief of occupation in April 1945, known as JCS 1067. Thereafter, in spite of constant disavowal that we were enforcing the Morgenthau plan, this directive, which was in fact the same thing, remained in force until this year. It was officially declared to be at an end on July 15, 1947, but no one is confident today that it is at an end. Has it been revoked or not? We are still dismantling plants which could be made highly useful for the support of the German people. Any plant built for war purposes can certainly be converted to peace use.

The result has been to keep the German people so short of food that many of them believe that their starvation is our deliberate intention. The result has been to deter all economic recovery, so that it will cost us a billion dollars a year simply to bring the German diet up to a subsistence level. Not only has this policy deprived the rest of Europe of many products which could be manufactured in Germany, but it has deprived them of a market for their own exports. It has thus completely upset the economy of Europe, and now we are called upon for taxes from our taxpayers to remedy the failure of the administration.

There is only one way in which Germany can be effectively controlled—that is to control the production of a limited number of essential products. The Vandenberg plan proposes that we remain in Germany indefinitely, but only to prevent rearmament. If aid to western Europe is so essential, then it can be effective only if we really change our policy in Germany. Both President Truman and Secretary Marshall are personally responsible for what occurred in Germany during the past 2½ years. Are they prepared to say now that they have completely abandoned the policy which is so largely responsible for our present plight? Why don't they stop now the dismantling of German industries?

I cannot deal tonight with the problem of high prices. I pointed out in San Francisco last month that the present situation has been brought about by many years of administration policy, and there is certainly no panacea for its cure. For years the Government spent billions more than its budget and piled up a reserve surplus of purchasing power. For years the OPA held prices below wages. Then, after the war, the President adopted the extraordinary theory that there could be a general 20-percent wage increase without increasing prices, which theory was disproved almost before the increase was granted. The Government has continued its huge expenditures and the taxes to pay for them. Both high expenditures and high taxes have been reflected in higher prices. The tremendous export surplus, unrestrained by the President, has added foreign buying to demands at home. We can only wonder that prices have not increased more.

The most obvious remedies are a reduction of Government expenditures, a reduction of taxes in lieu of further wage increases, a reasonable provision of aid to Europe, and a limitation on exports elsewhere. Finally, there must be a powerful appeal to industrialists to forego profits, to wage earners to refrain from further demands for wage increases, and to consumers to eat less and save their money rather than spend it on food. We cannot eat our wheat and ship it too. Various measures of less importance must also be considered and acted on.

But this problem is not primarily a legislative problem. The first responsibility rests on the Administration to act, both under existing laws and under new programs authorized by Congress. The policies of one department insist upon higher prices, while those of another demand reduction. There has been no one in the Government concerning himself with the general problem of holding prices down. Particularly in the administration of the Marshall plan, there must be an independent board directly under the President to develop one consistent and effective policy on exports and foreign aid. If we are against communism, let's be against communism everywhere—in America and in China, as well as in western Europe. If we are for economic recovery in western Europe, let's be for economic recovery in Germany, which is an integral part of western Europe. If we want to hold prices down, let the Government bid every department to avoid the policies which raise prices.

After considering all the facts I believe that Congress will adopt sound policies, but there will have to be a substantial improvement in the administration and efficiency and consistency of the executive departments if those policies are going to get any of the results which are sought.

Foreign Aid

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Thursday, November 20, 1947

Mr. MYERS. Mr. President, the debate on foreign aid, and its corollary phases involving the mobilization of our own economy, will soon be getting under way. In view of the fact that influential voices in the Senate and in the Congress have been discussing these issues in the press and over the radio, as is perfectly proper, I ask unanimous consent to have inserted in the RECORD several editorials from outstanding newspapers discussing the two big issues of the day: Foreign relief and assistance and the domestic inflationary-control program outlined by the President. These newspapers are the Philadelphia Inquirer, the Philadelphia Bulletin, and the Washington Star.

None of these newspapers can be considered as subscribing to the doctrine of a regimented economy, of totalitarianism in America, of new dealism, or of any such tendencies whatsoever. One of these editorials, that from the Philadelphia Inquirer, maintains its anti-New Deal tradition in its comments and makes some references to the New Deal to which I, who support the principles of the New Deal generally, cannot of course subscribe.

On the other hand, there is so much in this editorial, and in the editorials from the other newspapers which I am placing in the RECORD which cuts through to the basic problems and issues facing us, that I think they will be extremely

interesting reading for the Members of the Congress.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia (Pa.) Inquirer of November 19, 1947]

DON'T LET WORDS CLOUD MAIN ISSUES

Angry flare-ups in and out of Congress over President Truman's plea for stand-by power to invoke limited price-wage controls and rationing should not be permitted to obscure the main issues.

The main issues are, first, the need to curb soaring prices here at home; second, the need to strengthen our economy by these and other temporary controls so that it can endure the strains and shocks of our gigantic effort to save western Europe from starvation and communism.

This newspaper believes the Marshall plan should be supported vigorously and promptly by Congress and the people because such support will be vastly less dangerous to this country than might be the case otherwise.

America, with all its vast natural and productive wealth, can't hope to remain free and prosperous indefinitely in a world ruled by hunger, misery and fear. If we don't go all out to help nations which, like ours, want to stay independent, we can be very sure that eventually our way of life will be imperiled.

If we may regard the Marshall plan as a sort of superlative insurance policy for ourselves and the free world, some form of inflation controls—such as were suggested by Mr. Truman in his message to Congress—can be compared to the premium on the policy.

Price-wage controls and rationing, however limited and temporary, go against the American grain. In normal times they would be unthinkable. We had enough of them in wartime to last a long while. And before that, the Roosevelt New Deal drove business and industry almost crazy with restrictions, prohibitions and crippling dictatorship. We want no more New Deals, limited or unlimited.

But these are not normal times. Millions in our own country are having a daily battle to make income meet outgo. Food prices are sky high. So are prices of countless other things our people want and need. Something must be done to curb the cost of necessities.

And overseas other millions are looking to us to ease their war-imposed hardships and to help them resist communism, which feeds on poverty and woe. We must not fail them.

But when the Marshall plan hits full stride the tension on our price structure could be terrific if nothing had been done in the way of safeguards. Government economists believe that a new buying program for foreign aid might, without sound management, push prices of certain basic commodities as much as 30 to 50 percent higher. It doesn't take much imagination to figure what that would do to American consumers.

Senator TAFT and other critics are well within their rights in taking sharp issue with the President on the matter of controls. But does Senator TAFT suggest any effective curb on inflation to protect our economy against Marshall plan stresses? Not that we can see.

It is true, as he says, that a main cause of our present price inflation is the tremendous flow of exports from our shores. He would ease this factor by cutting down the exports. Yet such a measure would strike at the very thing we are trying to do in our own and the world's behalf—help other free peoples to save themselves.

We wish that Senator TAFT and those who go along with him on this question would, rather than get excited at the mention of temporary and limited controls, concern themselves with the imperative necessity of making the Marshall plan a success and of seeing to it that it has the benefit of hard-headed business management.

It is far more important to assure that the plan be administered by a businesslike agency, determined to make every dollar appropriated produce a dollar's worth of relief, than to waste precious time denouncing modified inflation controls as the instrument of a police state.

Let us keep the great issues in proper perspective and view our needs broadly; let us adopt the Marshall plan as an insurance policy for ourselves and the free world; and let us prepare now to pay the premium by whatever temporary controls are required to curb inflation and keep America strong for its stupendous tasks in this uneasy peace.

[From the Philadelphia (Pa.) Bulletin of November 19, 1947]

NO MORE DRIFTING

President Truman's proposals for the curbing of inflation are drastic. Some of them, particularly those involving the grant of powers to allocate and ration basic commodities and within limited range to fix wages and prices, are bound to prove unpopular with various elements their use would directly affect.

But Republican opposition to these measures, coupled with branding them as "totalitarian," is too prompt to indicate that they have been weighed with the seriousness their nature demands.

Few will deny that the country is threatened with increasing inflation. Few will defend the constant rise of prices, with its steady resulting pressure for higher wages. Few want to see us keep on in our present courses until we gratify the Russian expectation of a "bust."

So the need for legislative action is obvious. There is room for dispute as to what form it shall take. But can it be disputed, except for vote-getting purposes, that some grants of emergency powers to the executive, if only as brakes on our headlong rush, are needed?

It can be argued that control over distribution of scarce commodities and related powers would be ineffective without corresponding control over the primary cause of inflation in excessive supplies of money and credit. These points are covered in the Presidential recommendations. The program calls for consideration as a whole.

If better and more effective measures can be devised, it is a Republican duty to devise and advocate them. But it isn't too much to ask for a constructive attitude on the part of those who control the action of Congress. This is a time to think seriously of the national welfare and to leave elections out of the calculation.

If we start out with the proposition that the Truman program was devised to assist the Democratic Party in the coming Presidential year, only partisan reaction can be expected. But no votes are to be won by indifference to the plain signs of the times; and obviously the country will get exactly nowhere by continuance of a drifting policy.

[From the Washington (D. C.) Evening Star of November 18, 1947]

THE DEBATE BEGINS

The President's message to the special session of Congress and Senator TAFT's reply may be regarded as the opening passages in a debate which will shape the future of the world. At this stage of the matter the outlook is not reassuring.

Whether one agrees or disagrees with his proposals, Mr. Truman's message was admirably direct and to the point. There was no beating about the bush.

He asked Congress, first, for $597,000,000 as an emergency aid program to tide Austria, Italy, and France over the winter. It is expected that these funds will suffice until next March 31, when it is hoped that the long-range Marshall plan will be ready to go into effect. The details of the Marshall plan will be submitted to Congress in a later message.

Mr. Truman then outlined the measures which he thinks are necessary to deal with inflation in this country—an inflation which has already assumed serious proportions and which will be aggravated by the European aid program.

The counterinflationary steps advocated by Mr. Truman are ten in number, with the political dynamite being confined mainly to the last two. In these, Mr. Truman asked Congress to authorize consumer rationing on products in short supply which basically affect the cost of living; to authorize price ceiling on products in short supply which basically affect the cost of living or industrial production and to authorize such wage ceilings as are essential to maintain the necessary price ceilings.

It is almost a foregone conclusion that the President is not going to be given these powers. The comments of Senator TAFT and other Republican leaders are just about conclusive on this point. Perhaps the President did not expect to get them, for in discussing his proposals he said that the first five, taken together, would "aid substantially in relieving inflationary pressures."

The worst that can be said of the other proposals, however, especially the last two, is that they would be apt to prove unworkable. In an economy as complex as ours, selective rationing and selective price control at the consumer level is a doubtful business. If the experience with OPA serves as a guide, a resort to such measures now would be apt to do more harm than good, especially in view of the President's none-too-firm attitude in the matter of wage controls.

Still, to repeat, the worst that can be said of these proposals is that their workability is doubtful. And in fairness to the President, it should be recognized that mounting inflationary pressures may yet drive us to them.

Most certainly, there is nothing in the message which justifies Senator TAFT's extreme attack on the President. He was justified in attacking the soundness of the proposals. But when he went on to impugn the President's motives, to picture him as wanting a "police state" in this country, and to cast doubt on the genuineness of Mr. Truman's desire for world peace he was going much too far.

The exact position of Senator TAFT in this matter continues to be unclear. He blames high prices on the excess of consumer dollars competing for scarce goods. Yet he would increase the supply of dollars in the hands of consumers by cutting taxes. He says that he favors reasonable aid to Europe as a means of combating communism, yet he talks about aid at the rate of $8,000,000,000 a year. He must know that no such figure is contemplated under the Marshall plan. He dwells upon the generous manner in which this country has dealt with Europe, and concludes that we cannot afford to be more generous.

The trouble with this is that it seems to miss the point of what we are trying to do. If it were simply a question of whether we should be generous or ungenerous, one might agree with the Ohio Senator that we are doing enough. But generosity, as such, has little to do with it. The real reason for going to the aid of Europe is to prevent Communist domination of that continent, to head off the peril for us which would follow such domination.

Senator TAFT seems to give little weight to this cardinal point. And until he and his colleagues accept it, with all of its grim implications, the European aid debate will continue to be muddled and our own future will continue to be in jeopardy.

Industrial Research at University of Chattanooga

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Thursday, November 20, 1947

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Industrial Research at University of Chattanooga," by Dr. Raymond B. Seymour, published in the fall 1947 issue of Dixie Business.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDUSTRIAL RESEARCH AT UNIVERSITY OF CHATTANOOGA

(By Raymond B. Seymour, Industrial Research Institute, University of Chattanooga, Chattanooga, Tenn.)

The growth of our country has been geared to an expanding economy in which progressive men have continually pushed back frontiers and developed new territories. Even today, in spite of conflicting opinion among some of our country's leaders, frontiers exist that present opportunities undreamed of in yesteryear.

Ambition, imagination, and vision were the chief assets of the old frontiersman, but the modern pioneer must not only possess these attributes but, in addition, must be trained in scientific research methods. In past years the route was westward, but today progress takes place wherever adequate facilities for research and education are present. Unfortunately, most of the top-ranking institutions of higher learning and almost all the modern research laboratories are located north and east of the Ohio and Mississippi Rivers, respectively. Of course, that region is unable to supply many of the raw materials required for its new processes and products, but new industries are generally located where they are developed. Thus, sections having access to adequate research facilities are able to create new wealth in spite of a lack of natural resources.

The South possesses more than its share of raw materials which can be the basis of many new products and processes, and it seems obvious that new developments based on these materials should take place within the region. However, such developments do not occur spontaneously but require intensive investigation by adequately trained technologists in modern research laboratories. Over $750,000,000 is being invested annually in such laboratories throughout the entire Nation, but less than $25,000,000 of this is being invested in the South. Less than 2 percent of the country's research scientists having doctor of philosohy degrees are in this section, although many times this number have left the South to seek opportunity elsewhere, and thus are contributing to the development of other regions.

If the South is to secure its share of prosperity, it must provide adequate educational facilities for its youth and modern research institutes for its industry. It must produce a larger variety of agricultural products, using as much mechanized finished equipment as possible, and must process these raw materials to goods in the region. The South should adopt the slogan, "What the South can grow and make will make the South grow."

All available data indicate that the South is already in the early stages of industrialization, but the rate must be accelerated by investing in education and research. During the last 13 years the number of industrial research laboratories in the South has increased 160 percent. Nevertheless, over 43,000 manufacturing plants in this region are without research facilities. While these concerns have been able to sell all the materials they could produce during the war years, they will not be able to compete favorably in the future unless facilities for scientific investigation are made available to them.

Six years ago the Southern Association of Science and Industry was founded by civic leaders who realized that the future of the South would be dependent on the quality of its facilities for education and research. The objects of this association were to provide better education for youth and adequate research facilities for industry so that southern youth would have an opportunity to receive a better education and could help develop the resources of the South after graduation.

The establishment of the Industrial Research Institute of the University of Chattancoga in 1945 by civic leaders and industries fulfilled the objects of the Southern Association for Science and Industry and its record of accomplishment has indicated the soundness of these objects. This research institute has grown from an organization consisting of one scientist in November 1945 to an institute having a large technical staff of full-time men all with industrial experience and most having doctor of philosophy degrees from accredited universities. In accordance with the original plan, this organization is still growing, and is on its way to becoming the most important industrial research institute in the entire South

In addition to the equipment found in most modern laboratories, the institute has a complete micro analytical laboratory; a recording polorograph; spectrophotometers; tensile, compression, and hardness testers; induction heating equipment; an emission spectrograph; metallograph; manaflux; high-speed cameras; high-pressure hydrogeneration apparatus; and adequate shop facilities. The main laboratories are housed in a modern functional building, while shop and testing facilities are in an adjacent building. Plans have been drawn for an addition to the present buildings which will make the Industrial Research Institute the largest non-Government organization, combining research and education in the region.

As a division of a privately controlled institution of higher learning, the Industrial Research Institute is free from political control and has the advantage of administration by officers of a university now in its sixty-first year of service. Since the faculty of the university is available for part-time investigation and consultation, the institute has access to talent which would not be found in an organization not on a university campus. It can be said that by integrating education and research for the benefit of the entire South, the University of Chattanooga is demonstrating its true character as a modern university in which the creation of new knowledge is known to be equal in importance to the conservation of the old.

Although the Research Institute will not complete its first fiscal year until September 1, 1947, it has already been recognized as one of the most important factors in aiding the development of a region comprising 15 States and a population equal to that of Great Britain. This organization has already signed 41 research contracts with business firms located in 8 different States. Its sponsors vary from large organizations, such as the United States Navy, the Sugar Foundation, Inc., and firms having their own research laboratories, to individuals who are interested in developing a new process or product. All research is done at cost.

Research is not magic, but many southern industrialists who have sponsored research projects at the institute are already receiving results. Its staff members have applied for nine patents which have been assigned to the sponsoring firms and six processes developed at the Industrial Research Institute are already in production in southern plants. The profits resulting from any one of these processes would easily pa, for all research expenditures at the institute to date.

As a result of a project sponsored at the Industrial Research Institute, a Tennessee firm is now making an organic chemical which is being distributed to practically every State in the Nation.

A Georgia textile mill is now producing a type of cloth that previously could not be processed.

A southern manufacturer of alloys can now analyze his entire daily production by use of the spectrograph within 15 minutes of sampling. Previous methods required weeks and the product was usually shipped and fabricated before analytical results were obtained.

A North Carolina firm found that it could no longer purchase organic chemicals needed in its plant. The institute surveyed the potential market and determined what process was best adapted to the firm's requirements. Today, this company is manufacturing the chemical it could not purchase and distributes it to other firms throughout the South.

A Tennessee concern, which was engaged in the garneting business, was supplying raw material which was being processed into finished goods by firms outside the region, decided to add greater value to its raw material by processing it to a finished article. It assigned a project to the institute to develop a cloth disposable diaper which would be water absorbent on one side and water repellent on the other, yet competitive with laundry service. This product is now in production, using a patented process and the technologist who developed the process has joined the firm, according to plan in order to aid in future developments

As other technologists are trained in modern research methods, they will also have an opportunity to use their experience to improve southern industry. Such a plan would be impossible if the institute were not on the campus of an accredited university. The medical profession has recognized the necessity for associating medical schools with hospitals so that their graduates could combine theory with practice. Modern universities interested in educating research scientists for industry must also provide the student with an opportunity to secure experience in research by establishing research institutes staffed by experienced technologists.

The philosophy of integrating education and research in order to catalyze southern progress has been reduced to practice at the industrial research institute of the University of Chattanooga. With the continued cooperation of southern industry and civic leaders this organization will continue to develop the resources of the region by placing "science in the service of mankind" for the advancement of the Southland.

RAYMOND B. SEYMOUR.

JUNE 28, 1947.

The Injection of Party Politics

EXTENSION OF REMARKS
OF
HON. CLARENCE E. KILBURN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. KILBURN. Mr. Speaker, Walter Lippmann is known in our country as having a clear mind, being articulate and

above partisanship. His article on the President's message, which follows, is about the best statement I have seen. I think it reflects in a clear and able manner the opinion of most thinking Americans.

TODAY AND TOMORROW

(By Walter Lippmann)

THE INJECTION OF PARTY POLITICS

Between the first part of the President's message, which dealt with the European recovery program, and the second part, which dealt with the domestic inflation, there is a sharp difference in purpose and in quality of mind. Two different sets of advisers, two different standards, are only too evident. On the European recovery program Mr. Truman wants the President working with Congress, regardless of party, so that "the actions of this Government" may "be a stature to match the dignity and influence of the United States in world affairs." But on inflation, he was, alas, the politician and the candidate trying to put the other party in a hole.

This attempt to mix statesmanship with partisan politics is most unfortunate, and a great deal of good sense will be required to undo the harm that has been done. For by injecting a partisan calculation into the situation, Mr. Truman has made it much more difficult for Congress and for the people to deal wisely and dispassionately both with the European recovery program and with the domestic inflation.

The partisan monkey wrench was in the last 2 of Mr. Truman's 10 points: The request for authority to set up consumer rationing, and to impose price and wage ceilings. Mr. Truman knew perfectly well when he made these two requests that this Congress cannot grant them without an abject confession that the whole of the Republican Party, and a considerable part of the Democratic Party, have made a colossal mistake and are responsible for the high cost of living.

A month ago he himself characterized these measures as those of a "police state"—(which incidentally they are not) and is said to have told Members of Congress privately that he would decline to fix prices. Yet suddenly, and without consulting Congress, he is asking Congress to do something which he knows Congress will not do and that he himself is on record as saying he would not want it to do. If this is not partisan politics in an election year—a device to make the Republicans refuse him powers which he does not wish to exercise—then what is it?

On the merits, it may be said, I think, that consumer rationing, price and wage fixing, could not cure or even check the inflation; they could only divert the pressure from the few controlled commodities to the much greater number of uncontrolled commodities.

If the price ceilings are really effective—if there is no big black market—on the selected goods that are in short supply, the effect will be to divert the inflated purchasing power, and therefore labor and raw materials and transportation facilities, to the uncontrolled sections of the economy. The result is likely to be a decline, or at least no increase, in the production of these very commodities that are in short supply.

The inflation, of which we are now suffering the consequences, is due initially to the fact that in financing the war the Government raised about a quarter of its funds, not out of taxes and not out of savings but by selling its securities to the commercial banking system. This bank money was as purely inflationary as if it had been fiat money turned out by the Government printing press. At the end of 1945 it represented the huge sum of $95,000,000,000, all of its excess purchasing power for which there were no corresponding goods.

Against this initial inflationary force, the Treasury took substantial countermeasures. Since the end of 1945 it has used its surplus to pay off Government debt held by the banks, and at the end of June this year holdings of Government securities had been reduced by about 15 percent. This in itself would have been a genuine and effective means of arresting and even of reducing the inflation.

But the Treasury's measures are being offset by the creation of new inflationary funds in the banks. The credits extended by the banks have risen at a rapid rate. Because of the high reserves which they already have and the large reserves which they can still acquire from investors who sell their Government bonds, the country is threatened with an increasing inflation.

The President touched upon this—the central problem of the inflation—in his first point. But he did not give it anything like the emphasis it deserves, as can be seen by the fact that he put the restoration of consumer credit controls ahead of the restraint of inflationary bank credit. Yet the expansion of consumer credit is a small item as compared with the expansion of bank credit.

It is on that problem that our effort ought to be concentrated. Powers need to be given to the Federal Reserve System to check the creation of excess bank credit based upon the acquisition of Government and other securities and of gold by the commercial banks. This could then be supplemented by the power to allocate transportation facilities and scarce commodities which the President asked for in his message. The chief virtue—as regards inflation—of the power to allocate is that it can be used to postpone public works, and unnecessary private construction financed directly or indirectly by the inflationary bank credits.

If the President could now be persuaded to lay aside—at least until later in the session—the provocative and impracticable proposals about consumer rationing, price and wage fixing, and to concentrate on measures to check the real inflation, the country could still be saved the ordeal of having to meet the European crisis and our domestic difficulties in a whirling welter of partisan politics.

World Peace and World Government

EXTENSION OF REMARKS

OF

HON. HERBERT C. BONNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. BONNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address on Armistice Day in Washington, N. C., by Dr. I. Beverly Lake, professor of law, Wake Forest College, Wake Forest, N. C.:

Commander Paul, veterans, and those who, like myself, cannot claim the distinction of having worn our country's uniform, it is an honor to be invited to join you in your celebration of Armistice Day and a pleasure which I have been anticipating these several days since my friend, Mr. Malcolm Paul, telephoned me and asked me to come. Armistice Day means even more to us now than it did when it was first proclaimed a national holiday for now it calls to mind the accomplishments of 1945 along with the great victory in 1918. The purpose of the holiday is to enable us to take the time to recapture the thoughts and feelings we experienced 29 years ago and again a bit over 2 years ago. It is good for a nation, as it is for an individual, to pause now and again to consider with pride the accomplishments of the past and remember with gratitude those who made them possible. It is good to recall the past, because it is only in the light of the past that we can plot our course into the future. Maitland, the great English legal scholar, said, "We study the day before yesterday in order that yesterday may not paralyze today and today may not paralyze tomorrow."

History is the story of real men and women like ourselves and faced with problems much like those confronting us. From it we learn what made those men and women strong and what blunders endangered their security and postponed the attainment of their ideals. From it we learn of heroes, and, learning of them, we are inspired to do heroic things, for from a careful study of history we see that the hero is not necessarily the glamorous and romantic knight of the Round Table, but is also the ordinary man turning aside from the pursuit of his dreams to do that which he loathes and fears because of devotion to an ideal and a willingness to sacrifice his dreams and his life for the protection of those he loves. It is because you veterans were ordinary North Carolinians who did not want to go into battle, who were, I am sure, afraid to go into battle, but went, nevertheless, and by going preserved for us all the opportunity which we call the American way of life that we honor you today as heroes. From history we learn that nations, not armies and navies alone, win and lose wars, and behind the Army and the fleet stand the planner, the executive, the artisan, the farmer, the teacher, the home maker, and the child, each contributing some part to the success of the Nation. So Armistice Day reminds us that ordinary men are heroic and that our Nation has weathered crisis after crisis, because in our great and cherished freedom to disagree we have disagreed about details and methods but have reached an amazing unity of purpose and agreement as to ideals and values and have worked together to reach our goals.

Armistice Day enables us to recapture the pride of achievement we felt in 1918 and 1945 and in that pride to face the future with a quiet confidence instead of hysteria. It reminds us of the joy you and we felt that you would soon be home and of how good it is to be safely at home in a nation at peace and how good it is to be with each other in spite of the minor irritations and petty disagreements that are the inevitable accompaniment of daily association. It reminds us of those who did not return, and in remembering them and the love we had for them and they for us we experience again the joy of the old association. In gratitude to them we determine to teach their names to our children's children, and like them spend our lives, if need be, to make and keep our children's children free to use and develop the things and minds and spirits God shall give them. Armistice Day reminds us of the gratitude we felt to God for the victory and the preservation of our civilization, and thus enables us to look ahead not only with confidence in our own strength but with a faith that He will guide and strengthen us in times to come as He has done in times past. Rejecting the old and pagan conception of God as a tribal warrior fighting for the nation He loves, because now we know that He loves them all, we also reject the more modern paganism which portrays Him as merely the personification of peace, coldly aloof from and neutral as to the outcome of wars. We know He is as concerned for the welfare of the German or the Japanese as for the welfare of the North Carolinian, but we also know that He is not neutral in a struggle between a philosophy which degrades and a philosophy which ennobles. "The stars in their courses fought against Sisera" is poetic license but we know as did Deborah that ideals should never be left out of the reckoning when an estimate is made of a nation's strength.

Armistice Day reminds us that we have not yet attained our two goals for which we fought in 1918 and in 1945—a peaceful world and the American way of life, by which we mean not the way of life we have but the way of life that is our ideal, a way which involves material comforts but also involves tolerance and a kindly neighborliness, not only the four freedoms of the Atlantic Charter but also the freedom and the opportunity to work out one's own destiny, and with that freedom the great blessing of responsibility for one's own destiny. Only free men have responsibility, only those willing to take it can be truly free. So our objective is a dual one. Of course, we want peace, especially those of us whose boys will be 13 in five more years, but Armistice Day reminds us that there are things more to be desired than peace. We could have had peace in 1939 and probably for a thousand years to come if we had been willing to accept the Nazi plan for a world government, but would you say to the spirit of the boy who died on the beaches of Normandy that his judgment of values was wrong? Shall we no longer teach our boys to ask, "Is life so dear or peace so sweet as to be purchased at the price of chains and slavery?"

Many who are frightened by the dire prophecy that we have only five more years and who are disheartened by the disputes and railings in the Council of the United Nations believe that organization is a vain hope which should be abandoned in favor of a United States of the World or at least a union of the so-called western democracies under a constitution similar to our own. Since a union of western democracies on the one side and Russia and her satellites on the other seems no great improvement over our present situation, let us consider briefly the suggestion of a United States of the World. It was before small groups of typical Americans that the Constitution of the United States was discussed and debated long before it was brought before the conventions of the States for adoption, and it was in the discussions of such groups as this that the merits and weaknesses of that Constitution were brought to light so that those who went from such groups to the conventions carried with them informed opinions. Through discussions in groups such as ours we may hope to find some of the strengths and some of the weaknesses to be anticipated in a United States of the World, so that the final choice may be made by an informed people and in an atmosphere as far removed as possible from either unreasonable sentimentality or unreasoning fear of that which is new

The existence of a world government is not of itself complete assurance of peace. Many, if not most, of the world's wars have been protests against government. Recently in China, Greece, Paraguay, and Indonesia we have seen such conflicts—wars, on a greater or smaller scale, being fought not because of absence of government but because of the presence of governments which are not satisfactory to some of those governed. The bloodiest war we ever fought—at least, in proportion to the number of people involved—was our own Civil War, which was fought because of a disagreement over the meaning of our Constitution. So we see that a United States of the World with a constitution such as ours is not necessarily a preventive of one more war. Such a government could conceivably supply the irritant which will set off a revolution or civil war—the most cruel and horrible of all. So if we form a United States of the World in order to avoid another war, we must look carefully to see that the governmental machinery will operate smoothly and so as to strike the happy medium between the welfare of the whole group and the freedom of the individual, between the welfare of the world and the freedom of the several nations of the world to regulate their internal affairs.

Let us consider some differences between the present situation and that confronting Washington, Hamilton, Jefferson, and Madison. The Constitution they and their associates drafted has worked remarkably well, the Civil War to the contrary notwithstanding. It, better than any other form of government I know, has harmonized the group interests and the individual interests. One reason is that it was designed for and molded by a people remarkably united in philosophy. Hamilton and Jefferson differed on details, not on ultimate beliefs as to the purpose of government. The American people, especially in 1788, were principally of one religion, one race (the Negroes then having no voice in the government, which wrong we are glad to see is being corrected), one cultural background, and above all one common passionate love of freedom and belief that governments existed for the benefit of the citizen, not the citizen for the benefit of the government. Differing in details, they agreed on principles, and especially on the principle that in freedom to disagree there is strength. We are now considering the wisdom of using this form of government to govern a world where there are different religions—not different denominations of the same religion but religions diametrically opposed to each other—different races, different cultural backgrounds, different governmental backgrounds, and different views as to what the purpose and nature of government is. It may be that the results will be as good in the world as they have been in the United States, and that we may even avoid World Civil War No. 1, but it will not do to assume that a system which has worked well in a country where singular similarity of ideals and backgrounds exists will also work well where there is a diversity of both. I realize that today there are many races and religions in America and barring minor irritations we work together pretty well under our Constitution, but in the critical early years when our constitutional government was developing its strength and weaving its way into our affections, these diversities did not exist, and the later arrivals came slowly enough and in small enough numbers to be assimilated and acclimated to our constitutional government before any large group could be developed with a sharply differing governmental philosophy.

Our Constitution does three things. It sets up a machinery through which the Federal Government can act, separating its activities and distributing its responsibilities and powers among the legislative, executive, and judicial departments, defining each so that it can operate in its zone free from interference by the others. Second, it deals with the relation between the Federal Government and the State governments. Broadly, its theory, as amended by the Civil War, is that of "an indestructible Union composed of indestructible States," to the end that the Federal Government may deal with the problems of Nation-wide scope, of which the two chief ones are national defense and interstate and foreign trade, and the State governments may deal with local problems. Third, it protects the freedom of the individual by setting limitations both upon the power of the State and the power of the Federal Government.

Taking these in order we run into difficulties with the first when we talk about a United States of the World. The legislature of such a government would be elected by the people of the several nations, each determining the qualifications of its voters. This would give to India and China over half of the representatives in the lower house, though they have, I believe, a very small proportion of the literate people of the world. Russia would have the next largest delegation, and we would be fourth. In the senate we would be on a par with Nicaragua. This is not, of course, necessarily fatal to a good government, nor to a peaceful and a free world, but it is one of the chief practical barriers to the formation of a United States of the World like our United States of America. Our position and Russia's position in world affairs would be far weaker. We would have no real assurance that our legitimate interests would be protected in such a legislature. North Carolina likewise has no power to control the United States legislation, but North Carolina knows that the interests and theories of her people are about the same as those of the people of Oregon or of Illinois. The political history of China and India may well cause some question as to whether they will elect representatives to whom we can afford to trust our well-being.

Jumping to the President, and his tremendous number of administrative assistants, we might reasonably expect an American to be elected first or soon afterward, but thereafter the president of the world would be an American about as often as the President of the United States has been a New Yorker. The Supreme Court would be composed of many judges, only a few of whom would be familiar with our constitutional principles or grounded in the Anglo-American legal philosophy. Their decisions might conceivably be better than some we have had from our own Court, but it is hardly conceivable that they would interpret the world constitution as our Court has interpreted our own, so, starting out with a constitution worded like ours, we would hardly go far before we would run into some strange doctrines and interpretations. The question is, Can we trust the population of the world to put into office men upon whom we will be safe in conferring the powers we now confer upon our Congress, our President, and our Supreme Court? This is not the place for either idealistic sentimentality about all men being equal and there being no superior race, nor is it the place for a conceited exaltation of our own abilities and scorn for people of other lands. We must answer this question in the light of history, or what we know about the other countries, their ideals, and their philosophies.

Turn now to the powers we wish to confer upon the United States of the World. It will not do to say we will simply give it power to prevent war, for that either means too little or too much. It cannot prevent war by simply saying there shall be none. It must be authorized to remove the causes of war and authorized to take action to punish violations of its safeguards. But our own history shows that administrations of all parties have sought to enhance their power by using the powers expressly granted as pretexts for doing things not specifically authorized and probably not even impliedly authorized. Surely there is nothing to indicate that a President from Bulgaria would be less inclined to extend his power by indirection than a President from New York. The power to prevent war or remove the causes of war is an elastic power which may be stretched quite out of shape in the hands of a zealous reformer, so we shall have to do more than simply confer this power on our United States of the World. Let us assume we give it the powers now given the United States in article 1, section 8, of our Constitution, and confine ourselves to the question of what might happen if we say, "The Congress of the World shall have power to regulate commerce among the several nations, with foreign planets and with the savage tribes," that being about as near as we could come to the commerce clause in our Constitution.

Under such a world commerce clause our tariff laws would be abrogated and the American market would be open to goods produced at low-wage levels in China, Russia, or England. This in turn would force

lower wages in America. Under such a world commerce clause it is probable that a nation could no longer prevent or control immigration. Certainly under this and other clauses in our Constitution one of our States cannot keep out citizens of other States. Under such a world commerce clause we could require quarantine and inspection of foreign goods and passengers only so long as the World Congress did not see fit to act in the field. We could prevent the importation and retail sale in the original package of opium produced in China only if the World Congress saw fit to permit us to do so. Now it is conceivable that the World and even ourselves might ultimately be in a better condition if there were no national tariffs, no national restrictions on immigration and travel, no national power to prohibit the importation of goods thought harmful, but it seems beyond question that such a surrender of our national power would have the immediate effect of lowering drastically American standards of living and American health and safety.

Turning now to what such a world commerce clause would enable the World Congress to do, we find some interesting possibilities. The World Congress might forbid an American factory to ship to Canada articles which are unobjectionable either in America or in Canada. It has happened here in the case of the lottery ticket. The World Congress might provide no goods can be shipped in international commerce which were made in a factory where wage levels are not as high or hours of work as low as the World Congress might think proper. Both have happened here. It might regulate wages and hours of a factory making goods intended for international commerce of the price of tobacco sold on an American market from which some tobacco may go in international commerce, or the right of an Ohio farmer to grow wheat on his own farm and feed it there to his own turkeys intended for his own table. All these have happened here under our own commerce clause. Since a labor dispute in a factory receiving some raw materials from abroad and shipping some of its products abroad would impede international trade, the World Congress might require the factory to refrain from discrimination against union labor, though no labor dispute exists in that particular factory. That, too, has happened here. It might be that the World Congress under such a commerce clause as ours could forbid international shipments to or from factories which paid too high wages, did not work its employees long enough, or retained in its employ a member of a labor union. None of these has happened here yet.

Time will not permit further multiplication of examples of difficulties to be contemplated if a world constitution similar to the United States Constitution were adopted. Enough has been said to show my own opinion that such a constitution would not be desirable in our present world. It has worked wonderfully well in the United States and may well be an ideal government for an ideal world, but we are confronted with a fact, not a theory—a realistic world, not an idealistic one.

This does not mean we can have no world government, no cooperation among nations to ease frictions and put out fires while they can be controlled. We have a world government now. There is at the moment much criticism of and impatience with the United Nations Organization. Here, as usual, we have expected a miracle and are discouraged when some problems remain. Let us remember that the United Nations is only 3 years old. Compare it with the United States at age 3. Are the disagreements between Mr. Gromyko and Senator AUSTIN more earnestly or more bitterly argued than those between Jefferson and Hamilton? Is the outlook for success more gloomy than was the prospect here in 1791?

Let us look very, very briefly at the United Nations Charter. Its purposes include the maintenance of international peace and the removal of threats thereto. Specifically with reference to threats to and breaches of the peace the Security Council is given tremendous power. It may decide whether a threat to peace exists or a breach has occurred or an act of aggression has been committed. When it decides that one of these exists or has occurred it may call upon all or some of the member nations to apply all or any of the following measures: Complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations. Should the Council consider these drastic measures not enough it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security, including demonstrations, blockade, and other operations by air, sea, or land forces of member nations. In the meantime nothing in the Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a single member of the United Nations, until the Council has taken the necessary steps to restore peace.

This certainly seems ample to prevent Ecuador from attacking or threatening the peace of Peru, and even Russia or the United States might well hesitate to invade Greece or Mexico with such a threat hanging over it. The difficulty is that no such threat of action by the Security Council hangs over Russia or the United States, because all the decisions of the Council save on procedural matters require the affirmative vote of all the permanent members. A member may not vote on a decision to investigate or recommend a settlement of a dispute to which it is a party, but apparently it may vote on any decision as to enforcement action against it, which necessarily means there will be no enforcement action taken against one of the permanent members—the United States, England, Russia, France, and China—nor will enforcement action be taken against any satellite of one of the Big Five. Perhaps the veto power should be surrendered, but as yet we are all too suspicious of each other to surrender it. Certainly, if the Big Five are unwilling to surrender the veto power to a world government empowered only to act to remove threats to international peace, there is no possibility of their ratifying within the next 5 years a world constitution like that of the United States. Even with the veto power the Council can investigate and publicize the facts in a dispute involving one of the Big Five. Let us suppose Russia were to decide to annex Greece. With the veto power in existence does she not know that she would take that step at the risk that England, France, and the United States would as sovereign, independent nations go to the aid of Greece? Would Russia hesitate more if the Security Council had the power to call out the Chilean Navy also? Is it not true that the United Nations Organization and the members thereof can now bring exactly the same pressure upon Russia to let Greece alone as could be brought upon her by the Security Council freed from the restrictions of the veto power?

The simple truth is that no government by its mere existence and the perfection of its machinery for settling disputes, is an absolute guaranty of international peace. Nor is disarmament. Genghis Kahn did quite well as an aggressor using bows and arrows and swords. The only actual guaranty of world peace is to remove the desire for war—or more accurately, the willingness to go to war if only a nation may have what it wants. The only real guaranty of peace on earth is that which will come from a general acceptance by individuals throughout the world of the teachings of Jesus as practical rules of life. You may say that is a long way off and we cannot wait until then for the whole world may be destroyed before that comes about. We are 2,000 years nearer to that time than He was and He invested His life on the belief that there was then time for his principles to work. You and I may be called upon to invest ours in the same venture. There may be another war and even our country may go down in defeat but the world and the human family will not be destroyed by war, for Jesus did not make a foolish investment. It is because the day before yesterday tells us of His wisdom and of His faith in mankind, we do not regard ours as an age of fear but as the age of hope. The sun is rising—not going down. As we prepare for the new day that lies before us and are conscious of the many perplexing problems it will bring, and as we hear the dire prophecies of those who say there are only 5 years more, that our scientists like the fisherman of the fairy tale, have let out of the bottle a demon they cannot control, there comes to mind a bit of advice written long ago by a wise man to a young friend. Paul writing to Timothy in a day far more discouraging than our own, reminds him of his glorious heritage from his mother and his grandmother, and says "Wherefore I put thee in remembrance that thou stir up the gift of God which is within thee, for God hath not given us the spirit of fear, but of power, and of love, and of a sound mind."

The Strength of America

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks of David E. Lilienthal, Chairman, United States Atomic Energy Commission, before New York Herald Tribune Forum at the Hotel Waldorf Astoria on October 21, 1947:

Generally speaking, it's not a good idea for an individual to think too much about himself. He can become so occupied with how his digestion is getting along that just fussing about it will get it out of order. Perfectly healthy people can give themselves the jitters by paying too much attention to their nerves and their mental processes. The advice "Let your mind alone" has a lot to be said for it.

I have a feeling that much the same thing applies to nations, and particularly to a nation as healthy and high-spirited as the United States of America. But a certain amount of national self-examination is inescapable, and indeed at this juncture in world events, it is not only inevitable but wholesome. The eyes of the world's people are upon us these days. Everything we do (and a good many things we don't do) and much of what we say, in this wonderfully talkative and uninhibited land of ours, occupy the attention of hundreds of millions of people in England, in France, and the Lowlands, in Italy and the Balkans, in Latin America, in the vast reaches of Soviet Russia. So that even though we might prefer not to talk about our own health, about what it is that makes us so fit, or about that occasional headache, the times just won't permit.

Each day all over the world we, the people of the United States, are given a physical and mental appraisal by the people of other lands. Some of this going over is so palpably false, so course and downright mean, that it

shocks most of us; for very few of us are given to such extremely bad manners when we talk about other peoples.

But whether the looking over we are getting around the world is sincere and temperate, as it often is, or deliberately false and incredibly mean—as much of it is—the justification for this constant appraisal of America is clear enough. For we no longer say: "Our war is good enough for us; please go away and don't bother us with your problems." Upon a world-wide stage we stand today as the exemplars and the active protagonists of certain heroic principles of human life, about which we feel so deeply that we are prepared to stake everything upon keeping them alive and flourishing. We assert that the principles by which we live are basically opposed to, and demonstrably superior to, those modern versions of tyranny over men that first enslaved and then destroyed the German and the Japanese people and that now threaten the peoples of all Europe and of Asia.

If I understand the essence of our evolving foreign policy, it is based largely upon what we believe to be the peculiar merits and the superior qualities of our domestic policy, that is our way of living together here at home. The anxious peoples of the world are bedeviled and often confused by many voices in their own lands telling them just what America is like, what our motives are. The confusion abroad is natural enough. But we should take care that we ourselves do not get confused about the sources of our strength, about what it is that makes America strong and that will keep her strong.

What is this source and this foundation of our American strength? The answer most commonly heard is: Our economic system. This system is variously referred to as the capitalist system, or democratic capitalism, or the system of free enterprise, or some similar expression.

The central role of free, competitive, private enterprise in the life of America can hardly be exaggerated. But neither this nor any other answer in economic terms can explain our basic vitality.

The basic source of the strength of American civilization does not lie in an economic system. The well-springs of our vitality are not economic. They go deeper still; they are ethical and spiritual. Our society in America is founded not upon the cold and bloodless economic man of the Marxist, but upon a faith in man as an end in himself. We believe in man. We believe in men not merely as production units, but as the children of God. We believe that the purpose of our society is not primarily to assure the safety of the state but to safeguard human dignity and the freedom of the individual. We are a people who have built upon a faith in the spirit of man, who conceive that the development and happiness of the individual is the purpose and goal of American life. I judge that we are not ready to trade in this luminous concept of a people's purpose for the notion that the America of the Bill of Rights, of Walt Whitman and Justice Holmes and Abraham Lincoln is simply a highly productive economic system.

What we have, actually, is not a system at all, but almost its opposite, that is a society of the greatest imaginable diversity and flexibility, taking things as they come, deciding how to handle situations by the facts of each situation itself—doing what comes naturally. The only way in which it can be said to be a system is to say that our system is to have no system.

What I have said may start an argument, but it will not be merely an argument over the meaning of words. I speak of the substance of things, not their expression in words. I am asserting that the vitality of our distinctive institutions of production and distribution of goods, ultimately depends not upon rigid and fixed economic principles but upon ethical and moral assumptions and purposes; that our unparalleled productivity and standard of living are not the consequence of an economic system, but rather the other way around, that our economic success and our flourishing economic institutions are the consequence of our ethical and moral standards and precepts, of our democratic faith in man.

We have ethical guide lines in this country. We have developed rather highly a sense of what is right and what is wrong, of what is fair and decent, and what is just crude use of arbitrary power. A cynical labor leader or business giant, a cynical politician or public official—those who conceive of American society as nothing more than a jungle in which the most ruthless prevails—we may not catch on to such men right away. We can be fooled for a time by a mask of pretense. Sometimes we are slow to repudiate cynical disregard of our democratic faith—but that faith is always there, the foundation of our buying and selling, our hiring and firing, our political and financial institutions. No factory can be operated, not a carload of wheat sold, not a labor dispute negotiated, not an election held, that these ethical, legally unenforceable precepts are not part of the transaction.

I do not see how our kind of society could flourish in any other way. A highly interdependent country, one capable of producing more than $150,000,000,000 worth of goods a year is too complex for rigid planning and the enforcement of detailed plans by law. We must function in a loose, informal way under sanctions that are largely ethical and moral, based upon commonly accepted standards of fair play and respect for human integrity. This is the way we do function, by and large, and this is why we flourish.

Some would have us believe that because we excel in making millions of the same kind of useful gadgets, that therefore we are free-men. No; that has the cart before the horse. It is because freedom for men is a primary ethical concern of ours that we do so well in making gadgets and raising food and doing successfully many other things—among them the winning of wars.

Diversity and flexibility rather than a stereotyped hard-and-fast system, is an essential part of such a noble concept of society as is ours. We get our economic services in the way that at the time seems to work best, that will in a particular situation best advance our underlying purposes. We do not start with all the answers, the economic or political answers. We make the answers up as we go along. Thus, American industry is owned and operated, by and large, by competitive private enterprise; yet a year ago the Senate of the United States voted unanimously to establish public ownership and management in one of our largest industries, and make it a Government monopoly; I refer, of course, to the atomic-materials industry. That appeared to be the thing to do at the time, for reasons related to the facts of atomic energy, not for ideological reasons taken out of some book of economic dogma. The most rock-ribbed midwestern town I know has for many years owned and operated its own electric power and light plant. Is this then a Socialist town? Hardly. Its water service has been privately owned for the same period. There is a privately owned university; a public junior college. No one considers that these things are inconsistent; and, of course, they are not, except to the dogmatist who thinks we have a fixed system. In the same town there is a farmers' feed cooperative that is not quite private or quite public, operating side by side with a big privately owned feed company. There are private banks, there are nonprofit insurance companies, there are State-owned liquor stores. We would never consider adopting Government ownership or control of newspapers partly because of their educational character; but our school system, the cornerstone of American education, is almost entirely publicly owned and managed. This is all part of the familiar picture of American diversity, of American flexibility.

The fact is that we have hardly an ounce of economic dogmatism in us. This characteristic diversity of ours, this capacity to adapt ourselves to any need, stands us—and the world—in good stead tonight. For in Western Europe there are many different kinds of economic undertakings and methods of control; and as befits world leaders we are peculiarly equipped by reason of our own economic diversity to deal effectively with each of these, without sacrifice of our own unifying sense of purpose and direction.

We ourselves should be very clear about American fundamentals, as we move into the most fateful role we have ever played in world affairs. For our leadership in large part depends upon our continued capacity to demonstrate how superior, in human terms, is our way of living. If I am right in what I have been saying, then it is important—desperately important—that we be clear in our own minds about the true sources of our strength; that we nourish and safeguard the ethical principles that make us strong.

Now no candid person—no honest person—would deny that there are today some disturbing tendencies in our country away from this concern for the individual, away from our standards of fairness between men. We are witnessing in some quarters as ugly a scene of hoggishness and money-mania as we have seen since the days of the twenties. Many of those who spent the years of their youth fighting for this country returned to find themselves the victims of legal crookedness and outrageous speculation. These and other evidences of disregard for our ethical precepts do exist in some quarters; and to the extent that they exist they poison the wells of our material as well as our spiritual strength.

These are days when we should recall the stirring words of old Walt Whitman:

"It is not the earth, it is not America who is so great,
It is I who am great or to be great, it is You up there, or any one,
It is to walk rapidly through civilizations, governments, theories,
Through poems, pageants, shows, to form individuals.
Underneath all, individuals, I swear nothing is good to me now that ignores individuals."

Price Control in Peacetime

EXTENSION OF REMARKS
OF
HON. ANGIER L. GOODWIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. GOODWIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from a recent issue of the Wakefield (Mass.) Daily Item:

PRICE CONTROL IM PEACETIME

Prices are high, and, as a result, some people are beginning to look nostalgically back at the days of price control.

Movements are afoot in various parts of the country to revive something resembling the OPA.

The old habit of looking for an easy way out of trouble by cracking a joke, borrowing another few billion dollars, or writing a law seems to still be with us, although the time for such foolishness is clearly past.

Price control was an emergency wartime measure to force maximum war production.

It made no difference if an artificially low price on a certain nonessential article drove that article from the market; it resulted in the diversion of more energy into war material. Patriotism impelled the people to support any measure that would help bring hostilities to a successful end. That was why they sanctioned price control.

But there is no excuse for price control in the United States in peacetime. It would mean the scrapping of American ideas and the creation of a bureaucracy such as is throttling England.

It would mean political control over every detail of our lives.

Hope would give way to despair as productive activity was blocked by senseless red tape.

Controlled price tags would become a farce as there would be fewer articles to hang them on.

The black market would become the true supply-and-demand market of the country. The consumer, along with honest producers and retailers, would suffer.

The United States is a land of opportunity for energetic individuals. It is about the only spot left in the world where there is hope. Let's keep it that way.

Current Conditions Abroad—A Report to the People of Philadelphia by Hon. Hugh D. Scott, Jr., of Pennsylvania

EXTENSION OF REMARKS
OF

HON. J. CALEB BOGGS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. BOGGS of Delaware. Mr. Speaker, a recent radio broadcast by our distinguished colleague the gentleman from Pennsylvania [HUGH D. SCOTT, JR.], on current conditions abroad aroused wide attention in the Philadelphia area. His observations and report are of such vital interest that his colleagues and the people should have the benefit of it.

The broadcast on radio station WCAU on the evening of November 13, 1947, in the form of an interview by Mr. Charles Shaw, foreign correspondent for CBS, was as follows:

Mr. SHAW. This is a Congressman's report to the people. The Congressman is Representative HUGH D. SCOTT, Republican, of Pennsylvania, who represents Logan, Olney, Germantown, and Roxborough; and this is Charles Shaw to interview Mr. SCOTT. Congressman SCOTT is a member of the Subcommittee on Civil Aviation of the House Committee on Interstate and Foreign Commerce. As a member of that subcommittee, he has just returned from a 30,000-mile trip around the world, during which he visited 19 countries. The subcommittee's primary interest lay in the promotion of American aviation and of America's share in world trade; but Congressman SCOTT gathered information about a lot of other things, too. Before we go into details, Mr. SCOTT, how about a brief summary of why and where you went and what you did?

Representative SCOTT. Until last June 30 the President had authority under the War Powers Act to transfer to the Civil Aeronautics Administration airports, navigational aids and other air facilities abroad which were no longer required by our military forces. These facilities are much needed by American civil air lines, such as TWA, Pan American, Overseas, and Northwest Airlines.

We had more than 85 meetings in 46 days with our military representatives, including the high commissioners and chiefs of intelligence in all of the occupied countries, with our Civil Aeronautics representatives, with representatives of American and foreign air lines and with prime ministers, chiefs of states and cabinet officers of foreign countries, and particularly with the Minister of Communications or Civil Aviation in each country.

Mr. SHAW. What kind of reception did you get?

Representative SCOTT. We found the resident Americans abroad extremely glad to see us and very anxious to pour into our ears their comments, not only regarding civil aviation, but with regard to America's position in Europe and the Orient, generally.

Among persons we met who gave us valuable information were General Clay, the high commissioner in Germany; General Keyes, high commissioner in Austria; General Hodge, high commissioner in Korea; and General MacArthur, supreme commander in Japan; as well as all of the principal members of their staffs. We conferred also with President Auriol, of France; Chancelor Figl, of Austria; the President of the Philippines; the Prime Ministers of China and Siam; the Governor of Stamboul; and with our Ambassadors and their cabinet members in most of these countries.

Mr. SHAW. I understand you had an audience with the Pope.

Representative SCOTT. Yes; we were particularly impressed with our audience with His Holiness, whose wide and profound grasp of world conditions is outstanding and whom we were fortunate enough to visit at a time when he was free to discuss world affairs at considerable length. Incidentally, much of the discussion with His Holiness turned on the subject of the ever-present menace of communism, a subject never very far from the minds of any of us in view of what we had seen or what we heard.

Mr. SHAW. A lot of Congressmen have been traveling around recently. Generally, I think that's a pretty good idea.

Representative SCOTT. So do I. If I had the say-so, I should like to see every Member of Congress do some traveling for at least 30 days every year, because our commitments abroad are so vast, and the burden on our taxpayers is so great that I know of no other way in which Members of Congress can get at the facts. Getting at the facts is terribly important to all of us, because in some instances we can high light any shortcomings, we can discover economies which ought to be practiced, and most of all we can report to the people who employ us as to how the American tax money is being spent and whether it is being spent wisely and well. This sort of report I am now making is just what I have in mind. It used to be the custom of commentators and columnists to make fun of congressional junkets, and there may have been some justification in some cases, but it is my judgment that the cost involved in having Members of Congress see for themselves this summer will be repaid a thousandfold in experience which could have been obtained in no other way.

Mr. SHAW. Well, I understand your group paid at least half your own expenses; so your trip didn't cost us much at all. Now, to get to the heart of your report. How did you find things in Europe?

Representative SCOTT. Conditions in Europe generally are very bad. It is my observation that they are not exaggerated. The harvest in France is the worst in 100 years. Many of the people of Central Europe will be bitterly cold and very hungry this winter. Southern Europe, probably due to its warmer climate, will not be quite so badly off. Conditions in Japan are not quite as bad as in Germany and Austria, because within the limits allowed to them the Japanese are working hard and have rebuilt their cities to the extent of about 50 percent. Our occupation policy in Japan generally seems to be more successful than in Europe. In all countries visited, the fear of communism and hatred of the Communists is very marked indeed.

Mr. SHAW. How do they feel about the United States?

Representative SCOTT. General good will toward America still exists everywhere except in Egypt, but there is a most unusual feeling prevailing that America will abandon Europe and Asia to satisfy Russia. These people are not yet convinced that we will stand by our commitments. It is my belief that communism is its own worst enemy, but at the same time it is true that democracy seems to have more friends than zealous adherents.

Mr. SHAW. What do you consider the world's hot spots in our cold war with Russia?

Representative SCOTT. Behind the Iron Curtain in Austria, and in Trieste, and in Korea. I believe they are the three worst spots in the world. They are arresting many of our soldiers who drive or fly beyond rigidly narrow corridors in which the Russians in their zone keep us confined. I am sorry to say that until very recently we had not adopted as rigid a policy toward the Russians, but I am told we now assume the same attitude against them in connection with any situation they assume against us. For example, if they arrest an American, we arrest a Russian. We built an airport near Vienna which we are not permitted by the Russians to approach except along a single narrow road. To leave the road invites almost certain arrest. It still strikes me as outrageous that even General Clay in Germany cannot fly from Berlin to the American zone at Munich in a direct route but must fly twice as far through a Russian dictated air corridor and by a circuitous route around Berlin to the north of Germany and then turning south at right angles to Munich. These irritations are numerous, continuous, and intentional and every responsible person in our occupation forces asserts the belief that the Russians do not wish to cooperate with us and are engaged in a planned program to wait us out in Europe and to take over all of Europe if and when we abandon it to them, as they expect.

Mr. SHAW. Whan can we do about that, Mr. SCOTT?

Representative SCOTT. So far as I am concerned it is important to prove that the Russians are wrong and that we will remain where we have promised to stay in Europe until fair treaties of peace have been signed, democratic elections held, and governments established whose frontiers will be guaranteed by all of the world powers whose given word still means anything. For that reason we must maintain a strong army, navy, and air force in America and this is going to cost the taxpayers money—there is no doubt about it. While I am on the subject, it is perfectly silly for the administration to say to a special session of Congress, you must find a way to reduce prices and at the same time send a substantial portion of our goods abroad, which in turn increases the bidding among our own people and therefore raises the prices of the goods which are left.

Mr. SHAW. That, to me, Mr. SCOTT, seems to be the problem—to control that bidding for scarce items. However that's a subject that would require more time than we have to discuss. How do you feel about aid to Europe, in general?

Representative SCOTT. Our commitments are such that we cannot ultimately reduce the burden to the American taxpayer of the occupation costs until we find the means of stabilizing the relationship between production and demand abroad and the administration's policy requires that we send goods abroad for that purpose. We are still trying to keep this a bipartisan foreign policy and

I think we have got to go along with the sending of these goods abroad providing they are administered by persons whom the Congress and the people can trust, and provided the funds are used to restore the economy of other nations in a spirit of enlightened self-interest so that our own economy will not go down in the general debacle.

Mr. SHAW. Can you illustrate what you mean?

Representative SCOTT. Let me give you a good example: our occupation cost in Germany is 16 times greater than it should be for any items purchased against German production because we pay at the official rate of 10 marks to the dollar, whereas most business in Germany is conducted on the black market rate of 160 marks to the dollar. By the same token our occupation cost in Austria is 13 times as high and in Japan 6 times as high. Stabilization of these currencies would therefore mean a great saving in occupation costs to American taxpayers.

Mr. SHAW. And if the currencies aren't stabilized?

Representative SCOTT. Failure to do anything about Europe will simply skyrocket our occupation costs, will ultimately prevent our engaging in foreign trade, and will throw us upon the horns of a dilemma, namely, to pull out of Europe, write off the cost of the war and of the occupation, and arm to the teeth against a Russian Communist expansion which will certainly reach to Great Britain and to north Africa, or to maintain our occupation forces at constantly prohibitive rates as the soaring cost of goods increases astronomically while death and disease and chaos run wild.

Mr. SHAW. Some people would like us to pull out of Europe, don't you think?

Representative SCOTT. Yes; some of my friends have said to me that we ought to let Europe stew in its own juice and that it will not matter too much if some of them starve. It ought to be enough to remind the unthinking that spreading starvation means spreading disease and disease knows no international boundaries. The very growth of international air travel, of which we are so proud, would also make pretty certain that we would ultimately share in the spread of disease, as we would in the spread of international bankruptcy.

Mr. SHAW. How is aviation coming along, Mr. SCOTT?

Representative SCOTT. Our air lines are continually expanding and air freight is developing steadily. For example, in Siam we learned of pygmy elephants being carried by air. Most of the foreign nations we visited have or are projecting air lines of their own, which will give increasing competition. It will be necessary for us to back our air lines to the limit, as the British are doing, if we are going to make a better showing in the air lanes of the future than we have done during the better part of the past century on the sea lanes.

I might add that wherever we went we ran into the British parliamentary delegations, composed of both Laborites and Conservatives, who were obviously promoting trade and good-will for Great Britain. I must confess that at times we felt like competing foreign salesmen when we found ourselves together on the same doorstep.

Mr. SHAW. Did this trip of yours change any of your ideas, Mr. SCOTT?

Representative SCOTT. Yes. Many of my conclusions have been reached at considerable cost to my own illusions and it is not easy to have to change one's own views, but I do not believe that any of the Members of the House and Senate who have been traveling this year will survive the experience without a healthy reorientation of their views in varying degrees.

Mr. SHAW. Did you actually run into other Congressmen who had changed their minds after traveling abroad?

Representative SCOTT. Yes; I did. They're all convinced that the aid to Europe program has to be carried through. The only dispute is as to the methods. I know of four outspoken isolationists who have completely changed their views about our role in world affairs.

Mr. SHAW. Do you think Europe's doing enough to help itself, Mr. Scott?

Representative SCOTT. I have a strong conviction that Europe is not working as hard as it might, that no one seems to be willing to face up even to a 48-hour week. With the general desire for more pay for less work, there is a tendency to blame other peoples for their own misfortunes, and where some of our idealologists have gained a foothold, they have contributed by their advice and assistance to a startling lack of production in some countries.

Mr. SHAW. But, Mr. Scott, don't you think that some of that apparent disinclination to work a long day may be due to the fact that those people are very tired after more than 8 years of war and dreary postwar life, of inadequate diet, of man-killing work during the war years. In my 3 years abroad, when I had to live on European rations, I used to marvel sometimes that they worked as much as they did.

Representative SCOTT. That's quite true, Mr. Shaw, but it does point up my thought that if we help them to their feet, they must work harder and produce more, to help themselves.

Mr. SHAW. You make it quite clear, Mr. SCOTT, that you recognize the necessity and want others to recognize the necessity of going to Europe's aid. You said before that there are disputes as to methods. What is your method?

Representative SCOTT. All that I have said about American participation in foreign aid should be coupled with this caution. I am for it only if assistance is administered by capable and trustworthy American citizens and only where it is obvious that the use of the funds will make these nations self-supporting in the shortest possible time economically speaking. American resources are not a bottomless pit, this sort of thing cannot go on forever, and the policy of our Government up to date has proven wasteful and destructive of American assets.

Mr. SHAW. I suppose you heard plenty about waste over there?

Representative SCOTT. Nearly every American in China believes that most of the UNRRA funds there were shamefully wasted and no American in China wants any American money spent by Chinese officials.

The waste of American assets throughout the world has been a shocking and a deplorable thing. But, as often happens in business, it is necessary to make a further expenditure in order to salvage something from the wreckage. We can either lose it all, and perhaps have another war, or we can make this one great effort to salvage what we can from the general debris. I think we have got to go through with our commitments.

Civil Rights Report Is Impractical, Would Imperil American Freedom

EXTENSION OF REMARKS

OF

HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. BOYKIN. Mr. Speaker, under leave to extend my remarks, I wish to include the following editorial which appeared in the Mobile (Ala.) Press-Register under date of November 9, 1947. I believe this editorial voices the opinion of the overwhelming majority of the citizens of the Southern States, and of many in other sections of our Nation, who feel that the people of the South are best able to work out their own problems:

Not only southerners, but all Americans, of any race, have reason to be dismayed by the recent Report of the President's Committee on Civil Rights.

The authors of the report, blinded by emotional idealism, voiced conclusions not justified by the evidence compiled and recommended Federal regulations which would violate the existing civil rights of citizens and nongovernment institutions and organizations.

The report is a perfect example of a lack of common sense. It is a demonstration of impractical and headstrong theory running away with sound reasoning. It is a case of those who sincerely desire tolerance permitting that desire to carry them into the very depths of intolerance.

More than all this, however, the goal as set by the President's committee would be a direct assault on the American way of life. It would mean bureaucratic interference, enforced by Federal authorities in the personal and private affairs of every individual, business establishment, and institution.

It is not surprising that the report dealt so harshly with the South. There were only two southerners on the committee of 15. This lack of adequate representation for the South is reflected in the report's lack of perspective and in its complete indifference to the possible consequences of what the report recommends.

The lack of common sense in the report is demonstrated conclusively in the committee's majority proposal that all racial segregation be abolished immediately.

The committee's report recommends that segregation be prohibited by Federal law in schools, colleges, hospitals, housing, recreation facilities, and transportation. Although the report is not too clear on the subject, this would apply, presumably, to privately endowed, owned, and operated institutions as well as to those supported with public funds.

There is an unalterable conclusion that the forces behind this recommendation seek enactment of a Federal law which would be enforced against all churches, private schools, private hospitals, and at least to physicians and surgeons, if not to other professional people. In due time, and perhaps on the basis of this proposed law, there would be a clamor for enforcement of this law against labor unions, fraternal orders, and even social clubs.

Under this proposal, States which do not fall in line with this impractical, ridiculous, and dangerous mandate would be deprived of Federal aid funds for education, health, housing, and other public services. Nothing could be more foolhardy than to insist on such a program.

Segregation is a part of the South's pattern of living. It will continue to be a part of the South's pattern of living. For this committee to imagine, or to pretend to imagine, that the practice of segregation can be abolished overnight, with the approval of local court juries, and without bloody consequence, is preposterous to an unbelievable extreme.

This section of the report does nothing more than embarrass those southerners, white and colored, who have made great strides in the field of race relationships, with definite, distinct, and notable benefits to the minority whom the report pretends to serve. It entirely overlooks the fact that to deprive a State of Federal aid funds would deprive this minority of far more than it does the majority. It fails to recognize that Southern

States have made real steps toward a just apportionment of all community services and benefits, and are making further steps along that line almost daily, with far better results than could be gathered from dictational enforcement of an unworkable anti-segregation law.

In its recommendation for a Fair Employment Practice Act, the President's committee would have the Federal Government do more than take jurisdiction over Federal employment. It would step into private business to tell businessmen whom they could hire, and perhaps in what jobs they could use certain individuals they had been forced to hire.

The committee proposes that this FEPC be enforced by a central bureau in Washington, with nine regional offices in key cities throughout the country. "These offices," the report says, "should serve as receiving points for complaints arising in the areas and as local centers of research, investigation, and preventive action."

Though the members of the committee may not realize it, this is one of the most dangerous proposals ever made by any group with official standing. It would provide the perfect excuse for a snooping Federal agency interfering with the legitimate civil rights of free Americans. It would be a violation of one of the most cherished fundamental rights, about which the committee appears so concerned. The proposal contains germs of disease far more deadly than those which the committee seeks to cure.

There are other features of this report which make it preposterous. The committee would have Federal law supersede State law in dealing with law enforcement; it would tell the States what qualifications they can demand of voters; it would issue a mandate that a property owner cannot do with his property what he pleases.

In reference to its demand for new Federal laws superseding State laws in the investigation and prosecution of offenses, the committee report cites specific cases in which investigation and prosecution has been handled by Federal authorities under Federal law.

There is no evidence and little contention that the failure of court juries to return convictions in these cases was due to the presence of inadequate Federal laws, or State laws, on the statute books. There is, on the other hand, ample evidence that present State and Federal laws are adequate.

If the committee is proposing that defendants be denied trial by jury, or that convictions be forced no matter what the evidence or lack of evidence, then it is guilty of a suggestion so un-American as to be repulsive in its entirety.

In short, this report—based far more on unsound theory than on practicability—would imperil and jeopardize the rights of all Americans, including the very minorities whose rights it seeks to uphold.

Until a more sensible solution to the problems involved is advanced, this report of the President's committee will do nothing more than stir up discord. It should be forgotten as soon as possible.

Justice for Poland

EXTENSION OF REMARKS
OF
HON. ANTONI N. SADLAK
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. SADLAK. Mr. Speaker, under leave to extend my remarks, it is a pleasure to include the following radio broadcast made by my distinguished colleague, Congressman JOHN DAVIS LODGE, Fourth District of Connecticut, over Station WSPR in Springfield, Mass., during the recess:

I know that I need not recall to you in any detail the part played by Poland as our loyal and gallant ally in the war. Her military effort inside and outside Poland on practically all European fronts—on land, on sea, and in the air, the courage of her indomitable people, their fighting spirit and readiness to sacrifice their lives for independence and the principles that stake in the common cause greatly surpassed all estimates. In fact, Poland's record as a fighting nation, as as unswervingly faithful ally, as the only nation, which, regardless of Hitler's unprecedented barbarisms never produced a quisling, stands out unexcelled.

Now, the problem of Poland is one of great importance and urgency. It is a problem which many people here and abroad regard as the test case of American resolve for questions of international justice and that fair play among nations which alone can provide an enduring basis for peace.

The American people realize that, particularly with respect to Poland, the United States has suffered and is suffering strategic set-backs and loss in prestige all over the world.

This active interest in international affairs is further demonstrated in the press and in the unusual demand for literature dealing with problems of our international relations. In my own survey of public opinion, it appears to me that aside from the normal political considerations and desires arising out of readjustments to peacetime economy, basic problems of taxes and wages, and living costs, there is in America a ground swell of apprehension regarding the conduct of our foreign affairs. As so often happens under our system, the people are in this instance a step ahead of their own Government.

It appears to many Americans, that we have not only sacrificed moral principles, but also needlessly weakened our strategic and economic position in a confused effort to preserve by appeasement, something of what we gained by force of arms.

These concessions largely predicated on military position at the end of the war make it increasingly difficult for us to use our strength to achieve the peace which is the declared purpose of the United Nations organization.

In the betrayal of Poland, a particularly tragic case, we not only failed to live up to our promises, we also participated in the partition of Poland which has made our later problems much more difficult to solve.

For my own part, I am convinced that it is better to reach no agreement than to reach a bad agreement. By agreeing to the compromise on Poland reached at Yalta and implemented by further concessions at Potsdam, we assumed in fact, a responsibility for this fifth partition of Poland, and for the imposition of a provisional government composed mostly of Commintern agents known to have been selected by the Soviet oligarchy.

Our Government has failed to obtain the carrying out of the one and only condition upon which it attempted to justify its recognition of that government; namely, the holding of free and unfettered elections.

While I understand fully the desirability of maintaining contact with the Polish people through our diplomatic officials in Warsaw, it should be noted that this continued recognition of the Polish Government by the United States constitutes in the eyes of many people, a recognition of the validity of the very elections which we have officially condemned.

The fact that, in the case of Poland, we are once more given the opportunity to make a definite stand on a matter of fundamental principles, in which our immediate interests are secondary, should afford our Government a welcome opportunity to reassert our determination that these principles shall be established as the true basis for international relations.

Is it not time to admit that our policy urgently requires revision?

The coincidence of moral principles and strategic considerations in the case of Poland seems to me to indicate that Poland should be the starting point for such a new policy.

It is my considered opinion, although we must give firm and patient support to the United Nations organization, we must also take into consideration the elements of power and basic strategy which still operate in spite of the war's end, for we are living in a period of continuing conflict and it is vital that we make full use of our residual strength and strategical position in order to salvage at least some of those things for which the war was fought.

With that idea in mind, may I suggest that, in spite of our dwindling military establishments, in spite of the severe drains which have been made on our financial and industrial resources, we still have substantial bargaining counters left with which to insure the rights of self-determination guaranteed by the terms of the Atlantic Charter. We can in this way regain the initiative which was ours during the war. We can by this method give a vigorous demonstration to the world that we are prepared, in the interests of peace, to exercise the resonsibilities of leadership to which our military and industrial predominance entitle us.

Here is our opportunity to face up to the principles to which we have given eloquent lip service. Here is a challenge to the United States, which took a leading part in the creation of the United Nations, to take a leading part in its perpetuation and enhancement, by calling upon that body to decide one of the most crucial questions of the hour.

Since the Soviet position acquired since VJ-day is largely based on power, can we continue to sacrifice principles when we may ourselves have the peacetime power to make principles secure?

Now, these vast and explosive issues should not be oversimplified, I know, but neither should they be avoided. There's time for decision. The proposed aid to Greece and Turkey and the Marshall plan will give encouragement to the forces of freedom everywhere, if we follow this up with the determination to bring justice to stricken Poland by means of the United Nations; we shall not only be strengthening that body, we shall be solving a critical and urgent problem. In addition, we shall be serving on the world that although we have peace, we know that it cannot be predicated on weakness.

We shall have solemnly proclaimed the exhilarating fact that there are certain principles from which we will not depart and that we are resolved to devote our energies to a peace based on freedom, virtue, and reason.

Justice for Poland

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. CLASON. Mr. Speaker, at a broadcast sponsored by the Polish-American Congress, Inc., western Massachusetts branch, over Station WSPR, on Sunday, November 9, 1947, one of our former colleagues delivered a dynamic address on justice for Poland.

As one who has frequently spoken out in behalf of stricken Poland and her people, I welcomed the opportunity to read the considered views of a former Congressman of outstanding ability, with a keen insight and broad knowledge of international affairs.

I am sure that all Members of Congress will be glad to have the opportunity to read this stirring appeal in behalf of the Polish people.

In 1939 a free independent Poland was brutally attacked by Hitler. It was attacked because it wouldn't give in to Nazi demands—as far stronger countries had. I was in Poland on the eve of that attack. I saw Polish people preparing to lead their little army into battle against German tanks, on cavalry horses. Well, the Poles knew that to meet Hitler's iron hordes on horseback meant slaughter, meant destruction, meant defeat, but they met them. God knows where they got the courage, it seemed such folly. And so it was—it was the folly of the cross, and when Stalin shook hands with Hitler on the Nazi-Soviet pact, Poland was crucified—crucified between two thieves.

Then Poland lived under a reign of double terror. The like of it the world has never seen. Wherever red hands or brown hands could be laid on Polish patriots and leaders, these leaders were put at forced labor, they were thrown into concentration camps, they were sent into Siberian exile, they were liquidated. There were 3,500,000 Polish Jews cremated.

Well, then the Nazi and the Soviet thieves fell out, and Hitler attacked Russia. Only then were the Polish men and leaders who had not already been exterminated by the Reds freed by Russia to form an anti-Nazi army. Well, the Poles don't have to be free to fight. In the very heart of Hitler-held Poland, Gen. Bor Komorowski formed an underground army. On a prearranged signal with Russia and ourselves General Bor launched an uprising in Warsaw. But the Red Army that stood then at Warsaw's gates and had so smoothly promised to come to General Bor's aid—well, that army never showed. No, it never showed at all. Warsaw was reduced. It was reduced block by block and house by house to a city of rubble and mud, of blood and corpses. All during those days, you remember, America looked on the suffering of Poland and wept, and America promised. We promised in the name of the Atlantic Charter that at the war's end both Germany and Russia would leave Polish soil, promised that Poland would again be free. All day long during the war the American radio blared these promises by short wave to Poland. These promises had the sanction of our President, of the Secretary of State, of the American Congress. And isn't it so, they had the sanction of the whole American people. Were these crocodile tears that Americans wept, were we Americans being giants in our promises then pygmies in our performance afterward?

Well, I think a free American people must judge. Yalta was the measure of our promises. Yalta sanctioned the fifth partitioning of Poland, and Potsdam confirmed it. The week that the hush-hush news of Yalta leaked to the Allied armies, I happened to be visiting General Anders' army. It was fighting under Gen. Mark Clark's gallant United States Fifth on the Italian front. That, you remember, was the army recruited in Russian-held Poland and in Russia after Hitler had two-timed Mr. Stalin. Well, General Anders had marched his men thousands of miles through Russia and the Near East to join our American forces in the African campaign. His men had fought six long years. They had known neither leave nor rotation. Their homes lay ahead of them in enemy hands, and so, they used to say, did their replacements. In that week of Yalta I found it hard to look in the hurt, accusing eyes of General Anders' soldiers. I shall never forget how ashamed I was that day to be an American.

Now for any army but a Polish army, that betrayal by its strongest ally, the one that had wept most and promised loudest—that would have been the signal to quit, to quit in hate and despair. But General Anders' army did not quit. Why? Well, General Anders said to me, he said, "We fought all the way out to keep our country free and we will fight all the way in to make it free. If we don't fight, who in all the world is going to fight for us now?"

Well, you know the rest. You know the slow, mealy-mouthed acceptance by our leaders of Soviet expansion in Poland. You know our double-talk betrayal of Poland's real democratic leaders, the hypocritical countenancing by our Government of that disgraceful farce, the "free and unfettered" elections in Poland. Now there are some who call this conduct prudence and others call it power politics. Well, there are others who impeach it softly as appeasement, but in plain words it's either stupidity or cowardice, and neither of it is worthy of our Uncle Sam.

Hope this doesn't sound political or partisan. Why should Americans tremble to be called partisans of freedom? Should we blush to be found partisans of our country's honor? Should we apolcgize to be branded partisans of America's best interests? Oh, I wish there were no need to speak this way. It would be a fine thing if we could put Poland's case today on the sole grounds of democratic bounty and Christian charity. But we have got to be honest men and honest women. Poland's misery does more than twist our American hearts. It taunts our American consciences and we are free men living in a free country and we are mixed up beyond any dispute in the mistakes our leaders have made in our name. Well, we haven't inflicted the wounds that Poland suffers, but we have let them widen. And if we have broken no heads in Poland, we have helped to break Polish hearts.

Let me tell you a Polish story in closing. I suppose you would call it a Polish joke. It is a joke, at any rate, that is very popular among the Polish peasants just now. It is particularly popular among the ones who were hurled into jail for refusing to vote as they were told in those "free and unfettered elections."

Now, God, it seems, wanted an angelic estimate of how things were going on on His earth. So He sends the Angel Gabriel to make a survey, and Gabriel returns with this report:

"I visited America, and in America the people were talking of war. But they had cut down their armies, they had destroyed their air forces, and they had done away with all rationing.

"So I visited Russia (said Gabriel to the Almighty) and in Russia their leaders were all talking of peace, but the Russians were building a big army, they were building a vast air force, and they were rigidly controlling all foodstuffs.

"So I came back by way of Poland, and Poland was dominated and even occupied by an alien power. The Polish people had no shelter, they had no clothing, they had no food, they had no army and they had no air force, and they had no atomic bomb. But the Poles were all talking of victory and freedom."

Then God shook His head and smiled at the Angel Gabriel. "Those Poles," He said. "They always did count on me."

Well, it is said that God helps those who help themselves, but when a people is so sick and hungry and homeless—like the Polish people—that they can no longer help themselves, maybe God will help those who help them. So try to, please.

Niech zyje wolna Polska.

Antilynch Bill

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. KEATING. Mr. Speaker, this Congress, controlled by the party of Abraham Lincoln, should not close its doors before it has enacted and sent to the White House for signature an anti-poll-tax and antilynch bill. The House has already acted overwhelmingly to correct the discriminatory situation existing in some States affecting the franchise.

I am today introducing a bill to protect citizens of the United States and other persons from mob violence and lynching. This bill recites the undoubted fact and makes it a finding of the Congress that, notwithstanding the provisions of the fourteenth amendment to the Constitution, citizens of the United States and other persons have been denied the equal protection of the laws through mob violence, in many instances as the result of acts of omission on the part of State or local officials. The bill recites that these omissions on the part of State and local officials are not only contrary to the fourteenth amendment but also to the law of nations, which requires that every person be secure against violence to himself or his property by reason of his race, creed, color, national origin, ancestry, language, or religion, and specifically contrary to article 55 of the Charter of the United Nations, which pledges the United States to promote universal respect for and observance of human rights and fundamental freedoms.

This bill provides a punishment by fine of $10,000 or imprisonment not exceeding 20 years, or both, upon conviction of participation in a lynching and goes on to prescribe a fine of $5,000 or imprisonment not exceeding 5 years, or both, for any official found guilty of having willfully failed to protect a person in his custody from lynching or to apprehend or prosecute the members of a lynch mob.

The measure further provides for compensation to the victim of a lynching or, if it results in his death, to his next of kin in an amount not less than $2,000 and not more than $10,000 to be determined in a court of law. To make this provision effective, it is stipulated that, upon proper certification by the Attorney General of the United States, the amount of such a judgment may be paid out of unappropriated funds in the Treasury of the United States and be deducted from the amounts payable to the State, where the violation occurred, by reason of any of the many Federal grant-in-aid programs. It is believed that this provision will have a salutary effect in bringing the pressure of sovereign States to bear on local officials to wipe out this dark blot on the fair name of our great country.

To our credit let it be said that fortunately such crimes of violence as those to which this bill is directed seem to be on

the wane. It may be conceded also that the long-range solution of this problem lies rather with the aroused conscience of our people than in the enactment of punitive measures. Yet the fact remains that from the year 1889 through 1944 lynch mobs have caused the death of 5,144 persons in the United States. These are the latest figures available to me. Many of these unfortunates who suffered the extreme penalty had never been guilty of anything more than a minor misdemeanor or sometimes simply an indiscreet statement or motion. It is cold comfort to the family of the victim of such an outrage in the year 1947 to say that the situation is improving. This Congress should act and act now to put an end to a vicious and indefensible practice.

Either through choice or chance, our Nation has assumed a position of world leadership. We have made strides of material progress unparalleled probably in any other era of history. We shall, however, be faithless to our world responsibility and the great challenge and opportunity which is ours if we fail to match this advancement with comparable progress in matters of the spirit. We righteously and, indeed, sincerely preach to the world the gospel of the dignity of the individual and advocate the perpetuation and strengthening of fundamental freedoms, which must include freedom from violence and from the fear thereof. Yet these protestations become as "sounding brass and a tinkling cymbal" when we permit a condition to exist in our own country where, even though infrequently, our citizens are permitted to become the victims of mob violence, usually because they are a part of a minority either in race, creed, color, national origin, or religion. The speedy enactment of legislation to remedy this situation is necessary not only for our own domestic tranquillity, but also the maintenance of our proper position as a leader of other nations.

The objection most frequently voiced to antilynching legislation is that it is a matter to be handled by the individual States and that a Federal antilynching act is tainted with unconstitutionality. I have given some study to this legal question and am convinced that, if the decisions of the Supreme Court are to be taken at their face value, the Congress not only has the power but the duty to protect citizens of the United States under the guaranties of the fourteenth amendment from acts of omission on the part of State officials, as well as acts of commission.

Section 1 of the fourteenth amendment to the Constitution of the United States states that all persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside. Furthermore no State shall abridge the privileges and immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor shall it deny to any person within its jurisdiction the equal protection of the laws.

Section 5 states that the Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

There are indications that the authors of this amendment intended that Congress should have power to provide against the denial by rights by the States, whether the denial was in the form of acts of omission or acts of commission—see Flack, the Adoption of the Fourteenth Amendment. It will be recalled that the background period of this amendment was a stormy era in our history; that after the Civil War a bitter controversy arose in which President Johnson sided with the Southern States in the contention that they were entitled, as a matter of constitutional right, to unconditional recognition and readmission into the Union. Encouraged by the President's support, these States were unfortunately led to assume an attitude of defiance and to enact harsh laws directed against Negroes. The prevailing sentiment in the Northern States, on the other hand, was that all the fruits of war would be wasted unless guaranties were secured protecting white and Negro alike from arbitrary and oppressive State action in the South—see Guthrie, Lectures on the Fourteenth Amendment. In the atmosphere of this controversy the proposed amendment was submitted to the States.

Court construction of the amendment and the statutes which sought to implement it were circumscriptive to the extent that some of the broader powers which were sought to be conferred upon the Federal Government were never completely or effectively invoked. At times the Supreme Court has enunciated broad general principles but nevertheless decided the case on other grounds. An example of this noble language followed by narrow construction is the case of *U. S.* v. *Cruikshank* ((1876) 92 U. S. 542, 555), where Mr. Chief Justice Waite, speaking for the Court, said:

> The equality of rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power.

After making this bold assertion, he went on to say that the only obligation resting upon the United States was to see that States do not deny the right.

Broad statements of principles laid down in other cases are even more compelling. The following are illustrative *U. S.* v. *Reese* ((1876) 92 U. S. 214, 217):

> Rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress. The form and manner of the protection may be such as Congress, in the legitimate exercise of its legislative discretion, shall provide. These may be varied to meet the necessities of the particular right to be protected.

Civil Rights Cases ((1883) 109 U. S. S.):

> It (the fourteenth amendment) does not authorize Congress to create a code of municipal law for the regulation of private rights; but to provide modes of redress against the operation of State laws, and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment (p. 11).
>
> And so * * * until * * * some State action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the fourteenth amendment, no legislation of the United States under said amendment, nor any proceeding under such legislation, can be called into activity: for the prohibitions of the amendments are against State laws and acts done under State authority (p. 13).
>
> Many wrongs may be obnoxious to the prohibitions of the fourteenth amendment, * * * Such for example, would be * * * allowing persons who have committed certain crimes * * * to be seized and hung by the posse comitatus without regular trial (p. 23).

Barbier v. *Connelly* ((1885) 113 U. S. 27, 31):

> The fourteenth amendment * * * undoubtedly intended not only that there should be no arbitrary deprivation of life or liberty, or arbitrary spoilation of property, but that equal protection and security should be given to all under like circumstances in the enjoyment of their personal and civil rights.

Ex parte Virginia ((1879) 100 U. S. 339, 347)—The purpose of the fourteenth amendment—

> was to secure equal rights to all persons, and, to insure to all persons the enjoyment of such rights, (and) power was given to Congress to enforce its provisions by appropriate legislation. Such legislation must act upon persons, not upon the abstract thing denominated a State, but upon persons who are the agents of the State in the denial of the rights which were intended to be secured. Such is the act of March 1, 1875 (carrying penalties for exclusions from jury service on account of race, color, or previous conditions of servitude), and we think it was fully authorized by the Constitution.

Carter v. *Texas* ((1900) U. S. 442, 447):

> Whenever by any action of a State, whether through its legislature, or through its executive or administrative officers, all persons of the African race are excluded, solely because of their race or color, from serving as grand jurors, in the criminal prosecution of a person of the African race, the equal protection of the laws is denied to him, contrary to the fourteenth amendment of the Constitution.

This statement was repeated in the same terms in *Rogers* v. *Alabama* ((1904), 192 U. S. 226, 231), and again in *Martin* v. *Texas* ((1906) 200 U. S. 316, 319). The principle is equally applicable to a similar exclusion of Negroes from service on petit juries. *Strander* v. *West Virginia* ((1880) 100 U. S. 303). And although the State statute defining the qualifications of jurors may be fair on its face, the constitutional provision affords protection against action of the State through the administrative officers in effecting the prohibited discrimination. *Neal* v. *Delaware* (103 U. S. 370, 397); *Norris* v. *Alabama* ((1935) 294 U. S. 587, 589).

Truax v. *Corrigan* ((1921) 257 U. S. 312, 332):

> The due process clause requires that every man shall have the protection of his day in court, and the benefit of the general law, a law which hears before it condemns, which proceeds not arbitrarily or capriciously but upon inquiry, and renders judgment only after trial, so that every citizen shall hold his life, liberty, property, and immunities under the protection of the general rules which govern society. *Hurtado* v. *California*,

110 U. S., 516, 535. It, of course, tends to secure equality of law in the sense that it makes a required minimum of protection for everyone's right of life, liberty and property, which the Congress or the legislature may not withhold. Our whole system of law is predicated on the general fundamental principle of equality of application of the law. "All men are equal before the law," "This is a Government of laws and not of men," "No man is above the law" are all maxims showing the spirit in which legislatures, executives, and courts are expected to make, execute, and apply laws.

The guarantics of protection provided in the fourteenth amendment extend to all persons within the territorial jurisdiction of the United States without regard to difference of race, of color, or of nationality—see *Vick* v. *Hopkins* ((1886) 118 U. S. 356). They cover the action of the curators of a State university who represent the State in carrying out its educational policy of separating the races in its educational institutions by refusing to admit a Negro as a student in the university law school because of his race—see *Missouri ex rel. Gaines* v. *Canada* ((1938) 305 U. S. 337).

Where the proceedings in a State court, although a trial in form by reason of the use of United States troops, were only in form and the appellants were hurried to conviction under the pressure of a mob without regard for their rights, the trial, is without due process of law and absolutely void—see *Moore* v. *Dempsey* ((1923) 261 U. S. 86).

This antilynching bill affords the Congress a new opportunity for testing and expanding these principles and for discovering at this late date whether or not the fourteenth amendment means what it says and whether or not it grants to Congress the power intended to be granted by its sponsors.

Many will say that there are State and Federal laws which are ample. Perhaps there are but is their enforcement ample?

In this regard attention is invited to the drastic provisions of the act of April 20, 1871 (R. S 5299; U. S. C. 50: 203) which reads:

Whenever insurrection, domestic violence, unlawful combinations, or conspiracies in any State so obstructs or hinders the execution of the laws thereof, and of the United States, as to deprive any portion or class of the people of such State of any of the rights, privileges, or immunities, or protection, named in the Consitution and secured by the laws for the protection of such rights, privileges, or immunities, and the constituted authorities of such State are unable to protect, or, from any cause, fail in or refuse protection of the people in such rights, such facts shall be deemed a denial by such State of the equal protection of the laws to which they are entitled under the Constitution of the United States, and in all such cases, or whenever any such insurrection, violence, unlawful combination, or conspiracy opposes or obstructs the laws of the United States, or the due execution thereof, or impedes or obstructs the due course of justice under the same, it shall be lawful for the President, and it shall be his duty, to take such measures, by the employment of the militia or the land and naval forces of the United States, or of either, or by other means, as he may deem necessary, for the suppression of such insurrection, domestic violence, or combinations.

It is submitted that there should be in the statutes at large some law affording protection and guaranteeing redress without the extreme expedient of calling out the armed forces. Such protection and redress are available in this proposed antilynching bill which places the Federal Government squarely behind the principle that all citizens of the United States shall have the equal and full protection of the laws and that this protection shall cover acts of omission as well as acts of commission by State and local authorities.

This Nation has just fought the costliest war in history in order that the forces of right, justice, and humanity might prevail over those of tyranny and oppression. It is time for us to destroy the vestiges of the concept of this defeated ideology as exemplified in the lynch mob in our own country. That is the purpose of this antilynching bill, which I commend to the favorable consideration of the House.

Irrigation Men to the Front

EXTENSION OF REMARKS

OF

HON. WALT HORAN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. HORAN. Mr. Speaker, naturally we in the West are very much interested in the policies outlined by the National Reclamation Association. Under the privilege granted to extend my own remarks in the Appendix of the RECORD, I am happy to enclose a copy of the reactions to the recent meeting held in Phoenix, Ariz. It is indeed encouraging to see a more balanced position being taken by this association so all-important to the West:

IRRIGATION MEN TO THE FRONT

(By Rufus Woods)

ON A SOUTHERN PACIFIC TRAIN.—On our way home from the meeting of the annual convention of the National Reclamation Association. This great organization which has been organized through many years is made up of men from 17 Western States.

It has been in a position to be of invaluable service to the entire West. It has been useful in the past. But in the recent 3 or 4 years, it has been going astray from its full duty. In the past 2 years it has gotten so far off its recognized duty that the irrigation men have been pulling away their support. They have been attending and paying only their minimum fee of $2 a year to retain their membership.

The association went into the hands of men who acted as though their whole duty was to the private power companies—instead of the cause of reclamation. Reclamation was becoming a side issue. Matters came to a head 1 year ago when the association heads took it upon themselves to foster legislation by which the power rates of Grand Coulee and other dams of the West could be doubled.

The reclamation men—that is, those representing the irrigation districts of the West—were willing to be fair to the power companies and to the railroads. But they were not willing that these two groups should take control of the reclamation association and use it to carry on their power fight.

And so as the irrigation men went down on the train last week on their way from the Northwest to Phoenix, they were on the fight from the start. It was a friendly fight, of course. They knew all the men with whom they were cast on the train. But they gave it out in no uncertain tones that in their opinion the National Reclamation Association and the Washington State Association had better get back on the irrigation track, or they wouldn't get any support from the irrigation districts.

Among the real leaders in this movement are the men who make up the boards of the Columbia Basin project. One member expressed it very bluntly: "The National Reclamation Association must get in and help us—and then we can help the association. Otherwise we cannot." These Columbia Basin men had counted noses and found only one-fifth as many irrigation men as others represented.

One year ago at the annual meeting in Omaha the association leaders rode roughshod over the men who represented the irrigation districts. The irrigation men watched the heads of the association join in on a program to put over the most nefarious legislation in Congress ever attempted.

The real irrigation men of the West know that to pay the cost of irrigation there must be funds to help pay the cost. The cheap irrigation projects have all been built. Virtually all future irrigation must be built from funds brought in from power from these dams now built and to be built.

The average irrigation man is fair in his attitude to both the railroads and to the private power companies. They are willing to see the private power companies hitch on to the power brought out on these main transmission lines and help distribute it. But they are not willing to see this gigantic combination headed up in New York throttle down legitimate development of the water resources of the West.

In the 3-day meeting in Phoenix the irrigation men took heart. They lacked only a few votes of turning down the former secretary of the national association, F. O. Hagie, when he came up for member of the board of directors. Running against him was J. A. Weber, of Quincy, whose name was popped into the caucus on short notice. The other group had been organizing for months. Organized to the handle, they took another of those shocks similar to that when the organizations through the West united to oppose those dangerous bills in Congress which they promoted a year ago.

The attitude of the Columbia Basin men is that if a raise in power rates is justified, it can be done later. But at the present time the millions rolling in from the sale of power indicates that the price is high enough at 2 mills a kilowatt-hour to pay out on the dam and the transmission lines with interest, and at the same time pay three-fourths of the cost of putting the water on the land.

The old board for the past year had squandered much of the organization's money in trying to put over those several bills in Congress. So President Sawyer, in explaining the situation in his annual message, said:

"I can testify * * * that I have never seen an undertaking * * * so misrepresented both in official and other quarters * * * and never have I seen a propaganda machine working more smoothly to discredit your association, its officers, and its purposes.

"Your association lacks both a propaganda machine and the means of building one. Your officers and committees therefore have been unable to counter either in the field or in Washington itself, the slander that has been voiced and the libel that has been uttered regarding them and their motives."

But it wasn't propaganda nor was it libel. Rather it was a veritable ground swell of public opinion. Those bills inimical to the West and particularly to the Grand Coulee region were early sensed for what they were. Chambers of commerce outside of Seattle, community organizations, irrigation district boards, granges, newspapers generally joined the fight against this attempt to double the rates of Grand Coulee Dam.

And so the meeting at Phoenix was a harmonious meeting—the most harmonious and most satisfactory held for several years past. With the best attendance of any in years, with a proper regard for the main issue, the great reclamation program, has an opportunity of moving forward, provided, of course, some of the fool mistakes of recent years are not made by the regularly elected officers.

But the real irrigation men of the West have developed a sizeable bump of suspicion. They don't want to see any more smooth bills sprung in Washington, D. C. There will be some smashing political reverberations all up and down the West, we opine, if that is attempted.

High Cost of Living

EXTENSION OF REMARKS
OF
HON. NORRIS POULSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. POULSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by Manchester Boddy from the Los Angeles Daily News of October 27, 1947.

I believe that this statement will be of great value to my colleagues in understanding the problem that confronts us with regard to the present high cost of living.

Too many dollars chase too few things. So we impose rationing and price control. This is calculated to stop the pressure that sends prices sky high. But it also leaves a huge pile of unspent dollars in the hands of people who want to buy. To get these dollars we reduce the real income of citizens by imposing heavy taxes and cutting down on Government subsidies. This has the effect of transferring vast sums of money from private bank accounts to the Government and, as well, to the treasuries of large concerns that produce unrationed things that are free from price control. When this money gets into the hands of Government and private uncontrolled industry it again enters the market and exerts as much, if not more, pressure than it exerted before.

The Government buys in the food market and attempts to assemble vast supplies, often in excess of current production. Industry and business generally take flight from controlled operations and go into activities that offer the maximum opportunity for profit. So the people who start a little control find it necessary to extend price fixing and rationing to all phases of economic activity.

When Government thus lays down the law as to how many things can be produced and what the price of each shall be, it must of necessity extend the law to include complete regulation of working hours and wages. Since, quite naturally, labor, like capital, will flow toward the activity that yields the largest returns, the Government will be compelled to force labor to perform not the kind of work to which it is attracted, but the kind that public necessity says must be done.

Thus, with bewildering swiftness, our American way of life can be changed overnight, as it were, into a full-fledged system of state capitalism under which personal freedom cannot exist.

If we have learned anything from the experience of the past 15 years, it is that water, running down hill, eventually hits bottom. We cannot have rationing and price control in one sector of our economic activity without having it throughout.

This lesson has been too clearly demonstrated to allow the possibility that national leaders who now advocate a partial return to price fixing and rationing have anything but the full treatment in mind. They are able to present a plausible case for an opening wedge, but once they get that the movement, as they well know, will gather momentum and go the full route.

The alternative is full public compliance with President Truman's plea for voluntary saving. Anyone who so desires can make a convincing case against the voluntary system on the grounds that it is inefficient, slow, unequal in its application, and too uncertain. By the same line of argument, I could prove that a year-old tot should be carried from place to place. In learning to walk it falls on its face, scratches its nose, and is most inefficient. Nevertheless, it must learn to walk.

The American people suddenly have been thrust into a situation both new and strange. Overnight they have been forced from a comfortable position of isolation into world leadership. If they are to assume the resulting responsibility they must know all the "why's" and "wherefore's" involved; they must through understanding be prepared for individual responsibility. They will make grievous mistakes. No policy, whether domestic or foreign, will have complete support. Our democratic system is founded on the assumption that there always will be divergent points of view and a constant flow of propaganda inspired by passion and prejudice.

We cannot eliminate these without eliminating democracy itself. Often they perform the useful service of creating a common denominator which serves as the basic policy, not of government alone, but of the people themselves.

Col. Stephen H. MacGregor

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. CLASON. Mr. Speaker, during the active war years the employees of the Springfield Armory established a record for production of the famous Garand rifles which brought high praise to them from every outstanding military leader. During this period the commanding officers at the Springfield Armory worked devotedly in the interests of the great war effort. The last of the commanding officers during the active years of the war was Col. Stephen H. MacGregor. I am sure that all Members of Congress will read with interest and with pride a speech made by Mr. Ivan A. Swidlo, head of the industrial engineering department of the Springfield Armory, at a farewell dinner given by the employees for Colonel MacGregor on August 20, 1947. His remarks were as follows:

We are gathered here to make this fitting tribute of our esteem for one who, as commanding officer of the Springfield Armory, has endeared himself to all of us by his helpful understanding of the problems of the personnel of the armory, which was evidenced by many corrective rules and regulations including many privileges he has put in force here that have benefited all of us.

It may be fitting to add that it was due to his forward-looking ruling that responsibilities should go along with rights and privileges equally for both Army and civilian personnel.

The commanding officer will leave Springfield Armory not only with a feeling of satisfaction, but he will leave with us the memory of his ready assistance that will often call up a reminder of him in the years to come.

It is not often that an opportunity offers itself to us—the civilian personnel of the armory—to indulge ourselves in a pardonable bit of self-praise for past performance that seldom, if ever, meets the public eye or that gains a hearing in the public print, to the effect that we, that is armory personnel, are, and for a long time past have been a paying proposition for the Government and the taxpayers.

That we have produced millions of weapons that have met all specifications, passed all inspections, and that have given complete satisfaction, is a matter of record well known to us and universally accepted as true, so that there is no further need of dwelling on it here. That we have during the past few war years, produced more weapons than had previously been produced in all the 150 years of the Springfield Armory's existence, is a matter either imperfectly understood, or else not quite so well recognized.

However, there was not much said about the cost to the Government. We have, up to this moment, seen no glaring headlines announcing the fact that we produced over 3,500,000 Garand rifles at an average cost of only $26 against a lowest cost of $46 paid to private manufacturer for the same rifle.

Boiling this down to a few figures, this means that the average private manufacturer would have charged the Government at least 77 percent more for every Garand rifle that we produced, and that our operations effected a net saving of $70,000,000 to taxpayers.

These figures are astounding if for no other reason than that they have not as yet received any widespread publicity.

The extent of these operations, and the magnitude of the unprecedented savings effected is something we will leave to the historian, in the sure knowledge that the expression of a "right guy" and a "square shooter" was never more fittingly deserved than by one whose coming departure we will ever regret, our well-liked Colonel MacGregor.

Congressman Gordon Makes Vivid Report on the Poland of Today

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. MUNDT. Mr. Speaker, Congressman THOMAS S. GORDON, of Chicago, who was a member of the committee which I was recently privileged to head on a study of economic and political condi-

tions in 22 countries of Europe, has just submitted to me as chairman a most interesting and vivid report on the Poland of today. His report is especially informative and significant by virtue of the fact that Congressman GORDON was also in Poland in 1945, so he is able to describe the trend of affairs in that unhappy country over the past 2 years.

In view of the fact that Congressman GORDON is of Polish extraction, speaks Polish fluently, and is an objective and able observer, I asked him to make a special comparative study of Polish conditions on this trip and to prepare a separate report on that country. Under leave granted me by the House, I am taking this means of calling Mr. GORDON's carefully compiled report to the attention of the country and the Congress. In line with our committee policy of providing as many facts as possible for the general public, Congressman GORDON has also released his report to the Press and Radio Galleries.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., November 19, 1947.

Hon. KARL E. MUNDT,
Chairman, Overseas Study Committee,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: I am inclosing my report on the situation in Poland as I found it. As you will perceive I decided to dwell particularly on Poland because of the reasons given in the second paragraph.

It was a pleasure for me to go along and serve on your committee, and a fine job you made of it.

I have released the report to the newspapers and would like you to include it in your final one to the committee, as my contribution.

With many thanks, and every good wish, I remain

Sincerely yours,

TOM.

REPORT ON POLAND BY HON. THOMAS S. GORDON, MEMBER OF CONGRESS, MEMBER OF THE COMMITTEE ON FOREIGN AFFAIRS, UNITED STATES HOUSE OF REPRESENTATIVES

I was one of the members of a special congressional delegation which comprised six members of the House Foreign Affairs Committee and four members of the Senate Foreign Relations Committee, under the chairmanship of the Honorable H. ALEXANDER SMITH, of New Jersey, and the Honorable KARL E. MUNDT, of South Dakota. We covered 22 European countries, investigating their internal, political, economic, and social conditions.

Having the knowledge of the Polish language and there being a population of over 6,000,000 Americans of Polish descent in the United States, I chose to go deeper into the problems of Poland. I may add that I based my analysis of Polish problems on a comparison I was able to make between the conditions prevailing in Poland in October 1945, when I first visited there, and those prevailing at the present moment.

I am firmly convinced that Poland is in the claws of Soviet Russia. Poland has lost her independence as a result of the last war and the Polish nation has been deprived of any voice in the conduct of its national affairs and international relations.

I visited Poland as a member of a congressional group 2 years ago, in October 1945, and I revisited Poland in the last days of September 1947. During these 2 years the Soviet grip on Poland has been considerably tightened up. While 2 years ago certain domains of Polish political, social, and economic life were still under the control of non-Communist Poles, today everything is under the control of Soviet officials or Soviet agents acting in Warsaw on orders and in behalf of Moscow.

Two years ago I submitted a report to the House of Representatives in which I used the words "imported revolution" to describe the numerous changes in the Polish political, social, and economic life which I observed at that time. I can state today that this "imported revolution" has now become an accomplished fact.

The four Senators and six Congressmen who comprised our group were warned in Sweden that no permission had been granted to our group to fly over territories under Soviet military control. Thus, in a roundabout way, carefully avoiding territories over which the Soviet flag flies officially, after several hours' flight, we reached the Warsaw airport—where the Soviet flag flies unofficially.

The American Ambassador, Mr. Griffis, and the staff of the United States Embassy in Warsaw, greeted us at the airport, but representatives of the Polish Government were conspicuous by their absence. They knew perfectly well who were coming, but they deemed it necessary to advise our Embassy that everybody was so busy that no one could spare the time to welcome us. Unperturbed by this primitive rudeness, we proceeded through the ruins of Warsaw to the hotel.

I did not notice much reconstruction, but some very laudable patchwork has been done by the population despite the fact that building materials and tools are lacking. I noticed a few rebuilt houses scattered all over the city and housing some of the Government offices.

The Poles are in no haste to rebuild their dwellings since, unfortunately, as soon as a house has been rebuilt a Government commission takes it over from the owner and decides who is to occupy the premises. The occupant is always an official loyally serving the Communist Party (disguised under the name of the Polish Workers' Party—PPR) or the Communist government.

The same privileges are being accorded to loyal Communists or government officials in food distribution. Whoever works for the government gets better food rations; whoever refuses to have the yoke put on his head is sentenced to slow starvation unless he manages to buy some food at exorbitant prices on the black market.

One of the most interesting observations I was able to make is the use of taxes for political purposes. This political taxation system is particularly striking on the farms. Having decided to ruin the peasant who still owns some private property, the Polish Communist Government forces the peasant to deliver fixed quotas of grain, potatoes, vegetables, meat, etc. Over and above those quotas, or rather over and above this taxation in kind, the peasant has to pay taxes in money. If he is a member of the Polish Peasant Party (Mr. Mikolajczyk was the chairman of that party), assessment in kind and in money rises so fast that the peasant is ruined within a short time. Should he, however, follow the advice of the tax assessors and desert the Polish Peasant Party, or, better still, denounce this party publicly as a "stooge of American imperialism and American monopolies," his tax assessment slides down surprisingly fast.

The only weapon remaining in the hands of the peasant is to curtail his productivity, which, in turn, brings about a decrease of the production of food.

Thus, the war the government is waging against Polish peasants—stubborn supporters of the idea of private ownership—is greatly responsible for the scarcity of food in Poland.

It is my considerate opinion that the Polish people need food, and I shall do all I can to convince my fellow Americans that food should be sent to Poland, although it should be distributed by American agents under American supervision, because otherwise it will never reach the starving Poles.

As regards financial aid to Poland—the situation is different. In view of the ruthless exploitation of the Polish economy by Soviet Russia, whatever rehabilitation of the Polish industry could be achieved through the means of foreign credits will ultimately work for the benefit of the Soviet economy only. Very reliable sources in Warsaw summed up the situation for us in these words: "The present rulers of Poland tell the world that they need foreign money to increase their coal production, but under a multitude of agreements signed in Moscow by the Communist economic dictator of Poland, Hilary Minc, a Soviet agent, over 72 percent of Polish coal goes to Soviet Russia. Sometimes it is called 'export coal,' sometimes 'reparations coal,' sometimes 'compensation coal,' but the net result is that the Poles are freezing while their coal goes east. In other words, a dollar to Poland is a dollar to Soviet Russia."

But I want to stress again that relief goods in kind, such as food, medical aid, and special items for children and the sick should be sent to Poland, if a proper administration of distribution—American distribution—could be set up.

Next to the economic life the firmness of the Soviet grip on Poland could best be seen in matters of the press, radio, and publications.

The Communist Government took possession of all media of dissemination of news and comments. There is no independent press, no independent radio, and no independent publishing business in Poland. There is no criticism of Soviet Russia permitted in the Polish press and radio and there is no pro-American newspaper being published in Poland.

Two facts characterize this situation, the Communist government censors all papers and the Communist government controls all supply of newsprint. Every printed word in Poland is read by the Communist censor before publication and reviewed by the same censor after publication. Any paper could be put out of existence by denying it the government-controlled newsprint. The more anti-American a paper, the more newsprint it gets because the government is eager to increase its circulation.

The radio constitutes the Communist government's monopoly. All radio sets have to be registered. Slanted news and slanted comment is the rule in the radio in Poland just as it is in the press.

Both the press and the radio serve primarily to foster Polish-Soviet friendship, but a special widespread organization called Polish-Soviet Friendship Society reaches into every branch of public and private life in order to exercise anti-American and pro-Soviet influence.

I was able to ascertain that the Polish-Soviet Friendship Society maintains 23 branches in 310 counties and towns, 977 clubs, 10 book stores in Warsaw and some larger provincial cities. This organization sponsored within the last few months 1,377 public lectures on Soviet Russia and maintained classes in the Russian language in 110 schools.

There is, of course, no counterpart to this work on the American side because none has been permitted by the government. The declared policy of the Communist Polish Government in this realm is to "turn the Poles away from the West and turn them toward the East."

One does not have to live in Poland or to stay there for months in order to be able to notice that despite all this impact of Soviet propaganda, seconded by the brutal use of force displayed by the Bezpieka—a sister organization of the dreaded NKVD—neither the individual Pole nor Poland as a nation will

ever be turned against America. Just the contrary has been achieved by the Soviet masters of present-day Poland. The Poles hate Russians and Communists more than they ever hated them in their history, more than they hated the agents of the Tsar, and probably as much as they hate the Germans. Their only hope is America, and all their thoughts go to us. One's eyes fill with tears when the common man in the street, stopping at the sound of the English language and learning that one of the foreigners understands Polish, whispers, looking over his shoulder and asks naively the deeply touching, unanswerable question: "When are you Americans going to chase away this Asiatic horde, those gangsters, murderers, and despoilers of our land?" * * *

But there are not many Poles who dare to speak to a foreigner.

Two years ago many Poles came to visit me and many talked to me about their troubles and their tragedy. It is different now. The Polish NKVD succeeded in erecting a wall between the Poles and foreigners, just as the Soviet NKVD succeeded in building such a wall between the Russian people and the outer world.

A Pole who dares to approach a foreigner is shadowed by the Bezpieka agents. He is arrested and questioned. He is black-listed and he will not get a job. He will be starved, if he escapes a trial where he will be accused of conniving with foreign intelligence agents. The trials and the stiff sentences achieved their aim: the Poles do not dare to talk to foreigners.

However, I tried to speak Polish to one officer and two soldiers—in Polish uniforms all three of them—who paced up and down the street before a building housing a government agency. All three of them responded in good, pure Russian. None of them spoke Polish. I seemed to have had particularly bad luck in speaking Polish to "Polish" officers and soldiers. Two years ago, when I landed on the Warsaw airport, I approached two officers in Polish uniforms, greeting them genially in Polish. They answered politely in Russian informing me that they do not speak Polish. The same happened to me this time—2 years later. In that respect I did not notice any change.

John G. Winant

EXTENSION OF REMARKS
OF
HON. A. S. MIKE MONRONEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. MONRONEY. Mr. Speaker, under leave to extend my remarks, I wish today to pay a well-earned tribute to a truly great American—John G. Winant. Mr. Winant's death was a blow to this Nation and a tremendous loss to the millions whom he served so faithfully through so many years of hard work.

His achievements for America will be long remembered and are legion. Foremost on the domestic front will be his establishment and launching of a social-security program in America for the first time. His vision in this sorely needed forward step, his leadership in its establishment, and his loyalty to the ideals of a real program will stand as an everlasting monument for John G. Winant.

Many of the reforms to make life better for the little people of America can be traced back to this quiet, thoughtful, and sincere public servant.

Not only was his service of paramount importance on the domestic scene, but his contribution to America in its relations with the world has been monumental. His long service with the International Labor Organization to improve the working conditions of labor all over the world required years of sacrifice away from his native country.

His service as America's wartime Ambassador to the Court of St. James's, where he endured the same dangers as all the people of Britain, will be long remembered. His quiet, helpful, unselfish service endeared him to all of the people of that heroic embattled island through the long years of war.

After the war his contribution and effort to establish a just and a lasting peace drained much of his reservoir of strength as he tirelessly sought everywhere to bring together the nations for peace through friendly world cooperation.

America has lost a great friend.

I would like to include with these brief remarks a tribute to Governor Winant by Mrs. Eleanor Roosevelt from her column, My Day, published in the Washington News and hundreds of other papers on November 5, 1947.

Her column is as follows:

MY DAY

JOHN G. WINANT WAS TRULY A WAR CASUALTY

(By Eleanor Roosevelt)

NEW YORK, Tuesday.—Just before 1 o'clock this morning, I turned on my radio to hear the latest news. We went from the strains of band music straight to the announcement of John G. Winant's tragic death.

My husband and I both admired him and, what was more important, we trusted him completely. He was an unselfish public servant who gave himself completely to his work during the war, and is as truly a war casualty as any of our other soldiers. In peacetime as well he was a valuable public servant, with a broad vision and a deep sympathy for all men.

He helped us win the war, and I am sure that, if he had kept his health, he would have filled some vital niche in the battle of winning the peace. He had imagination enough so that he might have helped us to find the thing we need above all others today—the key to building confidence between the eastern European states and ourselves.

I knew he was ill last summer when we were together at the Hobard-Smith College commencement. The pain and the desperate weariness could not be hidden then, and since then he had worked unceasingly. He had been to Switzerland and Britain this past summer, and had written feverishly, finishing his memoirs. His friends watched with deep misgivings, begging him to rest yet knowing quite well that something within him would not let him rest.

For his family, this way of going must have been a sad shock. But they have a heritage from which they can cherish all the days of their lives, for no one who knew the motives from which he acted could ever believe that courage and unselfishness were not the mainspring of whatever he did.

In the International Labor Organization and in the Social Security Administration, Mr. Winant has left two great achievements to which he contributed much. He was director of the former for many years, and he organized the latter. The ILO might easily have been lost in the war years had it not been for his foresight in moving its headquarters from Switzerland to Canada. The setting-up years of any experiment such as the Social Security Administration are crucial years. It was he who built the good foundation.

My husband counted on him heavily. And when people tried to belittle him, as is always the case with any man in public office, my husband would smile and hardly bother to refute the statements, for he knew so well that big men cannot be touched by little people.

The statesman and the people of Britain will mourn him, for they know better perhaps than our own people what his service as Ambassador to Britain meant to us all during the war.

The people of his own State of New Hampshire were fortunate to have his as governor during the depression years, for they owe many of their best developments to that period.

The record is a good one. One can say: "Well done, thou good and faithful servant." But the heart weeps for the loss of a friend and for the loss of the possibilities for service which still lay before him.

Radio Address to the People of My District

EXTENSION OF REMARKS
OF
HON. EDWIN ARTHUR HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over Station WNBF on November 15, 1947:

Dear friends of the triple cities and my congressional district, the recent approval by New York State voters of the veterans' bonus issue gave me new hope and courage.

It is a well-known fact that enemies of the veteran and opponents of the bonus have spared no effort to sabotage every honest approach to this logical issue.

Of course, I have never swerved an inch from the path I charted. I have shouted for a national bonus for years. I believe a lot of us will live to realize its payment, too.

Naturally, I had to brave the wrath of several influential men when I advocated the bonus, as I was the very first in the Northeast to do so.

A well-known industrialist was very sarcastic with me one day. He proceeded to take me apart by calling me soft in the head for making such a proposal.

All of which makes little difference to me. Perhaps the men who challenge me because I want World War II vets paid a bonus are afraid these fellows will get on their feet. Perhaps they're afraid the boys might become too independent and couldn't be pushed around.

They can condemn me for favoring the bonus all they want to. However, I'll continue to push for it and agitate the question in Congress as long as I am there.

Those who were Members when we passed the GI bill remember the debates about the loan guarantee, we insisted the GI should have. We placed a limit of $2,000 as guarantee and later raised it to $4,000.

Everybody knows what a farce this GI loan is becoming. Everybody deplores the way this loan is tied up by red tape and

how difficult it is for the average veteran to get his hands on the money.

Congress intended that eventually this GI loan would be a bonus. I know I did when I voted for it.

Yes, I took some heat from the big boys when I told you I wanted this loan guarantee paid off to eligible veterans. What's fair for one is fair for all.

What's fair for one vet is fair for another. What's fair for one group is fair for the rest. Didn't they all fight in the recent war? Didn't all our boys, regardless of race, religion, color or position march forth to sacrifice their best years and their very lives for America?

So you don't need to ask me a second time how I stand on the bonus question. I'm for it for the boys of World War II right down the line.

Some smug individuals like to raise their eyebrows whenever the bonus subject comes up. I say to them, there's no argument now, you can't start one. The bonus is no longer an issue; it's a fact.

The precedent was started by the War I adjusted-compensation fight. The veterans who marched up Capitol Hill got tear gas in their eyes when they asked the reactionary leaders in those days to pay the bonus.

But Congress took the bull by the horns, approved the bonus and everything was fine. The country prospered while the veteran benefited.

Several million new veterans want to get on their feet. They want to buy homes, farms, and start in business. They want the GI loan declared a bonus and the way they're organizing they will certainly reach their goal.

As your representative, I'm in their corner. We are pouring billions into Europe and we're about to send billions more.

If we can afford this, we can help our own veterans who saved the country. We can lift them out of the mire while we're helping foreign countries.

Let's stop those who are shoving the veterans around. Let's give our boys a break and show the world we don't forget what these heroic men of War II did for us all.

Thank you.

Strange Prejudice

EXTENSION OF REMARKS
OF
HON. RICHARD J. WELCH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. WELCH. Mr. Speaker, the San Francisco Call-Bulletin has been printing a series of informative editorials dealing with the necessity of maintaining an adequate American merchant marine.

An adequate merchant marine cannot be maintained unless it is given the right to meet foreign competition on equal terms. Every major maritime nation in the world encourages its merchant marine to operate overseas air lines paralleling their sea routes. This right has been denied to American merchant marine operators by the Civil Aeronautics Board while at the same time the CAB encourages foreign steamship operators in their operation of air lines by granting them landing and other necessary facilities in this country.

Mr. Speaker, this policy is wrong and must be righted. In accordance with permission granted me, I insert the following editorial from the San Francisco Call-Bulletin as a part of my remarks:

STRANGE PREJUDICE—WHY CAN'T CAB GIVE AMERICAN STEAMSHIP LINES EVEN BREAK IN COMPETITION WITH FOREIGN FIRMS?

Once again, and understandably, what seems to be a strange prejudice of the Civil Aeronautics Board has come under attack.

We refer to the CAB's odd reluctance to give American steamship lines an even break with foreign lines.

The CAB does exactly this when it refuses, as it has refused, the right of American shipping lines to operate auxiliary air transport service.

George Killion, American President Lines chief executive, declared in a speech the other day that this is "discriminatory interpretation of congressional intent."

He added:

"The CAB, with a logic that is applicable to no other flag has, in effect, placed its own veto on the evolutionary laws of progress."

In other words, every time American maritime commerce seizes a chance to get above water, as it were, the CAB winds up to smack it down.

There never has been a satisfactory explanation of this attitude.

Certainly American shipping lines need help.

Surely they deserve it.

It isn't as though they held the status of some fly-by-night vendor's stand, you know.

They not only are an important part of American economy but they are an essential and integral part of our national defense, as was proved by the role they played in the last war.

Rebuffing and disclaiming them, to the discomfort of the thousands of Americans who, in one way or another, earn their livelihood from them, and to the detriment of our national defense, is bad enough.

Thus handicapping them in the face of alien competition is much worse.

The least the CAB should do is give American steamship lines an even break in their efforts to keep on an even keel a business which is valuable to our country in peacetime and indispensable in war.

Our Responsibilities and Duties to Christian Principles

EXTENSION OF REMARKS
OF
HON. HARVE TIBBOTT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. TIBBOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered this morning by Mr. Arthur J. Morris, founder and chairman of the board of Morris Plan Corp. of America, New York City, before the House breakfast group, which is coordinated through the National Committee for Christian Leadership. The address is not only of vital importance to every Member of Congress, but also to the people of America and the world at large. The remarks of Mr. Morris are worthy and deserving of everyone's reading.

I deeply appreciate the opportunity of speaking briefly and informally before this distinguished membership of your Breakfast Club concerning a subject matter, the importance of which is not properly appreciated in the present stress of time and circumstances. And when I say "not properly appreciated," may I be forgiven if I add that such lack of apppreciation may be ascribed to some of us and, bearing in mind our education, our positions of leadership, our responsibilities, and our success in the world, not only impairs our leadership, but also imposes upon us a dereliction of our responsibilities to our fellow man.

I refer to the lack of spirituality and the failure to invoke Christ's philosophy in the solution of our daily problems and in the execution of our daily responsibilities.

You know, it is a queer thing to me in this generation in which you and I are living—when the world is confounded by a chaos such as history has never known—that we do not turn instinctively and more often to the leadership and to the principles of Jesus Christ in trying to solve the responsibilities our duties impose upon us.

In the last two wars there was no sacrifice too great for any of us to suffer without complaint. Time has not healed the wounds so recently inflicted by the sufferings and death of our sons and daughters who made the supreme sacrifice on the field of battle. There are no sacrifices in human existence comparable to the tragedies of war. And in view of the dark clouds of confusion hovering above us we may not be able to avoid the future calamities of war unless other nations worthy of our confidence, individually and collectively, believe in us—in our unselfish desire to help our fellow man and to do so in a practical and realistic manner.

And let me make it clear here this morning among you solons who are responsible for past, present, and future legislation and its effect upon the peace of the world, that you cannot acquire international confidence entirely by legislation or by purchase. Confidence is one thing that money can never buy. And while I am heart and soul in favor of the principles that inspire the Marshall plan, which, if properly organized and executed, should accomplish much, its resultant success and its contribution toward saving us from another international struggle and all its ensuing human tragedies, in the final analysis, will depend upon the confidence this Nation generates among other nations worthy of becoming our intimate associates. And that confidence will only come permanently as a result of a religious spirituality that will guide us in our daily thoughts, in our daily conduct, and in our daily conclusions in such a manner as will keep us alert and in harmony with the tenets of God Almighty.

You might say to me: Such a philosophy is applicable to all God-fearing nations; but what effect would it have on a nation like Russia whose leaders are reported to have no belief in and, consequently, no faith in any kind of religion? Assuming that reputation to be true—but not endorsing its authenticity—there are enough God-fearing nations in the world to convince me that if their individual and collective confidence is predicated not only upon political theses and financial succor, but also predicated upon humanitarian help in a manner consistent with the tenets of God Almighty and inspired by a faith in the fundamental principles of spirituality, such confidence obtained among a sufficient number of nations throughout the world will mold public opinion to such an extent that I defy Russia or any other irreligious nation to ravage the peace of the world.

Russia already realizes this philosophy by the very propaganda she is seeking to distribute among other nations in Europe in an attempt to create the idea that this country is a war-mongering nation. So it is obvious that Russia, religious or irreligious, is already amenable to international public opinion.

Quote from articles in New York Times, November 17:

1. The Bishop's Statement.
2. Duty of Christians to World.
3. Everyday Level Urged for Religion.

There can be no doubt about the fact that in these troublesome times the need for religious influence is daily filling the hearts of men and women who are conscious of the necessity of turning back to the fundamentals of moral dependability.

We have tried diplomacy; we have tried international commerce; we have tried lend-lease support; we have tried allied copartnership under deadly fire with military leadership; we have tried food contributions under UNRRA and are still very properly and humanely continuing food gifts. And now we propose under the Marshall plan to add substantial monetary support. Is it not reasonable for us to turn to the world's greatest leader, the Master Philosopher of human existence, to the Divine Character who was given to the world as His only begotten Son, and whose life was sacrificed that the world might be saved? Is it not reasonable, I ask you, that we turn to Him by day and by night in this great hour of tribulation and ask Him to help us guide the world to safety?

Letter to Gen. George C. Marshall from Hon. Fred E. Busbey, of Illinois

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. VURSELL. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I wish to include the contents of a letter which was directed to Gen. George C. Marshall, Secretary of State, today by my colleague the gentleman from Illinois, Hon. FRED E. BUSBEY:

NOVEMBER 20, 1947.

Gen. GEORGE C. MARSHALL,
Secretary of State,
Washington, D.C.

DEAR GENERAL MARSHALL: I am considerably alarmed over the situation in the maritime field. While it ostensibly appears to be connected only with shipment of food to France, it seems to me to have implications that are far-reaching. If the reported statements of Mr. Joseph Curran remain unchallenged they are a potential threat to the economic and military security of the United States.

The New York Times of November 19, 1947, announces that "crew members of 2 United States ships in strike-bound Marseille supported 85,000 Communist-led French dock workers today in demanding that Moroccan troops cease unloading vital coal and food cargoes." According to the same account, these seamen expressed their support for the fight of the French Communists against the Marshall plan. A cablegram from the National Maritime Union, signed by Joseph Curran, president, to the Soviet-dominated World Federation of Trade Unions, printed in the Daily Worker (organ of the American Communist Party) of November 19, 1947, stated that further action by his union was contingent upon a request for assistance from the World Federation of Trade Unions.

You are undoubtedly familiar with the statements of responsible leaders of the American Federation of Labor that the World Federation of Trade Unions is a tool of the Soviet Union. I am sure that verification of published resolutions, and, even more important, of statements of leaders of the World Federation of Trade Unions, show clearly that the fundamental allegiance of the organization is to the Soviet Union.

In the light of these reported statements by Mr. Curran, an official of the CIO affiliate of the World Federation of Trade Unions, and president of the National Maritime Union, whose members will staff the relief ships to Europe, I would appreciate sincerely receiving advice from you. Unless you have a plan for meeting a situation of this kind it conceivably may defeat any program the Congress might vote for alleviating the sufferings of Europe.

In your opinion, according to the text of the New York Times dispatch, in the event situations of a similar character develop in France or Italy in the future, would not the discharge of duties by American seamen be contingent upon orders from the Communist-dominated World Federation of Trade Unions? Would this development not entail a threat to our marine life lines in the event of a possible conflict?

I would appreciate a personal interview with you or a letter from you informing me to what extent our Government is prepared to meet these contingencies.

Very truly yours,

FRED E. BUSBEY,
Member of Congress.

Agricultural Facts in Regard to Our Domestic Agricultural Situation

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, we listened with interest to President Truman's message. I was not, nor am I now, clear as to the effectiveness of a number of his proposals. Let us review some of the past legislative acts, and consider some of the proposals.

First. We had an OPA. The Congress voted to continue the OPA with provisions to eliminate controls as production increased. The President vetoed the bill. Another OPA, a less desirable act, was passed and this was signed by the President. Later in 1946 he repudiated it shortly before election. A month ago, according to the press, he stated that the OPA was a "police state" set-up. In his speech to Congress yesterday he asked for a revamped OPA with plenty of power, so he must want a "police state." Sometimes I wonder if he really is convinced as to what he wants. His shifting positions confuse the issue to say the least.

Second. We had the Steagall amendment added to the Price Control Act guaranteeing 90 percent of parity to certain producers during the war and 2 years thereafter. Certain products were listed as Steagall commodities eligible to support. Many supports have been announced. Some food products, like milk, have never had any announced support price. Why? The so-called basic commodities, such as corn, wheat, tobacco, peanuts, and rice, have a permanent support program based on 90 percent of parity. Special privileged crops, such as cotton and some types of tobacco, have loan features that would provide 98½ to 150 percent of parity as support. In addition to the Steagall amendment we have the La Follette-Taft amendment to the Commodity Credit Corporation Extension Act of 1944. This was passed in the Senate and accepted in conference. In fact, the La Follette-Taft amendment directed the administrative branch of our Government to follow the provisions of the Steagall amendment. In other words, the bureaucrats were directed to follow the law.

Third. The provisions of the Steagall support program were not followed: 1. On hogs in the winter of 1944. 2. On eggs in 1943 and 1944. 3. On milk in the spring of 1947. 4. On poultry at this very hour.

Fourth. Where, I ask today, are all the Members who waxed so elegantly about the Eightieth Congress keeping the fertilizer commitments last July when the Agriculture appropriations bill was passed? There can't be any arguments about the commitments made under the Steagall amendment because that is the law. There can't be any arguments about the La Follette-Taft amendment because that is the law. With poultry selling at 16 cents per pound in Wisconsin and less in some other States, it is evident that the law itself is not being followed. The parity price of chickens is 27.2 cents per pound, and 90 percent of that is 24.48 cents per pound. At this very moment the present administration is allowing the American poultrymen to be gypped out of from 4 to 8 cents per pound on his poultry. The support price is 50 percent above the selling price. The time has come when we should either insist that this administration live up to the Steagall amendment or wipe it off the statute books of our land.

In the President's speech yesterday his number five recommendation was "To authorize measures which will induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain." The question is, if he is asking for authority to do this why does the administration allow these chickens to be selling for two-thirds of parity when the law says not less than 90 percent? When one realizes that there are over 2,000,000,000 pounds of poultry marketed a year, it is evident that the American poultrymen are due to be bushed out of over $100,000,000 annually.

Fifth. How would you like to be an AAA committeeman and go out and talk to farmers about their 1948 farm plan if you realized that these farmers know that they are not even given the legal lawful support for their chickens? How would you like to be a county agricultural agent and go out and talk farm problems with farmers, and have the poultrymen ask you why they are being paid off at 16 cents per pound when the law states 24.48 cents per pound for their chickens?

Sixth. The President had 10 points to his program. I have three. These three points will do much to obtain the results

that the President asked to be achieved. They are:

1. Ask Mr. Charles Luckman to resign at once. He has created confusion and he is not making any constructive contribution to this food program. He is muddying the economic waters. The sooner he is out of the picture the more food the American consumer will be provided. There is no place for a representative of a foreign corporation whose specialty is vegetable oils to be placed in a position to further wreck the livestock industry of our country.

2. Follow the provisions of the Steagall and the La Follette-Taft amendments before asking for any more laws or any more powers.

3. Allow the Agriculture Department and the farm organizations of this country to have more voice in these food programs and do not pay so much attention to the certain brand of New Dealer economist who always have the answers regardless of whether or not they have even heard the questions.

Housing Is No. 1 Domestic Problem

EXTENSION OF REMARKS
OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. JAVITS. Mr. Speaker, the following is an address I made last night to the National Association of Housing Officials in their tenth annual convention at the Hotel New Yorker in New York City, on the problem of housing which I called our No. 1 domestic problem when I introduced the Taft-Ellender-Wagner bill in the House on March 12, 1947, and which is still our No. 1 unsolved domestic problem:

The housing shortage still remains America's No. 1 domestic problem. The millions of American veterans who returned to the United States from barracks, tents, and foxholes have been relatively apathetic about their displeasure at having to double up with in-laws or pay exhorbitant prices for their own living accommodations. But there is a rising tide of resentment among this group in our population, which will explode soon unless something is done to relieve the housing shortage. The rest of the American people who have been suffering from the drastic housing shortage during recent years are also getting ready to take the matter into their own hands. I believe that many Members of the House of Representatives and Senate have been made aware of this fact, this very summer.

The Taft-Ellender-Wagner bill, a comprehensive housing program, for all practical purposes, has been under discussion in the Congress for more than 2 years now. The Senate has taken action on it and passed it once, but the House Banking and Currency Committee has not scheduled hearings on it since its original introduction. Recognizing the necessity for action on housing, I introduced the Taft-Ellender-Wagner bill in the House of Representatives on March 12, 1947, soon after Senator TAFT introduced the bill in the Senate, and I have been fighting for the consideration of it ever since. I believe that we have not done enough to get the housing bill passed, and that a job still lies ahead of us. I was rather amazed, during the first session of the Eightieth Congress, to discover that despite the housing shortage and despite the fact that there are between 15,000 to 20,000 veterans in my own district of upper Manhattan who are living doubled up or with relatives or in completely unsuitable accommodations, I received only a trickle of mail on this all-important subject, especially as compared with other minor legislative issues on which I built up bulging files. If this situation is true in my office, and I was the sponsor in the House of the Taft-Ellender-Wagner bill, I can visualize that an even worse situation existed in other offices. I can see how my colleagues, occupied with committee duties and the other matters brought to their attention on the floor and by their constituents, might not have pressed for action on the housing bill, since their own districts apparently took no great interest in it. I do not mean to say that organized groups did not write letters, send telegrams, and inundate us periodically with post card campaigns. This work is important, but it is not enough. The organized groups should have acted as leaders and not as a whole movement.

Congressmen are interested in what their individual constituents are interested in, they have to be. I believe now that the American people have seen over 2 years go by since the ending of the war and little has been done by the Federal Government to ease the housing shortage, but rather that it has become more acute in many ways, we should get a surge of interest from the grass roots, and, following that hearings by the House Banking and Currency Committee and passage of legislation by the House of Representatives.

The Foreign Affairs Committee, of which I am a member, is right in the midst of considering the Marshall plan proposals; the President's request that Congress appropriate interim aid of $597,000,000 to help Europe get over this winter, and on the average of $5,000,000,000 a year for 4 years to aid in European reconstruction. When I visited Europe this year, I saw in all its tragedy the poverty, starvation, and economic helplessness of the western European people who must receive our aid if they are ever to become productive, healthy members of the community of nations. Yet there has been criticism of the Marshall plan among our people on the ground that we have not even solved the housing shortage here at home so that we are in no position to help solve the tragic shortages in Europe.. There is some merit to this criticism, but the way to cope with it is not to stop aiding Europe and to jeopardize world peace, but to attack these two problems simultaneously. Housing and European recovery should be one program. We would be aiding ouselves, as well as the rest of the world, in laying the foundation for our future peace and prosperity by these two programs. The European recovery program, averaging as I have said, approximately $5,000,000,000 a year for 4 years, amounts to only 2½ percent of America's aggregate 1947 production of $200,000,000,000. A national housing program as outlined in the Taft-Ellender-Wagner bill is estimated to call for about $1,000,000,000 a year from the Federal Government, and over a period of 10 years or more, is not estimated to average a cost of more than $155,000,000 a year. A mere statement of these figures demonstrates the complete fallacy of conditioning domestic housing on international aid to needy countries, or vice versa; both should go forward together.

After making determined efforts to get action on the Taft-Ellender-Wagner bill last session, together with all of the other interested groups which were working toward the same objectives, I introduced a House resolution during the month of June calling for a select House committee to investigate every phase of the housing shortage—from the lack of housing to what was being done and not being done by industry, labor, and Government, including the need for modernization of building methods and municipal building codes. In other words, a comprehensive and exhaustive study to be undertaken by the House—for the House. I was very gratified when the House and Senate adopted that idea and at the close of the session authorized a joint housing investigation, although they did not adopt the specific resolution which I had introduced earlier.

As you all know, the Joint Committee on Housing has been holding hearings throughout the country in order to ascertain the extent of the housing shortage and just why it exists. Only last week the committee met briefly in New York, and although they were unable to hear everyone who wished to speak on the subject, I am sure that the able presentation of city officials and civic groups made the grim story clear enough—as it had indeed been made clear throughout the country—even in the time that was allotted.

As another aspect in getting the facts and suggesting remedies, before I left for Europe this summer I spoke to a number of leaders at Columbia University, which is in my district, in order to see whether that great educational institution could contribute its research facilities in ascertaining the causes and cures for the housing shortage which has plagued our district and the country for so long. I am happy to be able to make this the occasion for the announcement that the legislative Drafting Research Fund of Columbia University, under the able and inspired guidance of Prof. John Chamberlain, has undertaken to study various phases of the housing problem, and at this very moment they have not only accumulated and digested an immense amount of information on housing, but they are working toward concluding their study, with concrete proposals on several aspects of the housing problem which are basic to it. Prof. Harry Jones, of the Columbia University Law School faculty, who is directing the study, has decided to concentrate on the following subjects:

1. The question of "yield insurance," which is provided for in title 7 of the Taft-Ellender-Wagner bill. This measure was written into the bill to encourage large-scale housing investments by insurance companies and comparable capital groups, but thus far it has not been favored by the very groups for which it was designed and is said to be "unattractive" from their point of view.

2. Title 10 of the Taft-Ellender-Wagner bill, the farm-housing title. It would seem from what legal experts have said that this title is the least finished provision in the bill and needs reconsideration.

3. Finally, the definition of tenant eligibility. One of the things which has long plagued those who have tried to administer public housing. The Legislative Drafting Research Fund of Columbia University intends to make an exhaustive study of this question, and I believe that if we can come to a satisfactory definition of tenant eligibility we will have done a lot in helping to dissipate the opposition to public housing.

The approach of the present legislation on this apparently crucial issue is the 20-percent gap device. The legislative history suggests that the gap device has failed to satisfy either the opponents or the advocates of expanded public housing. The records reveal substantial agreement among all congressional groups that the legitimate area of public housing is the provision of decent, adequate accommodations for persons with incomes so low that private housing cannot profitably provide for them. If this agreement on broad principle is a real agreement, as it appears to be, it would seem that the biggest single job of legislative drafting involved in the present

legislation is to arrive at a formula which will express the principles in a form acceptable to all, and yet will not be subject to the legitimate criticisms which have been directed at the gap formula.

There is no doubt in my mind that it is the responsibility of the Federal Government to provide housing for the lowest-income groups who cannot have decent accommodations without it, and that is why it is so important for this crucial issue of tenant eligibility to be disposed of satisfactorily. The Federal Government not only has this responsibility to provide public housing for those with the lowest incomes, but it must also do something to meet the now chronic housing problem of those in the middle-income brackets. They can afford to pay for their own housing if it were available at reasonable levels but cannot and should not be forced to pay the inflated prices which are being asked today.

Nor can all the blame be placed on private industry for not providing this middle group with housing. Without seeing the final report which the Joint Committee on Housing will submit as a result of its investigation this fall, I believe, nevertheless, that the committee is likely to report that a multitude of things are responsible for the housing shortage—high material and labor costs, inadequate building methods, restrictive building codes, out-dated and inadequate financing techniques, restrictive labor practices, and distribution practices of material, men, and supplies.

I think that time and study have shown that private industry needs and even wants help so that it can provide middle-income families with housing. It would be foolhardy for the Federal Government to undertake a large-scale public-housing program for people in the middle-income brackets. This would really be an encroachment upon private industry and would break down from the mere administrative load, if nothing else. But the Federal Government cannot shirk its responsibility to help meet what is a wartime emergency, and it must take war-emergency measures to cope with it.

Two steps are necessary:

1. The immediate enactment of the Taft-Ellender-Wagner national housing bill.

2. A wartime housing program under which we will build housing for the middle-income groups just as we built ships, planes, and tanks during the war. This means having the Federal Government help cover the cost of private construction through special tax benefits and amortization provisions for new construction for people of moderate income. It means allocating scarce building materials where necessary. It means enlisting the patriotic cooperation of material suppliers and of American labor just as was done during the war on an emergency basis asking them to set aside normal working rules, regulations, and practices for the emergency in order to accelerate new housing construction. Such a program requires the intensive cooperation of the States and municipalities.

It means that instead of criticizing the public-housing title of the Taft-Ellender-Wagner bill, which calls for aid in the construction of only 500,000 public-housing units for the lower-income groups, the program should be materially increased and our sights raised. If the Federal Government will ask the construction industry, material suppliers and construction workers all to go forward together in an emergency program, public opinion will not permit any one group to hold back any more than it did during the war.

Finally, if enough housing cannot be made available in this way and an adequate program put under way, we must not be afraid to let the Federal Government subsidize home construction just as we subsidize a farm crop to get more production. Our democracy must show that it has the ability to house the people and will not be defeated by its devotion to its own principles of private enterprise when facing a major emergency. It takes courage to make democracy a success, and exceptions to prove a rule.

The housing problem cannot be considered apart from the general problem of inflation, as skyrocketing costs are the root of the housing shortage. It is true that the volume of construction of residential homes is increasing and has been increasing during the past several months, but so are costs. Last year at this time construction material shortages were a great problem but today this problem is on the way to being licked from the standpoint of supply but not from that of cost. Many dwellings are being put up today, but the very people for whom they were designed cannot afford to buy them except at the risk of their future economic stability. To saddle already hard-pressed veterans with highly inflated new housing would be equivalent to giving them a house with a time bomb embedded in its foundation.

Unless we can do something about the general problem of inflation which is sapping the financial reserves as well as the financial resources of our people, we will never really be able to solve the housing shortage. The mayor of New York City only last week said that it was impossible for the city to accept bids made by private builders because private builders refused to make estimates without putting in a "financial cushion" to protect them against the possibility of rising costs during the period of construction. The city cannot and should not pay a premium for housing because of the unstable conditions which exist today, nor is it fair to ask industry to saddle itself with a contract which may be inadequate to meet the cost of construction when it has to deliver at some later date. In New York City voluntary efforts are being made to stabilize prices and labor costs for a period of from 2 to 2½ years. No formal plan has yet been accepted in New York, but even if such a program is adopted here in the city, it will do no more than to stabilize already very high costs.

The problem of inflation is overshadowing everything else in this country today and we must attack high prices at the same time that we attack the housing problem if we are to succeed in the latter. Unless we do the entire economic and social structure will sag and may collapse. The program I have first outlined is designed to get housing despite costs. But a correlative part of such a program is to pound away at costs. Local and national combinations, whether of materialmen, distributors, contractors, or workers, or any combination of them which victimize the public must be smashed. An aroused public opinion in our country always finds a way.

It is time that we got militant about housing—we have been too supine for too long. Let us go out and fight for passage of the Taft-Ellender-Wagner bill, a war program for middle income new housing, and a reversal of the high cost of housing construction spiral and let us see that public officials feel how deeply we feel about housing—through votes—and we will begin to get results.

GOP Is Challenged

EXTENSION OF REMARKS

OF

HON. FRANK M. KARSTEN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. KARSTEN of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Globe-Democrat of November 19, 1947:

GOP IS CHALLENGED

Republican reaction in Congress to President Truman's request for power to restore partial rationing, price and wage controls, has been violent and, we believe, not justified by the facts. There is the suspicion that, if an election year were not in the offing, opinion would have been much more tolerant of the President's viewpoint, and needed legislation would have resulted. As the situation is now, there is no chance the White House recommendations on controversial items will go beyond the debate stage in the special session, with scarcely brighter prospect for the regular session convening next January. This is not only unfortunate; we believe it is politically unwise.

It is charged that the Truman program is a "step toward a completely totalitarian Nation"; that it would mark the "end of economic freedom." These are the sentiments of Senator TAFT. Speaker MARTIN says the President called for a "colossal OPA." A dozen statements referred to planned economy and regimentation, distasteful in any democracy. But an alternate program to stop inflation was scarcely mentioned. True, Senator TAFT said that the cost of living could be controlled by cutting down Government expenses, reducing taxes, curtailing private credit, controlling exports, and modifying the cost of the long-range Marshall plan, but this was not a harsh departure from what the President included in his message, except for a tax cut, to which he is unalterably opposed, and the details of economic aid to Europe. This doesn't appear to be a double-fisted assault on inflation.

There was also talk about letting "free enterprise" do the job, about "more freedom and more production" instead of "more controls and less production." Higher wages and higher prices are the ingredients of inflation. More production is desirable, of course. It should be elementary to say that when production exceeds demand and eventually creates surpluses, prices will be reduced and automatically labor cannot clamor for higher wages with the plea of mounting living costs.

But until the law of supply and demand is the regulatory factor in our economy, there should be limited and selective use of allocations, priorities and even rationing of items in short supply. How else can order be restored amid the present confusion? And with this use of executive power which is, in fact, a continuance of restrictions normally confined to wartime, a natural concomitant is a ceiling on wages, without which the attack on living costs is meaningless.

It is eminently desirable, of course, that America return to a program of free industrial competition as soon as possible. This is the democratic way. Anything that even smacks of totalitarianism is utterly reprehensible in ordinary times. But these are not ordinary times. Although the shooting has ended, we are involved in the problems of war as deeply as we were when battles were being fought. We have a job to do at home, a job to do in Europe and the Far East. We cannot do that job well if the people in this country are spending a dollar that is worth only 70 cents, which means that ultimately the consumer will be priced out of the market. The escalator must be stopped—and soon.

The American people will not submit without bitter protest to complete price controls and rationing. Nor should there be such imposition, because it is not necessary. But the President would confine his authority to a selective list where commodities are in short supply. A Republican-controlled Congress should be able to prevent an expansion of this authority into other categories if the President indicated an ambition to go totalitarian, as some fear. We have sufficient confidence in Mr. Truman's common sense to

believe he wants no police state, and if he has irresponsible and fanciful advisers who have such designs he will shake them off.

The Republicans now have President Truman's challenge. They have bitterly assailed him. But criticism of his recommendations is not the answer. The cost-of-living index has risen alarmingly during the past 2 years. It is still going up. If the Republicans don't like what the President proposes, then what have they to offer? If, after Mr. Truman has laid down his program, it is refused and next fall finds the Nation in a still higher inflation spiral because of Republican impotency, it won't make much difference who is nominated by the GOP for President. He won't be elected. Smart politics right now is to bring that 70-cent dollar up to par. The 70-cent dollar is Mr. Truman's estimate. For most of us, it is considerably less, in the neighborhood of 55.

The Labor-Management Act

EXTENSION OF REMARKS
OF
HON. HOMER A. RAMEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. RAMEY. Mr. Speaker, under leave to revise and extend my remarks, I include herein the following article from the August 1947 issue of the Journal of the American Bar Association:

THE LABOR-MANAGEMENT ACT: NEW LAW AS TO EVIDENCE AND THE SCOPE OF REVIEW

(By Theodore R. Iserman, of the New York bar)

(An urgent duty of American lawyers, alike whether they represent employers, labor organizations, or agencies charged with official relationships, is to do whatever they can to help make the new Taft-Hartley Labor-Management Relations Act of 1947 work fairly, justly, and effectively for the fulfillment of its purposes and the establishment of peace, fair dealing, law, and impartial administration, in the field of labor relations. A first step is an understanding of what this controversial measure does and does not do. For themselves, their clients, and the public, lawyers can do most to promote both understanding and cooperation. Mr. Iserman's article is intended as a contribution to those ends. The new act makes substantial changes in the law and the procedures. Some parts of it became effective upon its enactment; most of the amendments of the Wagner Act do not become effective until after August 22; other parts are operative at later dates or upon the expiration of contracts in force. Mr. Iserman discusses principally several aspects of the act which have a significance even broader than their effects on labor relations law. Changes are made as to evidence and the weight of evidence, the lawful bases of decisions by the NLRB, the scope of judicial review of NLRB orders, etc. These expressly go beyond what is in the Administrative Procedure Act sponsored by our association; they may portend possible amendments of that act. In any event, the relationship of provisions of the two acts should interest many readers whose practice is not extensively as to labor matters. With the present article there could well be read: "NLRB Procedures: Effects of the Administrative Procedure Act," by David Findling, of the NLRB (January issue, p. 14); also the editorial in this issue: "The Second Step of Labor-Management Relations." Mr. Iserman was born in Kansas, went to school in that State and Florida, was graduated from the University of Chicago in 1924, and obtined his J. D. degree there in 1926, practiced law in France for 2 years, and has practiced law in New York City since 1928. He is a member of our association and of the law firm of Rathbone, Perry, Kelley & Drye. His previous contribution to the Journal was in our December issue (32 A. B. A. J. 875). He is the author of Industrial Peace and the Wagner Act (McGraw-Hill Book Co.—1947), reviewed in our March issue, page 264. As counsel for employers he testified before the Senate and House committees which were considering labor legislation, and the charge was made in the Congress that he had been consulted on both substance and draftsmanship as to the bill which became law through bipartisan support over the veto of the President. Although by no means disinterested, his exposition of provisions of the new law, before they go into effect, become a part of the contemporary recording of interpretation and intent.)

Of all the clauses of the new Labor-Management Relations Act of 1947,[1] probably none holds greater interest for lawyers, and perhaps none is of greater general importance, than those that (1) change the make-up of the National Labor Relations Board, (2) revise its procedures, and (3) increase the power of the courts to review its findings.

The new law in effect separates the Board's prosecuting and deciding duties, vesting the former in a general counsel whom the President appoints with the advice and consent of the Senate (sec. 3 (d)). This important reform should go far to end the widespread belief that as complainant, prosecutor, judge, and jury in its own cases, the Board has tended to be unfair, and to restore confidence in the Board.

In the past, subordinate employees of NLRB, rather than its members, have in effect decided many cases, notwithstanding the ruling of the Supreme Court in *Morgan* v. *United States* (298 U. S. 468, 480–1), and the Administrative Procedure Act, both of which contemplate that deciders themselves, rather than subordinates, shall consider cases before them. The new law requires NLRB to adopt this essential element of a fair hearing. It forbids supervisors of trial examiners, who have not heard the witnesses or, ordinarily, read the records and briefs, to review and revise reports and recommendations of the trial examiners, and forbids a trial examiner to appear before members of the Board privately to justify and defend his reports (sec. 4 (a)). Another clause abolishes the review section of the general counsel's office, consisting of individuals who heretofore have prepared and sent to all members of the Board identical memorandums that frequently were the basis on which the members decided the cases (sec. 4 (a)). The new law enlarges the NLRB from three to five members, permits them to sit in panels of three, and allows them such legal assistants as they need. It thus enables the NLRB to reduce its backlog of cases and enables each member who sits on a case to give to it the individual attention that Congress expects (secs. 3 (a), 3 (b)).

PREPONDERANCE OF LEGAL EVIDENCE TO GOVERN RULINGS

If the new law has in the hands of the NLRB and of the courts the effect that Congress intended, it will (a) require the Board to act upon legal evidence, not hearsay, rumor, conjecture, assumed expertness, strained inferences and inferences not based upon facts in the record; and (b) require the Board to decide according to the weight of the evidence, not contrary to it or according to preconceptions of the Board or of its staff.

Rules of evidence are to apply:

The original Wagner Act said that in proceedings before the Board the rules of evidence should not be controlling (sec. 10 (b)). While the Supreme Court construed this to require the Board to rest its findings upon substantial evidence,[2] the Court has allowed to the Board great latitude in saying what is substantial.[3] Besides permitting the NLRB to go far in drawing inferences from facts in the record, the Court has permitted it to draw inferences from facts not in the record. The board has relied heavily upon what it modestly calls the expertness of its members, which often has been theoretic, if not nonexistent.[4] And the courts have gone so far in deferring to the Board's assumed expertness as, in effect, to abdicate to the Board.[5]

The House of Representatives, by H. R. 3020, amended section 10 (b) of the Wagner Act to say that proceedings before the Board shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States, adopted by the Supreme Court of the United States pursuant to the act of June 19, 1934 (U. S. C. title 28, secs. 723–B, 723–C).

In reporting this clause of H. R. 3020, the House Committee on Labor and Public Welfare criticized decisions of the Supreme Court, and particularly the weight that courts have given to the Board's "expertness," and concluded (H. Rept. No. 245, 80th Cong., 1st sess., p. 41):

"Requiring the Board to rest its rulings upon facts, not inferences, conjectures, background, imponderables, and presumed expertness will correct abuses under the act."

Although the Senate Committee on Education and Labor likewise was critical of the too great tendency on the part of the courts not to disturb Board findings, the Senate bill (S. 1126) did not change the clauses of the Wagner Act that deal with evidence.[6] The Senate evidently expected that another amendment, enlarging the power of the courts to review decisions of the Board, would to some extent improve procedures before the Board.

In conference, however, the Senate conferees adopted the language of H. R. 3020 to make the ordinary rules of evidence applicable so far as practicable.

Congress evidently expects the NLRB and its trial examiners to apply the rules of evidence in the somewhat loose way that judges and referees apply them in sitting without juries; and it seems to have adopted the so-far-as-practicable phrase in order not to cause the NLRB embarrassment by reason of diversity in the rules of evidence in the various States.

Senator TAFT, in discussing this clause after the conferees adopted it, said that "widespread abuse of its latitude in admitting evidence was prevalent in the early history of the Board"; but he stated his understanding that it is the "current practice of the Board in its hearings generally to follow the rules of evidence prevailing in the courts."

Insofar as evidence in the record of NLRB's cases is concerned, Senator TAFT's understanding of the Board's current practice is

[1] Public Law 101, 80th Cong.; ch. 120, 1st sess.

[2] *Consolidated Edison Co.* v. *N. L. R. B.* (305 U. S. 187 (1938)).

[3] *N. L. R. B.* v. *Columbian Enameling & Stamping Co.* (306 U. S. 292 (1939)); *International Association of Machinists* v. *N. L. R. B.* (311 U. S. 72 (1940)); *N. L. R. B.* v. *Automotive Maintenance Machine Co.* (315 U. S. 282 (1942)); *Foote Bros. Gear & Machine Corp.* v. *N. L. R. B.* (311 U. S. 620 (1940)); *Republic Aviation Corp.* v. *N. L. R. B.* (324 U. S. 793 (1944)).

[4] T. R. Iserman: Industrial Peace and the Wagner Act. McGraw-Hill Book Co., New York (1947).

[5] *N. L. R. B.* v. *Standard Oil Co.* (138 Fed. (2d) 885 (1943)).

[6] Senate Report No. 105, 80th Cong., 1st sess., p. 26.

to an extent correct. However, the Board often departs from this practice, even as to evidence that appears in the record, admitting evidence that would not stand up in court, as well as opinions of witnesses on matters concerning which opinion evidence is not called for or admissible and concerning which the witnesses are not qualified to testify. On the other hand, the NLRB frequently has excluded admissible evidence, as when it denies to employees the right to testify as to the effect upon them of acts that the Board assumes were coercive. To the extent that, in such ways as these, the NLRB has departed from the rules of evidence in admitting and excluding it, the new law will modify the Board's practice.

In an even more important way, the NLRB departs from the rules of evidence in the weight it gives to matters not in the record, notably its own expertness in the form of strained or unsupported inferences, presumptions, and conjectures. The statement of the House managers that accompanied the report of the conference committee again makes clear the intent of Congress on the Board's expertness (H. Rept. 510, 80th Cong., 1st sess.). The statement says (p. 53):

"If the Board is required, so far as practicable, to act only on legal evidence, the substitution, for example, of assumed 'expertness' for evidence will no longer be possible."

There rarely is reason in cases before the NLRB for expert testimony. When there is use for it, in the future it must come from persons who on the record have qualified themselves as experts, and who have subjected themselves to cross-examining; it may not come full blown from the minds of the Board's members.

Another rule of evidence that the new law writes into the Wagner Act affects cases before the Board in an important way. This is the free-speech clause (sec. 8 (c)). This says that expressing or publishing any views, arguments, or opinion shall neither constitute nor be evidence of an unfair labor practice if the statement does not threaten or promise a benefit. In the past, the NLRB has held statements by employers that it regarded as antiunion to be unfair, or it has used such statements to bolster an otherwise flimsy case, or as background material in the light of which it held other acts to be unfair. This no longer is possible.

The weight of evidence shall be controlling: An equally important change in the act concerns the weight that the NLRB must give to the evidence. In the past, it has been free to decide as it chose, subject only to the rule that it must have in the record what the courts would regard as substantial evidence on which to rest its findings. It could seize upon trivialities, anything more than a scintilla or modicum of evidence, and rest its findings upon that, notwithstanding that incontrovertible evidence, and a mass of it, was the other way. This the NLRB at times did, invariably, in order to hold against employers.

Congress found that rulings such as these resulted in what the courts described as "shocking injustices," findings "overwhelmingly opposed by the evidence" or that "strain our credulity," and "remarkable discrimination" on the part of the NLRB in believing its own witnesses and in disbelieving others.[7]

To correct these abuses of the Board's powers, the House bill and the conference report amended section 10 (c) of the Wagner Act to require the Board to decide cases upon the preponderance of the evidence. Of this clause, the House managers in their statement on the conference report (p. 54) said:

"Making the preponderance test a statutory requirement will, it is believed, have important effects. For example, evidence will not be considered as meeting the preponderance test merely by drawing of expert inferences therefrom, where it would not meet that test otherwise. Again, the Board's decisions should show on their face that the statutory requirement has been met—they should indicate an actual weighing of the evidence, setting forth the reasons for believing this evidence and disbelieving that, for according greater weight to this evidence than to that, for drawing this inference rather than that. Immeasurably increased respect for decisions of the Board should result from this provision."

The provisions ought, also, to improve the quality of the decisions.

THE NEW LAW INCREASES THE COURTS' POWERS AND DUTIES OF REVIEW

What for a few years may prove to be one of the most controversial clauses of the new law is that which increases the powers of the circuit courts of appeal to review rulings of the NLRB. Its purpose is clear: To give to the courts full power to review all questions of law, even when they involve also questions of fact, and a real rather than a fictitious power to review findings of fact.

The original Wagner Act provided that the circuit courts, to which go petitions to enforce decisions of the Board or to review them, should regard findings of the Board as conclusive if supported by evidence. This meant evidence of the kind that in NLRB cases the Supreme Court has held was substantial. The House, in H. R. 3020, amended sections 10 (e) and 10 (f) of the Wagner Act to make the Board's findings conclusive unless it appeared to the court that the findings were (1) against the manifest weight of the evidence, or (2) not supported by substantial evidence. This clause would, in effect, have given the circuit courts in NLRB cases power such as they now have in other cases to review findings of trial courts and of referees (H. Rept. No. 245, supra, p. 59).

The Senate committee in its bill provided that "findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive."

The House conferees accepted this clause, instead of insisting upon their own manifest weight of the evidence test, and the clause appears in the new law.

This exact language does not appear in any other statute or, so far as extensive research discloses, in any reported case. The legislative history of the clause, when studied carefully, throws considerable light on what Congress intended the language to mean.

Senator MORSE stated during the debate on the Senate bill (S. 1126) that he and Senator IVES were the authors of the clause. Speaking on May 13, he took the view that the clause made applicable to findings of the Labor Board "the same rules regarding judicial review * * * as are provided for in the Administrative Procedure Act."

Whatever Senator MORSE's view was when he made his statement, it is clear that Congress did more than adopt the rule on judicial review that appears in the Administrative Procedure Act. In the first place, Senator MORSE made his statement concerning a bill that at the time did not have in it the clauses on the rules of evidence and on the preponderance of the evidence which are not in the Administrative Procedure Act but do appear in the Labor-Management Relations Act as Congress passed it. Furthermore, both the House and the Senate appear to have been unwilling to make the terms, not yet judicially construed, of the Administrative Procedure Act applicable to decisions of the NLRB, and most unwilling to do so if, as one school of thought contends, it does not enlarge the Court's powers.[8]

Even before the conference committee amended sections 10 (b), 10 (e), and 10 (f), the majority of the Senate committee clearly indicated a purpose to nullify decisions of the Supreme Court upholding rulings of the NLRB that involved mixed questions of law and fact and other decisions in which the Court allowed great latitude to the NLRB in making findings not based on evidence (Senate Rept. No. 105, p. 26).

After the Senate had accepted the House clauses on the rules of evidence and on the preponderance of the evidence, Senator TAFT, chairman of the Senate committee and a member of the conference committee, stated that the new clause "gave additional authority to the courts in review of Board cases."

The statement of the House managers on the conference report (pp. 55–56) is even more explicit. It points out that the new clauses on the rules of evidence and on the preponderance of the evidence will "in and of themselves, give rise to questions of law which the courts will be called upon to determine."

The courts, the statement says, "will be under a duty to see that the Board observes the provisions of the earlier sections, that it does not infer facts that are not consistent with evidence in the record, and that it does not concentrate on one element of proof to the exclusion of others without adequate explanation of its reasons for disregarding or discrediting the evidence that is in conflict with its findings."

In other words, while sections 10 (e) and 10 (f) require the courts to scrutinize the record to see if there is substantial evidence, sections 10 (b) and 10 (c) require them to determine, as matter of law, whether the NLRB in deciding its cases has followed the rules of evidence and has acted in accordance with the preponderance of the evidence.

The statement of the House managers says that the new power of review, as well as the earlier changes, "precludes the substitution of expertness for evidence in making decisions," and continues:

"While the Administrative Procedure Act is generally regarded as having (been) intended to require the courts to examine decisions of administrative agencies far more critically than has been their practice in the past, by reason of a conflict of opinion as to whether it actually does so, a conflict that the courts have not resolved, there was included, both in the House bill and in the Senate amendment, language making it clear that the act gives to the courts a real power of review."

The language of the new law as enacted supports fully the statement of Senator TAFT and the statement of the House managers. The courts clearly are under a duty to determine whethehr evidence on which the NLRB rests its findings is legal evidence, whether it is substantial, and whether the findings are consistent with the preponderance or greater weight of the evidence.

The emphasis that the committees of both the Senate and the House placed upon rulings of the NLRB that involve mixed questions of law and of fact adds significance to their using the phrase "with respect to questions of fact," in saying what findings shall be conclusive. Clearly, this means that, as to questions of law and as to the legal aspects of mixed questions, the courts shall have full and complete power of review. They need no longer consider the Board expert, either on questions of fact or on conclusions of law, except as to matters that the act expressly commmits to the Board's discretion; and even as to these matters they can, under the Administrative Procedure Act, correct abuses of the Board's discretion.

[7] *Wilson & Co.* v. *N. L. R. B.* (126 Fed. (2d) 114, 117 (C. C. A. 7, 1942)); *N. L. R. B.* v. *Columbia Products Corp.* (141 Fed. (2d) 687 (C. C. A. 2, 1944)); *N. L. R. B.* v. *Union Pacific Stages, Inc.* (99 Fed. (2d) 153 (C. C. A. 8, 1938)).

[8] NLRB Procedures: Effects of the Administrative Procedure Act. 33 A. B. A. J. 14 (January 1947).

Who are employees, what acts interfere with, restrain, or coerce employees, whether or not an employer dominates a union, and many others, all become questions on which the courts are as expert as the Board. Even under the old act, at least one court disagreed with a finding by the NLRB that a bargaining unit was appropriate.[9] Whether under the amended act the courts now will more freely review rulings of the NLRB on bargaining units and as to what remedies will effectuate the policies of the Wagner Act remains to be seen.

It is significant also that the evidence must be on the record. This strongly fortifies the view, expressed in the House managers' statement, that expertness, presumptions, and inferences that do not rest on evidence in the record no longer will be enough to support findings of the Board. Authorizing the courts to determine whether the record considered as a whole supports the Board's findings is consistent with requiring the NLRB to decide according to the preponderance of the evidence, and should lead to the courts' correcting its rulings when the NLRB discards strong evidence in favor of flimsy evidence, or when it gives little evidence more weight than much, or when it decides on shreds and patches, not on the record as a whole.

OTHER IMPORTANT CLAUSES OF THE 1947 ACT

The new law corrects a number of rulings that the NLRB has made in the past, most of which it probably would not have made had the new clauses we have just examined been in effect. Among these are rulings that supervisors, whom the Wagner Act by its terms defines as employers, are at the same time employees; that guards may subject themselves to control by unions of the men they police; that the NLRB may discriminate against independent unions and against craft unions; that employers are responsible for unauthorized acts of agents and even of strangers.

Other important clauses require unions to bargain, define unfair practices by them and provide remedies for the practices, correct procedures of the Board in certifying bargaining agents, limit compulsory unionism, require unions to report on their internal affairs, discourage Communist leadership of unions, put a six months' statute of limitations upon unfair practices, make explicit the right of employees to refrain from engaging in collective activities as well as the right to engage in them, increase the suability of unions, limit political activities of unions and of corporations, provide remedies for strikes that create national emergencies, limit payments to unions by employers, and forbid strikes by Government employees. Except in so far as the new clauses on procedures may preclude the NLRB from holding employers to be guilty of unfair labor practices when they are not guilty, the new law does not in any way relieve employers of the duty to respect rights of employees under the act. Rather, it increases that duty.

With some problems, the new law does not deal effectively; with others it does not deal at all. It sets up a Joint Committee of Congress to study them.

TIMETABLE OF THE TAKING EFFECT OF PARTS OF THE ACT

Although the President may appoint without delay the two new members of the NLRB and its general counsel the clauses on evidence and procedure, and most of the other amendments of the Wagner Act, do not become effective until August 22. The Board has already instructed its Field Division to conform many of their practices to the new law. It has discontinued prehearing elections and is not proceeding with cases involving unions of foremen.

[9] *N. L. R. B.* v. *Jones & Laughlin Steel Corp.* (146 Fed. (2d) 718).

Instructions of this sort should allay fears that NLRB will show the same reluctance to carry out the purpose of the new law as it showed in carrying out the Administrative Procedure Act.[10] At least one member of the old Board has favored many objects of the new law; the others have indicated a wish to make it work. One of the purposes of the Congress in increasing the size of the NLRB was to have on it men in sympathy with its objects. The members new and old will probably be guided largely by the intent of Congress as it appears in the legislative history of the law. As far as proceedings before NLRB are concerned, therefore, I think that the new law ought to be fairly effective. Some subordinate employees in the field, who have taken an emotional or political interest in their work, may be somewhat less than whole-hearted in carrying out the spirit of the new law. In time any such condition should correct itself.

Certifications of bargaining agents that issue under the old act before August 22 remain in effect for a year; or if, on or before that date, an employer has made a contract with the union, the certificate remains in effect until the contract expires or until August 22, 1948, whichever is sooner.

Contracts that call for forms of compulsory unionism that the new law does not permit may continue in effect until their original term expires if they were made before June 23, 1947. If they are made between June 23 and August 22, and if their term is for a year, they continue in effect for their term. Such contracts may not be extended.

Contracts calling for the involuntary deduction or check-off of union dues (i. e., without individually signed authorizations by the employees) are invalid if they are made after June 23. All such contracts, whenever made, are invalid after July 1, 1948. Employer performance of such contracts when they are invalid may result in fines and imprisonment.

Generally speaking, other clauses of the new law took effect on June 23, 1947, when the Congress passed it over the President's veto.

On the whole, the law is moderate. Its clauses received careful study. Many of them had passed one or both Houses of Congress in earlier years. Although unions generally express objection to the law, people of experience do not see in it grounds for their fears. On the contrary, there is reason to believe that in the long run advantage to the union movement will result from equalizing its relations with management and from protecting it against some of the people within it who, by their excesses, at times have brought discredit upon parts of it.

[10] See NLRB Procedures: Effects of the Administrative Procedure Act, by David Findling, of NLRB. 33 A. B. A. J. 14 (January 1947).

Sales of Permanent War Housing

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MILLER
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. MILLER of Connecticut. Mr. Speaker, this noon I introduced a bill to prevent further sales of permanent war housing in areas where rent control is still in effect. Sales in those areas would be prohibited as long as the Rent Control Act of 1947 remains in effect. Unless this bill becomes law, we face a very critical situation in central Connecticut, as well as in all communities where rents are impossible to find and where we have built so-called permanent war housing.

In only 12 Connecticut communities there are at present 3,807 families living in permanent war housing. There are also 11,706 families trying to secure a rent in these projects. If the recent order setting forth the procedure to be followed in the sale of Lanham Act housing is carried out, about three-fourths of the families now residing in these projects will be subject to removal at the end of a 90-day notice. I doubt if there are 25 houses, flats or apartments for rent within a radius of 25 miles of the city of Hartford.

There is no good reason for the immediate sale of these projects. There are no subsidies involved. The communities receive ample funds in lieu of taxes, and the projects are in fact self-liquidating. Further, these housing projects contain the only rental property for which there is any veterans' preference. To say that veterans not now residing in these projects should be given first priority in the purchase of these homes would be all fine if there were any place to which we could move the nonveteran families now residing in such projects.

Most of the veterans with whom I have talked, who are contemplating the purchase of one of these homes, will tell you quite frankly that they would rather not make the purchase but it is the only way they can be sure of maintaining a roof over the heads of their families.

At the prices these homes are offered for sale the veteran is not getting a bargain. In many cases he will simply assume the support of a white elephant. Many of them are poorly built, are not in accord with the local building codes, and in some cases they do not come up to the State health standards. These faults may mean heavy expenses for the purchaser in the very near future.

Even though nothing but emergency legislation may be considered in the present session, I feel very strongly that the bill I have introduced is an emergency measure. Keeping a roof over the heads of thousands of American families is just as important and much more our responsibility than guaranteeing shelter for families abroad.

I hope the House Banking and Currency Committee will give early consideration to the bill I have introduced today.

Resolutions of Wayne County (Iowa) Farm Bureau

EXTENSION OF REMARKS
OF
HON. KARL M. LeCOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. LECOMPTE. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to present the resolutions adopted by the Farm Bureau administration of Wayne County, Iowa, as adopted

in the recent county convention of this group, to the end that all Members of Congress may know the position our farmers are taking on great State and National issues. The resolutions are as follows:

WAYNE COUNTY FARM BUREAU RESOLUTIONS, 1947

We, the members of the Wayne County resolutions committee, after due consideration present the following resolutions for the approval of the members of the Wayne County Farm Bureau. These are based upon a summary of township resolutions and the work of the county committee after due consideration:

"NATIONAL RESOLUTIONS

"1. Parity. We favor a long-range farm program completely written before the end of the 1948 assembly, and then changed as need arises. This should include a parity formula taking in consideration the cost of farm labor and based on a moving scale which uses the preceding 10 years.

"2. We believe we should keep and improve the present farm program and do not favor discarding it for some new, untried program that has not been worked out.

"3. We favor the Farm Bureau stand on high-analysis fertilizer and recommend increased efforts be made to get the fertilizer for Iowa.

"4. We find conflicting opinions relative to a general coordination plan; however, we favor coordination of agencies wherever the interests of the economy and efficiency can be better served, as a means of protecting these programs from critical public opinion resulting from overlapping functions and duties.

"5. We encourage the studying of an intensive research program in regard to the development of atomic power; however, we favor the United States retaining the full control of atomic explosives until such a time as it is safe to release them for the peace of the world.

"STATE RESOLUTIONS

"6. We recommend to the special committee appointed by the governor studying Iowa roads that they give first consideration to farm-to-market roads, and that the cost of financing an expanded road program be paid with gasoline taxes, motor license fees, and the ($41,000,000?) worrying the State officials. We would like to recommend to the committee the following three-point program: First, each county tax the maximum amount on property allowed by law; second, county engineer be approved by the highway commission; third, a long-range program of each county's farm-to-market roads that would take into consideration the most used roads, said roads to be built to standard specifications. When each county has complied with this program, they will be eligible for State road funds to be distributed on an equalization policy.

"7. We commend the last Iowa General Assembly for having returned State income collections to 100 percent.

"8. We favor legislation to reimburse the counties from the State general fund for all soldier exemptions.

"9. We recommend the top priority for available State aid should be given to the agricultural land tax credit fund to make effective the 15-mill ceiling on property taxes for school purposes levied against farm land in tracts of over 10 acres.

"10. We favor the continuance of the money and credit tax.

"11. We commend the State legislature for the progress made in school legislation, however, much remains to be done before we should be satisfied with our efforts. We recommend that 35 percent of school costs be paid by State aid.

"12. We recommend a minimum county appropriation of $5,000 to all counties in the State be made to carry on extension work. We reconmmend to the State extension service a better opportunity be given county extension directors for advancement in extension service.

"13. Since the problem of flood control is by nature too large to be solved on a county level, it becomes a problem of the State and Nation. We ask the aid of the Iowa Farm Bureau Federation and the American Farm Bureau Federation in carrying on an extensive program for this purpose.

"14. We recommend that Congress give due consideration to appropriations to complete REA lines and especially to the erection of power lines."

F. A. BAKER, *Chairman*.
Mrs. HARVEY CLOVER,
ROY HART,
IVAN GIBES,
CLARENCE DODSON.

The President's Message

EXTENSION OF REMARKS
OF

HON. NORRIS POULSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. POULSON. Mr. Speaker, in accordance with my unanimous-consent request, which has been granted, I am including in the CONGRESSIONAL RECORD a copy of an editorial from the November 18, 1947, issue of the Richmond Times-Dispatch, of Richmond, Va.

In my opinion, this statement very clearly indicates the essence of the administration's paradoxical proposals to this body:

A POTPOURRI OF INCONSISTENCIES

Mr. Truman has asked Congress to certify a contradiction. He has urged it to approve the imposition of drastic Government controls upon the American economy in order to prove to the "weak of faith" among the nations that a free economy is preferable to an economy hampered by state regulations.

Mr. Truman only recently said that wage and price controls "savor of the police state" and that he did not contemplate a return to such devices. To what specific events of the last few weeks may we attribute the complete reversal of his convictions?

Instead of calling for the utmost ingenuity in arriving at a solution to the problems posed by foreign aid and inflation, and instead of appraising alternatives, he bids the American people to resign themselves to what he now conceives to be inevitable.

With blithe disregard for the lessons of experience, he proposes a solution expediently acceptable only to politicians. He tells us that this problem can be solved only by our granting more power to Government, by submitting to bureaucratic directives.

Does he expect us to remain oblivious to the injuries which the system of free enterprise would suffer by having this wedge driven into its foundations? In asking us to accept his power program for the duration of this emergency, he conveniently ignores the fact that history has been, and always will be, an endless chain of emergencies which the state will always be eager to solve by assuming more and more power over the lives of its citizens.

The President admits that the controls he seeks are drastic. He says that they would be imposed only upon basic commodities in short supply, such as food, clothing, fuel, and rent; he reassures us that price ceilings and rationing would not be needed for staple food and clothing items that are not scarce.

He would have us believe, in other words, that the American economy consists of a series of watertight compartments, and that the price and wage levels within those isolated compartments have no effect whatever upon each other, an assumption utterly refuted by the bewildering ramifications of wartime controls.

In October 1945 Mr. Truman made the headlines with the fantastic contention that national prosperity could be promoted by raising per-hour wages (already inflated by war) and that this could be done without raising prices and without further hampering production. In his message yesterday Mr. Truman executed an about-face. He said that wages would also have to be controlled, but he took the edge off that admission by adding that in all fairness, he thought there would be few occasions for the use of such wage controls. He said this, presumably fully aware that organized labor is at this very moment planning aggressive spring campaigns for an increase in wages.

A few weeks ago he endorsed the findings of his Council of Economic Advisers, which pooh-poohed the charge that foreign aid exports in the postwar years had created scarcities largely responsible for inflation at home. Although he skirts the issue, he implies that we cannot prevent or halt inflation caused by those exports (according to the Harriman report) without submitting again to wartime rationing and price controls.

The Harriman Committee on Foreign Aid assured us only a week or so ago, that exports to needy European countries in 1948 would actually be less than this year's. We had no rationing and price control this year. Yet with less exports, and with production at the same or possibly higher levels in 1948, we are asked to accept drastic Government controls.

At the time of the Nourse report, the President attributed inflation to the vast increase of national buying power. Yet that buying power was increased because of an all-time high in employment, the happy consummation of the "full employment" policy which has been so ardently embraced by Mr. Truman and his economic advisers.

In the face of all these patent incongruities, we are asked to take for granted that the ills arising from our inflationary prosperity can be cured only one way, namely, by giving Mr. Truman the wartime powers enjoyed by his predecessor, by once again entrusting our economic destinies, for an indefinite period, to bureaucratic controls which because of the unrealistic policies upon which they were based, resulted in widespread inequities and abuses.

During the war years the compulsion of patriotism helped to enforce controls. There is no such compulsion in peacetime, and far less inclination to accept restrictions which are often absurd and unfair. As a result black markets would flourish, as they do in Europe today.

The administration policy makers are most emphatic in assuring European governments that the first step toward rehabilitation of their war-wrecked economies calls for revision of their monetary systems. This can only be done, they are told, by taking the bull by the horns and letting nature take its course, that is to say, by relinquishing the artificial pricing of money, and letting it find its own level. But Mr. Truman says that inflation within our own country can be halted only by controls, that is, by creating artificial money values.

What are we to believe? We can only hope that there is enough genuine statesmanship in Congress to point out the inconsistencies in the President's message, and to propose reasonable, workable alternatives.

Resolution Petitioning Congress To Grant Powers to the Reconstruction Finance Corporation To Purchase GI Loans

EXTENSION OF REMARKS

OF

HON. GEORGIA L. LUSK

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mrs. LUSK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

"Whereas the demand for GI loans is such that under the real-estate lending powers of the New Mexico banks it is impossible for adequate service to be given to the demands of veterans for GI loans; and

"Whereas the New Mexico Bankers Association feels that it is most important that veterans of World War II be given an opportunity to provide themselves with adequate housing; and

"Whereas at the present time there is no adequate secondary market for GI loans: Now, therefore, be it

"*Resolved*, That the New Mexico Bankers Association hereby goes on record as favoring the reestablishment by Congress of the necessary powers by the Reconstruction Finance Corporation to purchase GI loans from banks and other lending agencies; and be it further

"*Resolved*, That Congress is further petitioned hereby to enact such legislation and to make such appropriations as will make effective the powers of the Reconstruction Finance Corporation to purchase GI loans; and be it further

"*Resolved*, That copies of this resolution be sent to the United States Senators and Congressmen representing the State of New Mexico, and also that copies hereof be sent to the Veterans' Administration in Washington so that such congressional representatives and the Veterans' Administration may be advised that the New Mexico Bankers Association is ready and willing to cooperate in every way possible in making GI loans, provided an adequate secondary market is provided for the handling of such loans."

It is hereby certified by the undersigned duly elected and qualified executive secretary of the New Mexico Bankers Association, having custody and control of the records of such association, that the above and foregoing resolution was adopted at a meeting of the executive committee of said association on the 25th day of October 1947, and the foregoing is a true and correct copy of said resolution as the same appears of record on the minutes of said executive committee.

Dated at Albuquerque, N. Mex., this 3d day of November 1947.

MARGARET BARNES,
Executive Secretary.

Goofy Gossip

EXTENSION OF REMARKS

OF

HON. WILLIAM A. DAWSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. DAWSON of Utah. Mr. Speaker, on Monday the President of the United States addressed a joint session of Congress, setting forth his plan for solving the ills of the world.

I appreciate the great amount of advice he has received from both foreign and American sources, but in my opinion this message does not reflect the true views of the man on the street.

Back in my home town we have a grocer-philosopher who publishes a weekly column known as Goofy Gossip. I submit this week's column as representing the views of these forgotten people we were elected to represent:

GOOFY GOSSIP

From what I read in the papers and magazines and hear over the radio, I don't suppose that if I add my 10 cents' worth it is going to make much difference, but it will express mine and many of my customers' views.

Poultryless Thursday? This deal has been recognized as a sad mistake. Mr. Luckman possibly found out that live chickens sent him ate grain that should have gone to the starving countries. A chicken on the dinner table eats no grain and helps relieve the claimed meat shortage.

Meatless Tuesday? If present prices continue, we will not have to worry about the talked of meat rationing. People's pocketbooks will control that. Many families cannot afford to buy meat now. It has been steakless Tuesday for a great many people for some time and it will be stewless Tuesday unless something is done about prices.

We are told that we have millions of bushels of wheat that we did not know we had. That is good news. It is about time that somebody found it out. There are many families here in the good old United States of America that are not getting what they should have to keep our recognized standard of living. One-third of every dollar for taxes and we are told that if taxes are reduced it will cause inflation. I wonder what we are having if it is not inflation. It all sounds crazy to me.

We must recognize the situation overseas as serious and we are told that we must feed the hungry to keep them from communism. No one wants to see people starve but I sometimes wonder if we are not setting up a world-wide WPA. You are not going to stop communism by feeding a Communist. If he believes in communism he will eat our food and still be a Communist. If he believes in communism that is his privilege just as much as it is my privilege to believe in democracy. Let's not kid ourselves into believing that we are going to be the world's savior. We should help the unfortunates get on their feet so they can once more support themselves and see that they get that which it takes to make them self-supporting, but they should be made to prepare themselves.

An individual constantly supported becomes inert and resents the benefactor when that support stops. That principle applies to nations as well. Friendships were never built on dollars.

If the powers to be would listen to the housewives that stand in line at the grocery stores, as I see them every day, with a $5 bill that gets only half what that $5 should buy, then a lot of our troubles could be solved. Let's give some thought to keeping our people happy and contented and there should be no need to worry about communism at home. All this just does not make sense in supposedly the richest and most productive country in the world. Enough said. Maybe I have said too much. If so, come in and tell me what you think. This is still a government of the people.

So long 'til next time.

LAYTON COLD STORAGE,
B. M. ANDERSON, *Owner.*

The Hollywood Hearings

EXTENSION OF REMARKS

OF

HON. RICHARD M. NIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. NIXON. Mr. Speaker, in view of the recent hearings on communism in Hollywood conducted by the Un-American Activities Committee I believe the Members of the House will be interested in a radio speech by Chairman J. PARNELL THOMAS over the ABC network, November 4, in which he discusses the issues involved in the hearing. The speech follows:

As chairman of the Committee on Un-American Activities, United States House of Representatives, I want to make a report to the American public on the investigation which the committee is now conducting on communism in Hollywood.

We have just completed the first phase of the hearing. We heard 39 witnesses. Most of them were identified very prominently with the motion-picture industry.

In undertaking the investigation, the committee was aware that it was bucking powerful influences. But we were not deterred by "glamour," intimidation, or influence. Nor will we be in the future. Nevertheless, in order to keep the record straight, I would like to point out a few facts which a current campaign of vilification directed against the committee's Hollywood investigation is endeavoring to obscure.

The Committee on Un-American Activities is made up of nine elected Representatives of the House. We function under Public Law 601 of the Seventy-ninth Congress. We are a standing committee of the Congress. Our authority and right to make investigations is historical and well defined. It is our duty to inquire into subversive or un-American activities in the United States. This is our delegated task, just as the Ways and Means Committee of the House is delegated to inquire into taxation, or as the Agriculture Committee is delegated to inquire into matters concerning agriculture.

The Committee on Un-American Activities is a fact finding body. We are not a court. We subpena persons to testify before us under oath, in order that we may get all the available accurate information on subversive or un-American forces at work in this country. If certain legislative action is needed to cope with the situation, according to the evidence, we must report the fact to the House.

The chief function of the committee, however, has always been the exposure of un-American individuals and their un-American activities. This is based upon the conviction that the American public will not tolerate efforts to subvert or destroy the American system of government, once such efforts have been pointed out. The Congress' right to investigate and expose undemocratic forces is as established and untrammeled as our Constitution.

The Committee on Un-American Activities resolved to expose Communists wherever they may be, whether in labor unions, Government, schools or Hollywood. The motion picture industry enjoys no special status with us. One reason we became so concerned about Communist infiltration in that field is because we knew that the movies, which draw over 85,000,000 spectators in the United States each week, exert a tremendous influence on the lives of American citizens. We knew that such a powerful medium of expression and propaganda, if controlled

outright or in part by antidemocratic elements, could have some disastrous consequences. And we knew that the Communist party had long ago recognized the power of the motion picture and instructed its members to seize control whenever possible in the industry. That many Communists attained strategic positions in the film industry is painfully evident from the testimony we recently received.

Prominent writers, actors, producers and directors in the motion picture industry told us in sworn testimony of the inroads which the Communists have made in Hollywood.

We then summoned the writers, directors, and actors who had been accused of Communist affiliations. They were asked if they were members of the Communist Party. What did they say? They screamed that their constitutional rights were being violated. And they refused to say whether or not they were members of the Communist party.

I want the American people to know that evidence was submitted to the committee which overwhelmingly proved the Communist affiliation of these 10 witnesses. Even their party registration cards were introduced.

Have they denied any of this? Of course not.

These witnesses were asked simple questions. They refused to answer. Therefore, the committee had no choice but to remove them from the witness stand and cite them for contempt. The law requires that we do so.

These witnesses identified as Communists have temporized by saying that the committee was illegally inquiring into their political affiliations. Let's get this straight. The Communist Party, as J. Edgar Hoover, head of the Federal Bureau of Investigation has repeatedly said, is in no sense a true political party. We did not ask these people about their political affiliations. It is a mistake to put the Communist Party in the category of a political party. The Communist Party first of all is a conspiracy to overthrow the Government; it is a conspiracy to destroy the American system of government and the American system of business; what is more, it is a foreign-directed conspiracy, busy here at all times carrying out the objectives of the Soviet Government in the United States.

The Communists here not only preach this hostile philosophy of Stalinism. They are also busy trying to stir up strife and dissatisfaction among the citizens of the United States. Race against race, religion against religion, capital against labor. This is internal warfare aimed at undermining the very foundations of the free economy under which we live.

Therefore, when we ask those $100,000 a year writers and directors who write the script and direct many of the movies which you and your children see if they are members of the Communist Party, we are not asking them of their political affiliations, we are asking them rather of their subversive affiliations.

As a matter of fact, who in the United States, what American citizen, would object to being asked if he were a Republican or Democrat? You even go out and register publicly. Why then, does a Communist refuse to say what he is? He refuses because he knows that he is engaged in subversive activities. He knows that he belongs to a secret conspiratorial organization—an organization which uses aliases for its secret membership rolls—an organization which sends its leaders to Moscow on false passports to get new instructions—an organization which an Attorney General of the United States has said from its very inception has sought to overthrow the Government of the United States by force and violence—an organization which our own committee 6 months ago unanimously found to be the agent of a foreign government, dedicated to the violent destruction of the American democratic way of life.

Permitting Communists to hold responsible positions in so strategic an industry as the motion pictures is just plain folly. Is there nobody in the United States capable of holding these jobs but these Communists? Oh, yes; some executives of the industry insist they cannot get rid of their Communist employees because it might be viewed as a conspiracy. It's a conspiracy all right, but these executives have their facts mixed. It's the Communists who are doing the conspiring.

The Communists don't like the Committee on Un-American Activities. I can't say that I blame them. But the Communist Party has concentrated this hatred in an all-out campaign to discredit and, they hope, abolish the committee. Communist Party headquarters in New York issued special memoranda last month calling upon all Communist-front organizations to work for the committee's dissolution. One of the favorite catchwords in this Communist campaign is freedom of speech. But what do the Communists actually think of this freedom?

Time after time the Communists have demonstrated that they will flaunt the banner of free speech only to serve their own interests. While vociferously demanding this constitutional right for themselves, they think nothing of going in and disrupting meetings where the views being expressed are not to their liking. They think nothing of throwing up a picket line or demanding a boycott against others who would share in the right of free speech.

And actually what did free speech mean to the Communists who were called to testify before the Committee on Un-American Activities in the Hollywood investigation? We wanted them to speak freely. We subpenaed them to defend themselves against allegations that had been made against them and to confront them with the evidence.

In return, these witnesses refused to deny their Communist membership. They shouted a well-rehearsed Communist-line speech of vilification at the committee. Why? Because they knew if they had answered freely and honestly they would have been exposed to the American people for what they really are.

They refused to do so, and these 10 have been cited for contempt by the committee. Their cases are now being referred to the United States attorney for prosecution.

Let me review for a moment the events of the last 2 weeks. Hardly had this hearing begun when all at once glamor flights began to converge on Washington, with stars and starlets. Full page ads began to appear in the newspapers. Expensive radio time was bought. Elaborate cocktail press parties were being held every hour on the hour. All at once there was put in motion in Washington, the biggest propaganda and public relations barrage that I have ever witnessed. For what? To discredit a committee of the Congress.

Why this elaborate campaign? Who is trying to cover up what? We are not dealing here with a few free thinking intellectuals who might be employed in Hollywood. We are dealing instead with a highly organized disciplined group of conspirators who are bending every effort to subvert our greatest entertainment medium to the cause of communism.

Oh, the Communists, their dupes and the high paid apologists of certain interests in Hollywood, are past masters at throwing mud and creating fog. They would like you to think that we are trying to censor the movies; that we are violating the civil liberties of individuals, but they have not succeeded. For this committee has not been diverted, nor have you people been confused. The issue is simple. We are exposing communism in Hollywood. We will continue to expose communism in Hollywood. They would like to think that this is the end of this hearing and this investigation. It is only the beginning. This hearing was only the first in a series of hearings, and when we resume in a few weeks, there is going to be subpenaed before our committee, many more high salaried Communists and fellow travelers from Hollywood, and their activities are going to be exposed and they are going to be exposed for what they are, because the American public will not tolerate any compromise with communism. Communism and Americanism are incompatible.

In closing, I wish to thank on behalf of the Committee, the thousands of Americans who, by their letters, telegrams, and telephone messages, have voiced their encouragement of the investigation into communism in Hollywood. I ask for this continued support by the American people.

Heat and Light Taken From GI Children

EXTENSION OF REMARKS

OF

HON. ALVIN F. WEICHEL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. WEICHEL. Mr. Speaker, at the Plum Brook Ordnance Reservation at Sandusky, Ohio, there are more than 25 houses built by the Government, most of which are occupied by former members of the armed forces who are unable to secure suitable housing for their families. The War Department and the War Assets Administration and other designated agencies for the disposal of unused Government wartime property have made a mockery and a scandal of the sale of unused machinery, goods, and real estate used during the war. Lumber and construction materials have been shipped overseas so that there has been a continual shortage of building material and former GI's have been unable to secure material or build at reasonable prices.

These houses have been used for temporary occupancy by veterans until they can secure satisfactory homes, and now the War Assets Administration becomes very eager and alert and tells these war veterans that the heat, electricity, communications, water, sewer and other utilities now supplied to these houses temporarily occupied by veterans, will be terminated as of December 1947.

I am informed that there are more than 25 children residing with their parents in these houses. The letter to these war veterans from the War Assets Administration, Cleveland region, Cleveland, Ohio, is as follows:

You are hereby formally notified that as a result of the meeting held on Tuesday evening, October 14, 1947, all utilities at the Plum Brook staff houses will be discontinued as of midnight, December 31, 1947, and after that date the War Assets Administration will not be responsible for any utility service at the said location. You are hereby put on notice of this pending cessation of utility service at this time, in order that you may be enabled to make private arrange-

ments for such utilities as you may require on and after January 1, 1948.

Sincerely yours,

JOHN A. RETTER,
Deputy Regional Director,
Office of Real Property Disposal.

After all this time the bureaucrats are forcing the children and wives of former GI's out of a place to live in the dead of winter by cutting off heat, light, water, and other utilities. Times have changed little. Nearly 2,000 years ago there was no room for the Christ Child at the inn in Bethlehem. The bureaucrats have little regard for the rights of people, and it seems that they have much less for those who fought for our country.

Letter of Rev. Dr. W. O. H. Garman, of Wilkinsburg, Pa.

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. McDOWELL. Mr. Speaker, I insert in the RECORD at this point a letter recently sent to the Honorable Harry S. Truman, President of the United States, by the Reverend Dr. W. O. H. Garman, pastor of the Calandar Memorial Church of my home community, Wilkinsburg, Pa.

Dr. Garman was recently a member of a committee of American clerics who toured Europe under the auspices of the Secretary of War. Dr. Garman's letter to the President is a report of his findings and the ideas gained by him during this tour. I feel that his opinion on these matters should be made known to all Members of the Congress.

The letter follows:

WILKINSBURG, PA., *November 15, 1947.*

Mr. HARRY S. TRUMAN,
President of the United States,
Washington, D. C.

DEAR MR. PRESIDENT: This past summer the writer, together with 13 other clergymen, at the invitation of the Secretary of War, made a tour of Europe. For some time we have been desirous of calling to your attention certain conditions we observed in Germany, which we partially investigated on the field, and concerning which we have gathered further information since returning home. These conditions cause us great concern, and all the more so since we believe they have been somewhat responsible for the fact that Germany's recovery has not been more rapid, and that it has become increasingly necessary for the United States to flood Europe with relief.

Before describing these conditions we would like to state that the above tour made us fairly cognizant of the many problems involved in occupying and restoring Germany. We were not surprised that mistakes had been made and plans had to be altered to meet conditions that had not been anticipated. It was our impression that the Army is doing a magnificent job in its attempt to feed Europe. We had several frank interviews and conferences with General Clay and believe him to be most capable, sincere, and earnest. However, it is our opinion that General Clay would be free to do much more toward restoring Germany if it were not for certain weaknesses in our present plan.

With feelings and resentment running so high, and with so many having at that time pro-Russian sympathies, it isn't hard to understand why at the close of the war unduly severe and unwise measures were proposed to punish and control the guilty Nazis. We are also aware that unless Germany had been severely punished that many would have criticized our Government. However, we feel that the Morgenthau plan and the present modification of it which is in force, is too severe, unwise, and if we continue to follow it that Germany never will be restored and the United States will have to feed that land indefinitely. In attempting to enforce this plan we are hindering Germany's recovery and playing right into the hands of our Communist foes who do not want peace and prosperity in Germany, who thrive on confusion, and are doing all in their power to frustrate the effort of the United States to bring about peace in Europe. We declared in our report to the Secretary of War that it was our opinion that Russia was most responsible for the continued distress and misery in Europe. We don't want to see the United States held accountable in the least for retarding recovery in Europe as has Britain because of her policy in the Ruhr.

While on the above-mentioned tour we heard no little about the dismantling of German industries and the shipping of this equipment into Russia. It seems this is another one of those concessions we have made to the Russians. We also were informed that Russia to the contrary was reopening plants in her zone, and operating them with German labor and technicians, all of which meant food for the Germans and more goods for Russia. We have had a similar report from Czechoslovakia concerning Russian occupation there.

Only too obviously, our present plan is more to Russia's advantage than our own. The shocking thing is that under our present plan we propose to further dismantle German industries another 35 percent. This means that the German people will be deprived to just that extent of their chief source of income. So long as we pursue such a policy as this, Germany can never get back on her feet. The effect of such an unwise plan will be to make Germany eternally a pauper nation—eternally dependent on the United States for support and eternally resentful. This being true, the Marshall plan will never bring about recovery in Europe and the billions of dollars spent will be wasted. As long as such a plan is in effect, Germany will be confronted by the Communist menace. So likewise will Europe.

Personally, we feel that our present plan should be revised so that all crippling restrictions are removed. German industry simply can't be revived so long as the United States forbids the manufacture and use of such essentials as aluminum, vanadium, magnesium, ball bearings, synthetic rubber, gasoline, oil, etc.

Under our present plan, the United States, to hold off the Communists, is pouring billions of dollars in relief into Europe. If Germany were permitted to get back on her feet, this effort on our part would not be necessary, for the Germans and others, whose recovery would simultaneously take place with hers, would themselves hold off the Russian Communists.

Another matter, which caused us great concern while abroad and since, was the use by the Russians of plates given them by this country to print occupational money—all of which had to be redeemed by the United States. We went into this matter with the military and, although not responsible, they admitted that such conditions existed. They were unable, however, to estimate how much of this money Russia had already printed or intended to print. One estimate then made by the press was that the Russians had already printed $700,000,000 of such currency. A Congressman is reported to have recently declared that this figure has now reached the $2,000,000,000 mark. We recommended while abroad, and do so again, that our Government request the Russians to return these plates and refuse to redeem any more of this currency.

We also believe that the unfortunate secret agreements which were made at Yalta and other places and never ratified by Congress or the American people ought to be repudiated. As long as they are recognized Russia will continue to hold the whip hand. We saw the evil effects of this in Europe and the decided disadvantage our Government labored under because of these secret agreements. We see no relief for the present situation until these agreements are repudiated.

Upon our return from Europe we made our report to the Secretary of War, our constituent groups, the press and the Nation at large. Now, Mr. President, we report to you matters beyond the control of our military and not incorporated in our first report. We received perfect cooperation from our military while on the tour and they welcomed the constructive criticisms we made.

You should know that we in the American Council of Christian Churches are cooperating with our Army in feeding and clothing Europe and doing all in our power to bring to pass a spiritual revival on that distressed continent. Next summer we are planning to hold an international council of Christian churches meeting in Amsterdam, Holland. We will only be too happy to do everything in our power to help you bring to pass a real recovery in Europe or to cope with problems here at home. May God give you strength and wisdom for the arduous task that is yours.

Most respectfully,

W. O. H. GARMAN,
President.

P. S.—We are sure that you will want to know that our constituents continue to write in expressing their approval of a system of universal military training similar to the Swiss system. So far all have been opposed to teen-age boys being placed in army camps where intoxicants are made available by our Government and where moral conditions are often not what they might be. These parents are anxious to see universal military training undertaken in connection with high school and college training.

Prime Minister of the Dominion of India Enters Fifty-ninth Year

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. CELLER. Mr. Speaker, I herewith offer my congratulations to Jawaharlal Nehru upon the advent of his fifty-ninth birthday. The people of India should be congratulated likewise for having the services and talents of this great man at their disposal. His wisdom, courage, and sacrifice immeasurably aided in the granting of independence to India. The Government of India Information Services, in its November 17, 1947, issue, made some observations on this event, which I herewith insert, and with all of which I am in accord:

The new and free India celebrated the birthday of Mahatma Gandhi only recently.

Now another glad and equally festive occasion falls on her. On November 14, 1947, Jawaharlal Nehru enters his fifty-ninth year.

At this very fateful hour of her history, when her people have won back their stature and dignity, and are eager to contribute the lessons of their culture and free spirit to the common pool of democratic endeavor, India is grateful to destiny for her leaders. Foremost among them is Prime Minister Jawaharlal Nehru, one of the greatest democrats of the times. Educated in Harrow and Cambridge, and belonging to one of the most cultured and wealthy families in India, he came early under the spell of Mohandas K. Gandhi. The glory of India's past fascinated him, her subjection and helplessness made him indignant. Her reservoir of talent, natural resources, and that fund of eternal ideas which is sometimes called the "wisdom of the East" made him dream dreams of her future greatness. He had returned from England as a barrister. His father, the late Pandit Motilal Nehru, was at that time the most eminent lawyer in India. Young Nehru tried his hand at the bar. But already, in his mind, there was an absolute identity between the spirit of India and his own ideals. He could not devote his energies to seeking worldly success for himself while his people were constantly suffering from the deprivation of self-respect, honor, and the elementary necessities of existence. Through Gandhi the voice of India beckoned to him, and he obeyed.

But Nehru is tempestuous and vigorous. He was not content with half measures. First, he put all his heart into the Indian struggle for freedom. Second, he persuaded his aristocratic father to lean toward the revolutionary path. Then there was the spectacle of the Nehru family voluntarily renouncing all their wealth and their princely mode of life. Their palatial house in Allahabad was gifted to the Indian National Congress and became the headquarters of that party.

From then on Nehru's life presented one continuous spectacle of a man, who knows no fear, fighting implacably to vindicate the natural rights of men. The only period when he could rest was when he was thrust in prison by the British—and a major part of his political life was spent in prison—and, on each of these occasions his brilliant and restless mind refused to remain inactive and passive. Most of his published works like his Autobiography, Glimpses of World History, Toward Freedom, and the most recent, the Discovery of India have been written during his enforced incarcerations.

An examination of his writings and of his career as one of the greatest architects of Indian freedom shows that the one moving passion of his life is, and has been, an impatience with any fetters on man's capacity for free endeavor. Nehru's mind is too analytical and sensitive to permit his attaching himself to any dogma or "ism." For him, a method remains a method. The end is always the good of the individual.

The individual, thus being the unit of his thoughts, he has never been able to reconcile himself with any form of dictatorship. He has a record of consistency in this respect which is hardly equalled by any other statesmen in the world. In 1936, when he was passing through Italy on his way to India, he refused to see Mussolini in spite of the latter's most pressing invitation to do so.

Nehru is one of the few statesmen in the world whom hundreds of millions of people follow eagerly and without the existence of a "police state." In spite of the fact that he has occupied the seat of authority since August, 1947, the respect and affection which the Indian people bear toward him is not so much to one in authority as to a man who is still carrying on the eternal struggle of freedom against all the forces which British imperialism created in the past to divide and weaken the Indian freedom movement, and which have now sought so desperately, though unsuccessfully, to thrive on misery, strife and want.

Conditions Among the Navajo Indians

EXTENSION OF REMARKS
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Albert L. Warner, November 15, 1947, over Station WOL, of the Mutual Broadcasting System:

Washington is gradually becoming aware of a shocking condition among the Indians of the Navajo Reservation. In this land of plenty for most of us, men there are living on a diet of 1,200 calories a day—less than we provide for the inhabitants of occupied enemy Germany. Of the Navajo children, 50 percent die of disease before they reach the age of 5 years. Ninety percent of the Navajo Nation cannot speak or understand English. The Federal Government is bound by law, bound by treaty, and bound by common considerations of humanity to provide education for the Navajos. And it does provide schooling for 6,000 Navajo children. Between 20 and 24 thousand other Navajo children get no schooling. There just are no schools for them. With medical care it is the same story: Shockingly inadequate.

The rate of occurrence of tuberculosis among Indians is about the average of what it was for the country at large 50 years ago—that is, about three times what it is among our population today. As early as September of this year there were 450 Navajo families already on relief. The Bureau of Indian Affairs estimates that another 4,000 Navajo families are living on the equivalent of about $750 a year, and all of these thousands are potential relief applicants as the winter comes on. You know what relief is for a Navajo—$5 a month. That's what the Indian Bureau pays. The States of New Mexico and Arizona refuse to give them anything.

The plain fact about the Navajo situation is this: There are 60,000 of these Indians crowded into a reservation that can scarcely support half that number. The question at once arises why don't some of these Indians leave the reservation and get jobs. The answer is that while a few of them do so, 90 percent of these people can't speak English. They've been given neither the education nor the training nor the habits to enable them to compete and earn a living in the paleface's world. Their plight is desperate. Almost their only source of food and clothing is their sheep. And their reservation cannot support enough sheep to support this depressed population.

The Navajo Reservation is enormous in extent, covering 16,000,000 acres in Arizona and New Mexico. But most of these acres are desert.

When the Navajo were settled on the reservation some 80 years ago, by treaty, they numbered only 9,000 souls. Then the 16,000,000 desert acres were adequate for their support. They led peaceful, nomadic lives for years, with the Government encouraging them to raise more and more sheep. In the early 1930's the Government woke up to the fact that the tribe had increased greatly in population and that its sheep herds were rapidly destroying what sparse ranges the desert afforded. So, in New Deal days, the Government compelled the Navajos to cut their sheep herds in half. That destroyed half of their means of subsistence, but all during the 30's their situation was ameliorated by the expenditure of CCC funds, WPA funds, and other similar New Deal projects. Those funds stopped with the war. But the war brought its economic compensation. Thirty-six hundred Navajos were in the armed services, and their allotment checks helped keep things going back on the reservation. There was such a shortage of labor in the country that 15,000 Navajos got jobs off the reservation.

Now the Navajos are back. Their jobs are gone. Those who were good enough to fight are not good enough to be allowed even to vote.

Sixty thousand Americans are living on the borderline of starvation, in misery and disease. The congressional lack of awareness is reflected in the fact that this year's appropriation for the Bureau of Indian Affairs was trimmed to $37,000,000 from about $44,000,000 last year. The Bureau of Indian Affairs has what might be called a Marshall plan for the Navajos. It would cost $80,000,000 to bring water to some of the Navajo lands, bring schools to their children, teach them agriculture, and move about half of them away from their vast but overpopulated homeland. But an $80,000,000 Marshall plan for the Navajos may have tougher sledding than billions for Europe. Yet here is a responsibility we assumed as part of the historic process of taking away the lands on which the Indians might otherwise have lived. We took their lands; we owe them at least an opportunity to make a living.

Poland and Russia: The Historical Record

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. DONOHUE. Mr. Speaker, under leave to extend my remarks, I wish to include a radio address given by William Henry Chamberlin over Station WSPR, in Springfield, Mass., on the Justice for Poland program.

Mr. Chamberlin was for 18 years foreign correspondent for the Christian Science Monitor, and is the author of several books. During the war he was a visiting lecturer at Yale University, Haverford College, and the Harvard School of Overseas Administration. His address follows:

In order to appreciate the full tragedy of what happened in Poland during and since the war one must understand two important features of Polish psychology. The first is a passionate desire for national freedom, made all the stronger by the immoral partitions of Poland in the eighteenth century and the oppression of the Polish people by foreign rulers. The Poles prize their national language and culture more deeply because of the efforts to make them into Russians or Germans.

The second is a deep distaste for Russian absolutism, whether that absolutism may

take the form of a Czarist autocracy or a Communist dictatorship. Most of the Poles fell under Russian rule after the partitions. The heroic uprisings of 1830, 1848, and 1863 were against Russian oppressors. It is a cruel and ironical aftermath of a war that started in Polish resistance to Nazi aggression that Poland should be, for the time being, under Russian political control, under a made-in-Moscow government.

In 1938 and 1939 Hitler made three proposals to the Polish Government, looking toward combined German-Polish action against Russia. The basis of these proposals was that Poland should cede to Germany those parts of its territory which had been under German rule until 1918. In return Poland was to get so-called compensation in the east, through annexation of territory in Soviet Byelorussia and the Soviet Ukraine.

These proposals were remarkably similar, in spirit, to the settlement which Stalin finally imposed on Poland, seizing more than two-fifths of Poland's prewar area in the east and giving as supposed compensation German regions in the west. The Polish Government, loyal to its treaty of nonaggression with Russia, rejected all Hitler's proposals.

Then the Nazi dictator changed his tactics. He proposed to Stalin a new partition of Poland and found ready acceptance. These two plebian dictators, Stalin and Hitler, repeated at Poland's expense the predatory exploits of their crowned predecessors, Catherine II and Frederick the Great. The only difference was that the Communist and Nazi rulers behaved with infinitely greater brutality toward the unfortunate Poland people.

It was Stalin's intention, just as much as Hitler's, to blot Poland forever from the map as an independent nation. Indisputable proof of this may be found in the following passage in a speech which Foreign Minister Molotov delivered before the Soviet Parliament on October 31, 1939:

"One swift blow to Poland, first by the Germany Army and then by the Red Army, and nothing was left of that ugly offspring of the Versailles Treaty, which had existed by oppressing non-Polish nationalities."

In 1939 Russia and Germany were acting in full understanding as close allies. In an exchange of compliments with the Nazi Foreign Minister, Von Ribbentrop, Stalin declared: "Our friendship is cemented in blood." Indeed, the Soviet-Nazi so-called nonagression pact of August 23, 1939, soon to be revealed as a mutual aggression pact against unfortunate Poland, was cemented—in Polish blood.

The first secret agreement for the partition of Poland, concluded before the outbreak of the war, provided for a line of demarcation along the rivers Vistula, Narew, and San, with everything to the east of this line going to Russia, everything to the west going to Germany. Lithuania, under this scheme for carving up eastern Europe, was left to Germany. Later, at the time of Ribbentrop's visit to Moscow on September 28, this first version of a robbers' agreement was modified. Lithuania was assigned to Russia and the German share of Poland was enlarged, with the river Bug as the boundary.

Nazi outrages in the part of Poland under their rule have been well publicized. These included forcible expulsion of Poles from Poznan, Gdynia and other predominantly Polish regions and cities, closing of universities and higher schools, ruthless decimation of the Polish intelligentsia, barbaric persecution of the Jews, culminating in a campaign of extermination against the Jews in Poland and throughout eastern Europe.

Soviet cruelties in eastern Poland are less well known. There were almost no independent foreign eyewitnesses. After Germany attacked the Soviet Union there was a strong tendency to hush up any criticism of Soviet actions in America and Britain. But it is well known to those who have studied the situation that vast deportations from eastern Poland took place under the Soviet occupation under conditions so inhuman that large numbers of the deportees perished.

The Polish government in exile was able to maintain an embassy in Moscow for 2 years, from 1941 until 1943. Through this embassy it was able to collect detailed information about the number and fate of these deportees. About 1,230,000 men, women, and children (about one-tenth of the population of eastern Poland) were deported. Of this number, 270,000 perished as a result of maltreatment, exposure, and undernourishment.

Both the circumstances of the deportations and the treatment of the Poles in Russia were extremely brutal. Families were deliberately broken up; deportees were packed like cattle into freight cars; there were appalling shortages of food and water; the sick and weak died in great numbers along the way. At the end of long journeys these uprooted people were either placed in slave-labor concentration camps or sent to forced labor in collective farms in the most backward and remote Asiatic provinces of the Soviet Union. Annual death rates of 30 percent and more were reported from the worst slave labor camps. Full and vivid details of what the people of eastern Poland suffered in these nightmare deportations may be found in the book, The Dark Side of the Moon, published by Charles Scribner's Sons.

The Poles did not stop fighting even after all Poland was overrun by the German and Soviet invaders. A government-in-exile, with representatives of the four leading Polish political parties, was set up first in France, later in England.

When Hitler attacked Russia, in June 1941 it seemed for a short time that a better era in Soviet-Polish relations might be in prospect. The Soviet Government concluded a pact with the Polish government-in-exile, then headed by General Sikorski, and recognized that "the Soviet-German treaties of 1939 as to territorial changes in Poland have lost their validity."

An amnesty was declared for Polish military and civilian prisoners in Russia. A Polish army under the command of General Anders was recruited in Russia. Had the Soviet Government been willing to see Poland restored within its legitimate boundaries under a government freely chosen by the Polish people, had it pursued a genuine good neighbor policy, a basis of permanent Soviet-Polish friendship could have been established.

Unfortunately, as soon the first German drive into Russia had been checked almost at the outskirts of Moscow, it became evident that the Soviet purpose of destroying Poland as an independent state, so openly announced by Molotov in 1939, had not been abandoned. What the Kremlin wanted in Poland was not an ally, but a vassal, not a friendly neighbor, but a puppet regime dominated by Communists who would respond to every string that might be pulled from Moscow.

One disability after another was imposed on the Poles in Russia and on January 16, 1943, it was decreed that all Poles who were natives of the part of Poland which had been occupied by the Soviet troops in 1939 should be considered Soviet citizens. A group of Polish Communists and Communist sympathizers which most inappropriately called itself the Union of Polish Patriots was given every encouragement to organize in Moscow as the nucleus of a future Polish puppet government.

The Soviet Government broke off relations with the legitimate Polish Government in London on April 26, 1943. The pretext was that the Polish Government had requested an International Red Cross investigation of the circumstances of the killing of several thousand Polish officers, whose corpses were discovered by the Germans in the Katyn Forest, near Smolensk, in Russia, then under German occupation.

This Katyn massacre was one of the darkest crimes of the war. Both Germans and Russians accused the other of having committed it, and on the basis of their records both Nazis and Communists would have been fully capable of committing such a crime. There is no direct independent testimony, because there were apparently no survivors of the massacre. But the following five pieces of circumstantial evidence point to Russian responsibility for this particular atrocity.

First, no messages were received from any of the slaughtered officers who had been captured during the Soviet invasion of Poland, after the spring of 1940, more than a year before the Germans invaded Russia.

Second, the Soviet authorities always put off Polish inquiries about the fate of the officers with vague surmises and never suggested that the camp in which they were confined had been evacuated before the Germans.

Third, it is highly improbable that thousands of ablebodied officers would have made no attempt to escape during the interval between the supposed Soviet abandonment of the camp and the arrival of the Germans.

Fourth, the bodies were found clothed in heavy overcoats, an unnatural detail if the Soviet version that the officers were killed by the Germans in the summer of 1941 is accepted.

Fifth, there is testimony from a Polish officer that Beria, head of the secret police, and his deputy, Merkulov, admitted in conversation that "a great mistake" had been made in connection with these officers.

As the Soviet armies advanced into Poland active nationalists and patriots were arrested, deported and shot, while Red quisling agents, Polish Communists with long Moscow training, were installed in key administrative posts. The policy of stamping out Polish national independence in league with Nazi Germany was replaced by the policy, equally abhorrent to patriotic Poles conscious of their country's western ideals and civilization, of making out of Poland a Soviet satellite, with the external forms of independence.

During the time of partition there was a Polish song which began: "God restore our freedom." After Poland became an independent nation again, the words were changed to "God preserve our freedom." Now Poles are again singing: "God restore our freedom." The restoration of Poland's freedom is an indispensable condition of a free Europe and a world of peace, justice and order.

Adequate Veterans' Hospital Facilities Needed in Pennsylvania

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. VAN ZANDT. Mr. Speaker, the veteran population in the great State of Pennsylvania, comprising over 1,800,000 citizens, is served by only four Veterans' Administration hospitals, three of which are in full operation at the present time.

The neighboring State of New York, with a slightly higher veteran population than Pennsylvania, has 10 Veterans'

Administration hospitals in full operation.

While it is true that additional hospitals are contemplated for Pennsylvania, the delay in the construction of these hospitals is seriously jeopardizing the health and welfare of the veterans of Pennsylvania.

The following letter from Mr. Lawrence Trainor, chairman, hospital construction committee of the Pennsylvania Department of the American Legion, adds emphasis to the concern that exists in Pennsylvania with respect to the need of adequate hospital facilities for veterans.

Chairman Trainor's letter is as follows:

THE AMERICAN LEGION,
DEPARTMENT OF PENNSYLVANIA,
Harrisburg, Pa., November 1947.

Hon. JAMES E. VAN ZANDT,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN VAN ZANDT: As you well know, we of the American Legion are gravely concerned with the present Veterans' Administration hospital situation in the Commonwealth of Pennsylvania. We are concerned from two angles: The very grave need for construction of new hospitals and the lack of such existing facilities in the Commonwealth.

May we call your attention to the fact that Pennsylvania contributed approximately 1,800,000 of its citizenry in the two World Wars and, therefore, has a veteran population of the above figure, all of whom under the law are entitled to hospitalization when the need for it is present. Yet we find that only four Veterans' Administration hospitals are actually in operation within the confines of our State: General Medical Surgical Hospital, Aspinwall, a similar institution at Butler, and a mental hospital at Coatesville—these three are in full operation. Another hospital, combination of general medical and mental, is under partial operation at Lebanon at the present time.

For sake of comparison, may we respectfully call to your attention the situation in our sister State, New York, where there are at present 10 such veterans' hospitals in full operation, the locations being Batavia, Bath, Bronx, Brooklyn, Canadaigua, Castle Point, Northport, Long Island, Saratoga Springs, Staten Island, and Sunmount.

Under the new construction program of the Veterans' Administration, additional hospitals are to be built in Pennsylvania at Wilkes-Barre, Erie, Altoona, Harrisburg, Philadelphia and two at Pittsburgh. Three of these hospitals are to be of 200-bed capacity, one of 475 beds, one of 1,000 beds, one of 1,250 beds and one of 1,200 beds. The only progress being made in actually having these hospitals built is the fact that we have been informed that the plans for the Wilkes-Barre, Altoona, and Erie hospitals are now in the hands of contractors for bids which are to be opened sometime early next January and construction is to begin on those hospitals within 60 days after the contract has been awarded.

It seems rather strange, by contrast, to find that despite the need for hospital construction in Pennsylvania, the best we have been able to get up to date is merely the facts as stated above, yet we find that at the present time there are under construction in our sister State, New York, hospitals at Peekskill, Albany, Buffalo, and Brooklyn. Evidently those in authority in Washington in the Veterans' Administration do not consider, or have given no consideration, to the great need of the Pennsylvania veterans who have made such great contributions in the two great conflicts. New York's veteran population is only slightly higher than that of Pennsylvania.

We could make comparisons with the situation as it exists in other States of smaller size than Pennsylvania but that would be time consuming. Be it sufficient to say that nowhere in the entire country is the need for veterans' hospitals as great as it is in our own State of Pennsylvania. May we respectfully urge you to check the facts and use every effort to see to it that the Veterans' Administration officials in Washington recognize both the contribution and the need of Pennsylvania and act accordingly and promptly.

Our committee, representing the various sections of the State, is and has been enlisting the aid of all civic groups in our Pennsylvania communities, as well as the citizenry in general, to awaken them to the fact that Pennsylvania veterans, when in need of hospitalization to which they are entitled, should and must be hospitalized in hospitals located within the confines of the Commonwealth of Pennsylvania. You will probably be hearing from many of these groups and we ask your earnest consideration of their pleas that are being made on behalf of those who served so well in time of emergency.

It is beyond our understanding as to the reason why there has been such long delay in the planning of the hospitals for which the Congress has appropriated the money and the construction of which has been approved by the Federal Hospital Board and the President of the United States. The time has come when those in authority in the Veterans' Administration must be made to understand that the delay in the construction program, particularly the Pennsylvania hospitals, is both unjustified and inexplicable and it is up to those in authority to proceed most promptly with this work. They must assume proper responsibility for all the unnecessary delays that can only be laid in their laps.

Specifically, we would appreciate the following definite information: When will the plans be ready and contracts awarded for these facilities: Pittsburgh, General Medical Hospital; Pittsburgh, Neuropsychiatric Hospital; Harrisburg, General Medical Hospital; Philadelphia, General Medical Hospital.

We would greatly appreciate hearing your comments indicating your interest.

Sincerely yours,

LAWRENCE TRAINOR,
Chairman, Hospital Construction Committee, City Hall, Duquesne, Pa.

Whose Liberty?

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. FORAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Thomas L. Stokes, from the Washington Daily News:

WHOSE LIBERTY?

(By Thomas L. Stokes)

Again we hear a familiar outcry. As if someone somewhere had set the tune, there rises from customary quarters the complaint that our liberty is being imperiled. It is being imperiled, they tell us, by President Truman's program designed to check skyrocketing prices that are eating us out of house and home and, unless something is done, will lead us straight to a crash.

Some of the eminent gentlemen who are so concerned about our liberty seem blind to the real wolf outside the doors of millions of homes, that lean and hungry animal we known as inflation.

In the name of "liberty" they would forbid the people, through their Government, to devise measures to make it possible to buy, at reasonable prices, the things people need for living, and which they produce by their own labor. That would seem to be an essential in a well-ordered democracy. But that endangers our liberty and the free-enterprise system.

The chief trouble with the free-enterprise system is the free enterprisers—those who manage it. They have been greedy, and it is this greed that will wreck the system in time, unless the free-enterprisers show some restraint.

Those who cry aloud that our liberty is being imperiled by proposals to restrain the greed that has run riot and now threatens the economic security of millions never have, themselves, hesitated to use the Government for their own selfish ends.

This can be documented in case after case. For recent samples we can take the last session of Congress. Twice they got through Congress a tax bill to cut substantially their own contribution to the support of Government while giving to millions in the lower-income levels hardly enough tax relief a week to buy more than a quart of milk and a loaf of bread at present prices.

The President, fortunately, was able to stop that.

They tried to weaken the wage-hour law designed to protect the incomes of millions of workers, and succeeded to some extent. They tried to nullify the protections we had built up through the years for the consumer of electricity and gas in order to please big private utilities and enhance their opportunity to gouge the consumer and boost profits.

Through the years they used the power of Government to fix high tariffs to protect their industries, increase their prices, and raise costs to the consumer. Fortunately we have stopped that "log-rolling" in Congress among special interests by the reciprocal-trade program that delegates tariff authority to the President through negotiations with other nations conducted by the State Department.

What license they made of liberty is an old story to anyone who sat through numerous investigations here in the last few years of banking practices, stock-market speculation, railroad and utility high finance—all so blatant that the people finally rose up and put restraints on that sort of profligate stewardship for private profit.

Whose Government? And whose liberty?

British Citizen Speaks

EXTENSION OF REMARKS
OF
HON. ROSS RIZLEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. RIZLEY. Mr. Speaker, a letter from a constituent of mine of Enid, Okla., the Honorable W. J. Otjen, a former member of the Oklahoma State Legislature and the Republican nominee for Governor in 1942, and likewise the Republican nominee for the United States

Senate in 1944, encloses an interesting letter from a British citizen, directed to a friend of his who also resides in Enid, Okla, Mr. Henry B. Bass. The letter speaks for itself:

[From the Enid (Okla.) Daily Eagle of October 24, 1947]

LETTER RAISES BRITISH LOANS QUESTION ANEW—LEADER BARES IN LETTER TO BASS PEOPLE DON'T WANT HELP

Do all Englishmen appreciate the gifts and loans the United States has given them, or do many of them see in these handouts a menace to the present and future of their country? That is a question raised by a letter received recently in Enid by Henry B. Bass, local contractor, from Duncan Swan, a leading British citizen, former member of the House of Commons and whose father served for 19 years as Privy Counselor for the Empire. The letter reads:

LONDON, *October 6, 1947.*

DEAR MR. BASS: It is high time that you and your fellow countrymen realized that, far from seeking further financial aid from the United States, it is the last thing that many millions of Englishmen want. Any funds supplied by you in the near future will merely go to bolster up the Socialists in power here, just as the first loan enabled these men to enjoy 18 months of giving the taxpayers' money to their supporters and fat jobs to themselves. I may say that the labor government hoped the loan would last till their term of office ended in 1950 and would carry these men to a triumph at the polls. The money, however, has been squandered, to put it bluntly, and Britain has been brought violently up against the distasteful fact that he who will not work, neither shall he eat.

This salutary lesson has got to be learned—the United States must not interfere with the teacher.

I am qualified to speak as a representative Englishman since my father was for 33 years an M. P. and a privy counselor for 19 years. I sat in the House of Commons for 4 years.

Yours sincerely,

DUNCAN SWAN.

Shipment of Pig Iron to Italy

EXTENSION OF REMARKS
OF
HON. ROLLA C. McMILLEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. McMILLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Hon. RALPH A. GAMBLE, of New York, chairman, Joint Committee on Housing:

Representative RALPH A. GAMBLE, Republican, New York, chairman, Joint Committee on Housing, today issued the following statement attacking the proposal made this week by the State Department, that 30,000 more tons of pig iron be shipped to Italy, under the interim-aid program.

Chairman GAMBLE said: "When the Joint Committee on Housing began its work September 1, it learned that the No. 1 shortage was in soil pipe. This shortage was due to the lack of production in pig iron. Difficult as stimulation of production is proving, our muddled national policy—or perhaps lack of policy—on the export of building materials, including basic materials such as pig iron, now threatens further to aggravate the housing shortage. The shortage will most certainly be intensified if the request which the State Department made this week for increased pig-iron shipments to Italy is granted. We cannot hope to build more houses, cheaper, quicker, for American workers if critical materials are siphoned off as interim aid to Europe.

"In its statement before the Senate Foreign Relations Committee and the House Foreign Affairs Committee, the State Department lists as a requirement that should be satisfied, the shipment of 30,000 tons of pig iron to Italy in the 4-month period of December 1, 1947, to March 31, 1948. This pig iron could only come from United States sources for the reason that the Export-Import Bank is stated to be the agency that would finance it, and the Export-Import Bank can only finance purchases from American producers.

"In the production of cast iron soil pipe the normal practice is to use approximately half pig iron and half scrap in making the material out of which the soil pipe is cast. It is probable, therefore, that this 30,000 tons of pig iron, together with the use of a normal amount of scrap, represents a potential production of fifty-odd thousand tons of cast iron soil pipe and fittings. It is variously estimated that from one-quarter to one-third of a ton of cast iron soil pipe is required for each dwelling built. In other words, the proposed State Department export of pig iron to Italy would be taking out of the country a critically needed material which otherwise could supply soil pipe requirements for in the neighborhood of 175,000 new dwelling units, on a conservative estimate.

"The foregoing does not take into account the pig iron subsidy cost to American taxpayers.

"Last summer, when the Congress passed the Housing and Rent Act of 1947, provision was made for continuance of a premium-payment plan or subsidy on the production of pig iron. This was done at the urgent request of the Housing Expediter in order that pig iron production might be increased and channelled into the production of cast iron soil pipe which the Housing Expediter indicated was the No. 1 critical building material in short supply.

"The premium-payment plan on pig iron production was continued to December 31, 1947. In the first 9 months of this year premium payments of $8,064,000 have been made by our Government presumably to secure added production of 933,601 tons of pig iron. The maximum premium or subsidy paid was $12 per ton, the minimum $8 per ton, and the average $8.64 per ton.

"It is more than foolish—it is tragic—for the Government on the one hand to be subsidizing pig-iron production and on the other to ship this critical material abroad. In order to continue to help other nations effectively, we must give more thought to our own welfare here at home.

"Through May 1947 our soil-pipe production averaged more than 50,000 tons a month. Production is now running some 6,000 to 10,000 tons less per month. To Italy alone in the first 6 months of 1947, we exported 29,000 tons of pig iron—enough to make soil pipe for at least 175,000 American dwelling units.

"And it is not only in pig iron that our export and foreign aid policy needs checking and correction. It is in other critical or high-priced building materials such as gypsum products, nails, and lumber, as well.

"I am convinced that this latest proposal by the State Department points to the absolute necessity in any foreign-aid program of setting up an agency outside the diplomatic branch of our Government that will give consideration to our urgent home requirements as well as any aid that might be given abroad."

Address of Sterling Morton

EXTENSION OF REMARKS
OF
HON. RALPH E. CHURCH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Sterling Morton before the Association of Republican Men and Women of New Trier, Inc., Winnetka, Ill., November 5, 1947:

If tonight you are expecting to hear a learned discussion, backed up with reams of documentation and yards of statistics, you are doomed to disappointment. I am not here to "explain the unexplainable, fathom the unfathomable, nor screw up the inscrutable." Furthermore, the opinions expressed are those of the speaker and do not necessarily represent the views of my sponsors. However, I will have my private opinion of the I. Q.'s of those who don't agree.

Our late summer trip to France, Switzerland, and England, with a short excursion to Belgium and Luxemburg, was undertaken solely for our pleasure and information. Of the former there was some; of the latter a whole lot. We were only over 6 weeks, with 5 days in England, a couple of weeks in lovely Switzerland, and most of the time in France, with more days in the country than in Paris. We hired a small French drive-yourself car and, as in the years between wars, went where fancy took us. We drove 2,400 miles in all. Both of us are at home in the language. In some cases we were taken for French—outside of France, that is—and occasionally for English. It was fun to play the parts assigned, and often we heard comments which would hardly have been made to Americans. French roads are in good shape, most of them having been rebuilt or resurfaced since the war. There are many temporary bridges, of course. Hotels and restaurants are functioning in fairly good shape; there is less difficulty in getting accommodations than in this country.

We had no official contacts. We were not "given the works," as the saying goes—no cocktail parties, no briefing by brass hats, no conducted tours or arranged interviews. We looked at things as ordinary visitors, but as ones with a fairly large background of Europe, through many trips, in my case dating back over 50 years. During my service with Teletype Corp., I had contacts with the officials of the posts and telegraphs of many countries, and, later attended several meeting of the International Chamber of Commerce.

We saw many poor people; we saw many shabby people; but in the countries we visited we saw no people who looked undernourished or starved. Other travelers—to Germany, Austria, and eastern European countries—reported much misery, and I have no reason to doubt them.

The great contrast we noticed was between the countries which have faced the actualities and those which have not. To go from England or France to Luxemburg, Belgium, or Switzerland, was like coming out of the desert into southern California. In these latter countries, food, although rationed, was plentiful; milk, butter, eggs, were to be had; the bread was abundant and good; the meats were up to the usual European standard; gasoline unrationed; stores full of goods; everyone busy; lots of building; and a general air of well-being. In the countries where

the situation has not been faced, the conditions are almost the exact opposite.

There were also great contrasts between France and England, largely a matter of temperament, I presume. The French find it hard to be dejected—they know very well that conditions are extremely serious, but "on sortira." They object to controls and are loud in their denunciations of red tape, but do not pay too much attention to these regulations, evading them wherever they think they can without too severe penalties. Whenever Parisians can get railroad fare or a little gasoline, they rush out to the country to buy food from the peasants. In town, they apparently have few compunctions about dealing in the black market. You continually hear all kinds of jokes and stories about what is going on. Even counterfeit money, which they say passes as readily as any other, is something to laugh about. The English, on the other hand, are very stolid and very serious. Traditionally law-abiding, they have practically no black markets—in fact, anyone known to deal on it would probably be ostracized. Whether the restrictions are more onerous in Britain than in France, I am not qualified to say, but I can testify that the British observe them much better. As a result, life in Britain is pretty grim. One must, however, admire their steadfastness and the fine spirit in which they have accepted the results of the war. That they now have to be afflicted with a government which has probably, in the long run, done more damage to British commercial, industrial, and national life than was done by the war, is indeed a tragedy. There is very little building going on, although the ruins have been neatly cleaned up. I was told that restrictions prevented any large-scale repairs or rebuilding.

One of the questions I have been asked most frequently since my return is whether the French and British are really working to pull themselves out. A proper answer is very difficult. Edmund Burke said that you could not indict a whole nation, and generalities are dangerous. Yet fairly numerous discussions bring the conclusion that the strict regulation of farm prices, the threat of practical confiscation in some instances, and the inevitable blunders of the bureaucracy, have reduced the willingness of the farmers of both countries to put in their traditional hard work. In England, the strict rationing of necessities and high taxes have likewise reduced the desire of miners, mechanics, and such manual laborers to put forth any great effort. Why work even 40 hours if you can live on less, especially when the Government takes away most of any excess you earn, and when rationing prevents you from getting more or better food or clothes with what is left? Much to the discomfiture of the Socialists, man still turns out to be a selfish animal.

In France, some business houses close Friday afternoon and open Monday noon, others close Saturday noon and open Tuesday morning, still others close both Saturdays and Mondays. As a result, both days are practically lost. So, to some extent, a 4-day week is in effect, and there are many holidays, too. On other days, electricity is cut off for hours at a time, and this means that lots of work in both stores and offices must be done most inefficiently by candlelight. I think it fair to say that in neither country are the working people producing as much as they could and would, were most of the restrictions removed so that a workingman could really get something of value through extra effort. The continual agitation of the well-financed Communists, who work everywhere to promote discord and disturbance, keeps people uneasy. Public opinion in France seems to be taking definite sides. I was not at all suprised by the gains made by General de Gaulle's party—only by the size of these gains. Everywhere, in stores and offices throughout France, one sees pictures of the general. The middle-road Socialists are alining themselves now with either the extreme right or the extreme left.

Hitler left many legancies to Europe, one of them the system of exchange and currency control inaugurated by Dr. Schacht. To my mind, many of Europe's troubles stem from attempts to keep national currencies at a much higher basis internally than they command externally. It creates an almost insuperable barrier to the resumption of large-scale international trade, and, morally, ranks with the unlimited and dishonest use of the printing press, both here and abroad. Now that the inhabitants of Yap have given up their stone money, I know of no country—no major trading country, at least—in which the paper currency is freely convertible to something tangible. I am old enough to remember when traveler's checks had printed on their face the number of pounds, francs, marks, lire, etc., for which they could be exchanged abroad. That seems almost unbelievable in these days. The much-maligned gold standard at least had the virtue of bringing about world-wide currency stability. If, by some miracle, the trading nations of the world could return to it, the economic future would immediately brighten enormously, and long-term commitments in international trade would become possible.

Wiser and better informed travelers can discuss much more authoritatively the matter of loans, gifts, Marshall plan, and all that. My own feeling is that any money loaned or given to foreign governments for their own use is worse than wasted—worse because of the effect on our own economy, manifested chiefly in our constant price rise.

Why are prices going up? Could it be that we have upset the economic balance by giving away a substantial part of the goods and services produced by our 60,000,000 jobs (and a somewhat lesser number of people working)? If our exports were really foreign trade that is, if other goods and services were received in exchange for those we send—the pressure on prices would be much less. But today a substantial part of things which our people would buy with their purchasing power is being removed. As a result, this unsatisfied purchasing power, largely generated by the unwise policy of wage increases begun on VJ-day, continues to bid up prices. Of course, if Washington would only stop its confounded attempts to manage our money, to say nothing of our whole economy, many natural brakes on the inflation would become operative. But we can't continue to give away a substantial portion of our tangible production and expect prices to stop rising, let alone go lower.

While on the subject of money—which, like electricity, no one really understands—may I interject that every Englishman I talked to was anxious to express the opinion that our gift-loans had hurt his country, and to urge me to oppose any further advances. They went out of their way to say this—in fact, the desire to get this message across made them much more approachable than usual. They feel that our aid is keeping the present government in power and so is helping in the socialization of Britain.

If, perhaps, the idea behind sending all this money abroad is to buy allies for a coming war against communism, I am afraid the effort will fail. You cannot talk to a European for a quarter of an hour without the subject of a war between Russia and the United States coming up. Most of them arrive finally at about the language of the flour advertising—"Eventually, why not now—while you have the bomb." But one and all are very firm in their hope and desire not to take sides. The British say they had enough of bombing and rockets to last them for a long time and would oppose to the bitter end any move to make their island a beachhead for our use. The French, too, look at their ruined cities and villages and are equally emphatic. If our war planners feel they need a foothold in Europe, they should be kinder to Senor Franco—the head of the only nation which has succeeded in throwing out the Communists after they were once established.

We might be curious as to whether the home effects of these spending plans do not carry great weight with the planners. Maybe some wish to keep this country in a semi-war economy, hoping to maintain the 60,000,000 jobs, are convinced that by pouring out money they can defer the day of reckoning and thus even—if I am not just too cynical—keep the ins in. Whatever the reason, you all know the results are already painful to those who have sought to provide their own security, and to our great religious, educational, and medical institutions, while the future looks blacker for all of us every day this crazy inflation is permitted—even encouraged—to continue.

But back to our European muttons. While I oppose any further aid at which in current Washington jargon are known as governmental levels, I feel we have a great stake in the rebuilding of Europe, and from self-interest, if for no other reason, should help. Four countries—Britain, France, Italy, and Germany—are the crux of the matter. They are the heart of Europe. To aid peripheral governments is like rubbing the feet of a sick man. Cure the head, heart, lungs, and stomach, and the extremities usually get well, too. Yet, I feel we should make a clear distinction between recovery and relief, and carry on separate operations in both fields, at a less exalted level. To speak first of recovery: We should make advances only to producers and for productive purposes. We should see to it that the funds provided are devoted solely to building up production. We cannot be sure unless we have our own people supervise the spending—and properly qualified people, at that. We should set up a sort of RFC in each of those four countries, after cleaning out of our German set-up those who are more interested in making things tough for the Germans than in the future welfare of Europe. Interest rates could be nominal, but there should be clear understanding that the advances are really loans, with eventual repayment properly safeguarded. The strictest care should be used to keep out political administration, for, even though the whole project is primarily political, its detail working-out need not be in any way political.

You may wonder why I include Germany. I do this because I know from long experience that Germany is the very heart of the European economy. Practically all European countries sold more to Germany and bought more from Germany than any other country. Besides, for a thousand years it has been the traditional role of the Teuton peoples to hold the barbarians from the steppes out of western Europe. We must get Germany to functioning if we desire any general improvement in the European situation. The silly lengths to which we carried the denazification policy—lengths not indulged in by any other occupying power—have in effect condemned the overwhelming majority of the managerial and executive brains of our zone to manual labor. The result is about the same as it would be here if pick-and-shovel work were made the only occupation open to anyone who had ever voted the Republican ticket. Punish the real Nazis, but do not pass bills of attainder against those who rode along only to avoid the penalties and disabilities meted out to dissenters.

Relief should be directly administered. Mr. Hoover set the pattern in Belgium. It should be under American control to the point of consumption and each distribution point should be marked in large letters—"Gift of the American People." Today, there is almost no realization, in France, anyhow, of the vast contributions we have made. On the other hand, the comparatively small

shipments of grain from Russia have been proclaimed from one end of France to the other, leaving out, of course, one important detail—that none left Odessa until the French Government had paid for it in American dollars. We might thus overcome some of the hostility toward the United States which our enemies have carefully cultivated, against a background of the destruction inevitably wrought by our armies during the liberation.

We, of course, pay little attention to the tirades of Mr. Vishinsky at the place ironically called Lake Success, but they are widely circulated abroad, thus serving their primary purpose. These statements, by their very reiteration, are influencing Europeans to believe that the United States is an imperialist nation, awaiting only the propitious moment to dominate the world. Why we should provide the setting and sounding-board for such diatribes is a mystery to them—and to me. Brazil sent the Soviet representatives packing for comments which seem almost like terms of endearment contrasted to those applied to our President and other officials. Of course the Russians will not agree to any steps to halt famine and chaos in eastern Europe. To do so would be to desert their strongest allies in creating the confusion on which they thrive. They hope our inflation will bring economic disaster. They hope we will pour more of our substance down the governmental rat holes of Europe, and they will continue to abuse, confuse, and sabotage any real efforts at recovery. Anyone who takes the trouble to read a few extracts from the writings of Lenin and Stalin will find nothing surprising in the conduct of our erstwhile associates. It is all set forth there as plainly as Hitler called his shots in Mein Kampf.

I was one of those who hoped that the United Nations might succeed, but now I am convinced that any further efforts are useless. The Russians have killed the United Nations, just as they started out to do. Why not give the corpse a decent burial in the marble mausoleum so hopefully erected at Geneva? There are many high-minded, sincere men in the United Nations organization—people who sincerely feel that this is the way to peace. It is my feeling that these men, however, lack realism, even though most of them do have in the back of their minds some realistic designs on Uncle Sam's pocketbook. The greatest danger to this country lies in the 6,000 hangers-on now enjoying special immunities and privileges. Many of these might well be described as panhandlers, confidence men, propagandists, debt welshers, spies, and saboteurs. My feeling is that the bad outnumber the good and that we should send the whole motley crew home instead of building a $65,000,000 home for them. Perhaps afterward we could rebuild an association of nations of like ideals, devoted to the dignity of the individual, to the preservation of human rights, especially the basic one of allowing a man to dispose of the product of his own labor or enterprise as he sees fit, which would establish just plain freedom—not a specified and limited number of freedoms—and which would be so desirous of peace and justice that it would be willing to stand up and fight for them all over the world.

To sum up, in my opinion, western Europe is not starving, although consideration must be given to a very bad drought this summer. Those countries which have minimized governmental interference with normal human and trade relations, put their house in order, reduced bureaucracy, while encouraging the average citizen to work long and hard, are fairly prosperous, well supplied, and on the road to recovery. Those nations which still feel the state can plan the individual's life better than the individual can himself, which complicate that life with all manner of rules, regulations, and restrictions, which allow only minimum hours of labor, load themselves down with a horde of civilian employees, and still seek and rely on outside aid, are understandably in bad shape.

We have put our light under a bushel too much in the help we have given Europe. We badly need some good publicity man in that field.

Our loans and gifts will not buy us enthusiastic allies, should war come, and we might not even have a European base of operations. At the same time, we are allowing a potential enemy many privileges he denies us, furnishing him a sounding-board for vituperative falsehoods about us and permitting him to encourage and maintain all manner of subversive and disloyal activities in our country.

Our present actions in foreign affairs just don't make sense to me. Maybe I am just an old mossback who still thinks Grover Cleveland was right when he said, "It is the duty of the citizen to support the government, not that of the government to support the citizen;" and that Teddy Roosevelt had something when he said, "Speak softly and carry a big stick."

But, above all, I stand with one George Washington, who said, "Europe has a set of primary interests which to us have none or a very remote relation. Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?"

I believe that that is just as good policy in 1947 as it was in 1796. But maybe, in taking this stand, I am just proving the truth of the old adage—"It's hard to teach an old dog new tricks."

What can be done about it? I think a quotation from Kipling's Islanders is appropriate: "On our own heads, in your own hands, the sin and the saving lies."

Editorial on FBI Check-up

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. CRAWFORD. Mr. Speaker, I have previously called the attention of the House to the plain-spoken and understandable answers given by FBI Director Hoover to the series of questions on loyalty investigations propounded by newspaper correspondent, Bert Andrews, of the New York Herald Tribune.

The Washington Post, by means of an editorial, expresses its opinion that Mr. Hoover has by his answers offered a convincing refutation of the wild talk, stirred up by enemies of our Government, which has been making the rounds.

For the sincere consideration of the Members of Congress I wish to call this editorial to your attention. It follows:

THE FBI CHECK-UP

The candid and explicit replies of J. Edgar Hoover, head of the FBI, to questions put by Bert Andrews, of the New York Herald Tribune, about methods of conducting investigations under the loyalty program should set at rest unfounded fears that the FBI has become a formidable secret-police force spying on Government employees, invading their privacy without cause, violating their civil rights, and threatening to reduce them to the status of trembling slaves of a tyrannical government. Mr. Hoover's account of the procedure followed in checking complaints shows the absurdity of such heated imaginings. He points out that the FBI agents do not start an investigation on their own initiative. First they must be supplied with information constituting a substantial basis for an investigation. Then the investigation follows in accordance with executive instructions. In other words, the FBI supplies on request the facts bearing on questions of disloyalty, but it does not hunt for suspects nor does it prosecute those individuals who come under its scrutiny.

Owing to the nature of their work, inefficient, overzealous agents of the FBI may make mistakes that result in damage to the reputation of loyal and law-abiding citizens. Mr. Hoover admits as much, but he also points out that employees of the FBI undergo a rigid screening process before entering the service, and are subsequently given an intensive training course, with special emphasis on protection of the civil rights of individuals. Moreover, if agents conduct themselves improperly, the citizen may appeal to the FBI for an investigation. By emphasizing all these and other safeguards for the protection of individuals who come under the scrutiny of the FBI, Mr. Hoover is able to offer a convincing refutation of the wild charges that have been going the rounds of late about the role played by the FBI in connection with the loyalty probes.

Civil Rights Legislation

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. CELLER. Mr. Speaker, on November 17 I offered three specific bills carrying out three recommendations of the President's Committee on Civil Rights. Additional bills carrying out other recommendations are to follow.

The vitalizing and dramatic impact of the report of the President's Committee on Civil Rights must not be permitted to dissipate itself by legislative inaction.

Congress cannot any longer evade its responsibility in securing civil rights to all the citizenry. Those of us who as Members of Congress have felt the need for civil-rights legislation have met with little success in securing passage of our bills which call for a Fair Employment Practice Act, antilynching, anti-poll-tax, and anti-discrimination bills.

The healthy publicity given to the President's Committee on Civil Rights and the consequent impetus it has given to the expression of public opinion places the onus on Congress to face these issues squarely.

The report is especially timely when we, in the United States, face what is aptly termed by the committee, "a state of near-hysteria" which "threatens to inhibit the freedom of genuine Democrats." I refer notably to the lack of regard for civil rights displayed in the recent hearings conducted by the Committee on Un-American Activities. There intimidation of witnesses unsubstantiated charges and general smear

tactics were a distinct invasion of civil rights.

I am particularly pleased to note the emphasis that was placed by the report on the role our abridged civil rights plays in international affairs. As the report states "An American diplomat cannot forcefully argue for free elections in foreign lands without meeting the challenge that in many sections of America qualified voters do not have free access to the polls." We are constantly being reminded by foreign governments to look to the beam in our own eye when offering criticism of the actions of foreign governments with regard to civil rights.

We must take moral leadership in the world today and translate that leadership into terms of internal behavior if we are to fight effectively the patterns of totalitarians, be they from the right or from the left.

Democracy's basic concept is that of the dignity of the human being. We cannot pervert democracy by acting as if life, liberty, and the pursuit of happiness were the prerogatives of the majority only. Majority rule does not mean majority tyranny.

Following is the text of the three bills to be offered:

I

Section 51 (Criminal Code, U. S. Code, title 18) shall be and hereby is amended to read as follows: Whoever individually or in conspiracy with others injures, oppresses, threatens, or intimidates any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same, or whoever individually or in conspiracy with others goes in disguise on the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, he and each one of his conspirators shall be fined not more than $5,000 and imprisoned not more than 10 years, and shall, moreover, be liable to the party injured to an action at law, suit in equity, or other proper proceeding for redress.

II

Section 52 (Criminal Code, U. S. Code, title 18) shall be and hereby is amended to read as follows: Whoever, under color of any law, statute, ordinance, regulation, or custom, directly or indirectly, willfully subjects, or causes to be subjected, any inhabitant of any State, Territory, or District, to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution and the laws of the United States, or to the deprivation of the right to engage in a lawful activity, or to discriminatory law enforcement, or to different punishments, pains, or penalties, either by malfeasance of nonfeasance, on account of such inhabitant being an alien, or by reason of his color or race, than are prescribed for the punishment of citizens, shall be fined not more than $5,000 and imprisoned not more than 10 years, and shall, moreover, be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

III

All other laws to the contrary notwithstanding, no person possessing all other qualifications which are or may be prescribed by law shall be denied naturalization on account of race, color, or national origin.

Amending sections 51 and 52 of title 18 of the United States Code will increase the protection of Federal rights against invasion by both individuals and public officers. The present penalty in section 51 is imposed on two or more conspirators. The amendment imposes penalties on individuals as well and, moreover, amends the statute so that redress by the victim can be sought in the civil courts in addition to criminal prosecution. Section 52 is amended to increase the penalties, add civil redress, and defines more specifically constitutional rights.

The third bill grants naturalization rights to every individual who otherwise, except for race, color, or national origin, is qualified by law. It is indecent, for instance, to deny the parents of American-born Japanese soldiers the right to citizenship. Many of these parents lost three and four sons in battle defending our country. By denying naturalization to individuals on account of race, color, or national origin, we do not serve the cause of world peace. Certainly, that is no way to make friends. Countries whose nationals are denied American naturalization rights resent bitterly the unjust stigma our naturalization statutes place upon them. These statutes are indeed gratuitous insults.

The President's Committee on Civil Rights should be commended for its vigorous and courageous approach. In my opinion, the text of the report should be on the required reading list of every public school in the country.

Director Hoover Describes FBI Role in Loyalty Check

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. CRAWFORD. Mr. Speaker, elements within our shores not friendly to our form of government are busily engaged in a campaign of vilification against the President of the United States, the Federal Bureau of Investigation and committees of Congress because of the loyalty program which is now getting under way.

It is unfortunate that we have waited so long to take this step to rid Government agencies and the public tax rolls of our enemies and their stooges.

Un-American elements are whipping up a campaign against both the Federal Bureau of Investigation and our own Committee on Un-American Activities.

The Honorable J. Edgar Hoover, director of the Federal Bureau of Investigation, has long been the target for blasts from the guns of American Communists and their fellow travelers and it is not surprising that they have opened up on his agency with such charges as gestapo and witch hunt in the current loyalty program.

Mr. Bert Andrews, capable and well-known Washington correspondent for the New York Herald Tribune, has rendered a highly valuable public service in submitting to Mr. Hoover a series of questions concerning the authority to be exercised by the FBI. Director Hoover, in turn, has given outspoken answers as to the part which his agency will play and he leaves no question as to the honesty and sincerity with which he approaches this problem.

As a matter of public interest I submit the article by Mr. Andrews and a portion of the questions he submitted to Mr. Hoover, as well as Mr. Hoover's edifying answers to them. The additional questions and Mr. Hoover's answers will be incorporated in my further remarks at a later date.

J. EDGAR HOOVER DESCRIBES ROLE OF THE FBI IN LOYALTY CHECK

(By Bert Andrews)

WASHINGTON, November 15.—A description of the role played by the Federal Bureau of Investigation in making security and loyalty checks of Government employees was obtained today by the New York Herald Tribune from J. Edgar Hoover, Director of the Bureau.

It is an account which is of unusual significance because of the fears of many Government employees that a "witch hunt" is on—fears that had become so widespread that President Truman saw fit yesterday to assure loyal employees that such is not the case.

It is of importance, also, because of the complexity of the tasks that will confront members of the new Loyalty Review Board just appointed by the President when they come to consider cases involving Federal workers.

Mr. Hoover's comprehensive story of the FBI's place in the security and loyalty picture came in the form of answers to 17 questions evolved as the result of a letter written to Mr. Hoover on Monday by this reporter.

The letter was sent in an effort to get at the truth behind the thousand and one rumors that have been flying around Washington since 11 State Department employees were dismissed without ever being informed of the charges against them.

The nature and extent of the rumors, which have served to make many State Department employees unhappy, suspicious, and frightened, can be illustrated by the variety of topics discussed by Mr. Hoover.

Some of the major ones are:

Is the FBI the "villain" in the cases of seven of the dismissed employees who are demanding that they either be allowed to resign without prejudice or receive a real hearing and be told the nature of the accusations against them?

Would the FBI object to letting the new Loyalty Review Board see material gathered by the FBI? (The State Department had implied that it could not turn over its files because they contain material from the FBI.)

Does the FBI have almost every wire in Washington tapped? Is there an FBI agent behind every tree?

What does the FBI say about Mr. Blank? (Mr. Blank, one of the seven dischargees, said the FBI shadowed him night and day. He said FBI agents took a picture of him crossing the street with a woman who worked in his office, and later showed the picture to his wife.)

Does the FBI either initiate witch hunts and Red scares or allow itself to be used by the other agencies to prosecute witch hunts and Red scarces?

Does the FBI have files on all people in the United States?

Does the FBI try to protect the civil rights of persons it investigates?

What does Mr. Hoover think of Henry A. Wallace's recent charge that the FBI is conducting a campaign of terror reminiscent of the early days of Adolf Hitler's regime in Germany?

These and many other questions—questions about the dangers of communism and whether the FBI initiates criminal prosecutions—are answered fully by Mr. Hoover in replies carefully prepared after many hours of work.

TEXT OF LETTER TO HOOVER

Here is the letter to Mr. Hoover which led him to give his answers today:

"NOVEMBER 10, 1947.

"Mr. J. EDGAR HOOVER,
"Director, Federal Bureau of Investigation, Washington, D. C.

"DEAR MR. HOOVER: The repercussions from the recent investigations concernnig certain State Department employees have led, as you know, to a widespread discussion of the whole security and loyalty problem and of the specific role played by the Federal Bureau of Investigation.

"I am sure from the work that I have done on this security question that a great many men and women in and out of government do not have a clear understanding of the role of the FBI.

"It may surprise you to know that I have had such statements as the following made to me in the many conversations I have had on the matter:

"1. That the FBI initiates loyalty or security investigations on its own.

"2. That the FBI shadows individuals or otherwise keeps surveillance on them without the advance knowledge of the agency or agencies employing the individuals.

"3. That a commonly heard statement is: 'Better be careful of what you say on the phone because everybody knows that the FBI has almost every wire in Washington tapped.'

"4. That another commonly heard statement is that the FBI is engaged in a witch hunt.

"5. That Washington is swarming with FBI agents, the implication being that there is an FBI agent behind every tree.

"These are just some of the loose assertions that any newspaperman can hear if he keeps his ears open.

"Because such talk is heard, I would greatly appreciate it if you, as director of the Federal Bureau of Investigation, would answer some specific questions as to the exact jurisdiction and authority exercised by the FBI.

"Yours sincerely,

"BERT ANDREWS."

THE QUESTIONS AND ANSWERS

The questions that were evolved and Mr. Hoover's answers to them follow in full:

Question:

As you know, some of the individuals in the recent State Department inquiry have complained that they were not able to learn the nature of the charges against them and therefore were unable to present a defense. Does the FBI object to letting a review board, such as the Civil Service Commission or the new loyalty review board, have access to its report on an individual? In other words, would the FBI be willing to have such review boards confront an individual with charges based on the FBI report? Or would there be any limitation that the FBI would have to place on the use of its files?

Answer:

The FBI has been assigned the task of conducting investigations under the loyalty program. Its task is clearly defined by the President's executive order, and it has no administrative choice as to what it will do or will not do. Obviously, there would be no use to submit a report unless its contents can be used. While the FBI does not approve its reports being made public, nevertheless, it expects the contents of its reports to be used, and it has no objection to a loyalty hearing board confronting an individual with charges based upon the contents of its report. The President's executive order provides that "the investigating agency may refuse to disclose the names of confidential informants, provided it furnishes sufficient information about such informants on the basis of which the requesting department or agency can make an adequate evaluation of the information furnished by them." • • •

In each instance where the real identity of the source of information is not disclosed, a representative of the FBI will be available to confer with other governmental officials or a loyalty hearing board and evaluate the source of the information by describing the degree of reliability. Insofar as is consistent with national security, the names and addresses of persons furnishing information will be set forth in FBI reports.

The procedures to be followed by the loyalty hearing boards in presenting charges, conducting hearings, and such procedural matters are matters not within the province of the FBI.

POLICY OF PHOTOGRAPHS

Question. It was recently disclosed that the FBI exhibited to a Federal employee's wife a photograph it took of him with another woman. Is this standard FBI procedure?

Answer. No. The real facts in this particular case speak for themselves. The FBI was informed by a source whose reliability has been thoroughly established that the Federal employee in question had been contacted by a suspected espionage agent of a foreign government, and in turn the Federal employee had been in contact with others who had been identified as associated with the Communist underground in Washington. The FBI had no choice but to ascertain the identity and activities of the Federal employee. At no time was he kept under 24-hour surveillance. His activities were spot-checked at periodic intervals. We needed his photograph to exhibit to a prospective witness, and not desiring to attract attention to him by going to his employer and requesting his photograph, we took a photograph of the employee as he left his place of employment accompanied by an unidentified woman. When he was interviewed later in his home, an agent took him aside and exhibited the picture to him for the purpose of ascertaining the identity of the woman. His wife would never have known of the existence of the picture had he not taken it out of the agent's hand and walked across the room and exhibited it to his wife, who was talking to another agent.

POLICY ON INITIATING CHECKS

Question. Does the FBI make security or loyalty checks of an employee of the State Department or other Government agency on its own initiative?

Answer. The President's Executive order establishing the Federal loyalty program places a threefold responsibility upon the FBI:

1. The fingerprints of all Federal employees are searched through the identification files of the FBI, which contain more than 105,000,000 sets of fingerprint impressions. If identified, data furnished the FBI by law-enforcement and other official agencies is then forwarded to the Civil Service Commission and in turn to the employing agency.

2. The names of all Federal employees are checked through the administrative and investigative files of the FBI. In the event of derogatory information revealed, it is furnished the Civil Service Commission and in turn to the employing agency.

3. In the event the name, when checked through our files, is identified with information pointing to activities of a disloyal nature under the terms of the President's Executive order, then the case is referred to the field service of the FBI for a full investigation. This same procedure is followed upon receipt of a complaint indicating disloyal activities.

In each case investigated by the FBI there must be a real substantial basis for the investigation. In other words, FBI agents do not start an investigation on their own initiative. There must first be the presentation of information or a complaint which, if established, would come within the directive set forth in the President's Executive order. When such information is received the FBI has no alternative but to investigate. It is merely carrying out the instructions set out in the Executive order.

At the same time the case is assigned for investigation, a summary of the allegation is furnished the Civil Service Commission for transmittal to the employing agency.

PROCEDURE IN MAKING CHECKS

Question. What is the procedure used by FBI agents in checking the loyalty or security record of an individual?

Answer. The investigation in each case is determined largely by the nature of the allegations. The first step is, of course, to definitely establish whether the allegation applies to the specifically named Government employee. From that point on it is a matter of checking every source of information to establish the truth or falsity of the allegation. The overwhelming majority of Government employees are honest, loyal American citizens, and based upon past experience I know that a large portion of the complaints or allegations will be found to be without basis in fact.

In making these investigations special agents of the FBI are instructed to limit their questions to the allegations and to do everything within their power to avoid casting suspicions upon an innocent Federal employee. In each interview the agent is instructed to exhibit his credentials so that the person interviewed will know that he is not talking to an imposter. Unfortunately, citizens frequently confuse other investigators with FBI agents.

Special agents of the FBI in handling the Federal employee loyalty program do not inquire whether the employee reads liberal or other publications, nor do they tap telephones, as has been rumored.

I lay no claim to infallibility for the FBI. We are a human organization and we can make mistakes, and when we do I want to know about them and to take steps to insure that the same mistakes are not made again. We always check on allegations of improper conduct on the part of our agents, but it is amazing to me how easy it is for some people to make charges and how unwilling they are to present facts to authenticate their charges.

NUMBER OF FBI AGENTS

Question. How many agents does the FBI have in Washington to use on such assignments? How many agents in all does the FBI have?

Answer. We have less than 3,800 special agents in the FBI who are required to investigate violations of some 120 Federal laws in the entire United States and in its territories. In addition to investigating violations of some 120 Federal laws, which last year resulted in 11,812 convictions, we have the responsibility of investigating candidates for appointments in the Department of Justice, Federal judgeships, United States attorneys, United States marshals, and, likewise, we make 6,000 applicant-type investigations for the Atomic Energy Commission each month.

We have less than 200 special agents assigned to handle all types and classes in Washington.

I, of course, am cognizant of many of the wild rumors that are being circulated concerning the Federal employee loyalty program. In fact, before we had made a single investigation and, in fact, before the program was even under way, an item appeared in a national news magazine that FBI agents were getting people out of bed at night to quiz them on their loyalty. This was absolutely untrue.

The folly of the impression allegedly existing in some minds that Washington and

other cities are swarming with FBI agents is answered by the simple fact that there is only one special agent for every 37,000 persons in the United States.

BASIS OF INQUIRIES

Question. What are the standards governing whether the FBI will or will not make an investigation?

Answer. These are clearly defined in the President's Executive order. The order provides if "on all the evidence, reasonable grounds exist for belief that the person involved is disloyal to the Government of the United States," then the individual is unsuitable for Federal employment. Activities and associations which are considered in establishing disloyalty are clearly enumerated by the President, as follows:

A. Sabotage, espionage, or attempts or preparations therefor, or knowingly associating with spies or saboteurs.

B. Treason or sedition or advocacy thereof.

C. Advocacy of revolution of force or violence to alter the constitutional form of government of the United States.

D. Intentional, unauthorized disclosure to any person, under circumstances which may indicate disloyalty to the United States, of documents or information of a confidential or nonpublic character obtained by the person making the disclosure as a result of his employment by the Government of the United States.

E. Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.

F. Membership in, affiliation with, or sympathetic association with any foreign or domestic organization, association, movement, group or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.

International Economic Stability

EXTENSION OF REMARKS

OF

HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by the Secretary of the Treasury delivered in New York, on November 20, 1947, before the National Industrial Conference Board.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

World War II proved conclusively that no single nation, nor any narrow group of nations, can be self-sufficient. Today, national policies and programs which do not give full recognition to this fact cannot be sound in concept and effective in operation.

We in this country should realize now, as never before, that the United States, with all its resources, with all the practical and creative abilities of its people, cannot continue to grow and progress satisfactorily by itself. American economy to a great degree depends upon the economies of other countries. We could not long maintain our present high standards without international economic stability.

This meeting of your conference board takes place at a time when the people of the United States are approaching far-reaching decisions affecting the economic and financial future of the Nation.

In making these determinations, we are duly aware of the heavy cost of government today. Meeting the high cost of government is a matter of grave moment to every individual American. But I believe that a discussion on this subject could more appropriately be termed "meeting the high cost of civilization." For, in the face of present world developments, meeting the high cost of government is nothing less than defraying the cost of freedom and security and continued well-being.

I particularly welcome the opportunity to appear before you to discuss aspects of our financial and economic situation in its relation to present-day issues.

We are inextricably tied up with the fate of western Europe and other nations of the world. We could not escape the results that would follow world chaos. We know, particularly from our war experience, how interdependent nations are today. We witnessed wide restrictions to our own productive capacity when, at the beginning of the last war, the United States was cut off from the supply of strategic and critical materials from other parts of the world. We have learned, too, both during and after the war, the imperative need other nations have for American goods.

War disrupted and destroyed many essential industrial areas of the world economy, leaving many nations looking to us for goods and tools and technical knowledge to repair the damages.

Although 2 years have passed since the war, the devastation wrought was of such enormity that dangerous resultant conditions are yet a long way from correction.

Weighing our responsibility and our ability to aid the reestablishment of world economies, we should, in light of our experience, make a careful inventory of those things which the world needs from us now as balanced against the products which we need from other nations.

In many fields American industry would suffer materially if we could not obtain certain essential products or their constituent raw materials from abroad.

Crude rubber, copper, bauxite, lead, manganese, and zinc are examples of imports indispensable to us in the manufacture of a variety of products.

Certain strategic items, such as industrial diamonds, asbestos, cordage fibers, mica, graphite, quinine, and the like, are mainly produced outside our own country. Without them our civilian and military needs would not be sufficiently met.

Coffee and sugar are important examples of imports which affect intimately the life of the average American.

On the other side of the picture foreign nations are in vital need of American goods. Countries torn by war need supplies to replace capital goods destroyed and to provide foodstuffs which formerly they largely grew themselves. Even Latin-American countries, which, like us, did not suffer any physical devastation at home, have been unable during and since the war to obtain all essential materials.

The European situation is especially acute. Standards of living have been critically reduced over a large part of Europe, and the hard winter of last year did much to make the situation worse.

Food and fuel shortages are in evidence throughout Europe, particularly so in France, Austria, and Italy.

Reestablishment of productive capacities has been much slower than expected.

Coal production, dependent mainly on England and Germany, has been drastically retarded, and imports from non-European areas have been required to meet the barest necessities.

Due to the inadequacy of foreign exchange, imports of other raw materials have also had to be curtailed. The examples are numerous and important. The lack of wool, cotton, and other fibers gives rise to the general shortage of textiles—restricted steel availabilities to shortages of rolling stock, vehicles, and equipment in general—less than normal imports of timber to the slowing down of repairs and new construction.

The speed and efficiency with which measures are taken to relieve these conditions will be strongly reflected in our future international trade relations.

European recovery, for example, would make an important contribution to restoring international trade to private channels. And it would in turn go a long way toward releasing trade from the discriminatory government control which prevails in certain instances.

American business has suffered in times past from such practices in the allocation of quotas, in the determination of exchange rates, and in the more complex relationships of trade and exchange control. It has been one of the principal objectives of our foreign economic policy in the last 14 years to break down these barriers and to eliminate, as far as possible, world trade disadvantages to American business and American labor. European economic recovery is essential to this objective.

The European recovery program, which will shortly be under consideration by the Congress, is based upon cooperative effort of all participating countries and upon the United States making available to such countries certain necessary commodities and services which they cannot provide for themselves at this time.

The conditions under which this foreign aid will be offered are that the participating countries will make the most of their own resources and will make the most effective use of aid from the United States.

Both the interim aid program, which provides for urgently needed food and fuel during this coming winter, and the long range aid program, which provides for tangible recovery, are conceived with a full realization of the fact that our own resources are not exhaustible.

For all practical purposes, and within our means, we are committed to taking an active part in the rehabilitation of the world because, it is well to repeat, we recognize the interdependency of nations, because we know that we cannot continue in our own prosperous state while the rest of the world remains in such an unsettled condition, and because we are determined, to the fullest possible extent to bring about a stable world peace.

It would profit neither Europe nor the world if, in efforts to restore international stability, we should lose our own stability. For, although the United States is enjoying the greatest business activity in its history, and although we are making amazing records in production, in employment, in national income, and in business profits, we will be unable to continue to help ourselves, much less needy countries abroad, if we do not keep our own house in order. We must assure a financially strong government. We must maintain our national fiscal integrity.

It is unfortunate that a great many people today overlook this obligation. These people follow the line of least resistance by advocating tax reduction without regard to sound fiscal prudence.

As Secretary of the Treasury, I must consistently and forcibly advocate the policy of providing sufficient revenues to meet current obligations and to permit steady liquidation of the public debt.

The United States Treasury closed its last fiscal year with a surplus for the first time in 17 years. Certainly during this present

period of prosperity, we should maintain a balanced budget with adequate provision for debt reduction.

It is a sobering thought that although our public debt has been materially reduced from its peak, it still remains at the staggering figure of $258,000,000,000.

The public debt of the United States is a contract between the Government and the people of this country. Government bonds are held by individuals, by insurance companies, by banks, by educational and charitable foundations. We must not weaken public confidence in Government obligations by ignoring our debt at a time when we should reduce it.

I want to make it perfectly clear that I am not opposed to tax reduction. I believe tax reduction feasible and proper after we have met certain necessary prerequisite obligations. I am not convinced, however, that before deciding on tax reductions the Congress should first consider foreign aid within a balanced budget; second, adequate debt reduction; and, third, equitable tax revision. When these three necessary preliminary steps have been taken consideration of equitable tax reduction would be in order.

The Treasury Department has placed before the appropriate congressional committees a detailed study of various tax issues.

I should like to mention here certain of these fields in which the Treasury feels particular consideration is warranted in devising a sensible postwar tax structure.

Over the years, the rapid expansion of the Nation demanded a comparable increase of governmental services, which in turn made it necessary to seek additional sources of tax revenue Much of the existing tax system was enacted during critical periods of depression and war, and consequently, certain inequities have become imbedded in the tax structure.

For example, excise taxes should be revised, particularly those that bear substantially on business costs, or that tend to be pyramided, or are overly regressive in the process of shifting the tax on to consumers.

The corporate tax structure has a number of important areas for consideration in addition to matters of rates.

Careful thought should be given to the correction of the so-called double taxation of dividends.

Economic considerations must be given to problems of small business.

The role of Federal estate and gift taxes should be strengthened by better integration of the estate tax with the gift tax, and of both with the income tax.

Individual income tax should be revised to provide a method for treating family income on a uniform basis in all States.

Postwar tax revision should also strive to make some contribution to Federal-State tax coordination.

Substantial technical adjustments in the present law would go a long way toward smoothing the relationship between taxpayer and Government, providing equity, promoting simplicity for taxpayers, and easing administration for the Government.

But I would call to your attention that in making many of the needed tax adjustments to correct inequities, we will incur a substantial loss of revenue. Until such time as we determine the extent of this net loss, we should not be too hasty in using up our margin of surplus in a general tax reduction that might make impossible these vitally necessary adjustments.

The creation of a sound postwar tax system is a much more complex matter than the arbitrary revision of rates.

In closing, I would like to summarize the elements of a fiscal and tax policy calculated, in my belief, to have the maximum salutary effect upon our domestic economy at this stage, and upon the carrying out of our obligations to promote world peace and recovery.

We must maintain revenues at a level adequate to finance our interim relief and ultimate European recovery-program commitments within the framework of a budget, not only balanced but with a surplus devoted to public-debt reduction.

We must eliminate the inequities, inconsistencies, complexities, and unproductive elements of present-day tax laws.

We can thus maintain a sound, prudent, fiscal position.

When we talk of the high cost of Government, we must remember all these foregoing considerations.

But to arrive at the total cost of operating our Government, we must add the other expenditures of Government, namely; maintaining national defense to prevent World War III; provision for our veterans of all wars; paying interest on our present debt, which was largely created by World War II; our present commitments for international finance which grew out of events of World War II; tax refunds; social-security commitments; and the maintaining of all other departments of the Government.

The President earnestly endeavored to cut the budget last year. His work was so effective that the Congress found it impossible to reduce materially his submitted estimate of necessary Government expenditures.

Whether or not the expenditures of the Government can be greatly reduced this coming year in the face of present world conditions is a problem to which the President and his administration have been and are giving careful consideration and study.

But regardless of the outcome of this study, we must face the cold fact that in this transition period, our costs of Government are necessarily going to be high.

It will take the cooperation and forbearance of all our people and all elements of our national life to meet the challenge of maintaining our obligations while striving always to reduce as rapidly as is prudent the total cost of operating our Government.

Lowering the Cost of Government

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. TYDINGS. Mr. President, on October 27, 1947, the junior Senator from Maryland [Mr. O'CONOR] delivered an interesting and thought-provoking address in Boston, Mass., before the National Association of Attorneys General. Because a portion of the address related to the necessity for tax reform and the coordination of the fiscal systems of the various levels of government, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD a portion of the address by Senator O'CONOR.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

LOWERING THE COST OF GOVERNMENT

(By Senator HERBERT R. O'CONOR)

We have heard, from time to time, suggestions and even strong declarations to the effect that the dual State-Federal aspect of our Government has been outmoded, and that the changed governmental necessities of these times demand rather a strong centralized government, where all important matters, including tax and fiscal affairs, would be handled from Washington.

Even a cursory study of the American war effort in World War II, particularly in the initial phase of that conflict, will refute any contentions that the States have outlived their usefulness.

In the handling of internal defense, in the establishment of rationing of sugar and rubber and other matters most vital to a successful carrying out of war plans and, indeed, throughout the long years of that colossal conflict continuing evidence was given of the powerful adaptability of State governments to meet quickly the many problems that arose in the various localities.

There is no time here to develop this thesis, nor is there need, I believe, to adduce the many points of evidence that could be brought forward to substantiate the claim that America is strong primarily because of the combined strength of the 48 States.

As we attempt to go back to full peacetime administration in the States, however, it becomes clear that one very serious problem which has always been among the top State and local worries, has been aggravated sharply since the war's end. That is the matter of financing. The cost of State and local government has increased tremendously. Not only is there a backed-up demand for expansion of all the physical facilities of education, health, transportation, and the like, but people everywhere have had their thinking changed with regard to what they should expect from government so that their demands now far outstrip the adequacy of prewar tax revenues to finance them.

As a result, we face the inevitable fact that to keep the States and municipalities and counties functioning on a satisfactory basis, ways must be found to lessen the over all financial burden of our citizens.

The taxpayer is becoming increasingly aware of the fact that he is now a very substantial contributor to the project of government, whereas not so many years ago his payment, by way of taxes, were minimum and the number of taxes he paid was limited. He now finds that his total taxes require him to work one day out of three for government and that countless hours are required to take care of the necessary accounting and the preparation and filing of multitudinous reports. He is and has a right to be seriously interested in seeing that tax administration be efficient, thorough, and economic.

No one contemplating the number of taxes levied by the Federal Government and the vast army of tax collectors, inspectors, agents, and investigators can avoid questioning such a great, cumbersome, inefficient organization. Government inefficiency and waste is placing a direct burden on each taxpayer every day of his life.

Confronting this situation, after having labored for 8 years in the State of Maryland to bring some order out of the revenue collection system, and having witnessed the efforts of the Maryland Legislature to rewrite the tax code with an idea of simplification, I have felt the obligation of emphasizing the necessity for an immediate and thorough overhauling of the whole national system of revenue collection, with an idea of simplification, of elimination of overlapping and duplicating personnel, and development of a more businesslike tax system.

It is common knowledge that there is no definite revenue plan which runs through the whole system of tax levy and tax collection. The whole awkward affair is simply a creature of the developing necessities of an expanding Government. It is a complete hodge-podge of devices adopted from time to time to meet the needs as they have arisen. Each new tax brought with it the machinery for its collection. It would be bad enough if this meant only that Washington was overrun with Government employees where, under different bureaus and divisions, agents

were performing the same task and bombarding the same taxpayers with the same sort of an approach. Added to that, it has become necessary to develop field peresonnel all over the country until the average businessman has the feeling that the Government is behind his desk watching every move he makes, and is invading every inch of his factory, his store, and is even upon his own doorstep.

No honest citizen wants to evade his legal responsibility for taxes. No patriotic citizen wants to shirk his obligation to the Government. By the same token the average businessman does not want to be viewed as a criminal or a defrauder of his Government merely because it is utterly impossible for any private individual, without extensive schooling in the specialty of taxation to understand just what are his obligations to Government.

In this situation it is imperative that Government immediately set about the business of putting its house in order. A complete picture should be developed which will list every tax levied by the Government, the source from which it is derived, and the method of its collection. From this study there should immediately develop the duplications that now exist. This can be the ground work for the task of simplification.

To this task there should be devoted the best brains in the country, the kind of brains we are accustomed to call business brains. It manifestly cannot be the academic product of theorists who have had no contact with the task of developing revenue which the Government takes in taxation. Heretofore the task has simply been to amass what money the Government needs and then leave it to business, industry, and commerce to develop a way to pay this money without going out of business. This system cannot continue too long because it has within it enough dynamite to blow up our vaunted economic order.

The problem, however, does not end at this point. While the Federal system has been expanding and entering new avenues not ordinarily considered to be a proper field for Government, the State and municipal governments have gone on apace. It has inevitably followed that the costs of these governments have risen and the tax necessities have followed. The State government in the secondary position and the municipal government in the tertiary position have found almost every source of tax revenue preempted by the Federal Government so that they in turn have been forced to resort to devices which have resulted too often in building up tariff walls between States, between cities, and between counties. This has had the expected disastrous effect upon interstate comity and interstate commerce. It has within it the genius for the destruction of a dual federalism.

In the light of the huge total of governmental expenditures which face the various levels of government, some suggest that this is not the time for reduced taxation. On the contrary, however, I believe that the very nature of the demands upon our economy for the support of the octopus which our governmental taxing and spending system has come to resemble make it incumbent upon all responsible officials of government to examine more closely than ever the demands upon government and likewise the methods utilized to raise and spend the revenues. Only thus can the sum total of tax moneys be controlled and savings effected on behalf of the taxpayer.

First, let us discuss some means toward this very desirable objective of tax reduction. As individual citizens, each one of us is subject to triple taxation, at the very least. We have our Federal taxes, our State taxes, and our county or municipal taxes, or possibly both. Here you have a picture of the same lone taxpayer being preyed upon by three or possibly four tax-collection systems, each with its separate force of tax collectors whose maintenance must come out of the tax receipts.

Furthermore, in not a few instances, two or more of those tax-collection systems operate within the same field. Income taxes are one example of this. The liquor tax is another, tobacco levies still another, and the list could be lengthened considerably. It all adds up to vast annoyance for the taxpaying citizen, plus the absolute necessity of gouging him for considerably more than would be required were it not for the huge tax-collection armies which must be maintained.

In preparing my biannual budgets for presentation to the Maryland Legislature, I was always impressed by the absurdity of this scramble between various levels of government for tax moneys. One of the first interests I had on going to Washington was to help to clarify this unfortunate condition through Senate Joint Resolution 90, and some progress has been made in this direction. The National Nonpartisan Tax-Study Commission which would be established under this resolution would provide a Nation-wide effort to ascertain just where and how the tax moneys of the Federal, State, and local governments are being raised. Once these facts were assembled and the Commission in its report to the President and to Congress had made its recommendations, it would be possible to correct duplications and wasteful methods. With the projected Federal-State fiscal authority as the supervisory agency, it would then be possible by legislation to divide tax sources among the various levels of government much more equitably than at present, and with resulting great economy. I am highly gratified to be privileged to play some small part in these worth-while endeavors.

While firmly convinced that such an overall study and reallocation of tax sources is absolutely necessary, I am not convinced, however, that corrections in present tax inequities, and much-needed tax reductions along certain lines, need wait the completion of such a study.

There are tax reductions which can be achieved, perhaps gradually, but certainly beginning immediately. Just as the 1947 Federal budget showed some reduction in projected expenditures over the previous year, so, I believe, will the 1948 and succeeding budgets continue to reflect additional savings each year. At least part of these savings should be passed on to the taxpayer, in several ways.

First, there must be a reduction in income taxes. By such relief persons in the lower income brackets would be enabled better to meet the higher costs of living now prevailing. Secondly, those whose incomes, running into larger figures, reflect the results of business ingenuity and industrial enterprise, must be permitted to retain a larger share of their earnings so that there may be incentive to expand profitable businesses, and to initiate new enterprises, all of which will redound to the interest of the workers and ultimately result in increased returns to the Federal Treasury.

At the same time, the Federal Government can make a beginning toward the proper reallocation of tax sources by withdrawing, either immediately or gradually, from certain fields of taxation which more properly belong to the States and to local governments. There was general agreement among the conferences of the States and the Congress in the first tax coordination conference at Chicago last month that gasoline taxation should be left to the States and localities, because upon them rests the primary responsibility for construction of highways and streets. Further, the States were in the field of gasoline taxes long before the Federal Government; and finally, the Federal gasoline taxation represents diversion of highway funds, because it is not earmarked for road construction.

Other tax sources which the Federal Government should relinquish promptly for local use are the amusement and admission taxes, and levies on local telephone calls and intrastate electrical energy.

In the interest of justice to all our citizens, I might mention, too, the necessity for Federal action with respect to extending the benefits of community property laws to the citizens of all our States. It is a manifestly unfair system which permits a resident of one State to save an appreciable percentage of his income, simply by dividing it with his wife for income-tax purposes, while his neighbor just across the border in another State is denied this saving because of the absence of a State law.

Any of the measures suggested will help towards the much desired goal of lower taxation. Combine them with a spirit of economy among Federal and local administrators generally, which would hold expenditures to a basic level of absolutely necessary and desirable projects, and the result can be a tremendous lessening of the taxpayer's burden everywhere. Unless we do adopt such an attitude towards taxing and spending, and if people everywhere continue to expect more and more benefits from government, the time will not be far distant when the entire fiscal system of our country will be burdened beyond all reasonable limits.

The States play a tremendously important role and the States have perhaps the most substantial stake involved. If a satisfactory plan can be evolved, statehood and State autonomy can retain the dignified position demanded for them by the Constitution and the Bill of Rights. If no such system can be evolved, they may lose their valued rights by the sheer force of economic necessity.

I stand where I have always stood for constitutional dual federalism. I fully realize the enormity of the task involved in maintaining this order in the face of the extraordinary necessities of the moment. However, my confidence in the inherent righteousness of our republican form of government brings to me the conviction that we will find the proper way to adjust this situation and that we can bring substantial order out of the present chaos and move along to a fuller realization of the blessings of democracy.

This miracle that is America—this union of 48 smaller nations which so astounded the world at its inception—has flowered and flourished while older forms of government have decayed and died. Today it is more vigorous, more competent to deal with the problems of its own people and of liberty-loving peoples everywhere, than at any stage of its long and proud history.

This is so because the America we know and love was born of high principles, was founded on the recognition of the inherent dignity of even its lowliest citizens. Today, fused into a more perfect union by the trials and sacrifices of a global war, America stands on the threshold of a new world order, in which the tenets of American political faith shine forth as a beacon of hope to down-trodden peoples everywhere.

Ours is a wonderful heritage—and ours in a special manner, because of our official positions, is the solemn responsibility of treasuring and strengthening those priceless freedoms with which a Benevolent God has enriched us. Let us keep the faith—let us preserve unimpaired the integrity of our 48 sovereign States to the end that America, in the glory and prestige of its role of world leadership, may have the courage, and the God-given wisdom, to elevate the world from its present abyss of chaos and misery to a bright future of economic happiness and enduring peace.

Full use of State processes will make for strength and stability of these Sovereign governments. It will also operate eventually to the proper and restricted use of the Federal power. In short, it will make for and maintain the original and the all-desirable pattern of "an Indestructible Union of Indestructible States."

The Meaning of International Trade

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY
OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. WILEY. Mr. President, recently it was my pleasure and privilege to address the International Trade Club, a distinguished group of businessmen in Milwaukee, Wis. I feel that the subject of my remarks has gained added significance, particularly because of the recent announcement of the Geneva 23-nation pact involving literally thousands of tariff changes and reductions. I therefore ask unanimous consent that the text of my talk be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTERNATIONAL TRADE—ITS MEANING

I am grateful for this opportunity to appear before you today on this vital subject. It is a source of regret to me that I am unable to visit with you folks here in Milwaukee more often. As you know, in recent years the Congress has been in almost continuous session, and I have been unable to get back to Milwaukee to talk things over with our people here as often as I would like.

As you know, too, even now I am about to return to Washington to be on hand at the opening of the sessions of the Foreign Relations Committee. On November 17, of course, the whole Congress will convene. At that time, this entire subject of our economic relations with Europe and the world will be thoroughly studied and evaluated.

During my recent 6 weeks' trip to Europe, I had the opportunity to make a number of observations on this problem, although I lay no claim to being anything of an expert.

OUR SUBJECT TODAY

It is particularly appropriate that today we look into the meaning of international trade. By meaning, I do not refer to the mere formal definition of international trade as the interchange of goods and services between sovereign nations. I am referring to the meaning in terms of potential value to peoples when they exchange their goods and services—the value to the people of Wisconsin, for example, from healthy, wholesome international trade and to the people of the United States, as well as to foreign peoples. Yes, I am referring too, to the meaning in terms of potential disadvantages of some types of trade which I believe we can avoid.

I am reminded of the Biblical saying: "Without vision, the people perish." We need vision in international trade, just as we need vision in our domestic policies. I am certain that you gentlemen who have signified your interest in international trade will be contributing greatly to America's understanding of its importance and also of the need for caution in our experience with it.

MIDWEST STAKE IN FOREIGN TRADE

When I'm out in Washington in the National Capital, I frequently hear the city slickers from the eastern seaboard give the impression that the Midwest is a kind of intellectual and economic "isolation ward" with very little interest in world economy and world trade.

I wish that some of my friends from the east coast could have the privilege of joining with me in meeting with your splendid group here today. Here certainly is evidence of Milwaukee and Wisconsin interest in foreign trade.

As a matter of fact, this isn't a new interest for Milwaukee. Milwaukee machinery and equipment is known—and favorably known—throughout the civilized world.

We are all proud that our farms and our factories contributed so directly to the war effort. We can be equally proud in realizing that Wisconsin is now making its contribution to the work of assisting in revitalizing the world's paralyzed economic nerve centers.

We often read that the volume of foreign trade represents the margin between red ink and black ink—the difference between depression and prosperity. I am always suspicious of these broad generalizations, but this one does have behind it, certain undeniable statistics.

FOREIGN TRADE AND MILWAUKEE INDUSTRY

The Foreign Trade Committee of the Milwaukee Association of Commerce has developed some interesting figures in this connection. Let's analyze these figures:

First. Goods valued at $73,222,000 were exported from Milwaukee County in 1946.

Second. This volume of export business represented 17,372,814 man-hours of work, with an average weekly wage volume of $391,844.

Third. The export business of Milwaukee County last year provided a full year of employment for 8,187 production workers at an average annual wage of $2,488.

Those figures give an idea of what foreign trade means to Milwaukee's industrial community—and what it means to Milwaukee labor.

Milwaukee is one of the world's most important machinery-producing centers. We know that machinery of all kinds is desperately needed by the war-devastated countries, and we know that the European machinery-producing centers aren't able to do the job.

In other words, it is painfully obvious that the burden of world reconstruction is lodged in the United States. It is equally apparent that vital, key production centers such as Milwaukee are playing an important part in the reconstruction of the world's economy.

The Milwaukee Harbor Commission, on the basis of its statistical data, concluded that the great port of Milwaukee is growing in stature as a seaport and as an export-trade center. There are at the present time four ocean-going lines of steamers operating from the Great Lakes directly to European ports. There are 40 ocean sailings scheduled for 1947 and about 50 ocean sailings scheduled for 1948.

At the present time, we understand that European shipowners are building new ships to serve the Great Lakes ports. That construction is apparently being undertaken on the assumption that the Great Lakes area will interchange a growing volume of trade with Europe. Incidentally, I understand that Wisconsin manufacturers are already using these services to advantage so that we already have some statistical record of the transportation economies of direct shipping services.

WISCONSIN BENEFITS FROM FOREIGN TRADE

We know that goods exported from Wisconsin farms and factories flow into foreign markets from Great Lakes ports and from ports on the three seacoasts.

I have tried to secure accurate figures on Wisconsin's over-all export volume, but apparently it is impossible to secure any such figure from a single source. On my return to Washington, I hope to suggest the desirability of a centralized clearing house in Washington where such information could be accurately assembled on the basis of port reports.

Probably the best estimate we can make is that the State export business now exceeds a hundred million dollars a year. That is an extremely impressive figure. It demonstrates how the Wisconsin farmer and the Wisconsin worker can participate in a balanced two-way foreign trade where domestic production in some degree at least my utilize imported raw materials.

We know that we can inspect the wharves of any great port in the United States and find stenciled on the shipping crates, the names of the great manufacting enterprises of Wisconsin.

On my recent European trip, I found that Wisconsin industries were well represented in the supplies and goods being sent abroad.

It is my understanding that some Wisconsin manufacturing enterprises are currently shipping into 30, 40 or even 50 countries simultaneously so that even the far-off islands of the Pacific are receiving American machinery and equipment. The demand for our production is world-wide.

As you so well know, among the major Wisconsin industries which figure importantly in international trade are those producing electrical machinery, motor vehicles, bodies, parts; paper and allied products, iron and steel products, meat and meat products; condensed and evaporated milk, tobacco manufacturers, petroleum, coal products; rubber products; leather, tanned, curried, and finished; textile mill products, lumber and wood products, and certain canned fruits and vegetables.

In fact, in 1939 (the last year for which complete figures are available) the aggregate value of Wisconsin businesses whose operations were substantially affected by exports was almost a billion dollars. Other Wisconsin enterprises which I have not listed, which are vitally affected by exports to a lesser degree are corn and barley growing, hog raising, flour milling, and the manufacture of wooden boxes. You, no doubt, can name many other Badger industries vitally affected by trade; my list is not intended to be complete.

IMPORTS FOR WISCONSIN

Imports also are vital to Wisconsin industry, supplying many of the raw materials which we need here to produce. For example, our iron and steel industry, our leather and leather footwear industries, sheet metal, tin can, tinware, and other industries are vitally dependent upon foreign raw materials. It has been estimated that around three out of five of the working folks in Wisconsin are in businesses which are vitally affected by international trade. The remaining two-fifths of our people are affected indirectly by international trade, because they prosper insofar as the export industries prosper.

OPEN GREAT LAKES TO COMMERCE OF WORLD

The direct shipping services operating between Great Lakes and European ports have given us a laboratory demonstration of the potential transportation economies of the St. Lawrence seaway.

I do not intend to review this familiar subject with you today because I know that as export and import experts, you are already familiar with the seaway project. I should like to comment in passing, however, that as one phase of our foreign trade, it is highly desirable for the Great Lakes area to have a direct artery—a life line to the sea—a corridor to the commerce of the world for the great landlocked empire of the Midwest.

BASIC TRADE VALUES

You and I are, of course, basically familiar with the tremendous values of economic trade between nations. We know how important to international peace and understanding are the contracts between peoples when they exchange goods. We know how standards of living can improve when goods can be brought from abroad to furnish comforts and conveniences of life to other peoples. In any discussion of international

trade, particularly in our own State, the matter of the St. Lawrence seaway naturally looms large.

CURRENT TRADE

Let's turn for a few moments to a brief review of our present international trade position. We know these facts:

In the first half of this year, according to latest figures, the value of our exports constituted around 12 percent of the total amount of movable goods produced in the United States. This ratio compared with 7.6 percent in 1939; 12 percent in 1944 (at the height of lend-lease shipments), and 16 percent in the comparable year of 1919 when the world was also looking to the United States for supplies for relief, reconstruction, and rehabilitation.

During the first half of 1947, we had a tremendous expansion in our overseas exports, around 60 percent over and above the value of the first half of 1946—all told, around $7,500,000,000 worth of goods—94 percent in cash, commercial exports. Of course, much of this high value (in fact, around one-third of it) was brought about by the rise in prices of our goods. Our imports also increased by about 25 percent over 1946 to a height of around $2,800,000,000. This first half-year figure for United States imports was the highest on record except for the first half of 1920 when the value of incoming goods was just a little short of $3,000,000,000.

OUR FAVORABLE TRADE BALANCE

We can see that during the first half of 1947, the excess of our exports over our imports was $4,600,000,000. In 1946, during the entire year, the excess was $4,800,000,000. This is in contrast to the relatively small balance in 1936 to 1938, when our favorable export balance was $478,000,000. It is reported that around three-fifths of the increase in our export balance occurred because of increased trade with countries of the Western Hemisphere; that is, with Latin America and to a lesser extent was brought about by trade with Africa.

It is obvious that with so tremendous a balance of exports in our favor the dollars which we have been making available to foreign countries will be drawn back into the United States much as a vacuum cleaner draws dust. Trade experts have pointed out that this tremendous export balance in our favor has further aggravated the shortage of dollars abroad and that Europe cannot possibly continue to import from us at this rate unless we make available more dollars. The big question, therefore, is how to make available these dollars.

HOW TO AID EUROPE

We cannot and will not and must not give out dollars like a Prodigal Son or like a Santa Claus. We simply cannot afford to be anything but a Good Samaritan, helping foreign peoples to help themselves, to be able to buy from us and sell to us on sound economic terms.

DANGER OF CUTTHROAT COMPETITION

Yes, international trade is of tremendous meaning and of tremendous value. But, as with all good things, there may be a tendency in some quarters to overlook disadvantages which may accrue if (and note that I say if) we pursue a trade policy that may recklessly damage in some instances the prosperity of some home industries.

Competition, of course, is the lifeblood of American free enterprise—competition at home and competition abroad. But you and I know that there is such a thing as cutthroat competition where business cannot possibly survive. We know, too, that in the event foreign goods of a particular type come in at cut-throat rates which will completely destroy a local home industry, throw local workers out of employment, we are obviously not looking after the needs of our own people. You will recall the words of St. Paul: "He who does not look after his own is as unworthy as an infidel."

What I am saying in substance is that while we must seek to encourage our international trade, it is vital that we note the effects upon given home industries rather than recklessly assume that "all trade is good," simply because it is trade.

For a long time to come, because of the ravages of war, Europe may not be able to compete with us. But there will come a day when she will be able to send vast floods of goods over with relatively cheap labor, as will Asia. It is against that day that I make these comments and ask that we be on the alert rather than asleep at the switch.

Let us bear in mind these essential facts:

1. It has been estimated that around 1 out of every 12 American workers is directly dependent upon export industries and upon free flowing international trade. While this is a tremendous figure which must be borne very carefully in mind, let us not forget about the other 11 American workers who are dependent basically upon domestic sales. Let us not forget that the greatest market in the world is the market of the American people themselves, who are now producing and consuming goods at the rate of $160,000,000,000 a year.

BLACKMAIL AGAINST UNITED STATES

2. We know that it is necessary that foreign countries secure the necessary dollars for trade with the United States. But in the same foreign quarters, this fact is used as a sort of "blackmail" on the United States. Some foreigners seem to be saying substantially this: "You had better give us the dollars pronto or else, because we are flat broke and unless we get the dollars, your own country is going to smash." The American people do not like that sort of verbal blackmail.

We recognize that it is to our economic self-interest to have adequate imports and exports. But we do not believe that these countries have a right to assume that foreign countries can order us around and tell us off, because they are supposed to have a life and death hold on our economy. We want to help them to help themselves. We want to have an adequate trade with them. But we do not believe that they have any right to assume that the dollars we may furnish them "we owe them." Since the beginning of the war we have given foreign lands $58,000,000,000. Let us not forget that stupendous sum.

TRADE CONCESSIONS

3. We are familiar with the many trade concessions negotiated with foreign countries which have permitted import of American motorcycles, American cars, electric machinery, iron and steel products, paper products, etc. But we are also familiar with the fact that deluges of cheap foreign goods, for example, cheap foreign shoes, or cheap foreign furs, have rendered tremendous damage to American industry. That is the reason why we must exercise care in our reciprocal trade agreement programs. We are willing to make reasonable sacrifices in permitting the influx of foreign goods. But we are not willing to have our own vital domestic industries smashed and thousands of our own workers thrown out of employment.

DOING BUSINESS WITH RUSSIA

4. We are doing business with Russia—and with Russian satellites. It's a two-way trade conducted for cash. The Commerce Department reports that in the first 6 months of this year, business has run ahead of prewar years.

These figures, of course, relate solely to nongovernmental exporting and importing. Our exporters may be sending over a hundred million dollars worth of material this year—on the basis of the 45,000,000 we had sent up to July of this year. That would mean that this year we may hit the highest volume of trading ever to exist between our two countries.

There is some talk in Washington to the effect that the United States may consider placing all exports to Russia under specific licensing controls. The Government can do this. In fact, it did take such action, and rightly so, in the case of oil which was going from west coast ports to Russian Siberia prior to last July.

At the present time, we have specific export controls only with Spain, but there is a possibility for increasing these controls along the lines mentioned above. Russia naturally could retaliate—and in fact there is some talk to the effect that Russian satellites are already limiting their shipments of strategic materials to this country.

We do a little trading with some of these smaller countries. We do have some trade with Poland, Czechoslovakia, Hungary, Bulgaria, Yugoslavia, and Albania.

It cannot be denied that some of the material sent to Russia has been material which could be used for war purposes. Aside from private trade with Russia, the Government has sent the Soviet Union some $3,000,000,000 worth of lend-lease supplies for which we have never had a satisfactory accounting.

There is a growing feeling in this country that it is poor policy to supply any goods or material or American know-how to Russia—particularly when the needs of western Europe under the Marshall plan are so great. The State Department appears to be heading in this direction, and it may be that American exports to the Soviet-controlled areas will be curtailed in favor of more cooperative countries. That policy will find general acceptance throughout the United States.

The declaration of principles adopted by your national foreign-trade conventions have been very thought-provoking on the questions of our export business.

PRINCIPLE OF MUTUAL BENEFIT

I have been particularly impressed with the recognition by your national group of the principle that "Mutual benefit is the motivating force that underlies all trade."

That single principle is an entire speech in itself. It presupposes both imports and exports—and it presupposes the projection of American capital abroad—with proper safeguards and limitations.

ELIMINATE DISCRIMINATORY TREATMENT OF AMERICAN INTERESTS ABROAD

Groups such as this have a right to expect that in the extension of financial and material aid to foreign nations and the settlement of accounts, consideration be given to the elimination of unfair and discriminatory treatment of American interests abroad.

AMERICAN ECONOMY CAN BE DYNAMIC FORCE

I am not selling American prospects short. One eastern economist has estimated that we can have a national income of $260,000,000,000 by the years 1956 to 1960. I don't know how he arrives at the figures and I don't know how much credence can be placed in such figures, but I also know that it is possible for us—whatever our national income may be—to use that income wisely—in the interests of peace.

SUGGESTIONS FOR MORE TRADE

Now, gentlemen, against this background, how are we going to facilitate European trade? Right now around 37% of our exports are going to Europe, which I might note, is the smallest share in our trade history except in 1941. It is, however, of course, still very substantial.

(a) Of course, the major means by which we can help international trade is to enable Europe to get back onto its own feet, prosperous, thriving, producing. That is the major work of the special session of the Congress that has been called. There are, however, many questions which we will want to have answered before we render the aid. Many of these questions I have submitted to General Marshall already and the State Department has replied in general terms to me.

I asked: Will our aid be a mere palliative and will we be merely pouring money down a bottomless rat-hole, only to be faced later on with still more demands without having achieved any substantial good? Will we be subsidizing European socialism, recklessly facilitating socialistic experimentation and further ruin to the free enterprise system abroad? Or will we indicate our basic American desire to have free enterprise and free flow of goods restored insofar as possible abroad?

We know that many countries now have single State trading corporations, like Russia's Amtorg, and that there is no such thing as private trading between private businesses in many lands.

Are we going to fight that trend?

Let me ask, gentlemen, too, why we cannot, in return for our dollars, secure sound business collateral, like foreign mineral resources which we can stock pile for national defense. That seems to me to be good "horse sense" which as you'll remember, Dooley said was the scarcest commodity on the market.

STIMULATE TOURIST TRAVEL

(b) A second way to stimulate international trade is to stimulate American tourist travel abroad. Such travel leaves hundreds of millions of dollars in foreigners' hands for the purchase of American goods and services, at the same time as giving cultural enjoyment and education to our citizens who travel. Sixty million American visitors went on the road in the United States last year and there are more than enough visitors who are willing in these times to go abroad.

(c) Another means by which we can help international trade is, of course, to cut the red tape, the unnecessary forms, which are involved in so much of trade and which so many foreign countries impose on their imports of our goods and services.

CONCLUSIONS

Gentlemen, I've tried to review some of the advantages of international trade and some of the problems involved in it.

You and I may not entirely agree on every last one of these matters, but I'm sure we respect one another's viewpoints. As you know, of course, I am interested not in serving this or that industry of Wisconsin, or this or that industry of America, but in serving all industry, all agriculture. That is the function of a United States Senator. I am sure that you will agree, that a look at the whole picture is essential rather than a mere concentration upon this or that segment of American enterprise. We have legislated segment-wise far too much in Washington, thinking only in terms of prosperity for this or that group. It is time that we think in terms of prosperity for all America. Let us bear that always in mind in our consideration of international trade.

Gentlemen, I want to thank you for your courtesy and your attention and I express my fond hope that I'll be able to see all of you again very soon.

Foreign Aid and Prices

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. HILL. Mr. President, I ask to have printed in the Appendix of the RECORD an address on the subject of Foreign Aid and Prices, delivered by the senior Senator from Utah [Mr. THOMAS] over radio station WRC, of the NBC network, Friday evening, November 21, last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During this period of unrest President Truman has climbed to an even higher level of statesmanship. Above the hysterics of communism, above the rumbles of fascism, above the fear of the unnumbered multitudes of Europe and Asia menaced by famine, we have heard the President's inspiring summons to rational and humane action. In his message last Monday, he clearly pointed out the path—the only path—that can lead us out of chaos into stable peace and equitable prosperity. That message came like a beam of strong light on a dark and gloomy world.

We must not make the mistake of minimizing the facts. These are days of peril. The whole world is suffering in an aftermath of war. Mankind is weaker from the death of millions, poorer from the waste of resources, unbalanced by the annihilation of cities and farms, the dissolution of families, the disintegration of cultures, and shocked by fears and prejudices. Asia is on fire with civil wars, Europe rocked by strike and riot, America menaced by run-away inflation.

This is not the time for muddled thinking. This is not the time to practice the policy of too little and too late. This is not the time to hesitate with faltering steps and then to retreat in confusion. Never before in the history of the world has there been more need of courage. The President has offered us courageous leadership.

In his message the President vividly summarized our situation. Europe will collapse unless we provide immediately food, fuel, fertilizer, and other economic necessities. America is able to provide these without unbalancing our economy or imposing privation upon our people. But we are in a period of inflation. We must help the nations of Europe to help themselves, and we can do that only if our own economic system is in order. With respect to the scope of our aid to Europe, the President said, "The actions of this Government must be of a stature to match the dignity and influence of the United States in world affairs." To do less will debase our dignity, diminish our influence, and leave the world without hope. The President has presented the need. The opposition suggests that we cut the President's estimates.

If Austria needs $42,000,000 during the next 4½ months, then half that sum will be too little, and after that period it would come too late. If France needs $328,000,000 to tide her over the winter, then two hundred million will be too little, and prodigal relief next summer would come too late. The President has fixed prudent limits on the amounts we must provide and the time within which we must act. And this is precious time we must not waste.

But what will it avail us if we provide Europe with a vast amount to spend and compel her to spend it in a market demoralized by inflation? The President has told us that the housewife who buys food today in an unrestrained market must spend $10 to buy what $7 bought a year and a half ago. If we permit prices to soar, then even if we provide Austria with $42,000,000 a few months hence, it may buy only thirty million or twenty million or perhaps $10,000,000 worth of necessities. And what we had supposed was enough would prove to be too little.

We will be untrue to ourselves if we give Europe the illusion of enough to enable her people to live through the winter, but allow the substance of our aid to evaporate in uncontrolled inflation. And so the President wisely and prudently has proposed reasonable measures to check inflation. Prompt enactment of his program will arrest inflation. He has asked that we curb credit, that we regulate speculative trading in food and other vital commodities, that we control inventories, that we put an effective ceiling on rent. He has asked that we strengthen our export controls so that vital commodities may freely flow to areas where they are most desperately needed. He has asked that we regulate transportation so that these commodities may move freely. He has reminded us that in a world of scarcity the only democratic way to insure that all shall have enough to eat is control. In the past year we have seen what happens to prices without controls. If we are going to stop inflation, we must have controls. Here is a wise, prudent, well-integrated program to curb inflation and it is based solidly upon our own painful experiences in the last war.

The reports of all of the experts who have studied this problem prove that if America controls inflation, America can provide the aid which will save Europe and ourselves. Here is a program built upon faith in American institutions, dedicated to American ideals, and fashioned by the American genius for direct, vigorous, and efficient action. It is a program of liberalism designed to promote a just and lasting peace. It is a program free of fear, unhampered by prejudice, sustained by the progressive, forward-looking principles which have built America and made her what she is. If the Congress will immediately enact the Truman program, we thereby will have made a safe investment in America's future.

Historians of the future will doubtless find amusement in the contrasts of our times. They will look back and be amazed to learn how much pettiness could thrive in the shadow of so much greatness. We had just been inspired by the vast, powerful, and practical world outlook of our President when the recognized leader of the Republican Party hastened to the radio to tell us what he thought about it. A quip is presently current in the news galleries of Washington that this self-appointed prophet of republicanism has the greatest mind in Washington until he makes it up. Well, he has made it up, and in an eloquent speech has presented it to the American people as an alternative to the Truman program. We were startled by what this Republican Senator said, not because it was new, but because it was so patently stale. Here is the program of this Senator in his own words: "In short, the way to hold prices down is for the Government to spend less money and reduce taxes, to limit exports, and to hold the Marshall plan within a reasonable figure, and to control the growth of private credit." These phrases have a familiar ring. They were the death knell of Hooverism. They are the steps in the spiral staircase which led us down to panic. Listen to them: "Hold * * * spend less * * * reduce * * * limit exports * * * hold the Marshall plan * * * control the growth."

This is the pure gospel of reaction. Instead of increasing production, this program would decrease it. In place of an expanding economy, it would give us retrenchment. Against the wise and adequate generosity of President Truman is contraposed penny pinching that would not save the people of Europe. As obstacles to the swiftness, the adequacy, and the intelligence of the administration's strategy in world affairs, this spokesman of Republican policy would place the booby traps of isolationism. But the American people will not heed this voice. It is the same voice which told us that the abolition of price control would bring prices down. It is the same voice which told us that the way to raise the living standards of the poor was to lower the taxes of the rich. It is the same voice which told us that the way to liberate the workingman was to shackle labor. It is the same voice which said that the full-employment program,

which is now our national policy, was taken from the Soviet constitution. It was the same voice which told us that the way to insure reclamation projects in the West was to stop appropriations for them. It was the same voice whose most cogent contribution to political economy was that Americans should "eat less." That admonition must have a hollow ring in the ears of workers whose bigger pay checks this year buy less food than smaller pay checks last year.

But the tragic fact about this Republican program of scarcity is that it will work—it will bring prices down. We know that from experience. We started in 1929 with a boom. We spent less money, we reduced taxes, we limited exports, we stunted the growth of credit, and prices came down. They went down to panic levels. The price of wheat fell so low that it was more economical to burn it than to ship it to market. The prices of livestock fell so low that it was more economical to let cattle starve on the range than to slaughter them for beef. The prices of labor went so low that 15,000,000 workers were without jobs. Do we want this again?

When I used to teach government and politics, students frequently asked me the difference between a politician and a statesman. There could be no clearer illustration in our history to answer this question. In the arena of current events we now have pitted against each other the statesmanship of Truman and the opportunism of reactionaries. The people and the Congress must make the choice between American statesmanship with world-wide vision and the petty strivings of little men. Once before in our time we were confronted with the necessity of making such a choice. We made the wrong choice. We listened to selfish prejudices. In preference to world peace and prosperity our people chose isolationism and domestic reaction. That choice forced us into depression and then into war. We must not again allow ourselves to be guided by short-sighted reactionaries. We must adopt the Truman-Marshall program of world security and domestic stability. The President has given us the path to peace and a better world. It is for us to tread that path.

Address by Hon. James A. Farley Before Associated Industries of Georgia

EXTENSION OF REMARKS

OF

HON. WALTER F. GEORGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Honorable James A. Farley at the annual meeting of the Associated Industries of Georgia, Atlanta, Ga.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It goes without saying that I am delighted to be again in Georgia. I have visited this State many, many times throughout the years. I have innumerable warm friends here, and I have always had the deepest interest in the progress of this section. Consequently, I feel privileged to discuss your progress and well-being.

The basic economic problem of Georgia is no secret. It is the problem of balancing your agriculture and your industry. Since the agricultural side is already heavily weighted and your industry is not yet what it must be, I shall talk about the industrial side, for until that side is strengthened many of the good things will lag in coming to you. Community progress is based on economics. Now in reaching this balance, I urge you not to rely upon outside forces. Don't pray for a deluge. Rely upon yourselves, and pray only for rain.

The country is watching this section, and the State of Georgia, particularly. There are many reasons for this, such as the climate and the available supply of labor, which the war proved was loyal, industrious, and capable. With each passing year, the Southeast consumes more and more American goods. Every year the demand for certain products tips the scales until a sales office or a warehouse or a branch factory must be established to serve this section. The minute that opinion is reached, the question immediately arises as to where this sales office or this warehouse or this branch factory should be located. Since distribution should come from the center and not from the fringe, almost inevitably this area wins as a result of research and facts. It is geographically an ideal center; its railroads, its airplanes, and its highways radiate in every direction.

Many recent decisions indicate the extent to which Atlanta is being considered by national institutions for their southern distribution point. And, other parts of the State have been selected for good and sound reasons for special lines of endeavor. Dozens and dozens of companies have actually committed themselves, or are in the process of committing themselves, to settling in this State. This, you naturally welcome. It will make a great contribution toward bringing your economy in balance. It will provide labor with employment; it will give government additional taxes; it will mean more orders of every kind, but it lacks one element to make it almost perfect, and that element is that part of the profit will go elsewhere.

The location of numerous national organizations within the limits of your State would benefit you. But the greatest possible advantage to your section must come from the steady development and expansion of your own existing institutions, more or less small in size, southern-owned and southern-operated.

Just as rainfall is indespensable to agriculture so is the independently owned institution, well equipped, gradually and intelligently developed, indispensable to the industrial wealth of a community. It has the additional advantage of keeping profit at home, and of inevitably bringing about further expansion and further development at home.

You all know that New England is highly industrialized. There we have, in a measure, the reverse of Georgia. New England, by nature of climate and soil, lacks extensive agricultural possibilities. As a result, the industrial side of the scales is weighted. We are prone to regard the industries of New England as stupendously large. We hear that New England is a machine tool area, a textile area, a shoe area. When we analyze the figures we find that while there are some large national concerns in New England, by and large it is a section of small enterprises, locally owned and locally operated. And when we hear of certain New England factories belonging to national organizations we find that they are but branches similar to those that may be located in your section. The backbone of New England, industrially, rests upon a large number of small industries. This may account for the individualism of the people; their belief in themselves, and their ruggedness of character.

Your own section has many hundreds of individual, locally owned enterprises. They are succeeding, but practically every one of them could be made to flourish even more by the application of vision and the fertilization of adequate capital. So the problem that faces you is like the problem that faces everybody in all the world; but much of the world has not your advantages.

Some of you have told me that industrial research lags a bit in the South; you have asserted that because of the present size of your enterprises and some lack of money you have not been able to go all-out in coming up with new, advanced products. In many cases you are continuing, some say, to make outmoded products, which is just another way of saying that you have been forced to be followers instead of leaders; that you have permitted the pattern of your progress and development to be set elsewhere. Let's bring this home to ourselves. Assume that we wish to go into some general industrial business. Let's take textiles, for instance. Let's assume that southern businessmen are interested in opening at some place in this State a textile mill. They are all right as to the location of the raw material, the availability of labor and of power. They can have the mill excellently designed and drawn, and have no difficulties until they come to the question of what kind of textiles to make. Immediately what I regard as the main difficulty appears. They may be unable to do the requisite market research. What goods are in demand? Are there any new things in demand? In what volume can they be sold? What price can be obtained? So, being limited as to our ability and vision in regard to market research we do nothing new, but we decide, because someone else is succeeding in a certain type of textile, that that's the line we will make. That having been decided, the issue then arises as to patterns, color, style, count. Some may do nothing in the nature of research, but adopt and imitate the fabrics of others. From the first day they are followers instead of leaders—a condition applicable to too many enterprises, I am told.

The next point that I would mention is that our proneness to feel that the only requisites to establishing a business are plant, raw material, capital, and one man who knows how to make the product. We fall down because we fail to realize that no business on earth is simply production; that no business on earth is simply know-how in the realm of manufacture. Business means teamwork. Sales, merchandising, accounting, finance, costs, public relations, labor relations, and innumerable things are essential ingredients to business success. The merchandising end is just as important as the production end, and we can only grow in output by growing in sales.

Too often we find individually owned enterprises in the hands of men of production talents who pay themselves large salaries and who dominate the entire institution. Frequently men of that mind or that type or temperament do not have a full appreciation and comprehension of the requisites which encompass the field of merchandising, and therefore hires just anybody as sales manager. In my opinion, there are many enterprises already existing which could be multiplied manyfold if an adequate team, properly integrated, operated the enterprise instead of one individual.

Most of what I have said, of course, is very general. It comes from one who does not pose as an expert in the field but it is a report by an outsider of some of the things that he has heard here. But I hope I may start a chain of thought with profitable consequences to the region.

I find, as I travel over the country, that businessmen throughout the Nation—and so the South is no exception—are more conscious of the export field than ever before. We cannot live alone; there is no such thing as isolation; each nation is but a part of the whole scheme. We find that we cannot have a sound economy in America if the economy of the rest of the world is unsound. We find

that the world is not a series of independent ponds, with no connection, but one sea.

Now international economics have come much to the fore, and have become the problem of governments and of peoples, and it is only natural that we are now more export conscious than ever before. All businesses, large and small, are intrigued by the possibilities of export.

In this realm I feel I can say more and with greater confidence than I have said up to now. For some years now I have been covering the world. Last year I circled the globe in one trip, and since January I have been in Mexico and in the Central and South American countries. Exporting is now my business and the company with which I am connected has established branches or outposts extending to 84 countries. I feel, as a result of the range of this distribution, that many of the possible problems that could arise have presented themselves to us.

We should start off with a very large, illuminated sign reading, "Caution—Go slow, Feel your way." The export business, whatever else be said about it, cannot be regarded as simple, for it is far from simple. As good businessmen we must master the other fellow's language or use an interpreter. Just as different and just as unhandy to us Americans as the language problem, are the methods and policy and system of doing business in other countries.

Until we try it we are no more adept in the methods and systems of business in foreign lands than we are in their native tongues. We cannot overnight wish that everyone in the world with whom we do business become a master of English, and we cannot shape the habits, customs, ideals, and systems of the rest of the earth to our own mold. When someone from abroad comes to us to live or to visit, he must adapt himself to our standards and our customs and our systems and our methods and our economy. When we go abroad, whether as individuals or as businessmen, the rule works the other way.

The idea that all one has to do with an American product which is universally in demand or for which there is unquestionable foreign need, is to take it to another country and market it, is so far from reality that it is ridiculous. Going to the country with the product is simple enough, but there we stop. Outside of the United States, the protocol, the ceremonies, the courtesies, the manner even of presenting yourself, to say nothing of your product, are an immediate handicap.

Let's assume that you can sell the product; that you can get the order signed. Then you have only started on a series of intricate problems that are innumerable and difficult. No sale is complete or worth while unless you get the money for it. What money? Liras at what rate? Francs at what rate? Yen? A day's hotel bill in Shanghai may amount to 150,000 Chinese dollars. What money? Why, of course, American money. But they may have no American money. Between you and the getting of your money are sterling blocs, currency restrictions, import licenses, tariffs, and so on and so on and so on.

There is every conceivable bar to the free flow of goods, and this at a time when we must export and the rest of the world must import.

Do not judge me as a pessimist. As much as anyone, I realize the importance of exports. I have great hopes as to the contribution which export can make toward solving problems of the world and its peoples.

I would urge you to become students of export trade and of all its intricacies against the day when the barriers that now exist will largely be lifted in the main.

In the American stock resident in this section I have every confidence. The blessings of providence are obvious everywhere I look. Better thinking and sounder planning and proper effort applied by each individual in business in this section, regardless of what his business is, will yield each day increasing evidence that the South is making strides toward a balanced economy. When that balance is struck, there will be an amazing net, not only in tangible profits but in all the highly desirable intangibles which make for the good life.

Canadian Imports and Exports

EXTENSION OF REMARKS

OF

HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a speech by the Honorable Douglas Abbott, Minister of Finance of the Dominion of Canada, explaining the reasons for restrictions on imports into Canada. I have had several letters complaining about it, from persons who obviously did not understand the matter, and I had requests to insert this as the best explanation why Canada took that step. I have an estimate from the Public Printer that this will make about three and one-half pages of the CONGRESSIONAL RECORD, and will cost $248.50. I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This evening I have some important announcements to make which have been foreshadowed by the Prime Minister who has just finished speaking from London. As Mr. King has emphasized, the trade agreements recently concluded at Geneva are a great step forward in the direction of freer trade and world recovery. Taken with the Marshall plan which is now under consideration by the United States, the Geneva agreements hold forth rising hope of world recovery and of orderly and expanding trade between nations, toward which objects Canada has been striving in her foreign economic policy.

EMPHASIS ON CONSTRUCTIVE APPROACH

The fact that the rapid depletion of our exchange reserves now compels us to take some special actions to strengthen our trading position implies no lessening in our determination to work toward the objective of world recovery and expanding trade. Indeed, the program I have to announce is designed to overcome our present exchange difficulties in the shortest possible time through constructive rather than restrictive actions and policies. Restrictions are used only to the extent that they are essential to bridge the gap between the present and the time when the full effects of the constructive longer-range measures can be realized.

REDUCTION OF EXCHANGE RESERVES

There can be no doubt that action to safeguard our national position is urgent and essential. We came out of the war with very substantial reserves of gold and United States dollars—about $1,500,000,000 at the end of 1945.

Last year we ended up with $1,245,000,000. Thursday our reserves were down to slightly over $500,000,000. This is a trend which cannot be allowed to continue. It has of course been a matter of grave concern to the Government for some time. The Government felt, however, it would be unwise to reach a final decision in regard to its program until it knew the results of the difficult and far-reaching trade negotiations which were being carried on at Geneva and until the prospects for implementation of the Marshall plan became more definite. I am satisfied that course was the right one.

REASONS FOR LOSS OF RESERVES

Our heavy loss of exchange reserves arises from two major developments. The first is Europe's critical economic position. The second is the tremendous increase in the quantity and costs of imports from the United States. We had expected to draw substantially on our exchange reserves for a period of 2 or 3 years after the end of the war. Economic recovery in Europe and Asia was clearly going to take some time. It was also clear that our imports from the United States would be very large. But as events have transpired, recovery in Europe has suffered disappointing setbacks, bad weather and poor crops have intensified the need for outside assistance and the assistance made available so far, though large, has proved insufficient for the task. Europe's ability to send us more goods in settlement for purchases from us has shown little improvement and that in turn has accentuated our dependence on imports from the United States. Moreover, the level of our own consumption and the rate of expansion in our physical capital have exceeded the most optimistic forecasts and these, combined with the marked rise in prices in the United States, have swelled our dollar imports to a truly remarkable extent.

You can look at our position in this way: When a country sells goods on credit it must export more than it imports or draw on its foreign exchange or other capital assets to pay for part of its imports. In 1946 we sold more goods and services abroad than we purchased, with the result that the loss in our exchange reserves was not large. This year, however, we have increased our imports to such an extent that we have bought about as much as we sold. A substantial part of our sales, however, has had to be on credit, and therefore we have had to dig deeply into our exchange reserves to pay for our increased imports. In other words, we have been financing a very high level of consumption and investment at home by drawing on our exchange reserves.

A MANY-SIDED APPROACH

There is no simple or painless way of correcting our dollar problem. It is so large that it must be attacked from many sides. The Government has considered just about every feasible course of action and has arrived at what I believe to be a balanced and constructive program.

CURRENCY NOT TO BE DEPRECIATED

One commonly discussed course of action—depreciation of our currency—has been considered and rejected. Currency depreciation is a measure which may be appropriate to deal with a situation where a country is in balance of payments difficulties because its costs and prices are at a level which does not enable it to compete in world markets. This is far from being our case. Costs and prices in Canada are lower than they are in most countries with which we compete in world trade. Price competition with others is not restricting our exports. On the contrary, our difficulty in obtaining United States dollars in adequate amounts for our exports arises from the international financial difficulties in which some of our best customers find themselves, and these would not be corrected by depreciation of the Canadian dollars.

So far as imports are concerned, we find no reason for thinking that exchange depreciation of an amount which could be deliberately undertaken would exercise any considerable restraining influence. After all, the prices of our imports from the United States have risen by nearly 40 percent since June 1946, and at the same time our imports have continued to rise month after month. What

reason would there be to assume that a further price increase of, say, 10 percent brought about by currency depreciation would restrict to any worth-while extent our buying in the United States? Of course, if we were to reduce the value of our currency far enough we could restrict imports from the United States, but the penalty would be an immediate and violent rise in prices far beyond anything ever experienced in Canada.

To the other unavoidable upward pressures on prices the Government does not propose to add currency depreciation.

In the program which we have worked out, the emphasis is on constructive and nonrestrictive measures which in time should be sufficient to meet our exchange problem.

GENEVA AGREEMENTS AND MARSHALL PLAN VITAL STEPS

It will be quite clear that the most effective and desirable solution would be to see Europe and Asia again in a position to engage in multilateral trade and to pay for their purchases from others in goods or convertible exchange. The conclusion of the Geneva agreements and the development of the Marshall plan are vital and encouraging steps in this direction.

The form in which the Marshall plan is implemented will have a very important bearing on our exchange situation, and, indeed, on the formulation of our policy in many fields. It will necessarily have a bearing on our continued participation in the European recovery program. In relation to its productive capacity, Canada has played a major part in the postwar program for world reconstruction. Our ability to continue this contribution depends in part on our ability to maintain at a high level the importation of essential materials and equipment from the United States; and this in turn depends on the volume of our United States dollar earnings. We have pointed out to the United States how our difficulties in buying from that country arise very largely from our inability to sell to Europe for dollars, and we have expressed our concern that dollars made available by Congress for aid to Europe will be used in part to purchase supplies in Canada and elsewhere that are not readily available in the United States.

EXPECT USE OF MARSHALL PLAN FUNDS IN CANADA

The United States Government has now recommended to Congress that it should authorize the use of funds voted for aid to Europe in making purchases outside the United States. In the expectation that this policy will be implemented, we are ascertaining what supplies can be made available from Canada for this purpose. A program of this kind would resemble in many respects the Hyde Park agreement that proved to be so effective and constructive during the war. Our actions in the past have demonstrated clearly our concern with the recovery of Europe which is the purpose of the Marshall plan. Despite our exchange difficulties, we intend to permit the countries to which we have authorized credits to use at an appropriate rate the still considerable unexpended balance, if at all possible. We intend to do so because we are convinced that the recovery of Europe is vital to Canada's prosperity.

MAXIMUM ECONOMIC COOPERATION BETWEEN CANADA AND THE UNITED STATES

We are not, however, in a position to wait for European recovery which will take time. We must increase substantially our supply of United States dollars. Canada has depended heavily on sales overseas to provide the foreign exchange with which to meet our requirements in the United States, and we are finding this to our disadvantage today as we have on several occasions in the past. The new trade agreements announced tonight will help to improve this condition but they will not of themselves be sufficient. We propose to take further steps to bring about a better balance of trade with the United States. We are determined to find a lasting solution to our difficulties in the expansion of our trade rather than in the strait-jacket of restrictions. There are a number of constructive lines along which we can work and we must use them all. The Governments of Canada and the United States are consulting on measures designed to facilitate the earliest possible removal of the temporary import restrictions to which I shall refer in a moment and to achieve the maximum degree of economic cooperation between the two countries.

DIVERSION OF EXPORTS

One obvious way in which we could increase our dollar receipts would be to divert to United States dollar markets exports which we are now selling elsewhere on credit. To some extent this is feasible and necessary since many of our overseas customers are in a position where they are restricting their purchases from us. We do not wish, however, to go too far in such a diversion of exports both because of the urgent needs of the United Kingdom and other overseas countries for some of our products and also because of our interest in maintaining essential markets.

CONSTRUCTIVE MEASURES FOR TRADE DEVELOPMENT

The more positive approach is to expand our production for export to the United States and to develop our natural resources and manufacturing industry in a manner that will permanently reduce the undue lack of balance in our trade with that country. The reduction in United States tariffs under the Geneva agreements should much increase the opportunities of certain Canadian industries in the United States market. The Government hopes and expects that such industries will adapt their production to take the fullest advantage of their opportunities and in many cases expand their capacity. Some of our natural resources can and should be developed and further processed in a manner that will help to ease our dollar problem.

BETTER BALANCE IN BRANCH-PLANTS OPERATIONS NEEDED

Another very important aspect of the effort to achieve a better-balanced position concerns the operations of branch plants in this country. We have always wished to encourage development of United States branch plants, but in the face of our exchange problem today we suffer from the disadvantage that these plants are heavy importers of parts and materials which must be paid for in United States dollars while they are exporting to countries which find it difficult or impracticable to pay in dollars. It is, therefore, essential that such manufacturing industries should concentrate on the development of United States dollar sources of income with which to offset their United States dollar outlays. It should be possible, for example, for the Canadian automobile industry, which produced large amounts of the cheapest and most efficient Army transport during the war, to produce automobile parts or models for sale in United States dollars to balance the large purchases of components and materials which they make in the United States.

PROGRAM OF ENCOURAGING EFFICIENT DEVELOPMENT

The Government will make every feasible effort to encourage and to cooperate in the development of these plans. I should make it clear, however, that what the Government has in mind in this whole program is not the stimulation of uneconomic production but rather the encouragement of more rapid development of our resources and industry in an efficient manner.

STIMULATION OF GOLD PRODUCTION

Development along these lines must be pursued vigorously. It will take time to work out its concrete application and the need is pressing. Meanwhile, there is one Canadian industry in particular which should be able to effect a rapid and substantial increase in its production if some assistance is provided now. I refer to the gold mining industry which has at the present time a large unutilized capacity and which produces a commodity for which there is an unlimited dollar market. Increases in the costs of gold production which have occurred during the past few years have made much of our potential production unprofitable. This has reduced the output of certain existing mines and has slowed down prospecting for new properties.

The Government has come to the conclusion that, as part of its general program for dealing with the present exchange emergency, it should take additional steps to assist in removing the deterrent effect on production of rapidly rising costs combined with a fixed market price for the product. In considering the form of action, we must have regard not only for administrative considerations but also for our obligations under the International Monetary Fund Agreement. The precise details will therefore not be made known until they are laid before Parliament, but in order to avert speculation in the interval, I will state now that it is the intention of the Government to defray for a 3-year period, to be defined in the legislation, the costs of additional gold production over and above the amounts produced in the year ended June 30, 1947, to the extent of $7 for each fine ounce of additional production.

The constructive program I have outlined obviously cannot be put into effect overnight. It can be started at once but it will take some time before it can be fully effective in stopping the drain of United States dollars to which we have been subject.

TEMPORARY RESTRICTIVE PROGRAM

This means that we must develop a temporary restrictive program to meet the immediate emergency. This short-run emergency program consisting of measures designed to restrict our use of United States dollars includes sweeping restrictions on imports and on pleasure travel and the imposition of special excise taxes for the purpose of restricting the purchase of many of the durable kinds of consumer goods which are either imported or contain a significant import content.

First as to the import restrictions. These will involve the complete prohibition of the imports of some consumer goods and the imposition of quotas on others.

CONTROL OF CAPITAL GOODS IMPORTS

With respect to what are generally known as capital goods neither a complete prohibition nor a quota system is applicable. It is proposed therefore to place specific classes of capital goods in a category under which imports may be controlled and restricted. The Minister of Reconstruction and Supply who will be charged with administering this phase of the program, will be in a position to review with industry proposed expenditures involving imported machinery, equipment, and materials with a view to seeing to what extent such drains on our dollar resources may be eliminated, reduced or postponed.

IMPORT PROHIBITIONS

Turning now to the restrictions on imports of consumer goods, the list of outright prohibitions is a long one which covers principally goods which are already produced in Canada to a substantial degree or are in some cases of a semi-luxury or non-essential type, and it includes such items as jewelry, candy, novelties, typewriters, radios, refrigerators, washing machines, and furniture. We are

also, at the outset, prohibiting temporarily the importation of all motor vehicles, but we intend in the near future to replace this complete prohibition with a restrictive quota system.

QUOTAS ON IMPORTANT CLASSES OF IMPORTS

There are other classes of imports which though important and desirable have grown to excessive proportions in relation to our needs and our capacity to pay out hard currency. To these classes of goods we are applying quota restrictions. Obviously, I cannot give complete details in this talk, but in the fruit and vegetable field, for example, oranges, grapefruit, lemons, fruit juices, potatoes, apples, and onions are being placed under a quota. Imports of almost all out-of-season fresh fruits and vegetables as well as almost all kinds of canned goods are being prohibited but no restrictions are applied to bananas, raisins, figs, and prunes. In textiles no restrictions are placed on raw materials and yarns but almost all other textiles, whether in the form of fabrics, or made-up wearing apparel, or other finished goods, are to be under another quota. There are two more quotas, one including all leathers, all kinds of footwear, gloves, leather garments, and luggage, and the other a group of sundry items including clocks and watches, cutlery, games, toys, sporting goods, and smokers' supplies.

Each of these four quotas will be divided into two parts—one part applying to imports from countries which we must pay in dollars and which we do not know to be short of dollars, the other part applying to imports from all other countries, being either countries which we do not need to pay in dollars or which are short of dollars themselves and whose trade we should encourage if we can. The quotas are set for each group of countries on the basis of twice the prewar value of imports except for the textile quota which is four times prewar. Individual importers share in the group quota in accordance with their share of the imports concerned during the 12 months ending June 1947. The current rate of imports from the ground of countries short of dollars is far short of the quota and it will not be necessary to restrict these imports from such countries so long as their trade remains below the quota level. Imports from the first group of countries, however, will be under strict control and will generally be cut severely.

IMPORTANT CONTROLS NONDISCRIMINATORY

This system of quotas is, of course, hard to explain in a short talk but detailed explanations and examples will be found in the newspapers tomorrow and full details and instructions will be available to importers from their local collectors of customs. Goods now in transit to Canada will be admitted without reference to these new prohibitions and quotas but this exemption will not apply to goods on order. The plan does not involve discrimination against imports from some countries in favor of the same goods imported from other countries. Prohibitions apply to imports from all countries; quotas are based on prewar trade, and permit the maximum flexibility in their use that we can afford. In selecting items to be restricted we have, of course, endeavored to pick those which we must pay for in United States dollars, and we have tried to interfere as little as possible with the export trade of those countries which are short of gold and foreign exchange.

RESTRICTIONS EFFECTIVE NOW

At the coming session of Parliament a special bill will be introduced concerning these emergency restrictions. In order to avoid widespread anticipation and evasion of these restrictions in the next few weeks, which would cost us many millions of dollars that we cannot afford, we will ask Parliament to make this new law apply as from midnight tonight, and we will put these restrictions into effect in advance, as we do in the case of budget proposals. This can be done under the provisions of the Foreign Exchange Control Act. At the time this act was passed the Government did not believe that such power was contained in the act but we are now advised by the law officers of the Crown that it provides the legal basis for such restrictions as are proposed. In the urgent circumstances which face us we have decided that this power should be used until Parliament has the opportunity to pass specific legislation.

CUT IN TRAVEL EXPENDITURES

The travel restrictions which are going into effect are approximately the same as those which prevailed immediately after the war. Effective from November 15, the annual ration of funds for pleasure travel will be fixed at an amount not to exceed $150 per person for those who desire to travel in a United States dollar area. Applications for travel funds when required for genuine reasons of business, health, or education will be dealt with on their merits. We take this step reluctantly since it limits the friendly contacts between our people and our neighbors to the south, but we simply cannot afford the large sums of United States dollars that Canadians are spending in pleasure travel.

SPECIAL TAXES ON DURABLE CONSUMER GOODS

Import restrictions alone will not be enough to keep down our use of goods which contain a high proportion of parts or materials from the United States. Many of these goods are produced on a large scale in Canada and we cannot properly limit and ration the imported parts and materials. I am, therefore, proposing to use the same fiscal devices as we used during the war to restrict purchases of this type of goods. The Government will ask Parliament to place an excise tax of 25 percent on a wide range of these durable consumer goods, the purchase of which can normally be postponed by the average family if necessary and most of which are of a less essential character. This tax will apply to sporting goods, outboard motors, pleasure launches, firearms, oil burners, motorcycles, musical instruments, cameras, radios, phonographs, and to most types of electrical home appliances. In some cases there is already a 10-percent tax that is to be increased to 25 percent. In the case of automobiles, the present 10-percent tax is to be increased to 25 percent on the value up to $1,200 with 50 percent applying to the additional value up to $2,000 and 75 percent on the excess over $2,000. These taxes, of course, will apply on the manufacturer's price, not the retail price.

TAXES DESIGNED TO LIMIT PURCHASES

These new or additional taxes are not being proposed for the purpose of raising revenue. Their purpose is to limit expenditures on these goods and thereby on the steel and other imported materials or parts which they contain. We should partially defeat our objective if, after banning many such imports, domestic production of the same type of articles were to expand to fill the gap at the cost of further substantial imports of components and materials.

TAX REDUCTIONS

While the cold facts of our dollar position make it necessary to impose these special types of taxes, we are proposing to remove or reduce certain other taxes in cases where this should result in a lowering of the prices of essential goods which have to be purchased by all Canadian families. With this in mind I am proposing that the excise tax of 1 cent a pound on sugar be removed, that the import duty on tea from the normal sources be removed, that the duty on coffee be reduced, and that electricity and gas used in dwellings be exempt from the 8-percent sales tax.

Now that the Government's proposals have been announced, we propose to follow the usual budgetary practice of asking Parliament to make them effective from the time of announcement, and taxes at the new rates will, therefore, be collected on all sales by manufacturers and on imports, beginning tomorrow morning.

SHORT-TERM CREDIT FROM UNITED STATES EXPORT-IMPORT BANK

While the effects of this whole program will be very substantial, there will still be a deficit in our trade with the dollar area, which will not for a time be fully offset by our receipts of United States dollars from the United Kingdom and other countries to which we are selling a portion of our exports on credit. To provide for this situation, and in order to supplement our holdings of gold and United States dollars and our rights to draw upon our quota in the International Monetary Fund, we have believed it prudent to arrange for temporary financing in the United States. A foreign loan is not, of course, a solution to our dollar problem. It merely provides a supplement to our exchange reserves to take care of a temporary deficit until the constructive, longer-run measures which are going into effect get into full operation and produce a more reasonable balance in our commercial and financial relations with the dollar area. Not only does it give more time for the constructive solutions but it also permits the adoption of a program less upsetting to business than would otherwise be necessary. Without the margin of safety which a loan provides, the program of restrictions would have to be much more severe which would not only cause undue dislocations to the Canadian economy and to many of our suppliers in the United States, but would impair the contribution which an efficiently functioning North American economy should be able to make to the economic restoration of the war-shattered countries.

In the ordinary course of events, dollars borrowed by the Dominion of Canada in the United States would have come from private investors. In the present circumstances, however, it was felt that the magnitude of the sum required, and the necessity for quick decision, made it advisable to approach a public institution, namely the Export-Import Bank of Washington. Arrangements have been made with that bank for a credit of $300,000,000.

The step taken in arranging for a credit from the Export-Import Bank is a departure from our normal practice of securing necessary United States dollar financing by sale of our obligations to banks or other private investors in the United States. In the near future, however, we intend to investigate the possibility of borrowing in this form. It is the statutory responsibility of the Export-Import Bank not to compete with but rather to encourage and supplement the use of private capital in financing United States foreign trade. With this in mind, the Export-Import Bank always welcomes the prepayment of loans or reduction of its commitments to lend if borrowers are able to obtain their requirements from other sources.

UNITED STATES ATTITUDE

You will observe that one of the foundations of this program is cooperation with the United States both in respect to mutual trading problems and to assistance to other countries. In discussing this plan of action with the United States authorities and in securing their cooperation we have had a most understanding and helpful reception. I do not know how generally is realized the magnitude of the responsibilities that are falling upon the Government, the Congress and the people of the United States at this highly critical time in the world's affairs. We in Canada, situated so similarly, are perhaps in a better position than most to appreciate

their problems, and I think it is fitting that we should note and acknowledge what the United States is doing and planning to do in the task of world reconstruction.

RESTRICTIONS UNAVOIDABLE BUT TEMPORARY

I am well aware that the restrictive aspects of this program will come as something of a shock to many Canadians. It is regrettable that such action has to be taken, but to adopt a lesser program would be to risk failure and to invite conditions which would necessitate far more drastic restrictions. The program has to be sufficient to meet the problem. We cannot temporize with our national welfare. The emphasis is on the longer range constructive measures which will steadily work to produce conditions under which the restrictive aspects of the program will become unnecessary. We intend to get rid of these restrictions just as soon as circumstances will permit.

INDUSTRY AND PUBLIC CAN HELP MAKE PROGRAM WORK

The speed with which these constructive measures will produce the necessary results depends to a very important degree on active and vigorous cooperation by business and the public generally. We believe in a free economy in this country and we do not want to get entangled in a massive system of restrictive controls. That means it is up to all of us to make the constructive and basic part of this program work. The responsibilities of business and industry to expand their United States dollar-producing activities are clear, and greater opportunities are being provided. Industry has also the responsibility of working and cooperating in efforts to reduce and offset the drain of United States dollars which is involved in many of our manufacturing operations. In addition the business community can help greatly by deferring less essential plans for physical expansion. The import controls over capital goods will necessitate reconsideration of a good many such plans but these controls will be less restrictive and the pressure on building costs will be eased if businessmen carefully reexamine their plans and defer for the time being those which are not urgently necessary. The responsibilities of the general public, if less specific, are also clear. Let us constantly remind ourselves that one of the main reasons for the great expansion in imports from the United States is the high level of consumer purchases in this country. To the extent that we can defer for the time being our larger expenditures and economize in our day-to-day spending, the dollar problem will be lessened and the upward pressure on prices reduced.

PROSPERITY RELATED TO WORLD CONDITIONS

The truth is that we in Canada have been living somewhat beyond our means during the last year or more—not beyond what we could afford if the rest of the world was restored to economic health, but beyond what we can afford in the world as it is today. We cannot expect to be completely prosperous when much of the rest of the world in which we live and on which we depend for a large part of our trade is just beginning to recover from the terrible destruction and dislocation of the war.

So we have to make adjustments to bring our national living standard within the limits of what we can afford in the difficult conditions that surround us. For most of us, this moderate measure of austerity will mean inconvenience and for some it will create difficulty. But a problem of this magnitude, cannot be solved painlessly.

CANADA'S BASIC POSITION SOUND

At the same time, let us keep our difficulties in their right perspective. In comparison with most of the rest of the world we are a very fortunate people. Our trouble arises from the misfortunes of other countries, not from any basic weakness in our own economy. Our basic position is sound. Our level of employment is at the maximum. We have a great and expanding capacity to produce. We are producing at a high level and at relatively low cost. This country of ours has had a notable record of achievement during and after the war—a record which has given us self-confidence and raised Canada's stature in the eyes of the world. Let us keep up that record in surmounting the present emergency, conscious of our responsibilities and confident of our great future.

Postwar Canadian commitments for financial assistance abroad

	Millions of Canadian dollars
1. Intergovernmental credits:	
Belgium	100.0
China	60.0
Czechoslovakia	19.0
France	242.5
Netherlands	125.0
Netherlands Indies	15.0
Norway	30.0
United Kingdom	1,250.0
U. S. S. R.	3.0
Miscellaneous guaranteed credits	12.8
Total	1,857.3
2. Military relief	[1] 95.6
3. UNRRA	154.0
4. Post-UNRRA relief	20.0
5. International Refugee Organization (estimated)	5.3
Total	[2] 2,132.2

[1] Of this total about $7,600,000 have been recovered. Part of this expenditure was incurred before the end of hostilities in Europe.

[2] This figure represents approximately $170 per head of population.

The Food Crisis in Europe

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. CAPPER. Mr. President, I have before me an article by Dr. Clinton N. Howard on the current food crisis in Europe. This article will appear in the December 1947 issue of Progress magazine.

I ask unanimous consent that this article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE BRINK OF CHAOS

The first day of the special session of Congress, called by the President, has just closed. It was brief but momentous, impressive, and historic. Few times, if ever, in the history of this Nation was the entire world listening with bated breath on the Voice from Washington. This feeling of concern, if not apprehension, was shared by 140,000,000 Americans at home.

ISAIAH DESCRIBES IT

It was recognized that we have a world afflicted with a malignant disease. As the Prophet Isaiah said concerning Judah and Jerusalem, "A sinful world laden with iniquity, a seed of evil doers, children that are corruptors; they have forsaken the Lord, they have provoked the Holy One of Israel to anger: the whole head is sick and the whole heart faint, from the sole of the foot even unto the head there is no soundness in it, but wounds, and bruises, and putrefying sores that have not been closed, neither bound up, neither mollified with ointment."

A WORLD-WIDE PLASTER

The world today is a terrific parallel. America seems to be its last hope; the one nation which, as Abraham Lincoln said of a previous national crisis, has a plaster as big as the sore. Would the President rise to the occasion? Would the patriotic partisans agree to bury politics and unite to save a starving world, with hands stretched across the sea crying, "Come over into Europe and help us."

IN THE BEGINNING GOD

The Congress got off to a good start. In the Senate, 83 Senators answered to their names, others were absent on official business; Senator WAGNER by illness, Bilbo by death. His successor, JOHN C. STENNIS, was escorted to the dais and sworn in, and the Senate proceeded to the momentous business for which it was called into special session.

This is the story on the Senate side with one most important omission. "Blessed is that nation whose God is the Lord, and the people whom He hath chosen for His own inheritance." The first order of business was the prayer by the Chaplain, Dr. Peter Marshall, pastor of the New York Avenue (Lincoln's) Presbyterian Church. The Senate and the crowded galleries stood in reverent silence while the Chaplain prayed:

"O God our Father, we pray for Thy wisdom and Thy guidance for the Members of this body as they meet in this troubled hour to consider what this Nation should do about hunger that knows no politics and want that will not wait.

"We cannot escape history; that we have found out. May we also discover that we cannot evade responsibility. By Thy Holy Spirit awaken the conscience of America, that our people may be willing to put humanity first.

"Give to our leaders the highest motives, and the courage to propose that which will be worthy of Thy blessing, lest we do the right things for the wrong reasons.

"Help our Senators to see what Thy plan is, in the name of Jesus Christ, who, being rich, for our sakes became poor, that we through His poverty might become rich. Amen."

The editor sat in the guest gallery and thanked his God that this is officially, as the Supreme Court has said in a unanimous decision, "A Christian Nation." This petition was offered "in the name of Jesus Christ."

When the proclamation by the President which called the extraordinary session was read, the closing paragraph said, "Done in the city of Washington this 23d day of October (date of call), in the year of our Lord 1947," following the same language found in the closing paragraph of the Constitution and every proclamation since the days of Washington, including every Thanksgiving Day, and special calls to prayer.

"For the kingdom is the Lord's, and He is the Governor among the nations."

THE CALL OF THE HOUSE

Over in the House end of the Capitol and at the same hour, the same order was followed. The first order of business, after the reading of the President's proclamation, was the invocation by the venerable chaplain, Dr. James Shera Montgomery, for 27 years chaplain of the House, whom the editor knew when we met on the chautauqua platform 40 years ago, when his flowing mane and mine was as black as a raven. He prayed to a standing House, which joined heartily in the closing divine paragraph:

CHRIST IN CONGRESS

"God be merciful unto us and bless us, and cause His face to shine upon us; that Thy way may be known upon earth, Thy saving health among all nations. Let the

people praise Thee, O God; let all the people praise Thee. O let the nations be glad and sing for joy; for Thou shalt judge the people righteously, and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee. Then shall the earth yield her increase; and God, even our own God, shall bless us. God shall bless us, and all the ends of the earth shall fear Him.

"Let us pray together our Lord's Prayer: 'Our Father, who art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done, on earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power, and the glory, for ever and ever. Amen.'"

At 1 o'clock and 20 minutes the Doorkeeper of the House announced the arrival of the Members of the Senate, who took their places in the seats reserved in front of the Members of the House. At 1 o'clock and 20 minutes the Doorkeeper announced the arrival of the ambassadors and foreign ministers. At 1 o'clock and 28 minutes the Doorkeeper announced the arrival of the President's Cabinet, seated in front of the Senators. At 1 o'clock and 30 minutes the Doorkeeper announced the arrival of the President of the United States with his distinguished escort, the Congress and overflowing galleries rising amid very generous applause, until the gavel fell and the Speaker announced, "Members of Congress, I have the distinguished honor of presenting to you the President of the United States."

THE PRESIDENT'S SPEECH

You have all either heard it over the radio or read in the press. We thought he was in good form. We heard his speech of acceptance before the united Congress in the same room following the sudden death of President Roosevelt. He has grown since that time, and is more sure of himself and effective as a public speaker. His voice is appealing rather than dictatorial. He makes a good impression, and most of what he recommended we recognize as a proper subject for editorial discussion in a reform publication. With modifications, we believe the President should command the united support of the country in this world crisis. Other things must wait.

A RESPONSIVE CHORD

With regard to his appeal for food, fuel, and money to meet the famine situation in Europe and the world he had a united house; while on domestic problems it was evident by the absence of applause that his house was divided. The President made it clear to all that our own stability, prosperity, and future existence depended on the rehabilitation of the world, of which the immediate necessity was food and fuel on the verge of winter, and that a starving world meant the collapse of civilization. Self preservation required that we take up the white man's burden for economic recovery, prosperity, and lasting peace.

A SAD SITUATION

We leave the discussion of his program to the master minds of both political parties in Congress and out, but we would not be true to our calling and the supreme object of our International Reform Federation if we did not express our disappointment that complete omission was made of any reference to the sinful waste of grains being diverted from the staff of life to the manufacture of intoxicating liquors, or the nearly $9,000,000,000 annually spent by the American people "for that which is not bread and our labor for that which satisfieth not."

CONGRESS

The President was most eloquent in diagnosing the disease, but less convincing in prescribing a remedy. Not a word was spoken about stopping the sinful waste of bread grains on the part of the distillers and brewers and the President contented himself by saying, "Grain, for example, is too badly needed to permit wasteful feeding to livestock." Would the President have us starve the cattle and poultry at home in order to increase our exports of grain to the hungry abroad without any control over those food grains taken from our cattle, whether it is to be used exclusively for bread in those starving nations or made by them into intoxicating liquors? They are doing this with their own food grains now and might substitute ours.

LESS FEED, LESS FOOD, LESS FATS

Also the President must know that less feed for our cattle and poultry must mean less meat, less poultry, less milk, fewer eggs, less butter, less fats, less fertilizer, and less leather at home. It seems to us that that is a false economy and offers no permanent remedy.

Furthermore, the President ignores entirely that wastage of food grains in excess of 150,000,000 bushels consumed by the brewers and distillers, in addition to the tons on tons of sugar, rice, potatoes, fruits, and grapes which would feed the starving world until the next harvest. Yet, he wisely warns, "If we fail to prepare and disaster results from our unpreparedness, we will have gambled with our national safety—and lost."

BEARDING THE BEAR

The President was much more courageous in dealing with our enemies without than our enemies within. Without mentioning the target at which he aimed his shaft, he said: 'We have found that not all nations seem to share our aims or approve our methods. * * * Yet we cannot afford, and we do not intend to let our current differences with some nations deter our efforts to cooperate in friendly fashion and to assist other nations who, like us, cherish freedom and seek to promote the stability of the world."

THE ENEMIES WITHIN

As strong and courageous a word of warning spoken for the enemies within our gates would be like apples of gold in pictures of silver All in all, it was a great day for humanity for a conquering nation to apply the Golden Rule to its defeated aggressor and to proclaim to the world the Gospel of St. Paul, "Therefore, if thine enemy hunger, feed him: if he thirst, give him drink. * * * Be not overcome of evil, but overcome evil with good." This means bread for the hungry and milk for the children.

THE GOLDEN RULE

"Ye have heard that it hath been said, Thou shalt love thy neighbor and hate thine enemy. But I say unto you, love your enemies, bless them that curse you, do good to them that hate you, and pray for them which despitefully use you and persecute you."

This is the Christ plan for peace, in contrast to compulsory peacetime military training and atom bomb. We cannot hope to avoid war by preparing to fight. Alcohol and the atom bomb are the twin devices of Satan to destroy the world. Both should be prohibited.

Parliamentary Procedure

REMARKS
OF
HON. OTTO E. PASSMAN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. PASSMAN. Mr. Speaker, in supplementing the remarks made by several of my colleagues from Louisiana, I would like to add that I do not believe that the CONGRESSIONAL RECORD is the place for Louisiana politicians to air their Louisiana gubernatorial politics. I shall not attempt to attest to the virtue of either of the gentlemen involved nor try to prove either of them to be saints or sinners. But if there should be a resolution introduced to expunge from the RECORD remarks purported to be made by another one of my colleagues from Louisiana, then I shall support such a resolution. The more I talk, the less you Members will remember about the incident. Therefore, I yield back the remainder of my time.

Editorial Comment on European Situation

EXTENSION OF REMARKS
OF
HON. HARLAN J. BUSHFIELD
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Monday, November 24, 1947

Mr. BUSHFIELD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an outstanding editorial entitled "Commenting," from the Vermillion (S. Dak.) Plain Talk.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMENTING

(By G. S. D.)

From out of the wilderness of silence into which I withdrew a few weeks back I steal again, typewriter in hand, to pound out some of my feeble comments on the current scene.

It is amazing, of course, how a fellow with such a proven record of ineptitude in handling his own affairs can have such a fine grasp of problems national and international. But the Congress of the United States, as it is often designated in speeches, has been summoned willy-nilly to whip up a program of relief for Europe, and so I want to expound a few of my own views on the subject. And I am aware that the clatter I hear is not the sound of congressional chairs being pushed over in the mad rush of the people's representatives for the nearest copy of the Vermillion Plain Talk.

But judging from what I read the consensus is that the Congress is going to be asked to vote some money for Europe. The theory is that the people in the European countries are hungry and discouraged, and by helping them to regain their feet economically we will prevent them from accepting Russian-dominated governments.

To me this is the same type of thinking which has controlled our whole foreign policy to date. It is the blundering type of policy which must make the United States appear to the world as a well-meaning, visionary, ineffectual giant operating on a hopelessly idealistic level and being outwitted at every turn by the pygmies who ply their trade in the realistic, self-seeking strata well below our cloudy heights of idealism. To me it is also the type of self-delusion into which the whole Nation retreated before the war—a refusal to face facts. From this retreat it took a Pearl Harbor to bring us blinking into the harsh light of realities.

Now, it seems to me that in Europe we are called upon to make a difficult decision, and we are shrinking from it. Instead of facing the alternatives we turn our eyes from them,

try to compromise—and as we did before the last war—try to buy ourselves out of our dilemma.

To me this idea of sending money to Europe to bolster up those nations against the onrush of communism is puerile in its conception.

The popular picture of Europe today is of groups of poverty-stricken people who turn to the United States and say, "Send us money or we will embrace communism and accept Russian-dominated governments because any alternative is preferable to the shape in which we now find ourselves." The picture then, as it is presented, has us sending over money and goods and within a short time these countries are reestablished economically, there is food, and the people are happy, well-fed and contented. So they turn to Russia and say, "Begone. We are well satisfied and will have none of your communism. We shall choose instead the freedoms of democracy as practiced by the United States." The finale could be something with a group of happy, chubby Europeans in national costumes, looking out over the ocean into the sunset toward their benefactor, the United States. Someone could, of course, too, break out an American flag as a backdrop and the band could swing into The Stars and Stripes Forever.

But I don't believe it is all that easy. I don't believe it is poverty and hunger which have pushed little nations into the camp of Russia. It is force and the absence of force. It is the absence of American force and the presence of the Red army. Poverty and economic maladjustment make populations susceptible, of course, to change. But such conditions don't turn people to communism as exemplified by Russia, because they realize that Russian communism has nothing to offer which would better their situation.

Not all of the nations which have accepted Russian-dominated governments have even been poverty-stricken. In fact some of them have been comparatively well fed on American food at the time they capitulated to Russian expansion. It hasn't been the absence of food which has pushed nations into the embraces of the Red Bear. Russia has only taken advantage of the political vacuum created when the United States, to all effects, retreated from the European Continent at the close of the war just past.

It is true, of course, that the confusion which has followed the war has made it easier for Russian-trained leaders of communistic groups to take over power in European countries. But this confusion isn't the primary reason—nations have been joined to Russia by communistic groups because the forces representing democracy in Europe haven't been bulwarked by active United States support.

Which brings me to the two alternatives which this country has in regard to Europe. I believe we must either stay in Europe—in force—or get out. I don't believe that the Congress should decide on whether or not to send money to Europe. It should decide whether keeping western Europe in the hands of democratic forces is worth the effort which must be expended and the possible precipitation of a crisis with Russia.

The one alternative, as I see it, is to resolve to keep western Europe democratic. And to do this means sending goods to Europe, and exacting something in return for every pound of food. It means that we should get in exchange military bases, air fields, and the privilege of training European armies to work in conjunction with American troops which would be stationed there. It means that we demand a hand in the governments of the various countries who are receiving our aid in order to assure that democratic elements be placed in power. And what is more, it means American troops in Europe—many, many more than are now stationed there.

The other alternative is to default Europe to Russia. If we decide that trying to keep Europe dominated by democratic groups isn't worth the money, the men and the sacrifices which would be required, then we should get out. If we feel that bringing face to face the forces of the two great powers of the world carries with it the risk of the generation of a spark which might well set off another war, and that retention of a democratic Europe isn't worth that chance, then we should get out of Europe.

I don't believe we can compromise these two alternatives. I don't believe we can oppose the spread of Russian force and Russian influence with a check book.

The two alternatives are fearful—neither is desirable. It would be much more pleasant if we could avoid them both. And that, I believe, is what the people in this country are attempting to do. They don't want to face the facts and make the decision, and with a typical American reliance they are trying to buy their way out of it. Checkbook diplomacy, you might call it, but I don't believe it will work.

I believe that sending only money or food to Europe is an indication of a hazy plan, dictated by a refusal to face facts. Admittedly, it is the easiest program, but I don't believe it will accomplish any good.

In a world of force I believe we must meet power with power, we must oppose realism with realism. If we decide to try and preserve democracy in western Europe we must either be prepared to go all the way in combating Russian communism, or we shouldn't try at all. We shouldn't, however, weakly throw a bunch of money over the wall with a hope and a prayer, and then run. It will be only money thrown away.

I imagine there are only two people in the whole country who worry about such colossal problems, and that is Truman and myself. Only he gets paid for it.

Justice for Poland

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. CLASON. Mr. Speaker, at a broadcast sponsored by the Polish American Congress, Inc., western Massachusetts branch, over Station WSPR, on Sunday, November 9, 1947, one of our former colleagues, Mrs. Clare Boothe Luce, delivered a dynamic address on justice for Poland.

As one who has frequently spoken out in behalf of stricken Poland and her people, I welcomed the opportunity to read the considered views of a former Congresswoman of outstanding ability, with a keen insight and broad knowledge of international affairs.

I am sure that all Members of Congress will be glad to have the opportunity to read this stirring appeal in behalf of the Polish people.

In 1939 a free independent Poland was brutally attacked by Hitler. It was attacked because it wouldn't give in to Nazi demands—as far stronger countries had. I was in Poland on the eve of that attack. I saw Polish people preparing to lead their little army into battle against German tanks, on cavalry horses. Well, the Poles knew that to meet Hitler's iron hordes on horseback meant slaughter, meant destruction, meant defeat, but they met them. God knows where they got the courage, it seemed such folly. And so it was—it was the folly of the cross, and when Stalin shook hands with Hitler on the Nazi-Soviet pact, Poland was crucified—crucified between two thieves.

Then Poland lived under a reign of double terror. The like of it the world has never seen. Wherever red hands or brown hands could be laid on Polish patriots and leaders, these leaders were put at forced labor, they were thrown into concentration camps, they were sent into Siberian exile, they were liquidated. There were 3,500,000 Polish Jews cremated.

Well, then the Nazi and the Soviet thieves fell out, and Hitler attacked Russia. Only then were the Polish men and leaders who had not already been exterminated by the Reds freed by Russia to form an anti-Nazi army. Well, the Poles don t have to be free to fight. In the very heart of Hitler-held Poland, Gen. Bor Komorowski formed an underground army. On a prearranged signal with Russia and ourselves, General Bor launched an uprising in Warsaw. But the Red Army that stood then at Warsaw's gates and had so smoothly promised to come to General Bor's aid—well, that army never showed. No, it never showed at all. Warsaw was reduced. It was reduced block by block and house by house to a city of rubble and mud, of blood and corpses. All during those days, you remember, America looked on the suffering of Poland and wept, and America promised We promised in the name of the Atlantic Charter that at the war's end both Germany and Russia would leave Polish soil, promised that Poland would again be free. All day long during the war the American radio blared these promises by short wave to Poland. These promises had the sanction of our President, of the Secretary of State, of the American Congress. And isn't it so, they had the sanction of the whole American people. Were these crocodile tears that Americans wept, were we Americans being giants in our promises then pygmies in our performance afterward?

Well, I think a free American people must judge. Yalta was the measure of our promises. Yalta sanctioned the fifth partitioning of Poland, and Potsdam confirmed it. The week that the hush-hush news of Yalta leaked to the Allied armies, I happened to be visiting General Anders' army. It was fighting under Gen. Mark Clark's gallant United States Fifth on the Italian front. That, you remember, was the army recruited in Russian-held Poland and in Russia after Hitler had two-timed Mr. Stalin. Well, General Anders had marched his men thousands of miles through Russia and the Near East to join our American forces in the African campaign. His men had fought 6 long years. They had known neither leave nor rotation. Their homes lay ahead of them in enemy hands, and so, they used to say, did their replacements. In that week of Yalta I found it hard to look in the hurt, accusing eyes of General Anders' soldiers. I shall never forget how ashamed I was that day to be an American.

Now for any army but a Polish army, that betrayal by its strongest ally, the one that had wept most and promised loudest—that would have been the signal to quit, to quit in hate and despair. But General Anders' army did not quit. Why? Well, General Anders said to me, he said "We fought all the way out to keep our country free and we will fight all the way in to make it free. If we don't fight, who in all the world is going to fight for us now?"

Well, you know the rest. You know the slow, mealy-mouthed acceptance by our leaders of Soviet expansion in Poland. You know our double-talk betrayal of Poland's real democratic leaders, the hypocritical countenancing by our government of that disgraceful farce, the "free and unfettered" elections in Poland. Now there are some

who call this conduct prudence and others call it power politics. Well, there are others who impeach it softly as appeasement, but in plain words it's either stupidity or cowardice, and neither of it is worthy of our Uncle Sam.

I hope this doesn't sound political or partisan. Why should Americans tremble to be called partisans of freedom? Should we blush to be found partisans of our country's honor? Should we apologize to be branded partisans of America's best interests? Oh, I wish there were no need to speak this way. It would be a fine thing if we could put Poland's case today on the sole grounds of democratic bounty and Christian charity. But we have got to be honest men and honest women. Poland's misery does more than twist our American hearts. It taunts our American consciences and we are free men living in a free country and we are mixed up beyond any dispute in the mistakes our leaders have made in our name. Well, we haven't inflicted the wounds that Poland suffers, but we have let them widen. And if we have broken no heads in Poland, we have helped to break Polish hearts.

Let me tell you a Polish story in closing. I suppose you would call it a Polish joke. It is a joke, at any rate, that is very popular among the Polish peasants just now. It is particularly popular among the ones who were hurled into jail for refusing to vote as they were told in those "free and unfettered elections."

Now, God, it seems, wanted an angelic estimate of how things were going on on His earth. So He sends the Angel Gabriel to make a survey, and Gabriel returns with this report:

"I visited America, and in America the people were talking of war. But they had cut down their armies, they had destroyed their air forces, and they had done away with all rationing.

"So I visited Russia (said Gabriel to the Almighty) and in Russia their leaders were all talking of peace, but the Russians were building a big army, they were building a vast air force, and they were rigidly controlling all foodstuffs.

"So I came back by way of Poland, and Poland was dominated and even occupied by an alien power. The Polish people had no shelter, they had no clothing, they had no food, they had no army and they had no air force, and they had no atomic bomb. But the Poles were all talking of victory and freedom."

Then God shook His head and smiled at the Angel Gabriel. "Those Poles," He said, "They always did count on me."

Well, it is said that God helps those who help themselves, but when a people is so sick and hungry and homeless—like the Polish people—that they can no longer help themselves, maybe God will help those who help them. So try to, please.

Niech zyje wolna Polska.

Long-Range Program for European Aid

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the Appendix of the RECORD two letters which I have just received, which comment on various phases of the proposed long-range program for aid to Europe. One letter is from J. E. McDonald, Texas commissioner of agriculture at Austin; and the other is from George A. Raymer, secretary of the Orange County Taxpayers' Association, 118 West Fifth Street, Santa Ana, Calif.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF TEXAS,
DEPARTMENT OF AGRICULTURE,
Austin, November 19, 1947.

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Perhaps you will be interested in reading following copy of telegram I sent President Truman yesterday, giving Texas farmers' views on his request for power to establish controls:

"Hon. HARRY S. TRUMAN,
"President of the United States,
"Washington, D. C.:

"In reference to your address to Congress asking authority to fix prices and wages, may I bring the following to your attention:

"First, this means return of OPA, black markets, and tens of thousands of Government bureaucrats. This would mean return to conditions which upset our economy and helped bring about existing scarcity in many commodities and goods. It would eventually result in our country having to import food.

"Second, despite existing shortages our country still has the most plentiful supply of food, cheapest prices, and best marketing system in the world. This is proven by the fact that foreign nations who have price and wage controls are now asking that we feed and aid them.

"Third, the only preventive against inflation is adequate production and economy in government. Therefore, agricultural and industrial production should be encouraged and not discouraged through price ceiling.

"Fourth, our country has never been and cannot be prosperous with low prices. Furthermore, the national debt and taxes cannot be paid and the budget can never be balanced without a high price and wage level.

"Fifth, the economic and the American way is equitable adjustment of wages of both labor and white collar workers to meet the cost of living and not through Government bureaucratic control.

"Sixth, we know a government does not and cannot produce as this must be done by the people. Therefore, we must not swap our liberty for government control and regimentation. It would be infinitely better for our people to suffer temporary inconvenience and privation than to lose our heritage of free and constitutional government.

"Free enterprise upon which this Nation was founded is functioning. Our farms and factories are producing. Let's don't return to bureaucratic controls which may destroy confidence, bring unemployment, and throw our Nation into an economic tailspin."

Sincerely yours,

J. E. MCDONALD,
Texas Commissioner of Agriculture.

ORANGE COUNTY TAXPAYERS' ASSOCIATION,
Santa Ana, Calif., November 19, 1947.

Hon. ARTHUR CAPPER,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Our daily paper contained an article on your address to the United States Senate in relation to the long-range financial aid to the European countries.

I bespeak the sentiment of the association named above when saying that we most enthusiastically and heartily endorse your address with reference to scattering promiscuously the taxpayers' dollars throughout Europe.

The time is at hand when both branches of our United States Congress will have to be firm in doling out stupendous sums of money for the rehabilitation of Europe.

Much to our dismay, we read in the papers of large shipments of supplies from the east coast to Russia. Only recently, there were several Russian freighters left the San Pedro Harbor with gasoline and oil for Russia. Apparently, the communistic New Dealers who are in power in Washington are about to impoverish our country and then laugh at us if we protest their action. Would to God that many more real Americans in the United States Senate, like your good self, who would fight this Nation's battles loyally as you have done and are now doing.

Yours for victory,

GEORGE A. RAYMER,
Secretary.

Warning on Hawaii

EXTENSION OF REMARKS
OF
HON. IRVING M. IVES
OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, November 24, 1947

Mr. IVES. Mr. President, on the 25th of last August there appeared on the editorial page of the New York Herald Tribune a letter by Nicholas Murray Butler, concerning the question of statehood for the Territory of Hawaii, a subject which is now before the Senate. Because of the great importance of this question, and because of the significance of this matter, I ask unanimous consent that the letter be inserted in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WARNING ON HAWAII—DR. BUTLER URGES THOUGHTFUL STUDY OF STATEHOOD BILL

To the New York Herald Tribune:

It would be a tragedy if the bill now pending in Congress to admit the Territory of Hawaii to statehood were to become law without its thorough study by the American people as a whole and without their complete understanding of all which it would involve. This bill has already passed the House of Representatives without any adequate discussion or without any general public consideration of its vital importance to our Nation. Fortunately, it has still to be considered by the Senate, and it is not too late to bring it to the attention of the public opinion of our entire people.

Hawaii is a Territory in the Pacific Ocean some 2,000 miles and more from our Pacific coast. In population, in language, and in economic life it is distinctly a foreign land. Its admission to statehood might easily be the first step in bringing to an end the United States of America as established by the founding fathers and as we have known it. The next generation might well find itself faced by a United States of the Pacific and other ocean islands, since the admission of Hawaii would certainly lead to pressure, which would be hard to resist, to admit also Alaska, Puerto Rico and other islands in the Atlantic and Caribbean as well as the distant Philippines.

As I have previously pointed out, all of these islands have backgrounds of their own wholly different from those of the United States of America. To place them, each and all, on the same plane as Massachusetts, New York, Illinois, California, Texas, or Virginia would be a fatal step. In language, in historic background, and in racial conditions they are not and could not be members of

the United States of America in any true sense.

The obvious course would, in my judgment, be for our Government to set up the Territories of Hawaii, of Alaska, and of Puerto Rico as independent self-governing democracies, as has already been done in the case of the Philippine Islands, subject to two conditions: First, their formal relations with foreign powers should be subject to the approval of the President and Senate of the United States. This would prevent their being used by any foreign power to our disadvantage. Second, litigants in any one of these independent nations should have the right of appeal to the Supreme Court of the United States. This would insure a uniform system of public law and of civil law in this part of the world. This right already exists in the case of Puerto Rico and has been used obviously to great advantage and to the satisfaction of its people.

It is imperative, in my judgment, that the press of the country and the leaders of public opinion should see to it that the question of admitting Hawaii to statehood is thoroughly studied and examined by all our people before final action on the pending legislation is taken.

NICHOLAS MURRAY BUTLER.

SOUTHAMPTON, LONG ISLAND,
August 22, 1947.

Statement of Hon. Walter C. Ploeser, Chairman, Select Committee on Small Business, House of Representatives, Before Committee on Ways and Means of the House of Representatives, November 24, 1947

EXTENSION OF REMARKS
OF

HON. WALTER C. PLOESER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. PLOESER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Mr. Chairman, my appearance before your committee today is as a result of your invitation and an obligation on the part of the Select Committee on Small Business to present whatever information it may have which may be helpful to the Ways and Means Committee's consideration of the tax problems growing out of certain exemptions allowed by the Internal Revenue Act and Treasury rulings to cooperative types of enterprise.

Our committee has been at work for several months, both in public hearings and in exhaustive staff research. Our hearings have not been completed and, therefore, the results of our work which I present here today must, of necessity be considered the knowledge which we have gained to date. It cannot be considered as a report of the House Small Business Committee because this committee will not be ready to submit a report until it has exhausted the subject. Accordingly, the data which I offer are presented by me as an individual Member of the Congress, in the hope that it will be helpful in your consideration of the problem.

This subject has many ramifications and cannot be settled by emotional arguments or a mere reliance upon economic theory.

The Ways and Means Committee is faced with a very practical situation from the standpoint of revenue, while the House Small Business Committee is faced with the very practical study affecting competitive forces in our economy. Our interest is not identical, but the facts involved affect the work and studies of both committees.

PROCEDURE

For a number of months, a subcommittee of the House Committee on Small Business has been making a study of the legislative and administrative privileges enjoyed by cooperatives for the purpose of endeavoring to determine whether such privileges impose unfair burdens upon proprietary businesses. Tax-exemption privileges of cooperatives have been particularly studied. Two avenues of inquiry were explored. Does tax exemption permit cooperative enterprise to grow more effectively than proprietary enterprise? Does tax exemption permit cooperative enterprise to market products, distribute products, manufacture products or perform services at prices which are more attractive to its customers than to the customers of competing proprietary corporations?

The committee prepared a list of about one hundred cooperatives. Included in this list were samples, large and small, of the various kinds of cooperatives: Agricultural marketing cooperatives, agricultural purchasing cooperatives engaged in distribution, manufacturing, or the furnishing of services, and urban consumer cooperatives. To each of these selected cooperatives, the committee sent the following letter and questionnaire:

"Gentlemen: The House Committee on Small Business is making an investigation into Government competition with business and Government financial assistance to business. One line of inquiry which the Committee feels it must pursue is the governmental privileges enjoyed by cooperatives alleged to be imposing an unfair burden upon private business competing with cooperatives. Many complaints have been received by this committee from private business, making this charge, and in fairness to all, the committee feels that they should either be sustained or disproved.

"The committee is fully cognizant of the fact that cooperative business is lawful and legitimate, is engaged in by many persons of the highest standing in their local communities and has been singled out by the Congress from time to time for legislative recognition. The committee's inquiry is being made solely for the purpose of enabling it to report to Congress whether the governmental privileges conferred on cooperatives by Congress have put private business at an unfair disadvantage. I feel confident that you will see nothing unfair in Congress reappraising from time to time any benefits which it has conferred upon special types of business.

"I therefore ask you to assist the committee's efforts by promptly furnishing to it certain information specified in the enclosed questionnaire. The furnishing of such information requires mainly only the forwarding to the committee of annual audit reports already prepared and in your files. The committee requests that these annual audit statements described in detail in question 3 of the enclosed questionnaire be sent to the committee so they may be received in Washington as soon as possible but not later than ———.

"Attached to this letter is a Government frank which will relieve you of all costs of shipment of the material.

"Sincerely.

———, ———.

"COOPERATIVE QUESTIONNAIRE

"1. Give date of organization of your cooperative and the original financial set-up.

"2. Does your cooperative have a tax-exempt status under section 101 of the Internal Revenue Code, and if so, how long has it had such exemption?

"3. Please send to the committee a copy of your annual audit report for each year including 1935 to the end of your latest accounting year. These reports should contain a detailed balance sheet at the end of each year; a detailed operating statement for each year, and all supporting schedules and exhibits as prepared by your accountants in their annual audit. The comments and conclusions of the accountants together with their certificate are also generally included in these reports.

"The material requested above will be kept securely by the committee and returned to your cooperative, if you so desire, as soon as the committee has finished with it. Please, therefore, indicate when you forward the material whether you wish part or all of it to be returned, or whether the committee may keep such material for its files."

ACCOUNTING DIFFICULTIES

In general, the cooperatives requested to answer the committee's questionnaire gave excellent cooperation. Only a few either ignored the committee's request or turned in data which was totally inadequate. A considerable amount of data, however, which was turned in to the committee by these cooperatives who showed a genuine desire to assist the committee presented certain serious difficulties from an accounting standpoint. It was found that a number of cooperatives, in auditing their books, do not observe in many cases standard accounting practices generally adhered to by proprietary businesses. In making this statement, I do not intend in any way to reflect upon the integrity of cooperative bookkeeping. I simply point this fact out because in the exploration of the voluminous data which the committee received and the effort we had to make to bring the accounting techniques employed into line with standard accounting practices was necessarily very time-consuming and not infrequently the results obtained were not usable. There was also a number of cases in which the data furnished by cooperatives, with no intention to obstruct the committee's efforts, was found to be insufficient to make a satisfactory accounting analysis of the economic factors responsible for their growth. Finally, the problem of attempting to estimate Federal taxes that would have been paid by certain cooperative corporations had they been proprietary corporations receiving the same net income involved a great deal of work and extended conferences between the committee's accounting staff and tax experts of the Bureau of Internal Revenue who consented to furnish the committee with technical advice which had no bearing upon policies of the Bureau.

Where possible, the committee sought to obtain the following information from the audit reports of cooperatives:

1. Net worth of the cooperative at a given date. (Generally 1936.)

2. Net worth at latest accounting date. (Generally December 1946.)

3. Increase of net worth during the period studied.

4. How much of the increase in net worth could be attributed to the reinvestment of tax-free earnings?

5. Net income of the cooperative for each year for the base period 1936 through 1946.

6. Amount of taxes collected each year from the cooperative through the Federal tax on corporate income.

7. The taxes that would have been paid by a proprietary corporation having the same amount of net income each year as the cooperative corporation.

8. Increase of net worth of the cooperative corporation minus total taxes that would have been paid by a proprietary corporation.

9. Analysis of the increase in net worth as reflected in the balance sheet of the cooperative:

A. Increase in working capital.
B. Increase in fixed assets.
C. Increase in other assets.
D. Increase or decrease in long-term debt.

10. The ratio of total patronage refunds paid in cash to total net income for period 1936 through 1946.

Though the audit reports of many cooperatives were examined, it was found possible, within the time permitted and the accounting difficulties encountered, to utilize the case histories of only eight important cooperative corporations. From the audit reports of these corporations, however, it was possible to perceive clearly the effect of tax exemption upon their growth.

At the beginning of the base period (averaging 10.8 years for each corporation) the eight cooperatives had a consolidated net worth of $11,122,319. At the end of the base period the eight cooperatives had a consolidated net worth of $72,704,344. The total increase in net worth of the eight cooperatives was therefore $61,582,025.

For the base period these eight cooperatives had an estimated total net income of $94,589,587.

ANALYSIS

Now for our first important question.

How much of the total increase in the net worth of the eight cooperative corporations during the base period amounting to $61,582,025 was due to the reinvestment of net income?

On a conservative accounting basis, it is estimated that $49,171,532 of the total increase in net worth of $61,582,025 was due to the reinvestment of net income. The difference between $49,171,532 and $61,582,025 is $12,410,493 and represents the total increase in net worth not attributable to the reinvestment of net income.

Since I am having to use many figures in this presentation, I think it advisable at certain intervals to recapitulate them in table form. So I now invite your attention to table I.

TABLE I

Number of cooperative corporations	Consolidated net worth at beginning of base period	Consolidated net worth at end of base period	Total increase in net worth	Total increase in net worth due to reinvestment of net income	Total increase in net worth due to other sources
8	$11,122,319	$72,704,344	$61,582,025	$49,171,532	$12,410,493

Now let me attempt to show the advantage of tax exemption in the growth of these eight cooperatives.

All of the eight cooperatives were corporations. Substantially all of them were wholly tax exempt under section 101 of the Federal Internal Revenue Code.[1] Consequently, their total net income during the base period of $94,589,587 was tax exempt.

On a conservative basis, it is estimated that had the annual net income of these eight cooperative corporations been subject to the Federal tax on corporate income and not exempt from it, i. e., had they been proprietary corporations, they would have paid total taxes to the Federal Government in the base period amounting to $47,306,672. Substracting such estimated Federal tax of $47,306,672 from the total net income of the eight cooperative corporations during the base period leaves $47,282,915. This latter figure represents what would have been the total net income of the eight cooperative corporations had they paid on a basis equal to a proprietary corporation. This is the sum that would have been available to these eight cooperative corporations after Federal taxes.

I now invite your attention to table II.

TABLE II

Number of cooperative corporations	Estimated total net income during base period	Estimated part of total net income reinvested	Estimated Federal taxes on total net income	Estimated total net income after Federal taxes
8	$94,589,587	$49,171,532	$47,306,672	$47,282,915

Had the eight cooperative corporations paid an equal share of Federal taxes, how much of their total net income, after such taxes, would have been reinvested?

With tax exemption, their total net income of $94,589,587 was distributed as follows:

Approximately $49,171,532, or approximately 52 percent of their total net income, was reinvested.

The difference between this $49,171,532 and the total net income of $94,589,587 or $45,418,055 (representing approximately 48 percent of the total net income) can be credited to the payment of either cash patronage refunds or cash dividends on stock since none of it is considered to have been reinvested.

Applying the same percentage to the total net income of these eight cooperatives during the base period and after the Federal tax on corporate income, we can estimate that approximately $24,587,116 (52 percent) would have been reinvested, while approximately $22,695,799 would have been paid out in cash payments.

Let me recapitulate these figures in table III.

TABLE III

Number of cooperative corporations	Distribution of total net income with tax exemption		Estimated distribution of total net income after Federal taxes	
	Reinvestment	Cash payments[1]	Reinvestment	Cash payments[1]
8	$49,171,532 (52 percent)	$45,418,055 (48 percent)	$24,587,116 (52 percent)	$22,695,799 (48 percent)

[1] Wherever the term "cash payments" is used it means in the case of a proprietary corporation the payment of cash dividends on stock. In the case of a cooperative corporation, it means either the payment of cash dividends on stock or the payment of cash patronage refunds or both.

[1] In some years and in some cases these cooperative corporations had subsidiaries which did pay a small amount in Federal taxes. But the total Federal taxes paid in such instances is estimated to be less than one-half of 1 percent of the total estimated Federal taxes used.

Now I believe we are in a position to estimate the advantages of tax exemptions in the growth of our eight cooperative corporations.

During the base period, these eight cooperative corporations had a total increase in net worth of $61,582,025. The reinvestment of net income, it is estimated, accounted for $49,171,532 of the total increase in net worth. Growth "from other sources," it is estimated amounted to $12,410,493. Such "other sources" may be disregarded. They do not involve in any way the problem of the effect of tax exemptions on the growth of these eight cooperative corporations. It is only the increase in net worth of $49,171,532, resulting from the reinvestment of net income that relates to our problem of estimating the advantage of tax exemption in the growth of the eight cooperative corporations.

With tax exemption, the eight cooperative corporations were able to increase their net worth through a reinvestment of their net income by $47,171,532.

If these cooperative corporations had paid an equal share of Federal taxes, and if they had distributed their total net income after such taxes on the same percentage basis that they did with tax exemption, they would have increased their net worth through a reinvestment of their net income by only $24,587,116.

Thus, through the reinvestment of net income on a tax-exemption basis, the eight cooperative corporations were able to increase their net worth by approximately one hundred percent more than they would have increased it had their net income borne its comparable share of Federal taxes.[2]

The result is represented by table IV.

TABLE IV

Number of cooperative corporations	Increase in net worth due to reinvestment of 52 percent of net income on a tax-exempt basis	Estimated increase in net worth due to reinvestment of 52 percent of net income on a taxable basis	Percent advantage of tax exemption in growth due to reinvestment of net income
8	$49,171,532	$24,587,116	100

There is still another way of estimating the advantage of tax exemption in the growth of our eight cooperative corporations. Many cooperative corporations in the past decade or so have embarked upon vigorous expansion programs financed chiefly out of the reinvestment of their net income. In carrying out these expansion programs, a high percentage, and in some cases a very high percentage, of the net incomes of such cooperative corporations has been retained in the business resulting in only a small amount of cash-patronage refunds being paid out. Let's assume in the case of our eight cooperatives that during the base period they had reinvested 95 percent of their total net income on a tax-exempt basis. If they had done this, they would have increased their net worth through a reinvestment of net income by approximately $89,860,107, and would have made cash payments of approximately $4,729,480.

Now let us assume eight proprietary corporations in competition with our eight cooperative corporations during the base period, and assume further that such proprietary corporations earned similar net income and reinvested 95 percent of their net income after Federal taxes in an effort to hold their own with their cooperative competitors.

The proprietary corporations would earn a net income of $94,589,587 before Federal taxes. But on this net income, they would have paid Federal taxes amounting to $47,306,672 so that after Federal taxes they would have had a net income of only $47,282,915. If 95 percent of this net income after Federal taxes was reinvested, our proprietary corporations would have increased their net worth by approximately $44,918,769.

[2] The difference between $49,171,532 and $24,587,116 is $24,584,416 and the latter figure is approximately 100 percent of $24,587,116.

Estimating the advantage of tax exemption in the growth of our eight cooperative corporations on this basis, they would be able to increase their net worth by approximately 100 percent more on a tax-exempt basis than they would have on the same taxable basis as proprietary corporations.

Table V summarizes the advantage of tax exemption in the growth of the eight cooperative corporations on the different bases I have pointed out.

TABLE V

Number of cooperative corporations	Percent growth advantage with a reinvestment of 52 percent of total net income on a tax-exempt basis contrasted with the reinvestment of 52 percent of net income on a taxable basis	Percent growth advantage with a reinvestment of 95 percent of total net income on a tax-exempt basis contrasted with the reinvestment of 95 percent of net income on a taxable basis
8	100	100

From the standpoint of making cash payments, tax exemption appears also to have been an advantage. On a wholly tax-exempt basis the eight cooperative corporations distributed in cash payments approximately $45,418,055. Had the net income of these cooperative corporations been subject to the Federal tax on corporate income, they would have had only $22,695,799 available for cash payments—48 percent of $47,282,915.

Thus tax exemption made it possible for our eight cooperative corporations to pay out in cash a sum approximately 100 percent more than they would have paid out if their net income had borne an equal share of Federal tax and if the net income on a taxable basis had been distributed in the same proportion between reinvestment and cash payments as was done on a tax exempt basis—52 percent to reinvestment and 48 percent to cash payments.

Table VI summarizes on a percentage scale the advantage of tax exemption to the eight cooperative corporations in their capacity to make cash payments during the base period.

TABLE VI

Number of cooperative corporations	Allocation of 48 percent of the total net income on a tax-exempt basis of the 8 cooperative corporations during the base period to cash payments	Allocation of 48 percent of the net income after Federal taxes of the 8 cooperative corporations to cash payments	Percent advantage of tax exemption in capacity of cooperative corporations to make cash payments
8	$45,418,055	[1] $22,695,799	100

[1] Ratio of $22,695,799 to $45,418,055 minus $22,695,799 is approximately 100 percent.

Now our estimates of the advantage of tax exemption to the eight cooperative corporations from both the standpoint of growth and their capacity to make cash payments take in the whole of the base period which generally began with the year 1936 and went through the year 1946. For the first 5 years of this base period, the Federal tax on corporate income was relatively low. For the 5-year period from 1941 through 1945, it was extremely high because of the imposition of the excess-profits tax. If this latter part of the base period (1941–45) is taken, the capacity of tax exemption to give cooperative corporations a differential on growth over proprietary corporations is considerably increased.

During the 5-year period 1941 through 1945, the eight cooperative corporations had a total net income of $64,593,057. Assuming that during this 5-year period the net income was divided 52 percent to reinvestment and 48 percent to cash payments, the net worth of these eight cooperatives was increased by approximately $33,588,390 while approximately $31,004,667 was paid out in cash payments.

However, had the net income of these cooperative corporations been subject to the Federal tax on corporate income, they would have had a total net income of only $26,267,762 since, on a conservative accounting basis, we estimate that the Federal Government would have taken away $38,325,295 of their total net income of $64,593,057.[2]

If 52 percent of this net income of $26,267,762 after Federal taxes had been reinvested in the business, the net worth of these eight corporations would have been increased by only $13,659,236.

If 48 percent of this net income had been distributed in cash payments, there would have been distributed a sum of only $12,608,526.

Hence, from the standpoint of growth, tax exemption made it possible for the eight cooperative corporations to increase their growth by approximately 146 percent more on a tax-exempt basis than they would have increased it on a taxable basis.

Table VII summarizes the advantage of tax exemption in the growth of our eight cooperative corporations during the period of the excess-profits tax, i. e., from 1941 through 1945.

TABLE VII

Number of cooperative corporations	Time period	Per cent growth advantage with a reinvestment of 52 percent of total net income on a tax-exempt basis contrasted with a reinvestment of 52 percent of total net income on a taxable basis
8	1941-45	146

From the standpoint of capacity to pay cash dividends, tax exemption during the period of the excess-profits tax was also of great advantage to the eight cooperative corporations. If 48 percent of the net income of these cooperatives on a tax exempt basis during the period of the excess-profits tax was paid out in cash payments, we arrive at the sum of $31,004,667.

If, however, the net income of these cooperative corporations had been subject to the Federal tax on corporate income to the same degree as proprietary corporations, and if 48 percent of their net income after Federal taxes had been paid out in cash payments, we arrive at a sum of only $12,608,526.

Thus, tax exemption during the period of the excess-profits tax enabled these eight cooperative corporations to pay out approximately 146 percent more in cash payments than they could have done had they been on a comparable tax basis with proprietary corporations.

Table VIII shows the percent advantage of tax exemption to the eight cooperative corporations during the period of the excess-profits tax from the standpoint of their capacity to pay cash dividends:

TABLE VIII

Number of cooperative corporations	Time period	48 percent of the total net income of the 8 cooperatives on a tax-exempt basis paid out in cash dividends	48 percent of the total net income of the 8 cooperatives after full Federal taxes	Percent advantage of tax-exemption in capacity to make cash payments
8	1941 through 1945	$31,004,667	$12,608,526	146

Today the excess-profits tax has been repealed. It was repealed in 1945 and does not apply to the year 1946. The Federal tax on corporate income is therefore at the moment lower than it was during the war, but it is still sufficiently high and is likely to be for many years to come to make tax exemption be a considerable advantage to cooperative enterprise from the standpoints of growth and capacity to make cash payments.

Let us take the year 1946, which was the first year after the repeal of the excess-profits tax on corporate income. In that year, the eight corporations used in our study had an estimated total net income of $15,444,000. On a conservative basis, it is estimated that had this total net income been subject to the Federal tax on corporate income, the eight cooperative corporations would have paid in Federal taxes $6,158,542. With tax exemption, these cooperative corporations could have used $8,030,880 of their total income for growth (52 percent of their total net income for reinvestment) and had left $7,413,120 available (48 percent of their total net income) for distribution in cash payments.

However, had these eight cooperative corporations been proprietary corporations, their capacity for growth as well as their capacity to make cash payments would have been substantially reduced.

As proprietary corporations, they would have had a net income in 1946 of only $9,285,458 because the Federal tax on corporate income would have taken away $6,158,542 in Federal taxes. Utilizing 52 percent of their total net income after Federal taxes in 1946 for reinvestment, we arrive at a figure of $4,828,438.

Contrasting this latter figure with $8,030,880 (representing 52 percent of the total net income of the eight cooperative corporations operating on a tax-exempt basis in 1946) one can see that these cooperative corporations, through tax exemption, could have increased their net worth by 66 percent more than they could without it.

From the standpoint of declaring cash dividends, they would have been in a substantially better position as cooperative corporations than as proprietary corporations. As cooperative corporations enjoying tax exemption, these corporations in 1946 could have made cash payments of approximately $7,413,120 (48 percent of their net income).

In other words, as tax-exempt cooperative corporations, these eight corporations could have paid out 66 percent more in cash payments as they could have operating as proprietary corporations ($7,413,120 as against $4,457,020).

Tables IX and X show the percent advantage of tax exemption to the eight co-

[2] Estimates of committee's accountant.

operative corporations from the standpoints of growth and capacity to pay cash dividends under the present rates applicable to the Federal tax on corporate income.

TABLE IX [1]

Number o. cooperative corporations	Time period	Reinvestment of 52 percent of the total net income of the 8 cooperative corporations on tax-exempt basis	Reinvestment of 52 percent o the total net income of the 8 cooperative corporations after full Federal taxes	Percent growth advantage of tax exemption
8	1946	$8,030,880	$4,828,438	66

[1] $8,030,880 minus $4,828,438 is $3,202,442. The figure of $3,202,442 is approximately 66 percent of $4,828,438.

TABLE X [1]

Number of cooperative corporations	Time period	48 percent of the total net income of the 8 cooperative corporations with tax exemption paid out in cash dividends	48 percent of the total net income of the 8 cooperative corporations after full Federal taxes paid out in cash dividends	Percent advantage of tax exemption in capacity to pay cash dividends
8	1946	$7,413,120	$4,457,020	66

[1] Ratio of $4,457,020 to $7,413,120 minus $4,457,020 is approxima ely 66 percent.

OTHER ADVANTAGES

From our study of cooperatives this far, tax exemption appears to give cooperative corporations advantages other than those of capacity to grow and capacity to make cash payments. It appears also to give cooperative corporations two other important advantages. Tax exemption enables cooperative corporations in competition with proprietary corporations in the marketing, distribution, manufacture of products or the performance of services to give their customers better prices than they would otherwise be able to do. Tax exemption also appears to give cooperative corporations a definite market advantage in the buying of business properties. Let me now comment briefly on each of these advantages.

PRICE ADVANTAGE

Where cooperative corporations can pay more cash payments to their patron owners through tax exemption than they would otherwise be able to do, their capacity to give their customers more attractive prices and hence to obtain a competitive advantage over competing proprietary corporations is automatically increased.

In a marketing cooperative for instance, the more cash dividends it can pay its producers, the greater the profit of those farmers from the sale of their products and the greater the capacity of the marketing cooperative to attract farmer customers away from competing proprietary corporations.

Consider an example of a prosperous marketing cooperative engaged in the marketing of poultry and eggs studied by the committee.

This cooperative from 1935 through 1946 had an estimated net income of $15,753,325. During this period, it had a total increase in net worth of $5,637,985. We estimate that approximately $4,953,000 of this total increase in net worth was due to reinvestment of net income.

We also estimate that had this cooperative corporation paid a comparable share of Federal taxes, it would have paid to the Federal Government a sum amounting to approximately $7,366,645.

On a tax exempt basis, this corporation reinvested approximately 31 percent of its net income amounting to $4,953,000. It had left therefore for cash payments approximately $10,800,328 (69 percent of its total net income).

If this cooperative corporation had paid a comparable share of Federal taxes, it would have had a net income of only $8,386,683. Had it reinvested 31 percent of its net income after such Federal taxes, it would have had left only $5,786,811 (69 percent for cash payments). The percent advantage of tax exemption of this cooperative corporation can be measured on two bases. First, if it had applied all of its net income to cash payments on a tax exempt basis, it would have been able to have paid out nearly 100 percent more cash payments than if it had paid a comparable share of Federal taxes.

Second, if it had reinvested 31 percent of its net income on a tax exempt basis, it would have also been able to pay out nearly 100 percent more in cash payments than if it had paid its share of Federal taxes. Tables XI and XII show the percent advantage of tax exemption to this cooperative marketing corporation in making of cash payments.

TABLE XI

Total net income of marketing cooperative corporation, 1935 through 1946	Estimated total net income of cooperative marketing corporation after Federal taxes, 1935 through 1946	Percent advantage of tax exemption to cooperative corporation to make cash payments if total net income was utilized to make cash payments
$15,753,328	$8,386,683	87

TABLE XII

Total net income of marketing cooperative corporation, 1935 through 1946	Estimated reinvestment of net income, 1935 through 1946	Estimated net income available for cash dividends	Estimated total net income after Federal taxes, 1935 through 1946	Estimated net income for cash payments after Federal taxes and after reinvestment of 31 percent of total net income	Percent advantage of tax exemption to make cash payments
$15,753,328	$4,953,000	$10,800,328	$8,386,683	$5,786,811	87

Let me take the case of a large cooperative corporation engaged in the manufacturing of butter, cheese, and the processing of other dairy products. If this cooperative corporation can make more cash payments to its patron owners under tax exemption than without it, it is automatically in a position to offer lower prices to the purchasers of its products. Such capacity is a definite advantage in its competition with proprietary corporations vending the same products.

This cooperative from 1935 through 1946 had an estimated net income of $12,217,220. During this period of time, its net worth increased from $273,736 to $12,329,147. Its total increase in net worth was, therefore, $12,055,411.

We estimate that approximately $8,810,500 of this total increase in net worth was due to reinvestment of net income. We also estimate that had this cooperative corporation paid its comparable share of Federal taxes on corporate income, it would have paid taxes to the Federal Government amounting to $7,151,467.

On a tax-exempt basis, this cooperative corporation had net income available for cash payments amounting to $3,406,720.[1]

On a taxable basis, this cooperative corporation would have had a net income of only $5,065,753. On a tax-exempt basis, this cooperative corporation reinvested approximately 72 percent of its net income. Had it reinvested 72 percent of its net income after Federal taxes, it would have had left only $1,418,411 available for cash dividends.

The percent advantage of tax exemption, therefore, to this corporation in its capacity to make cash payments is estimated at approximately 140 percent.

Had this corporation applied all of its net income to cash di idends, both on a tax-exempt and a taxable basis, we estimate that the percent advantage of tax exemption in its greater capacity to make cash payments would be also approximately 140 percent.

Tables XIII and XIV show the advantage of tax exemption to this important cooperative processing corporation in its capacity to offer more attractive prices to the buyers of its products.

TABLE XIII

Estimated total net income of cooperative corporation from 1935 through 1945	Estimated total net income of cooperative corporation from 1935 through 1945 after Federal taxes	Estimated percent advantage of tax exemption if all of a corporate corporation's total net income from 1935 through 1945 had been distributed in cash payments
$12,217,220	$5,065,753	140

TABLE XIV

Estimated total net income of cooperative corporation from 1935 through 1945	Amount and percentage of net income reinvested	Estimated amount and percentage of net income available for cash dividends
$12,217,220	($8,810,500 (72 percent).	$3,406,720. (28 percent).

Estimated amount of total net income of the cooperative corporation from 1935 through 1945 after Federal taxes	Estimated amount of total net income available after Federal taxes and after reinvestment of 72 percent of total net income	Percent advantage of tax exemption with a reinvestment of 72 percent of net income in capacity to make cash payments
$5,065,753	$1,418,411	140

[1] $12,217,220 (total net income) minus $8,810,500 (reinvested net income) equals $3,406,720.

I could use more illustrations. But I think these two will suffice to illustrate the principle I am seeking to develop. Whatever the degree of tax exemption, there appears to be an advantage (greater or less according to the degree of Federal taxation on corporations) in the capacity of cooperative corporations enjoying such tax exemption to give their customers better prices than they could without it. From the standpoint of price, therefore, tax exemption, in my opinion, does give them an advantage over proprietary competitors also doing business under the corporate form of enterprise.

ACQUIRING BUSINESS PROPERTIES

From the standpoint of business growth, tax exemption also appears to yield a further advantage. Reinvested net income may be put into new plants or may be used to purchase other businesses. Such other businesses can also be purchased through the borrowing of money. But since the purchase of other businesses is widely used as a method of growth in the corporate world, it is important to stress the advantage which tax exemption appears to give cooperative corporations in bidding on business properties over proprietary corporations. Where a cooperative corporation bids on a business property operated by proprietary owners, it can through tax exemptions afford to bid substantially higher than proprietary bidders. The reason for this is that if it gets the property, the income from such property can become tax exempt, which means that such property under cooperative ownership will have more net income than under proprietary ownership.

Let me make use of an hypothetical illustration. A cooperative corporation enjoying tax exemption and a proprietary corporation are trying to buy proprietary corporation X which over a period of years has had an average net income of $1,000,000. This is its net income after Federal taxes which have amounted to approximately 38 percent a year. Under these assumptions the corporation's net income before Federal taxes was approximately $1,612,900. If the cooperative corporation obtains this property, Federal taxes on it will cease and its net income will be approximately $1,612,900. If the proprietary corporation bidder obtains this property, it will continue to yield only a net income of approximately $1,000,000. Hence, to the cooperative corporation bidder, the property from an income standpoint is worth $612,900 more than it is to the proprietary corporation bidder. Assuming that the market rate of return on investments in general is around 5 percent, the corporation is worth approximately $20,000,000[5] to the proprietary bidder. But to the cooperative bidder it would be worth approximately $32,258,000.[5] Hence, the cooperative bidder could afford to pay two or three million dollars more for the property. In fact, it could afford to pay $12,000,000 more for the property. But, of course, it would not have to go this far. A couple of million more would probably be sufficient to top the price of the proprietary bidder. On this basis the cooperative corporation not only gets the business property, but through tax exemption of its income after its acquisition by the cooperative corporation, it has a definite advantage in amortizing its investment over the proprietary corporation had it acquired the property. If the cooperative corporation bid $22,000,000 for the property, from a business standpoint, it would expect to earn on its investment 5 percent a year, or $1,100,000. But through tax exemption the property would be earning approximately $1,612,900. The cooperative corporation consequently would have some $512,000 extra revenue with which to amortize its investment.

Because of the present high rates of Federal taxes on corporate income and because of the prospects that such rates are likely to continue for an indefinite time in the future, cooperative corporations enjoying tax exemption appear to have a substantial advantage over proprietary corporations in shopping the market for businesses which they desire to acquire. The advantage of tax exemption in the purchase of business properties has caused some cooperatives to point out to their patrons that "factories are free." They mean by this, of course, that the property could ultimately be substantially paid for out of net income which would not be taken by the Federal Government and which would be available to liquidate the investment.

[5] Net income multiplied by twenty.

NON-TAX-EXEMPT COOPERATIVES

In our study of cooperatives, we have found that it is important to distinguish what are called non-tax-exempt cooperatives from wholly tax-exempt cooperatives. The eight cooperatives which have figured so largely in my presentation this far were wholly tax-exempt cooperatives. Now I wish to point out to the committee that even if they had been non-tax-exempt cooperatives, the advantages of tax exemption which I think appear in their case as wholly tax-exempt cooperatives would exist also if they were non-tax-exempt cooperatives.

The words "non-tax-exempt cooperatives" are misleading. They imply that such cooperatives pay to the same degree as proprietary corporations their share of all taxes. Indeed, the supporters of cooperatives have at times taken particular pains to so represent non-tax-exempt cooperatives. In the committee's hearings on the Greenbelt Consumer Services, Inc., a number of press stories insisted on picturing this non-tax-exempt urban consumer cooperative corporation as one which paid all taxes. Such representation, however, of non-tax-exempt cooperatives amounts to deliberate deception. Non-tax-exempt cooperatives may pay all the forms of taxes but they do not pay all forms to the same degree as proprietary corporations.

Particularly, they do not pay to the same degree as proprietary corporations their share of the Federal tax on corporate income. Though they pay to the same degree as proprietary corporations their share of Federal excise taxes, State and property taxes, their failure to pay to the same degree as proprietary corporations their share of the Federal tax on corporate incomes gives them a tax advantage which in many cases is very little less than that enjoyed by wholly tax-exempt cooperatives.

A wholly tax exempt cooperative makes no payments under this Federal tax. Wholly tax exempt cooperatives are confined to agricultural cooperatives. But to qualify for complete tax exemption, an agricultural cooperative must be substantially in the hands of farmers. Its business opportunities are also restricted. If it is a marketing cooperative, the business which it does with nonmembers cannot at any time exceed the business which it does with farmers. If it is a purchasing cooperative engaged in distribution, the total amount of business which it can do with nonmembers is limited to 15 percent of its total business.

A non-tax-exempt cooperative may make some payments under the Federal tax on corporate income, but the payments it makes are never equal to the amount that would be paid by a proprietary corporation having the same net income. Thus, in general, the wholly tax exempt cooperative appears to enjoy a greater capacity to grow because of such tax exemption than a non-tax-exempt cooperative corporation when both are contrasted with a proprietary corporation having the same net income.

However, the difference between the advantage of complete tax exemption and the tax exemption which can be enjoyed by a nonexempt cooperative corporation is apparently so slight that the committee has been informed a number of cooperatives now qualifying for complete tax exemption are considering going on a non-tax-exempt basis.

Some managers are weighing in their minds whether it is more profitable to have a slightly greater tax exemption by being a wholly tax exempt cooperative with the handicaps of having to do business with a restricted clientele or to have wider markets through eliminating the restrictions on the kind of members they must do business with and having to pay for this privilege by tax exemption which is only slightly less than that of complete tax exemption.

It appears also that some cooperative managers believe the day has arrived when tax-exempt privileges should be eliminated and that it is better business for cooperative corporations to be treated like all other corporations.

Let me now point out to the committee (on the basis of our studies to date) the slight difference that exists between complete tax exemption for cooperatives and taxation of cooperatives on a non-tax-exempt basis.

It appears possible for the net income of a wholly tax-exempt cooperative corporation to be distributed in any way the management sees fit without one penny being collectible under the Federal tax on corporate income. The management of a wholly tax-exempt cooperative corporation has plenary power to determine how much it will pay out in cash patronage refunds and how much it will keep in the treasury.

The management of a non-tax-exempt cooperative corporation, however, appears not to have the same plenary power to dispose of its net income if it wishes to avoid paying Federal taxes. But—and this is the important point—it does appear to have the power to so arrange the distribution of its net income so that it can either avoid completely the payment of any Federal taxes or can limit the amount to only a fractional part of what it would pay were the cooperative corporation a proprietary one.

Once the net income of a proprietary corporation is determined, the Federal tax on corporate income applies without further deductions being allowed. If, for instance, a proprietary corporation has a net income of $1,000,000, it must pay under the Federal tax on corporate income $380,000 to the Federal Government. (This assumes the present rates under this tax.) The proprietary corporation, therefore, would have left only $620,000 to distribute in cash dividends or to reinvest.

If, however, a non-tax-exempt cooperative corporation has a similarly computed net income of $1,000,000, that income can be made subject to further deductions before application of the Federal tax on corporate income. All patronage refunds paid in cash may be deducted from the million-dollar income. If the whole million dollars is distributed in cash patronage refunds, no Federal taxes will be paid. Under this condition, a non-tax-exempt cooperative corporation can be made as exempt from Federal taxes as the wholly tax exempt cooperative corporation.[6]

A further deduction is permitted from the net income of a non-tax-exempt cooperative corporation. Any part of its net income which is kept in the corporate treasury and against which is issued to the owners of the cooperative corporation stock or other evidences of equity interest may be deducted from the net income of the cooperative cor-

[6] Actually the Bureau of Internal Revenue excludes from gross income the deductions I am referring to before arriving at the net taxable income. For purpose of simplicity of comparison, I have used the terms "net" and "similarly computed net."

poration before arriving at its taxable net income under the Federal tax on corporate income.

Consequently, if all of the similarly computed net income of a non-tax-exempt cooperative corporation is kept in the treasury and stock or other evidences of equity interest are issued to the owners representing its retained dollar value, a non-tax-exempt cooperative corporation would not have to pay a penny in Federal taxes. Under this condition it would appear that a non-tax-exempt cooperative corporation can be made as exempt from Federal taxes as a wholly tax-exempt cooperative corporation. They can plow back their entire earnings tax free into competitive capital.

Theoretically, therefore, it is perfectly possible for a non-tax-exempt cooperative to be as exempt from Federal taxes as a wholly tax-exempt cooperative. By declaring a part of its net income in cash patronage refunds and retaining the remainder in the business through issuing against such retained income stock or other evidences of equity interest, a non-tax-exempt cooperative can avoid the payment of even a single penny under the Federal tax on corporate income.

In practice, however, non-tax-exempt cooperatives do pay some taxes under the Federal tax on corporate income. But, the taxes they pay are never equal in amount to those paid by proprietary corporations. Indeed, they are generally only a fractional part of the Federal taxes paid by proprietary corporations.

In three cases only is the net income of a non-tax-exempt cooperative subject to the Federal tax on corporate income.

The first case is where the non-tax-exempt cooperative corporation pays a fixed rate of dividends on outstanding issues of common or preferred stock. Such payments are not deductible from the net income of a non-tax-exempt cooperative corporation in computing its taxable income under the Federal tax on corporate income.

For example, let us assume a hypothetical non-tax-exempt cooperative corporation having a net income of $1,000,000 and committed to annual fixed payments on its common and preferred stock of $100,000. In order to make this payment, it will have to reserve out of its total net income a sum which after application of the Federal tax on corporate income will yield $100,000.

If the Federal tax on corporate income is 38 percent, our hypothetical non-tax-exempt cooperative corporation will have to subject approximately $162,560 of its million dollar net income to Federal taxation. After paying a tax of 38 percent on this $162,560, it would have left $100,000 to pay the dividend commitments on its common and preferred stock.

The second situation where the net income of a non-tax-exempt cooperative corporation can be made subject to the Federal tax on corporate income is where such cooperative corporation sets up what is technically called an unallocated reserve. An allocated reserve is one against which there has been issued to the owners of the non-tax exempt cooperative stock or other evidences of equity interest equal in face value to the amount of the retained income. An unallocated reserve is one which represents the reinvestment of net income without the owners of a non-tax-exempt cooperative corporation receiving any paper evidences that their equity interest in the net worth of the cooperative has been increased by an amount equal to the reinvested net income.

Unallocated reserves, it should be pointed out, can be set up in a wholly tax exempt cooperative without such reserves being taxable under the Federal tax on corporate income. But since in a non-tax-exempt cooperative corporation such reserves are taxable, they are apparently infrequently used. Where used, the amount of the net income of the non-tax-exempt cooperative must be set aside which after payment of Federal taxes is equivalent to the amount of the unallocated reserve desired.

The third situation where the net income of a non-tax-exempt cooperative corporation can be subject to the Federal tax on corporate income is where such cooperative corporation derives income from nonmembers and fails to admit such nonmembers to full membership in the cooperative. This situation, however, is relatively unimportant since the cooperative corporation can generally use the income derived from business with nonmember customers to assign on its books a membership share (generally of very low value to each nonmember) and admit such new members to full rights in the cooperative, thereby avoiding the Federal taxation of this income.

As between the three situations where the net income of non-tax-exempt cooperative corporation is subject to the Federal tax on corporate income, the first is by far the most prevalent, i. e., application of the Federal tax on corporate income to the net income of non-tax-exempt cooperative corporations which must be paid out to meet fixed annual dividend commitments on their common or preferred stock.

During the course of our hearings on cooperatives, a thorough investigation of only one non-tax-exempt cooperative corporation was made. This was the Greenbelt Consumer Services, Incorporated, a non-tax-exempt urban consumer cooperative corporation.

From 1940 through 1946, this cooperative corporation had a total net income of $163,821. On this total net income, taxes levied under the Federal tax on corporate income amounted to $25,299. Had Greenbelt Consumer Services, Inc., however, been a proprietary corporation, it was estimated that it would have paid total taxes under the Federal tax on corporate income amounting to $85,447. Thus, this non-tax-exempt cooperative corporation paid only approximately 30 percent of the taxes it would have paid under the Federal tax on corporate income had it been a proprietary corporation.

The principal reason why it paid so much less in taxes under this Federal tax is that as a non-tax-exempt cooperative corporation, it was permitted to deduct from its total net income of $163,821, the sum of $88,689, representing deductions from net income for the payment of cash patronage refunds or for the reinvestment of net income against which stock or other evidence of equity interest had been issued. Thus, while a proprietary corporation would have been taxed on the full amount of a net income amounting to $163,821, Greenbelt Consumer Services, Inc., was taxed on only $75,132 of its total net income of $163,821. This $75,132 could not escape taxation because it was used to discharge after taxes the obligations of the cooperative corporation to make fixed annual interest payments on outstanding issues of common and preferred stock or represented taxed income derived from business with nonmembers where such nonmembers were not admitted to membership.

Thus, the differences between a wholly tax-exempt cooperative corporation and a non-tax-exempt cooperative corporation may range from no difference at all to the payment of some taxes under the Federal tax on corporate income. Consequently, a non-tax-exempt cooperative can escape 100 percent any payment of Federal taxes or it can pay only a part of the taxes it would pay on its net income were it a proprietary corporation.

Recent developments, however, indicate that even the principal situation whereby the small amount of the total net income of non-tax-exempt cooperative corporations is taxable under the Federal tax on corporate income is likely to be eliminated.

EXPERIMENT IN TAX AVOIDANCE

The Consumers Cooperative Association of Kansas City, Mo., one of the largest cooperative corporations in the United States, has recently embarked on a reorganization of its financial structure which, if successful, will make tax exempt that part of its net income which would be taxable under the Federal tax on corporate income, i. e., that part of its net income used to meet fixed annual dividend payments on outstanding preferred stock.

Up to a few months ago, Consumers Cooperative Corp. was a wholly tax-exempt cooperative. Its managers, apparently desiring to do more business with nonfarm members (urban consumers) announced that this cooperative corporation would give up its status as a wholly tax-exempt cooperative corporation and become a non-tax-exempt cooperative corporation. At the same time its management announced a program for having the holders of its outstanding preferred stock exchange their shares for "certificates of indebtedness."

These certificates of indebtedness have a definite maturity date and provide for a fixed annual interest rate. Spokesmen of the Consumer Cooperative Association have already said that through this financing plan, they expect to convert the corporation's outstanding preferred stock into securities having the nature of bonds so that all of the interest paid on them can be deducted as a cost of operation and be, therefore, exempt from Federal taxation.

If the Consumer Cooperative Association can do this, it will have established a method for making tax-exempt that part of the net income of non-tax-exempt cooperative corporations which is at present reached by the Federal tax on corporate income. Such a method, if established, is certain to be widely imitated with the result that non-tax-exempt cooperative corporations will be practically as fully tax-exempt as wholly tax-exempt cooperative corporations.

There is, however, a very important legal difference between the tax exemption enjoyed by a wholly tax-exempt cooperative corporation and a tax exemption enjoyed by a non-tax-exempt cooperative corporation. The tax exemption enjoyed by a wholly tax-exempt cooperative corporation is the result of congressional legislation. It is wholly statutory in its origin. Section 101 of the Federal Internal Revenue Code is the source of the legislative authority for the complete tax exemption enjoyed by tax-exempt cooperative corporations.

TREASURY RULINGS

The tax-exemption privileges of non-tax-exempt cooperative corporations, however, rest upon no statutory authority. Their source is Treasury rulings. These rulings, proponents of cooperatives have declared, are supported by decisions of our courts. Though the committee staff was not able to make an exhaustive inquiry to determine to what extent such Treasury rulings were supported by judicial decisions, it was informed from various reliable sources that this is not the case.

There appear to be, I am informed, several decisions of the tax courts which lend some color to the Treasury rulings which permit non-tax-exempt cooperatives to deduct patronage refunds paid in cash or net income reinvested before arriving at net income taxable under the Federal tax on corporate income. But the committee staff has been unable to find any decisions of our district courts, circuit courts, and particularly the Supreme Court of the United States, which, on their face, unequivocally sustain the Treasury rulings referred to above.

It is extremely important, however, to observe that if existing Treasury ruling relating to non-tax-exempt cooperative corporations continue any effort to put cooperative corporation business and prorietary corporation business on the same taxable basis will be frustrated under the existing system of Federal taxation of corporate income. Congress can repeal section 101 of the Federal

Internal Revenue Code, which will eliminate statutory tax exemption for cooperative corporations. But if administrative tax exemption, i. e., Treasury rulings, remain in force, cooperative corporations will continue to enjoy tax exemption to a very substantial degree—even to the same degree as under statutory tax exemption—though statutory tax exemption has ceased to exist.

AGENCY

Now, Mr. Chairman, if you will permit me, I would like to make a few comments on arguments that the committee has listened to during its hearings in cooperatives—arguments contending that cooperative corporations cannot be legally taxed even though Congress should repeal statutory tax exemption. These arguments are directed toward justifying the legal validity of present Treasury rulings which make it possible for non-tax-exempt cooperative corporations to enjoy practically all the benefits of complete tax exemption under statutory authority.

Now, Mr. Chairman, I am not a lawyer; I am only a businessman. But, as a businessman, my common sense has been forced to take issue with the arguments I have heard regarding the legal nontaxability of cooperative corporations.

We have been told that a cooperative corporation is merely the agent of its members. As an agent it cannot be taxed for having in its possession money belonging to its principal. Now, as a businessman, I have had some experience with agency. It seems to me that a basic characteristic of a genuine agency relationship is the unlimited liability of the principal for acts of the agent performed within the scope of his authority.

Suppose I hire Jones to be my agent, give him the power to borrow money on my behalf, which I instruct him to use in business ventures out of which I except to make a profit. Suppose Jones' use of the borrowed money results in its total loss. If that happens, it seems to me that, under true agency, the lenders could collect from me as principal.

Now a cooperative corporation has the power to borrow money. And if the analogy of agency is relied upon, it exercises that power on behalf of its principal and within the scope of the authority conferred upon it by the principal. Yet, if the money it borrows is totally lost and the assets of the cooperative corporation are insufficient to repay the borrowed money, the lender or lenders cannot have recourse against the principal of the cooperative corporation (patron owners of the corporation).

These members enjoy limited liability since they are liable only to the extent of the assets of their cooperative corporation. If they are really principals, they can't limit their liability for money borrowed by their agent (the cooperative corporation). And, if they have limited liability for such authorized activities of their agent, they can't be principals and therefore it appears to me that the agency theory seems to disintegrate.

This, of course, reveals the falaciousness of argument by the contenders that cooperative corporations and co-partnerships are comparable.

Furthermore, it seems to me that no true agent can receive money from a principal, make a profit on the use of that money in transactions authorized by the principal, and fail to return to the principal all of said profits minus legitimate expenses. Yet, in a cooperative corporation, some of its patron members may contribute money which is used to purchase—say a building or a plant. The plant or building may subsequently be sold at a handsome profit. But in the period between its acquisition and its sale, some of the patron members who put up the money for its purchase may have either died or given up their membership in the cooperative corporation. These patron members or their estates may in the case of some cooperative corporations be entitled to get back the capital they originally advanced. But the profit which ultimately accrues is held for the benefit of other patron members as principals. At this point, the basic principle that an agent must return all profit to his principal likewise disintegrates.

REFUNDS—REBATES

We have been told that patronage refunds are not federally taxable because they are in substance only rebates or trade discounts. This argument, too, has, it seems to me, bugs in it.

A rebate, from my business experience, is a fixed refund which is agreed upon by a business before such business realizes any net income. It is paid out automatically as business is transacted over the year and does not necessarily depend on the realization of any net income by the business. In the case of mutuals and reciprocals participating dividends are not firmly fixed.

Patronage refunds, on the contrary, are paid out only if a cooperative corporation has a net income. The size of the rebate is not fixed in advance and its size depends on the amount of the net income after it is realized. If there is no net income, there will be no patronage refunds. Logically, there is argument that refunds are only paid to members in a cooperative corporation.

ADDITIONS TO PRICE

We have been told that patronage refunds are not taxable because they are either additions to or subtractions from price. In the case of a marketing cooperative corporation, this theory holds that the initial payment, progress payments (where they exist), and the final payment are all additions to price and that, therefore, there is no profit or net income in the treasury of such cooperative corporation to distribute.

As I see it, there is in agricultural cooperative marketing corporations, under certain circumstances, a problem of where additions to price ends and profits begin. But that a cooperative corporation does earn net profits seems evident. The Treasury Department has referred to profits of cooperative corporations, the Supreme Court has referred to them as profits and reference to profits can be found even in the charters of cooperative corporations themselves.

In a proprietary marketing corporation net profits are established in the following way. From the gross income of such corporation, there is deducted payment for the product or products marketed, other costs of operation and deductible reserves permitted by the Bureau of Internal Revenue.

Where agricultural cooperative marketing corporations have competition, we have observed they tend to pay the same market price (represented by the initial payment) for their products as do their proprietary competitors. Where this condition exists, the determination of profits probably should involve exactly the same process of computation as is applied to a proprietary marketing corporation.

Where, however, marketing cooperative corporations enjoy a monopolistic position in the market, they are able to pay less than market price and a problem does emerge, complicated by progress payments, as to where additions to price leave off and profits begin. The division point is difficult to determine. One way this problem could be quickly settled might be found in the proposal that all such marketing cooperative corporations be taxed on the net income retained in their treasuries at the close of the fiscal year. If such a rule existed one may be sure that cooperative corporations would make every effort to pay out of their treasuries as much cash as possible for distribution before their final payment at the end of the fiscal year. This final payment would represent profits since the farmers probably could have been already paid the market price for their products.

FOR THE FARMER'S BENEFIT

It is important to emphasize that the farmers of this country who are members of cooperative marketing corporations would welcome some means which would encourage greater cash distribution so that they could get as much as possible as quickly as possible from their marketing cooperatives. This might be one case where corporate taxation would become a great benefit to the individual farmer.

SUBTRACTIONS FROM PRICE

In the case of agricultural purchasing cooperative corporations engaged in either the distribution of products, the manufacture of products, or the rendering of services, or urban consumer-cooperative corporations, engaged in only the distribution of products, cooperative theory contends that patronage refunds are in the nature of overcharges on price, i. e. subtractions from price and, therefore, are not taxable. This contention also seems to me to be open to criticism.

A proprietary corporation engaged in either the distribution or manufacture of products or the rendering of services sells its products or services to customers at market prices. From its gross-sales income it deducts all expenses and all allowable reserves. The remainder is net taxable gains or net taxable profits

Now a cooperative corporation engaged in either the distribution or manufacture of products or the rendering of services does exactly the same as a proprietary corporation. It, too, sells its products or services to customers and generally—it is claimed—at the same market prices charged by competing proprietary corporation. From its gross-sales income after deducting all expenses and allowable reserves it, too, has a remaining sum.

Because the cooperative way of doing business, this remaining sum, if paid out in cash patronage refunds, is paid to the customers of the cooperative corporation who bought its products or services.

Does this fact make the payment any less a distribution of net income or profits? The test of profits, it seems to me, is not to whom they are owed or how they are owed but how they were created. The fact that if money is distributed by a corporation the individual recipient of such money can look at his amount either as a refund on various prices he paid at various times in the past before the close of the fiscal year of the corporation or as a return on his pecuniary interest in the corporation seems to me to be immaterial from the standpoint of determining whether the money distributed is or is not profits.

Since cash patronage refunds in an agricultural purchasing cooperative corporation or an urban consumer cooperative corporation are paid out of a remainder fund, which is speculative, created by deducting all expenses and allowable reserves from total gross sales, this remainder fund appears to be profits to me.

We have been told—and this seems to be the most prevalent argument and the one most relied upon—that cooperative corporations are not taxable under the Federal tax on corporate income because such corporations have a previous contract in force with their customers which expressly stipulates that any money received by the corporation over and above expenses does not belong to the corporation but to the customers of the corporation. This theory holds that since the cooperative corporation cannot take title to what it has in its treasury over and above expenses the money does not belong to it and hence it cannot be taxed through the Federal tax on corporate income.

In my opinion, this argument needs thorough appraisal. Are one group of businessmen doing business one way to be allowed to make use of their private contractual power to prevent the Federal Government from taxing all business corporations on an equitable corporate income basis? If such contract is valid, then the patron owners of cooperative corporations possess the crushing power to compel proprietary corporations to convert themselves into cooperative corporations so that they may also enjoy tax exemption, or to fight an unfair battle against cooperative corporations armed with such tax exemption or to force the Government to abandon its tax on corporate income. Does such a contract amount to an abuse of private contractual power, since it is contrary to the public interest which should be to have the Government treat all corporations alike in taxing their corporate income?

But competent lawyers tell me that strictly from a legal point, this theory does not hold water. They say it is not to whom money is owed but who actually makes that money which determines tax liability, and that since the cooperative corporation makes the money that is ultimately distributed, it cannot avoid its Federal tax liability simply because it has a contract with its members to return such money to them.

ENGLISH AND CANADIAN PRECEDENTS

The common law of some countries abroad throws further doubt on the legal validity of the contentions the committee has listened to which attempt to justify administrative tax exemption as inherent in our common-law system. For instance, in England, which is the mother of our common-law system, the courts have already gone a long way in knocking out such contentions. They have held that a cooperative corporation does have net income, that it does make profits, and that those profits are taxable by the central government. English courts have already established that any net income of a cooperative corporation which is kept in the Treasury is taxable. Cash patronage refunds, however, are permitted to escape taxation by the central government though they are of course, picked up under the British individual income tax. And there is impressive investigational precedent for believing that eventually the courts may get around to taxing cash patronage refunds at the corporate level. In 1933 the Chancelor of the Exchequer's select committee investigating British cooperatives unanimously recommended that they be treated in all tax matters as ordinary corporations.

In Canada, which also derives its common law largely from England, the courts have held that cooperative corporations do have net income, do have net profits, and that such net profits are subject to a central tax by the central government. The central government's taxation of cooperative corporations in Canada goes a little further than it does in England. All of net income retained in the business is taxable just as it is in England but, whereas in England cooperatives can escape the central government's tax on cash patronage refunds, the Canadian courts limit the amount of such cash patronage refunds that can escape taxation by the central government.

Mr. Chairman, from what I have heard, our courts have not confirmed the fact that administrative tax exemption is inherent in our common law system. Therefore, should the Congress proceed to put cooperative corporations on the same Federal tax basis as proprietary corporations and ignore such Treasury rulings? If such a program is enacted into law, the Treasury Department will be compelled to discontinue its rulings permitting tax exemption. Cooperative corporations may then be expected to challenge such action of the Treasury Department in the courts. Within a reasonable time we can count upon a final decision from the Supreme Court of the United States. Should that decision declare the inability of the Federal Government through its tax on corporate income to put both cooperative corporations and proprietary corporations on the same tax basis, then the Congress will have to reconsider the whole matter.

SUMMARY COMMENT

This formal presentation which I have made is, as I stated in my introductory remarks, a result of information gained by a study being conducted by the House Small Business Committee dealing with the various competitive forces in our economy and their effect upon small business. And I repeat that it is not a committee report, that the committee cannot report intelligently until it has exhausted the subject. What I have said here today are observations which I have gained from our study as of this date.

The data used in our tables were supplied by competent accountants under the principal supervision of a certified public accountant during many weeks of work. It was a difficult task in that these accountants, after they had received helpful information from these various cooperative corporations, had to, in a measure, reconstruct the cooperative accounting results so as to make them comparable, as far as possible, to the standard practices generally understood in proprietary corporation accounting.

I have copies here of the individual comparisons made of the eight corporations which I have had lumped together in the tables used. I have not contained them in my formal statement because I did not choose to use my discretion as to the use of the names of these various cooperative corporations. I have no desire to embarrass anyone. My only hope is to get competent analyses and intelligent understanding of a difficult subject. There are three documents which I am presenting to the Ways and Means Committee for their executive consideration. The composite of these documents have been used in the tables, and I have used them in composite form so as to not reveal specific identity. I can think of no fairer approach to the public consideration of the problem.

I later requested our certified public accountant to make the same analyses, deleting from consideration actual cash refunds. It is true, however, that the percentage proportions of advantage as shown in the tables will not vary. I am placing before the committee for its executive consideration, a copy of the letter of enclosure from the accountant supervising the accounting phase of the study which comments briefly on the tax amount differentials which might be anticipated, but it also makes clear the fact that I could not have such data ready in time for the committee's consideration. I intend to have such data completed in the future study of the committee and when that is done, they will be made available to your committee. I submit, therefore, three documents, plus individual analysis sheets on some of these cooperative corporations, comment of the accountant and a copy of his special memorandum to the chairman of the Select Committee on Small Business. All of these for the executive consideration of your committee. The composite figures have already been presented publicly.

It has been argued by cooperative leadership, as I have tried to point out at various points in my testimony, that the cash refunds can in no sense be considered corporate money or a part of corporate profits. I repeat that it is most difficult to determine in the case of the marketing cooperative corporation where personal profit of the patron ends and corporate profit begins so far as the cash refunds are concerned, but my observation leads me to the belief that both elements exist. And, as I have already suggested, might be resolved to the benefit of the farmers by the application of corporate income taxes on the net income which is retained in the cooperative corporation.

In the marketing cooperative corporation, I can see a degree of merit in both arguments relative to personal or corporate profit. I have not gained any such impression in relation to purchasing or urban consumer cooperatives.

From our study this far, it is my firm belief that legal and honest enterprise of whatever pattern should be allowed to operate in a free competitive system. But all such enterprises should compete under the same ground rules where government seeks either to regulate, operate, or tax such enterprises. Our Committee on Small Business is not looking merely at what special privileges cooperatives may possess. Our cooperative investigation is only a small part of our general program to study the competitive forces in our economy as they effect small business.

I think it is important, however, to relate here and now that from the beginning of our cooperative investigation, the operators of farm cooperatives have impressed on me in private that they are not blood brothers of the urban consumer cooperatives—and curiously enough, the operators of urban consumer cooperatives have been claiming that they are identical twins with farm cooperatives. We are trying to learn by exhaustive study just where each fits into the pattern of our competitive economy. As of this date, it appears to me personally that there is room in our economy for all types of cooperatives which seek through fair competitive enterprise to improve the standard of living of their members.

But I must admit that in the course of our cooperative investigation, I have gotten the impression that farm cooperatives apparently stem from one ideology, while urban consumer cooperatives apparently stem from another.

I am convinced—and I am glad to say this publicly—that farm cooperatives where not monopolistic, seem to be a logical part of a competitive capitalistic profit system. But I have not been able to determine in my own mind as yet, in what kind of an economic system the urban consumers cooperative finds its natural and logical place. It is my determination, however, to learn through the further progress of our study on cooperatives.

During the course of these studies, I have had numerous opportunities to discuss these problems at great length with outstanding leaders of the farm cooperative movement in America. I am impressed with the sincerity of their claims. I have also been impressed with the sincere desire of some of them to find an equitable solution for the problem which is before your committee.

There is no reticence on their part to condemn diversionary arguments in behalf of the cooperatives. They show no disposition to approve or take advantage of the diversionary arguments in their behalf. They are practical businessmen and have impressed me as being men of outstanding ability and integrity. I have spent many hours in discussion with the small and independent businessmen in this country who are claiming and fighting these exemptions which they call tax discrimination as between themselves and cooperative corporations. I am impressed with their sincerity and integrity, and I deplore the attitude of those who seek to make a football out of this discussion.

The controversy does not shape up as farmer against businessman because we have such outstanding and recognized farm leaders as former Chairman FLANNAGAN of the House Agricultural Committee who has stated, "Believing as I do that farming is a business, honesty demands that I state in this connection, * * * if farmers get together and form a cooperative to further their business interest, the cooperative so formed should be taxed just like any other business enterprise is taxed. There is no

economic justification for any business enterprise, including cooperatives, that has to depend on tax exemption or tax evasion for its existence."

The recent resolution adopted by the Indiana State Grange on October 30, 1947, shows the reasonable recognition of the problem before you by the agricultural leaders of an outstanding agricultural State. Their resolution demonstrates a sincere desire to aid in its solution.

As a result of my many conferences with cooperative leaders, and taking into account what I have observed in the long study that I have now given the subject, certain points seem to naturally suggest themselves and they are these:

1. For tax purposes all deductible reserves in corporations shall be clearly defined and the definition be made applicable to all corporations alike with regard to the computation of their net taxable income under the Federal tax on corporate income.

2. For tax purposes all corporate income should be treated equitably at whatever rate is determined by the Congress for all alike and all corporations should be permitted to deduct from gross income dividends paid in cash on stock and all patronage refunds paid in cash as a result of contractual obligations, provided section 101-12 of the Internal Revenue Code is repealed.

3. All stock dividends and patronage refunds paid by evidence of ownership or debt but not in cash should be treated alike for the purposes of taxation. Only when a corporation gives a clear option to the beneficiary of such stock dividend or refund either to redeem within specified reasonable time for cash or to make a capital contribution to the corporation, shall such amounts as are thus contributed to the corporation be tax exempt at corporate level.

4. All of the above presupposes a continuation of the Federal tax on corporate income. (During the course of the committee's hearings, the suggestion was made by cooperative leaders, and even by the former chairman of the Small Business Committee, that the solution of the problem could be best accomplished if the Federal tax on corporate income was repealed. The very fact that this proposal was made indicates to my mind that such persons realize that there is inequity in the present application of the Federal tax on corporate income. Such a suggestion fails to take into consideration the present day enormous cost of government on the one hand, and on the other hand, the heavy concentration of corporate reserves. This would be a terrible injury to small business whether it be proprietary or cooperative.)

5. I definitely recommend to the committee that you consider in your tax revision an exemption on the first $25,000 earned net income for all corporations.

Such an exemption will, in my opinion, be a much needed incentive for the birth and growth not only of small propietary corporations, but small cooperative corporations as well.

Such a proposal is just because it gives equal competitive opportunity to probably 80 percent of all cooperatives and small property corporations. When you have accomplished this solution, you will eliminate most of the present day controversy.

This recommendation is directly in line with the expressed belief of most cooperative leaders that the elimination of double taxation would solve the problem. I am proposing to eliminate double taxation with respect to the first $25,000 of net earnings which will give life and opportunity to grow to 80 percent of all corporate enterprises whether proprietary or cooperative.

A Resolution of Inquiry Asking the Secretary of Commerce to Provide Congress With Full Information Concerning the Sale and Delivery of Heavy Equipment, Machine Tools, Freight Cars, Farm Equipment, and Other American Supplies to the Soviet Union

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. MUNDT. Mr. Speaker, I have today introduced in the House a resolution of inquiry the text of which will be found at the conclusion of these remarks. Its purpose is to provide Congress and the country with complete information concerning the shipments by American firms and individuals during 1947 of farm machinery, machine tools, freight cars, and heavy machinery to Soviet Russia.

Inasmuch as President Truman is reported as having said in his last press conference that Russia had purchased 216 freight cars from the United States between April and October of this year and that he saw no reason why shipments of this type and of such other equipment as machine tools, tractors, farm machinery, and similar supplies should not be sent to Soviet Russia, I felt it was only appropriate that we be given a full bill of particulars on these shipments. My resolution also calls for a report on the unfilled Soviet orders for this type of equipment now on file or being processed in the United States.

Mr. Speaker, it is sometimes very difficult for ordinary Americans like myself to keep up with the twisting and turning of our foreign policy. On November 17 in his special message to this extra session of Congress, President Truman said:

> Export controls should be continued and strengthened. Goods that we cannot wisely export must be kept here, and the shipments we make must go where they are needed most.

Mr. Speaker, that Presidential paragraph seems to make sense. But it is extremely difficult to reconcile that statement with President Truman's alleged statements in his press conference of last week indicating that he believed that it was highly appropriate to send to Soviet Russia such items as freight cars which are in desperately short supply in the United States. Certainly, if Russia is the place where freight cars or farm machinery or machine tools are needed most then we have been called back into extra session by mistake and the Marshall plan becomes a hideous travesty.

Mr. Speaker, Russia is the fountainhead of communism and communism is the pagan philosophy which today threatens world peace and seeks to enslave Europe. In my opinion, we have been rightfully told that American food can help win the peace and defeat communism abroad since chaos is the mother of communism, and misery, hunger, and want are the forerunners of chaos. Our American farmers have responded with typical patriotic energy and success to the call to raise more food. However, last year and this, much of this food has deteriorated in value or failed to reach the central markets promptly through a shortage of boxcars in the farming areas. Farmers were told that boxcars were being built as rapidly as possible but that limitations of shop facilities, material, and labor were making their completion much slower than desired. Farmers were not told until last week, however, that many of the freight cars they needed so badly were being manufactured for and being sent to Soviet Russia. The country is entitled to all of the facts in this connection. My resolution proposes to smoke out those facts for better or for worse.

Great as is the productive capacity of the United States, Mr. Speaker, we cannot at the same time supply our own needs and take care of both the Communist and the anti-Communist countries of the world. I do not favor setting up economic sanctions against Russia at this time but certainly until the United States and the countries willing to work with us to preserve the peace have had their needs supplied we should not be shipping to Russia the very equipment of which we are already critically short. Let us sell Russia radios if she will buy them; sell Russia, if we must, hand tools, hammers, saws, and material for constructive purposes; sell her magazines and books and consumers' goods where we have them in abundance. Let us not, however, deprive our farmers of the equipment they need with which to raise and handle the food required in this fight to win the peace through making it available to the very country whose aggressive program is compelling us to meet in extra session for the purpose of finding means, if we can, to protect the free countries of Europe against the Communist domination which it threatens.

There follows the text of my resolution:

> Resolution requesting the Secretary of Commerce to furnish information to the House of Representatives disclosing the shipments of supplies to the Soviet Union by firms or individuals within the United States
>
> *Resolved*, That the Secretary of Commerce of the United States be requested, if not incompatible with the public interest, to furnish the House of Representatives with complete information concerning the shipments of heavy machinery, farm equipment, and freight cars which have been made to the Soviet Union between the dates of January 1, 1947, and the most recent date for which figures are obtainable.
>
> The Secretary of Commerce of the United States is requested to supply the foregoing information in complete detail including the names of the American firms or individuals making these sales, the dates on which the orders were received and the supplies delivered, and the nature of the payments made in return for these supplies; in addition, the Secretary of Commerce is also requested to furnish the House of Representatives with all

information available to him revealing the extent of unfilled orders for heavy machinery, farm equipment, machine tools, or railroad equipment which the Soviet Union as of today has on record with firms or individuals in the United States.

Americanism, Communism, and Fascism—A Comparison

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. PATMAN. Mr. Speaker, permission having been granted for that purpose, I am inserting herewith a statement prepared by Mr. J. Frederick Richardson, Coordinator of Information for the United States House of Representatives.

House Resolution 183 was adopted by the House of Representatives May 2, 1947, creating the Office of Coordination of Information of the House, and gave the power of selection to the Speaker of the House, the Honorable JOSEPH MARTIN. Speaker MARTIN made an excellent appointment in the selection of Mr. Richardson as Coordinator, who has furnished the Members with much valuable information and has been helpful in many ways. This statement by Mr. Richardson, which is to be inserted in parallel columns, is especially timely now and it gives information that is very interesting and informative. It is as follows:

AMERICANISM, COMMUNISM, AND FASCISM

(A comparison compiled by the Coordinator of Information for the U. S. House of Representatives)

The national conscience, under free government of laws, is the composite conscience of all its individual citizens. It operates through the process of proposal, disagreement, discussion, and compromise.

Under a centralized government by men there is no national conscience—only the will of those in control of the state.

The true test and value of all government is its effect upon the individual citizens; upon individual spiritual, cultural, and material progress.

A philosopher of the seventeenth century defined the function of government perfectly when he wrote:

"The last end of the state is not to dominate men, nor to restrain them by fear; rather it is so to free each man from fear that he may live and act with full security and without injury to himself or his neighbor. The end of the state, I repeat, is not to make rational beings into brute beasts and machines. It is to enable their bodies and their minds to function safely. It is to lead men to live by, and to exercise a free reason that they may not waste their strength in hatred, anger, and guile, nor act unfairly toward one another. Thus the end of the state is really liberty."[1]

(NOTE.—Prewar Italy, Germany, Japan, and Franco Spain are taken as types of fascistic governments. Russia is taken as the type of government called communistic.)

AMERICANISM	COMMUNISM	FASCISM
Founded upon—	*Founded upon—*	*Founded upon—*
Faith of the people in and devotion to God.	The people's fear of and submission to the state.	The people's fear of and submission to the state.
Right as might.	Might as right.	Might as right.
Dignity and value of the individual, and importance of his spiritual, cultural, and material progress.	Unimportance of the individual and his progress, except as an instrument of the state.	Unimportance of the individual and his progress, except as an instrument of the state.
Freedoms	*Freedoms*	*Freedoms*
Of religion.	State limited toleration of religious teachings.	State limited toleration of religious teachings.
Of political expression.	Ruthless suppression of political expression.	Ruthless suppression of political expression.
Of speech (radio).	Ruthless suppression of free speech and use of radio.	Ruthless suppression of free speech and use of radio.
Of press.	Press strictly controlled by the state.	Press strictly controlled by the state.
Of education; youth may choose course of education desired.	All teachings strictly controlled by state. Government drafts annually from 800,000 to 1,000,000 boys between 14 and 17 years for industrial training, after which they work for state 4 years.[2]	All teaching strictly controlled by state.
From unreasonable search and seizure.	No protection against search and seizure, no matter how unreasonable, by petty bureaucrats.	No protection against search and seizure, no matter how unreasonable, by petty bureaucrats.
From excessive fines, or cruel and unreasonable punishment.	Excessive fines, and cruel and unreasonable punishment the rule.	Excessive fines, and cruel and unreasonable punishment the rule.
Of individual to choose his own means of livelihood within the law.	Individual must work as, and where, ordered by state. Petty administrators issue such decrees.	Individual must work as, and where, ordered by state. Petty administrators issue such decrees.
Of consumers to choose goods and services they desire.	Consumers must take such goods and services, and at such prices, as decreed by the state rulers.	Consumers had to take such goods and services, and at such prices, as decreed by the state rulers.
Rights	*Rights*	*Rights*
Security of the home.	No security of the home. Secret police invade the home when they please, with or without pretext.	No security of the home. Secret police invaded the home when they pleased, with or without pretext.
Of peaceable assembly.	No assemblies permitted except those conforming to official dictates.	No assemblies permitted except those conforming to official dictates.
Of petition.	Not permitted. No one may safely criticize, or ask for changes in administration of governmental affairs.	Not permitted. No one could safely criticize, or ask for changes in administration of governmental affairs.
Of habeas corpus.	Secret police are subject to no rules, and no limits except those of their superiors in making arrests and meting out punishment.	Secret police were subject to no rules, and no limits except those of their superiors in making arrests and meting out punishment.
Of speedy trial by jury.	Citizens can be arrested, held incommunicado, committed to long terms of imprisonment, or even executed without trial, and on confessions extorted by torture of prisoners and/or their loved ones.	Citizens could be arrested, held incommunicado, committed to long terms of imprisonment, or even executed without trial, and on confessions extorted by torture of prisoners and/or their loved ones.
Of confronting accusers.	No such right. Police are supreme in their charges. No real right of defense exists.	No such right. Police were supreme in their charges. No real right of defense existed.
Of private property under due process of law.	No right of private property exists. Rulers of State take whatever they want. If possessor objects he may be liquidated by terror police.	Dictators "owned the owners." Right of private property existed as an implement of the State.
Rights of minorities to be inviolate.	Minorities have no rights. Are cruelly and ruthlessly suppressed or exploited at whims of administrators, big or little.	Minorities had no rights. Were cruelly and ruthlessly suppressed or exploited at whims of administrators, big or little.

Footnotes at end of statement.

AMERICANISM *Fruitage*	COMMUNISM *Fruitage*	FASCISM *Fruitage*
Highest living levels on earth.	Very low living levels.	Very low living levels.
Highest wages on earth.[2] Average wage 63.9 cents per hour; $5.912 per day. Dollar equals 100 cents.	Low wages as decreed by the state. Wage statistics not available.[4]	Low wages as decreed by the state.[3] Italy: 2.26 lira per hour: equaled 5.26 cents; equaled 95 cents per day.[3]
Food for 1 day for family of 5 costs American wage earner 1½ hours' labor.[10]	Same amount of food costs Russian worker over seven times as much, or more than 10 hours labor.[10]	Japan: 206 sen per day (9½ hours); equaled 49½ cents.[3] Germany: 73.2 reichspfennigs: equaled $2.51 per day.[3] Spain: No statistics are available.
Suit of clothes costs average American worker 1 week of work.[11]	Suit of clothes costs average Russian worker 7 weeks' work.	
Radio costs average American worker 1 week of work.[11]	Radio costs average Russian worker 15 weeks of work.[11]	
American living standards for average worker 10 times higher than in Russia.[11]	Russian living standards for average worker only one-tenth as high as American level.[11]	
Wages in America, estimated straight hourly wage basis, industries only, have risen 78.3 as against a cost-of-living rise, over all, of 57.8, since 1941. Different ways of figuring living costs and wage rates may bring varying results, but it is safe to say wage increases since 1941 have more than kept pace with increases in living costs.[12]	Wages in Russia have risen less than half as much as prices of rationed goods since 1941[11] Prices of unrationed goods are four times as high as prices of rationed goods.[11]	
Best working conditions on earth.	Long hours. Poor plants. The women and children do heavy labor. Unsanitary conditions in many plants. Dangerous conditions in many fields.	Long hours. Poor plants. Unsanitary conditions. Dangerous conditions in many lines. Germany and Japan had good plants in some lines. Better conditions than Italy, Spain, or Russia.
Best free educational system on earth.[5] Ratio of teachers to population: 1 teacher to each 119 population (1940).	No statistics available.	Italy: One teacher to each 226 of population (1937). Japan: One teacher to each 211 population (1937). Germany: One teacher to each 258 population (1938). Spain: No statistics are available.
Best independent labor, agricultural and business organizations on earth.	No such independent organizations permitted. Wage earners and farmers obey orders of petty administrators. Are bedeviled by hordes of spies and inspectors.	No such independent organizations permitted. Wage earners and farmers obeyed orders of petty administrators. Were bedeviled by hordes of spies and inspectors.
Best transportation and highway system on earth.[6] United States passenger miles, 1938: (a) Highways, including buses: 239,808,000,000. (b) Railroads, steam and electric: 22,456,000,000.	Poor transportation and highway systems. Russian passenger kilometers, 1938, 95,900,000,000. (Kilometer equals 3,280.8 feet, nearly five eighths of a mile.) No highway statistics available.	Poor transportation and highway systems. Germany partial exception. Japan, passenger miles, 1937: (a) Highways, including buses: 1,651,761,000. (b) Railroads, steam and electric, 1937: 19,379,000,000. Italy: (a) No statistics available. (b) State railways, kilometers, 1939: 11,773,000,000. Germany and Sudetenland, 1938: (a) Reichbahn only; passenger kilometers 58,977,700,000 (Austria included). (b) No statistics available. Spain: No statistics available.
More luxuries and comforts for the people.	No luxuries or comforts for the common people. Only for the bureaucrats.	No luxuries or comforts for the common people. Only for the bureaucrats and the rich.
More automobiles.[7] Per capita distribution of motor vehicles, January 1, 1939: One automobile per 4.3 persons.	Russia: One automobile per 253 persons.	Japan: One automobile per 388 persons. Italy: one automobile per 93 persons. Germany: One automobile per 42 persons. Spain: One automobile per 197 persons.
More radios.[8] United States: Sets per 1,000 population (1946), 425.	Possession of radio by private citizen without permit of some petty bureaucrat means arrest and punishment. Russia: Sets per 1,000 population: 8.1 (1946).[8]	Possession of radio by private citizen without permit of some petty bureaucrat meant arrest and punishment. Germany: Sets per 1,000 population (1944) 167.7. Japan: Sets per 1,000 population (1943) 93.3. Italy: Sets per 1,000 population (1946) 32.7. Spain: Sets per 1,000 population, 14.[8]
More refrigerators, electric and gas kitchens.[9] (a) Number refrigerators: 16,200,000. (b) Percentage of world total: 90.2.	Only officials permitted to have these luxuries. No record, according to Department of Commerce, of any refrigerators having been imported or used. Ice from natural sources may to some degree be conserved and used.	Germany: 200,000; percentage of world total, 1.32. Japan: (est.), 6,000; percentage of world total, 0.04. Italy: 20,000; percentage of world total, 0.15. Spain: 10,000; percentage of world total, 0.06.
More telephones. United States has 15.37 telephones per 100 population.[13]	Only officials have telephones. Ordinary citizen could not have one. Russia had 0.75 telephones per 100 population.[13]	Only officials and business houses had telephones. Ordinary citizen could not have one. Germany: Had 5.20 telephones per 100 population. Japan: Had 1.89 telephones per 100 population. Italy: Had 1.41 telephones per 100 population. Spain: Had 1.19 telephones per 100 population.[13]
More theaters. As of 1940, United States had 17,003.[14]	Few theaters. All plays or pictures strictly censored by bureaucrats. Russia had 3,000.[14]	Few theaters. All plays or pictures strictly censored by bureaucrats. Germany: Had 5,506. Italy: Had 4,013. Spain: (est.) Had 2,852. Japan: Had 1,875.[14]
Better and more extensive health facilities. Number hospital beds in use (1939), 1,195,206.[15] Number of physicians (1946), 180,000.[16] Number of dentists (1947), 82,000.[16]	Hospital beds: No accurate information available. Physicians: Estimated prewar number, 130,000. Dentists: No accurate figures available.	Germany: Hospital beds (1939), 42,996. Physicians: (1939), 49,907. Dentists: (1938), 14,833.[15] Japan: Hospital beds (1938), 246,138. Physicians: (1938), 62,933. Dentists: (1938), 22,735.[15] Italy: Hospital beds (1939), (est.) 59,000. Physicians: (1940), 38,983. Dentists: (1943), 3,048.[15] Spain: Hospital beds: No accurate statistics available. Physicians: (1938), 22,582. Dentists: No accurate statistics available.[15]

Footnotes at end of statement.

AMERICANISM
Fruitage

More toys, books, and joys for children. More sports and amusements.

Individual may safely obey his conscience under government of laws.

For proof, see life in America around you; the daily and periodical press, and history.

COMMUNISM
Fruitage

Children are put to hard work at early age. Their lot is hard and cruel.

Citizen must obey orders of bureaucrats regardless of his conscience, or suffer punishment.

See Communism in Action, by Legislative Reference Service. See daily and periodical press, prewar and now.

FASCISM
Fruitage

Children were put to hard work at early age. Their lot was hard and cruel.

Citizen had to obey orders of bureaucrats regardless of his conscience, or suffered punishment.

See Fascism in Action, by Legislative Reference Service. See prewar daily and periodical press, and history.

DUTIES OF COORDINATOR

House Resolution 183 creating the office of Coordinator provided:

The Coordinator, under the direction of the Speaker, and utilizing the results of work already done by public or private agencies or organizations, shall assemble, analyze, coordinate, and make available in digests, compilations, and otherwise, data with respect to legislation, for the use of the committees and Members of the House, without partisan bias in selection or presentation.

The Coordinator, with the approval of the Speaker, shall employ and fix the compensation of such assistants, and make such expenditures, as may be necessary in the performance of his duties.

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[1] Baruch Spinoza.

[2] World Almanac, 1947.

[3] All wage rates are for industry. Figures of rates are for 8-hour day, except Japan, was 9½-hour day. All rate figures are from International Labor Statistics, in form given here. Exchange rates are from Federal Reserve Board. Purchasing power of dollar varied in different countries somewhat at different times, but never sufficiently to make earning capacity of labor under communism or fascism at all comparable to United States labor.

[4] Ruble does not circulate outside Russia. Prices fixed and changed at will by the state.

[5] Number of school teachers includes all kinds, grades, public and private, including universities. Number of teachers in case of each country came from International Bureau of Education, Office of Education. For Germany, however, Bureau had no figures for universities and other higher institutions. Universities were taken from Statesman's Yearbook, and proportional allowance was made for the 83 schools of higher education in addition to the 23 universities. Figures for Germany do not include Austria and Sudeten. Populations are from Statesman's Yearbook and encyclopedias. Japanese figures in all cases are for Japan proper and do not include Korea, Formosa, etc.

[6] Source of figures, Department of Commerce.

[7] Source of figures, Department of Commerce.

[8] Source of figures, Department of Commerce. War and postwar years used for figures because prewar receivers, in many of the countries, lumped together Morse code and voice receivers as "Radio."

[9] Department of Commerce figures.

[10] A. F. of L. Labor Monthly Survey, July 1947, p. 7.

[11] United States News, July 1947, giving source as U. S. Bureau of Labor Statistics.

[12] U. S. Bureau of Labor Statistics.

[13] Source of figures for 1939, U. S. Department of Commerce.

[14] Source of figures for 1940, U. S. Department of Commerce trade estimate for Spain.

[15] U. S. Public Health Service, American Medical Association, and American Dental Association.

Wanted—More Bosses

EXTENSION OF REMARKS
OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include herein a short statement issued by the Small Business Economic Foundation under the title "Wanted—More Bosses."

I commend the reading of this statement to every Member. It contains the essence of American progress, production, and private ownership. It typifies the will to do, the initiative to succeed. Such is America.

There are about three and one-half million "firms" or private enterprises in this country. About 7 out of every 100 of these have 100 or more employees.

The astonishing fact is that in America, land of the most fabulous "mass-production" economy in the world, 93 percent of the firms are small businesses.

To be exact, there are only 2 firms out of 10 that have even as many as 5 employees, and in over a million, or nearly a fourth of all our "enterprises" the boss himself is the whole works. Of course there is frequently some bossing and assistance from the wives of these small businessmen who have struck out for themselves; and full credit is due these wives, not only for what they do but for what they do without, to help make a "go" of thousands of struggling small businesses.

But these facts about all the "little people" in our land of industrial giants are far more important than their mere interest as believe-it-or-not statistics. Because one of the things most needed to keep our kind of economy going and growing is a steady stream of more and more men and women who have the ability and the will to be their own boss. They are the seedbed of free enterprise. Not only do big businesses grow from small roots, but even after they are grown most big businesses could not exist without the many small suppliers and small retail enterprisers who help sell and service their products.

A CHALLENGE FOR HIGH STAKES

We speak of the United States as a "strong nation." Yet its strength is only the sum total of the materials and facilities, the productivity and skills of its own people and of the enterprises which they own and operate. The United States is strong because her people are free and her enterprises likewise are free and growing.

Yet it seems difficult for many people in the world to realize why this country, a mere youngster among the nations, is so productively strong that it is now carrying the lion's share of the economic and financial burdens of the entire world. They see this as a fact, yet the startling truth remains that instead of striving to copy our way of life every other nation in the world is moving away from it toward totalitarianism. We live in the sole remaining nation on earth with a free democratic society based on an economy of private enterprise. It is a tremendous challenge.

But the challenge is not so much to our relatively few industrial giants. They are already big and strong. It is rather to our millions of small businesses to grow stronger and bigger. And most of all, it is a challenge to us as individuals to keep the seedbed of brand new enterprises well tended and growing. It is a challenge to the men and women who believe in free enterprise, and who have the initiative and leadership, to try it for themselves—to be their own boss, to add to rather than take from the supply of jobs and productive output of our system.

A PRODUCT OF ENVIRONMENT

This system of living and working together which we call the American way of life is a logical product of its environment. Nature provided ample room and lavish raw materials; and our constitutional rules of the game were expressly drawn to make it possible for enterprising individuals to translate them into productive usefulness. It is really no surprise that in such an environment we should have many small enterprises.

AFTER-DINNER ORATORY

The real surprise is in our changing attitude toward our economic environment. It is still much the same and opportunity still patiently knocks on the doors of those who will listen. Yet, whenever this subject of being your own boss comes up, there is always lots of loose talk to be heard about the "good old days," "pioneer spirit," and the like. During the depression it became the gloomy fashion to declare that we had lost all of our pioneer spirit so we might as well resign ourselves to living in a mature economy. More people seemed to be interested in security rather than in the doubtful risk of being enterprisers. Graduating classes heard a lot about how to get a job but not much about how to be their own bosses.

Fortunately, the events of World War II put an end to much of this nonsense by confronting us—as well as our enemies—with some spectacular proof; first, that our free-enterprise system wasn't dying of maturity; and secondly, that there was plenty of pioneer spirit left in the American people.

Moreover, when the armed forces began to demobilize it was discovered that high on the list of peacetime objectives of almost half the fighting men was the desire to go into business for themselves—to be their own boss. Recent opinion polls show that in spite of the confusion of reconversion adjustments and labor-management strife (or maybe because of it) the overwhelming majority of workers would still like to be small independent enterprisers on their own hook.

IF WISHES WERE HORSES WE'D ALL TAKE A RIDE

The big trouble is that too many people's desire to be their own boss stops right there.

Like any other undertaking, wanting to be your own boss is something which takes more perspiration of continued effort than inspiration of just wishful dreaming.

One of the biggest stumbling blocks is that the potential small enterpriser doesn't know where to start. This is doubly unfortunate in view of the fact that the answers to almost any question that a small businessman might have can be had for the asking if he knows where to ask. With a little legwork and a few 3-cent stamps almost anyone anywhere can accumulate a surprising amount of free information about any kind of business.

TAKE YOURSELF FOR INSTANCE

Since the chances are better than 10 to 1 that you have at some time played with the idea of being your own boss; let's suppose that you are our hopeful small enterpriser. Let's assume that you are a worker, that you live in Anytown, United States of America, and that you'd like to start some kind of a little store or a service business. If you ultimately succeed it will influence your whole life, so it's worth going about carefully—one step at a time.

First. You can take the first step by "defuzing" your own thinking. Talk your ideas over with your wife and with others whose opinions you respect; examine the general business possibilities in your town; and go over your own list of abilities and interests. The more you can narrow down your field the most specific and better questions you can ask. Vague questions get vague answers.

Second. Once you've boiled down your interest to one or maybe two types of business, or ideas for an enterprise, don't overlook all of the sources of fact and advice right in your own bailiwick. Practically every American town is blessed with a library, and most librarians will welcome endless questions from anyone with a genuine interest in a specific subject. In addition to actual books, most libraries subscribe to many business periodicals and information digests. Also, the librarian can give you leads on a great many other sources like trade associations, government offices, and publications which have free information available in the field of your interest.

Third. Besides libraries, most communities have chambers of commerce, service clubs, and the like which, in addition to being sources of local facts, can also provide you with other leads. Often overlooked are the teachers of business subjects, science courses, government, civics, etc. in the high school. They would welcome a change from answering the general questions of kids to helping solve some real problems facing a potential business man. (They'd probably like to be their own boss, too.)

Fourth. Once you have a line on possible outside sources, sit down and write them letters; but don't just say "please send me 'some information' on how to run a grocery store" or what not. Tell them as definitely as you can what you want to do, then you can ask them numerous specific questions rather than a few general ones. And once you have prepared your basic letter you can send it in a modified form to a great variety of sources, including: State and Federal departments of commerce; State universities, planning boards, development commissions, etc.; business and trade associations; trade magazines, business publications; big companies which manufacture products or supply goods related to the field of your interest.

Your local research will have provided you with a much more specific list. And have your letters of inquiry typed if possible.

Fifth. Once you have gone this far, it won't be long before your ideas and plans will begin to jell. You may end up far afield from your original idea, but if there is a really practical business in the cards for you it will eventually get to the point where some real yes or no decisions can be made. Then, and probably not before, you are ready to sit down and talk turkey with bankers, real estate men, builders, suppliers and all the others who will have to provide you with more than just free information to get your enterprise going. Many a good business idea has gone sour because the hopeful enterpriser tried to get action at 6 percent before he had used up the advice available for free.

WHAT ARE THE CHANCES?

The best planning job in the world won't guarantee the success of a small business, but it cuts down the risk. And taking risks, incidentally, always goes with being your own boss. That's part of the game of free enterprise.

But there is this about it, somebody else doesn't have to lose in order for you to win. Free enterprise is a rare game in which everybody can win (except the right and left-wing kibitzers who want to rig the game so they always win at somebody else's expense).

For example: Suppose you, as a worker, quit and start your own business. Your old job goes to another worker and you have created a new one for yourself. That's two wins to start with. In time your business may grow to provide many more new jobs. But even if it remains small, the business you do carries a share of all the jobs back along the line which helps to create the merchandise you handle. And the money you take in and pay out adds to the job-producing kitty in your town. Even your little company's bank account gets added to the capital available to help start still other new enterprises in your town.

Small wonder that we send good luck horseshoes to a fellow when he takes a fling at being his own boss. When he wins, we all win.

Basic Economic Problems of the United States

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. WOODRUFF. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks of Hon. JESSE P. WOLCOTT before the Economic Club of New York on November 20, 1947:

The subject of tonight's discussion is timely and exceedingly important. The prosperity, perhaps the safety, of America, the reconstruction of the devastated countries, the stabilization of world currencies and world economies, are largely, if not wholly, dependent upon the early and permanent solution of the basic economic problems of the United States. The peace of the world depends upon a sound, strong America.

Conflicting influences are at work in the world today, as they have been for centuries past. The basic difference in political ideologies springs from the writings of Adam Smith and Karl Marx. The American way of life is predicated upon Adam Smith's idea that every man, so long as he does not violate the laws of justice, should be left perfectly free to pursue his own interest in his own way, and to bring both his industry and capital into competition with those of any other man, or order of men.

Marx turned to revolutionary ends the proposition that the value of a commodity, or the quantity of any other commodity for which it will exchange, depends upon the relative quantity of labor which is necessary for its production.

Leonard Dalton Abbott, in his Master Works of Economics, points out the differences between the two systems, somewhat as follows: Marx applied his construction to the class struggle of capitalists and wage workers. He believed that the capitalistic system is based upon exploitation and that its irreconcilable conflicts would lead to its dissolution. Just as slavery passed into serfdom, and as feudalism passed into capitalism, so, according to Marx, capitalism in its turn will pass into socialism.

The struggle between these two forces has been going on for more than three centuries. Incident to these political struggles there have been coincidental but likewise very important economic struggles.

Abbott further says: "The economic pendulum has been swinging between liberty and legislation, between competition and cooperation, between capitalism and some form of collectivism. The debate is still going on. While neither side in innumerable disputes can be said to have won complete victories, we are bound to recognize that society in America, as well as in most of the European countries, has been moved toward economic democracy and extension of government functions."

Many of us contend that it is the province of government to find the golden mean between these two extremes. In present-day America our economic problems can be solved only when and if we have established the extent, if any, to which our Government should try to manage our economy.

As late as last Monday, this centuries-old issue was laid squarely before the American people. The battle between the ideological forces of socialism and the American way of life, based upon our constitution, rages on. Socialism versus democracy, capitalism versus managed economy, regimentation versus free enterprise. These are the issues which must be met squarely; these problems must be solved by the American people before we can ever hope for economic and social stability in America and peace throughout the world.

There should be no question in our minds which political course we should take. Autocracy, socialism, communism—collectivism in any form, is as undesirable and as ineffective an instrumentality for governing any people as is a pure democracy. There is little or no difference between absolute monarchies and the different governmental forms of collectivism. Both, in the last analysis, are despotisms. Each of them is unworkable unless sovereignty is vested, paradoxical as it might seem, in an individual with unlimited political power.

Pure democracy has been characterized as mobocracy. No true democracy has ever successfully functioned as the governing instrumentality of any large number of people. Our forefathers effectively found the political golden mean between these two extremes. Consequently, we have under the American Constitution, this very novel American form of government. It should be our objective to likewise find the golden mean between the extremes of economic philosophies. When we shall have done so the progress of the United States should continue to be as constant as it has been during the first 160 years of our existence as a Nation.

The United States is the greatest Nation on earth. We don't have to argue it. It is self-evident. With a population of less than 7 percent of the population of the world, we normally produce and consume in the aggregate, more than 50 percent of the world's goods. Here in America 7 percent of the world's population normally produces more than 50 percent of the goods produced in the world. Here in America less than 7 percent of the world's population normally consumes in the aggregate, more than 50 per-

cent of the goods consumed in the world. That is a record which is accepted without challenge. It is a record made possible because of and not in spite of the American form of government. It is a record which we can maintain only so long as we adhere to our American principles and our American system of free constitutional government, free economy, and free society; only so long as we continue to protect the right of every individual—so long as he does not violate the laws of justice—to be "left perfectly free to pursue his own interests in his own way, and to bring both his industry and capital into competition with those of any other man, or order of men."

With these thoughts in mind, let us take a look at some of the basic economic problems which confront the United States, and let us also have in mind how necessary it is that our problems be settled early and effectively if we are to have world economic, political and social stability and lasting world peace.

I think we could well consider inflation as the economic problem of primary importance. All of our other economic problems are incidental to it. They can all be solved together.

The causes of high prices in the United States are pretty well known.

First. Production for war purposes left us with a tremendous shortage of all consumer goods. At the same time this production had created more per capita purchasing power than we had ever previously enjoyed. Before enough consumer goods could be produced, the demand resulting from high purchasing power had started the upward rise of prices.

Second. Deficit financing, due to war, had created a national debt of about $278,000,000,000, most of which under our system of monetizing debt, is a decided influence on the value of the American dollar. Under the American quantitative theory of debt monetization, the higher the debt the cheaper the dollar; the cheaper the dollar the higher the prices.

Third. An archaic tax system has been an influence against any broadening of the production base, so that we find it impossible to produce to capacity to meet the demand.

Fourth. Almost 90 percent of production costs are represented by wages, most of which have remained high enough so that the demand for goods in short supply has come from current earnings. Some but not all corporate earnings likewise have been very high. All of this has resulted in the continuance of large amounts of static savings and idle capital. Add to this the demand for goods incident to the creation of large foreign credits.

According to the October report of the council of economic advisers to the President which dealt with the impact of foreign aid upon the domestic economy, we are raising in the United States through government, semigovernment, and private financing sources, at the rate of $11,000,000,000 a year to finance an export surplus.

In the first three quarters of 1947, the dollar value of exports was running at the average rate of about nineteen billion a year. The dollar value of imports of goods and services for the same period was running at the average rate of eight billion a year. The export surplus is about eleven billion.

Fifth. The availability of increasingly large volumes of easy money credits.

Now that the causes of the inflationary plague are fairly well known, every effort should be made to find the cure.

The causes of high prices may be summed up as follows:

First. The shortage of goods against high purchasing power.

Second. Excessively large amounts of Government spending.

Third. A tax structure which discourages maximum production.

Fourth. Idle capital and savings.

Fifth. Large volumes of easy money credits.

The big problem is what can be done about it? The President in his message last Monday made certain general recommendations as possible panaceas for our economic ills. Many of his proposals are as opposite to the American system as socialism is the opposite of democracy. The American people have always come up with a solution of their problems if they had an understanding of them. All our problems—economic, political, and social—have been solved within the framework of the American Constitution. We can continue to solve our problems best if we adhere to the fundamental principles of the American way of life. To borrow from the works of Marx in any respect is to court financial and economic disaster, at a time when the perpetuation of the American way of life is more essential than anything else which can be imagined.

We can remove further threats to a depreciated currency by balancing the Federal budget and retiring as much of the debt as possible.

We can adjust our tax structure in such a manner as to encourage maximum production. This can be brought about through adjustments in the tax base which will encourage expansion of plants and give assurance to producers, agricultural as well as industrial, that they are not going to be penalized by expanding their production. When we have made the necessary adjustments in the tax base to encourage production, much of the idle capital and savings will be put to use in the production of capital goods, in the expansion of capital structures, and can result in many instances in doubling production capacity and effort of our farms and factories.

The impact on prices incident to domestic buying for foreign account can be largely offset by a curtailment in government expenses. If there is sufficient cooperation between the President and the Congress, the costs of government can be reduced amply to take care of all foreign aid requirements, both for interim aid and for long-range programs of reconstruction and rehabilitation. But, in order to lessen the impact of foreign aid on domestic prices, the moneys raised for these purposes must be carefully and judiciously expended. The Congress will not advance to the State Department large sums for either interim or long-term aid without requiring the money to be spent and invested in accordance with certain sound standards. Foreign aid can be most effectively administered by the creation of an independent agency of the Government. A corporation, we will say, with a relatively small capital, with authority to expand this capital a given number of times by the issuance of the agencies' notes, bonds, and debentures. The money can and should be spent under well-defined standards, to give the maximum amount of aid with the least amount of dollar diplomacy. There is no reason why foreign countries should not pay for a large part of the aid given in the currency of the recipient country. A pool of foreign currencies would thus be created, from which loans might be made for productive enterprise in the country receiving the aid, or in other countries whose currency might be converted into that of the recipient country. The expenses in the recipient country of the United States for diplomatic, consular, military, and other purposes, could be paid from this pool, thus removing the necessity for equivalent large amounts of American dollars being exported to pay our current expenses in those countries.

If our foreign-aid program is successful over a course of years, the economy and currencies of the recipient countries will be stabilized. This would activate the International Monetary Fund in such a manner that the currency of the recipient country can eventually be converted into dollars. In that way the United States taxpayers could be assured that a large amount of their investments for foreign aid will eventually be repaid either in dollars or goods.

If the interim plan is successful, we will recreate the ability of the people receiving the aid to work. We will help them get the strong bodies by which they may work and thus create the capacity to work and produce for themselves. If the interim aid is wisely administered and results in the attainment of this basic objective, then these countries may become good risks; there will be reason to presume that loans to them can be repaid, thereby opening up a new reservoir of credits, Export-Import Bank credits. I am fairly certain the Congress of the United States, if the interim program is successful, will not hesitate to increase the capital of the Export-Import Bank by reasonably large amounts to make available all necessary funds for the production of producer and heavy consumer goods. Thus we enter the second stage of our program of foreign relief and rehabilitation.

It is only a step into the third stage in which the foreign country may by proper application of its resources put itself in a position where it can qualify for the use of other and larger reservoirs of credit originating in the International Monetary Fund and the International Bank for Reconstruction and Development. The financial assistance which could thus be made available for rehabilitation, and stabilization, and permanent prosperity all over the world would be for all practical purposes almost boundless.

The foreign aid program can be effectuated with much less money than is being asked for. I have no hesitancy in saying the job can be done under proper management, with one-third of the amount requested by the Paris Conference and by the Administration. We must exert every effort to assure that all possible factors of foreign rehabilitation and stabilization are fully utilized to save every dollar of American money possible. And why should we do this? Because of the impact which the financing of any foreign aid program will have on the value of the American dollar and on American commodity prices. These factors are first of importance as an aid to our own economic stabilization. The most vital economic problem in the world is right here in America. The most pressing necessity is the stabilization of the American dollar and the American economy.

Let us have very definitely in mind that under the Bretton Woods agreements the currencies of all the major countries of the world, except the Russian ruble, are practically speaking, as effectively tied to the American dollar as they formerly were tied to gold. In consequence, any fluctuation or disequilibrium in the American economy, and the American dollar, is immediately reflected in currency and economic fluctuations all over the world. We should be proud of the position we hold, but we should not be unmindful of the responsibility to keep America and American institutions strong and stable against the possibility of world economic, social, and political chaos. Only a sound, solvent, safe America can be the anchor for an enduring world recovery and peace. We cannot be so under an economy managed by the Government. If we have proved anything since VE-day it is this fact, that Government with its self-seeking bureaucrats, starry-eyed theorists, and temperamental tamperers, frequently dominated by political emotionalism, cannot successfully manage our economy. The President's proposed panaceas for the ills of our economy should be

studied in the light of our past painful but enlightening experiences.

Chiseled on the Archives Building in Washington is the truism that "What is past is prologue." It almost follows as a matter of course, in the light of our experiences, that price controls, rationing, priorities, and allocations, whether on the producer or consumer levels, cannot be administered without serious set-backs to our production effort. The only sound practical solution for our economic problems lies in the full use of America's capacity to produce, and the freedom of consumers to choose what they desire in the market place. Everything the Government does must encourage increased production, not slow it up.

Price controls, allocations, and priorities, beget a vast brood of contradictions and uncertainties. They promote illegal operations; they encourage black markets; they open the doors to many other evil influences which will deter, but never can encourage production. In being realistic we must recognize that if the President is given the power to control prices, power to allocate and ration, and power to discriminate through the use of priorities, yes, even if he is given the power to control wages, he is not going to roll back prices; he is not going to roll back wages. To do so, he knows, you know, and I know, would be disastrous. Is he going to freeze wages and prices where they are now? To do so, he knows, you know, and I know, would invite strikes, production slow-downs, and many other conditions which would raise havoc with production. How can he use power to allocate goods in such a manner as to effect in any degree the general price level? If he borrows steel from the appliance industries to increase the production of automobiles, he might possibly lower the price of automobiles temporarily. If the automotive industry had enough steel, it could theoretically double its output; but what would happen to the price of appliances. The saving on the price of automobiles would be completely offset by the increases in the price of appliances. This illustration might be applied to almost every segment of our economy. Why rob Peter to pay Paul and disrupt our whole economy in the process?

Up to the present time the President has not been able to give us—although he has been requested to do so—an example of what commodities he seeks the power to allocate or control by priorities. He has given us no inkling of what commodities he would select upon which he would impose price controls. He has given us no information whatsoever as to what wages, in which industry, he would seek to control. By the very lack of this specific information, or at least enough of it to offer a basis for clear thinking, he may have created such uncertainty as seriously to affect the production of many consumer and producer goods.

The President has asked for authority to control credits. The traditional, tried, and safe method of controlling the velocity and volume of credit has been to raise and lower bank reserve requirements and rediscount rates. The Federal Reserve Board now has the authority to raise rediscount rates. Rediscount rates are now about 1 percent. Under the authority of existing law, rediscount rates have been as high as 7 percent. If it is found advisable to raise reserve requirements, then new legislation is necessary. I do not attempt to predict what the Congress will do in this respect, but, personally, I can see no harm in giving the Federal Reserve Board authority to raise reserve requirements. Of course such authority would have to be within well defined limits. Up to the present time the Federal Reserve Board has not asked the Congress for any authority to raise reserve requirements.

The Federal Reserve Board has asked for legislation authorizing it to guarantee bank loans. This seems somewhat inconsistent with the policy of the President to contract credit. For this reason the power to guarantee loans will probably not be given to the Federal Reserve system at the next regular session of Congress.

The President has asked for authority to control consumer credits. He now has the authority, under existing law, to reimpose controls over consumer credit by proclaiming an economic emergency, and if there is any question about his authority, I believe the Congress would not argue too long about that matter. But what effect will the control of credits on the consumer level have on domestic commodity prices? Hardly a ripple! High prices today are not the result of credit inflation. Such controls over the volume and velocity of credit would have little or no effect upon prices. It might be a desirable technique to have handy when and if there is a threat of inflation incident to any decided increase in the volume and velocity of credit.

The President in his message asks for rent control. When we continued rent control until February 29, 1948, there was some hope that through the removal of governmental obstacles there would be such an acceleration of residential building that the demand, especially for rental properties, might be reasonably met by next March 1. Residential building this year has been at a 20-year high. Almost 900,000 units will be completed. In any event, we will have to take up the question of continuing rent controls shortly after the regular session convenes. If it appears then, as it does now, that the demand for rental properties will not have been reasonably met by March 1, we shall give consideration to the continuance of rent controls. Any new legislation must be in such form as to continue the encouragement already given to the construction of rental units. The greatest possible benefit to both tenant and landlord must be achieved. In all probability, rent controls will be continued in some form for a definite period after next March 1.

While we are on the question of rents and housing, it might be well to clarify our thinking in respect to public housing—especially slum clearance. There is a basic issue involved in this connection which has never been effectively legislated on by the Federal Congress. It will be our objective at the next session to determine whether slum clearance and public housing are the primary responsibilities of the Federal Government or the primary responsibility of the State governments. The settlement of this policy will determine our course for, possibly, generations to come. It is important, in that it affects to a large measure basically our attempts to stabilize our economic and social systems. It is important, in that billions of dollars will be expended by the State and Federal Governments in the years following its statutory adoption. After the policy has been determined, the writing of the bill to effectuate the policy is almost a matter of routine. If it is established that it is the primary obligation of the Federal Government to clear slums and build houses for low rental or otherwise, then it merely becomes a matter of how much money we will appropriate annually out of the Federal Treasury for the generations to come. It is a simple matter to set up the machinery and the standards for the effectuation of the policy, including the proportion of the cost which State governments shall be expected to contribute. If it is determined that it is a primary obligation of the States, then the writing of the bill to effectuate that policy is equally as simple. It becomes a question as to what amounts the Federal Government shall authorize or appropriate for grants-in-aid, and the standards upon which the expenditures shall be contingent. We have the precedent of the Highway Act for guidance in this respect.

In summary, we will not make the mistake that has been made in years gone by in discussing this problem. We will not set up the machinery, and then build a policy around it. We will do the first things first. We will establish the policy once and for all, and then provide for the machinery by which to carry out that policy. There is little doubt that this matter will be definitely settled at the next session of Congress. This policy will be formulated and this bill will be written in the House Banking and Currency Committee after full and complete hearings.

It has been a pleasure to be with you tonight. Let me, in closing, say that I believe David Lawrence in a recent article summed it all up when he said, in substance, that there was nothing wrong with the world, and that includes the United States of America, that hard work, high production, and sound fiscal policies will not correct. It should therefore be our objective to encourage work and production to the extent that through production we will cure all of our economic ills. Can anyone deny that the only solution of the economic problems confronting the United States lies in producing to an ever expanding full capacity? And that full production must ensue not only at home, but especially in those countries which are the recipients of our aid? Only in that way can sound fiscal policies, which we hope will be patterned after our American system, be attained.

In that way they could hope for the marvelous fruits of our American way of life. When we have full production here and when there is full production abroad, when we shall have rebuilt the fiscal structures of America and those of the countries of western Europe on a sound basis within the framework of governments of their own choosing, we may expect to have, and we shall have, continued prosperity here in America, prosperity all over the world, and lasting peace.

Threatened Fuel Shortage in New England

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. CLASON. Mr. Speaker, before I left Springfield, Mass., for this special session, I was told by persons engaged in the heating business that a critical fuel shortage is likely in the New England area during the coming winter. At the same time, I was told that the production of gasoline products in the United States would be so great that there will be no excuse for such a heating shortage. The same tank cars haul either fuel oil or other oil products such as gasoline for automobiles. The companies furnishing oil products are in a position to produce and to lay down in New England fuel oil and the type of oil necessary for use of barges and other coastwise craft bringing coal to New England. I understand that there is a greater profit from the sale of gasoline than from other oil products required for heating, which may be the big factor in determining what oil products shall be made or sent to New England. Already there has been publicity indicating that housewives in New England may have to maintain their homes at sub-

normal temperatures in order to meet the threatening grave crisis.

In wartime there were military reasons, particularly transportation, which caused much hardship during the winter for the people in the six northeastern States. Today, military needs will not be a real factor if there is any shortage of fuel oil this winter. If we must have a shortage of either gasoline or fuel oil, the real reasons for such shortages should be immediately explored by the Government and all necessary steps taken to overcome them. Preference should be given to fuel-oil users.

The New England Governors, following a conference, have written to the Chairman of the United States Maritime Commission seeking the immediate recommissioning of as many tankers as possible. I have also urged the United States Maritime Commission to the same effect. However, those in charge of railroad and other transportation for the Government should, at this time, take all steps necessary to provide as many tank cars and trucks as may be necessary to prevent the threatened fuel-oil shortage now facing New England.

Committee on Un-American Activities

EXTENSION OF REMARKS
OF
HON. OTTO E. PASSMAN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

PROGRESSIVE CITIZENS OF AMERICA,
SOUTHERN CALIFORNIA CHAPTER,
Hollywood, Calif.

SIR: This will acknowledge receipt of your form letter of October 25 with a copy of your resolution condemning the Un-American Activities Committee.

So that your records may be complete on another United States Representative, the following is committed to writing:

I have nothing but praise for the Un-American Activities Committee, its able chairman, the Honorable PARNELL THOMAS, and all members of the committee.

I do not know of any congressional committee that has rendered such outstanding service to America as has the Un-American Activities Committee. I shall continue to praise and support their work and do all within my power to help the committee expose the Communists in this country, their fellow travelers, sympathizers, and any organization which would be a party to a plan that would undermine and destroy our American way of life, which evidently is the goal of the Communist.

It is not within the scope of my comprehension to understand how any group of American citizens interested in the welfare of this great Nation of ours could oppose the courageous work of the Honorable PARNELL THOMAS, chairman of the Un-American Activities Committee.

So, again I repeat that I shall continue to support the Un-American Activities Committee and will actively support any bill that would increase the committee's appropriation so that the committee may widen its field of operation.

I like our way of life in America. It is worth fighting for, and if your understanding of the Constitution and the principles upon which this Nation is founded is in agreement with mine, then you would have nothing but praise for the outstanding work of the Un-American Activities Committee and its able chairman, the Honorable PARNELL THOMAS.

Yours very truly,

OTTO E. PASSMAN,
Member of Congress.

Why the Return of Price and Allocation Controls Will Defeat United States Grain Conservation

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. KNUTSON. Mr. Speaker, pursuant to permission granted me to extend my remarks in the RECORD, I desire to insert two memorandums by Walter C. Berger, president, American Feed Manufacturers Association, 53 West Jackson Boulevard, Chicago, Ill., entitled "Why the Return of Price and Allocation Controls Will Defeat United States Grain Conservation" and "Analysis of the Feed Survey Committee Report," which I commend to the House membership:

WHY THE RETURN OF PRICE AND ALLOCATION CONTROLS WILL DEFEAT UNITED STATES GRAIN CONSERVATION

1. We recognize that the amount of grain and feed we export is a problem of high political and military importance on which Congress must make the final decision. However, we do feel that when a decision is made to export a given volume of material, we should not expect to escape the consequences of such action in terms of its effect on our domestic price structure.

2. The feed industry feels very strongly that the United States must go as far as possible in helping to relieve the desperately short food situation facing many countries in the world today. However, we are even stronger in our conviction that this country must take stock of its available grain supplies to see just how much can safely be moved out of this country without seriously disrupting our own economy.

3. The American public must realize that the heavy exports of grain and feed will mean a smaller available supply of the protective foods, meat, milk, and eggs, in the second and third quarters of 1948, in comparison to the same period in 1947.

4. Present price trends of the protective foods are doing the jobs that must be done in order to adjust the consumer demand for these products to the available feed supply. Rationing and price controls will hinder rather than aid this adjustment.

5. Price control on feed and livestock is economically unsound and might well be disastrous to this Nation. It was proven in the 9 months that we attempted to continue price and allocation controls after VJ-day that price control and usage or allocation controls merely cause maldistribution of feed supplies. These controls did not save one pound of feed.

6. During the period of price control and rationing after VJ-day it was definitely proven that these types of orders and regulations cannot be enforced in peacetime in this Nation. Any attempt to enforce such regulations will ultimately lead to complete regimentation, including control of wages and salaries.

CONCLUSION

Restrictions which would limit the available supply of balanced rations to the livestock and poultry producers of this Nation would defeat the purposes of the grain conservation program by forcing the feeding of greater quantities of grain in inefficient rations, as examples:

USDA reports show that on the average it required 900 pounds of feed to produce 100 dozen eggs. Through efficient use of balanced rations, it requires only 600 pounds of feed to produce 100 dozen eggs, or a saving of 300 pounds of feed per 100 dozen eggs, of which two-thirds is grain. Thus a net saving through efficient feeding of 200 pounds of grain per 100 dozen eggs produced.

In the production of pork in dry lots it requires 12 bushels of corn to produce 100 pounds of pork. Six bushels of corn fed with 50 pounds of properly balanced supplement will produce 100 pounds of pork. Thus a net saving through efficient feeding of 6 bushels of corn per 100 pounds of pork produced.

Respectfully submitted.

AMERICAN FEED MANUFACTURERS ASSOCIATION.

CHICAGO, ILL., *November 5, 1947.*

SUPPLEMENTAL INFORMATION—THE FUNCTION OF THE FEED MANUFACTURING INDUSTRY

The feed manufacturing industry is a service industry filling a very definite and important need in our national economy. It is estimated that there will be produced in this Nation 19,000,000 to 20,000,000 tons of byproduct feeds this crop year. The chief byproduct feeds are mill feeds, corn gluten feed and meal, cottonseed-oil meal, soybean-oil meal, brewers' grains, distillers' grain and solubles, packinghouse byproducts, dried milk and whey, fish meal, and oil, etc.

These byproducts are obtained from the manufacture of products for human consumption, such as oils, starches, flour, alcohol spirits, meat, fish, and dairy products. These byproduct feeds all have available certain nutritional values and in order for the Nation to get the maximum amount of good out of all of these ingredients the feed industry ascertains the value of the variable nutritional elements in each byproduct and blends them together so that the maximum production ability of the total supply of byproduct feeds is obtained.

The economic function that the feed manufacturing industry performs is that of blending this vast volume of byproducts feeds together so that the livestock and poultry feeders of this Nation get the maximum amount of good out of the available byproduct feeds when fed with basic feed grains—corn, oats, barley, and sorghum grains. By doing this, feed manufacturers are extending grain supplies.

Additional economic and statistical information

The level of prices is determined by the amount of money people have to spend and the volume of goods that is offered for sale. Since prewar, we have tripled our money supply. Factory wage earnings have jumped from 63 cents per hour in 1939 to about $1.25 per hour. Total wage and salary incomes have jumped from $50,000,000,000 in 1939 to $125,000,000,000 this year. Is it not reasonable then to expect a general price level of 2 to 2½ times the prewar normal if the volume of goods available for purchase is about the same?

To illustrate the maldistribution which took place under usage-control limitations placed upon the feed industry on March 1, 1946, the following information is submitted from four responsible feed manufacturing companies which represent general conditions in the deficit areas.

Percentage of tonnage produced in the indicated months of 1946 as compared to 1945 (usage limitations were in effect in 1946)

	Company			
	No. 1	No. 2	No. 3	No. 4
March	86	100	62	84
April	84	90	95	75
May	64	79	52	57
June	73	68	41	44
Average, 4 months	76	84	62	65

When feed supplies became available through normal channels after lifting of price and usage controls, the following table shows the production of these same companies for the same months of 1947, as compared with 1946.

Percentage of tonnage produced in the indicated months of 1947 as compared to 1946

	Company			
	No. 1	No. 2	No. 3	No. 4
March	124	110	119	101
April	154	118	128	128
May	187	130	164	180
June	174	144	168	134
Average, 4 months	159	125	144	136

The following example illustrates that price and usage controls on the feed manufacture do not save any grain or feed but merely cause maldistribution, with the result of higher cost to the livestock and poultry producers in the deficit grain areas. Two firms in deficit grain areas have submitted evidence that they were forced to purchase a total of 14,000 tons of manufactured feeds of unknown quality to supplement their reduced production in order to take care of the livestock and poultry producers who were depending on them for feed supplies. The average cost of these feeds of unknown quality averaged $12.29 above the list price on their own feeds of known quality to feed the same type of livestock or poultry.

Under a free enterprise system, prices have effectively performed the function of balancing the available supply with the demand. When the supply of feed has been short, the resultant increase in prices has quickly forced the inefficient, wasteful feeder out of business. As a result of this inefficient feeder being forced out of business, the feed supply, through the operation of free prices, was made available to the efficient producer who could afford to pay the high prices and still make a profit.

This is what must happen if livestock and poultry production is to be brought into line with feed supply and the output of food per pound of feed maximized.

The feed industry, through its extensive service organizations, has already placed in operation special concrete programs designed to conserve grains.

Respectfully submitted.

AMERICAN FEED MANUFACTURERS ASSOCIATION.

CHICAGO, ILL., *November 5, 1947.*

ANALYSIS OF THE FEED SURVEY COMMITTEE REPORT

(By Walter C. Berger, president, American Feed Manufacturers Association)

On page 5 in the report I think special emphasis should be placed on the fact that in the figures of 7,668,000 tons of wheat and rye fed on farms, 250,000,000 bushels of wheat has been used by the committee. The committee felt that this figure was the amount that would be left for livestock and poultry feeding, if the Government allocated 500,000,000 bushels of wheat for export purposes.

It should be noted that the stocks at the beginning of the crop year of October 1, 1947, of the major feed grains; corn, oats, barley, and sorghums, totaled 13,632,000 tons. They have used a carry-over figure at the end of the crop year on the basis of 10,000,000 tons. They feel that this is the lowest practical carry-over figure we can expect to arrive at by October 1, 1948.

In the figure listed as cereal byproducts, amounting to 8,450,000 tons, is included an estimated production of mill feeds of 6,000,000 tons as designated at the top of page 4. I feel it is necessary to further explain how seriously this figure could be affected in case the extraction rate in milling wheat into flour was shifted from a normal 72 to 80 percent, and if the amount of flour being exported was reduced drastically. Last year approximately 200,000,000 bushels of wheat were exported in the form of flour, and this left us approximately 1,750,000 tons of mill feeds in this country, for our own domestic consumption. It can readily be seen, therefore, that if the amount of flour exported this crop year was reduced by one-half, we could easily lose 850,000 tons of mill feeds.

It is estimated that approximately 500,000,000 bushels of wheat will be milled into flour for domestic consumption, and if the extraction rate was shifted from a normal 72 to an 80 percent extraction on this amount, it would cause us to lose 1,350,000 tons of mill feeds. It can readily be seen how easily the cereal byproducts feed estimated production could be reduced by 2,000,000 tons, and when that is carried over into the balance sheet on page 4, the deficit of 5 percent of grain and mill feeds could easily be increased to a deficit of 7 percent.

I think it would be well to call special attention to the fact that the deficit of 6 percent on 632,000 tons of high-protein feeds is by far the smallest deficit shown by this committee on any of its reports; so that in reality the protein supplies are in a much better position per livestock unit this year, and it should be remembered that we never carry over any sizeable quantity of the high-protein products from one crop year into the other. It is always consumed as produced, and in a free marketing system price rations these high-protein feeds.

It should be noted that the committee recognizes that under the free price system certain adjustments will take place in the rate of feeding in certain classes of livestock and poultry production. This is particularly noticeable in the production of swine, beef cattle, and sheep. The committee has recognized that there will be a change in feeding practices during this feeding season, and they have estimated that the total requirements of grain and mill feeds for this year will be approximately 7,000,000 tons less than the requirements were a year ago.

It is important to note that the reduced rate of feeding is not due to a drastic reduction in livestock numbers, but results primarily from the adjustments in feeding practices. Livestock producers will market hogs at less weights, breed a greater percent of gilts in place of old sows, market beef cattle of less finish, and make greater use of our large hay crop and other roughages.

I think it is well to explain that these adjustments in feeding practices are simply a step toward the greater feeding efficiency which is necessary because of the present relationship between the farmer's buying price of feed grains and his selling price of livestock and poultry. This is all part of the normal operation of a free market system, and continued operation under a free market system is absolutely necessary to assure the maximum production of meat, milk, and eggs that is possible with our limited supply of feed grains.

The main prob em now, is to make up that 5 percent deficit without additional drain on our wheat supplies. A combination of highly efficient feed plus greater feeding efficiency is needed to do the job.

The Free Way of Life Is a Rugged, Painful Business at Times, But It Has Paid the Biggest Dividends on Earth and It Has Been Worth Every Weary Mile of It—John A. Reilly

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EXTENSION OF REMARKS
OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. GEARHART. Mr. Speaker, it is my privilege to offer for inclusion in the CONGRESSIONAL RECORD the text of a most unusual and at the same time one of the most inspiring addresses that it has been my good fortune to hear during my sojourn in the National Capitol.

The speaker was Mr. John A. Reilly, president of the Second National Bank in Washington, and president of the Washington Board of Trade, an outstanding leader in civic and patriotic affairs in the District of Columbia.

Delivered last night at a dinner meeting of the District of Columbia Society of the Sons of the American Revolution, his utterances were received most enthusiastically by an appreciative audience which was time and again moved to applause by his eloquence. Having himself achieved an outstanding success under our highly competitive system of free enterprise, he was especially well equipped by personal experience to speak with authority on the subject he chose to discuss—This is our heritage.

Because of the timely importance of that which he had to say, the speaker is entitled to and should have a far wider audience than the one which crowded the Sapphire Room at the Mayflower Hotel last night. That this may in a measure be accomplished, I am glad to be able, with the unanimous consent of the Membership, to extend to him the hospitality of the columns of the CONGRESSIONAL RECORD.

Mr. Speaker, this very unusual address to which I have just alluded is the following:

I have often heard it said there is no greater truth than that man fails to appreciate what he already possesses.

Things seldom are appreciated until lost. One never fully realizes the blessings of the use of an arm until it is gone—and gone forever. The joys of sight are coveted by few—save the blind.

And so it is with liberty and human rights. To gain them, men fought through the fires of hell. Once won, and seemingly secured, they were left to the care of everyone in general and no one in particular.

This was fine, when no enemy menaced. Today, the scene has shifted; time has passed and our hard gotten gains are being swept away and unless America keeps a watchful eye, she may find herself in the same unhappy situation that plagues many

of the countries of the world at this very hour.

It was these thoughts that prompted several of our prominent Americans to organize the American Heritage Foundation. In speaking of the problem, Mr. Winthrop W. Aldrich, chairman of the Fourdation, recently said, "Our country now stands at a crossroads of its history. Military victory has brought only a breathing space in our quest for peace and security. Nation after nation, under the stress of external pressure or internal economic despair, has turned to the panacea of state control. The areas of democratic government have been perceptibly shrinking on the global map."

The Freedom Train arrives in Washington on Thanksgiving Day. This week, under official proclamation by our Board of Commissioners and with the blessings of the President of the United States, our citizens will be given the opportunity to rededicate themselves to the ideals that made our countr, great.

I do not propose, in a gathering such as this, to make a patriotic speech. There is no need for it. We will try to throw a little light on the dark and sinister fallacies that threaten to destroy the glory we call the American way of life.

There is only one kind of freedom and it is found where the Government is limited by a Constitution. This protects the freedom of an individual against interference not only from other individuals but from Government itself.

A few evenings ago, when I was studying the part I might have to play during Rededication Week, I picked up a recent issue of the Reader's Digest and was attracted by the title of one of its articles called The Best Years of Our Lives. It was written by Quentin Reynolds, a distinguished war correspondent.

Mr. Reynolds begins by stating that "millions of Americans live and die without ever discovering the land of their birth; it remains as unknown to them as does the second stanza of the Star Spangled Banner. "Perhaps," he continues, "the reason is that most of us, from custom or prejudice, see our country through the wrong end of the telescope."

The writer then outlines many of his experiences in Europe as he watched the misery and lifelessness of the refugees of the continent-people in whose hearts hope had died—as nation after nation fell undefended. He states bluntly that though the years were tragic, they were the happiest he ever knew because for the first time he felt the pride of a discoverer and realized what a great country he had been born in.

As businessmen, I think we often see our businesses through the wrong end of the telescope. We are so close to the inner workings of the machinery of our particular business that we lose our perspective. In other words, we miss the forest because a few trees are in our way.

We are 2 years removed from the greatest war in human history. We are suffering the inevitable dislocations which follow such a conflict. We are still confronted with profound uncertainties regarding the political and economic future, uncertainties that are bound to affect the operations of business.

Tragically enough, the world today is not one world, but two worlds—engaged at this very hour in economic and diplomatic conflict. During the 2 years that have elapsed since the cessation of hostilities, we have been unable to make peace with Germany, and Europe is divided into two separate economic areas by the iron curtain. Russia and her satellites want a planned economy. America and her other allies want a free economy.

A free economy means the capitalistic system. The word "capitalistic" is probably the most misunderstood word in the English language.

Competition is the greatest friend of the common man. Men like Ford, Chrysler, Firestone, and other great industrialists who have been unusually successful and become rich did not do it by cutting wages and raising prices. Instead, they went out and built up their businesses and their fortunes by turning out better products at lower prices, while paying as high, or higher, wages to the laboring group.

Competition is the most stimulating factor in America today for steady desirable progress. It creates the incentive which makes the difference between a lazy economy and a vigorous one.

Some enemies of America have endeavored to convince the masses that the capitalistic system is hostile to their interests. Nothing is more ridiculous. No executive of organized labor, who is faithful to his trust, would seek to abolish our system. The words capital and labor have been used entirely too carelessly in the past and many have placed emphasis upon the fact that one group is opposed to the other. Both management and labor have prospered under our system and I hope the day will never dawn in America when this system will be either discarded or impaired

I say to you candidly, however, that, as business and professional men, we have the greatest package on earth to sell and we have failed miserably in the job.

The task of defending the capitalistic system is broad, complex, and technical. It requires study and a lot of it. That sacrifice on our part, however, would be infinitesimal compared to that which was made by your sons and daughters in the recent war. During those tragic years you prayed for them and for America. Your prayers are needed much more now to save America from the curse of either socialism or communism.

Let us review some of the poison these groups have been disseminating.

(a) Under private enterprise employees get the small art of the income produced. Figures furnished by the Department of Commerce, for the years 1929 through 1945, reveal that the employees have received 86 cents of each dollar produced; the corporations, in dividends and additions to surplus, have received 11 cents; rents, royalties, and interest accounts for the remaining 3 cents.

(b) The Socialists contend that all big corporations are owned by a few people in contrast to the millions of working men on the pay rolls. The financial reports required by law indicate that this is a lie out of the whole cloth. There are over 8,000,000 people in these United States that own stocks and bonds of our American companies. Approximately half of all corporation dividends are paid to individuals with net incomes of less than $10,000 per annum. Let us analyze the position of the $10,000 executive. He pays approximately $2,500 in taxes. His take-home pay is $7,500, which will buy about what $3,750 used to buy. If these individuals, who get half of all corporate dividends, have the power and influence to exploit the working man, then I am prepared to admit our system is wrong. It must also be remembered that many of our larger corporations have nearly as many and some more stockholders than employees.

EXAMPLE

First. General Motors—425,000 stockholders, 340,000 workers.

Second. United States Steel—225,000 stockholders, 280,000 employees.

(c) The one they use with a vengeance—and which packs the hardest punch—is that a few highly paid officials get the lion's share of employee compensation. The last year before the war, according to the Department of Commerce, the total compensation paid corporation employees was $51,537,000,000. Of that amount $3,472,000,000, or 6.7 percent, went to corporation officials.

I have referred to the fact that General Motors has over a third of a million employees. If the three highest paid executives of that corporation turned over their total salaries to the workers, it would take each 6 days to accumulate enough money to buy a pack of cigarettes.

I have mentioned only a few of the arguments used by the opponents of the capitalistic system. If time permitted I could outline many more.

The point I desire to emphasize, however, is that they distort the facts and fire the imagination of the masses against private business. We must dig out the true facts—put out the fire—and get the masses, who have been so cruelly misled, to know and understand the true significance of our American economy.

The opponents of the capitalistic system refer to the profit element as though it was something criminal. No competent banking or business executive need apologize for endeavoring to make a reasonable profit out of his enterprise.

The proponents of economic security rather than equality of opportunity, never mention the word "loss." Because of this, in my judgment, they are mentally dishonest. Loss is a very important element in risk banking. No banker, however competent, can fulfill the normal functions of a bank without experiencing an occasional loss. Of course, he can say "No" to everyone—if he is a coward and afraid to make a decision to lend based upon facts which justify a loan. In so doing, however, he is defeating the purpose of chartered banking and inviting the Government to come in and take over the banking system.

It must also be remembered that our so-called profit system is supported at a great many points by nothing more than rank optimism. If the human mind were not unconquerably hopeful—more attracted by the hope of rich rewards than repelled by the greater likelihood of heavy losses—business and industrial progress would never take place.

It is profit and the striving for profit that brings to the surface all of the bold and venturesome spirit that has created new industries and bigger pay rolls in this country. It is the hope of more profit that has inspired the imagination of mankind and has brought to surface all of the ability with which man is endowed.

The exponents of the new social order want to take the profit out of enterprise and distribute it to others. Here is where their fallacies appear crystal clear.

All human beings are anxious to attain a greater return for their money and effort. Few, if any, workers are willing to put forth extra hours of effort unless such extra effort is rewarded by extra pay.

When the socialists level down profit, they level down effort. They take away the incentive for the extra effort and that margin has been the difference between success and failure since the beginning of time.

What has the capitalistic system meant to America?

In the United States, with only 6 percent of the world's population and 6 percent of its area, through our capitalistic free-enterprise system of business we have during the past century given to the people of the world more of the comforts and conveniences of life than they had received during the preceding 5,000 years. What do we possess?

Sixty percent of all telephones, 35 percent of the railroad mileage of the world, and 80 percent of all automobiles. America produces 70 percent of the world's oil, 60 percent of wheat and cotton, 50 percent of copper and pig iron, and 40 percent of the coal and lead. Our people own 42 percent of the radios of the world, and 54 percent of all refrigerators.

It is also interesting to discover how the people of the United States have fared under this system. I am going to eliminate people with substantial incomes and only give you facts and figures concerning individuals who earned $6,000 per year, or less, last year.

First. In 1946, these individuals earned approximately $141,000,000,000.

Second. They have equities in homes of $56,000,000,000 and in farms of $22,000,000,000.

Third. These same individuals have invested $39,500,000,000 in Government savings bonds.

Fourth. They own $28,174,000,000 in corporate stocks and $25,000,000,000 in life insurance.

Fifth. Their deposits in savings and loan associations total $4,432,000,000 and they have $2,000,000,000 in savings banks.

Sixth. The Social Security and wage credits of this group amount to $14,690,000,000.

I challenge any other system to produce such a splendid result.

In other words, we, one of the youngest of all nations, have the undisputed claim to the highest standard of living in the world. Why?

This standard of living we owe to our national capacity to produce goods and services in large volume and at low cost.

While this is a very impressive record, some people lost money on their ventures. I might cite a few examples.

Of 142 major automobile companies between 1905 and 1946, only 16 are in business today.

Seventy-five percent of people who started new businesses during the last four generations failed within the first 5 years. They did not go broke because they were dishonest or lacked some business knowledge. They failed because others were more able to give the public a better and cheaper product.

If a new enterprise cannot serve the public efficiently, it is a millstone upon our society. The American system of competition weeds out those unsuited for business. The ones who fail change over into something they are suited for.

I have made these few over-all observations, which you have heard so many times, not to bore you again with repetition, but to ask you to think through with me this evening some of the business problems of the immediate future.

To consider intelligently our problems of the future, we must go back to the lush days of 1929 when everyone had a paper profit in the market until the crash of November of that fateful year.

During the early thirties, we witnessed a severe depression which culminated in the bank holiday of 1933.

Then came the New Deal with a brand-new philosophy of government which a weary people accepted for better or for worse.

Billions were spent on activities that were aimless and unproductive and spiritually degrading to the individual.

Then came the march on Poland by Hitler and it took total global war to invigorate our economy to a point where we have high production and full employment. In short, since 1933, we have had a subsidized economy.

We are now emerging from a subsidized economy to a free economy. I say to you candidly that business and banking are going to be different from here out.

After 12 years of a buyers' market for credit, we appear now to be moving toward a seller's market which will have profound implications for the users, as well as the suppliers of bank credit. The complex forces which affect interest rates comprise the whole range of our economic life.

It is my sincere hope that no disappointing experience you may have had, or may have, with a particular businessman or banker will cause you to hope for governmental control and management. We might cite an example. Across the sea, we witness a great tragedy. The British Empire is on the verge of collapse. Having been bled white by two world wars, her economy has been strained to the breaking point. A few years ago, her leaders felt that the only solution was a socialistic form of government with a subsidy for practically everything—banking, production, transportation, and distribution. A government subsidy may work for a while until accumulated assets disappear, then chaos is inevitable.

Socialism is just one step removed from communism. It is much closer to communism than it is to capitalism. Socialists and Communists are buddies, natural bedfellows in their hatred of capitalism, free enterprise and profit.

The capitalistic system offers unlimited rewards for initiative, enterprise, and wisdom. It guarantees no subsidy for laziness, incompetence, and failure.

The free way of life is a rugged, painful business at times, but it has paid the biggest dividends on earth and it has been worth every weary mile of it.

There is a lesson for America in this hour of world suffering and tribulation. For over 14 years, some of our people have been looking for handouts from the Government. The only reason the United States has been able to survive is because the Government has been spending that which 158 years of American ingenuity and hard work has created by the normal functioning of the system of free enterprise.

We have over 60,000,000 wage earners in America. Everyone has a right to earn a living but, as Americans, they are not content to merely keep body and soul together. They feel that they have the inalienable right to achieve, and life itself is robbed of its zest when those incentives to achievements are removed. They will be removed if we abandon the capitalistic system.

When we look over the past and then extend our vision into the future, all of us, regardless of age, will realize the opportunities that are before us. In no other nation in the world are there to be found management so able and labor so skilled, with a government organized to serve and not to dictate. If these three great groups have the will and intelligence to subordinate temporarily selfish advantages to our one great purpose of making the various cogs in our economic machine function smoothly and efficiently, then we may confidently look forward to the improvement and enhancement of the usefulness of our great system.

In conclusion, may I again refer to the article that made such an impression upon me. The best years of our lives are ahead of us if our people will do the following:

The laboring group should unstintingly produce with the skills which Almighty God has so abundantly endowed them. The philosophy of how little I can do and how much I can get for it should be abandoned and high prices will decline. In the long run, we will be better off if we return to the old fashioned ideas of those who built this country and made it the greatest. It is far more important to stabilize the dollar and have its purchasing power restored to its former dignity than to see how many dollars we can run through the printing presses.

Ownership and management have a very sacred responsibility to unsparingly distribute the product of labor for the benefit of the common man. They should strive earnestly and honestly to bring the bounty of America to the doorstep of every citizen. They will make a real contribution to an enduring economy if they devote their time and talents to adjusting the price structure downward and still enjoy a reasonable profit.

The Government can do its part by getting out of competition with private enterprise. Uncle Sam should make the rules of the game fair and enforce them.

Experience over the last few years proves conclusively that he is a poor businessman and the taxpayers have paid the bill.

My argument against a subsidized economy—socialism, planned economy, or planned chaos, as I prefer to call it, or whatever name you may choose to call it—is that America has the best economic and political system yet devised. This is proven by her glorious record and not on a paper blueprint.

America did not become the breadbasket, the arsenal, the bank, and the hope of the world by following the wrong system or believing in wrong principles. Her solution is to reacquaint herself with her own best way of life—and to live up to its tenets more faithfully—not to throw it away before she has completely understood and practiced it.

The answer, and the only answer, is for all of us to educate ourselves to the responsibilities as well as to the benefits of freedom. Perhaps, as a people, we are not morally strong enough to be free. If this is the case, then we shall certainly lose our freedom and it will not matter much what "ism" supplants Americanism. But this will not prove that our free way of life was not the best way. It will only prove that you and I were not worthy of it.

Notes on a Trip to Europe, by Ernest T. Weir

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to include the following Notes on a Trip to Europe by Ernest T. Weir, chairman of the National Steel Corp., of Pittsburgh.

Mr. Weir visited Europe in August and September of this year and he had unusual opportunities, because of his past connections with European business, to compare the present situation in Europe with conditions prior to the war.

I believe, Mr. Speaker, that careful and serious attention should be given to this frank statement by one of the leading industrial figures in America. Unlike the men in the Truman administration, Mr. Weir has not gone to pieces hysterically, but has examined the problem of our relations with Europe in a practical and realistic manner.

I want to call particular attention to the basic point of Mr. Weir's report, and I quote:

> In my opinion, the bugaboo put out by our administration, namely, that unless we finance countries they will go communistic, is without the slightest justification. People who will stand for communism will go in that direction irrespective of what we may do to the contrary. I think Greece is an outstanding example of a waste of our money without in any way bringing into that country peace and stability.

I hope that all of the Members of the House will read Mr. Weir's statement in its entirety.

NOTES ON A TRIP TO EUROPE

(By Ernest T. Weir, chairman of National Steel Corp., Pittsburgh, Pa.)

On a trip abroad, starting August 1 and ending in New York on September 9, 1947, I spent 1 week in London, 5 days in Switzerland, and the balance of the time in France. My purpose in making the trip was to compare present conditions in the countries visited with my recollection of conditions in the same countries on previous visits before the war, and to check by personal observation the impressions I have gained on international matters from my reading of newspapers, magazines, and books. No one, of course, can make a thorough study of wide areas in 1 month's time. There are, however, certain general aspects which become immediately apparent and lead to conclusions which would not be changed materially by any amount of time and study. It is with such aspects, in the main, that these notes deal.

In addition to numerous informal contacts with people of all sorts, I had extensive interviews with 14 outstanding men of industry and finance in the countries visited. These men are all important, practical business leaders whose observations were based on an intimate knowledge of the conditions applying in Europe generally, as well as in their respective countries. In all cases, their discussions with me were without reserve; they spoke freely and frankly on all questions raised. Although the opinions of these men are represented in these notes, I am not at liberty to identify them because it was understood that our discussions were in confidence.

For convenience and simplicity, my impressions of each country are presented separately.

FRANCE

Basically, the country looks good, with the exception of the cities and districts in Normandy, which suffered heavy war destruction. The country districts have been well cultivated and appear just about the same as the last time I was in France.

In Paris, there is no outward evidence of distress. The city is well kept and looks the same as before the war, there being no destruction in the Paris district. The streets were full of people, stores seemed normal, and people dressed about the same as I have always seen them in Paris, with no surface evidence of malnutrition. In restaurants the food is up to the normal standard and plentiful, and this also applies in the hotels.

Businessmen are very critical of the Government and apparently have no confidence in it, considering it without leadership and entirely political. Too many people are employed by the Government and the budget is out of balance. The rank and file of people with whom I talked—all types—feel the same as businessmen regarding their Government and have the same lack of confidence.

The most serious thing in France is the black market in money. The Government maintains an official rate for the franc of 125 to the dollar, or eight-tenths of a cent. The actual value in the black market is 250 francs to the dollar, or four-tenths of a cent. The black market is universal. You can buy this money in hotels and from certain headquarters. There are runners on the streets who will tell you the headquarters to go to. There is really no reason for any visitor paying the official rate for francs, except that on passports and any purchases you may want to take out of France a check is made as to where the money comes from. Consequently, you do have to buy a limited amount of francs at the official rate.

All Government employees—which constitute a great number—and the workers in many plants are paid on the basis of the official rate. As against this, the cost of practically everything now has gone away up on account of the black-market value of the franc, so that the working people are poorly paid in relation to the real purchasing power of their wages, and consequently are in a bad condition. The important food products are rationed, which creates a further black market in food. If the Government would meet the situation fairly and squarely and devalue the franc, say to the basis of 250 to the dollar, it would be a great factor in improving conditions in France and helping the mass of workers. Also, it would stimulate buying on the part of Americans who visit France and would improve the country's dollar supply. Why the Government does not take this course is hard to understand.

I find the businessmen mentioned above all apparently have great confidence in the French people and believe that they would work their way out of this difficulty if they could get leadership and better government which would establish conditions providing adequate incentives. As it is now, the people, in general, work only 40 hours per week and make no special effort to sustain production.

They are, of course, short of coal because they are not able to import from England and the Ruhr production is away below normal.

Taking it as a whole, the great problems in France are bad government, encouragement of the people to believe that they can live without working, and the consequent failure of the people generally to produce.

Businessmen believe that France must work out its own solution by correction of the above weaknesses, and that if the United States continues to feed money into France under the present conditions it will not be helpful to them and will actually delay the return to normalcy in production.

France has the advantage over England in being able to produce practically sufficient food to support the nation and this, of course, is of basic importance.

It is the opinion of businessmen that the influence of communism is definitely declining, and certainly this opinion is shared by many of the rank and file of people with whom I talked.

SWITZERLAND

This country is in marvelous condition. People are working actively; it is clean, well kept, and well cultivated, and I have never seen greater order in any country. It is evident that there is great contentment among the people. Swiss money is at a premium as against that of the United States—this being the only place in the world where this applies.

ENGLAND

The country looks well and this applies to both the rural districts and the cities. Where bombing has taken place, as in London and other districts, the debris has all been cleaned up and in the cities, brick walls have been run along the pavements which hide the destruction to a considerable extent. People go about their business paying no attention to this condition, apparently having become accustomed to it.

In London the streets are full of people, dressed about the same as I have seen them in the past, with no evidence whatsoever of being inadequately fed. Stores are all open and have a good appearance. The theaters have capacity audiences all the time. In fact, it is said that they are having the greatest theatrical season in the history of London. Restaurants are full and the hotels are well patronized. We had no trouble securing ample food although the variety is not very great, but England has never been noted for good food as is France.

There is an absolute lack of confidence in the labor-socialist Government. Every businessman I talked with endorsed this thinking. The men in charge of government, mainly labor leaders and impractical thinkers, are considered incompetent as individuals and inefficient as a group, and this is borne out by the record of ineffective governmental operation thus far.

These businessmen were a unit in saying that England must work out its own salvation. Better government and more work must be had to bring about the necessary greater production. They say that the United States cannot solve their problems by pouring more money into England and, in fact, that this would be harmful. The loan of almost $4,000,000,000 has been largely wasted and there is no doubt that if this large amount of money had not been available, England would have faced her problems much earlier. As it is, they have drifted along and wasted both time and money. In the Government as it exists today there is a battle between the radical side and the more conservative group, and this situation does not, of course, improve their efficiency. The same lack of confidence exists among the rank and file of people, outside of the workers who are in labor unions. The latter are so pampered and encouraged by the leadership that they think they are better off, and are not worrying about the general conditions. Outside of this particular group, I would say there is no faith whatsoever in the British Government today.

There is no black market in England in money such as there is in France, but there is a black market in the day-by-day goods needed by people, which is natural, considering the Government's restrictions and controls. As an example of restrictions and controls, the manager of a fair-size, middle-class restaurant in Richmond told me they had to struggle with 1,227 orders and regulations and they did not know how long they could keep going. All business is handicapped in every way through this type of control.

There is no apparent evidence anywhere confirming the statement, reiterated in our administration's propaganda, that there is danger of a crisis and collapse—and just what is meant by collapse I have never been able to understand. The problem in England is the same as in France—the need for better government, more hard work, and greater production. What England needs basically is more coal, and yet they are producing much less than before the war. The prewar production of coal was about 240,000,000 tons a year, which gave the country an ample domestic supply and allowed a surplus for export. Compared with this, they will probably produce only about 180,000,000 tons of usable coal this year. This government, like others of the same type, completely misrepresents the true situation when it puts out statistics. For instance, they publish estimates of 200,0000,000 tons of coal this year but do not show that this figure contains 10 percent waste which would have to be deducted to put the 1947 output on the same basis as production before the war, which was after this 10 percent deduction. England has ample reserves of coal, and although their mines are not all modernized yet, there is no reason—if they work sufficiently hard—why their production should not come up to what it was before the war, at least. The additional coal tonnage would enable them to increase their own general production and also furnish coal to other countries in Europe, including France, bringing in a large revenue from this source. But now the miners work only 5 days a week as against 6 before the war. The recent coal strike, which was a severe blow to their over-all production, I consider the result of bad management and poor thinking on the part of the Government, which now, of course, owns and operates the mines.

In England, there is still a great amount of wealth, business ability, technical knowledge, and producing property. With intelligent support on the part of the leaders and the people, all of this could be used effectively to

bring England back to where it can again take care of itself.

GERMANY

There is universal agreement on the part of English businessmen that Germany must be rehabilitated and a great increase in production brought about by allowing the German people full liberty in the reconstruction of their country. I do not believe we can ever have a going Europe until this is started. The Morgenthau plan as applied in Germany by our country was one of the great crimes of history.

The report of Mr. Hoover, which was endorsed by the group of American businessmen that was sent to Germany, showed plainly what must be done. The administration in Washington stated sometime ago that they were putting this into effect. This is a complete misrepresentation to the people of this country, because nothing has been done so far as I can find. The slightly amended Morgenthau plan is still in control. This is one thing that Congress must take steps to accomplish—that is, a proper program for the rehabilitation of Germany. We, of course, will have to advance money to Germany to bring that about, but I believe it is one of the safest places in Europe to put funds for reconstruction under a proper plan.

GENERAL

I am fully convinced that the United States must discontinue at once the practice of loaning or giving money to foreign countries without the most critical investigation of their program for the use of the money. This investigation must not be left in the hands of regular officials of our Government, whether from the State Department or others. On the contrary, it should be put in the hands of industrialists and other practical men—according to the problem involved—who can make intelligent decisions, based on experience and free from political or diplomatic pressures.

I came back fully convinced that in France and England there is not the slightest danger of communism. I am also convinced there is no danger of ultimate communism in the United States. In my opinion, communism, as exemplified by Russia, can only be applied in a country such as Russia, where people are of low standard as a result of centuries of mistreatment. In England, France, and the United States people are very individualistic, and they will never stand for any government which destroys their individual freedom and keeps the iron heel of control on their necks. In my opinion, the bugaboo put out by our administration, namely, that unless we finance countries they will go communistic, is without the slightest justification. People who will stand for communism will go in that direction irrespective of what we may do to the contrary. I think Greece is an outstanding example of a waste of our money without in any way bringing into that country peace and stability.

I am more convinced than ever that this country must keep itself strong and active, with high production, improving standards of living for all the people, and a normal prosperity that will be a great example to the balance of the world as to the values of our type of government. Nobody can visit European countries with problems resulting directly from their form of government and low production without coming back to the United States with a deep appreciation of its fundamental values and of the great things it has done to improve the standards of living of all of the people.

In England this has not been the case in the past, nor in France—in fact, none of the European countries has offered opportunities for better living such as we have here.

The conservative government that controlled England practically up to the time of the last war operated on the old-fashioned basis of wealth for a comparative few. At the end of the Victorian period, England was a great power and the richest country in the world. Wealth from all sections of the world flowed into England. But productive enterprises of all kinds were largely controlled by rich families and, unfortunately, the younger generations of these families lost interest in work. In the main, they were interested only in the income of the properties left to them, such as coal mines, steel works, textile plants, and others, and made no effort to maintain and improve them. As a result, English industry as a whole is not modern.

In England the cartel system controlled industry. That is, manufacturers would get together, establish uniform prices, and then submit them to the Government for approval. The result was uniform prices that were high enough to allow the most inefficient operations to make good profits. These profits were largely paid out in dividends and very little was put back into the properties. This is the principal reason why England's coal mines, steel works, and other operations are to a considerable extent antiquated as compared with similar operations in the United States. Our standards have been constantly improved as a result of extreme competition which has forced the reinvestment of a great part of the earnings as well as new money. A competitive economy is the only one that can bring progress in any country, in my opinion, and this has not applied in England or in France but must apply if they are to progress in the future. Even today in both England and France, corporations are having large earnings and paying out large dividends, in both cases greater than we do in this country. In fact, some bankers and businessmen admitted to me that industry was making more money than it was actually entitled to.

In Europe, generally, friendly relationships between countries are made extremely difficult by the rigid customs methods. You are carefully checked when you go into these countries by the customs officials and also when you leave. There is an atmosphere of suspicion and criticism which certainly does not promote good feeling. How anybody could ever expect a one-world situation with these critical checks at the borders of each country is beyond me.

The net result of all this is that, interested as the United States is and must be in the conditions of foreign countries, the ultimate solution must be in their own hands and not in ours, and the quicker we realize this as a country the better off we will all be, both here and abroad. We have put great sums of money into China over the past 10 years and yet the recent report of General Wedemeyer shows that China is still being operated on the same old basis with bad government, graft, starvation, and a growing strength of communism.

I recommend the reading of an article by David Lawrence in the September 12 issue of the United States News and also the statement of Henry Hazlitt, "How Can America Rescue the World," which has just been completed. I think both of these strongly support the conclusions I have outlined above.

I am convinced that socialistic governments such as exist in England today, and in France to a considerable extent, can never succeed in bringing about prosperity and in giving the people higher standards of living. Invariably in this type of government authority is exercised by too many impractical and inexperienced people. One control leads to another until the whole economy is in a state of confusion. This failure to succeed brings about increasing discord within the government organization.

For relations with foreign countries—outside of the field of formal diplomacy—we must bring into Government practical and trained men of affairs who will earnestly and honestly give their time and best efforts to building up good organizations, putting in effective methods and systems, and freeing producing elements within the country from the multiplicity of Government controls. In other words, we must restore freedom of thought and action to the people both within Government and without.

Our so-called diplomats in foreign countries are now being put in charge of matters involving practical production for which they are in no way trained. Their reports on situations are not to be depended upon as a result. Too much propaganda is used within Government to support theories that come out of the discussions in which these diplomats sit in authority.

The great necessity here in the United States is that Congress and the people get the real facts, based on practical, thorough, and time-taking investigations by men who know, and not simply the opinions of theoreticians.

The situation in Europe is highly complex and, naturally, there is no one simple answer to the problems of the various countries. My definite impression, however, is that Europe is by no means doing all that it can to help itself. The various countries have great resources and manpower, and the margin between the present and the potential utilization of these advantages would far surpass any conceivable help that the United States can extend. Whatever help we give can do no more than palliate. The genuine recovery of Europe will start on the day that the people there roll up their sleeves and go to work—and not before. The great bulk of their needs can be filled only through their own production. In view of the statements of the English and French Governments that their countries are in a serious condition, it bewilders the visitor to see those countries operating on the basis of a 40-hour week and numerous holidays. Why don't they adopt a 6-day week which, of course, would greatly increase the production of all materials? Given the right kind of leadership and adequate incentives, there is no question in the minds of persons with whom I talked that the peoples of Europe would work harder and more productively. Certainly, if there is an emergency, a 6-day week will harm no one.

High Prices and Government Controls

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. KNUTSON. Mr. Speaker, pursuant to permission granted me to extend my remarks in the RECORD, I desire to insert a statement sent to the editor of the New York Times by Messrs. Aaron Director and Russell Nichols, of the law school; Milton Friedman and Lloyd W. Mints of the department of economics, and W. Allen Wallis, school of business, University of Chicago, entitled "High Prices and Government Controls," which I hope every Member of Congress will read. The statement follows:

NOVEMBER 12, 1947.

HIGH PRICES AND GOVERNMENT CONTROLS

We think that the Government is understating its responsibility for high prices and its ability to control the price level with its present powers, and that it is overstating the extent of price increases since the end of price control and the case for the reimposition or extension of controls. We argue herein that: (1) the Government is re-

sponsible for high prices; (2) there has been little or no price increase during the past 12 months other than that for which the Government must assume responsibility; (3) the Government has ample powers to control the price level; and (4) Government allocation or rationing of commodities and credit or control of specific prices does not promote the general welfare. In conclusion, we point to the type of action required to assure stability of the general price level, and to secure maximum flexibility of relative prices.

1. We agree with President Truman's statement in his October 24 speech that "the major cause of high prices in this country is the great demand among our own people for available goods", but it is equally true that the demand for goods (that is, the national income) is what it is because of the enormous increase in the volume of money since 1939. In the course of financing the war, the Government tripled the combined total of paper money and demand deposits in the hands of the public, from $36,000,000,000 at the end of 1939 to more than $109,000,000,000 in August 1947 (the latest figure available). As a consequence of this tripling of the money supply of the country, the national income has risen from $72,500,000,000 in 1939 to an annual rate of $200,000,000,000 at the present time. Because production is now some 50 percent greater than it was in 1939, the price level (wholesale) is only twice and not three times what it was before the war; without change in total output, we would expect a three-fold increase in the quantity of money to result in roughly a three-fold increase in the level of prices.

2. The President made certain comparisons of prices now with OPA prices and drew the conclusion that prices have been rapidly rising since the abandonment of price control. Such comparisons are meaningless, because of the widespread existence of fictitious prices during OPA. After its demise, such fictions were rapidly abandoned in the pricing of farm products and foods, less rapidly in other fields, and some fictions are still with us, as, for example, automobile list prices. It is of no consequence to the would-be purchaser that an automobile may bear a quoted price of, say $1,500 if it cannot be purchased for less than $2,000. Would it be reasonable to say that automobile prices had risen 33 percent, in the event that the quoted (fictitious) price were raised to the real price? Yet it is essentially the President's argument that a raising of a fictitious price to a real price is what is important, rather than change of real price.

There has until recently been little change in the real price level since Government controls ended. There have been changes in the prices of particular products, such as the rise in the prices of farm products occasioned by the wet spring, which reduced the combined supply of feed and food grains from 7,000,000,000 bushels in the 1946–47 crop season to 6,200,000,000 bushels in the current crop season. Even so, on July 5, 1947, the Bureau of Labor Statistics index of the wholesale prices of farm products was only 6 percent higher than the index for the month of November 1946. On the same date, the BLS index of the wholesale prices of foods was a trifle less than that for the month of November 1946; and the index of wholesale prices of commodities other than farm products and foods was 10 percent higher than in November 1946. Evidence from other sources suggests that this increase in nonagricultural prices reflected the gradual abandonment of fictitious prices rather than real price change. During the period in question there was little variation of the volume of money, the velocity of circulation of money, the national output of goods and services, or of the national income. It is not to be supposed that the general price level can vary independently of all of these.

The President referred to a recent rapid price increase, which was the proximate cause of the Administration's demand for more power to deal with high prices. From July 5 to September 20 the BLS index of the wholesale prices of all commodities increased by 7 percent. During this period of price increase the Government through the Federal Reserve System was permitting Federal Reserve member bank balances to rise by 7 percent, from $16,000,000,000 on July 2 to $17,100,000,000 on September 17. These balances are the basis of the country's monetary structure and had varied only imperceptibly except for seasonal changes during the 12 months prior to July 1947. It may be noted that neither the wholesale price index nor member bank balances changed appreciably from late September to early November.

3. By calling a special session of Congress to take legislative action to put an end to the continued rise in prices, the President has given the impression that the Administration does not now have adequate powers to determine the general level of prices. We think that the Federal Reserve System and the Treasury already possess such powers. In fact, at least from a technical point of view, their power to inflate is such that at a minimum they could double the present quantity of money in the country, and their power to deflate is essentially unlimited.

While the Treasury and the Reserve System are thus now amply equipped with technical power to control the price level, they apparently believe that exercise of that power might lead to incidental undesirable consequences. In particular, at the present time, they point out that strict adherence to a policy of monetary stabilization might entail a sizable decline in the price of Government securities, which, if recognized, would involve a large decrease in the book value of assets held by some financial institutions, and perhaps technical insolvency. Therefore, the Reserve System and the Treasury apparently feel that they must stand ready to support the prices of Government securities even at the expense of further inflation. We do not think they have a good case. A decline in Government security prices might be very welcome to institutional holders of both short- and long-term governments; they would benefit by the rise in interest rates which would accompany the decline in prices. (There is a legislative proposal—essentially designed to drastically raise reserve requirements of the commercial banks—which would remove this obstacle, chimerical as it may be, to the exercise of Treasury and Reserve System power to promote monetary stabilization, and which has the greater merit of curbing the inflationary and deflationary potentialities of the commercial banking system.)

4. Government allocation, or control of specific prices, is likely to be doubly harmful; first, because it is an ineffectual and misleading cure for inflation; second, because it does not permit the variation in relative price essential to the efficient organization of productive activities.

The consequences of wartime inflation may be intensified rather than mitigated if attempt is made to escape from the fact of inflation by resort to the pleasing illusion that by means of Government controls the inflation may be wished away. Controls of particular prices or rationing of particular commodities, or control of exports and imports, or of consumer credit and margins in stock and grain markets, and the like, fail to come to grips with the volume of money, which is the main factor in the price and income structure. With respect to the control of the general level of prices such expedients are valueless and even harmful if they divert public attention from the monetary responsibilities of the Government. In order to properly focus efforts toward monetary stabilization it is almost essential to first take cognizance of the fact that higher prices and incomes are here to stay.

A sharp distinction must be made between the highly desirable control of the general price level, and the highly undesirable control of relative prices, whether the latter is attempted by fiat or by rationing and allocation. Relative price changes are of the essence of the proper functioning of the competitive noncontrolled economy; for example, there is no surer or more efficient method of reducing the amount of wheat fed to livestock than relative price changes such that the use of wheat as feed becomes less profitable than other uses of wheat. The domestic use of wheat in the first quarter of the current crop year was less than that in the first quarter of the 1946–47 crop year; this saving which was induced by a high relative price for wheat was under way prior to the save-wheat campaign.

In view of the attention being paid to Europe (including England) just now, it is surprising that there should be support for additional controls here. It seems to be recognized by many, including members of the administration, that European recovery has been impeded by efforts to offset monetary inflation by pervasive governmental control of individual prices and rationing of commodities. It is especially surprising that there should be support for the continuation of export and import controls—which can also be regarded as attempts to control prices of world-trade commodities—beyond the February 29 expiration date, since there is little question but that the Marshall plan will have only temporary effect unless the various European nations join in some sort of customs union—i. e. lay aside their own export and import controls. It is not necessary to make grants to Europe to enable it to compete in the world market for American goods and simultaneously to control exports so that Europeans may obtain their "fair share."

5. We think that the citizen should be on the alert to the danger of discretionary monetary inflation or deflation. There is no established legislative rule for maintaining monetary stability, and hence there is no assurance that the administration will exercise its power to promote stability. The Congress should lay down stabilization rules; to these rules the Reserve System and the Treasury should always adhere, instead of pursuing such shifting objectives as maintaining the prices of Government securities. The Congress should also take account of the effect it exercises on the value of money through its control of revenues and expenditures, an effect which would become obvious were the monetary authorities bound by legislative prescription.

It is our aim to emphasize strategic factors in the present situation, rather than to suggest rules for monetary stabilization. If a long-range policy for monetary stabilization were to be framed, considerable weight would have to be given to some matters which we have neglected. For example, we have said nothing of the possibility of inflation or deflation consequent on changes other than those in the quantity of money; and in emphasizing the power of the Government to control the quantity of money we have only parenthetically touched on the fact that the task would be much easier were it not for the powers of expansion and contraction now possessed by the commercial banks.

In addition to providing for stability of the price level, there are measures which the Congress can take to improve the productive efficiency of the country by giving even more free play to relative price change, which will be of benefit to the world at large as well as

to ourselves. These measures would include: repeal of existing control regulations; repeal of the tariff; repeal of the legislation requiring the Department of Agriculture to support farm prices (and a searching examination of the Department's quarantine on meat and livestock imports to the United States); and strengthening of the antitrust legislation by repeal of the Tydings-Miller resale price-maintenance amendment and the Webb-Pomerene Act.

Premium Overcharges on National Service Life Insurance

EXTENSION OF REMARKS
OF
HON. JOHN C. BROPHY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. BROPHY. Mr. Speaker, acting upon a routine inquiry by a constituent suggesting the possibility that a huge sum of money has been accumulated as a result of premium overcharges by the Veterans' Administration on national service life insurance, I proceeded to check the authenticity of the reported accumulation of funds.

As soon as the check got under way a report of the checking being made was released in a news story, leaving me no alternative than to bring such information to public attention at once.

The surplus believed to be overcharge premium payments coming from veterans is reported to range between one and one-half billion dollars to two billion dollars, money which should never have been required of the GI's, the men and women of the armed services who helped to defend our country from aggression, and who, in many cases, made the supreme sacrifice.

As soon as checking started it was reported the Veterans' Administration wanted to put on two to four thousand additional employees in order to try to dispose of this huge surplus and return the money to its rightful owners, the veterans or the heirs of those who made the supreme sacrifice.

I would like to know how such an enormous "kitty" as this could be accumulated without somebody in the Veterans' Administration moving long before this to return the money to the veterans to whom it belongs instead of being held this long. Furthermore, I fail to understand why it it was necessary to accumulate this money in the first place, and why the outmoded methods and practices of the Veterans' Administration were not changed to start with so that the premium payments required of and paid by the veterans represented the lowest possible cost.

Furthermore, it would be interesting to know what kind of bookkeeping has been going on in the Veterans' Administration if it is going to take two to four thousand new employees, as reported in the press, to straighten these funds out, and determine what belongs to whom.

Since the press has reported the checking being conducted, my office has received additional offers of information concerning scandalous practices on the part of the Veterans' Administration working to the detriment of the veterans whom the Veterans' Administration is pledged to serve to the veterans' best interest. This offer of help comes from employees and former employees of the Veterans' Administration and from the veterans themselves, naming and identifying employees of the Veterans' Administration who may be responsible, or at least have knowledge of, some deplorable existing conditions within the Veterans' Administration.

It seems to me that this might be a fitting subject for investigation by a special committee of the Congress to determine just who is responsible for this condition of affairs. Whether or not I introduce a resolution asking that such a special committee be appointed will be determined by the answers I receive in reply to a letter I have addressed to the Administrator of the Veterans' Administration asking for complete and specific answers to the following specific questions:

First. The length of time this money has been accumulating?

Second. What obstacles, if any, stood in the way of the return of this money immediately to the veterans or the heirs of those who made the supreme sacrifice?

Third. Can you determine how soon this money will be delivered to its rightful owners, the veterans or the heirs of veterans who made the supreme sacrifice?

Fourth. Is it not a fact that you have just placed two actuaries on a study of this vast fund of overcharges?

Fifth. Is this the individual veteran's own money from premium overcharges, or is this a dividend?

Sixth. What will be the estimated additional cost to the Government for handling these refunds?

In conclusion, is this just another political football, or is it a Veterans' Administration "Fibber McGee closet"?

Turning Back the Clock

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. CLASON. Mr. Speaker, under leave to revise and extend my remarks, I wish to include in the RECORD the following editorial which appeared in the Springfield (Mass.) Daily News on Tuesday, November 18, the day following the President's message to the Congress. This newspaper is the leading Democratic journal of western Massachusetts with the largest circulation of a paper of its political complexion west of Boston. I believe it editorial position on the President's message fairly reflects the thoughts of a great many Republicans as well as Democrats.

TURNING BACK THE CLOCK

In declaring for rationing, price control, and wage ceilings to implement the Marshall plan, President Truman is asking Congress for powers equal to or surpassing those exercised by President Roosevelt during the war emergency.

The President asks for a return to government controls over business and labor and virtually every aspect of American life to control inflation while the Nation is dipping heavily into its resources to make the Marshall plan work. In other words, President Truman seeks to make America virtually a new form of totalitarian state with bureaucratic dictators in Washington telling all the people what they can and cannot do in the conduct of their businesses and in their daily lives.

There is no emergency existing now which justifies the complete surrender of American liberties to Washington bureaucracy. Prices are high, it is true, but people at least are getting enough to eat and wear with a few luxuries thrown in. There are no long butter lines, as was the case during the heyday of OPA. There is meat in market show cases offered at prices, which are the same for everybody. There are no under-the-counter transactions or black markets where well-heeled people can buy goods denied to the rank and file. In short, most people are a lot better off now than they were during the dreary war period when the OPA pegged prices at arbitrary levels, but failed abjectly in the task of getting goods to market. The failures of OPA manifestly offset its virtues. Bureaucratic theories on prices simply could not be made to work in practice. Wartime OPA in large measure was just another of the many departures dreamed up by the same New Deal brain trust, which failed to solve the late depression.

President Truman falls back on OPA, rationing, and wage ceilings as panaceas for shortages America's foreign-aid program are certain to create, because he hasn't anything better to offer. In all probability, President Truman realizes Congress will not adopt his proposals to restore bureaucratic controls over the life of the people. In other words, he is throwing the problem into the lap of Congress. If measures taken by Congress are followed by difficulties, President Truman can adopt an I-told-you-so attitude, in the hope of making political capital for the 1948 national election campaign without having to put his own ideas to an acid test.

In approaching the problem of aid to Europe and the repercussions the program is likely to have in America, Congress should be on guard in protecting the interests of the people of this country. It is obvious that the Truman administration's plans for European aid are of such mammoth proportions that a serious crisis can develop in this country. A little less aid for Europe to create more stability in America, should be a legitimate goal of Congress. In any case Congress should not turn back the clock as President Truman proposes.

United States Dollars Held Unable To Halt Russia's March

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. LARCADE. Mr. Speaker, under authority granted me to extend my remarks in the RECORD, and to include a newspaper article, in view of the discussions with respect to various plans for aid to the European countries, I wish to

submit an article by Constantine Brown, prominent Washington columnist and commentator, which article appeared in the Sunday Star, Washington, D. C., on Sunday, November 23, 1947, and which article I think will be of interest, and which is as follows:

UNITED STATES DOLLARS HELD UNABLE TO HALT RUSSIA'S MARCH—WESTERN EUROPE DESCRIBED MORE INTERESTED IN AMERICA'S MILITARY POTENTIAL THAN IN OUR ECONOMIC ASSISTANCE

(By Constantine Brown)

At the turn of the century a prospector in Idaho by the name of Norton discovered a rich gold mine near the Custer Mountain in the Yankee Fork mining district. He named it the Charles Dickens.

Norton struck it rich. His ore assayed $10,000 a ton. Norton's great passion was poker and when he could not find players he staked some and played against his own money. The $500,000 Norton had amassed vanished in thin air. He died in poverty.

A number of Members of Congress who know this true story wonder whether what happened to Norton may not happen on a much larger scale to Uncle Sam under the long-range program of the Marshall plan of aid to Europe.

LAWMAKERS SKEPTICAL

That we must leave no stone unturned to save western Europe from the Moscow octopus is admitted by everybody who considers the security of this Nation and the Western Hemisphere. But there is still a good deal of skepticism in the minds of our lawmakers over whether expenditure of twenty or thirty billion dollars will be sufficient in itself to prevent Russia's onward march into western Europe and China.

A miniature "Marshall plan" already has been applied by the administration in Greece. Last March President Truman enunciated his doctrine of helping nations which want to remain free and whose sovereignty is threatened by communism. The sequel of the Truman doctrine was Congress' appropriation of $300,000,000 for economic and military support to Greece and $100,000,000 to Turkey. Military support was given Greece because she was being attacked by Communist units organized and equipped in Yugoslavia, Bulgaria, and Albania.

Had it not been for that fact, the sums appropriated for Greece would have been earmarked exclusively for economic recovery. President Truman and his advisers proceeded on the theory that communism is fostered by hunger and poverty. Hence, in order to combat it, the American Government must support legitimate governments chosen in free and unfettered elections.

President Truman may not have thought last March of the possibility that the millions appropriated for Greece might have to be followed not only by more millions of dollars, but also by an American armed force if the Greek Army is to be supported against the more powerful enemies from across the border.

COMMUNISM NOW A TOOL

President Truman and his advisers were firmly convinced that dollars in the form of food and raw and manufactured materials would be more than sufficient to combat communism. This might have been a correct theory before World War II. But today communism is no longer the dogma of Karl Marx and Lenin. It is used as a tool by which Russia's dictators hope to reach their goal of world domination.

The slogan of communism in the day of Lenin and Trotsky was "Workers of the world unite." This has been discarded by the Politbureau in the Kremlin. The aims of the new communism differ in no way from those of Hitlerism—world conquest and domination, not for the sake of the underdog, but for the greater power and glory of "Mother Russia" and its dictator, Joseph Stalin.

In the Balkans, as in western Europe, we no longer oppose an ideology which is unwelcome to the peoples of these lands, as was the case after World War I. We, the Europeans and the Chinese face the militant power of a dictatorship which possesses less military skill, but far greater natural and manpower resources, than did the Axis. To imagine that this militant drive for world conquest can be halted by billions of dollars is like believing that the Atlantic can be bailed out with a soup ladle.

THE GREEK SITUATION

Our policy framers caused President Truman to embark on the plan for Greece and Turkey on the assumption that improvement of economic conditions would stem Communist encroachments. If they had been correct, the Greek situation would have improved in the last 6 months. As it is, the money dispensed by Dwight Griswold in Greece has almost exhausted the $300,000,000 appropriation and the situation has deteriorated rather than improved. The Greek armies are exhausted, the funds are practically exhausted; some improvement in Greece's national economy is noticeable, but the danger of a Greek collapse is greater than it was a year ago.

The members of the Greek Government in private and off-the-record conversations say that an American force of at least 30,000 men, using the latest war equipment, would prevent a debacle soon. And this point of view is shared by worried American military men, who have so little available to do such big jobs.

All the elements of the long-range Marshall plan for western Europe can be found in the support-for-Greece program. And the lessons we are learning in Greece must not be overlooked when we discuss the salvation of western Europe through economic means alone.

EUROPEANS MORE REALISTIC

That France, Italy, and the other Western European States wish that assistance is undeniable. But the Senators and Representatives who crossed the Atlantic during the recess frequently heard the same desperate cry from the people they talked to during their extensive trips: "We must feel that the United States stands behind us with her potential military force to back us in case of a Russian aggression."

The most enthusiastic spokesmen for Russia must admit that there is nothing Moscow wishes more than economic disintegration of western Europe. Her attitude toward the Marshall plan at the Paris Conference last summer, the political strikes and riots touched off by Moscow's stooges in France and Italy, the venomous campaign conducted from Moscow and all her satellites against proposed plans for world economic recovery, all these show clearly that Russia is bent on preventing any such occurrence regardless of the cost.

European peoples are more realistic than we are. They are fully aware that within a few days' march of France, and a few hours of Italy, vast Red armies are poised to strike. No less than 100 Red divisions, supported by some 5,000 planes, are stationed between the Soviet-Polish borders and western Europe.

The peoples of Russia do not have to be consulted by their dictator. All that is necessary to set that mass of men and machines in motion is an order from Moscow. And the people of France and Italy fear that such an order may be issued if the Moscow stooges—the Communist organizations in France and Italy—are overwhelmed by peoples who don't want any part of Red totalitarianism.

Hence the question which Americans abroad hear so frequently, "Are you people willing to come to our rescue militarily if such a tragedy should happen?" It is no secret in Paris that we are not ready to intervene in force. But, as Gen. Charles de Gaulle is reported to have told a highly placed American, the French people, at least, can put up some show of force, provided the Americans are willing to come quickly to France's rescue.

LIKE OLD MAN NORTON?

This is the crux of the situation in Europe. To siphon billions of dollars to the Old World in the belief that money can prevent the spread of Russia's imperialism is to act like old man Norton, the owner of the Charles Dickens mine. The main aspect of assistance to Europe is America's physical strength, which, if our leaders deem it necessary, should be made ready to help those nations which are so anxious to lead a free life. But unless there is that determination on the part of the American people, the long-range Marshall plan unquestionably will suffer the fate of the Truman doctrine in Greece.

Wealth can win a war, but cannot prevent it when dictators like Adolf Hitler and Joseph Stalin make up their minds to fight. Germany was poor compared with France and Britain. Yet this did not deter Hitler from precipitating World War II. Britain and France were rich and could not be convinced that desperadoes would strike against those more richly endowed with worldly goods.

The same thing cannot be said about Russia, which has more potential wealth than any country in the world. But the Soviet leaders are not bent on making the U. S. S. R. a partner in world reconstruction. They want power, and that, they believe, can be obtained only by subjecting the rest of the world to the Kremlin.

We think in terms of sound economics to benefit all people; Russia thinks in terms of world conquest. The Soviet economy, so vastly strengthened by American lend-lease, is geared for war. Russian factories work 24 hours a day just like Hitler's did after 1934. But they are not producing consumers' goods. Everything is stock-piled for the use of the Soviet's vast armed forces.

This is known to Europeans much better than here. They all hope that the United States Congress will be liberal when help to Europe is discussed. But they hope even more that American armed forces will be prepared to intervene when the colossus from the East unleashes its forces. Without that last support, no amount of money can save them.

Asks for Blank Check

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. BRADLEY. Mr. Speaker, as I am sure we all want to know the reaction produced throughout the Nation by the President's message of November 17, 1947, I quote below an editorial from the Long Beach Independent, of Long Beach, Calif.:

ASKS FOR BLANK CHECK

In recommending emergency relief for Italy, France, and Austria, the President asked for a $600,000,000 blank check. Congress was not told what the money would be

spent for or how the relief would be administered. Since there is little time to debate the issue, it is probable Congress will vote the money, hoping it will be spent so as to achieve the good intended. It is a blank check, but there is no time to fill in the details.

In his recommendation for power to control inflation the President again asked for a blank check. He asked for power to allocate materials, but did not name the materials nor to whom they would be allocated. He asked for power to ration and control prices of food, fuel, and rent. But he did not tell how nor on what basis this would be done. He was not even sure it should be done, but asked for a blank check to fill in when he and his advisers thought the time had arrived.

Concerning wages, the President asked for power to place a ceiling on wages if he found it necessary in some industries. It was almost identical to the way President Roosevelt asked for price control in 1942. At that time the President said he wanted to leave farm prices and wages open for him to control as he thought best. The result was disastrous in that prices on products were frozen, but wages which decide the cost of products were allowed to rise. The result of that was a complete dislocation of the economy with most scarce products sold in the black market.

For most of the last 16 years the country has been ruled by edicts of bureaucrats, rather than by laws. Under broad powers given by Congress, appointed officials pronounced edicts controlling this or that only to find most of their controls were unnecessary or unlawful. It is now up to Congress to set out definite rules enacted by laws which are clear and understood by the people.

If Congress believes rationing, price, and wage controls are necessary, then it should name the products and terms. Congressmen have available all the information of the executive branch, plus the reports from the districts in which they live. The emergency is not so great that a blank check should be given to a bureaucracy that has proved itself incapable of administering controls in the past.

If there is to be a ceiling on prices for certain products, then a ceiling should be set on wages and profits in that industry. Allowing a ceiling on prices without a ceiling on profits and wages has never worked and never will. But in the coming Presidential year it is doubtful the President would voluntarily place a ceiling on wages. He should not be given the power to do one without the other.

Asking that consumer and bank credits be regulated should have immediate attention. Rising prices make it important that all the suggestions be given immediate attention. But the people are not willing to again give a blank check to this or any other administration. If there are to be controls, they should be clearly presented in a measure by Congress. They should not be left to the whim of appointed officials whose antics in the past give little confidence in their soundness for the future.—L. A. C.

A Political Clan Call

EXTENSION OF REMARKS
OF
HON. ROSS RIZLEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. RIZLEY. Mr. Speaker, two of the most timely statements that have come to my attention in respect to the President's message to the Congress on Monday last are contained on the editorial page of the Daily Oklahoman published Wednesday, November 19, 1947. The editorials speak for themselves:

A POLITICAL CLAN CALL

Congress is not going to give the President sufficient power to enable him to establish a police state. The President never believed that Congress would approve his request for such extraordinary power. Probably he would be the most surprised man in America if Congress should say to him: "All right. Here is the power you asked for. Let's see what you can do with it."

Then why did Mr. Truman ask for such sweeping authority if he never expected to obtain what he was asking for? The answer points directly toward the 1948 elections. If Congress rejects the Presidential program and prices continue to move skyward, the Republican Party will be held responsible for the burdensome cost of living. Throughout the campaign administration supporters will be heard to say: "We did our best to curb rising costs but the Republican Congress killed our program. If you want prices to remain high and go higher even, vote the Republican ticket." On such an issue as that it would be extremely difficult to defeat Mr. Truman.

If the Republican Congress were willing to stagger the country in order to defeat the President, they would grant to the President all the powers he has asked for. They would clothe the President with unlimited power of action and thereby make him completely responsible for the shortages and the black markets that would follow inevitably. They would bring back the turbulent days that preceded the 1946 elections when American housewives tramped the streets with empty market baskets and looked in vain for an ounce of meat while cattle on the hoof remained unmarketed all over the country. That would insure the defeat of Mr. Truman.

But that course would make of the country the police state that Mr. Truman envisaged only a fortnight ago. Of course that is what the left-wing element wants. They yearn for perpetual Government control and universal regimentation. But it is not what the popular majority wants. It is not what the President himself wants, as his recent disapproval of the police state amply proves. Then why does the President ask for the very thing he recently condemned?

The President wants to put the Republican Party into a hole and insure his own reelection. Therefore he asks for something that he had already pronounced abhorrent. He asks for something he does not expect to get. Hs asks for something that he doesn't even want. Poor statesmanship? Certainly. Doubtful public service? Certainly. But most promising political strategy. What better politics could the Administration play than to thrust upon the opposition full responsibility for the mistakes and inefficiency and ineptitudes of the party in power?

On its face the program of the President would restore the status quo of V-J day less the absence from their homes of several million service men. Such a program suggests that with the exception of the demobilization of our fighting forces our Government has not made 1 inch of progress since the sunflag of Nippon went down in surrender in Tokyo Harbor. We are asked to reshoulder all of the burdens imposed in a war for survival except the burden of supporting 10,000,000 under arms. As a matter of political strategy the President's suggested program is a masterpiece, but as a confession of administrative impotency it has no parallel in our history.

WHY MUST WE DEFEND IT?

Why are we constantly warned by writers, speakers, and politicians that we must be prepared to defend the American way of life in the eyes of the world?

Some day when one of these heavy thinkers is dealing out this line of guff an indignant citizen is going to rise and ask a few questions, something like this:

What's so wrong with a way of life which with 7 percent of the world's population clothed, fed, and armed half or more of the world against aggression?

What's so phony about a way of life that is right now engaged in helping rebuild most of the rest of the world with the fruits of their labor and ability?

What's so out of joint with a way of life that affords a slothful relief roll client a better standard of living than the hardest working folks in the rest of the world enjoy?

And when he does, the heavy thinker is going to be hooted out of the hall, dining room, or auditorium where he is delivering his carping tirade against the only way of life that gives his ilk the opportunity to grow fat by gnawing at the hand that feeds him.

Resolution of Hamilton Post, No. 20, American Legion, Baltimore, Md.

EXTENSION OF REMARKS
OF
HON. GEORGE H. FALLON
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. FALLON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

Whereas we are entering a period when our country and the whole world must intensify efforts to create conditions for lasting peace, social advancement, and economic rehabilitation and progress; and

Whereas more than ever it will be a period when the citizen and the organizations he works through must set broad policies for guidance and specific steps by which these policies may be effective; and

Whereas freedom, as world events have taught us, isn't free like the air we breathe. It isn't from everlasting to everlasting. It was won by bitter struggle, and it can be lost with tragic ease, if we Americans take it for granted; and

Whereas the lesson of our time is that freedom must be earned, in each generation, by our integrity and ability as citizens. Either we continue to earn it, or we shall wake up some morning to find it has slipped through our fingers, as it slipped through the hands of so many other people of the world. A dictatorship will have taken it from us; and

Whereas it is time for us to begin talking about what we are going to do about world rehabilitation—and about the threat of communism. It is time for us to begin talking about what we will do to make the American system of free enterprise an unbeatable combination of free and happy people living in a world of peace—which we have molded; and

Whereas the members of the American Legion have a tremendous stake in national and world affairs by virtue of having served their country in two World Wars and have a right to demand that our Representatives in Congress interest themselves in sound legislation in connection with problems confronting our Nation: Be it therefore

Resolved, That Hamilton Post No. 20 of the American Legion, Department of Maryland, at its meeting held at Baltimore, Md., Friday, November 21, 1947, go on record as insisting that our Representatives in Congress from the State of Maryland remember their oaths upon taking office, and be aggressive in their efforts toward the formation

of such laws as will further the objectives listed above; and be it further

Resolved, That copies of this resolution be sent to the Members in Congress from the State of Maryland, to the American Legion, Department of Maryland, and to the press in the city of Baltimore.

(Resolution was adopted unanimously.)

Letter of Philip Murray

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks, I include a constructive letter received from Philip Murray, president of the Congress of Industrial Organizations, which I assume every Member of the Congress has also received. The letter of Mr. Murray is worthy of deep consideration of every Member.

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., November 11, 1947.

MY DEAR CONGRESSMAN: The American people are today greeting with fervent prayer the news that Congress is scheduled to reconvene in special session. Theirs is a prayer that this session may take constructive and immediate action in the grave crisis which produced the emergency call.

At home American families face with despair the specter of uncontrolled food prices carrying necessities of life beyond the grasp of the people. They face a threat of rent gouge in a period of critical housing shortage. They are overwhelmed by a picture of record profits while the savings of the common people are depleted.

When individual meat-packing companies double and triple their net income in a single year, when the textile industry is earning more than in any previous period in its history—all this while the American people are compelled to feed their families on less than adequate meat rations because of high price levels and are compelled to curtail their clothing purchases for the same reason—then we are entitled to look to Congress for courageous action and not for the farcical procedure of widespread hearings to discover whether the cost of living has gone up.

In the name of common humanity, in the name of the children whose diets are affected by current food costs, in the name of the housewives whose living budgets have been slashed, I urge that you exercise your leadership in Congress for the immediate institution of clear and strong measures to set and hold prices at a point within the reach of the American people by:

(1) Reestablishing price control and rationing of food, clothing, and other necessities of life.

(2) Instituting a tax program to recapture speculative and excess profits.

(3) Eliminating margins on the grain exchanges.

(4) Conducting an all-out attack upon monopoly and its attendant artificial curtailment of production, creation of scarcity for profit, artificial spiraling of prices and general strangulation of our economy.

This fight against hunger and privation at home is part and parcel of the urgent struggle against hunger throughout the world. Needy people everywhere deserve and must be given relief. We must help them to feed and clothe themselves, not merely as a gesture of humanitarianism but also because we must recognize that hunger in any part of the world is a threat to the peace and security of all the world.

These people must be helped freely, ungrudgingly, without discrimination, and without attempt to use their need and our aid as a means of coercing free but needy people in the exercise of their rights of independence and self-government or to fan the flames of civil warfare.

The American people are fully prepared to support their leaders in a fight at home and abroad against the enemies of all the world—hunger, cold, homelessness, and privation. We cannot win this fight on one front alone. If we undertake to furnish relief abroad and fail to control our domestic price levels, then every dollar which we elect to use for aid abroad may result in the actual delivery of only 50 cents' worth of food abroad.

With all the sincerity at my command, I urge and plead that all parties in Congress and all groups within all parties set aside their political differences in a common endeavor rising above party politics to reduce living costs at home immediately and to deliver food to starving people abroad immediately.

Sincerely yours,
PHILIP MURRAY, *President.*

Court-Martial the Brass—Don't Discriminate Between GI and General

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. EVINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include an editorial from the St. Louis Post-Dispatch dated November 21, 1947, entitled "Scoundrel in Uniform."

The disclosures by the Senate War Investigating Committee of the fraud and corruption practiced by Major General Meyers has shocked and startled the people of America. This gross deceit and scandal has brought discredit and disgrace upon a high-ranking officer of the Army and greatly impaired the prestige of our Army Air Forces.

As is well said by this editorial, so far as the American people are concerned prosecution cannot begin a minute too soon. Prosecution should include not only action by the Department of Justice for income tax violation but also stringent court-martial proceedings. The latter, not only for fraud and corruption, but also for tending to reflect discredit on the millions of American soldiers who served with honor, those who died defending the principle of honor and the right, while a ranking officer sought personal gain and enrichment, thus bringing discredit upon the uniform of the United States.

Mr. Speaker, this editorial raises some question as to whether or not the military authorities have the right to try this general officer. There should exist no reservations regarding jurisdiction of the department of the Army to try this case. Should an enlisted man, a GI, have even been suspected of an offense, however, minor, he would quickly have been court martialed. There should be no discrimination in bringing to book offenders whether they be GI's or generals. There should be no whitewashing of this case. Although this officer is retired from the Army, court-martial jurisdiction to try him exists and has not terminated by reason of his retirement.

Courts martial; jurisdiction; termination: The general rule is that court-martial jurisdiction of officers, cadets, soldiers, and others in the military service of the United States ceases on discharge or other separation from the service and that jurisdiction as to an offense committed during a period of service thus terminated is not revived. * * * There are, however, some exception: (1 Jurisdiction as to certain cases of fraud and embezzlement is not terminated by discharge or dismissal. (Manual for Courts-Martial of the Army, par. 10, article of war 94.)

Article of war 94 provides, in part, as follows:

Frauds against the Government: Any person subject to military law, who, being guilty of any offenses while in the military service of the United States, * * * and (thereafter) receiving his discharge or his dismissal from the service, shall continue to be liable to the Army and held for trial and sentenced by a court martial in the same manner and to the same extent as if he had not received such discharge or dismissal.

The editorial is as follows:

SCOUNDREL IN UNIFORM

At last a good piece of news has come out about money-grabber Bennett E. Meyers, retired major general, who used his high position as Air Force deputy procurement chief to enrich himself. The Department of Justice will ask for Meyers' indictment on income-tax violations. Attorney General Tom Clark says the Government will start prosecution proceedings as soon as the subcommittee is through with him.

So far as the American people are concerned, prosecution cannot begin a minute too soon. They have been both humiliated and fired to anger by the disclosures of Meyers' many inside deals on wartime contracts. The parade of witnesses shows that he did not stop at behind-the-scenes stock operations and orders to companies in which he was financially interested. He set up dummy officers with phony salary accounts so he could rake in big sums. He tried just about every slick angle that occurred to his greedy brain.

The Federal Government should hit Meyers with everything the law allows. Income-tax prosecution should be only the start of it. While the Department of Justice is searching to see what else it may hold this bird to account for, the War Department should be combing its regulations concerning ways to punish this retired officer.

Although only 52, Meyers retired August 31, 1945. The cause was physical disability. This fact, taken with the passage of more than 2 years, may make it impossible to recall him to active service for court-martial proceedings. It is hard to believe, however, that the Army cannot bring Meyers to book if it sets out to do so. He draws retirement pay to the extent of $550 a month. There certainly must be conditions under which a pension can be stopped.

If the testimony given to the Senate War Investigation Subcommittee stands up—and the witnesses who have told of loans to Meyers in exchange for war contracts and the income set-ups refuse to be shaken—then Bennett E. Meyers was a saboteur of the American war effort. At a time when young Americans were dying for their country, this scoundrel was filling his purse, his bank

account and his lockbox because of official knowledge.

When a group of Purple Heart veterans went to the Meyers hearings, one of them spoke words that would have done for millions of veterans. "We heard lots of gossip about civilian war profiteers," said T/Sgt. Herman Oretsky, who was injured in the Battle of the Bulge, "but someone in the Army—you didn't expect that."

Bennett Meyers was a long way from the Battle of the Bulge, but he was right up front in the thrust for the bulging bankroll.

Carl R. Gray, Jr., New Administrator of Veterans' Affairs

EXTENSION OF REMARKS
OF
HON. EDWARD J. DEVITT
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. DEVITT. Mr. Speaker, President Truman has appointed Mr. Carl R. Gray, Jr., of St. Paul, Minn., as Administrator of Veterans' Affairs. Mr. Gray lives in my home city, and I have known him for many years. He is a competent and experienced business executive and has served with distinction in responsible military assignments in both World Wars. He is highly regarded and respected by his friends and neighbors who know him best. I feel confident that he will discharge the duties of this office with fairness, with intelligence, with dispatch, and with marked success.

Mr. Gray has had wide experience in the field of business. Presently he is serving as vice president of the Chicago & North Western Railway System with headquarters in St. Paul, Minn. He is the illustrious son of a former president of the Union Pacific Railroad. He has held important executive positions with large and successful business organizations of the country in the field of wholesaling, retailing, and banking. He is a man who has a reputation for getting things done.

His military career has been as successful as his business life. During World War II he successfully directed our far-flung military railway services in North Africa, Italy, and on the European continent. Previously he served with distinction in World War I and rose from the rank of captain to that of colonel in the military engineers. For his part in World Wars I and II he has been awarded many decorations from his own and foreign governments. Presently he is serving as president of the Society of American Military Engineers.

Mr. Carl R. Gray, Jr., has been closely identified with the civic progress of the city of St. Paul. In return for his community efforts he was rewarded by the citizens of that city by being chosen as "king" of the famous St. Paul Winter Carnival. This is an outstanding civic activity known throughout the Nation. St. Paul is the winter sports center of the United States.

Mr. Gray brings to his new office the fruits of many years of executive experience and close association with military life. He is eminently qualified to administer the huge veteran-aid program involving some eighteen million veterans at an annual budget cost of almost eight billion dollars.

I predict that Mr. Gray will enjoy an outstanding tenure of office. President Truman has manifested a high degree of intelligence in having chosen Carl R. Gray, Jr., of St. Paul, Minn., as the new Administrator of Veterans' Affairs.

Justice for Poland

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein an excellent address recently made by the Honorable Arthur Bliss Lane, former Ambassador to Poland, over Station WSBR, Springfield, Mass., on the "Justice for Poland" program.

Mr. Lane speaks with authority and knowledge and his remarks warrant careful consideration. It is clear that until the great injustice being presently visited upon Poland is corrected, there will be no confidence anywhere that our Nation and our wartime allies really intend to work for a democratic world.

The address follows:

Some 6 months ago I returned from Poland, where I had served as American Ambassador since July 1945. I returned because, contrary to the Yalta and Potsdam decisions to hold free and unfettered elections, a fraudulent election had been held in Poland on January 19, 1947. I felt that I could no longer conscientiously remain accredited to a Government which had established itself through the flouting of its solemn international obligations. And, furthermore, I wanted to be able to tell the story of the tragedy of Poland without any diplomatic restrictions on my speech.

The Poles, who had endured almost 6 years of Gestapo terrorism, were from the very moment of their expected liberation in 1944 compelled to undergo the same police-state treatment at the hands of their so-called Soviet allies, who were determined at all costs to destroy every organized nationalistic element within the country. The valiant underground army, which had rendered such an important service to the Allied victory, was the first to be purged. After exhorting the Warsaw underground, through the Moscow radio on July 29, 1944, to start an insurrection against the Nazis, the Soviets did not give the assistance which they had promised. Suddenly they termed the insurrection an adventurist undertaking. They even refused permission, until it was too late, for United States Army planes to land on Soviet territory after dropping supplies to the insurgents. The Soviets permitted this glorious insurrection to be suffocated. Why? Because its success would have meant that the communistic Committee of National Liberation, chosen by the Kremlin and then functioning in Lublin, was not to be the nucleus of the future Polish Goverment. It was a heartless, ungrateful decision. It showed plainly that the Soviet Government was still pursuing its policy of September 1939, which it made jointly with Hitler, to destroy the independence of Poland. Once the insurrection collapsed after 63 days of glorious fighting in the face of overwhelming Nazi odds, the Nazis took vengeance, as the Soviets knew they would. After moving the Warsaw population to a concentration camp at Pruszkow and elsewhere, the Nazis fired the city with incendiary bombs. Warsaw was destroyed block by block, house by house. Only those buildings which housed the Nazis were spared.

The Red Army entered Warsaw on January 17, 1945, followed by the secret police and the Lublin puppets, who had already been recognized as the Government of Poland by Stalin, despite President Roosevelt's earnest request to await the Crimean Conference. Not only did the Red Army drive out the Nazis to the west, but it deported to the east those Poles who were considered to be an element of opposition to Communist totalitarianism. And the Lublin puppets who profess to be patriotic Poles and who claim today to be sovereign government, signed a pact with the Soviets permitting them to deport to Russia those Poles who were judged to be dangerous.

As a result, in March 1945 15 Polish political leaders who had distinguished themselves in the underground fighting the Nazis were arrested and deported to Russia, where they were convicted of the oddly named offense of diversionary activities. Thus was broken up an important nationalist element within the country. From that time on, the Russian-educated secret policy in Poland little by little firmly secured control over the entire country. This is the normal means of the dreaded police.

Finally a so-called provisional government of national unity was formed in Moscov in June 1945, including within its numbers some democratic leaders from Poland and from London. The United States recognized this government. But the democratic leaders never had a chance. It was soon apparent that the Communist minority in Poland intended to rule the country with or without the aid of the Red troops in the country. It would be only a matter of time before the opposition would be obliterated. At the time we did not know whether it would be through arrests, Red army violence, or fraudulent elections. Actually it was through the intimidation of the voters by threat of imprisonment, loss of jobs, homes, and ration cards, through the suppression of freedom of speech of the opposition by denying newsprint and radio time, and through the deliberate violation of the election laws by not permitting the opposition to participate in the counting of the ballots. As a result, the Polish Peasant Party, comprising well over 80 percent of the total electorate, won only 28 out of 444 seats in Parliament.

And if by chance you might feel that I have exaggerated or misstated the situation in Poland, let me point out that in Hungary we have just had an almost exact replica of the Polish elections with the Communist minority gaining control of the government machinery through voting fraud and preelection intimidation. The only difference is that in Hungary a Soviet general with his army is in control, while in Poland the armed forces, secret police, and militia are, for the sake of appearances, in Polish uniforms. Nevertheless they take their orders from Bierut, Berman, Sypchalski, and Radkiewicz—all of whom are Soviet stooges. In Bulgaria you have read of the recent arrest and sentencing to death of Petkov, the leader of the agrarian party. Here again is proof of the Soviet aim to destroy all elements representing democratic strength. The Soviet army in Bulgaria is assurance that this aim will be fulfilled.

I speak to you all today as friends who, like myself, have a deep love for Poland and the

Polish people. But primarily I speak to you as American citizens who, in the defense of our own country and civilization, must reject emphatically all attempts of propaganda on the part of false prophets that communism is not directed against our institutions. Recently, Wladislaw Kiernik, a member of the Polish Peasant Party and former Minister of Public Administration, had the effrontery to say in the United States that the elections were free in Poland, that freedom of speech exists in the Sejm, and that Poland is not controlled by the Soviets. How does he then explain that his own party protested the fraudulent elections, that the speeches of Zygmunt Zulawski, an elected deputy on the Peasant Party list, were expunged from the CONGRESSIONAL RECORD; and that his party colleagues, Scibiorek and Kojder, were mysteriously liquidated? Obviously Mr. Kiernik wishes to retain the favor of the Communist ruling clique, so as to return to Poland.

I warn you also of false prophets who come in the guise of diplomats preaching the desire of the Polish Government for friendship with the west, while that Government continues to revile the United States for our refusing to contribute to the economic power which that clique desires for itself rather than for the Polish people. I had warned the Polish Government a year ago of its short-sighted policy of hostility toward us in the light of its needs for assistance. They do not seem to realize that they cannot eat the cake and have it too.

I warn you of false prophets who, in clerical guise, come to this country to bring about dissention in the Polish American community and who try to make apologies for the group which has trodden down all opposition by force and by fraud and which will when the appropriate moment comes, attempt to destroy religious freedom in Poland.

And lastly, let me warn you of those misguided or malevolent Americans who condone, under the guise of liberalism, the acts of tyranny of the Soviet-created police states in Poland, Yugoslavia, Hungary, and Bulgaria. Yet they were among the most vociferous to condemn the same Nazi outrages against the peoples of those unfortunate nations. Tyranny is tyranny, intimidation is intimidation, and murder is murder, no matter whether ordered by Hitler or by the puppets whom the Kremlin controls.

Aid to Maine and Europe

EXTENSION OF REMARKS

OF

HON. MARGARET CHASE SMITH

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mrs. SMITH of Maine. Mr. Speaker, when I returned from Europe at the completion of the Appropriations Armed Services Committee investigation and study of conditions there and in the Middle East, I found many requests to speak before various groups in Maine to tell them what I saw and what I had found. I received these invitations with gratification because I was eager to tell the people of Maine these things—to report to them on my mission of having been their ears and eyes in Europe and the Middle East. I particularly wanted to tell them how what I saw and heard made me all the more proud that I am an American—and how humbly grateful I am that I am fortunate enough to be an American.

I wanted to tell them—and I know that they wanted me to report—what the conditions are in Europe, not only because of the threats and dangers created by conditions that I saw over there, but also to describe those conditions as accurately as possible—so that they, too, would be as proud and as grateful to be Americans after hearing about the insufferable conditions over there.

I went to Maine and started reporting at various meetings. My message was simple—it was that the conditions abroad were so bad as to constitute grave threats to our country and to permanent peace—and that these threats made it imperative that we act unhesitatingly to bolster our armed forces and to provide emergency aid to the people of Europe.

But shortly after I had started my series of reports throughout the State, disaster hit Maine—the forest and field fires which destroyed whole towns and sections. It was Maine's greatest catastrophe. I canceled the rest of my scheduled reports so that I could do my part in Maine's hour of crisis. I called Washington for Federal aid. After I had done all that I could in Maine, I returned to Washington for conferences with the various Federal agencies to enlist all of the possible aid that I could for the Maine victims of the fires.

Maine people were and are sympathetic to troubles of the people of Europe. But they have had their own disaster and troubles. They want to take care of first things first.

Maine's loss took many forms. The immediate loss was suffered most by the people of southern and western Maine. Their loss was immediate for they lost their homes, their property, their livestock, and those things by which they gained their livelihood. The greatest future loss was in eastern Maine, particularly in the Bar Harbor area, where much of the summer vacation industry is located. Greater financial loss in this area was that of the summer residents. These summer residents are of such financial means that the loss of merely their summer homes is a financial loss rather than the loss of vital shelter, food, and health. But this is a future financial loss to Maine because these summer residents were sources of substantial revenue.

All of this was also a national loss, for the forests of Maine are one of our Nation's foremost resources. We could ill afford this timber loss in the midst of our housing and lumber shortages and ever-increasing prices that stem from shortages.

Maine's disaster and Europe's plight have much in common. The fires that destroyed so much of our forests, towns, and property were the result of atmospheric conditions of extreme dryness, caused by a long drought and shifting winds, and by lack of preventive measures and lack of facilities with which to fight the fires. Once the fires started, it was practically impossible to stop them. Men worked frantically to stop a fire and save a town only to find that other fires started in other places and that constantly shifting winds left them unprepared to fight the fires in several directions. The result was that forests and towns were levelled by the fires.

Symbolically, such a fire swept across Europe and the Pacific in World War II. That fire was war. European conditions now are such that the fire of communism can sweep across Europe and ultimately create a third World War. Like the drought-stricken dry fields and forests of Maine, which were ideal fuel for fire, so are the hunger-stricken people of Europe an ideal fuel for the fire of communism. The hunger drought of Europe must be eased lest the fire of communism spreads, for just as Maine had its shifting physical winds, so does Europe have its shifting political winds—political winds that are so delicately balanced that they may at any time turn from the direction of communism to democracy or from democracy to communism. Just as physical fires began at many places in Maine, so are smouldering political fires interspersed throughout Europe ready for open flames if fanned by Europe's shifting political winds and fed by Europe's hunger drought.

Just as Maine must now tighten up on its fire prevention measures and fight the carelessness of smoking and making campfires in the forests and fields, whether working or hunting—and just as Maine must augment its fire-fighting equipment and expand its fire warden staff—so must similar measures be taken to fight the spread of communistic fires in Europe. Our forests and fields in Maine needed rain—something that man could not produce. But Europe's hunger drought needs food—something which we can provide and thus avoid the fire of communism. Let Maine be a lesson to us and let us take the necessary preventive measures unhesitatingly while we can now stop communism in Europe. Let us do it now when it costs far less to prevent destruction than later to rebuild that which has been destroyed. We cannot let false economy eliminate our necessary preventive measures.

But let me make myself clear. The United States cannot be a permanent Santa Claus—it cannot foster and finance a world WPA, a permanent world dole program. Charity can be carried too far lest the other nations of the world become financial wards of the United States and their people permanently supported from our own money through the perpetuation of high taxes.

In this respect, the people of Europe can well follow the example of the people of Maine—and this is the most important part of my remarks and the matter on which I have the deepest conviction. The people of Maine have been victims of the fire disaster. They have received help from outside of the State—from the Federal Government—and they are most grateful, not only for that aid, but more particularly in the prompt manner in which Federal agencies responded. But they want no more aid than is absolutely necessary. The people of Maine pride themselves in their ability to take care of themselves—in not being a drag on anyone. We of Maine are taught from infancy to be charitable—but we are also taught to help ourselves and to be thrifty. Waste

is not tolerated in Maine. Independence and maximum self-sufficiency are emphasized in my State.

In applying our aid to Europe, we must make it quite clear to the European people that this is only emergency aid and that it is solely for the purpose of helping them get back on their feet. True—we must give them food until they can start planting their own fields. But we must tell them that they have a specific time and amount beyond which that aid will not be forthcoming. They must be told that they will be expected to be thirfty—that they will be expected to help themselves—that by a certain time they will have to produce for themselves—that waste will not be tolerated—and that there will not be a dole. We should send food only until such time as they can begin to harvest their own crops. In the meantime, we should concentrate on sending farm equipment rather than food, after the initial period of emergency.

In other words, my main point on the European aid and America's message to the people of Europe in aiding them is that they must be told in very clear terms that they must work for American aid—that there is a definite limit to the amount of aid we can furnish because we have our own troubles and our own problems at home, such as Maine's fire disaster, which we must take care of. This is the firmness that we need in the administration of the program. It is not an undue firmness or an un-American firmness. It is truly an American firmness for we require of our own people the same degree of work and cooperation as a prerequisite to granting aid. In other words, we ask no more of the Europeans we aid than we do of the Americans we aid. We ask them both to work for that aid.

The Late Hon. Raymond S. Springer

EXTENSION OF REMARKS
OF
HON. JOSEPH P. O'HARA
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. O'HARA. Mr. Speaker, it was indeed a profound shock to me to learn that death had called our colleague, RAYMOND SPRINGER, whom I considered one of my close personal friends during all the time I have served in Congress.

My first service was with him upon the House Judiciary Committee. There he demonstrated that he was a thorough student of the law. He had the type of judicial mind which made him as highly respected by the bar and the judiciary as he was by his colleagues in Congress.

He was preeminently qualified and fitted as a Member of Congress in these difficult times for he was an intense patriot and a student of our American form of government and possessed the training, background, and intellectuality which makes for the highest type of national legislator. It was natural for him to approach a legislative problem thoughtfully, to study and analyze it and to arrive at his judgments carefully, and I know of no Member of the House who was more conscientious about his duties and multitudinous responsibilities to his district and to the Nation.

Those of us in Congress who admired his sterling qualities, treasured his friendship and who sought his counsel and advice, share with his family and his friends the loss which we sincerely and deeply feel in his death.

For a tireless, conscientious, and most able public servant, we reverently ask, "Eternal rest, grant unto him, O Lord."

President More Interested in Shortage of Bureaucratic Power Than in Work Shortage

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, the following article by David Lawrence is very illuminating, and deserves the serious consideration of this Congress.

He clearly shows that the President is more interested in the shortage of bureaucratic power than he is in work shortage.

The public is demanding that Congress decrease the number of bureaucrats on the Federal pay roll. But the President apparently not only wants to keep all of the bureaucrats on the pay roll who are now so expensive to the taxpayers, but he wants to increase that number by setting up a new group to control the activities of our people. Mr. Lawrence's article follows:

TRUMAN'S TALK—POWER SHORTAGE BOTHERS HIM MORE THAN LACK OF PRODUCTION

(By David Lawrence)

WASHINGTON, November 19.—All possible remedies except the principal one were recommended by President Truman in his message outlining proposals to fight inflation.

The principal remedy, of course, is increased production. In a message of many thousands of words, Mr. Truman gave only a single sentence to this underlying difficulty in an inflationary era—a work shortage.

For everybody who knows anything about inflation knows that it is the lack of goods and the oversupply of purchasing power that bids up the prices of scarce articles. Likewise, prices come down only when the supply of products exceeds the demand.

Mr. Truman talked about the rise in industrial prices and made a reluctant confession that wages really have had something to do with the rise in prices. Up to now he has been inclined always to use the argument that high prices were due either to the ending of OPA or to the failure of industry to absorb rising costs without increasing prices. Mr. Truman in his message spoke of getting all sorts of authority and power which he promised not to use unless absolutely necessary. He intimated that voluntary controls would be more effective if the Government held the club of legal controls over the heads of business, labor, agriculture, and consumers.

This is a rather hazardous undertaking because so many businesses and industries are interrelated. If one is controlled and the other is not, all sorts of maladjustments arise. What is even more embarrassing is that the moment legal controls are imposed, black-market operations begin.

Mr. Truman's message assumes a grant of authority by Congress to permit the Chief Executive to threaten the return of controls whenever an industry or group in business or labor grows recalcitrant and refuses to accept the mandate of a committee or agency of government.

It is not likely that Congress will grant such unlimited or undefined powers. Congress has had some experience with wartime controls and knows the pitfalls.

The real answer to inflation is increased industrial production. Mr. Truman had only this to say about it in his entire message: "To expand industrial output, we need a long-range program to overcome basic shortages in capacity and equipment."

This is a vague statement which avoids the real issue. The real barrier to increased production is that which has been imposed by the Government itself on overtime production. The wage-and-hour law, for example, places a penalty on increased production. Some means of allowing straight time to be worked above existing overtime schedules which are payable at time-and-a-half rates would do more to increase production and bring prices down than any single proposal made in the President's message.

The United States today is suffering not from a goods shortage but from a work shortage. The materials are available if workers were permitted to work longer each day to get them into the hands of processors. Instead, in many businesses, there are six-hour days and 35-hour work weeks and the penalty of time and a half payable at high hourly rates is enough to deter production.

The Republicans will certainly be derelict in their duty if they swallow the President's program on inflation without accompanying it with some specific legislative standards for the exercise by executive agencies of such new control powers as are granted by Congress. Likewise the Republicans will be culpable politically if they do not sponsor an alternative program which removes the many barriers against increased production to be found in labor-union contracts. All agreements that ban labor-saving devices and all provisions thereof that endeavor to curtail production might well have attention.

It is unfortunate that the President did not deal with the work shortage but dealt only with the shortage of bureaucratic power which has been a source of great regret to the "planned economy" and Government-control folks hereabouts who sadly miss their wartime powers. Inflation is curable provided the President and the Congress care to avoid politics and give workers the incentives that will increase output.

Jewish Homeland in Palestine

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. HÉBERT. Mr. Speaker, at this time, when the eyes of the world are on this session of the United States Congress in our work to ward off starvation in Europe, it does not seem out of keeping for us to briefly note the conduct of

our country's delegates to the United Nations, in a movement which last week threatened not only the accord which has developed within the assembly on the question of the proposed partition of Palestine, but also the ability of the proposed Jewish state to accept as immigrants the more than 200,000 Jewish displaced persons who are at present in the camps of Germany, Austria, and on the Isle of Cyprus.

These displaced Jewish persons look to Palestine as the land where they can rebuild their shattered lives and once more acquire the dignity that comes to human beings who live in a community where they are loved and respected.

A subcommittee of the United Nations Special Committee on Palestine, which visited the assembly centers for Jewish people in both Germany and Austria recently, had this to say, and I quote:

Taken over all, it seems to us fair to say that practically all the persons in the Jewish assembly centers in Germany and Austria wish more or less determinedly to go to Palestine. The alternative to resettlement, namely, repatriation or absorption into the German and Austrian communities, were investigated. The prevailing reaction among the persons questioned, many of whom had returned to their former place of residence in order to trace relatives and property, was a refusal to repatriate. The reasons given were based on growing anti-Semitism, in spite of admitted efforts by the governments concerned to check such a development, and an incapability to start life again in a place haunted by the memories of endured horrors.

Further on, the report has this to say:

Although the morale in the centers is high in the sense of this virtually unanimous and in many ways fanatical urge for settlement in Palestine, most opinions which we heard agreed that the psychological state in general has deteriorated over the last year. Although superficially, some of the centers give the appearance of a kind of normality, even including certain well-developed contacts with life outside, signs of strain and emotional instability are not far below the surface.

It was with the hope of at last being able to alleviate the suffering of these people that the Jews of Palestine so willingly and hastily accepted the proposal of partition, although this proposal of the United Nations Special Committee on Palestine reduces to approximately one-eighth the land area accepted by the Jewish people for their homeland in Palestine.

With the acceptance of the major principles of the UNSCOP majority report by the United States and Russian delegates, it seemed that the establishment of the Jewish National Homeland was at last about to become a reality. Then, last week, the United States delegation, working within the ad hoc committee completing details of the partition plan, suddenly proposed a further concession to the Arabs. They requested the removal of all that land in the Negeb lying below the 31st degree of latitude. This proposed removal of further land from the Jewish state would take between 25 and 30 percent of the area granted them under partition as originally submitted. It is this land in the Negeb on which the newly created Jewish state would have to depend in order to bring about the economic conditions which would make it possible for them to accept and absorb these displaced persons awaiting entry into Palestine. The explanation which our delegates gave for this action was most feeble.

At this point, Mr. Speaker, I would like to remind you that although this country was not a member of the League of Nations the Congress of the United States twice went on record as overwhelmingly endorsing the establishment of the Jewish Homeland in Palestine. Further, our Government in 1924 signed a separate pact with Great Britain in recognition of her mandate to create the Jewish Homeland in Palestine.

The conduct of Great Britain in this connection is also depressing, in her relation to the acceptance of partition as suggested by the United Nations committee which was set up at her own request. Her refusal to cooperate by taking part in a progressive evacuation of the mandated territory and in otherwise contributing to the solution of this problem is deplorable.

At such a time I cannot help but recall the words of our former and greatly admired Under Secretary of State, Sumner Welles, speaking before the Maryland Christian Palestine Committee. He said:

In the annals of our modern civilization no greater wrong has been perpetrated than the attempt of powerful nations to proscribe the Jewish people. We here in the United States must help to find the means of solving the immediate problem now presented. It must be solved in such a way that in years to come, in the place of the Palestine that is now rent with disorder and misery we shall see a Palestine which will be a model and example for the civilized community of nations.

The removal of any further land from that left to the Jewish people by the original partition plan would make forever impossible that hope presented by Mr. Welles. It would perpetuate the status quo in Palestine, of a small area Jewish settled and governed communities, incapable of accepting immigration, or in any other way conforming to the concept of a national homeland. Accordingly I feel I must voice the sentiments of amazement and alarm I am informed my people in Louisiana, both Christians and Jews, feel at this action of our delegates, and I join with them in the hope that we will revert to our historic policy and work for the creation of a real homeland for the Jewish people in Palestine.

President's Proposals Endanger Political Liberty and Economic Freedom in America

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I am just in receipt of a communication from one of America's greatest economists. He has given me the benefit of his views, from which I have concluded that President Truman's proposals endanger political liberty and economic freedom in America. I trust that the clear and convincing reasoning of this statement will be studied by my colleagues, and by all who may have the opportunity to read the following statement, which I quote:

SOME IMPORTANT CONSIDERATIONS AND ASPECTS OF THE SO-CALLED MARSHALL PLAN

In reviewing the general problem of European relief, we believe that several vitally important considerations should be urged upon the Congress of the United States:

1. There has been much exaggeration and misrepresentation regarding the extent and nature of "relief" needed by European countries. The American people have been too much "sloganized" for political ends. There is too little knowledge of the comparatively low standard of living normal to most foreign countries.

2. Despite the fact that we are now in the third year of "peace", the taxes being levied upon the American people by the Federal Government are still almost at the wartime high.

3. Due largely to shortage of many important commodities and manufactures for domestic use, prices have continually risen, until the cost of living of the American people is now at the highest level in modern times.

4. The continually advancing cost of living has been accompanied by an ever-increasing spiral of wages, which in turn have still further increased costs of production and selling prices.

5. It should be obvious, therefore, that any future relief extended to foreign countries should be made in such a manner and with such safeguards as to protect our American economy in all reasonable respects, and to hold the burden upon the American taxpayer to the lowest practicable limits.

6. It is further obvious that the European relief problem is of a twofold nature:

(a) To provide immediate relief against hunger and disease.

(b) To assist those foreign countries, if that is deemed practicable by the Congress, in rebuilding their destroyed capital goods so that they can as speedily as possible begin to be self-sustaining.

The immediate task can be aided by outside charity, the long-run job can be done properly only by the unfortunate nations themselves.

7. In this connection, it should be clearly recognized that every gift or loan on our part should be made under definite stipulations and commitments on the part of the recipient countries that they will for themselves adopt and carry out those measures, whether legislative or economic, which will most speedily put them in a position to restore their status as free and sovereign powers among comity of nations.

8. Insofar as possible and reasonable, the means of production should be furnished rather than finished goods.

9. We also recommend that, rather than general credits to be used solely at the discretion of the recipient nations, we attempt, insofar as possible, to supply only goods and equipment which will serve a clear and definite purpose in reconstructing the economies of the respective countries.

10. In line with the foregoing suggestion, no relief of any sort should be extended to any nations which are under communistic, or radical socialist domination. Furthermore, any nation which, despite our assistance, turns Communist or falls under communistic, or other radical or despotic domination, should be stricken off our relief list.

11. In addition to the foregoing, the utmost care should be exercised by our Government to prevent any of our assistance by way of credits, goods for immediate consumption, or capital goods, from being siphoned off into any of those countries which are under the communistic sphere of influence, or have forms of government opposed to our way of life.

12. Underlying all the foregoing suggestions should be the definitely expressed philosophy and principle that there can be no real European recovery until the nationals of those countries go back to work. This means long hours, hard labor, and great sacrifice, while they are building back the destroyed capital which originally required many generations to construct.

13. Any relief or loans granted should be only for a period of 1 year, with reservations as to later assistance contingent upon the fair performance of their obligations by the recipient countries.

14. Further, we respectfully suggest that, in connection with the administration of immediate relief, it would be wise to consider whether such administration might more economically be put in the hands of well-recognized relief agencies, such as the Red Cross, the American Society of Friends—and on a voluntary basis, supported by the free contributions of United States nationals and descendants of the leading foreign countries now demanding relief.

15. Again, we fully recognize that, unless the various parts of pro-Hitler Germany, including the agricultural East now held by Russia, are put together again, so that she can have a reasonably balanced economy as between raw materials, foodstuffs, and manufacturing, no economic solution of the European problem will be possible either now or ultimately.

Further, the middle European countries now held by Russia behind the iron curtain have traditionally been the surplus-producing countries of Europe with respect to foodstuffs (grain and livestock), many metals, lumber, petroleum, etc. These countries have, in turn, for long years before the war traded most of their excess raw materials with western European countries, particularly with Germany, France, and England, for the manufactured products of these same countries. Unless Russia withdraws her strangle hold on these countries, and unless the normal prewar flow of trade in both directions is permitted, there can be little hope that the internal economy of western Europe, including that of Great Britain, can be reconstituted on a sound basis, no matter how much we may assist them.

16. Finally, the American Congress should clearly inform the American public that, despite all the measures which have hitherto been proposed or will be proposed for alleviating the suffering and hardship in Europe, there is, and from the very nature of the case can be, no assurance that the rest of Europe will be kept from going communistic, even despite our generosity.

In conclusion, we wish to emphasize above all the fact that, while trying to head off radicalism or totalitarianism abroad through our gifts and loans, we must to the utmost avoid forcing upon our own people a more or less similar form of government to that which we are opposing, through price controls, restrictions, allocations, priorities, export and production controls, etc., which many believe will be necessary, although ultimately ruinous, if we are to continue to supply so large a proportion of our goods and services to Europe as in the recent past.

If in the third year of peace, with a supposedly conservative political majority in the House and Senate, we should again impose wartime controls on the American economy, not only will our American institutions be undermined, but also it is highly probable that we shall not again in our generation enjoy any real political liberty or economic freedom in our own country.

[NOTE: Some are now suggesting that we must give substantial aid to China, although only a year or two ago, according to credible reports, on the recommendation of General Marshall, we stopped helping China because Chiang Kai-shek would not make terms with the Communists in China. Now, the same General Marshall, as Secretary of State, is asking for substantial and continuing European relief on the grounds that the spread of communism in Europe will thereby be checked. Also, it may be fair to ask why European countries demanding "relief" do not first "spend" the many billions of dollars of assets and of earmarked gold and bank balances which they still hold in the United States.)

Sound Advice

EXTENSION OF REMARKS
OF
HON. JOHN JENNINGS, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. JENNINGS. Mr. Speaker, under leave to extend my own remarks in the Appendix of the RECORD, I include therein an editorial from the November 17 issue of the Fairmont West Virginian. This editorial endorses and sets out the high lights of an able and timely address made by our colleague, Representative FRANCIS J. LOVE, before the Fairmont Life Underwriters' Association:

SOUND ADVICE

We think the address Congressman FRANCIS J. LOVE made before the luncheon meeting of the Fairmont Life Underwriters' Association last Friday was a sound one, a timely one, and one filled with logic and reason.

It is time to think again about the New Deal idea of tax and tax and spend and spend.

LOVE pointed out that the American dollar is the only monetary unit in the world that still is recognized as being worth something, but warned that unless something is done in the immediate future to correct the shaky condition of our financial structure, the dollar will go down the long road with other monetary units in other countries.

LOVE recommended three things as primarily essential to the correction of our financial structure.

1. Further reduction in Government expenses.

2. A real reduction in income taxes.

3. Correction of our present foreign policy.

All three of these proposals will be fought by President Truman and other New Dealers. They want no reduction in Government pay rolls, for instance, because taking persons off the pay roll might be reflected at the polls at the next election.

Truman and his like want no reduction in taxes at all, and certainly not in income taxes. They are forever seeking ways and means to make more taxes necessary.

And, of course, the present foreign policy, if any, will lead to more and more taxes. President Truman said the other day that aid to Europe would mean more taxes.

On the matter of aid to Europe we think Congressman LOVE took a sound view, when he said to the insurance men in part:

"All of us know that Europe has paid a terrific price and none of us would want to deprive starving people of food. However, Europe must not always continue to be a problem of relief. Europeans should have an opportunity as well as an incentive to work for themselves again.

"It is my opinion, not only for the best interest of the Europeans but also for our own domestic economy that there should be a condition attached to any major aid to Europe in the future and that such condition should be that European imports are far in excess of their exports which results in a poor monetary standard. In turn, Europeans then want to use the American dollar to buy American exports which, carried to the present extreme, cause our domestic prices to 'skyrocket.'

"Before our domestic food prices, in particular, can approach normality again, it is vital that we correct the cause. The major cause of the present high prices in this country is largely due to American dollars loaned to Europe and spent for Europeans in our markets. This situation must be corrected. There must be a definite policy of rehabilitation and reconstruction in Europe, and the American dollars that are sent to Europe must be used to increase production in Europe so that Europe's monetary system may be strengthened and also, so that European imports of food, in particular, from the United States will be substantially decreased."

Statement of James F. Fitzgerald

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include a statement sent to me by James F. Fitzgerald, of Boston, Mass., as a result of a visit recently made by him to certain European countries.

From my observations on my trip to Europe in September 1947, on which I visited England, France, Belgium, and Germany, the rebuilding of war-ravished Europe and placing it on an economically stable footing so that she can stand on her own two feet, is the greatest challenge to face the American public.

It cannot be denied that if we are to win the peace we must take the leadership and work out a plan to alleviate the suffering and feed the starving of western Europe. The nations of Europe are looking to America as a beacon to guide them.

If we do not go to the fore, the people of western Europe will join the Russian bloc since they have a well-organized propaganda system, extolling the merits of the Russian way of life and condemning the democratic way of life. It is only human that a starving man is blind to realities and will grasp at anything that will stave off hunger.

In my opinion, we are in a more precarious position than we were from 1940 to 1943 when World War II was at its height. The peace of the entire world is at stake and unless America takes the leadership of the Western World, we shall lose the peace.

I do not believe that the economic matters in Germany should be managed by the American military as they are neither equipped nor qualified. I would suggest that there be set up an economic commission consisting of well versed, practical businessmen who would inspire the disheartened and downtrodden and give them the incentive to be self-sustaining. The motto "Work, work, and more work" should be instilled into the populace. Let the military cope with the military problems.

However, do not misunderstand. I do not mean that the military authority should be in any way lessened or decreased. On the contrary, I believe we should strengthen our military forces in the European zone. In my conversation with people in Europe, they stated that if the Russians so directed they could march through Europe and to the English Channel within a week.

The President should make a study of a group of expert economists and leaders and select the best qualified to aid the military in settling the problem of equipping Germany so that German business can develop between the rest of the world, thereby reducing our occupation costs which is approximately $800,000,000.

If Congress passes the Marshall plan, the money allotted to the various countries should be managed similar to the way RFC funds are.

The aiding of these foreign countries will entail a great sacrifice on the part of every American, but it is the only way to attain peace, and stabilize Europe in order to avoid war with Russia. If the people of America do not make the sacrifice, we shall be held responsible for losing the peace as well as losing our own way of life.

I do not feel that I am unduly pessimistic. I am just facing the facts. I served in World War I in France for one and a half years and have made several trips to Europe between the two wars, my last trip prior to World War II being in the late summer of 1939.

The above observations are entirely my own without prompting from anyone.

JAMES F. FITZGERALD.

Farm Commissioners Protest President's Price-Control Program

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, in the President's message before the joint assembly of the two Houses of Congress last Monday, November 17, the President recommended among other things that Congress "authorize consumer rationing on products in short supply, which basically affect the cost of living"; and that Congress further "authorize price ceilings on products in short supply, which basically affect the cost of living or industrial production, and to authorize such wage ceilings as are essential to maintain the necessary price ceiling." Mr. Speaker, in simple English this means the President asked Congress to give him dictatorial power over the most essential items of food, clothing, and housing. Stripped of all its phraseology, it was a bid for power that the President had himself voluntarily released months ago. It was a recommendation that OPA be revived or resurrected from the dead and given new life.

Mr. Speaker, in his message the President further said:

I am well aware that some of my proposals are drastic measures.

They certainly were drastic. Everyone knows that we cannot be half OPA and half not OPA. The program is designed after the New Deal scheme of planned economy, which has been so thoroughly repudiated by the American people. We all can recall the regimentation and dictatorial powers of the executive department during the OPA days. The enforcement, regulations, and practices under the OPA set-up were similar to the Gestapo of the Hitler days in Germany. During the war the people tolerated such things, but, although the President has not issued his proclamation declaring the war at an end, in truth and in fact, these are peacetimes, and the people do not want a return to OPA regimentation and price controls.

These drastic measures, as referred to by the President, met with violent opposition among the farmers of this country. They know too well that they would be harassed perhaps worse than they were during the war years, when OPA governed their activities. As evidence of the attitude of the farmers on this subject, and more particularly the attitude of the farmers with reference to the President's "drastic measures," proposed in his message to Congress last Monday, I am just in receipt of a letter signed by Mr. J. E. McDonald, commissioner of the Department of Agriculture in the great Democratic State of Texas. People of Texas and the other agricultural sections of this country certainly do not want to see Congress reenact price controls to any extent, and especially on farm commodities and farm products. Commissioner McDonald apparently felt so keenly his responsibility as commissioner of agriculture of the State of Texas, that he wired the President his opposition to the President's proposed "drastic measures." Mr. McDonald's letter to me follows:

NOVEMEER 19, 1947.

Congressman GEORGE B. SCHWABE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: Perhaps you will be interested in reading copy of telegram I sent President Truman yesterday, giving Texas farmers' views on his request for power to establish controls:

"Hon. HARRY S. TRUMAN,
"President of the United States,
"Washington, D. C.

"In reference to your address to Congress asking authority to fix prices and wages, may I bring the following to your attention:

"First, this means return of OPA, black markets, and tens of thousands of Government bureaucrats. This would mean return to conditions which upset our economy and helped bring that existing scarcity in many commodities and goods. It would eventually result in our country having to import food.

"Second, despite existing shortages our country still has the most plentiful supply of food, cheapest prices, and best marketing system in the world. This is proven by the fact that foreign nations who have price and wage controls are now asking that we feed and aid them.

"Third, the only preventive against inflation is adequate production and economy in Government. Therefore, agricultural and industrial production should be encouraged and not discouraged through price ceilings.

"Fourth, our country has never been and cannot be prosperous with low prices. Furthermore, the national debt and taxes cannot be paid and the budget can never be balanced without a high price and wage level.

"Fifth, the economic and the American way is equitable adjustment of wages of both labor and white collar workers to meet the cost of living and not through Government bureaucratic control.

"Sixth, we know a government does not and cannot produce as this must be done by the people. Therefore, we must not swap our liberty for Government control and regimentation. It would be infinitely better for our people to suffer temporary inconvenience and privation than to lose our heritage of free and constitutional government.

"Free enterprise upon which this Nation was founded is functioning. Our farms and factories are producing. Let's don't return to bureaucratic controls which may destroy confidence, bring unemployment and throw our Nation into an economic tailspin."

Sincerely yours,

J. E. MCDONALD,
Texas Commissioner of Agriculture.

Apparently the commissioner of agriculture of the State of Texas is not alone in his views, expressed in his telegram to the President on this subject, for I am also in receipt of a letter from Mr. Math Dahl, temporary secretary of the Farm Commissioners' Council, which is an organization composed of the commissioners of agriculture and other heads of agriculture departments of the several States of this country.

I quote Mr. Dahl's letter:

NOVEMBER 21, 1947.

Hon. GEORGE B. SCHWABE,
Washington, D. C.

DEAR MR. SCHWABE: Although the special session of Congress has been called upon to deal with many pressing problems in a very limited space of time, the Farm Commissioner's Council sincerely hopes that some attention will be devoted to a program of combatting food shortages and high prices through increased agricultural production.

It is our belief that only by greatly expanding our output of food and fiber can this Nation meet the unprecedented demand for American farm commodities both at home and abroad. At the same time, we must cautiously consider any program designed to meet an immediate problem which does not take into account the long-range effects it may have.

Right now we are seriously concerned over the fact that the number of cattle and hogs on the Nation's farms is constantly declining. This can only mean that much less meat will be available during 1948 and the following year and also that its cost will be considerably higher.

High feed costs have accelerated the run of cattle and hogs to market in near-record numbers and at lighter weights, but this is not the only factor. The continuous barrage of official propaganda from Washington—always confusing and often conflicting—has completely befuddled American farmers on the question of what is in store for them. They are told that the prices of their products must be forced down, even in the face of constantly rising production costs. They are threatened with regulation and regimentation of their markets. Because of these uncertainties, they are decreasing their production at a time when they should be increasing it to meet the heavy foreign and domestic demands.

The Farm Commissioners' Council believes this dangerous trend can be reversed if Congress will assist by—

1. Easing the farm-labor shortage by recognizing that farm prices must be maintained at levels high enough to permit agriculture to compete with industry in the labor market.

2. Making more farm machinery available through encouraging labor and management to settle their differences without closing down farm-equipment plants.

3. Assuring the farmer that he will not be burdened with further Government controls at either the producer or consumer level.

We earnestly hope that the special session of Congress will consider every possible means of encouraging full farm production.

Sincerely yours,

MATH DAHL,
Temporary Secretary.

Mr. Speaker, I am also in receipt of numerous other telegrams and letters from my district and other portions of the Middle West, voicing bitter protests against the President's drastic measures and insisting that Congress refuse to follow the President's recommendations with reference to price controls. Democrats and Republicans alike, in overwhelming majority, expressed themselves freely and frankly against such action by Congress. The President's proposal certainly has incited turmoil and resentment on the part of the farmers of this country. His message has added to the confusion and perplexity of the farmers. Surely, he must have realized that the Members of Congress, who have the interest of the farmers at heart, will not support a program of such drastic measures. Surely, we all must realize that agriculture is the most basic industry of our civilization. The plight of our farmers is and always will be reflected through our economy. If the farmers are successful, happy and contented, the rest of our citizens usually are. But if the farmers are bewildered and confused and their future made uncertain by governmental and dictatorial regimentation, we may expect our whole economy to be in a state of turmoil and chaos.

Keep Watch for Liberty

EXTENSION OF REMARKS
OF

HON. NORRIS COTTON

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. COTTON. Mr. Speaker, under leave to extend my remarks, I include an address by the Honorable ABE MCGREGOR GOFF, a Representative from Idaho, delivered yesterday at the Washington Memorial Chapel, Valley Forge, Pa., under the auspices of the Idaho State Society, DAR.

We who entered the Eightieth Congress early recognized Mr. GOFF's leadership and ability. During the first weeks of the session we elected him chairman of the Eightieth Club, which includes the 74 Republican Members who entered Congress this year. His subsequent services in this body have amply justified our expectations.

The speech which he delivered yesterday is a forthright statement. It is timely in that it applies the lessons of the past to the problems which we are today confronting on this floor. It is the creed of a soldier and a citizen. I felt that it should be inserted in this RECORD:

KEEP WATCH FOR LIBERTY

It is a great privilege to have this opportunity to speak to you today at this, the Twenty-fourth Annual Idaho State Sunday at Valley Forge. It is particularly fitting that this beautiful religious service should be under the auspices of the Idaho State Society of the Daughters of the American Revolution, and that the local sponsor is American Legion, Post 385, an organization in which I am happy to claim membership since shortly after the First World War. I have been impressed by the stately service and by this lovely memorial chapel, dedicated to the noble Father of Our County. But more than that, I am awed and overwhelmed by the historic surroundings, so rich in tradition and steeped in memories of the unselfish patriots who suffered in their frigid quarters here the rigors of the winter of 1777. This is my first visit to Valley Forge, and I am deeply conscious that I have walked on hallowed ground.

The State of Idaho, which I represent, played no part in the American Revolution. It was not admitted to the Union until July 3, 1890. President Harrison signed the bill by which Idaho became the forty-third State, and only 5 States are younger. Of our 48 States, Idaho is among the largest in area, being twelfth in size. With Washington and Oregon, it is one of the proud trio composing the Pacific Northwest, and while it has many high mountains, it is actually on the Pacific slope, and lies west of the main chain of the Rockies.

While the patriot army fought its grim struggle that winter here, against hunger, cold, frustration, and despair, the area that was to become the State of Idaho lay undisturbed, sparsely peopled only by the Nez Perces, the Coeur d'Alenes, the Blackfeet, and smaller Idaho tribes of our American Indians. It was a part of an illimitable wilderness, unknown and unexplored. Its snowy peaks, its high, rich, mountain valleys, its tumbling streams and clear mountain lakes echoed only to the lordly bugling of the elk and other voices of the deep forest. Fortunately, in this bustling, present-day world, much of that primitive beauty still remains. In spite of the great productive irrigated farming areas of the southern plains of the State, of its mines, its lumber mills, and broad wheat fields in the northern panhandle area, there still remains the largest stand of precious white pine timber in the world. While pavements of many a busy street feel the quick step of the worker, off on his morning journey to office or factory, or screech to the skidding tire of a bus, it is still a new country, and the pioneer tradition, only two generations removed, is still fresh and strong.

But we possess a strong link with the founders of the American Republic. President Jefferson, who had played so major a part in making articulate the basic longings and principles in every patriot's breast, in the year 1804 dispatched Meriwether Lewis and William Clark to seek the Pacific Ocean. These two young Army captains were both much too young to have served in the War of the Revolution. The great uncle and foster father of Meriwether Lewis was a brother-in-law of George Washington, an outstanding patriot and munitions maker of Fredericksburg, Va. Lewis met Clark while fighting the Indians at the Battle of Fallen Timbers in conquest of the then Northwest, while under the command of Mad Anthony Wayne, one of Washington's brigade commanders at Valley Forge. William Clark, of pioneer Virginia stock, had three older brothers in the Revolution, one captured at the battle of Germantown and who died as a result, and another was Gen. George Rogers Clark, the conqueror of Kaskaskia and Vincennes.

The journal of the expedition led by these two intrepid men clearly describes the country through which they passed, their trail through Idaho, and the enthralling incidents of their trip and their return are thus preserved. Their guide through Idaho was Sacajawea, who was born in the Lehmi Valley in Idaho, and whose father was a Shoshoni Indian chief. She was a brave, gentle, and patient Indian girl, who had been captured by an enemy tribe in what is now Montana when she had accompanied a party of her own tribesmen who crossed the mountain to hunt buffalo. Later, during her captivity, she married a French-Canadian trapper, and joined the expedition when her husband was hired as an interpreter. A dramatic and touching incident of the journey was the meeting of Sacajawea with her brother, then a chief of the Shoshoni. She was a true heroine, whose presence won the friendship of the Indians, and her name is honored much in the land from the Rockies to the mouth of the mighty Columbia.

The winter of 1777 was the grim period of the Revolution. It was a time of widespread disillusionment and almost of despair. In spite of all the brave and stirring statements, enthusiastically endorsed at the commencement of the struggle, independence and liberty seemed far off, and people had begun to realize the fearful sacrifices necessary to attain their freedom. Today, as then, many Americans ponder on whether, after all our struggles, after the fearful cost of what on the surface may seem a fruitless victory, we should continue with resolution our struggle for a better world in a war which is just as real as that which existed to the last flash of a shell's explosion. The American Revolution had a profound effect on the future of human liberty. The clash of ideals in the present economic and ideological conflict between the two great divisions of our modern world are a part of the same struggle, except on an infinitely larger scale. The next few years will tell whether the dark cloud of force, oppression, and brutality will blot out the sun which lightened the brows of the world's hopeful, enslaved millions. The sturdy founders of our Nation gave liberty to one country—and lit the torch of the French Revolution.

Today we seek peace for the world. The architects of the revolution had great vision. Ours, in proportion, must be even greater. The graceful chapel in which we now conduct this memorial service is dedicated to the everlasting honor of the illustrious Washington. Courageous, steadfast, and patient, General Washington shared his soldier's suffering here, ever upheld by a calm faith in the imperishable principles which constitute the basic rights of man.

While Idaho is far removed in time and distance from the original Thirteen States, we claim the same proud heritage of liberty. In every hour of trial since Idaho's admission to the Union, in all the fair days when there was work to be done, as our great Nation has gone forward to its destiny, Idaho has performed its full share. Like a strong young horse, it has arched its mane and stepped more briskly with each burden. The entire University of Idaho corps of cadets marched off as a unit to the Spanish War. Idaho's sons and daughters, the sturdy toilers in mine and meadow, the lumberjack, the stockman, and the Indian tribesman—none has failed you. When the Constitution needed a defender, when law and order sought a champion, we gave you Borah. We share now with you, of the glorious Thirteen, the responsibility to fashion a new world.

Today, one government, one hard, ruthless cordon of bitter, godless men who sit in the Kremlin, has ripped our post-war world apart. At the council table of nations other voices may have seemed to be heard siding with the Russian Republics, but a child could detect the projections of the ventriloquist as a satellite's mouth has snapped open and closed. We have seen Russian leaders, whom we so generously supported when in direst need, completely ignore that help. There can be no question as to the quantity and extent of our aid to Russia in World War II. You know how we depleted our own natural resources, how our people toiled, sweat, and sacrificed producing war materi-

als. A large share of these materials was dispatched in countless boatloads to this ally.

Early in the spring of 1943, while a member of our armed forces in the Middle East, I stood in our airplane assembly plant in the stewing heat of Abadan, at the head of the Persian Gulf, and saw its vast production. At windswept Ahwaz, I watched the long, loaded, lend-lease trains chugging northward, through that central Persian railroad center. From a plane, I watched the truck processions winding their way along the mountain defiles to Teheran, to go from there to the Caspian Sea. All this was but a part of our aid. The government to whom this was so freely given deliberately concealed our help from its people, because this fraud would best suit its ends. The Russian high command would permit no generous feeling to be raised toward a country which could produce so vast an array of material by private enterprise. The inner party circle reasoned that questions might be asked by the army private or the man on the street as to how such profusion could be possible in America where there existed private capital.

Each one of you knows how the American military and naval effort was minimized or left unmentioned. The ordinary Russian citizen outside the inner high party councils knew nothing of our army's halt before Berlin, to give the advancing forces of our eastern ally the honor and gratification of entering the city in triumph. According to the Kremlin, it was the formal Soviet entry into the war against Japan, the crumbling of the Japanese land forces before the all-conquering Red Siberian Army on the Asiatic mainland, which was the sole cause of the surrender formalized in Tokyo Bay.

We can pass over the ingratitude. We have almost become accustomed to that. The studied effort to wreck the effectiveness of the United Nations, upon which all peace-loving people of the world had put such hope, is infinitely of more consequence. We have seen our motives misrepresented and distorted, our leaders villified, and our Nation painted as a greedy, self-seeking giant, intent on domination over the rest of the world. Each concession that we made at the conferences immediately preceding and following the surrender of Germany and Japan only increased the demands upon us. Of course, we should have been less gullible. True, we should not have been taken in so easily. We could have had a definite understanding when Russia's back was to the wall. But it was not the first time that we sought no material benefit, nor failed to name a price for what we freely gave.

Then, long after the selfish aims of the Soviet were clearly unmasked—nay, brazenly and openly exposed—we took a firmer stand. We have taken our stand against a tyranny equally as menacing to the world as the Axis regimes so lately overthrown. Voices have been raised in this country, urging that we make further concessions, that we return to conciliation at any cost. We cannot temporize, we cannot concede, we cannot disavow principles before any government which rejects all reason. We deal with leaders who pretend to their people that a military attack by us upon them is inevitable. We cannot reason, we cannot cooperate, with such a group. There is no middle ground when complete repudiation of our Bill of Rights is alone acceptable. They say that our system and their system cannot continue to exist in the same world. We remember here at Valley Forge that men died because they believed in human liberty. And we also remember here that men came to Pennsylvania to escape tyranny.

To those deluded enough to counsel submission, I repeat the words of Hiram Mann:

"No man escapes when freedom fails,
The best men rot in filthy jails;
And they who cried, 'Appease, appease,'
Are hanged by men they tried to please."

The very nature of a dictatorship demands a continuing struggle to bring other nations into submission. I can see no other course if we have faith in our principles, than that we should stand by them steadfastly and be fully prepared to defend ourselves if attacked. We must be prepared to make sacrifices to help those nations who need our aid and are willing to exercise some self-help. It is an old, old struggle.

Patrick Henry voiced in a church his defiance of a foreign force which sought to subjugate freemen. Unpleasant as the thought may be, I find no incongruity in counseling, in this chapel dedicated to the noble Washington, steadfastness, patience, and preparation to defend ourselves, should that unwelcome necessity present itself. Since all our altruistic actions and all our attempts to promote a freer world have aroused only hostility, we must hold to the course of firm determination in the right. In every citizen's heart is the grim spectre of a possible armed conflict in the near future. That attack need never come. We shall never be the aggressor. Dictators do not start wars unless convinced they can win. We speculate with horror upon what might be the situation in the world today had the first atomic bomb been produced by the Soviet.

After all our confident predictions of world unity of a few years ago, what hope can I hold out for the future? Dismal as the prospect seems, there is still a factor which holds real promise.

Let me remind you that the instinct for individual freedom, for personal liberty is innate in every member of the human family. We know that there are four impulses common to all mankind, no matter what his state of civilization may be—first, man must satisfy his hunger; second, he is determined to perpetuate his own kind; third, he recognizes a God or supreme being; and fourth, man has an innate yearning for individual liberty. In spite of every effort to mislead, restrict, regiment, and extinguish personal liberty, no matter how great the tyranny, this yearning is bound to find its outlet. No chain can bind, no prison can confine, no slavery subdue this innate urge, natural to the human breast as is its measured heartbeat. No matter how complete seemed to be the subjugation under which men have been ground down, they have risen in freedom. However far distant the day, perhaps in the limitless sweep of Siberia, a leader shall rise who will kindle the cause of freedom. Surely in this modern world, millions of the human family cannot be kept indefinitely in mental or physical bondage. Education is a potent force to promote desire for human rights. The world does move forward. It will continue to do so, in spite of the crisis which now seems almost to overwhelm us. If we did not believe this, we could not reverently and in perfect trust raise here at Valley Forge our voice and spirit in words of supplication and of praise. That trust has sustained Americans in other times. It will sustain us now.

One hundred and seventy years ago, as a few dim lights glimmered through the darkness, some ragged sentinel, whose name has long since been forgotten, walked his lonely post. His weary feet crunched the snow along an earthwork which stretched on yonder hill. His then unheralded task was to keep watch for liberty. Cozy, warm, and well fed, the British Army rested in comfort in Philadelphia. No enemy disturbed that ragged sentinel, but vigilantly he peered into the intervening darkness, ready to protect his comrades from sudden attack. So may each one of us in another day, faced with another danger, strong in the faith of the brave Americans whose memory we cherish, keep now our own watch for liberty.

Radio Address to My Constitutents

EXTENSION OF REMARKS
OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over Station WNBF on November 22, 1947:

Dear friends of the Triple Cities and my congressional district, some men I have known in Congress used to get hysterical and frightened when they were attacked viciously by big-shot labor barons and agitators.

One man I thought a great deal of said to me one day, "I never answer my attackers. I never pay any attention to them; I simply turn my other cheek."

"Brother," I answered, "if I did that back home in the Triple Cities, the racket boys would slap me around so much that my cheeks would not only be red, they'd be swollen."

"But what can I do," my friend wailed, "they'll organize meetings against me. They'll smear me worse than ever."

"Fight them back," I advised. "Fight them until they stop their lying about you."

"Look at my case," I continued, "there are 300,000 of the finest patriotic Americans in the country who live in my district. But there is also a noisy, lousy, vicious handful of troublemakers who work like beavers, day and night, trying to turn the great majority against their Congressman."

If I laid down an instant, if I did not remain on guard eternally, these large mice would gnaw the bonds of affection and confidence the rank and file of the people have shown for me in the past eight elections.

While I am in Washington, these same enlarged mice do a lot of playing at home. It takes all the vigilance and alacrity a man can possibly command to keep them in their holes.

Last week the editor of a labor weekly continued his harrangue about my vote for the Taft-Hartley Act. In so doing, he is harping on a wornout theme and is decidedly out of step with the PAC, with whom he and his pals are anxious to get together in order to lick me.

The PAC seems to have forgotten all about the Taft-Hartley Act, because they know to holler about it sounds like so much sour grapes. It's the law of the land, boys, and it's going to stick. Although, I've heard you big shots gripe and gripe about how this bill hurts you, not one real laboring man has written me expressing any concern about it.

Not one working man or woman has told me that the Taft-Hartley bill has caused working hours to be lengthened, wages to be cut, or working conditions made worse.

The truth is their toes haven't been stepped on and they know it. Congress was only after the racketeers. The patriotic union member is not in that category.

So PAC and the A. F. of L., for that matter, in other congressional districts are now concentrating on more important issues. They know they can't get anybody excited over something that hasn't hurt them and they are sure they can't make political capital unless they have an issue.

I want to ask our friend, the editor, then, why keep whistling in the wind when the rest of organized labor everywhere else is now soft-peddling criticism of the Taft-Hartley Act.

Is it because you are misinformed as to the contents of this law? Or is all your blast at me boiling down to the same old personal issue that it has been for the past 9 years?

Why should I get steamed up over opposition now loudly asserting itself when it has always been there ever since I first ran for Congress. It's just yelling a little more loudly, that's all.

The answer is, I couldn't please these babies if I had the patience of Job, the humility of Moses, the faith of Daniel, or the wisdom of Solomon. They would be anti-HALL first, last, and forever, regardless of how much I ever tried to kotow to them.

Well, I don't intend to please them. The people of this district would resent my trying to please any pressure group no matter how friendly it might be, which these boys aren't.

Fill your pages with smear, my friend; you can't scare me or reach as many folks in my district as are within sound of this program. As long as there is free speech in this country, I can defend myself from the attacks of a few bent on personal vilification.

And the grudge is personal. Outside this district, free American labor has already found salvation in the Taft-Hartley Act. Here in the Triple Cities, one labor leader publicly announced this law will allow him to march into a local shoe factory and organize the workers into craft unions.

Why all the stupid opposition to me, then, because I voted for a law this organizer says give him new privileges?

You know the answer. The undercover boys just want to start something. Well, bring them on. They've got to have an issue and every issue they've grabbed thus far has been a hot potato they couldn't handle.

The trouble with them is, they want to resort to personalities. They want you to fight the man you elected just because they are sore at him and are carrying the 9-year-old grudge.

You and I aren't interested in their grudges. We want to save America. We want to strengthen this country. We want to raise the standard of living so that all the people can enjoy the fruits of work and of far-sighted planning.

We haven't time to fuss with their picayune mouthings. If they want to yell, let them get behind us to build a greater Nation than ever before.

There's enough here for everybody. There's a chance for each American regardless of how humble his origin or from what race, creed, or color he springs.

Thank you.

Resolution of the Guam Congress

EXTENSION OF REMARKS

OF

HON. WILLIS W. BRADLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. BRADLEY. Mr. Speaker, during the hearings which have been held on bills which would provide an organic act for the people of Guam the question has been raised as to whether or not the people of that island desire to have their government remain under the jurisdiction of the Navy Department.

The Guam Congress, on July 5, 1947, adopted a resolution which sets forth the desire of the people "That the Navy Department retain control and administration of the government of Guam." The resolution is as follows:

Whereas the people of Guam through their official and duly elected representatives, the Guam Congress, are cognizant and appreciative of the Navy Department's endorsement of the Hopkins' Committee report regarding Guam's need of becoming permanently affiliated with the mother country by according its inhabitants with American citizenship and providing also, its people with civil rights by the enactment of an organic law; and

Whereas the Navy Department, throughout the 49 years of administration of the Island of Guam has enjoyed the full confidence and friendship of the people of Guam; and

Whereas the report that the Navy Department in harmony with other Departments of the Government of the United States has officially gone on record as endorsing and approving the Hopkins' Committee report and has strengthened the friendship, good will and confidence which the people of Guam has consistently held and maintained with the Department of the Navy; and

Whereas the duly elected representatives of the people of Guam, the Guam Congress, have always maintained that the Navy Department is deserving of commendation for its sincere interest and efforts for the betterment and general welfare of the people of Guam. The people's long and intimate association as well as the protection afforded them during the 49 years of Naval administration would surely be of sufficient reason for anyone to recognize, despite the overdue extension and recognition of the people's faithfulness and desire to become a component part of the American Republic; and

Whereas the people of Guam through their official representatives, having thoroughly familiarized themselves with that part of the Hopkins' Committee Report recommending immediate granting of United States citizenship, an enactment of an organic act for Guam and a civil government for Guam, fully recognized and concurs with that committee, for which the people of Guam understood the Navy Department has fully endorsed and approved, that the Navy Department which had a complete understanding of the people's conditions and handicaps brought about by the effects of the last disastrous war, through the long years of experience and administration of the government of Guam is not only better equipped to administer the island affairs and government of Guam but also is in a better position than any other department of the United States to administer Guam by virtue of its facilities and understanding of the economic situation and position of the people of Guam, to further and carry out the rehabilitation of the people of Guam: Therefore be it

Resolved by both houses of congress, the house of assembly and the house of council in joint session assembled, That in the light of present economic conditions on the island and by reasons of the economic plight of the people of Guam to adjust their economic position and to rehabilitate themselves and be in a position to compete economically with the outside world not affected by the disaster brought about by the last war, petitions the President of the United States and the Congress of the United States that the Navy Department retain control and administration of the government of Guam, if and when the bills in Congress of the United States, granting American citizenship to the people of Guam and the enactment of an organic act for Guam are approved by the United States Legislature, until such time as Guam and her people are fully rehabilitated and the economy of the island is fully recovered and until the people of Guam through their duly elected representatives decide to determine, with the approval of the United States Congress the ultimate political destiny of Guam and its people in accordance with the provisions of the Hopkins' Committee Report as regards the transference of the administration of Guam, from one Government agency to another; be it further

Resolved, That the governor of Guam, the official representative of the United States, be requested to transmit this resolution via the Navy Department to the President of the United States and the Congress of the United States and that copies of this resolution be furnished the Navy Department, Department of Interior, State Department, Labor Department, and other Government agencies concerned.

Done this 5th day of July in the year of our Lord 1947.

E. T. CALVO,
Assemblyman of Sinajana.

Communists and Bill of Rights

EXTENSION OF REMARKS

OF

HON. CARL T. DURHAM

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. DURHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Greensboro Daily News on November 23, 1947:

COMMUNISTS AND BILL OF RIGHTS

Americans are always talking about Communists in their midst but they don't seem to be doing much more about them than about the weather. This makes a lot of 100-percent Americans who believe in quick action nervous and is not too comforting to the more easy-going.

But the problem is more complicated than it looks on the surface. About the keenest analysis of it we have seen appeared recently in the Chapel Hill Daily Tar Heel, an article entitled "The American Dilemma" by Bill Crisp, a graduate student in the University Law School.

He raises three questions: (1) What can we assume about the Communists? (2) What can we prove about them? and (3) What can we do about them?

The answer in brief to No. 1 is: The worst. The answer to No. 2 is: Not that much.

But the answer to No. 3 is the gist of the article. We have a Constitution and the real question is what can be done under it. The author notes that the Supreme Court of the United States has decided that "freedom of speech and press can be legally prohibited only if its exercise is of such a nature as to constitute one of the following acts:

"(1) An advocation of the overthrow of government by force or violence; (2) an incitement to riot; (3) an advocation of changing the status quo by some unlawful means; (4) an intentional provocation of the commission of any crime; (5) an intimidation of parties concerned with an impending judicial decision; (6) a giving of aid to the enemies of the United States; or (7) a revealing of government secrets to any person or government not in the confidence of the United States for that specific purpose. The reader should keep in mind that anyone today may be punished for utilizing speech or the press, provided it is judicially established that his speaking of writing constitutes one of these acts."

Can activities of Communists be made illegal without infringing on constitutional guarantees of freedom of speech, press, and so on? The answer appears to be "Yes," if the activities are those mentioned above; otherwise "No."

Another pertinent question is whether courts can assume that proof of membership in the Communist Party is equivalent to proof that the member advocates overthrow of the Government of the United States by violence. Lower courts differ, but the Supreme Court of the United States, says Crisp, has indicated that it thinks not.

Crisp concludes that it would be better to listen to Communist lies than to so abuse constitutional safeguards that no one could be sure of proclaiming the simple truth with impunity, and that in the last analysis the antidote for communism is not suppressive legislation which tries to abolish an idea by making its advocacy illegal.

This point of view, of course, is in accord with our traditions. Under our system a man can be punished for what he does, not for what he thinks. This system has worked too well so far to be discarded in haste. Of course, if Communists commit illegal acts they should be punished as other criminals are. But we cannot make mental conviction equivalent to judicial conviction without bidding the Bill of Rights a long farewell.

Facts About the Hawkeye State

EXTENSION OF REMARKS
OF
HON. KARL M. LeCOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. LECOMPTE. Mr. Speaker, the great State of Iowa is first or close to first in so many achievements such as corn-fed cattle, poultry and eggs, corn, hogs, as well as being the State with the least amount of illiteracy and the fewest foreign-born citizens, that it is interesting to note that our State has achieved greatness in many other respects. Under unanimous consent to extend my remarks, I submit the following editorial by Mr. Will D. Allender of the Chariton (Iowa) Leader of November 18 in which he calls attention to a number of other "firsts" for the Hawkeye State:

FACTS ABOUT THE HAWKEYE STATE

Iowa is an Indian word meaning "This is the place" or "Beautiful land."

Iowa ranks first in the percentage of farmers owning automobiles and fourth in paved road mileage.

Iowa, exceeded only by Texas, Illinois, and Pennsylvania, ranks fourth in railroad mileage.

Iowa has 610,000 telephones.

Iowa has more frozen-food lockers than any other State.

Iowa has more than 9,641 miles of primary roads and 92,921 miles of secondary roads.

Iowa has 315 public libraries.

Iowa has 43 daily newspapers and 439 weekly publications.

Iowa has 28 commercial and 4 noncommercial radio stations.

Iowa's 701,824 families own 621,971 automobiles, 671,000 radios, 580,000 residence phones and have 612,706 electricity-equipped homes.

In 1946 Iowa's income from furs exceeded Alaska's fur income by more than a million dollars.

Iowa has 4,000 churches and 2,500 ministers and priests.

Iowa has the largest legitimate theater in the world.

Iowa had the first municipal golf course in the world.

Use of Surplus Foods

EXTENSION OF REMARKS
OF
HON. CHARLES R. ROBERTSON
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. ROBERTSON. Mr. Speaker, I think it is very important when considering the over-all problem of relief to turn our thoughts to the problem of disposal of surplus foodstuffs handled by the Commodity Credit Corporation and the Department of Agriculture. Congress should make it possible for the Department to place these foodstuffs in relief channels before there is waste or spoilage.

We all sadly recall the unfortunate burning of potatoes with kerosene last spring. If these potatoes cannot be successfully shipped immediately before they spoil, then most serious consideration should be given to the possibilities of dehydration.

Similarly, poultry should be exported before it reaches a "subnormal" quality.

Today, I am told by the Department of Agriculture, the CCC has purchased 28,000,000 pounds of dried whole eggs and 61,000,000 pounds of frozen eggs, but these have not been sold in export as all bids have been below what the Department feels is a fair price for these eggs. When we are facing food shortages over the world, I feel we should find some method of putting these eggs on the list of foodstuffs for relief.

In all cases, we should provide some method whereby the Department of Agriculture can and will dispose of surplus food during this period of world food crisis.

I have recently received a letter from the Reverend George O. Parish, State director of the United Temperance Movement of North Dakota. I include herewith his letter:

UNITED TEMPERANCE MOVEMENT,
OF NORTH DAKOTA,
Fargo, N. Dak., November 11, 1947.

Congressman CHARLES R. ROBERTSON,
Washington, D. C.

DEAR FRIEND: Like all interested persons, I have been keeping close track of the proposed aid to European nations and certainly I would be very unchristian indeed if I were not in favor of doing all we can within reason to help. I think you must know that I am as much opposed to the advance of anything that looks like communism as any good American can possibly be. However, we have Christian ideals that would make us go to the rescue anyway.

The reason for this letter is that I have noticed by recent reports that we have possibly millions of dozens of eggs in cold storage and likely millions of pounds of poultry in the same type of storage and I do think that something ought to be done to see to it that these food items are moved out to feed the hungry of Europe rather than to remain in cold storage in this country so long that they will finally be dumped in the ocean or in some river, or kerosene poured over them and thus destroy them by fire.

The American public is fed up on the idea of destroying foodstuffs or permitting them to remain in storage so long that they have to be destroyed. I am very sure that you agree with me on this point and I think, without a doubt, this situation should be aired on the floor of Congress to try to force the administration into using these food supplies. As you know, we live in a state that grows a lot of potatoes and if potatoes can be kept in a warehouse all winter without much spoilage, surely potatoes can be shipped overseas to help to feed the hungry. And how much better this would be than to pour kerosene on them as has been done in the past and have ton after ton of good foodstuffs destroyed in this fashion. If it is not practical to ship potatoes in the raw it is practical to ship them after they have been dehydrated.

As a minister of the gospel I certainly wish to lift my voice against the wanton destruction of foodstuffs that might be used for the hungry people. I am certain that America cannot expect the good God of Heaven to smile upon her while we continue to use methods of this kind. I have just been covering a release to the press by one of our Congressmen and it has brought this matter to my attention. I am sure that we can count on you to do everything in your power to check the terrible waste that has been taking place under the former administration and possibly will continue to take place under the present administration unless someone raises the roof.

Very truly yours,

GEORGE O. PARISH.

Freedom Train

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to insert two letters, which appeared in the November 19 edition of the Buffalo Evening News, and which relate to an incident in connection with the Freedom Train:

LANA TURNER WAS WELCOMED, BUT NOT LITTLE LAME BOY

When our class visited the Freedom Train we waited in line for many hours, as did everyone else. We didn't mind because we knew that it was a great honor to be able to see our original documents of freedom. While we were there Miss Lana Turner arrived and was gallantly ushered through the train with much ado while everyone else was stopped.

A little later a tall man appeared with a little boy on his shoulder. This boy had braces on both legs. The man approached one of the guards and asked if they might see the train right away, but they were denied admittance. They turned away, a very dejected pair.

We think that this was a very poor sign of democracy on the very spot where the Freedom Train stood. This little boy could not see the documents of his forefathers just because he was not able and because he was not a great celebrity.

ELEANOR WOOD.
CONNIE WOOD.

KENMORE, N. Y.

ANOTHER SCHOOLBOY TELLS SIMILAR STORY OF TRAIN

Our class was fortunate enough to see the Freedom Train. While we were there Lana Turner came, so the officials stopped everybody from going in and let Lana Turner go through by herself. A man with a small, lame boy on his shoulders asked if they might be able to go into the train without having to wait in line.

They said no. What a treasured memory this little boy might have had.

RICARDO SCOFIDIO.

TONAWANDA, N. Y.

Poultry and the Steagall and LaFollette-Taft Amendments

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, Congress passed the Steagall amendment to the Price Control Act, and the LaFollette-Taft amendment to the Commodity Credit Corporation Extension Act of 1944. Ninety percent of parity was supposed to be guaranteed to certain producers. The poultry producer was one of them. I thought that the administration would follow the provisions of the Steagall amendment after the La Follette-Taft amendment was passed directing the administration to follow it, but the Steagall amendment was not lived up to.

First, in the winter of 1943–44 on eggs; second, in the winter of 1943–44 on hogs; third, in the spring of 1946 on milk; fourth, this very hour and minute on poultry.

First, we had the $300,000-a-year president of a foreign vegetable oil soap company, Mr. Charles Luckman, projected into the food program. While soap went up, chickens went down in price. Then under date of November 10, 1947, the Department of Agriculture announced its purchase program, which is in part as follows:

	Cents per pound
Fowl, producer prices (over 4½ pounds live weight)	20.00
Grade A fowl (New York style dressed weighing over 48 pounds net per box of 12 birds)	28.00
Fowl, producer prices (live weight from 3½ to 4½ pounds)	15.00
Grade A fowl (New York style dressed weighing from 36 to 48 pounds net per box of 12 birds)	22.50

However, the United States Department of Agriculture in its latest monthly report on agricultural prices states on page 5 "Chickens, live, per pound, parity, 27.2 cents." Ninety percent of parity, then, is, by any but New Deal arithmetic, 24.48 cents per pound.

Mr. Luckman not only was off on the wrong economic foot when he began his program to be the champion chicken killer of all time, but the United States Department of Agriculture itself now indicates a support of only 15 cents per pound on poultry when the law says 24.48 cents per pound. If the Steagall amendment is not going to be followed, it should be repealed; if it is a part of the law of the land, it should be followed without hesitation or circumvention.

The producer's hourly wage is determined by the returns which he received for his products. This administration again demonstrates its willingness to roll back the food producers' hourly wage, even if the law of the land is not followed when the roll back takes place.

Does Congress Have the Right To Ask if You Are a Communist?

EXTENSION OF REMARKS
OF
HON. ROY O. WOODRUFF
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. WOODRUFF. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by Samuel B. Pettengill on November 9, 1947:

DOES CONGRESS HAVE THE RIGHT TO ASK IF YOU ARE A COMMUNIST?

If a committee of Congress asked you whether you were a member of the Communist Party, would you refuse to answer? Or would you say, "Of course not. I'm an American and proud of it." I am sure that is what you would say. But a campaign is now on to discredit Congress because the House Committee on Un-American Activities has asked that question of 10 Hollywood witnesses. They all refused to answer on the ground that Congress had no right to ask the question. The committee has, therefore, cited them for contempt.

I believe Congress did have the right to ask the question, and will give my reasons. But, first, let me say that it is to our credit that we are jealous of our civil rights. I have defended those liberties many times when it was unpopular to do so, and when these witnesses, now cited for contempt of Congress, were silent. But this case boils down to the single point: Did Congress have the right to ask the question?

Whether the congressional committee has had access to information the average person does not possess—such as the files of the FBI—we can only surmise.

I make no charge against anyone whatever. I assume that these persons refused only because they honestly believed that no one has any right to ask them what party they belong to; that that is their private business. Many well-meaning people, on the spur of the moment, seem to agree with them. But let us look at both sides of this case.

HOW MANY STARS IN THE FLAG?

I am reminded of a bright young Italian who was being given his final examination before being made a naturalized citizen. The judge asked him, "How many stars are there in the flag?" Tony answered, "Ninety-six, Your Honor." A large flag was hanging on the wall of the court room, and the judge said, "Tony, can you count?" Tony said, "Yes, Your Honor, but have you looked at both sides of the flag?"

I have always admired Tony for that. He had an honest and inquiring mind. Tony had taken the trouble to actually look. On both sides of the flag, there were 96 stars, even if there are only 48 States in the Union.

So, let us look at both sides of the flag. Let's take a glance at our primary election laws. They will show whether it is ever proper for a public official to ask what party you belong to. Our primary election laws may prove to be a lighthouse in a sea of nonsense.

Most States provide that in order to vote in a primary election the citizen must state what party he belongs to. This is to prevent cross-voting. I mean by that, Democrats voting a Republican primary ballot, or vice versa, in the hope of nominating a weak candidate on the opposition ticket who will be easy to defeat in the fall election. Does that invade anyone's rights?

WHERE YOU HAVE TO DECLARE

If a man wants to help nominate candidates on the Democratic ticket, he must declare that he is a Democrat. Same with a Republican, or a Socialist, or a Communist. If he refuses, he just won't be given a ballot. He can't vote unless he tells what party he belongs to. And the answer he gives may be challenged by others.

So there we have one case where public officials do have the right to ask what party you belong to.

Another example is found in our naturalization laws which require an examination as to whether the applicant owes allegiance to a foreign government.

You must keep in mind that modern communism is much more than a simple belief in government ownership of property, or the equal sharing of goods. I will give you evidence that it involves allegiance to a foreign government.

Now here is another case. Eight years ago, before the war broke out, Congress enacted "that it shall be unlawful for any person employed in any capacity by any agency of the Federal Government (for example, a postman, or an Army officer) * * * to have membership in any political party or organization which advocates the overthrow of our constitutional form of government." I am sure you think that is a good law. You, as a taxpayer and loyal citizen have the right to insist that your Government keep fifth-columnists out of Government offices, whether they are members of a German-American bund, or the Communist Party. That law makes it the duty of the employing official, whether a Cabinet member, or a postmaster, to ask and find out if the person seeking employment belongs to a "political party or organization which advocates the overthrow" of your Government.

So you see the law is that plain, homespun, honest, loyal Americans have some rights to this country and its institutions, as well as those who are able to charter an airplane from Hollywood to Washington to stage a mass demonstration to discredit the Congress of the United States.

THE PRESIDENT EXERTS THAT RIGHT

If a committee of Congress hasn't the right to expose Communists who attempt to secretly poison motion picture scripts that are shown in every American Army post, then President Truman has no business to ask for public funds to clean Communists out of Washington.

The argument seems to be that we must just fold our hands and wait for Stalin's men to take us over. Stuff and nonsense. Congress and the courts have a nation to defend. They have scores of millions of loyal Americans, such as you, to think of as well as a few persons, who for one reason or another, say that no one has the right to ask whether they are Communists. If we have gone so soft as not to understand that, we don't deserve to survive in this tough world.

That Communists have tried to invade Hollywood against the resistance of loyal Americans there, has, I think, been proven to your complete satisfaction, by the testimony of such men as Rupert Hughes, Robert Taylor, Robert Montgomery, Adolph Menjou, and Gary Cooper, to mention but a few. These

men need your support to protect this great and important industry from a foreign invasion.

This matter is important to you, not only because you and your children go to the movies, but because it is Communist tactics to discredit Congress and all parliamentary bodies.

THE AIM OF COMMUNISM

Listen to this from an opinion by the late Chief Justice Harlan F. Stone, of the United States Supreme Court, quoting from the Statutes, Theses, and Conditions of Admission to the Communist International. This is what Judge Stone found modern communism to be.

"The aim of communism is to destroy parliamentarism." That is, it repudiates the republican form of government guaranteed by our Constitution—a government by representatives elected by and responsible to all the people, and not to a tiny fraction of the people, as in Russia.

Now again from Chief Justice Stone, quoting from Communist sources:

"Each party desirous of affiliating with the Communist International would be obliged to render every possible assistance to the Soviet Republics in their struggle against all counterrevolutionary forces. * * * It has become absolutely necessary for every Communist Party to join systematically * * * lawful and unlawful organizations. * * * They should create everywhere a parallel illegal apparatus, which at the decisive moment should do its duty by the party, and in every way possible assist the revolution. * * * A persistent and systematic propaganda is necessary in the army where Communist groups should be formed in every military organization."

And then Mr. Justice Stone quotes the father of modern communism, Lenin, himself, as follows:

"The doctrine of class war * * * leads inevitably to the recognition of the political supremacy of the proletariat, of its dictatorship; that is, of an authority shared with none else, and relying directly upon the armed force of the masses. * * * It is clear that where there is suppression, there must also be violence, and there cannot be liberty or democracy. * * * The proletariat needs the State, not in the interests of liberty, but for the purpose of crushing its opponents."

That is what Lenin said.

So, what do they care about civil rights? They demand that we protect them under our Bill of Rights so they can climb to power and then deny all civil rights to us!

NOT AN AMERICAN POLITICAL PARTY

These quotations from official Communist sources, cited by Justice Stone, show that the so-called Communist Party is not an American political party in the sense we, and our fathers, understood that term, but is a section of an international conspiracy directed, largely, from Moscow.

After considering these facts, after looking at both sides of the flag, I am sure all well-meaning Americans will hold that your Congress has every right to ask whether anyone is a member of the Communist Party.

Chief Justice Stone wrote the opinion from which I have quoted, 4 years ago. He did not live to hear Vishinsky bitterly attack the United States and carry on his subversive propaganda in the forum of the United Nations right in the city of New York.

PUT AMERICANS ON GUARD

If Justice Stone had lived until now, what might he say today? I think he would say, as Washington did, "Put none but Americans on guard tonight."

No, my friends, devoted as we are and must be to the civil rights of every loyal American, these rights must be harmonized with the right of this nation of freemen to live.

Abraham Lincoln once asked, "Is there, in all republics, an inherent and fatal weakness? Must a government of necessity be too strong for the liberties of its own people, or too weak to maintain its own existence?" Lincoln answered that question, no. He believed and died in the belief that the liberties of our people and the preservation of this Republic go up or down together.

Let me repeat that I make no charge against any of these 10 witnesses. I have limited my remarks to the one question upon which the whole matter turns—Did Congress have the right to ask whether they were members of the Communist Party? I believe Congress had that right. I hold that Congress has as much right to have Communists labeled as it has to require food and drugs to be truly labeled, as it has to require the ownership of newspapers to be honestly declared.

Justice Stone was devoted both to the civil rights of the individual and to the preservation of this Republic. If you agree that he saw the issue plainly, you should give active support to Chairman THOMAS and the House Committee on Un-American Activities. They are fighting to save our Republic against forces seeking its overthrow.

Problems Before the Special Session of Congress

EXTENSION OF REMARKS

OF

HON. FREDERICK A. MUHLENBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. MUHLENBERG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio broadcast made by me on November 16, 1947, over station WEEU, Reading, Pa.:

Tonight I go down to Washington to attend the so-called special session. It's really a continuation of our session that recessed the end of July. There are two main items—one, stopgap aid to Europe to cover the period before any final aid under the Marshall Plan can be made effective and, second, some consideration of whether or not prices can be held or reduced by new Federal legislation.

Now speaking of the first item, I wonder if we fully realize the extent of the foreign aid already given since the shooting war stopped. Well, from July 1945 to July 1947 it's between nineteen and twenty billion dollars. And whether our citizens know what is already pledged in addition to that amount—it's already, and before we go into session, about four and one-half billions more. Senator BYRD has just issued a report based on the Budget Bureau reports that gives some astonishing figures. Here are a few of them. Out of the total still promised sixty million is earmarked for Russia and her satellite nations; two and one-half billions for the eight other major nations of Europe; a billion dollars for the far eastern nations; China, Japan, Korea and the Philippines; and about half a billion to miscellaneous small nations both in Europe and the East. And in addition this does not include about eighty-six millions more which is the United States contribution to the IRO and ICEF (International Refugee Organization and International Children's Emergency Fund). And none of the figures I quoted include any funds for maintaining our troops abroad.

Do you want to know something more about the sixty million of new funds earmarked for Russian-controlled countries? I did. Well, it's a million to Poland in surplus property, thirty-two and a half million to her as loans from Export-Import Bank; ten and a half million to Finland in surplus property, thirteen million in Export-Import Bank loans. Nothing more at this time to other nations in the Russian string—but, mark well, we've already given them alone one thousand five hundred and eighty-seven millions—yes, one thousand five hundred and eighty-seven millions to nations controlled by Russia. Full knowledge on the good that has resulted from this twenty to twenty-one billions spent since the war ended and decisions as to the proper course to pursue in future will make our job in the session pretty hard. It will be pretty difficult to reconcile these figures with the real undernourishment already existing and sure to be added to this winter, and many questions as to the degree of trust we can put in these same managers will arise.

And now to speak of the second item for which Congress has been called—the possibility and practicability of controls and priorities and allocations, as against the free flow of supply and demand under an unrestricted economy. This, too, is a difficult matter to do anything constructive on or that will give promise of resulting in permanent good. The moment, for instance, anyone in authority begins to speak about shortages, that very moment hoarding begins. All you have to do (that is, if your voice can be heard by the public) to start a rush on supplies is to whisper that they are going to be short. Do you remember LaGuardia's letting the cat out of the bag on shoe rationing during a Sunday broadcast in New York during the war and what a frantic buying started that very day? So it would be with others! The moment you begin to talk about controls things are apt to get so panicky that controls are almost necessary at once. Then, too, the real troubles with controls is that it is necessities that are controlled most. This means that the price margin is small in these commodities so that both labor and money drift to manufacture or raising of other things where the return is higher, and thus the scarcity is made greater. Then as artificial price bargains increase consumption, we attempt to hold consumption down by rationing and priorities and allocations—just what they're talking about now. But then production is cut to meet the limited market and the vicious circle continues to the inevitable end—the black market.

I am sorry for Luckman who was drawn in to make the voluntary program work, for I think a lot of Washington bureaucrats want it to fail—their jobs as so-called "experts" depend on its failure. Look at the program they first laid out for him to sponsor—no poultry or eggs on Thursday, or another day each week, when, as I told you in my last broadcast, they had tremendous stocks in Government purchased surplus of both that is guaranteed not to compete in the open market. Where can that go wisely except into foreign food relief? And this is borne out by the new order that they now want us all to eat more poultry to save grain. I told you that too, in the last broadcast—that is, that the real effort was to save grain, not poultry. There are other instances, too, of orders by other agencies that must, and do automatically, tie into the program—orders such as those by the group in control of the potato program that those in the parity program shall grow fewer potatoes. Ask our farmers—they'll tell you such an order has been issued. And this with England rationing potatoes! Orders by others to kill off a proportion of our cattle and pigs to save grain, but these same people who issue that order make no effort to save grain by doing something about the rat and insect problem that spoils $550,000,000 worth of grain yearly—oh, well, I've talked about that too; and why these so-called experts didn't put up the surplus tomato and pea and bean crop, so much of which was wasted. They need a lot more practical men if they are going to get anywhere near sense—and how much plain sense and farm knowledge exists among

Washington bureaucrats? Not much, I am afraid.

We order our distillers to shut down for 60 days—Luckman said it was a great victory—thus we throw out of employment a lot of men. Yet all the time Scotland is using grain to make scotch whiskey to sell to us—probably to buy grain or potatoes. We are talking about the possibility of control over steel and necessity for allocations, yet at the same time we are sending a lot of raw materials for steel manufacture to England—ore and high volatile coal so that British people can be employed in steel making. We didn't do such a good job on our control over coal, did we? And the British aren't bringing up production much by nationalization, are they? Luckman has a real job on his hands coordinating all these matters, and if he doesn't do it, still someone must Can there be such a thing as "just a little control—only a minimum"? I am afraid it will parallel Hester Prynne's apology in The Scarlet Letter for her illegitimate baby—it couldn't have been so great a sin for the baby was very small. It seems to me the plan proposed won't be so much of a remedy, for it, too, is very small.

The present troubles in Britain arising from restriction controls, the stranglehold of bureaucracy and overcentralization of authority bring into sharp contrast the two systems of people's government now being talked in Washington circles: One the philosophy of big government, the other of little government—one that social planners need additional authority, the other that the solution of the Nation's social problems can best be accomplished at the neighborhood level—one, in short, that bureaucracy plans best, the other, that community planning does best. It is worth while contrasting results, but both of these plans, whatever their defects, that defend individual liberty contrast brightly with the only other possible plan—the Communist theory that only the State counts; that the individual lives only to serve the State; that the State owns all. Part of this comment comes from workers themselves. The United Mine Workers Journal says in a recent editorial that the British coal miners—I quote: "were led to believe that nationalization of the coal industry would bring them higher pay and shorter hours" and charges it to "Socialist and Commie labor leaders." The same editorial says that the UMW convention has consistently voted down proposals for nationalization—quote: "and all other hair-trigger schemes born of political and economic confusion."

And now what I have said brings me rather naturally to think of a large part of what may be, really is, a danger to the future of this country—that is monopoly. Danger can and does exist in too great enlargement and centralization of enterprise of any kind. We must get more production without higher prices, and to do that we need competition, competition at all levels—manufacturer, middleman, and retailer, where low overhead means lower prices—competition between parts of the country, between cities and the rural sections, and competition in service where the man who serves best profits most. The real answer to communism is more and more free enterprise; yet free enterprise in America seems to be dying on its feet, from, I think, too much monopoly and too much big government with its tremendous tax demand. Mergers (95,000 of them since 1909), giant chain store systems, giant holding companies, giant labor unions are the order of the day. If this trend is not stopped, America is going to be stopped and instead of free enterprise we will have socialized everything—socialized industry, socialized housing, socialized banking, socialized medicine, socialized government. And what has killed other democracies that have died? The answer is surely concentration of power in the hands of the few.

Here's another part of the answer to the course to be pursued—it's General Marshall's own statement as to what we are trying to do in Europe, but I think it is a pretty good definition of our own aims for our own people too. Let me quote from Marshall's statement before the recent CIO convention: "The basic issue," he said, "is simply whether or not men are to be left free to organize their social, political, and economic existence in accordance with their desires, or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power."

The 16-Nation Economic Report on European conditions is in Washington and is being studied. On the whole it talks in constructive terms and indicates a willingness by all interested nations to work cooperatively with others and to use their joint natural resources and their food for common benefit, not for their own nation alone. This is fine and constructive, of course, but there are some strange ideas in it too. One, for instance, that we have food enough to keep on feeding the world until it gets on its feet in its own slow way. Well, we can't of course. We grow about 12 percent of the needed supply and what must be done is to make them self-sufficient. A leading Grange man, Roy Anderson, of Iowa, has just come home from a tour of Europe to say that he believes that 100 of our Farm Agents with some fertilizers, some seed and some authority could make Western Germany self-sufficient in one growing season. And what about Russia's part in this picture of world food? The report makes no mention of what she claims blandly are large stocks. And another strange idea—rather a strange ignoring of a fact that is very obvious to every soldier who met foreign exchange—the fact of inflated currency having an effect on each country's internal economy.

Well, there is nothing in the report saying anything about plans to restore equality of exchange. Of course, cheap money, that is, inflated currency, increases imports tremendously—it pays them well to buy from us with their cheap money, just as it does not pay them to borrow from us and buy here at our relatively sound and expensive money, and thus it decreases their exports, for they get a better return, in their debased currency, by selling locally. The worst thing in the report, as I read it, is that it has, in a sense, gone off the deep end on social desires and a full life for all Europeans without stating the price of blood, sweat, and tears for themselves that such an end will entail; but indicating clearly that they assume such an end will be included within what we will be called on to do Surely we can't provide these things for them, but they will have our help To put it in common-sense language, it seems to me that our part in United Nations effort is largely to get together an organization to enable us all to live together in peace and without war. It is not our job, I think, to even try to create a Europe in our own image, or to put it another way, to pledge our money and our effort to build our heart's desire there when we have so many unsolved problems within our own land. Our job is to help the cause of peace world-wide and to do our part to relieve starvation and distress, but our primary mission is to our own. That is what I meant when I said in my last broadcast that any foreign policy, to be a foreign policy, must be a selfish one and have the true interests of American citizens as its first and cardinal mission.

Now, doesn't what I have just said check up with General Marshall's statement that I quoted a minute ago: "The basic issue is simply whether or not men are to be free to organize their own social, political, and economic existence in accordance with their own desires or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power." I think so, and moreover maybe this should be part of our heart's desire for our own land, that here, too, our lives may be free and not dictated by small groups who have arrogated the power to themselves to order our lives.

My time is up again, so I'll be off to Washington. I'll be back on the air two weeks from today and then I'll be able to tell you first hand some of the day-to-day talk there, and possibly I may have some idea of the trend of the thought in the Congress. See you in 2 weeks.

R. C. Zuckerman Sets New World Record for Potato Yield From 1 Acre on Land in San Joaquin County, Calif.

EXTENSION OF REMARKS

OF

HON. LEROY JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. JOHNSON of California. Mr. Speaker, R. C. Zuckerman has been a successful agriculturist of San Joaquin County, Calif., for many years. He operates in an area known as the Delta, which consists of the peat land of the San Joaquin River Delta.

Mr. Zuckerman is not only a successful agriculturist but is also an inventor, having invented several devices of use to farmers.

The story of his successful raising of the biggest crop of potatoes on 1 acre is well described in The Potato World, published in Chicago, Ill., which, pursuant to unanimous consent heretofore granted, is reproduced herewith:

R. C. Zuckerman, of Stockton, Calif., set a new world record this summer when he harvested 1,188.2 bushels (712.92 sacks of 100 pounds) of White Rose potatoes on a measured acre of land. The previous record made on McDonald Island was in September of 1933.

The potatoes were grown on Mandeville Island, San Joaquin County. Mandeville Island comprises 5,200 acres and is situated about 18 miles northwest of Stockton, in the center of the delta of the San Joaquin River. The land lies a little below sea level. Crops are irrigated and the irrigation is done by the method of sub-irrigating. Ditches, 8 inches wide and 2 feet deep, are dug in the crops. These ditches are from 25 to 40 feet apart in the field. Water is let into the ditches and the surplus water flows into drainage ditches and through a system of canals and is eventually removed by drainage pumps.

For the cropping year of 1947, Mandeville Island had 800 acres of table stock potatoes, and 125 acres of seed potatoes. The field in which the record crop was produced was 50 acres in area. The potatoes were planted in rows 28 inches apart and the plants were spaced 8 inches in the rows. The potatoes were planted on the 15th of March and the regular farming procedure was used, the same as on the balance of the crop. No special preparations were made and at the time of planting, there wasn't any expectation of a record yield. The seed used was grown on Mandeville Island in 1946. The fertilizer used was a total of 1,400 pounds, 1,200 pounds of 10–10–0 and 200 pounds of

13-34-0. The potatoes were still alive at 147 days old, the digging time.

In commenting on the record production, Mr. Zuckerman said:

"The 50 acres were planted on the 15th of March. They went through two severe windstorms and some bad growing weather. Notwithstanding, they made a wonderful growth. When the potatoes were 147 days old, many of the vines were still green and we sprayed the field, therefore killing some of the still green vines. I knew it was a heavy crop but even at that time (the time of spraying) I did not know it would produce enough to exceed the existing record of 693.5 sacks per acre. We started to dig and then found such a heavy production that we sent the digger through different parts of the field and when that was done, we determined that it was a record breaker so we stopped digging until we could get the County Agent to supervise the digging and this took about 4 days.

"As soon as these potatoes were dug, we filled the sacks with the weight 102 pounds. The sacks stood in the field through the hot sun and wind and when they were officially weighed, they had shrunk about 4 pounds to the sack. Had the potatoes been officially weighed on the day they were dug, the yield would have been 75,000 pounds per acre. That part of the operation was just too bad for us because of conditions beyond our control. I couldn't get the weighmaster to the ranch until 4 days later."

The picture on the front cover of this record-breaking production will give you some idea how closely the sacks lay in the fields. Many of the potatoes weighed as much as 3½ pounds. This record-breaking production should serve as another warning to the low-yielding areas that they had better keep thinking about some way to increase their yields. When we get back to normal, it is going to be very difficult for low-yielding areas to stay in the potato picture in competition with high-yielding areas.

China and Europe

EXTENSION OF REMARKS
OF
HON. J. PERCY PRIEST
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. PRIEST. Mr. Speaker, under leave granted to extend my remarks, I desire to include what in my opinion is a well-reasoned editorial on the subject of China and Europe appearing in the Washington Sunday Star.

The editorial follows:

CHINA AND EUROPE

Like Senator TAFT, but in more extravagant terms, Governor Dewey, of New York, has raised a hollow issue in declaring that the Communist threat in China is even more urgent than in Europe and that the President either does not know of the situation or deliberately ignores it.

Mr. Dewey has based this remarkable assertion on the fact that China was not mentioned in the President's message opening the special session of Congress. But that is hardly enough to support his curious and strangely timed thesis. As far as the awareness of the White House and the State Department is concerned, the record simply does not justify the charge that the Chinese situation has been somehow overlooked, forgotten, or neglected.

Actually, as Secretary Marshall has made clear, additional aid to the Chinese is to be asked for in connection with the long-range European recovery program. This is but one piece of evidence contradicting Mr. Dewey. There are other pieces. There is, for example, the American policy being pursued in Japan. There is also our policy on Korea, a policy that has resulted in a United Nations decision to establish a special commission to promote the independence of that country. These and similar undertakings have an important bearing on the kind of peace to be established throughout Asia as a whole, and they thus have a significant relationship to China's future, a fact that does not jibe with the charge that the President either does not know of the situation or deliberately ignores it.

As for Mr. Dewey's argument that the Chinese problem is "even more urgent" than Europe's, it amounts to little more than a peacetime version of the wartime minority view that favored giving priority to the battle against Japan instead of to the battle against the Nazis. But the strategic choice was to defeat Hitler first on the reasonable assumption that our Far Eastern enemies would collapse soon after he fell, and that is what happened. The situation today is not identical, of course, but a similar choice has been made by the administration, and there is every reason to believe that it is an altogether sound one for countering Russia's political and economic offensive against western democracy.

After all, strictly in terms of the world balance of power, China, despite its potentials, still is predominantly agricultural and hence not of the same immediate significance as the highly industrialized European community of independent nations—a community where the Kremlin-directed activities of the French and Italian Communists have created dangers that seem far more immediate and pressing than those confronting the Chinese. Our projected emergency aid and long-range recovery program are calculated to cope with those dangers and prevent Soviet domination of all of Europe; if that objective is attained, then the menace of a Red Asia will rapidly diminish.

To say these things is not to minimize the fact that the Chinese are threatened and need help. It is simply to say that the situation calls for a first-things-first type of action at the most decisive points and that Europe, in this instance and at this particular moment in history, is certainly more decisive than China. To argue otherwise is to be less than realistic. Whether politically motivated or not, Mr. Dewey's views on the subject are scarcely impressive.

Aid for Great Britain

EXTENSION OF REMARKS
OF
HON. FREDERICK C. SMITH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. SMITH of Ohio. Mr. Speaker, would the Socialist regime of Britain use the lend-lease proposed under the Marshall scheme to rehabilitate the economy? Or would it use such aid as it has used the $4,000,000,000 gift-loan and other gratuities provided it to aggrandize its power and further enslave the people of that country?

The very nature of socialism ought to supply the answer.

Winston Churchill said something that pretty sharply points up the answer to this question. He stated in the House of Commons:

What is so particularly odious and mean, and what has caused this deep schism in our island life, is that the sacrifice so nobly made for victory * * * should be used and exploited for party purposes and for the institution of a system of socialism * * * the Government's Socialist policy comes first and the welfare of the people comes second.

If, as Churchill says, the Socialist forces of Britain preyed upon the blood bath, through which the people of that country so valiantly struggled, to gratify their lust for power, for what other purpose could those forces possibly use any aid our country might provide them?

Mr. Vishinsky

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, a few days ago, I noticed an article in the New York Sun of Monday November 3, 1947, written by Mr. E. F. Hutton, which apparently appears as paid advertisement.

This article certainly is calculated to stimulate the thinking of anyone who will read it. It draws a definite dividing line between the American ideals and system of Government, and those which exist in Russia, today. If one will only ponder these statements and consider the many things for which we should be thankful in this country, which cannot be and are not enjoyed by the people of Russia, due to our differences in forms of government, I am confident that we will not want to exchange our form of government for theirs. Nor will we want to substitute their lack of liberty for our liberties guaranteed by our Constitution and Bill of Rights.

I am pleased to quote Mr. Hutton's article, as follows:

MR. VISHINSKY, WHEN YOU GO HOME, YOU CAN TELL YOUR PEOPLE THESE TRUTHS ABOUT THE U. S. A.

You could do it in Pravda, which means truth. You could use Radio Moscow to tell them. You could tell it to your people who are not members of your Communist party but who are owned, body and soul, by your party.

You could tell your people that we Americans are not seeking war and are not warmongers. We hate war. We want peace. We want the whole world to have the opportunities and freedom upon which lasting peace can be brought to all nations. You know that.

You could explain that we are not a capitalistic monopoly. Tell your people that our railroads, telephones, radios, air lines, shipping lines, factories, stores, mines, and forests are not owned by government but that they are owned by the people as private citizens. You could tell them that millions—and many more millions—of the people's dollars are invested in our railroad, automobile, and our steel industries—and all other industries—all of which came out of the savings of the people.

You could tell your people that we are not a capitalistic nation, but that your Russia today is the only complete capitalistic nation on earth. It owns everything, including the people and the profits the people could make on their own labor.

In America, the people own everything, including the Government. In the U. S. S. R. the government owns everything, including the people.

Tell the Russian people that in America, through the industrial know-how, we have turned luxuries into mass production within the reach of everybody. Explain that telephones, bathtubs, gas stoves, radios, refrigerators, electric light, vacuum cleaners, and automobiles are not luxuries in America. Tell them we have over 80 percent of all the automobiles in the world—and they are owned—not by the rich—they are owned by the people. They are the capitalists. Every bit of property our people own is owned because they have saved money out of the greatest earnings ever earned by any people. All because of the free competitive system, made possible by liberty.

Tell your people about our courts of justice. Explain our jury system by which 12 of our equals decide on the guilt or innocence of anyone charged and brought to the bar. We do not have judges who decide on guilt or innocence. We the people decide. The judge pronounces sentence. We elect the judges.

Also tell your people that we sent to your country $11,500,000,000 of lend-lease war material to win your war over Nazi Germany, your former ally, who turned on you. Marshal Stalin said that the war would have been lost without the productivity of America. You might tell your people that all the material and food sent to you was produced by America in addition to what we needed to win our own war and help England win hers.

Tell your people how much greater American production is than that of Russia. But tell them why. The secret is that U. S. A. production is free and every producer is free. Explain how every family in America is self-regulated and runs itself better than you or the inner circle run all of the Russians from the Kremlin.

Explain, Mr. Vishinsky, that in the U. S. A. every man, woman, and child has the right to progress—is automatically given liberty and freedom—can pick out any educational opportunity they want, the job they want, and decide, personally, what they want to be.

Tell your people about our simple form of government. How it is based on the Constitution and Bill of Rights. How nothing can be done that is not constitutional and how, if the people want something that is not constitutional, they get it when two-thirds of the States vote, by a majority of the people, to amend the Constitution.

Tell your people that no commissar, no dictator, can give an order that is law in America, unless it is constitutional. Tell them America believes in the rights of man and that we make the state a servant of the people. That is just the opposite of the Russian communistic system where man is nothing and the state is everything, the sole possessor of liberty and freedom.

Tell your people the U. S. A. is a Republic. That the same legal rules which enable us to continue as a Republic also enable our businesses to continue with constant change and modification. Would you tell them that America has achieved the highest living standard, the greatest tolerance, the truest charity, all because of giving liberty and freedom to all people? Tell your people that we in America regard the police state as a horror, as a crime against the body and the soul of man.

Tell your people that we resent the charges that we are a war-mongering people. It is not only unkind and uncalled for, but a malicious statement.

If you were a citizen of the U. S. A., Mr. Vishinsky, and came home after a visit to Russia, you could state publicly what you discovered. You could say it in print, by radio, even in moving pictures. You would have that right as an American citizen. You are one of the big men of the U. S. S. R. Can you go home and tell the truth?

As a private citizen of the U. S. A., I have freedom to make this statement in public print as often as I please. Recently, I was invited to make a radio broadcast. I will be glad to send it to you. It is something about our country and the freedom of every individual in it. Would you like to read it? I can send it through the United States mail. Any citizen can have it.

That is freedom, Mr. Vishinsky. That is the byproduct—just one of the byproducts—of the most priceless secret that you could carry back to Russia. The secret is the system by which the U. S. A. has made progress. A system of liberty and freedom for the individual. If you would see your own country move fast into a great, productive nation of happy people, set your people free. Take capitalism out of the hands of your Government and put it in the hands of your people—where it belongs. Capitalism then ceases to be what you have called it, and becomes the secret by which common wealth is created for all the people.

Not a single word of this message has a double meaning. We owe a debt of gratitude to those who established our way of life and only by preserving and spreading the dignity of man—the rights of freedom—can we pay that debt.

You can answer this message, Mr. Vishinsky, in this same newspaper for the same price I pay for it. You have unlimited funds at your command. Why, you are the agent of the greatest capitalistic power on earth. I am just an American citizen, one of the millions you have referred to as capitalists.

We, the people of America, want freedom and liberty. We want to preserve the dignity of mankind. We want to continue to own our own country and our Government.

We in America believe in the spiritual as well as the material side of life. They must go hand in hand. We realize we cannot abolish nature, the handmaiden of God. Nor can we or any other country control nature—the flood, and ebb tides, or the changes of seasons. Only God controls that and makes the seed that creates your harvest. Nature insists that man be free in order that he may reach his highest possible position and be of service to his fellow man—not to any state.

When you return to your country, Mr. Vishinsky, why don't you tell your people about our way of life in America? "When peace shall once more be acclaimed, the work of the world will have begun."

E. F. HUTTON.

WESTBURY, LONG ISLAND.

Air Academy at Randolph Field, Tex.

EXTENSION OF REMARKS

OF

HON. PAUL J. KILDAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. KILDAY. Mr. Speaker, I have today offered H. R. 4547, a bill to establish the United States Air Academy at Randolph Field, Tex. Now that we have created an independent Air Force, it is necessary and desirable that it have its own institution for the training of officer personnel.

In this connection, I call attention to the fact that Randolph Field, at San Antonio, Tex., was established as "The West Point of the Air," a descriptive title. That title describes the character of airfield built there. The field was built at one time for the express purpose of training military aviators. All of the facilities for such training were incorporated in the field. Its physical properties are now the equivalent of those available for Army training at West Point or naval training at Annapolis, if not superior to those stations.

Adequate barracks for cadets are now in existence. The dining hall, recreational facilities, and flying facilities are worthy of the character of institution I know the Air Force wants to establish. I need not point out the ideal climatic conditions for flying training in that area, the Air Force has the figures which establish those conditions as superior—the year around.

Budgetary limitations for the armed services of the country trouble all of us concerned with the problem. They will present a practical difficulty in the establishment of the United States Air Force Academy. At Randolph Field all of the facilities and properties necessary for such academy are now available, in existence, and ready for immediate use.

The nature of the training to be given to future Air Force officers must be determined by those long experienced in aviation training. However, I believe the Air Force is fortunate in beginning as a service which has devoted its efforts to professional training entirely, rather than to elementary educational subjects. Consideration should be given to retaining the postgraduate nature of such training. In that manner, the cadet's entire time can be devoted to his professional subjects. In addition, the Air Force can continue to receive a fair allocation of graduates of the Military and Naval Academies without the complications which would otherwise result. I believe that the integration of graduates of the other service academies into the Air Force would be a very healthy situation for all of the services. Not only would the Air Force have officers trained in the problems of the other services, but good will would result.

If organized as a postgraduate school the Air Force will also be able to secure a fair proportion of the pool which has produced such excellent officer personnel for all of the services in the past, the ROTC graduates, including the graduates of the land-grant colleges. These college graduates might not be willing to enter an air academy in which they would be required to review their academic studies.

The Honorable W. Stuart Symington, Secretary of the Air Force, has informed me that his department is giving very careful study to the question of the desirability, necessity, and probable scope of such an institution. The Secretary has added: "If it appears that the establishment of an Air Force Academy will be required for the training of our person-

nel, you may be assured that the many facilities currently available at Randolph Field, together with the experience gained from training activities so long conducted in that area, will be thoroughly evaluated before any final decision is made."

I hope, in view of the present world condition and the importance of the Air Force to our national security, that my bill may secure prompt, favorable action.

On What Grounds?

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. FOOTE. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include the following:

President Truman in his message to the Congress on November 17, 1947, stated among other things that "in our efforts however, to achieve the conditions of peace, we have encountered unforseen and unwelcome obstacles. We have found that not all nations seem to share our aims or approve our methods." While he does not say so, presumably the President is referring to the Soviet Union.

The Honorable EVERETT DIRKSEN, a member of the joint special committee, who went abroad to investigate conditions, reported to the House on Tuesday last and called attention to the fact that Russia is producing weapons on a large scale that might be regarded as defensive in nature, but every informed person knows very well that these are also the weapons of offensive warfare.

Walter Winchell several weeks ago in his report to the people stated that—

> The Government at Moscow has sworn to destroy us. Last week the Communist organizations of nine nations under Moscow leadership publicly declared fifth-column war against the United States. They mean business.

He also demanded that America stop shipments of all materials to Russia which can be used for war and laid particular stress on our oil shipments. He indicated that congressional action was required to stop these shipments, although every well-informed person knows that the President has had the authority all along to control exports, and particularly petroleum products, and could stop these shipments at any time, the authority for his so doing having been extended by the first session of the Eightieth Congress until February 1948.

Iran has seen the handwriting on the wall and has voided an agreement granting oil concessions to Russia.

According to a statement made by the President to the Associated Press on November 21, the President says he sees no need to halt heavy machinery, farm-tool and freight-car shipments to Russia, and presumably the shipment of oil is still going on as in the past, notwithstanding we hear rumors of rationing of petroleum products in this country, due to shortage of supplies.

One of my constituents, a farmer, met me the other day and stated that he had been attempting to obtain some farm machinery for the last year and a half without success, and he is only one of the many farmers who are in the same predicament. I wonder—I wonder—what he will say when he finds out that during the first 9 months of this year the Russians have purchased from this country $113,700,000 worth of machinery and farm equipment.

Point three of the President's program announced to the Congress on Monday last is as follows: "To extend and strengthen export controls." On Friday we find him announcing that he does not intend to exercise the control over exports he now possesses and particularly over material of which there is an acute shortage in this country at the present time.

This latest inconsistent position on the part of the President is admirably commented upon in an editorial of the New Haven Register of Saturday, November 22, reading as follows:

ON WHAT GROUNDS?

President Truman has stated he sees no reason to stop the sale of heavy machinery and other equally short-supply equipment to Russia at the present time. Millions of Americans would like to hear from the President a statement clarifying the line of reasoning he followed to arrive at any such conclusion. An equal number, including many in high official places within our Government, today stand convinced that there is no reason why we should supply the Russians with anything, in light of present conditions, and every reason why we should not.

Pending such clarification from the President, it must be remembered this is the same Mr. Truman who a short time ago rushed to the record with the statement that he considered peacetime controls the instrument of the police state, having no place in our American system. Within the span of a few days he reversed himself by going before a special session of Congress to ask for the very brand of controls he had found so repugnant to democratic principles and interest. This was but one of many instances where the President appeared as the author of bad guesses or of statements hastily made and swiftly reversed. His statement on Russia's right to receive shipments of American goods represents one instance where a reversal would be more welcome than confusing.

It has been revealed that the Russians have purchased goods valued at some $113,700,000 in this country during the first 9 months of 1947. Official records likewise show that some 216 freight cars found their way by undisclosed sources into the Soviet during a period running from April through October. The fact that these were built to the broader-gauge specifications of Russia's railroads and thus presumably unsuited for use on our own hard-pressed and under-equipped railroads constitutes thin excuse for any such sales, shipments, or deals of whatever variety they may prove to be.

It must be remembered these sales and shipments of goods, freight cars, machinery and equipment came at a time when cries of our own steel, equipment and rail shortages are raised in support of domestic control, allocation and supervision schemes.

Cognizance must be taken of the fact that we are holding open house programs for Soviet purchasing commissions at a time when Congress in special session is being pressurized to act on a $597,000,000 interim European aid program as a prelude to an Administration program calling for $22,000,000,000 4-year program to halt the spread of communism, in so many words.

Is the President now proposing that we spend billions to halt communism on the one hand while on the other we make haste to supply them with the equipment with which to carry on their campaign, or fight back? This appears a matter calling for explanation and clarification.

Price Control

EXTENSION OF REMARKS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. MICHENER. Mr. Speaker, the outstanding national issue at the moment is the high cost of living. Of course our people are mindful of the international problems now facing us; however, human nature is such that we are prone to be more concerned about conditions existing in our own community than we are about the affairs of other nations of which we read. Consequently, it naturally follows that the folks back home are demanding a reduction in the cost of living. They do not know how this is to be brought about other than that a majority of them are adamant against the return of price controls, rationing, and other regimentation.

My attention has been called to a temperate, logical, and fair editorial appearing in the Jackson Citizen Patriot, one of the leading outstate newspapers in Michigan. This paper is published in the center of one of the best agricultural communities in the State, while the city itself is industrial. The editorial reads as follows:

PRICE CONTROL

Contemplating the President's appeal for restoration of price controls, the conviction grows that Mr. Truman has put the Republicans behind the eight ball. He has asked for something he earlier had said he didn't want. But, if the Congress refuses to give it to him, he is going to be in a position where next summer during the political campaign he can say, "Sure, prices are high, inflation is weakening our economy; but I wanted to do something about it and Congress wouldn't let me. The Republicans are to blame, not me."

And that argument isn't going to be easy to answer unless the GOP can produce a rabbit out of its campaign hat which will make it possible for the average family to eat, clothe itself and keep warm without resort to armed robbery.

The plain fact is that inflation is the gravest current problem facing this country. Prices are too high, and they keep going higher.

Of course, the remedy which the President proposes isn't palatable, and it is fraught with danger.

Inevitably price control in peacetime would produce the most widespread black-market in all history. We have just a small sample of what would happen in the contemporary automobile situation.

Automobile prices are not being fixed by the law of supply and demand. They are being held down by manufacturing companies partly through honest determination to oppose inflation and partly because of competitive factors. What is the result? A new automobile, delivered legitimately by a dealer, can be taken down to the nearest used car lot and sold for more than it cost. A car, which will bring $3,000 in the open market, sells for only $2,000 on the dealer's floor. That's why there is a so-called black market.

Just as sure as the Government fixes the price of beef, pork, potatoes, or shoes at a figure lower than the market will pay, there will be black markets in these commodities. And they'll grow and expand.

The American people do not lend themselves readily to regimentation. They go along grudgingly in war; but in peace the obligation to stay out of black markets will be inconsequential in many minds.

Mr. Truman himself said only a few weeks ago that he wouldn't ask for a return of controls, because those were the methods of a police state. Yet now he calls upon Congress to make such controls possible.

There are too many times when Mr. Truman seems to be swayed by an almost juvenile hysteria. It was he, who within hours after Japan surrendered, removed the first controls. It was he who, without urging from Congress, took the ceiling off wages. And, just as soon as wages were out of control, it was inevitable that the OPA had to be abandoned.

Perhaps, in thus criticizing him, we are guilty of second-guessing. Certainly all of us were glad to welcome the relaxation of controls. But the responsibility is the President's, not the obligation of the man on the street.

The trouble with the opposition to restoration of controls is that it offers no alternative as a means of meeting inflation. Americans don't like controls. But high prices and the inflation of which they are a symptom can ruin us.

Of course, increased production in all scarcity fields would force price reductions; but Mr. Truman and the administration refuse to raise a finger in support of that effort.

There is a tendency among many Americans to blame inflation to farmers, manufacturers, retailers, or labor. That is by no means fair. The basic reason for inflation is scarcity. In many fields, such as automotive manufacturing, prices are, as we have said, lower than the market will pay. In other words, manufacturers could make a quick and honest profit by raising their prices; but none of the old established automobile companies are doing that.

Quite aside from domestic demand, foreign buying is a chief contributor to scarcities. Beef, pork, and grains are bound to be up in price when foreign shipments exceed our surpluses, as is the situation now.

A further and inexcusable factor is the Government's persistence in bolstering prices of some farm items instead of letting the market take its course. The thousands of dozens of eggs in storage, for example, constitute a national scandal at a time when eggs are selling for 6 cents and more each at retail.

Not only do Americans naturally resent controls such as the President proposes to establish, but they are properly skeptical of granting added authority to an administration which still bolsters certain essential markets and thereby further bleeds the householder.

Mr. Speaker, the last two paragraphs in this editorial question the soundness of the agricultural parity support program which is now provided for by law. The fact is that by virtue of this price-support program the Government purchased eggs in the egg-laying season in the spring, and potatoes in the potato-harvest season—months ago—in order to keep the farmer's prices in line with the prices of the things he must buy. The farmer produced these surpluses because the Government urged him to do so, and upon the promise that he would be guaranteed at least the cost of production, even though he produced a surplus. Yes, these were incentive subsidies. It so happened that the supply of eggs and potatoes was momentarily greater than the demand. No one can defend the destruction of food when people are hungry. The farmer, however, must not be condemned because he answered the call of his Government and in doing so produced more than the amounts contemplated. The fault is not his and some way must be found to protect the farmer against loss or he will not take the chance. Industry and labor can control their output; the farmer cannot. When he plants he has no assurance as to the harvest. Sometimes he has too much; then again he has too little. The weather may change the whole picture.

I am not justifying all subsidies or support prices, but I do want it remembered that the farm problem has been with us for many, many years, is most difficult of solution, and is not to blame for the general high cost of living today. Other than eggs, potatoes, and two or three other commodities, the law of supply and demand has brought prices to the producer far above parity support prices guaranteed by the Government. For instance, wheat is 126 percent of parity. May I repeat that, in my opinion, the above editorial on the whole expresses the thinking of a majority of the people residing in my section of the country.

Modernizing Voting System

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. MILLER of Nebraska. Mr. Speaker, I am this day introducing a bill authorizing the Architect of the Capitol to install in the House of Representatives mechanism for visual recording and automatic counting of the yeas and nays and quorum calls.

In this age as never before time is important. Congress has recognized this fact in its action to streamline the proceedings of the committees. The outmoded method now in use for taking and recording roll calls is one of the worst time wasters. To date there have been 136 roll calls in the first session of the Eightieth Congress, each one taking an average of 45 minutes. By allowing 15 minutes for a warning there could a saving of 30 minutes on each roll call. That would amount to approximately 11 days of the present session. The time-wasting parliamentary practice of demanding quorum calls would be eliminated. On the other hand such a system would encourage more record votes on important bills. Today is an appropriate time to call this matter to the attention of the Members when we will be voting on citing 10 individuals for contempt of Congress. If the ayes and nays are demanded on each of the 10, it will take 450 minutes for roll calls alone—a total of 7½ hours just waiting around to vote. With an electric voting system this could be easily accomplished in an hour or less.

We have too many big problems confronting the country today for the Congress to be dilly-dallying with a voting system adopted in horse and buggy days. There is no excuse for continuing with it. I trust the proper committee will give earnest consideration to this problem at an early date.

Preparing for the 1948 Campaign

EXTENSION OF REMARKS
OF
HON. GLENN R. DAVIS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. DAVIS of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following editorial from the Portage (Wis.) Daily Register of November 18, 1947:

PREPARING FOR THE 1948 CAMPAIGN

President Truman's request for a restoration of rationing and price controls was just part of the political maneuvering preparatory to the 1948 election.

The President knew he could never get such authority during peacetime from a Congress dominated by Members of the opposition party. In fact, it is doubtful if he could get such legislation from a Congress made up largely of Members of his own party.

But the request made in his message is one way his party can pass the buck later for the inflationary developments of the postwar years. During the time when campaign oratory will jam the air waves we may expect to hear how the Republicans are entirely to blame for the high cost of living because they declined to give the President the broad peacetime powers requested in his message.

The entire scheme may work but we doubt it. Americans are not so easy to fool as that. They know what the causes of inflation are, and they know that many of these can be charged up to the wasteful policies of the present administration.

It doesn't take an economist to understand that a policy of heavy Government spending, high taxes, and extensive aid abroad with heavy exports can cause high prices at home. If we are going to give away the products of our industry and agriculture to indigent nations of Europe and if we are going to maintain a colossal Government bureaucracy we're bound to have high prices. If we impose an excessive tax burden on business and industry, that burden in one way or another will be passed on to the consuming public.

Taxes are an essential item of costs in any business, for taxes imposed upon pay rolls must indirectly be paid in the price of the products of labor, while taxes imposed upon business, large or small, must ultimately be paid by the customers of that business.

If the President would propose a cut in Government spending and a reduction of

taxes as an anti-inflationary measure, he would win widespread applause. But evidently such a program is not in the Democratic Party's program for 1948. Evidently it still sticks to the policy of spend and spend, tax and tax, elect and elect.

What the Truman Program Means

EXTENSION OF REMARKS
OF
HON. JOSEPH P. O'HARA
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. O'HARA. Mr. Speaker, the problems which are before the Congress have been very ably analyzed in an editorial in the New Ulm Daily Journal, New Ulm, Minn., of November 19, 1947. Under the leave to extend my remarks in the RECORD, I include the following editorial:

WHAT THE TRUMAN PROGRAM MEANS

In his speech Monday, President Truman sketched briefly and vaguely what his campaign to rescue Europe from the aggressions of Russia is going to mean to the United States. Perhaps the President went as far as he could go at this time, but he must know for dead certain the controls he proposes will not be strong enough to check inflation his program will cause.

He is suggesting controls of strings and twine when he must realize that he will need the steel of regulation, price fixing, and controls the like of which we may never have seen in this country.

Before we let the hysteria of the hour sweep us off our feet we ought to give the situation a thorough look-see, estimate the costs, the alternatives, and then decide whether we are willing to pay these costs or face these alternatives.

Europe has been ravished by the second war in a generation. Hundreds and perhaps a thousand billions of dollars in property, factories, and homes have been smashed by war. What America can afford to spend in the rebuilding of Europe is a trifle compared to the effort, work, sweat, and sacrifice the people of Europe must spend. They are now starting on the hard, discouraging, heartbreaking road back.

Right now the people of Europe and Asia are hungry and cold. Many die from malnutrition. Children will carry the blight of these times as long as they live. The curse of war will be carried to the seventh generation.

The people of Europe are bewildered. Most of the people of the Continent have little tradition of democracy as we know it. They have lived under autocratic kings, rulers, or dictators all their lives. Theirs has never been a choice between a semifree economy as we know it and dictatorship. Instead, they have had to choose between a Communist dictatorship, state socialism, or cartel control. It has never been an easy choice for them. Most of the time they have had no choice at all.

Today Europe is churned in a ferment of hunger, disease, unrest, and cold. Hungry and cold people are never reasonable. They are seeking a way out—almost any way out.

Communism offers them one answer. The government will take over all property, all jobs, all opportunity, and all the people and all their lives. Then the people will be slaves and pawns of the government. Those who will not knuckle down will be sent to slave camps or will be shot. Everyone will work for the state wherever the bureaucratic dictatorship tells them to work. They will eat and live only as long as they serve the state. The leaders on top will live well as long as they serve the dictatorship. Those below will live in the hopes that some day things will be better—maybe sometime they will build a better world—some day all will be free again.

The alternative on the Continent seems to be a form of democratic socialism where men retain some of their democratic rights but surrender many of the economic and personal rights to a strong, central government. Except in the Scandinavian countries where they have a limited form of socialism, state socialism demands more and more control until the state becomes supreme as it is in Russia and was in Germany and Italy.

This seems inevitable because if a state is going to be strong enough to tell people where they are to work, how long and for what pay, they must have strong enough controls to enforce their rule. Socialism everywhere seems to lead to inevitable dictatorship.

The Truman program assumes that by giving immediate food and clothing help now and reconstruction equipment later, we can help to stave off an immediate rush toward communism in Europe. Then with new factory equipment we can help these countries rebuild. In this way we can keep Enrope from going into the arms of a Russian Communist dictatorship or its puppet regimes.

Such a program will take a few billions of dollars now and many billions in the future.

If Stalin is stopped in Europe he will turn to China and we will be asked to send food and billions of dollars to stop the Communist rush there. It is entirely possible that the Kremlin is using Europe as a dodge while its real push will be in Asia.

The entire Truman program raises many questions and doubts, and all of them this Congress will have to decide soon and in a feeling of hysteria and worried frenzy.

Here are some of these questions:

Just how far can a country two hundred and fifty-eight billions in debt go in trying to save the world?

Will we weaken ourselves to such an extent that we won't be able to fight Communist propaganda from within or Russian aggression from without?

What will we do here at home if we have a serious crop failure in America next summer? Can we safely ship the enormous amount of food abroad and safely lower stocks in America?

Will our aid encourage people of Europe to work for their own salvation or will it leave them dependent upon us?

If we are going to send all this food and material to Europe, how can we prevent inflation without more severe controls than we had during the war?

If we submit to all these controls, will we be fighting dictatorship abroad while we are adopting many of the measures of dictatorship at home?

Will we be able to stop the march of communism in Europe and Asia after this tremendous drain on the earnings of the people?

Or will we weaken ourselves so we won't be able to resist any dictatorship at home?

Will the Truman program prevent war or lead to war?

If we avoid war now, can we win a war when Russia has gobbled up Europe?

These are some of the questions Members of Congress will have to ask themselves before they vote to commit America to a program from which we may never be able to extricate ourselves.

It calls for sober thinking, careful examination, deep thought. Too much is involved to be moved by the hysteria of the hour or the publicity stampede by which most of these questions are usually decided.

Palestine Partition

EXTENSION OF REMARKS
OF
HON. ROBERT J. TWYMAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. TWYMAN. Mr. Speaker, under leave to extend my remarks, I wish to include the text of the statement made by Herschel V. Johnson, United States delegate, in the Ad Hoc Committee on the Palestine Question of the United Nations General Assembly. The text of Mr. Johnson's address appeared in the New York Times of Sunday, November 23.

TEXT OF JOHNSON ADDRESS ON PALESTINE PARTITION

LAKE SUCCESS, N. Y., November 22.—Following is the text of the statement made today by Herschel V. Johnson, United States delegate, in the ad hoc committee on the Palestine question of the United Nations General Assembly:

"With respect to the legal issues which have been raised in the course of our discussions, my delegation agrees with the conclusion expressed this morning by the representative of Poland, who was speaking as the chairman of subcommittee I. The plan recommended by that subcommittee is legal under the Charter. In addition to the considerations advanced by the representative of Poland, my delegation believes that the following observations are relevant to the legal issue.

"We are dealing here with the means by which the United Nations might facilitate the transition of Palestine from the status of an international mandate to independence. No further period of tutelage is required in the case of this class of mandate. It has been unanimously agreed by United Nations Special Committee of Inquiry on Palestine and generally accepted, as far as I am able to judge, in this Assembly that independence in Palestine should be attained as rapidly as possible.

"The practical role which the United Nations is called upon to play in the recommendations of the United Nations Special Committee on Palestine, as modified in the report of subcommittee I, is, except in the case of the city of Jerusalem, of very short duration. The role of the United Nations is to be that of assisting in the actual transferral of authority from the mandatory power to the independent states, which, it has been recommended, shall succeed to the authority previously held by the United Kingdom in Palestine.

"There is another aspect which we believe deserves mention. Much of the report of subcommittee I might be subject to some misunderstanding. In practice the United Nations Commission would not physically administer Palestine when authority is transferred to it by the mandatory power. This commission will be a small body without governmental machinery to make such administration effective, if we are to suppose that the commission itself would actually exercise governmental authority.

"Actually, although retaining the responsibility, it will have to transfer immediately to the provisional councils of government or to other provisional organizations the practical duties of administration upon the withdrawal of the mandatory power."

NO GAP CONTEMPLATED

"It is not contemplated that there is to be a gap in which there is no effective governmental authority. That gap will be avoided

by immediate assumption of these tasks by provisional machinery as soon as they are relinquished by the mandatory power.

"The gap, if there is to be one, is at most a formal gap due to the fact that the mandatory power wishes to avoid responsibility for turning administration over directly to the successors who might be named by the General Assembly.

"One of the principal difficulties with which the ad hoc committee and the subcommittee have been faced is the situation created by the declarations of the mandatory power. It was essential to find some plan of implementation which would make possible the utilization of the experience of the mandatory power and its presence in Palestine and its present responsibility without involving the mandatory power in responsibility for implementing a plan which, according to its own words, "does not have the approval of both the two principal parties concerned." Taken in a literal sense, that condition was one impossible to fulfill.

"There is no present plan before the General Assembly of the United Nations with suggestions for a solution of the Palestine question, and none which has been presented or suggested, that could possibly meet that requirement. I would ask the honorable delegates to take into full consideration that almost insurmountable difficulty in working out a plan for implementation.

"I most respectfully disagree with an inference which I drew from a remark made by the honorable representative of New Zealand—if I understood it correctly—that under the plan proposed by subcommittee I the mandatory power is being given the sole responsibility for implementation. I don't agree with that as a conclusion. It was that situation which the subcommittee I, with very desultory assistance from the mandatory power, endeavored strenuously to avoid."

RESPONSIBILITY NOT SOUGHT

"We believe that the suggestions contained in subcommittee I's report successfully avoided that issue. We did get assurances from the mandatory power that they would not obstruct or endeavor to prevent the carrying out of the implementation program.

"There are many possibilities for failure in this plan or in any other plan. We must postulate cooperation of the members of the United Nations and cooperation in fact, not necessarily by way of implementation, but cooperation with the machinery which would be set up by the United Nations Commission, on the part of the mandatory power.

"The situation is an anomalous one. It was not contemplated in the Charter of the United Nations. It is a responsibility which falls squarely on the United Nations, not through its having sought that responsibility, but because of a unilateral declaration on the part of the mandatory power that they were relinquishing their responsibility and requested the United Nations to make recommendations for solution of the problem. The mandatory power made no suggestion whatever regarding a succeeding government in Palestine.

"Because of this background my delegation is inclined to believe that such legal objections to the action of the General Assembly as may be raised are formal in character and do not seriously affect the substance of what is proposed. My delegation will support and vote for the partition plan recommended to this committee by subcommittee I.

"If this committee and the Assembly in its turn approve the recommendation of the subcommittee, the Assembly, in the view of my delegation, will have properly discharged the function of making recommendations 'concerning the future government of Palestine'. It was for this purpose, as set forth in the request of the mandatory power to the United Nations that, as members of the committee will recall, the special session of the Assembly was convened last spring, and a special commission of the United Nations was sent to Palestine and the question of Palestine was placed on the agenda of this Assembly."

NO ILLUSIONS OF INFALLIBILITY

"Subcommittee I, I am convinced—I speak only for the United States delegation, not for the others, and I only speak of what is our conviction—had no illustions of infallibility nor did any of its members. We were confronted with the task of offering recommendations to implement a majority recommendation of the United Nations Special Commission, and we reached unanimity on every important point.

"Concessions were made by practically all of the delegations on that committee to the views of other delegations in order to achieve this unanimity. It is too much to hope that there will be unanimity or anything approaching unanimity in the final decision of the General Assembly. But my delegation fervently hopes that the General Assembly will approve this plan by as large a majority as possible and that all members will cooperate loyally in giving it full effect and implementation. If there is a complete loyalty in support of what may be the majority decision of the United Nations, many of the difficulties and troubles which haunt the minds of many delegates will disappear.

"It seems to my delegation that the plan of partition with economic union proposed by the subcommittee carries with it sufficient flexibility to be readily adjusted to the situation on the spot by the United Nations Commission and the joint economic board which is contemplated in the plan. Through this process and with the loyal cooperation of all concerned, the effective independence of the peoples of Palestine can be achieved.

"It will be recalled that the special committee which was sent to Palestine was given a very special instruction to take account in its work the interests of the Jewish, Moslem and Christian faiths in Palestine. A special section of the report of UNSCOP was devoted to this question, and both the majority and minority plans recommended by the subcommittees took this matter into account.

"The United States delegation has taken a very particular interest in this problem and we are satisfied that the plan recommended by subcommittee I contains effective guarantees for the holy places of all the three great religions represented in that country.

"The special status provided for the city of Jersusalem and the additional powers of the Governor of Jerusalem with respect to other holy places elsewhere in Palestine should provide full assurance to the faithful adherents of the three faiths throughout the world that the legitimate religious interests of the world community in Palestine are fully protected.

"My delegation is keenly aware, Mr. Chairman and fellow delegates, that the issue before us is torn by strongly conflicting opinions. We have had ample evidence of that throughout the debates on this question, both during the special session of the Assembly and the early sessions of this ad hoc committee, varying expressions of those differences have been given in the subcommittee. There are, however, certain points which form common ground for all of us."

A "NOTABLE CONTRIBUTION"

"One, and foremost, is this: That the United Nations is the proper forum for the solution of this question, and, furthermore, the governments who believe in partition think that it is not perfect, but that it is humanly just and workable and if adopted will make a genuine and notable contribution to the solution of one of the most thorny political problems in the world today—a problem which I am certain no delegation at the United Nations Assembly would like to admit even to themselves that the United Nations is incapable of solving.

"My delegation refuses to believe that any member of the United Nations, whatever may be their opinions on this highly controversial and bitter question, will attempt to defy the decision which may be taken by this Organization. In that sense it is the greatest test which has ever been presented to the integrity of the United Nations as a whole.

"During the discussions in the subcommittee I my delegation was compelled to voice the doubts which my Government had regarding the territorial division in Palestine and the rather uneven balance of the division of land in terms of square kilometers between the Arab and Jewish states. We were therefore compelled to make a reservation to our position on the Negeb.

"I am very glad, therefore, to have heard the declaration which Mr. Chertok has made before this committee today, in which the Jewish Agency agrees that the town of Beersheba and the adjacent land to the northeast will be incorporated in the Arab state.

"Also, that, in addition, certain land on the Egyptian side of the Negeb, amounting to about 2,000,000 dunams, will be added to the territory of the recommended Arab state.

"My delegation remained convinced that some adjustment in this region was necessary, and while we would have preferred a greater adjustment in that area, we think that the Jewish Agency has made, from its point of view, an equitable and fair proposal, and whatever reservation the United States delegation maintains with respect to this area is withdrawn.

"I do not wish to take any more time of the committee, Mr. President, except to voice again the deep belief of my delegation that this partition plan with all its imperfections offers the most practicable and the most just present solution of the Palestine problem. And we hope that those who have doubts will not be deterred from taking a stand because the Assembly's committees have not been able to attain an impossible perfection."

AAA

EXTENSION OF REMARKS

OF

HON. JAMES W. TRIMBLE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. TRIMBLE. Mr. Speaker, during the summer I spent almost the entire time traveling in the district which I represent, that is, the Third Congressional District of Arkansas. I visited with the farmers and talked with them about their problems. I found them, as usual, game to the core, battling away for what they consider to be their rights.

I met with a group of them on October 31 at Harrison, Ark., at which time they passed the following resolutions which I insert in the RECORD at this point:

County triple A committeemen for the 10 counties in the Third Congressional District assembled at Harrison, Ark., October 31, 1947, passed the following resolutions:

1. That the ACP funds for the program year 1948 and future program years be appropriated by Congress in the amount of not less than $300,000,000, and that administrative funds for each of the years be appro-

priated in the amount of not less than $35,000,000.

2. That the agricultural agencies operating in the State, such as AAA, SCS, and Extension Service, etc., are all accomplishing much and merit the support of Congress and should be continued with adequate support, however, in the event that any combinations are made by Congress involving triple A that such combination should remain under the direction of triple A farmer-elected committeemen.

3. That price support be continued at 90 percent of parity on all commodities now covered and on such additional commodities that are necessary for national economy.

4. That community and county committeemen be elected as at present and that State committeemen be elected by county committeemen and that representatives of the various State committees act as an advisory board to the Secretary of Agriculture.

Good and Bad in Message

EXTENSION OF REMARKS
OF
HON. GLENN R. DAVIS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. DAVIS of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following editorial from the Milwaukee Journal:

President Truman's message to the special session of Congress properly points to the imperative need of immediate relief for Europe and to the equally imperative need of sound measures to control inflation in this country.

Nobody who understands the grave situation abroad or the menace of rising prices at home can deny that Congress must face the immediate problem of Europe and the equally immediate problem here.

The problem of Europe, being largely a money problem so far as Congress is concerned, will presumably be quickly met. The $597,000,000 needed for emergency European aid will presumably be provided. The President's program for inflation control will, however, meet resistance, not only from the Republicans but from some Democrats. At least part of that resistance will, moreover, be justified, for 2 of the President's 10 proposals are impractical and unrealistic at this time.

The Journal must join the opposition to the proposal for possible consumer rationing (point 9) and the proposal for selective price and wage ceilings (point 10), not because they would create a "police state" as Senator Taft charges but because they would not work.

During the war, when patriotic fervor was high, selective rationing and general price controls did not operate too effectively. There was counterfeiting of ration coupons and there was black markets—and these things were preceded and accompanied by hoarding. A new system, created in peacetime and partial rather than complete, would work even less smoothly and less effectively.

How could we, for example, ration flour under price controls and with wage controls for workers in flour mills, when many other items and the workers producing them were completely free? We might end with the flour mills closed down for lack of employees and with what flour there was selling on the black market.

The President indicates that he wants authority to ration and to fix wage and price levels merely as a threat to those who misbehave, but what kind of a threat would it be when the controls themselves might play into the hands of the very worst elements among us?

The remainder of the President's program can, however, have the support of reasonable people in both parties. Surely there can be no sound objections to regulation of speculation, resumption of credit controls, continuation of some form of rent ceilings, the allocation of transportation facilities, and the strengthening and extension of export regulation. There is need for power in the Department of Agriculture to encourage food conservation at home and food production abroad, as well as to induce the marketing of livestock and poultry at the most economical weights and grades.

Finally and fundamentally, there is need to authorize allocation and inventory control of scarce commodities which basically affect the cost of living. This is the so-called second line defense against inflation, which at a time such as this offers the greatest hope for real pressure.

This, too, is a type of rationing, but on the production and trade level rather than on the consumer level. Under it, a flour mill is restricted as to the amount of wheat it can buy and the amount of flour it can mill, and the retail store and the baker are put on allotment. Grain is thus saved by the simple expedient of providing less wheat for one of grain's major uses. The job of dividing the shortened supply is then put on the retailer.

There are of course difficulties and unfairnesses in such a system, but the difficulties at least are much smaller than the difficulties which might be expected from resumption of the OPA type of control at this time.

The President's first eight points, if stress is put on allocation and inventory control, constitute a sound inflation control program by themselves. If Congress will put them into law—and many Members have already espoused one or several of them—we can at last do something about the upward spiral of prices, which is a threat not only to our domestic economy but to our European relief program.

These eight points should become the basis for a bipartisan program to bring our economy out of the clouds and to enable us to set Europe on its feet in a minimum of time. The other two points? No.

General Meyers' Hearing Underscores Good Work of Congressional Probes

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John Griffin which appeared in the Boston Sunday Post, November 23, 1947:

GENERAL MEYERS' HEARING UNDERSCORES GOOD WORK OF CONGRESSIONAL PROBES—SUCH COMMITTEES HAVE DONE ALL THE REAL EXPOSING OF CROOKEDNESS IN GOVERNMENT IN PAST 25 YEARS

(By John Griffin)

There have been many efforts to discredit the investigating committees of Congress. A group of naive Hollywood movie stars tried it not long ago, and for a time it appeared that the Hollywood technique would work. Eventually it developed that the movie group were superficial and unknowing, and couldn't possibly stop the proceedings.

They couldn't do it for one plain and simple reason. That is the common sense of the American people. The flash and flare of the movie boys and girls blinded many people momentarily, but soon they were seeing straight. What they saw was not pleasant.

It was a scene featuring a group of flamboyant characters who refused to say whether or not they were members of the Communist Party. They tried to present themselves as heroes, willing to endure martyrdom in order to protect "the right of free speech."

CHANGING THE TUNE

They made quite a fuss, but they don't appear to be quite so brave now, for they have learned that not only most of their own Hollywood confreres are denouncing them, but the people who support them by attending movies have turned against them.

Another demonstration of efforts to discredit congressional committees came when the Senate war investigating committee undertook to look into the facts of the allotting of contracts for aviation material during the war.

Howard Hughes, adopting the Hollywood technique, put on quite a show and boasted that he had succeeded in killing any further investigation. That was when the committee had suspended hearings a few months ago.

But it didn't stop the committee at all. It did jar the members a bit, and they wisely halted hearings until a clearer atmosphere could be obtained. Then they went back to work in public. The results, or some of the results, are obvious now in the case of Maj. Gen. Bennett E. Meyers.

The picture now coming into focus as the result of the investigation is a sordid one, and it may be that there are more to come. It cannot be fairly considered a condemnation of the Army, for there is no question that most of the high Army authorities have been honest, courageous, and hard-working men.

MUST BE WATCHED

But it does show again that there is always the possibility of people without a sense of honor getting into places where they are able to indulge their greed. There is always the chance that in cases where millions and billions of dollars are involved, there will be trickery and deceit.

Whether General Meyers has committed any illegal acts is yet to be determined in the proper place, which is the courts. Certainly his sense of chivalry is nonexistent, and it may be that his name will live a long while as a synonym for lack of chivalry.

His dragging the name of a married woman into a hearing that was being highly publicized all over the country will not be condoned by anybody. There is only a feeling of revulsion. Adding to the disgust expressed by so many people is the fact that General Meyers brought the woman's name out himself. It was not that he was backed into a corner by committee questioning; he volunteered the information.

General Meyers can have his day in court and perhaps he can explain all the strange tales that have been told about his activity in companies producing war materials, about his falsification of documents, about the many charges that witnesses have leveled against him.

The important point is that the committee is bringing things into the open which should be laid out for everyone to see. If General Meyers is innocent of wrongdoing, he can show it in court. In the meantime, the American people are fully entitled to know what was going on.

There have been cases of individuals wronged by congressional committees. The committee on Un-American Activities, under

the chairmanship of Martin Dies, did damage to a lot of people who were unjustly given wrong labels by Dies.

HAVE DONE WORK

Other committees have hurt reputations because of the domineering ways of certain committee members. But congressional committees have done all the real exposing of crookedness in Government that has been done in the last quarter of a century or more.

It hasn't been the prosecuting authorities in State or Government that have turned up the bad conditions. It has been congressional committees such as the one that exposed the Teapot Dome scandal.

The Committee on Un-American Activities, despite its repeated faults, has, over the years, revealed a lot of bad situations in which persons who tried to hurt the United States have been exposed for what they were.

The so-called Thomas committee, which demanded information of a number of Hollywood writers as to their Communist connections, has not been an ideal committee as far as technique goes, but it has exposed certain activities that the American people wanted to know about and were entitled to know about.

Despite all the howling from Hollywood, they didn't violate anyone's rights by asking a man if he was a member of the Communist Party. And they had some idea of the background of those to whom they were putting the question.

The Senate War Investigation Committee didn't violate anyone's rights, either, in questioning Howard Hughes and General Meyers and others, even though Mr. Hughes tried to convey the idea that this was all a personal vendetta against him.

What they have done is to produce a great deal of information and set it out in the light where it ought to be. Without such committee work there would be little protection for the people against the persons who prey on them.

Equal Rights of Women

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. PATTERSON. Mr. Speaker, I believe that the following clipping from the November 5, 1947, Waterbury (Conn.) American will prove of interest to many of my colleagues in the House. The issue discussed is particularly pertinent as legislation has been introduced into the Congress on this same subject:

EQUAL RIGHTS OF WOMEN GRANTED IN JERSEY'S NEW CONSTITUTION

To the EDITOR OF THE AMERICAN:

The action taken by New Jersey yesterday is of greater significance in the progress of women than Wyoming's act in 1869 in granting women the vote. For Wyoming gave the vote to a subject class called female. The new constitution in New Jersey says females are persons. For the first time in the United States, women have been given equal constitutional rights, as publicized by the New Jersey Constitutional Convention on September 8.

We had long supposed that women were persons. But in various ways the law says "no." A 25-year-old effort in Massachusetts to declare that women are persons is still being waged. The General Court is still arguing over an amendment to the jury law so that women may serve as jurors. The basic change would be the addition of the phrase "of either sex" after the word "person" which has been legally defined in that State as a male noun.

How did this historic decision happen in New Jersey? Women lawyers led the way, the New Jersey State Bar Association added its impressive weight, and the New Jersey Federation of Business and Professional Women's Clubs came in at the critical moment. For there was a critical moment.

The first woman admitted to the bar in New Jersey, Mary Philbrook of Tenafly, was one of those who induced the State Bar Association to appoint a committee to study the status of women. In 1941 the Bar Association approved in principle the proposed Equal Rights Amendment to the Constitution of the United States, and in June of 1947 these men—and women—lawyers recommended to the State Constitutional Convention that equal rights for men and women be embodied in the new charter. The Bar Association's detailed appeal ended with this paragraph: "In spirit women have attained a legal status equal with men, but in fact they are still in a subject class. This is incompatible with the right to vote and with the responsibilities women are assuming. The proposed equal rights clause would confirm the rights women now enjoy and clothe them with the power and dignity to assume full responsibilities as citizens, and an untrammeled right to opportunity and self-development."

In the years since the National Woman's Party introduced in Congress the equal-rights amendment, traditional misunderstandings have grown about it like moss and barnacles. Groups came to the New Jersey convention declaring that they would fight equal rights tooth and nail, even if their respective organizations had indorsed this basic human principle in the Charter of the United Nations. And then a committee of the New Jersey Federation of Business and Professional Women's Clubs stepped into the picture. Among their leaders were Attorney Marguerite Carpenter, of Newark, and Judge Libby Sachar, of Elizabeth. They offered a little proposal which finally was accepted, even by the opposition. They said, "Let's call this rose a daisy; it will still smell as sweet."

The procedure is as follows: The first article of the New Jersey Constitution, Rights and Privileges, is a bill of rights of 21 paragraphs. 1. "All persons are by nature free and independent * * *." 2. "All political power is inherent in the people." 5. "No person shall be discriminated against in the exercise of any civil rights * * *." But not a word about equal rights.

Turn the pages to article X. It reads, in parts, as follows: "Wherever in this constitution the term 'person,' 'persons,' 'people,' or any personal pronoun is used, the same shall be taken to include both sexes." This was the proposal of the State federation committee.

May we hope that men and women of other States and of the Congress of the United States will be as clear and clever in winning this last legal fortress of fundamental democracy.

FLORENCE L. C. KITCHELT,
Chairman.
MILLICENT POND,
Vice Chairman.
HONORE P. COPPINGER,
Secretary, Connecticut Committee for the Equal-Rights Amendment.
ANNA B. PLATT,
Legislative Chairman, Connecticut Federation of Business and Professional Women's Clubs.

WATERBURY, *November 4, 1947.*

They Won't Dig Coal, So We Must

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. HOFFMAN. Mr. Speaker, under leave granted, I insert herewith two advertisements from the Nashville Coal Co., Inc., together with my comments.

Just how long some Republicans will continue to back the foolish give-away policy of the emergency creators and those whose greed points to the necessity of a third world war is a question which is worrying a lot of our people.

The administration has followed a policy of giving to Russia billions upon billions of dollars, of giving other billions to the countries which come under her control and whose resources she can use. At the same time, the administration tells us if we do not continue this policy, Russia and communism will overwhelm us.

Just why we should weaken ourselves to make a so-called potential enemy strong, the average citizen cannot understand.

With reference to one item—coal—which we are exporting, the Nashville Coal Co., Inc., of Nashville, Tenn., has something to say in two advertisements. They read as follows:

NO COAL SHORTAGE? HUH

Out of a conference called recently by Secretary of Interior Krug, there came this gem of double-talk:

"There have been reports from various groups that there is a coal shortage in some sections of the country, particularly for high-grade coals. It was the consensus of this group that there is no general shortage, except for certain of the better grades in localized areas."

Well! Well! Well!

On November 4, 1947, we received the following telegram from the Chief of the Bureau of the Supplies and Accounts, Washingington, D. C.:

"About 2 days' coal stocks now on hand Fort Knox, Ky.; 14,800 tons washed screenings need this winter. Advise if you could supply any portion of this requirement stating price, mine name, approximate analysis, shipping point, and desired shipping schedule."

Unless coal shipments can start at once hospital at Fort Knox will have to close down.

From the press release by the Krug committee, it would appear that the Fort Knox Hospital is a localized area.

If this were an isolated instance, we might be constrained to agree with the Krug committee's finding. But it isn't! It is simply one of the many frantic appeals for coal which we and other coal shippers, who have the interests of their customers at heart, have been receiving for months. The hospital at Fort Knox is about to close but coal is going to Europe, boatload after boatload of it. Three and one-half million tons during November. At high prices to be paid for with our money. And because of delays to coal cars hauling it to and from the ports and at the ports, many mines in this country are running about half time.

This business must be stopped. It will be stopped if you tell your own story to your

Representatives in Congress and demand that they do something about it.

Misleading statements filled with half-truths, issued by bureaucrats and their hand-picked committees, won't keep your home warm this winter or keep your factory from closing down because you can't get coal.

An insistent public demand can stop the export of coal to Europe until the situation here clears up. That it be cleared up at once is absolutely necessary to our own economy.

The remedy is in your hands.

NASHVILLE COAL CO., INC.

NASHVILLE, TENN.

BLACKMAIL

The countries of Europe threaten that they might adopt a form of government which we do not like if we do not give them billions in cash and ship them our coal and foodstuff.

What they apparently mean is that we must give them enough money and goods to make it unnecessary for their labor to work more than 30 to 40 hours per week.

We already have a public debt which is probably larger than the combined debt of all Europe, at least that part of Europe's debt which will ever be paid.

We already have on our back the greatest number of Government employees of any nation, with the possible exception of Russia.

We already have a serious coal shortage and an equally serious car shortage which is contributing to it. This condition is attributable both to the tonnage we are exporting to Europe and the British Isles and to the waste of car efficiency in hauling it to tidewater.

Still, we are told we must furnish money and goods to Europe to keep certain countries there from going communistic.

Paying blackmail, whether you call it "aid to Europe" or "the Marshall plan" or any other name is idiotic on our part and bad for those to whom we pay it.

Let's spend our money for our defense and the reduction of our public debt and our tax burden. Let's keep our coal at home where it is desperately needed.

England and Europe have a supply of coal in the ground large enough to take care of them for a thousand years or more. Let them dig it, like we are digging it here.

Frankly, we want to supply our customers with coal and ask that you help us do that by writing your United States Senators and Congressman to stop this blackmail.

NASHVILLE COAL CO., INC.

NASHVILLE, TENN.

Read them again. Do they make sense?

Then, do not forget that coal is not the only essential commodity that is being given away. Sit down, think things through and if you can find just one good reason why a Congressman should support the Marshall plan, let me have it.

Shipment of Heavy Machinery and Farm Equipment to Russia

EXTENSION OF REMARKS

OF

HON. HORACE SEELY-BROWN, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. SEELY-BROWN. Mr. Speaker, I hope the President explains to the people of the Second District of Connecticut why we as a Nation are being called upon by him to spend billions of dollars in our "cold war" with Russia while he with the power to control exports given him in Public Law 188, Eightieth Congress, reports to the press that he sees no reason to stop the sale of heavy machinery and farm equipment to Russia at this time.

The Wool Industry Gets Clipped

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include two articles taken from editorial pages of the Denver Post, Denver, Colo.

These editorials concern tariff reduction on wool, and the information and sound reasoning so carefully and skillfully analyzed should be of great value to our Members in understanding our livestock production problems in the West.

THE WOOL INDUSTRY GETS CLIPPED

Of all the tariff reductions resulting from the Geneva trade conference, the one most likely to injure a domestic industry is that reducing the long-standing duty of 34 cents a pound (clean basis) on wool to 25½ cents.

The fact that the wool growers are guaranteed a good price for wool through 1948, in spite of the tariff reduction, does not compensate for the fact that the easing of the import restrictions raises serious doubts regarding the future of the sheep business in the West.

In the years just before the United States entered World War II, the domestic industry supplied approximately 80 percent of the wool consumed in this country.

During the war, foreign wools, in spite of the 34-cent tariff, moved into the American market in unprecedented quantities to be made into uniforms and blankets, and since the war they have kept on coming. As a result approximately 80 percent of the wool consumed here in 1946 was foreign wool and only 20 percent came from the domestic clip.

Foreign wool imports last year were six times the average imports during the 5 years before Pearl Harbor. Under the circumstances, it hardly could be claimed that the 34-cent tariff was preventing a thriving American import business in wool, yet for reasons best known to themselves the American delegates at Geneva agreed to a tariff reduction as a further trade stimulant.

Domestic wool growers are worried because now that American processors have learned to handle foreign wools they are showing a preference for them as compared with domestic wools. Part of the reason for the preference may be that the foreign wools arrive already sorted to some extent.

The domestic wool clip this year is not expected to exceed 300,000,000 pounds, the smallest in many years. The number of stock sheep in this country is the smallest since 1867.

The big worry of the sheepmen, as raised by the new tariff action, is what should they plan for the future? Can they look ahead with confidence and make plans to rebuild their flocks? Or must they try to reconcile themselves to the thought that a large part of the American market for wool already has been taken over by foreign growers who now may take over even a larger share?

Even those, including the Denver Post, who agree heartily with the principle of stimulating world trade by removing tariff and other restrictions should not be blind to these important considerations:

1. Since the start of the war, the present wool tariff has not been restrictive.

2. The world's largest wool-producing countries in general are not those whose economies are in the greatest need of help.

3. Many acres of western land will not add any new wealth to the American economy if the wool industry is forced into further liquidation.

4. Wool is a strategic war commodity in which the United States should be at least partially self-sufficient.

5. The United States would have no protection from possible exorbitant cartel-fixed prices for wool if it had no domestic industry to serve as a price yardstick.

We grant that in raising such objections we may be open to the accusation of talking out of both sides of our mouth on the subject of liberal trade policy. It may be said that we are for free trade to the point that our own ox is gored. But even at that risk, we think these considerations deserve more careful study than they have received at the State Department, which negotiated the Geneva agreements.

THAT'S THAT

(By Bruce Gustin)

American wool producers fear they have been "sold down the river." They have plenty of reason to think that. At the Geneva trade conference, the United States agreed to slash the tariff on wool from 34 cents a pound to 25½ cents, effective January 1. That will be fine for the Australian sheepmen. The tariff cut will boost their profits, help them to take more of the American market from American producers, and American consumers probably will pay just as high prices for woolen goods as now. But in no conceivable way can this tariff cut help the wool producers in Wyoming, Colorado, New Mexico, Texas, and other American States.

What will the wool tariff cut do to American producers? "Western flocks which supply 70 percent of the domestic wool have been reduced 35 percent since before the war," says Congressman HILL, of Colorado. "The tariff cut will mean a continuation of the liquidation of the flocks." Senator ROBERTSON of Wyoming brands the tariff slash a "damaging and unnecessary blow to the wool-growing industry." Nobody has shown how it can possibly help the American wool growers.

Of all the 3,500 tariff reductions agreed to by the United States at the Geneva conference the wool slash apparently will hit American producers the hardest and the earliest. On other items, the effects of cuts in American protective tariffs may not be felt for several years. Most foreign countries have little, if anything, to export to the United States now. Demands upon our domestic markets are so far ahead of supply that it can take both foreign and domestic production.

Why protective American tariffs should be determined at an international conference in a horse-trading deal with countries which have nothing to sell the United States and no money with which to buy American exports is hard to understand. Tariff-making is one of the constitutional powers of Congress. But Congress had no voice in the Geneva Conference. It does not even have a chance to approve or reject the agreements made in the name of the United States.

Exercise of congressional tariff-making power by an international conference is a result of the Reciprocal Trade Agreements Act of a New Deal Congress which surrendered that power to the President. At first, these agreements were negotiated with individual countries by the State Department. Now, it seems, the question of how much tariff protection American industries are to have in the future is determined by international conferences.

Lodi, Home of "Flame-Tokay Grapes," Holds Grape and Wine Festival

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. JOHNSON of California. Mr. Speaker, Lodi has frequently been referred to as the "biggest little city in California." It is in the center of a very rich agricultural section, in which tokay grapes is the predominant crop. Many Members of the House have received tokay grapes from the "Tokay Agreement"—a cooperative organization of tokay growers. Others have eaten the tokays in the House restaurant when we have placed them on the tables, a token of one or more growers to their Representative.

To pay tribute to their major produce the people of Lodi each year hold an annual celebration in honor of the grape and the wine.

The annual grape and wine festival held in September has become a tradition and has come to the front in fairs and recognized as an outstanding specialty show with the largest display and variety of grapes shown under a single roof; together with outstanding booth exhibits by wineries and shippers.

This 3-day event is officially opened at 8 p. m. in the Grape Bowl on Friday night with the crowing of Queen Tokay presented with her court. Saturday morning a kiddies parade in downtown Lodi, Saturday night a professional show and Sunday afternoon a street parade of drum corps, drill teams, bands, mounted entries, floats, and so forth, and this year after the end of the parade in the Grape Bowl a horse show was presented. Another feature of this 3-day event is participation of the California Federation of Folk Dancers in colorful costume put on an exhibition. This event attracts 85,000 to 90,000 people during the 3 days.

The 1946 tonnage, grapes for wine, 367,464 tons. Carloads of grapes shipped in 1947, 6,200 including table and wine grapes. Lodi population, 15,000.

In addition to being a prosperous town, Lodi is a very progressive city, with one of the lowest tax rates in California and without any bonded debt. Part of this is due to the fact that many years ago Lodi acquired an electrical distributing system, the profits of which have furnished most of the many municipal improvements in Lodi.

A stadium appropriately called the Grape Bowl was built several years ago in which football games are played and where the grape and wine festival is held. Governmentally Lodi is a model city with intelligent officials, a low tax rate, and many municipal improvements.

Cutting Our Own Throats

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. HOFFMAN. Mr. Speaker, prior to, during and ever since the end of World War II, we have been pouring billions of dollars worth of materials into foreign lands on the theory that unless first Hitler and his philosophy, later communism and Russia, were prevented from spreading throughout Europe, our national existence would be imperiled, our Nation destroyed.

More recently, under pressure of the Administration, $400,000,000 was given to Greece and Turkey to stop Russia and the Communists. $100,000,000 of this went to Turkey strictly for military aid—not for food, clothing or shelter.

Now here is the point, is it not absurd and foolish for us to continue with one hand to give billions to stop communism and Russia, while with the other we extend aid to the Russians and Communists our potential, if not our actual, enemies?

Please take a glance at our export trade with Russia. The record is as follows:

Examination of available documents relating to our export trade with the Union of Soviet Socialist Republics (Russia) for the calendar year 1946 and the first 9 months of 1947 shows the following:

Calendar year, 1946:	
Lend-lease shipments	$152,100,000
UNRRA shipments	[1] 152,200,000
Cash purchases	53,600,000
Total	357,900,000
Calendar year 1947 to Sept. 30:	
Lend-lease shipments	16,200,000
UNRRA shipments	31,900,000
Cash purchases	65,600,000
Total	113,700,000
Combined shipments, 21 months:	
Lend-lease shipments	168,400,000
UNRRA shipments	184,100,000
Total	352,500,000
Cash purchases	119,200,000

[1] Included in UNRRA shipments was exports paid for by private charities in the amount of $10,663,000.

NOTE.—President Truman ordered lend-lease be stopped on September 2, 1945.

Goods and supplies then on order and in process constituting the so-called pipe line could be shipped during the liquidation of lend-lease until December 31, 1947. Later Congress, but not with my vote, amended the Lend-Lease Act, by allowing shipments to the countries named (Russia was not named) under limited circumstances. It appears that in their zeal to expedite shipments to certain countries including Russia employees of the Government agencies concerned with the administration of the program, have sought and used ways and means to circumvent the plain intent of Congress.

Notwithstanding the efforts of Congress to end supplying Russia with the materials which will aid her in making war against us, the administration still continues doing things which strengthen the hands of the Communists in Russia.

The press of the 20th quotes President Truman as saying he sees no reason for halting shipments of heavy machinery to Russia.

In the total of $113,700,000 worth of goods sent to Russia, there was included $80,500,000 worth of heavy machinery and vehicles. As the President well knows, the machinery can be used to construct plants which, if war comes, will turn out munitions of war to be used against our soldiers.

It carries me back to the days when prior to the last World War, I endeavored to get before the House legislation to stop shipments of scrap to Japan. The bill then was pigeonholed. The scrap came back later, part of it perhaps at Pearl Harbor.

The country should know what the administration now is doing. The fault lies squarely with the administration which all too often circumvents the legislation passed by Congress.

The Debate Begins

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Evening Star:

THE DEBATE BEGINS

The President's message to the special session of Congress and Senator TAFT's reply may be regarded as the opening passages in a debate which will shape the future of the world. At this stage of the matter the outlook is not reassuring.

Whether one agrees or disagrees with his proposals, Mr. Truman's message was admirably direct and to the point. There was no beating about the bush.

He asked Congress, first, for $597,000,000 as an emergency-aid program to tide Austria, Italy, and France over the winter. It is expected that these funds will suffice until next March 31, when it is hoped that the long-range Marshall plan will be ready to go into effect. The details of the Marshall plan will be submitted to Congress in a later message.

Mr. Truman then outlined the measures which he thinks are necessary to deal with inflation in this country—an inflation which has already assumed serious proportions and which will be aggravated by the European aid program.

The counterinflationary steps advocated by Mr. Truman are 10 in number, with the political dynamite being confined mainly to the last 2. In these, Mr. Truman asked Congress to authorize consumer rationing on products in short supply which basically af-

fect the cost of living; to authorize price ceilings on products in short supply which basically affect the cost of living or industrial production and to authorize such wage ceilings as are essential to maintain the necessary price ceilings.

It is almost a foregone conclusion that the President is not going to be given these powers. The comments of Senator TAFT and other Republican leaders are just about conclusive on this point. Perhaps the President did not expect to get them, for in discussing his proposals he said that first five taken together, would "aid substantially in relieving inflationary pressures."

The worst that can be said of the other proposals, however, especially the last two, is that they would be apt to prove unworkable. In an economy as complex as ours, selective rationing and selective price control at the consumer level is a doubtful business. If the experience with OPA serves as a guide, a resort to such measures now would be apt to do more harm than good, especially in view of the President's none-too-firm attitude in the matter of wage controls.

Still, to repeat, the worst that can be said of these proposals is that their workability is doubtful. And in fairness to the President, it should be recognized that mounting inflationary pressures may yet drive us to them.

Most certainly there is nothing in the message which justifies Senator TAFT's extreme attack on the President. He was justified in attacking the soundness of the proposals. But when he went on to impugn the President's motives, to picture him as wanting a police state in this country, and to cast doubt on the genuineness of Mr. Truman's desire for world peace, he was going much too far.

The exact position of Senator TAFT in this matter continues to be unclear. He blames high prices on the excess of consumer dollars competing for scarce goods. Yet he would increase the supply of dollars in the hands of consumers by cutting taxes. He says that he favors "reasonable" aid to Europe as a means of combating communism, yet he talks about aid at the rate of $8,000,000,000 a year. He must know that no such figure is contemplated under the Marshall plan. He dwells upon the generous manner in which this country has dealt with Europe and concludes that we cannot afford to be more generous.

The trouble with this is that it seems to miss the point of what we are trying to do. If it were simply a question of whether we should be generous, one might agree with the Ohio Senator that we are doing enough. But generosity, as such, has little to do with it. The real reason for going to the aid of Europe is to prevent Communist domination of that continent, to head off the peril for us which would follow such domination.

Senator TAFT seems to give little weight to this cardinal point. And until he and his colleagues accept it, with all of its grim implications, the European aid debate will continue to be muddled and our own future will continue to be in jeopardy.

Report of the President's Committee on Foreign Aid

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, November 25 (legislative day of Monday, November 24), 1947

Mr. HILL. Mr. President, in the Washington Star for last Sunday there appeared an article by Mr. Richard L. Stokes concerning the report on President's Committee on Foreign Aid. It is an interesting discussion, and of particular interest is the account of the most important part played on the President's commitee by our former colleague, Senator Robert M. La Follette. The article tells of the many notable contributions made by him to the work and report of the committee.

I ask unanimous consent that the article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORT ON EUROPE'S NEEDS HAILED AS A MASTERPIECE—CLARITY AND CANDOR OF HARRIMAN COMMITTEE DOCUMENT LEAVE NO ROOM FOR DOUBT AS TO WHAT IS REQUIRED AND WHY

(By Richard L. Stokes)

In the brief period since its publication on November 8, the report of the President's Committee on Foreign Aid, popularly known as the Harriman Committee, has become recognized as a classic.

It surveys with authority and realism a huge expanse of detailed information. Its judgments are sagacious and independent. The text, lucid, easy and on occasion eloquent, is wholly devoid of the bureaucratic jargon called "gobbledygook." But the unique virtue of the document is a tone of moral elevation which rings from the heart, conscience, and courage of its editor in chief, former Senator Robert M. La Follette.

HOW THE WORK STARTED

There is natural curiosity as to how a work of such merit and magnitude could have been executed at headlong velocity. The purpose of this article is to throw some light upon the achievement. It began last June 22 with President Truman's appointment of a bipartisan committee of 19 distinguished private citizens from the topmost ranks of industry, finance, agriculture, labor, science, and scholarship, with W. Averell Harriman, Secretary of Commerce, as chairman.

Its mission was to determine facts concerning the kinds and amounts of resources available for economic assistance to foreign countries and the limits within which the United States might safely and wisely plan to extend aid.

The committee held its first meeting on July 23 and 24. A subcommittee on organization was named under the leadership of Owen D. Young, honorary board chairman of the General Electric Co. This, in turn, appointed nine other subcommittees, which were instructed to prepare reports covering pertinent areas in their respective fields.

A HERCULEAN TASK

The next task was the organization of a staff. As executive secretary, the committee retained Richard Mervin Bissell, Jr., associate professor of economics at the Massachusetts Institute of Technology. Among his assistants were Herman Wardwell Liebert, an associate fellow of Davenport College at Yale University; William W. Remington, a youthful economist from Dartmouth, who was loaned to the committee by the Council of Economic Advisers, and John Davenport, an editor of Fortune, and brother of Russell Davenport, chief editorial writer for Life magazine.

Appointed also were secretaries of the nine subcommittees. It became their function in every case except one to do the actual drafting of subsidiary studies published in the second volume of the over-all report.

In addition to these studies, the committee was faced with the ordeal of digesting and evaluating three basic documents of encyclopedic proportions. The first was a two-volume survey of foreign needs which was compiled by the conference on European economic cooperation at a meeting of 16 nations in Paris.

The second was a voluminous account of American natural and industrial resources by an interdepartmental committee under the chairmanship of Julius A. Krug, Secretary of the Interior. The third was a report of some 36,000 words on the impact of foreign aid upon the domestic fiscal economy, which was submitted by the Council of Economic Advisers, with Dr. Edwin G. Nourse as chairman.

REPORTS SLOW TO ARRIVE

The job was made more difficult by the tardiness of the documents. The committee and its staff were in full-scale working order by the middle of September. At about the same time sections of the Krug report, which was transmitted in installments, began to arrive. The Paris Conference report did not become available until the end of September, and the Nourse survey until the middle of October.

Nevertheless, the committee found it possible to analyze and pass judgment upon the three reports. It accepted as valid the Paris study of emergency needs, such as food, fuel, fibers and fertilizer, but made a searching attack upon its estimate of long-term capital requirements. The factual background of the Krug report was pronounced to be, on the whole, accurate.

The Nourse survey is tactfully described by committee spokesmen as having proved "less directly useful" than the others. Most of the facts presented were already known to the committee, which took sharp issue with the conclusion of Dr. Nourse and his associates that the current inflationary trend is due chiefly to excess of domestic consumption, rising from an economy of full employment and high wages.

CROSSED SWORDS WITH TRUMAN

The committee made bold to cross swords with President Truman himself, who declared in a radio address on October 24: "An attempt has been made to place the blame (for higher prices) upon our foreign-aid program, but this is not borne out by the facts."

In direct opposition, the committee not merely declared inflation to be the most pressing danger to American well-being but asserted flatly that "every shipment abroad of scarce goods—particularly food—adds to inflationary pressure at home," and that "these marginal amounts may tip the scale between stability and inflation."

The over-all report consist of three parts. The first is a summary, used as a preface; the second is the report proper, a document of about 150 pages, and the third is a collection of 18 special reports from the subcommittees.

The actual drafting of the summary and report proper is chiefly the work of five men—Messrs. La Follette, Bissell, Liebert, Remington, and Davenport. Professor Bissell probably wrote more of the text than any of the others. Mr. Liebert had final responsibility in reading the proofs for errors. Mr. Davenport spent 10 days in Washington putting ultimate polish on the style. He is credited with such telling phrases as "the United States is no limitless cornucopia," "it is not wise to underestimate the steepness of the climb," and "aid must not be viewed as a means of supporting Europe but as a spark which can fire the engine."

ABLE AND YOUTHFUL

A characteristic of the group of five is not only outstanding ability but youth. Mr. La Follette, the oldest, is 52. Mr. Bissell is 38, Messrs. Liebert and Davenport 36, and Mr. Remington about 30. Only the years of resilience could have endured the stress of sustained and intense labor to which they were subjected. There was also a distinct

literary flavor. Mr. Davenport is a professional writer. Professor Bissell has published numerous articles in topside magazines. Mr. Liebert is at work on a biography of Dr. Samuel Johnson.

As the only political member and an old hand at committee work, Mr. La Follette was made chairman of a one-man drafting subcommittee. His was therefore the supreme editorial responsibility. He was also 1 of 2 out of the 19 members who made direct contributions to the text.

The other was Chester C. Davis, president of the Federal Reserver Bank of St. Louis and head of the Agricultural Adjustment Administration from 1933 to 1936. As chairman of the Subcommittee on Food Resources, Mr. Davis himself wrote the sapient and exhaustive special report on food, with Dean William I. Myers of Cornell's college of agriculture as principal adviser.

Toiling often at his desk until 4 a. m. and scribbling feverishly on pads of yellow paper, Mr. La Follette composed with his own hand the climactic section of the report under the title of "The Interest of the United States in European Recovery." The opening paragraph states the creed which from beginning to end invests the document with irreproachable candor. "The committee has faith," wrote Mr. La Follette, "in the sound judgment of the people and of the Congress when they have learned the whole truth."

PRINCIPLE NOT ARGUED

As author of this chapter, Mr. La Follette was responsible for the report's insistence on the humanitarian aspect of the foreign-aid program, which too often has been forgotten; for its blasting indictment of the communist system as "one where iron discipline by the state stamps out individual liberties and obliterates all opposition," and for an analysis of what would happen to the American way of life and form of government if bolshevism occupies Europe—an analysis cool and dispassionate, and partly for that reason one of the most formidable prophecies ever written.

It is the recollection of men present at the time that Mr. La Follette supplied the wording of the summary's famous passage regarding America's attitude toward the Socialist governments of Britain, France, and Italy. The question was threshed out at a full meeting of the committee.

Strangely enough, in view of the number of conservative businessmen who were members, there was no controversy over the principle, but only about the energy of the language to be employed. Suggestions were tossed about, to be accepted or rejected. At last Mr. La Follette took his pencil and yellow pad and wrote. What he put down was offered as a motion by a businessman and unanimously adopted.

LA FOLLETTE HAD BIG HAND

Commercial interests were reassured by the statement that "this committee firmly believes the American system of free enterprise is the best method of obtaining high productivity." Then came a declaration as strong as well could be: "It does not believe that any foreign-aid program should be used as a means of requiring other governments to adopt it. The imposition of such conditions would constitute an unwarranted interference with the internal affairs of friendly nations."

Mr. La Follette also had a ruling hand in compiling the admirable summary, which is based on other sections of the report, including particularly his own chapter. The writing itself was done chiefly by Mr. Liebert and Mr. Bissell. As head of the Subcommittee on Program Administration, Mr. La Follette determined, but did not actually write, the section proposing an independent agency, preferably of a corporate nature, for operating the program, with a single administrator in charge and with major policies to be determined by the State Department.

Thanks to the policy of telling the whole truth, this masterpiece among reports leaves the American public in no doubt as to what will be required under the foreign-aid program, and why, as well as the precise risks and sacrifices to be undertaken. Whatever action Congress may adopt, it will not be entered upon blindly. Though agreed as to the necessity of foreign aid, the committee never for a moment lost sight of protections due to the domestic economy and American taxpayer.

If the committee's recommendations are followed the administrator of the European recovery plan will occupy one of the strategic posts of civilization. All operational decisions would be in his hands. Thus far only two men have been publicly mentioned for the appointment—Mr. La Follette and Lewis W. Douglas, Ambassador to Great Britain.

Should La Follette be named, the American peole could be assured of a humane and efficient administration of ERP. It would also be realistic and just, with a constant eye upon welfare at home.

And thereby would hang a tale of irony. The chief of the greatest peacetime enterprise of international collaboration ever undertaken by the United States would be the son and namesake of the late Senator Robert M. La Follette of Wisconsin, leader of a group denounced by President Wilson as "12 willful men," because of their stubborn pacificism and isolationism.

FBI Protects Civil Rights

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. CRAWFORD. Mr. Speaker, we hear a great amount of discussions these days about infringement of civil rights in connection with the new Government loyalty check. Questions submitted to FBI Director Hoover by correspondent Bert Andrews also include a clear statement on this subject. Further questions by Mr. Andrews and the answers by Mr. Hoover follow:

PROTECTION OF CIVIL RIGHTS

Question. Does the FBI strive to protect the civil rights of persons it investigates, and, if so, in what manner?

Answer. The best answer to that question is the record of the FBI itself. The 11,812 convictions which resulted in cases investigated by the FBI last year represented 96.8 percent of the total number of cases taken to court. It is, of course, a well-established technique of some criminal lawyers to defend their clients by attacking FBI agents. This is particularly true when they have no facts to use in their defense except perjured testimony.

If we violated civil rights in criminal cases, it can be expected that some of our powerful and influential adversaries would have established the truth of their charges in open court. They have not been able to do this because the FBI does not violate civil rights.

In connection with the loyalty program, every care is being exercised to establish the innocence of the falsely accused employee as well as the true facts on the disloyal employee.

Every experienced investigator is quick to spot the individual who furnishes information and who is motivated by personal bias, prejudice or some other ulterior motive. Whenever the agent has facts to indicate this is the case, he is under instructions to set these facts out in his report in order that Government officials and loyalty hearing boards can take this into consideration in evaluating the information furnished.

In the final analysis, the character and background of the men of the FBI are insurance that the civil rights of others will be respected. They are graduates of recognized law schools, accounting schools or college graduates. Prior to appointment each is carefully investigated and all doubts are resolved against their appointment. Upon entering our service they undergo an intensive training course covering all phases of our work, and special emphasis is placed upon the protection of the civil rights of all individuals.

STAND ON SUBVERSIVE GROUPS

Question. Does the FBI establish lists of organizations ruled to be subversive?

Answer. No. The FBI does not make policy, recommendations, conclusions, or rulings based upon our investigations. The FBI, since I became its director in 1924, has adhered strictly to the premise that it is a fact-finding agency. It does secure information on organizations upon receipt of information that they are engaged in subversive activities under the President's loyalty order. The facts it gathers are then submitted to officials of the Department of Justice, and the Attorney General rules on whether the organization is subversive. The FBI investigates alleged membership in subversive organizations of Federal employees after the Attorney General has ruled the organization to be subversive. Even then the FBI realizes that all members of front organizations are not subversive and there always exists the possibility that one might be attracted by an appealing name or duped as to the organization's real intent. In each case special agents will look for facts other than membership alone which will establish his activities and real intent, such as overt acts. In case of doubt as to whether we should or should not investigate we will refer all the facts to the Attorney General for his decision.

POLICY ON KEEPING FILES

Question. Does the FBI keep files on citizens and important Government officials?

Answer. We keep files only on those people and organizations we investigate as a result of information or a complaint coming within our jurisdiction. What a citizen says, thinks or does is his business, not ours, so long as he is not alleged to violate Federal laws. Contrary to popular belief, the FBI does not keep files on all people in the United States. We keep files pursuant only to the discharge of the responsibilities imposed upon the FBI by law.

PROTECTION OF LOYAL WORKERS

Question. Suppose a Federal employee is reported to be a member of the Communist Party, and assume that there is a person by that same name who actually is a party member, what protection does the loyal Federal employee have?

Answer. The FBI is interested only in facts, and if the facts will prevent an injustice we will vigorously seek to secure them. One of the problems we are confronted with in the loyalty program is that of establishing the identity of the person mentioned in the complaint with that of the Federal employee. In one case we received a report from another Government agency that a person having the same name as a Federal employee was observed distributing Communist literature. We assigned the matter to the field for in-

vestigation. It was established that the person engaged in Communist activity, although having the same name, was not the Federal employee.

The first step in any loyalty investigation, upon the receipt of allegations of disloyalty, is to first establish whether the Federal employee is identical with the person on whom the allegations are made. Once it is established that there was a case of mistaken identity the case, of course, is promptly closed.

POLICY ON ALLEGATIONS

Question. If a citizen says the Federal employee is a Communist, fellow traveler, parlor pink, Fascist, or a member of the KKK, what does the FBI do?

Answer. We are not satisfied with bare conclusions. Whenever a citizen labels a Federal employee as a Communist, Fascist, or Klansman we ask for the facts upon which he bases his conclusions. If the person interviewed has no facts to support a conclusion, that is set forth in the investigative report, and the agent specifically points out that while a Federal employee was thus labeled, the person interviewed had no facts upon which he predicated his conclusion. Additional investigation is, of course, conducted for the purpose of establishing the truth or falsity of conclusions advanced by persons interviewed.

POLICY ON PROSECUTIONS

Question. If a Federal employee is alleged to be a Communist, why does not the FBI initiate criminal prosecutions as in the case of Carl Marzani, the former State Department employee whose conviction for failure to disclose his Communist affiliations is presently pending appeal?

Answer. Criminal prosecutions are initiated in proper cases, but not by the FBI. It has no authority in this regard. That is the responsibility of the prosecuting officials of the Department of Justice and the various United States attorneys. It is not a simple matter to prave that one is a Communist. In fact, the most dangerous Communists in the Nation today are always not the open, avowed, card-carrying party members. They are the ones who seek to attach themselves to liberal and progressive movements; they employ every subterfuge to conceal their real Communist affiliations, because they know that once exposed they will outlaw themselves in the hearts and minds of loyal American citizens. His real loyalties, however, can frequently be established by his acts. If in everything he does he follows the party line, if he espouses the party's causes, and if he furthers the party's aims by overt acts, then his acts will supply the necessary proof for the loyalty hearing board to act upon.

The FBI is the investigative arm of the Department of Justice and reports to it all facts developed in the investigations.

DANGERS OF COMMUNISTS

Question. Throughout the war years the FBI was more concerned with Nazi or Fascist brands of disloyalty. Can you, therefore, furnish some idea as to the dangers today of the Communist brand of disloyalty, and why?

Answer. The Communist Party has long regarded infiltration of the Government service as a project carrying the highest priority. They have sought to accomplish this under the guise of secrecy. Several months ago high officials of the party, recognizing the growing sentiment against the party and anticipating vigorous protective action, issued instructions that party members in the Government and in other strategic positions were not to attend party organizational meetings. Informal social meetings which could not be identified as Communist meetings were permitted. Party members in the Government and in other strategic positions were ordered to destroy their party-membership cards, and under no consideration were their names to be carried on party rolls, nor were they to be openly contacted by high party functionaries. This emphasis upon secrecy, it appears to me, is a confession on the part of the Communists that they have something to conceal.

The menace of Communists in the Government service is a threat to our national security because of:

1. The opportunity to engage in espionage to the detriment of our national defense.

2. The opportunity to influence the formulation and carrying out of governmental policies.

3. The opportunity to further Communist propaganda, creating disruption and undermining public confidence.

4. The opportunity that is presented them to recruit party members in Government service, or soliciting the aid of innocent coworkers in assisting them to carry out party assignments.

5. The opportunity to place other Communists in Government service.

One person whose loyalty to the Communist cause exceeded his loyalty to the United States, properly placed, could do irreparable harm to our security, and should there ever be another grave emergency he could conceivably be responsible for loss of American lives.

HOW EMPLOYEE UNIONS STAND

Question. Has the FBI received any opposition from the leaders of unions of Federal employees to its part in the loyalty program?

Answer. James B. Burns, president of the American Federation of Government Employees (AFL) has said: "AFGE members have nothing to hide and therefore offer no objection to our Government's desire to weed out disloyal employees. The AFGE is confident that the loyalty program will be carried out by the Civil Service Commission and the FBI in a truly American fashion. Certainly there is no reason for hysteria or the notion that this is a witch hunt."

Mr. Luther Stewart, president of the National Federal of Federal Employees (an independent union), has this to say: "Federal employees who have nothing to conceal—and they are in the overwhelming majority—are not those who are crying out most passionately against the loyalty program and raising the bogey of 'persecution.'"

Mr. Abram Flaxer, president of the United Public Workers of America (CIO), on the other hand, has had few kind words for the program, and his remarks have generally followed the theme: "Every member of every trade union * * * is in grave peril as long as this type of union-busting witch hunt is allowed to continue." The fact, of course, is that the FBI is not engaged in any program of union busting, and we have no interest in and are not compiling any lists of union members.

Mr. Leo. George, president of the A. F. of L. National Federation of Post Office Clerks, on the other hand, said, "None of our union members has protested against listing their union connections, and we expect no protests."

ANSWER TO "WITCH HUNT" CHARGE

Question. What is your over-all answer to the charges of critics that the FBI either initiates or is used by other agencies to prosecute witch hunts and Red scares?

Answer. The FBI starts an investigation on the loyalty program exactly as it does in any other type of case, only after the receipt of information or a complaint which comes within the clearly defined responsibilities imposed upon us. If the allegations later are proved to be false by a thoroughly factual investigation, the Federal employee is rendered a service by having the facts presented establishing the falsity of charges, and this provides the means whereby he may be cleared of suspicion. No loyal Federal employee has anything to fear from an FBI investigation. If he is loyal and has been unjustly accused, we will develop the facts to prove his loyalty.

The loyalty program for the overwhelming majority of Federal employees will be over as soon as they have filled out the required questionnaire and had their fingerprints taken. The so-called witch hunts, so far as I can ascertain, exist only in the minds of those who oppose the loyalty program either through ignorance or for more sinister reasons.

In 1940, when the Communists were allied with the Nazis, a hue and cry was raised that the FBI was a menace to civil rights, inspired chiefly by forces that were opposing our defense efforts. They based their charges primarily on an honest statement that I made to the House subcommittee on Appropriations to the effect that we were compiling indices on known Nazis and Fascists who were potentially dangerous to the United States. That list was used on December 7, 1941, in the arrests of dangerous enemy aliens, and as a result this Nation came through the war with no enemy-directed acts of sabotage. The enemy espionage efforts were thwarted, and all of this was accomplished without violation of civil rights.

The FBI, which has been given the responsibility for investigations under the loyalty program, today remains unchanged from the FBI which functioned throughout the war years. If anything, it is a better organization because of the experience we gained during the war years in coping with disloyalty.

I am not conscious of any attempts on the part of other Government agencies to use the FBI to promote "witch hunts," and if they tried it would not take long to find this out. The FBI would never permit itself to be used for such a purpose.

NO ANSWER TO WALLACE

Question. Would you care to comment on the recent charge of Henry Wallace that the FBI is conducting a ampaign of terror reminiscent of the early days of Hitler?

Answer. I would not care to dignify Mr. Wallace's charge with a denial.

Question. As you probably also know, the assertion is frequently made that you, Mr. Hoover, were the man in charge of the Mitchell Palmer "Red hunt," after World War I. Is there any foundation for such an assertion?

Answer. The facts are a matter of record. I deplored the manner in which the raids were executed then, and my position has remained unchanged.

I entered the Department of Justice in 1917, and after being assigned to various positions was designated as a special assistant to the Attorney General. At the direction of the Attorney General, the late A. Mitchell Palmer, I devoted my time to prosecuting the deportation proceedings. The so-called Red raids were carried out by the then Bureau of Investigation under the direction of William J. Flynn, who formerly had been associated with the United States Secret Service. Reports submitted by agents of the Bureau of Investigation were referred to me just as the reports of the FBI agents today are referred to the prosecutive officials in the Department of Justice and United States Attorneys. My specific assignment was to collate the evidence for presentation to the immigration authorities.

Following several complaints, the Senate Judiciary Committee made a thorough and searching investigation of the so-called Red raids. The Judiciary Committee could never agree on a report, and the late Senator

Walsh, of Montana, was instrumental in inserting the various reports which the committee could not agree on in the CONGRESSIONAL RECORD. In none of these reports was there any accusation against me as a member of the Department of Justice.

The late Chief Justice of the United States, Harlan Fiske Stone, raised his voice in vigorous protest of the manner in which the raids were carried out long prior to his appointment as Attorney General in 1924 to reorganize the Department of Justice. He had investigated the raids in detail, and I am sure he would never have appointed me director of the Bureau in May of 1924 had I been responsible for the manner in which the raids were carried out.

Pounds, Francs, Yen, and Yuan—and World Business

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 20, 1947

Mr. GEARHART. Mr. Speaker, because of its timely nature and undoubted worth, I hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD an article entitled "Pounds, Francs, Yen, and Yuan—and World Business," which first appeared in the November issue of Banking, the official publication of the American Bankers Association.

From the competent pen of one of Washington's abler correspondents, Mr. Herbert Bratter, I am sure that that which is contained within its four corners will commend itself to the most discerning reader. It constitutes a worthy contribution to the economic writings of the day which should be accorded a permanent place in the annals of the Republic. That that may be accomplished, let it be spread upon the pages of the RECORD—this in accordance with the unanimous consent of the membership already expressed.

Mr. Speaker, the article to which I have just referred is the following:

POUNDS, FRANCS, YEN, AND YUAN

WASHINGTON, D. C.—With the advent of the Paris report on Europe's requirements from us Secretary of Commerce Harriman's press conferences have become so heavily attended that they have been moved from the Secretary's conference room to his more spacious office. There the correspondents sit on rows of folding chairs, arranged in classroom fashion. More and more, Washington press conferences are taking on aspects of educational institutions, with the scribes guided through the intricacies of postwar world economics and politics by Government technicians. In the case of the Harriman conferences, explaining the progress of the committee of distinguished citizens studying the implications of the Marshall plan, the Secretary usually has at his side Richard Bissell, a former Commerce Department employee, whose frankness the press finds very gratifying.

Mr. Harriman's office is the same paneled room used by Henry Wallace, Jesse Jones, Harry Hopkins, and others. The white-enameled telephone which connects directly with the White House is still there on a small table. Large stuffed leather chairs, both red and brown, a fireplace, and blue carpets are calculated to put the Secretary's individual callers at ease.

In the State Department's new building press conferences are held in a small and very comfortable theater, a facility appreciated by the dozens who attend. At the foot of the center aisle Acting Secretary Lovett, a tall and friendly figure, flanked by his public relations officers, dispenses the Department's announcements and anxieties; and in answering questions from the floor frequently addresses the questioners by name—surname, that is, and preceded by Mr., of course, for after all this is the Department of State.

WHY CURRENCY REFORMS FAIL

We have witnessed in this postwar period in Europe several national attempts at currency reform, but with varying degrees of success or lack of success. In a number of cases the replacement of an inflated unit by a new currency has provided only a temporary solution. The Paris report on Europe's economic needs in part calls for currency stabilization following any necessary devaluations. This raises the question of whether the failures alluded to above have been merely cases of too little and too late, or whether other considerations have played a part.

According to one view which the writer has come across in Washington, currency reforms and related fiscal measures have reduced or eliminated idle balances forming potential rather than actual sources of inflation and therefore not really closing the inflation gap. Unless confidence is restored, such measures fail to hold wages and prices steady. The underlying tendency is for businessmen and individuals in a country where there has been a currency reform to reestablish the accustomed level of cash holdings, together with the great reluctance of the authorities to resist that tendency. Also, reform has been weakened by government expenditure of funds acquired by taxing blocked balances.

You just can't get around human nature.

STERLING AND FRANC

While the world's economic weakness is conveniently summed up in the phrase shortage of dollars, which somehow seems to imply that the troubles can all be remedied from this end, the fact is that the United States alone cannot perform such a miracle. The sad state of the franc and the pound, among many other currencies, indicates economic and political diseases calling for what physicians describe as the will to live. Sterling's relapse into inconvertibility vis-à-vis hard currencies, with its far-reaching repercussions on world trade, reflects a lack of confidence by outsiders in Britain's management of its economy. The temporary suspension of convertibility in August may prove to be as short-lived as the temporary suspension of the gold standard in 1931.

France, while drawing on the World Fund and all possible other sources, grimly maintains the franc at an official parity left high and dry by the currency's receding purchasing power at home, so that France cannot export. Washington seems to be perpetually confronted with an endless series of French crises. Under such conditions world business comes to depend ever more on decisions reached around some mahogany table in Washington.

JAPAN, TOO, IS DOLLAR-HUNGRY

The postwar dollar shortage threatens to circle the globe more or less indefinitely, like the dust spewed into the stratosphere by Krakatoa, the Indies volcano in 1883. General MacArthur had the idea that an Anglo-American bank-syndicate loan would enable Japan to finance needed imports until the income from exports should come in. But Japanese business operating under the policy of limited private trade thus far has been able to sell very little goods for dollars. Most of Japan's customers are of the soft-currency variety, with consequences you can imagine.

It wouldn't be quite so hard a problem, were Japan free to buy Indian raw cotton as before the war; but the press reports American cotton exporters as insisting that Japan supply its raw cotton needs in India to no greater extent than 28 percent. If this keeps up, we taxpayers will simply have to continue footing the bill for Japan's upkeep. And if it doesn't' keep up, it will mean that American exporters will have a bit more competition some day.

THE SOUTH AFRICAN PLAN

The South African Financial News, Johannesburg, is sponsoring a "plan for world monetary salvation" embodying international control of the world's undug gold resources and their use as a backing for world currencies. The journal cites the last report of the World Fund as proof of the inadequacy of the world's monetary gold stocks and of the Bretton Woods institutions' inability "to cope with the present impasse." The plan's authors see as the most crippling defect of the Bretton Woods institutions that they "are mere instruments of policy in the hands of the major contracting powers * * * in the great power game of international politics * * * frustrating the very aims they seek to promote."

So the South African planners would create, initially within the British Commonwealth, an international authority controlling proved gold areas. Secondly, they would create a World Gold Loans Credit Bank "to replace the authority now existing under the BW arrangement which is considered subservient to American policy." Thirdly, a new special body would incorporate the World Fund, which "would then take a lien on all the undug gold resources in the world." Within the British Commonwealth a "Commonwealth Bank" with note-issuing powers would be a "super state reserve bank" for the whole sterling area.

After all, the plan's sponsors state, "the Bank of England was founded on a hypothetical gold backing contained in a mythical Spanish galleon in the brain of an ex-Scottish pirate named William Paterson."

FUND AND BANK MEETING

In September at the London Fund and Bank meeting, two general press conferences were held jointly by Camille Gutt and John McCloy, with Hugh Dalton officiating. In attendance was the bank's director of public relations, who, with two aides, had come from Washington for the occasion. According to the transcripts, some of the British reporters evidenced disappointment that so many of the world's finance ministers and central bankers had come together in the midst of a European crisis only to hold a routine meeting and without doing something substantial then and there to help solve that crisis. Messrs. Gutt and McCloy sought to explain.

Mr. Gutt took the opportunity to correct certain errors he had noted in the British press. The fund had just made $60,000,000 available to the United Kingdom, a fact which Mr. Dalton admitted he had "let out of the bag," presumably as part of the effort to dramatize abroad Britain's needs. It was incorrect, Mr. Gutt said, to call this a "loan." Nor did Mr. Gutt accept British press descriptions of the cost of the operation to Britain as "punitive interest." Actually, Mr. Gutt said, the interest rates of the fund "are moderate * * * about as low as any in the world." Yet at his earlier London press conference Gutt himself had called the fund's operations

"loans." And, in answer to a question as to why more members have not used the fund's resources, Mr. Gutt stated: "Maybe one of your colleagues touched on a sore point when he mentioned * * * 'punitive interest.'" As Gertrude Stein would say: A word is a word. In Washington it is understood that the fund has heretofore frowned on operations which would dissipate its resources.

Mr. McCloy, replying to a reporter's inquiry, observed that the World Bank is "not in the stop-gap business"—although the Paris Conference thought it should be. At the press conference and in his London broadcast the bank's president called attention to a little known fact, that of all the institution's members, only the United States and Belgium had given permission to the use for lending purposes of the capital they had paid in. It would seem that the supposedly international venture in lending so far boils down to little more than international supervision of the lending of American money. Mr. McCloy expresses the understandable view that the bank should "consider ways and means whereby, even in this transition period, the currencies of member countries other than the United States may be made available to the bank for lending purposes."

DOWN PENNSYLVANIA AVENUE

Passing the Mayflower Hotel the other day I noticed a long line of taxis waiting for customers. The contrast with wartime, when guests seeking taxis cluttered the sidewalks in front of the hotels, struck me. On Constitution Avenue, in front of the Federal Reserve Building during the war you could see a regular flow of taxis rounding the corner and unloading their fares in front of the Munitions Building. Now everything there is reasonably peaceful. But if the European aid program is going to mean a lot of Government controls of one sort or another, hotel rooms here may again go to a premium and visiting businessmen may again be looking up their friends for a place to sleep.

I don't mean to suggest that things in Washington have got back to prewar normal by any means. Just because taxis are easier to get and mufti has replaced beribboned khaki on the streets and other public places doesn't imply that everything is again on a peacetime basis. If you want a table for two in the Cosmos Club dining room, overlooking the park which served as Barney Baruch's office, you still had better get there pretty close to noon. Living quarters in the capital are still scarce and landlords are obtaining rent increases from the local rent-control administration while they try to shake off the last vestige of the wartime controls. In the shops it is rare to find an unoccupied clerk. Everywhere you seem to have to wait on yourself or just wait.

In various Government offices the interdepartmental activity on the Marshall plan and the Paris report is somehow reminiscent of our prewar days when the Federal Reserve Board made available a few rooms at the head of the marble stairs for the use of several businessmen, including a mail-order man named Nelson, who had come to town to advise the Government on problems posed by the trouble in Europe.

HOW VITAL ARE EXPORTS?

Despite the large volume of United States exports of merchandise, heavily financed by loans and gifts, the ratio of exports to total domestic production indicates that a material shrinkage in exports would hit heavily only a relatively few industries. A study by the Commerce Department's Special Programs Division has calculated this ratio for a large number of industries for three prewar and two postwar periods.

Comparing January-June 1947 with the full year 1939, the Commerce Department finds the above ratio for cotton cloth has risen from 4.1 to 13.5 percent; hosiery from 0.9 to 6.1; bituminous coal from 2.9 to 9.6; anthracite from 5.0 to 14.3; and freight cars, reflecting especially large French orders, from 0.7 to 41.0. Various other industries, however, show no spectacular changes. The corresponding prewar and current ratios for electrical machinery and apparatus exports, for example, were 5.9 and 8.3; machine tools, 44.5 and 42.5; passenger automobiles, 5.7 and 7.7; lumber, 4.2 and 4.2.

While exports are much larger than prewar, so too is our productive capacity. Commerce Department officials point to the large backlog of domestic demand as justifying the conclusion that, under present circumstances, a collapse of the export boom would not be disastrous to American industry in general.

PARDON THE RUSSIAN ACCENT

To escape being crushed by these grim times one needs a little humor, which is our only excuse for injecting in this otherwise serious report on the state of the world the following observations broadcast from Moscow in German the other day—as reported by the Washington Evening Star, to wit:

"War is the favorite occupation of dapper robbers such as the financial magnates of the ruling dynasty of capital. In this the United States monopolists are particularly successful. World War I gave them a clear profit amounting to the dizzy sum of $38,000,000,000. This immeasurable wealth was created out of the blood of scores of millions of victims of that war. But still greater was the stream of gold which flowed into the United States banks during World War II. The United States monopolists made $52,000,000,000 out of war, out of ruined and devastated Europe, out of despoiled China, out of the oceans of blood—for blood drips from each of these 52,000,000,000 dollars."

GO EAST, YOUNG MAN

Owing to rising costs, the Shanghai Evening Post has had to raise the price per copy from 3,000 to 5,000 yuan; that is, to the equivalent of about 10 American cents. When the writer arrived in Shanghai in 1921 he was content to take a job which paid 200 "Mex" per month.

A member of the Wedemeyer mission to China tells about an American news correspondent who, on his periodic visits to Japan, lives in great style. It seems that the correspondent privately syndicates some of his articles to Japanese newspapers, which can pay him only in inconvertible yen. His salary from his American connection is about average, but in Japan the correspondent has already accumulated a couple of million yen.

An American businessman just home from Shanghai by way of South Africa and South America tells me he thought nothing of giving his Chinese cook 1,500,000 or 2,000,000 yuan to go out shopping. Shanghai is out of this world.

But, another returned traveler observed, probably 80 percent of China's daily business is done by barter, outside the money economy.

Topside Chinese seem to have no trouble getting along. The people take it for granted that their officials will get rich in office, and pronto. This has always been so, and is still the case. I hear of one American, an old China hand, who has made more than a million dollars (U. S.) managing the investments here of "the Young Marshal," Chang Hsueh-liang.

ITO

The November international conference in Havana is planned to put the final stamp of approval on a charter for an International Trade Organization, preparation for which has occupied American Government departments for several years and has involved two preparatory conferences, at London last year and at Geneva this summer. The struggle of the Administration to build a postwar trade world on a multilateral, nondiscriminatory basis has been a treadmill task. Ever since the Atlantic Charter our Government has sought to obtain acceptance of a world trade policy which would give maximum play to individual free enterprise—in the Lend-Lease agreements, the Bretton Woods program, the British loan, etc. But the house has been crumbling as fast as it has been built. Abroad, and even to some extent here, the world crisis is putting business more and more under government control; and people are saying that our attempts to set up an ITO are a case of nostalgic economics. Of more immediate importance than an ITO would seem to be the various trade agreements negotiated at Geneva. These embody important principles of the proposed charter.

The Amputees Program

EXTENSION OF REMARKS

OF

HON. JAMES W. TRIMBLE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. TRIMBLE. Mr. Speaker, on August 8, 1946, President Truman signed a bill authorizing $30,000,000 for the purchase of especially equipped automobiles for approximately 16,000 amputees of World War II who lost use of their lower limbs.

This great humanitarian program which benefited so many disabled veterans is nearing completion and it is fitting to recapitulate the events that led up to the introduction and passage of this legislation.

After months of preparation and conferences a committee of seven veterans called upon Congresswoman EDITH N. ROGERS on March 6, 1946, with a petition signed by 350 patients at Walter Reed Army Hospital requesting the adoption of the cars for amputee program.

This committee was headed by J. H. Leib, then legislative director of AMVETS and the other members of the committee represented the amputees from Walter Reed Hospital. A few hours later Congresswoman ROGERS took the floor of the House and made a speech in favor of the plan.

The uphill battle that finally won the approval of the Congress is now a matter of history. The following reproductions are self-explanatory:

[From the CONGRESSIONAL RECORD of March 6, 1946, p. 1998]

WALTER REED HOSPITAL AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to state that I am very thoroughly in accord with the views expressed in the petition of the 350 amputees of Walter Reed Hospital. I believe that the Government should provide an automobile as an aid to their recovery and conditioning. It is our duty to do as much as we can to send the veterans out from the hospital as nearly whole as possible. The War Amputees Car Committee came to the Capitol today and asked me to present their case to the Congress. Mr. Joseph Leib, their national legislative director, joined them in their request.

[From the Appendix of the CONGRESSIONAL RECORD, pp. A1161–A1162]

AMVETS URGE AUTOMOBILES FOR WAR AMPUTEES

(Extension of remarks of Hon. EDITH NOURSE ROGERS, of Massachusetts, in the House of Representatives, Wednesday, March 6, 1946)

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks, I desire to include the following correspondence and a petition signed by 350 amputees at Walter Reed Hospital, also a clipping that appeared in the Washington Daily News:

"The drive for cars for leg amputees is sponsored by AMVETS."

"FEBRUARY 28, 1946.

"Gen. OMAR N. BRADLEY,
"Veterans' Administration,
"Washington, D. C.

"DEAR GENERAL BRADLEY: AMVETS are launching a movement to obtain specially made vehicles for amputees either through Government purchase or through the patriotic cooperation of automobile manufacturers. We would appreciate very much learning the position of the Veterans' Administration in regard to this matter.

"We are contacting individual manufacturers to see if we can secure these automobiles at a reduced cost and we wonder whether or not you will cooperate with us in submitting legislation to Congress in order that the Government may secure these vehicles for those who are now permanently disabled.

"Your early attention will be appreciated.

"Very truly yours,

"JOSEPH LEIB,
"National Legislative Director."

"Letter sent to following automobile companies: Dodge Motor Co., Studebaker Corp., General Motors Corp., Ford Motor Co., Kaiser-Frazer Co.:

"MARCH 2, 1946.

"GENTLEMEN: AMVETS are launching a movement to obtain specially made vehicles for amputees. We have contacted Members of Congress and the Veterans' Administration for support in this endeavor in behalf of those who have lost part of their body in defense of their country. In this endeavor we need the patriotic cooperation of all automobile manufacturers and we trust that your company will take an active interest in this worthy cause.

"We are extremely anxious to know how far your company could go in making these cars available to the thousands of disabled veterans. Also advise as to approximate price and whether or not your company has engaged in any research along these lines.

"Trusting that we shall hear from you as soon as possible and with many thanks, I am,

"Very truly yours,

"JOSEPH LEIB,
"National Legislative Director."

"WAR AMPUTEES CAR COMMITTEE,
"ARMY MEDICAL CENTER,
"WALTER REED HOSPITAL,
"Washington, D. C.

"The Army has given us a prosthesis to prepare us for civilian life. We, however, feel that this hasn't proven adequate to place us on an equal basis with the able-bodied, because of:

"1. Weather hazards (snow and mud).

"2. Public crowds (pushing and shoving).

"3. Prosthesis break-down.

"4. Terrain (difficulty in climbing hills, etc.).

"5. Transportation difficulty (subways, busses, trolleys).

"We, the undersigned, are therefore resolved: That every veteran, who because of war-inflicted injuries, is seriously hampered in walking, in order that he may compete on a basis relatively equal to those who are not so handicapped, be supplied an automobile by the Government.

"Frank W. Monico, chairman; Thomas N. McKenna, New York; Kenneth L. Colbert, Indiana; Thomas Allison, Pennsylvania; John H. Zundel, Ohio; Echmund C. Anschutz, New York; Harold L. Frank, Pennsylvania; James Mullary, New York; John D. Hull, Maryland; Sidney Schuman, Washington, D. C.; Patrick T. Byrne, Joseph F. Seesman, James J. Burke, New York; Roy F. Russo, Ohio; Howard Bland, Kentucky; Charles H. Rossman, New Jersey; Earl V. Walls, Jr., Pennsylvania; Harry W. Hinebaugh, Jr., Washington, D. C.; Charles C. Bochanis, Connecticut; Joseph E. Kuspul, New Jersey; John J. Kellery, Massachusetts; George Skalski, Warren Huffman, West Virginia; Grant G. Sullivan, Kentucky; Cecil G. Gough, Jr., Maryland; William Kettler, Ohio; Joseph F. Stork, Pennsylvania; etc.—350 signatures."

[From the Appendix of the CONGRESSIONAL RECORD, p. A1396]

AMVETS SEEK PRESIDENT TRUMAN'S AID FOR AMPUTEES

(Extension of remarks of Hon. JOHN R. MURDOCK, of Arizona, in the House of Representatives, Thursday, March 14, 1946)

Mr. MURDOCK. Mr. Speaker, under leave to extend my remarks I wish to include copies of a telegram that was sent to President Truman by AMVETS—American Veterans of World War II—and a letter sent to the White House by a committee of amputees stationed at Walter Reed Hospital representing more than 350 disabled veterans, also a statement issued by Henry Ford Co. pledging assistance to all amputees who desire to operate automobiles. The documents follow:

"MARCH 8, 1946.

"Hon. HARRY S. TRUMAN,
"The White House, Washington, D. C.:

"A committee representing 350 amputees at Walter Reed have requested an appointment with you relative to securing special made automobiles for these disabled veterans. Please advise.

"J. H. LEIB,
"National Legislative Director, AMVETS."

"WAR AMPUTEES CAR COMMITTEE,
"WALTER REED GENERAL HOSPITAL,
"Washington, D. C., March 11, 1946.

"The Honorable HARRY S. TRUMAN,
"The White House, Washington, D. C.

"DEAR MR. PRESIDENT: A large number of amputees, as a result of our service-inflicted injuries, have come to realize the importance of having a car. We cannot live on an equal basis with the able-bodied without it. The hazards and difficulties of day to day existence now, crowded transportation, faulty artificial legs, and a rough terrain—all this has imposed on us the necessity of having a car.

"To this end some 350 amputees of this hospital have signed their names to a petition stating that they be supplied with an automobile by the Government.

"We, the committee representing these men, feel that if a meeting could be arranged with you, with the object of soliciting your interest and advice it would help considerably in advancing the cause of the disabled who have lost their legs.

"Sincerely,

"FRANK M. MONICO, *Chairman."*

[From the Appendix of the CONGRESSIONAL RECORD, p. A1622]

REHABILITATION OF WAR AMPUTEES

(Extension of Remarks of Hon. ROBERT HALE, of Maine, in the House of Representatives, Monday, March 25, 1946)

Mr. HALE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by J. H. Leib, national legislative director, American Veterans of World War II, and a letter addressed to him from the Veterans' Administration:

"CONCERNING THE REHABILITATION OF WAR AMPUTEES

"(By J. H. Leib, national legislative director)

"AMVETS—American Veterans of World War II—have been sponsoring a campaign to secure automobiles for amputees as part of their prosthesis. We have attempted to secure the assistance and approval of the Veterans' Administration. Also, we are now in touch with leading automobile manufacturers in the hope of making arrangements to obtain priorities for these disabled war veterans who have given so much to their country, etc."

"VETERANS' ADMINISTRATION,
"Washington, D. C., March 16, 1946.

"Mr. JOSEPH LEIB,
"National Legislative Director, American Veterans of World War II,
"Washington, D. C.

"DEAR MR. LEIB: Your letter of February 28, 1946, addressed to Gen. Omar N. Bradley, Administrator, pertaining to furnishing automobiles for amputees by Government purchase, has been referred to this office for reply.

"A prosthetic advisory committee has been formed by the Veterans' Administration to work with the prosthetic appliances on the needs of veterans who use artificial aids. In order to give your proposal full consideration, it is suggested that you contact any of the committee members so that concerted action can be initiated.

"For your information, a list of the members of this committee, together with their addresses, is herewith supplied you:

"Col. Robert S. Allen (arm amputee, World War II), Pentagon Building, Washington, D. C.

"Mr. Aaron L. Danzig, 350 Fifth Avenue, New York City.

"Col. John Haskell, New York Stock Exchange, New York City.

"Capt. John H. Pratt, 905 American Security Bank Building, Washington, D. C.

"Sgt. Harold M. Dixon, 3711 Thirty-sixth Street NE., Mount Rainier, Md.

"Hon. AUGUSTINE B. KELLEY, House of Representatives, Washington, D. C.

"Hon. EDITH NOURSE ROGERS, House of Representatives, Washington, D. C.

"It is understood that the Honorable EDITH NOURSE ROGERS, Member of Congress, is keenly interested in the furtherance of your proposed program.

"Very truly yours,

"PAUL R. HAWLEY,
"Chief Medical Director."

[From the Appendix of the CONGRESSIONAL RECORD, p. A1824]

CARS FOR AMPUTEES

(Extension of remarks of Hon. CLIFFORD R. HOPE, of Kansas, in the House of Representatives, Monday, April 1, 1946)

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by J. H. Leib, national legislative director, AMVETS:

"WHAT IS THE VETERANS' ADMINISTRATION POSITION ON CARS FOR AMPUTEES?

"(By J. H. Leib, national legislative director, AMVETS)

"War amputees have petitioned Congress and the Veterans' Administration for automobiles as part of their prothesis. They contend that only with the aid of a car can they compete with the able-bodied veterans in the postwar period. Unfortunately, their requests have fallen on deaf ears.

"Even more discouraging is the fact that conflicting statements have emanated from Veterans' Administration officials as to their stand on this issue.

"For instance, on March 25, the Washington Times-Herald and other newspapers directly quoted Walter M. Bura, Veterans' Administration director of prosthetic appliance services, as being definitely opposed to supplying these disabled soldiers with such additional benefits.

"The next day AMVETS and an amputee committee representing 350 patients at Walter Reed Army Hospital, demanded a clarification of the Veterans' Administration published statements. Whereupon, Mr. Bura hurriedly visited the Army hospital to assure all that would listen to him that he had been misquoted by the newspapers.

"But during this meeting, however, every attempt to ascertain exactly how Mr. Bura felt about this proposition was met with further negative remarks.

"The boys at Walter Reed feel that they are being given a grand run-around by this Administration. They are deeply resentful of the procrastinating and utterly deceitful tactics being employed by high Veterans' Administration officials to sidetrack their car proposal. They are being referred from one committee to another.

"These boys who lost part of their bodies on foreign soil fighting in defense of this Nation deserve more respectful consideration than they are now getting from the bureaucrats in Washington. The least that the Veterans' Administration can do for these heroes is to be sincere and straightforward in their dealings with them, etc."

[From the Washington Post of August 2, 1946]

UNITED STATES TO GIVE GI AMPUTEES FREE AUTOS—HOUSE UNIT ACCEPTS SENATE PROPOSAL; 20,000 EXPECTED TO RECEIVE CARS

A House conference committee last night accepted a Senate proposal to provide some 20,000 war-maimed GI's with free autos.

The conference committee action is expected to be accepted by the House today, etc.

[From the Washington Post of August 8, 1946]

AUTO MONEY FOR LEGLESS VETS O. K.'D

WASHINGTON, August 8.—The bill signed today also carries $30,000,000 for the purchase of specially-fitted automobiles for veterans who have lost their legs, etc.

Report to Hon. Clifford R. Hope, Chairman of the House Agriculture Committee

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EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, I attended the conference at Geneva. My report to Mr. HOPE is as follows.

You will note that in the last paragraph of the report I stated:

I made other observations in displaced-persons camps and observed foods and crops in other countries, but the Herter committee will no doubt present this food picture in broad detail in its report.

I hope the Herter report will justify the confidence indicated when it is released.

REPORT TO HON. CLIFFORD R. HOPE, CHAIRMAN OF THE HOUSE AGRICULTURE COMMITTEE, BY REPRESENTATIVE REID F. MURRAY, OBSERVER AT THE FAO CONFERENCE IN GENEVA, SWITZERLAND

SEPTEMBER 30, 1947.

Hon. CLIFFORD R. HOPE,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. HOPE: I herewith submit my report as an observer at the FAO conference held in Geneva, Switzerland, beginning August 26, 1947:

The FAO conference consisted largely of statements and discussions of the world food situation. The United States representatives from the Department of State and the Department of Agriculture made a very impressive and constructive approach to the problems of the conference. The presence of Mr. Albert Goss of the National Grange and Mr. R. Ogg of the American Farm Bureau Federation added much to the conference. Such men tend to direct the proper thinking and keep the actions taken along practical lines.

The conference appeared to obtain a factual picture of the grain situation in the various countries. However, no factual picture of the general world food supply was presented. One could not but feel that consideration of long-range activities overshadowed consideration of the immediate food needs of certain peoples. The time for action in providing food is now.

A movie sponsored by the Food Ministry of Britain, but tied up in its presentation with the FAO, was shown. It was an absurd approach to the food problem. It was not factual and was resented by certain nations that have made such a determined effort to feed the hungry of the world.

The FAO having been in existence now for several years, and having had several annual meetings, it appeared to me that as an organization the time has come to do something about the food problems and not just talk about them. Some countries seem to feel that the United States should contribute more than the 25 percent of the funds now allocated by the United States. Others felt that the United States should be making larger food contributions to other countries, even if such countries have more of the United States market for their own food products. Many of the conclusions arrived at by the delegates of other countries no doubt were due to an erroneous concept of America's net available food supply.

The organization should get its gears in motion now to do the things it was set up to do. One suggestion would be not only to have data on world grains but to have a more comprehensive picture of the entire world's general food supply. The governments themselves should be a position to furnish this information on all important food products and not just on grains. The FAO should have ample funds, as well as personnel, to keep these food facts right up to the minute. Some people seem to think of food only in terms of grain.

The second avowed purpose of the FAO, to allocate foods to the places where they are needed to feed hungry peoples, will not be attained in approaching the problem by showing the type of movie that was put on at the Geneva Conference. The present world food problem is so serious and so much in need of prompt attention, that I am sure the long-range food program can well be held in abeyance until the immediate food problem is given attention. The world conference of national farm organizations will enter into the world agricultural pool undoubtedly in time.

My proposal to you, Mr. Chairman, is to have some person, or group of persons or organizations, take the leadership in making available foods that can be provided for relief purposes. It does not do much good for group after group to sit around a conference table with pencil in hand and tell the world just how many bushels of wheat would suffice if we do not have the wheat.

We have far too long been talking about grains and doing little or nothing about foods in general. Surely, we have heard many, many times that grain fed to human beings provides more calories than when fed to livestock and livestock products fed to human beings. There is nothing new about that. This fact has been recognized for years and years. That is not an answer to the question of providing all available food to those in need. Everyone should know that billions of pounds of milk are produced on land not suitable for crop-farming. Most anyone should know that millions of acres of land produce beef where dairying cannot easily be expanded. They should know that millions of pounds of mutton are produced on land not adaptable to the most successful beef and dairy production; that the acreage of a crop like peanuts has been expanded during the war on land suitable for this crop; that the expansion of dried skim milk production increased from 200,000,000 pounds plus, before the war, to 600,000,000 plus in 1945–46 and has never obtained its deserved recognition as a food product. Most people are aware of the stock piles of dried fruits and canned vegetables.

With the foregoing facts in mind, I am listing certain definite proposals which I believe should be made at this time:

1. Once and for all—have our own administration stop wasting food which only gives rise to criticism that cannot be explained.

2. Promote the processing of horse meat. The people of certain countries do not eat cattle, some do not eat hogs and others do not eat horse meat. The British have horse-meat shops and are now also eating whale meat. France has eaten horse meat for years. It is my understanding that Canadian horse meat is being bought for the child-feeding programs in Poland and other countries out of the $15,000,000 that the United States appropriated for that purpose. Canada and the United States have millions of available horses and if something were done about providing food instead of talking about it, many, many pounds of this meat could be furnished. With the use of this meat a greater use of vegetables could be made and less grains would be required.

3. An immediate step-up in dried skim milk production and diversion from animal to human use. This product has 35.6 percent digestible animal protein and has only a 9 to 10-cents per pound support price. Even the OPA put a 14.5-cents per pound ceiling on this item. Wisconsin, incidentally, uses most of its skim milk in the production of cheese and evaporated milk, so I am not necessarily putting in a plug for Wisconsin. I am, however, endeavoring to approach this problem from a nutritional standpoint. Some skim milk is now available in Europe and when served hot has proven a delicious product. When it has been allowed to go begging at 9 to 10 cents per pound, which means less than 3 cents per quart or less than a penny a glass, it is time that some food experts and food purchasing governments obtain the facts about this product.

4. Acquire a stock-pile of dried fruits now available at reasonable and fair prices, which may find domestic uses at a later date as well.

5. Procure a stock pile of peanut products which may be acquired anyway through the support-price program. Here is a fine food product, high in oil content and vegetable

protein. This protein may be partially substituted in the ration for proteins found in grains. It will make more sense to divert these peanut products to human consumption than to be spending millions of dollars on a support-price program. We saw what happened to the potatoes in the potato support-price program under the present administration when millions of bushels were burned. A surplus peanut crop might meet the same fate and they would make a better fire because of their oil content.

6. Give the world the facts about the United States food supply. There has been altogether too much boasting about the possibility of the United States feeding the world. Surely we have had above average crops for several years, but the special-privilege crops like cotton and tobacco do not now add to the world's food supply. Some news articles would lead the reader to believe that one man was doing this furnishing. The fact that the United States has but 20,000,000 of its 140,000,000 population on farms—and these 20,000,000 people are called upon to provide food for the entire population—is evidence that the 20,000,000 people are not, and have not been, in the position of feeding the 2,000,000,000 people in the world. It is easy to boast about the $3,000,000,000 of agricultural exports the last fiscal year, but how about the $2,300,000,000 agricultural imports in the last fiscal year? Two billions three hundred millions in dollar imports, when translated into pounds, bushels and tons, may equal the three billion exports in pounds, bushels and tons. Surely the United States has been a large agricultural exporter, but it has been at least the second largest agricultural importer in the world as well. We have had as the result of good weather conditions, a wheat, cotton and tobacco export. These crops, with their special-privilege domestic legislation, are at this moment receiving special-privilege foreign considerations, but the 3,000,000 additional bales of cotton and the one-third increase in tobacco volume do not add to the food supply of the world at this critical time.

7. Hint, gently or otherwise, to some of the European countries that it would be desirable for them to divert more of their grains to food production and less to nonfood production. Why has rye sold for more than wheat? Why is this true now?

8. If millions or billions of dollars are to be sought to feed the hungry world, we must keep in mind that a billion dollars will not provide much wheat at Argentine prices plus transportation.

9. We need less politics mixed in this food problem. If our administration colleagues want to continue to inject politics, then they will be called upon to answer for their actions. We, as Republicans, have certain definite responsibilities if we maintain our position that what is best for our country is best for our party. The authority or power of the President over allocations of exports expires in February 1948. Personally, I feel that you as chairman of the Committee on Agriculture; Hon. JOSEPH MARTIN, our Speaker; Senator VANDENBERG, President pro tempore of the Senate; and Senator ARTHUR CAPPER, chairman of the Senate Agriculture Committee, should make a public statement to the effect that no partisan politics should be injected into the question of the extension of these powers. I feel that a public statement of some kind would clarify this situation, otherwise other governments might think that the United States was going to throw the allocation of food overboard. First, the nations with the price would secure the foods in scarce supply without regard to needs and, secondly, the domestic prices in the United States may become too high on items in short supply and jeopardize the rations and nutritional standards of many of our citizens.

10. How about the 160,000,000 dozens of eggs now held by the Commodity Credit Corporation? Is this not a future source of good digestible animal protein? How about the other stock piles? With all of these factors to consider, why get so excited about one certain vegetable protein? It is noted that the CCC is now offering 29,000,000 pounds of dried eggs. Why have not adequate supplies of vegetable proteins as found in dried peas and beans been produced to supplement the vegetable protein of wheat?

11. When the Administration erected a strawman and knocked it down, as shown by the various positions of the Government departments in connection with the wool bill, it was my opinion they were rendering a disservice to an orderly approach to the question of allocations. If there is an allocation of exports, by the same token there should be an allocation of imports. A World Food Allocation Board might well give more attention to foods directed to the United States and instead direct them to places where they are needed, especially when the products of the same industry in this country are not provided benefits of the support program as set up under the Stegall amendment. If you will have your office staff prepare a table for you showing the imports of food into the United States in the past year, you will no doubt be surprised to note the countries of origin. I realize the dollar exchange demand and the necessity of it, but I do say there is much inefficiency in operation.

12. The fact that we are dealing with State traders injects itself into the picture. We must have a coordinating set-up or a United State Board that will not only have some control over the dollars appropriated but also have influence in directing any surplus food of the world to the places where it is most needed.

13. Much food relief could and should have been done through the churches of the various countries. I discussed this with some of our own United States relief people and they concurred in my opinion. This cooperation with the churches could still be put into effect.

14. If we had a United States board composed of people thoroughly familiar with food and nutritional values as well as good business methods, and sincerely interested in feeding the hungry, the millions of dollars already used by UNRRA and other direct appropriations would have been more effectively used for the purpose for which the Congress appropriated the money. These funds should not be wasted and it is regrettable that better use has not been made, and is not being made, of public funds obtained for charitable purposes.

15. The present food prices in America are causing much difficulty. The farmer is being criticized although he obtains but one-third the price that the consumer pays. Milk in many cities would bring 11–12 cents a quart even if the farmer gave the milk away. Domestic food prices can be kept within the bounds of reason and fairness. There is nothing complicated about it. The Administration, with the billions of dollars at its disposal, can maintain price sanity any time it deals in facts. Remember, the farmer takes what he is offered. The Administration is trying to drive too many horses down too many food streets and politics, partisan attitudes, and economics do not mix well or operate for public welfare.

16. The Administration with its authority and power to control exports, and with the billions of dollars at its command, controls the price at the market place. Any suggestion of a domestic control of prices at the retail level does not make sense. Neither does it make sense to criticize the markets and the marketers so long as the Administration has the control over exports. The control over the exports can be used to lower and raise food prices and there is nothing to be gained by putting the blame on some one else. The recent grain market prices, after Secretary Anderson's speech, is adequate evidence. This control of the over-all supply and price would be reflected, and is reflected, in the retail price. Former Secretary Wickard once stated that "Food will win the war and write the peace." It surely made its contribution to winning the war, and if food is to write the peace it must be used with nutritional values in mind.

I made other observations in displaced persons camps and observed foods and crops in other countries but the Herter Committee will no doubt present this food picture in broad detail in its report.

I appreciate the apportunity of having attended the FAO Conference and am grateful for the experience gained and consideration extended to me.

Sincerely yours,

REID F. MURRAY,
Member of Congress.

Address of Eric Johnston

EXTENSION OF REMARKS
OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. McDONOUGH. Mr. Speaker, Eric Johnston, president of the Motion Picture Association of America, Inc., recently spoke at the annual dinner of the Picture Pioneers in New York.

As spokesman for the motion-picture producers of America, Mr. Johnston made a positive statement of the policy of the industry toward communism when he declared:

There is no place in Hollywood for anyone who is subversive or disloyal to this country.

Mr. Johnston added:

Let me tell you what I think about the American Communist—I think he is a foreign agent, real or potential, owing his first allegiance to a foreign government.

I believe Mr. Johnston has voiced the convictions of the motion-picture industry as a whole with regard to communism and Communists in the industry.

However, with the spotlighting of Hollywood and the motion-picture industry through the investigations of the Un-American Activities Committee, in spite of the cooperation given to the committee by leading producers, directors, writers, and actors, adverse publicity has been directed against the motion picture without regard for the small number of employees who may be communistic in comparison to the thousands of men and women of unquestionable loyalty to the United States who work in the industry.

Mr. Johnston's address which follows sets forth the problems of the industry at this time as well as the stand it has taken against communism:

The motion-picture industry has been on the spot this year, here at home, and over there. And the letter X has literally marked that spot. Gentlemen, we've been hexed. We've been excised by the British, excluded from some of the iron curtain countries, and X-rayed for communism by the House Committee on Un-American Activities.

All three of those hexes are loaded with unknown quantities of future consequence. They are mysterious equations, so to speak, and our job in each case is to find out what X stands for. I've looked hard myself, but so far I haven't found any easy answers in the back of the book. There aren't any.

But those are the things I want to talk about tonight—first, the House committee hearings, and then the foreign situation.

Where have the House committee hearings left us?

Let's look:

When the hearings resume the industry will defend itself as vigorously as it did before—and if necessary, with added forcefulness.

We had our tough times the last time around, but we had our 10 strikes, too. You know what happened—

The committee made a blanket indictment against the industry—

The committee charged the industry had knuckled down to White House pressure to make pro-Communist pictures. We knew it hadn't; and we said it hadn't. So did the committee's own witnesses, and that damning accusation of knuckling down to political pressure suddenly buckled at the knees and fell flat on its face.

Just as emphatically and for the same good reason, we denied that Hollywood is overrun by Communists. We knew it wasn't so, so we said it wasn't so. We said: Sure, there undoubtedly are Communists, or reasonable facsimiles thereof, in Hollywood. The Hollywood spotlight being what it is, we knew that one Hollywood Communist can be magnified to look like a thousand Communists in any other business. We knew that some of the comrades live in the hills around Hollywood on the best America has to offer. I understand that on a clear day they can see the class struggle for miles around in all directions.

But we also knew that whoever they are, they don't by the wildest range of imagination influence the motion-picture industry. So we said so. And once again, witnesses in whom the committee conceded it had every confidence, bore us out. Officers past and present of the talent guilds used language parallel to ours.

The net of that was positive proof that Hollywood is not an outpost of the Kremlin, as some loose language before the committee indicated, and we asked the committee to say so through some sort of public declaration. It didn't. There is still time for it to do so, and I think it should. The record is there, and it's well entrenched and documented.

The third big charge was the biggest flop of all. The committee said it had a list of pictures which contained communistic propaganda. We said: Name the pictures. We asked repeatedly for that list of pictures. And the committee adjourned without releasing it.

In short, gentlemen, no corpus delecti was shown, and no crime, therefore, was committed.

There is no subversive propaganda on the American screen and there isn't going to be. Management accepts the responsibility for the content of pictures. It's a sacred trust. We will continue to defend the industry from that point of view.

But in defending our industry, we don't want to be misunderstood or misinterpreted. We don't want our defense of the industry to be confused with the attitude of the 10 men who refused, on alleged constitutional grounds, to give responsive answers to the committee's questions.

Let's face the fact that some people have completely misunderstood our position, and some still do. They thought we were defending those 10 men because they are connected with our industry. I don't want to leave the slightest doubt on this point.

We did not defend them. We do not defend them now. On the contrary, we believe that they have done a tremendous disservice to the industry which has given them so much in material rewards and in opportunity to exercise their talents. Their refusal to stand up and be counted for whatever they are could only result in a confusion of the issues before the committee—and it did.

They may have had a right to challenge the committee as they did. I don't know. I am not prejudging. This is something to be tested in the courts. We need a determination on that score in the traditional American way, and after that there can be no argument about it.

But if they believe they had a right to carry on the way they did, I have a right to characterize their actions. I believe their actions hurt the cause of democracy immeasurably. I believe they played into the hands of extremists who are all too willing to confuse the honest progressive with the dishonest red. And they fed fuel to the fires of hysteria.

The difference between the position we took before the committee and the line those 10 men followed is as broad as the backside of a barn.

We criticized the committee's procedure—and we'll do it again if we don't think it's fair and just and equitable.

But we didn't challenge the right of the committee to investigate alleged communistic influence in Hollywood or anywhere else. Unlike the 10 men cited for contempt, we wanted to answer questions. If there was any counting to be done, we wanted to stand up and be counted—so everybody can count on where we stand and what we stand for. We offered the committee our cooperation, and we kept that pledge. We recognized, and we said it, that investigations are a proper function of the Congress. We meant that, and we still do.

And we said not once but over and over again that we're for exposing Communists wherever they may be.

Let me tell you what I think about the American Communist.

I think he's a fool and a faker at one and the same time. I think he's disruptive and disloyal, and he'd be dangerous if he dared to be. I think he's a foreign agent, real or potential, owing his first allegiance to a foreign government.

If communism, gentlemen, is going to bring us the paradise on earth for everybody that it says it will, I'd be proud to stand up and be counted as a Communist, if I believed that story.

But that's where the fakery comes in. That's where the hypocrisy comes in.

The Communists have no intention of bringing heaven down to earth. What they want to do is to raise hell.

Communists garb themselves in the mantles of better men and call themselves democrats—one of the two big lies of the last hundred years. It is only equaled by Adolf Hitler, the Fascist, who called himself a socialist. Every real democrat down through all history has had one prime goal; a greater share of liberties for the individual, and that's about the last thing the Communists are for.

The Communist calls himself a peace-loving democrat, but he wants a police state. The men who gave us the Bill of Rights believed in the sanctity of men, the individual, the free agent. The Communist clutches the Bill of Rights around him when he's on the spot today, but the first thing he'd do if he had the power would be to put a match to it so nobody else could use it.

And that's why they're afraid to admit what they are. And the American people are wise to the American Communist. They know him now for what he is, and they are fiercely angry about it.

There is no place in Hollywood for anyone who is subversive or disloyal to this country. I am even more convinced of that today than I was last March when I first testified before the House Un-American Activities Committee. At that time I endorsed the stand of William Green, president of the American Federation of Labor, that labor and management must work together to expose and to eliminate Communists in industry and in unions.

In the final analysis, Government must adopt a national policy with respect to the employment of Communists in private industry.

But labor and management must not shirk their responsibilities by waiting for Government to act.

The motion-picture industry, like every other industry, must, therefore, take positive steps to meet this problem and do so promptly.

A terrific fury against communism has whipped itself together in this country, and the wrath of the American people cannot be taken lightly. That wrath is going to increase, should our relations with Russia grow from bad to worse.

America has poured out $20,000,000,000 to help a war-torn world recover and get back to the ways of peace. But Mr. Vishinsky says we're imperialistic and war mongering. Mr. Vishinsky doesn't seem to know he's ringing the bell on communism and American Communists. He seems to think he can pay back $20,000,000,000 in cash and goods with 20,000,000,000 words of vituperation.

Gentlemen, I believe the bell has rung for the American Communist who follows the Kremlin line, but there's a danger in the wrath we've kindled. There's a danger of being swept away by hysteria, a danger of our anger getting out of hand until every American who stands for progress is damned as a Red and a Communist.

We can't let that occur. It mustn't be a crime in this country to criticize. We know the real answer to communism is to make democracy here in America work so well that no man would want to be a Communist. We know there'll have to be improvements to strengthen our democracy and correct inequalities. And adjustments take some advance criticism, some thoughtful and searching analysis, and some frank speaking.

There's a difference between honest criticism and subversion. There's no defense for subversion. Self-criticism is our sacred privilege. It sets us off from the total state.

We can't let hysteria of any kind rob us of our right of free speech—our right to criticize.

Gentlemen, when we said the issue of free speech—free films—was involved in the inquiry by the House committee, some people laughed. They said we were setting up straw men. But what has happened?

Hard on the heels of the first round of the investigation has come a demand for Federal censorship of motion pictures by the William Randolph Hearst newspapers.

Obviously, if the motion picture is to be censored, then the newspapers must be too—and the books—and the magazines—and the radio.

If this congressional inquiry established one fact for all time to come it's this; the motion picture is an instrument of expression; it is a partner of the press among the mediums of communications, and most of the American press has vigorously and heartily welcomed it as such throughout the hearing.

Freedom of speech is not a selective phrase. We can't shut free speech into compartments. It's either free speech for all American institutions and individuals or it's freedom for none—and nobody.

To me Federal censorship is unthinkable and frightening.

Who would be on the board of Federal censors? Federal officers, of course; Federal employees; bureaucrats, if you please—and politicians. But they are also human beings—subject to all the frailties of the rest of us, including prejudices.

How do we know that the censors might not turn out to be Communists or fellow travelers? I'm told there are some on the Federal pay roll now.

It's conceivable that Federal censorship could be a high road to planting propaganda on the screen instead of keeping it off the screen.

The Federal censor of motion pictures would be among the most powerful men in America, a maker of kings—and political parties. He might perpetuate in power the men to his liking and the party of his choice. The power he could conceivably wield is almost incalculable.

For my part, I am prepared to fight forever against Federal censorship of motion pictures. I propose to fight it in fact and to fight it wherever I suspect it. I propose to keep my eyes open for smoke instead of waiting until they're blinded by flames.

Now let's look abroad—

And again we run smack into the issue of communism.

While our industry is being X-rayed for communism at home, Russia and some of its satellite states are excluding our films as instruments of capitalist propaganda. That is the No. 1 paradox of the generation.

Russia doesn't hesitate to let out how she hates and fears the American motion picture. Her official propaganda organs spray a steady stream of abuse at our films. The Soviet magazines Culture and Life and Soviet Art rip our pictures apart at every opportunity.

I want to quote briefly from these official Russian propaganda organs.

Culture and Life recently said this: "The skill, inventiveness, and technical mastery of the American cinema are used in the service of darkness and oppression—fundamental characteristic features of the cruelty and unjust system of imperialistic society."

And Soviet Art said that "Hollywood bosses are now using the film as a weapon at the side of dollar diplomacy and atom politics."

But I think the prize goes to the Russian critic who said the Lost Week End is one of those psychological pictures which "are intended to convince the public the difficulties are caused not by the bad social conditions caused by capitalism, but by secret impulses in the human heart."

Gentlemen, that's the best alibi for a drunk I ever heard. He can blame it on capitalism and not on himself. By the same token, I suppose, vodka is nonintoxicating, having been purified in the crucible of communism. That ain't the way I saw it when I was in Russia.

If there is anything encouraging about the situation abroad, it is the retreat of communism in recent months. It was clear to me when I recently visited 12 countries in Europe. Communism is slowly, grudgingly giving ground wherever men still have a chance at a free ballot and the chance to use it.

Give us six more months, with American aid to western Europe becoming a reality instead of a blueprint and making itself forcefully and helpfully felt, and the retreat of communism will be even more pronounced.

Who could have dreamed that the little nickelodeon of yesterday would today be a great issue and a great factor in the giant conflict between two contradictory worlds of ideology?

Gentlemen, the shoestring on which you pioneers founded this industry ties the communistic world today in knots of pain whenever they think about it—just as it helps to tie together freemen and freewomen everywhere.

As a comparative newcomer in the industry I marvel at the glorious instrument you have created, this powerful instrument for good, for enrichment and betterment of human lives, this marvelous genie in the service of truth and freedom.

The Communists hate our films because they show a way of life they hate—a life where freemen work and play in the ways of freedom; a life where men are masters of their own destinies, and not pawns in the chess game of autocracy; where no one man is at the mercy of another, and where the virtues of justice and charity are still enthroned.

What a heritage the pioneers of America in all walks of life have left to us. And the greatest is this: That those who come after us can still pioneer, can still adventure, can still construct, still build, for ours is no congealed society; if we are faithful to our traditions and our institutions, it will always be a society of pioneers—dynamic and forever young.

VJ-Day Plus 2 Years

EXTENSION OF REMARKS
OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. FORAND. Mr. Speaker, under leave to extend my remarks, I include a speech delivered in Newport, R. I., on August 14, 1947—the second anniversary of VJ-day, by Chat Paterson, national commander of the American Veterans Committee. The speech follows:

It is difficult to believe that only 2 years ago the people of the United States, like people everywhere, were celebrating a day of great victory and even greater promise. American guns stopped firing. The last of 250,000 American men who had given their lives in defense of a dynamic faith and in the hope of a better future fell before enemy fire. Fascism—cynical, brutal, denying all values except unlimited power—had been defeated. The victorious nations, united in war, were molding a new unity for peace. Two months earlier they had signed the charter of the United Nations in an act which not only seemed to give hope for peace but, even more important, the promise of a decent fruitful life to the billion and a half people of the world whose past has been a hard relentless struggle for a meager existence. And just a few days before Japan capitulated, President Truman, Prime Minister Attlee and Premier Stalin at Potsdam had reached agreement on scores of important issues, including the future treatment of Germany.

Today, the hope and promise of 2 years ago seem little more than a bitter dream. A deep pall of gloom has gripped the world. The belief in the United Nations has all but disappeared and, with it, people have become disillusioned. To many it appears that the UN does not exist as an instrument which stands apart from conflict, but, on the contrary, is actually being used by the big powers to further their own interests in particular conflicts or else is ignored. Moreover, the positive side of the United Nations program—the promotions of the economic and social well-being among all people—has hardly gotten beyond the talking stage. Hunger, not politics, is still the one important fact in large areas of the globe. Railroads, roads, and bridges are idle for want of machinery and raw materials; farms lack even the most elemental implements; fertilizers are still scarce and the livestock population of Europe, which in some countries was more than 80 percent destroyed by Hitler's new order, is still far below the inadequate prewar levels; and tens of millions of people are still without homes to live in, save the cellars of bombed-out buildings and caves dug into the piles of rubble and brick.

As for the atomic bomb, the creation of a powerful world authority to control its uses is still as far away as it was in August 1945 when President Truman declared that international control of atomic energy was the only possible means of assuring peace and security for all peoples. Now it is almost certain that several years at least will pass in which tension over the bomb will increase and not decrease; and, if we are to accept the word of every atomic scientist, we must expect that in that time other nations, including Russia, will acquire the skill and technical know-how to manufacture the bomb. And overhanging all this is the spectacle of two colossal Great Powers jockeying for position and advantage and prestige.

It is not a pleasant scene to contemplate but it is one that is impossible to ignore. It would be equally foolish to ignore the fact that the United States and what we choose to call the American way of life is faced by a very real challenge. The challenge of Russia takes two forms. In the first place, it is the challenge of a great and powerful country which must be reckoned with for what it is—a land of tremendous size, with a population expanding at a rate much greater than ours, with extensive sources of raw materials and natural resources, with an industrial structure that has expanded to an incredible degree in the past 20 years and will continue to expand, and finally with a Russian people who are motivated by a deep love for their country and a deep faith in the possibilities of the economic system under which they live. We must understand this fact—that Russia is a growing and expanding country internally—but we must also understand the fact that much of Russian foreign policy is motivated by external objectives which have their roots deep in the history of Czarist Russia. Soviet policy in the Far East, its desire for a window on the Baltic Sea, its pressure for a security zone of friendly nations on its western borders, its anxiety for control of the Black Sea, and its demands for control of the Dardanelles—all of these objectives may be traced back many centuries into Russian history. They are not simply the creations of a Bolshevist government which came into power with the revolution of 1917.

In the second place, the challenge of the Soviet Union lies in the fact that it has an appeal to hungry and depressed peoples. It does us no good to blind ourselves to this. For whether we like it or not, rightly or wrongly hundreds of millions of Europeans and Asiatics are now choosing between our democratic forms and the promises of Russia.

In the past 6 months, the United States has attempted to meet this challenge. The Truman doctrine declared that we would provide military and financial assistance to any government, no matter what its character, which is threatened either actually or potentially, from the outside by Russia or from the inside by communism. It was essentially a negative approach and therefore doomed to failure. It did not represent a positive approach aimed at containing communism by removing the factors of desperation which create communism.

In sharp contrast is the Marshall plan which attempts to meet the challenge in a positive approach by offering to the nations of Europe such additional aid from the United States as may be necessary to revive the European economy on the basis of a unified plan which takes into account the possibilities of these nation's helping themselves and each other. In proposing his program Secretary Marshall stated: "Our policy is not directed against any country or doctrine."

The Marshall plan for the first time offers an alternative which places the United States in its real light and which, if properly implemented, may well give rise throughout the world to a new faith in a kind of democracy which is not static and which does not resist change. In the revival of democratic governments, such as the Remadier government in France, we have our greatest stakes. Should we fail to assist this kind of government—a government which is non-Communist, yet liberal, economically and politically—we will have given Europe by default over to the Russians. And if we lose democratic hope in Europe, we have lost the bridge to peace, the one link that can prevent another war. The Marshall plan has regained for America the confidence so missing in these past 2 years.

Up to this point, I have spoken of the Marshall plan insofar as it appears as a magnificent new conception of American foreign policy. There are, however, a number of disturbing signs and trends in the press and in recent speeches of some irresponsible political spokesmen, which would distort the Marshall plan.

First of all, there are some who publicly heave great sighs of relief that Soviet Russia and the eight countries on her western frontier refused to participate in the so-called Marshall plan. These same people object to any further attempt to convince all of Europe that they should join the plan. Certainly it was the greatest tragedy of the postwar period that the Soviet declined to participate. It was rank stupidity on Molotov's part to leave the Paris meeting. It was a tragedy for nations like Czechoslovakia to have refused—Czechoslovakia, which could have found in the Marshall proposal the link between the East and West, so necessary to prevent another war. We must realize that the consequence of the Soviet action will be a sharpening of the division into two worlds. For this, Soviet leaders must bear the chief responsibility. At the same time, we must not close the door irrevocably. It will be a sign of American greatness, if, without rancor or spite, we hold to our positive generosity.

Secondly, there is a growing tendency to regard the revival and rehabilitation of Germany, and particularly the Ruhr, as a keystone to the whole plan—a tendency which should be resisted by the American people. It is true that Europe cannot be healthy unless the Ruhr's production of coal and iron is raised to a considerable degree—no nation will deny that. But the problem is not simply one of production. The more fundamental question is whether the Ruhr is revived and rehabilitated for the benefit of the German people or for the benefit of the countries devastated by Germany; whether the nations on Germany's borders are to be given security against a new Germany with a revived industrial might or whether they are once again to be left prey to new aggression; and finally, whether the control of the Ruhr is to be placed clearly and definitely in the hands of a responsible international authority.

Thirdly, a number of statements have recently implied that the United States should establish as a condition for aid under the Marshall plan the rejection by European nations of programs for nationalization and systematic extension of government participation in the economic and social life of the people of those nations. We are going to have to live with a socialist Europe. This is apart from the merits of liberal American capitalism. American liberal capitalism will never be revived again in those countries which suffered under fascism and Nazi aggression. But, through our own efforts, we can prevent a Europe of planned economy or socialism from becoming a satellite of Russian communism.

For the issue in Europe today is not between a capitalist or Communist economy; to some degree, every country in Europe and many in Asia has some form of planned economy, and the role of economic planning is expanding rapidly in response to the needs of these countries. Unless we accept this trend, unless we recognize that the real issue is between a planned economy which succeeds in retaining vital democratic liberties, such as the Marshall plan can bring, and a form of planned economy which denies such liberties, such as the Russians believe in, our position will be hopeless. It means that Americans, while retaining a basically free enterprise system as one best fitted for ourselves, must at the same time accept the fact that democratic economic planning in one form or another may well be best suited to most of the countries whom we are trying to help.

In the last analysis, it is up to the people of this country to give flesh and life to the skeleton of the Marshall plan. It is up to the people to see that the President and the State Department and the Congress do not permit the plan to be distorted and twisted from its original conception.

And when it comes to the actual appropriation of funds—even if it means interrupting the vacations of our Senators and Representatives by calling a special session of Congress—it is up to the people to show the Congress that they do regard the Marshall plan as something more than a generous humanitarian gesture—a program which, in the deepest sense, is in the self-interest of a dynamic democratic America. For communism cannot thrive in a world which is economically healthy and prosperous. Moreover, unless the productive capacity of Europe is rehabilitated and revived and expanded, American export trade will suffer a severe blow—with its inevitable consequences in depression and reduced standards of living for ourselves.

In fact, unless we have a continued high degree of export trade, three and one-half million Americans may automatically be out of jobs. The difference between depression and sustained prosperity for America lies in the enactment of the Marshall plan.

But American foreign policy is being determined by American domestic policy. The paradox in American foreign policy and in all I have described above is that we cannot expect to pursue a policy of vigorous aid to democratic governments abroad when the Congress fights even mild liberalism at home. The bulwark against communism abroad will be a democratic trade union movement. But at home the Congress strikes blindly at labor while doing nothing to prevent the basic causes of strikes—which are inflation, bad housing, inadequate health facilities, and unsteadiness of employment. Blindness of this nature in domestic affairs can hardly be expected to be turned into intelligent enlightenment in foreign affairs. Domestic affairs and foreign affairs are as close together as the nail on the finger which is pointing the way to a better world.

It is up to the American people to demonstrate that they are prepared to accept a positive way of thinking in our approach to the world and our relations to it. We must give substance and reality to the Marshall plan at home. We must have ever greater production—and this means a willingness to expand our basic facilities, not to restrict them as our big steel companies have decided; it means a willingness to control inflation in a direct and purposeful manner, not just to recite plaintive and puzzled cries at the rising cost of living; it means a willingness to ensure full employment, not just in the technical papers of economists, but in reality; it means a willingness to apply the TVA idea to other regions of the country, an idea which in little more than a decade has made a backward, ruined and unproductive area one of the most productive and fruitful in the whole country. Harold Stassen has ably pointed out that the major gamble of current Soviet foreign policy is that there will be a major depression and resultant isolationism in the United States. Above all, we must revise our way of thinking about cost and the value of the dollar. We didn't stop to think about cost during the war, when our very existence was threatened. But today, we again tend to think in terms of whether we will be repaid in a specific financial and material sense for our investments. It is up to the American people to show that they believe such an approach to be inadequate, that they are ready to support, regardless of cost, any program the success of which is measured only by its contribution toward building an enlightened America and, in so doing, to extend the idea of a vital, living democracy for all men everywhere.

Why Are Not Chicken Prices Supported in Accordance to the Law?

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, November 24, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, although the champion chicken killer of all time has resigned, the evil and the effect of his manipulations are still with us. The Congress has appropriated ample funds, if properly used, to carry out the provisions of the Steagall and the La Follette-Taft amendments. Congress has appropriated sufficient funds to administer the program, and yet, chickens are being purchased at 60 percent of parity when the law says "not less than 90 percent of parity."

How long do you think the Secretary of Labor would allow employees to receive 60 percent of the 40 cent per hour minimum wage? How long should we allow the poultry producer to receive 60 percent of parity for his wages, when the law of the land states "not less than 90 percent of parity"?

Surely we have many words about a long range agriculture program, but how about the short range one?

I have today sent the Secretary of Agriculture the following letter in regard to this situation:

NOVEMBER 24, 1947.

Hon. CLINTON P. ANDERSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

MY DEAR SECRETARY: A situation has developed in connection with poultry prices that is very disturbing. The market price

is evidently not equal to the support price. The purchase program of your Department, which according to the press release of November 10, 1947, is as follows:

	Cents per pound
Fowl, producer prices (over 4½ pounds live weight)	20.00
Grade A fowl—(New York style dressed weighing over 48 pounds net per box of 12 birds)	28.00
Fowl, producer prices (live weight from 3½ to 4½ pounds)	15.00
Grade A fowl (New York style dressed weighing from 36 to 48 pounds net per box of 12 birds)	22.50

The average price received for chickens by farmers in the United States in 1946 was 28¢ per pound, and the average price in Wisconsin was 26.9¢ per pound. In 1946 there were 2,260,000,000 pounds of chickens sold in the United States, and in Wisconsin there were 61,929,000 pounds sold. The cash receipts for chickens in 1946 plus the value of the chickens consumed on farms amounted to $821,000,000 in the United States and $22,000,000 in the State of Wisconsin.

This does not appear to me to be in keeping with the provision of the Steagall and the La Follette-Taft amendments. You no doubt recall that the Steagall amendment was not supported in accordance to the law on: (1) Eggs in the winter 1943 and 1944. (2) Hogs in the winter of 1943 and 1944. Hogs were allowed to sell during that period for as low as 60 percent of parity when the law plainly stated 90 percent of parity. Light hogs were allowed to be purchased at 6 and 7 cents per pound and the packers converted these hogs into products that were supported on the basis that they had paid the 13 cents per pound for them. In the spring of 1944 the La Follette-Taft amendment was passed. This was an amendment to the Commodity Credit Corporation Extension Act of that year. The La Follette-Taft amendment, in fact, again directed the administrative branch of our Government to follow the provisions of the Steagall amendment without hesitation or circumvention. (3) In the spring of 1947 certain dairymen of the United States received as much as 30 cents per hundredweight less for their milk than the 90 percent of parity provision of the Steagall and La Follette-Taft amendments. Weather conditions and price advances changed this picture.

Now we are faced with the present chicken prices. According to the last monthly report of the United States Department of Agriculture on page 5 of the Agricultural Prices it states, "Chickens, live, per pound parity, 27.2 cents per pound." Ninety percent of parity then is 24.48 cents per pound.

There are many reasons why the Steagall and La Follette-Taft amendments should be lived up to religiously. (1) Commitments of a government to its people should be fulfilled without any hesitancy. (2) If these provisions of law embodied in the Steagall and La Follette-Taft amendments are not lived up to it has a very detrimental effect upon all other agricultural programs. AAA committeemen and county agents are surely handicapped in talking about a farm program when the provisions of the Steagall and La Follette-Taft amendments are not most carefully fulfilled. (3) If the Steagall and La Follette-Taft amendments are not adhered to, it is going to be difficult to put a long-range agricultural program into effect as those charged with responsibility of working out the long-range agricultural program will constantly be faced with an attitude on the part of the people saying, "What good is it to talk about another long-range program when a short-range program which is on the statute books is not being carried out in accordance to the law of the land?"

I am willing to assume my share of the responsibilities for the small part that I have had in supporting the Steagall and La Follette-Taft amendments before the Banking and Currency Committee of the House, and by personal contact with former Senator La Follette in connection with his amendment. However, I belong to the legislative branch of the Government and there is nothing I can do to compel the administrative branch of our Government to live up to these legislative commitments. All I can do is to offer my protest, and that is what inspires me to write you this letter. I have been a member of the Agriculture Committee for 9 years, and I have as high a regard for the United States Department of Agriculture as any individual could have. I have not supported any special privileged legislation for any crop or any commodity. I have cooperated with the United States Department of Agriculture former Secretaries, Mr. Claude Wickard and Mr. Marvin Jones, and with you whenever possible in an effort to make the Steagall and La Follette-Taft amendments followed in accordance to the law.

Please accept this letter in the spirit in which it is sent.

Sincerely yours,

REID F. MURRAY.

The Meaning of an Independent Judiciary

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, November 25 (legislative day of Monday, November 24), 1947

Mr. WILEY. Mr. President, on September 18, 1947, it was my privilege to speak at Grand Rapids, Mich., before the annual meeting of the State bar of Michigan. I ask unanimous consent that the text of my address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

(Address by the Honorable ALEXANDER WILEY, United States Senator from Wisconsin, before the annual meeting of the State Bar of Michigan, Grand Rapids, Mich., September 18, 1947)

THE MEANING OF AN INEPENDENT JUDICIARY

Mr. Chairman, members of the bar, distinguished guests, at the outset of these comments, permit me to express my gratitude for this opportunity to appear before the annual meeting of the State Bar of Michigan, and may I pay a deserved compliment to two great American Senators, the Honorable ARTHUR VANDENBERG and HOMER FERGUSON.

We have assembled for information and light. We have come to charge our batteries anew, so to speak, with constructive thoughts on the legal problems of our day in the State and the Nation, and I am honored by the opportunity to make some small contribution to our mutual thinking this afternoon.

It is good to be in Michigan today and to see so many old familiar scenes. It is particularly good to meet with the bar association and to have the privilege of visiting with many old friends.

As you know, it was my privilege to study for 2 years at the University of Michigan at Ann Arbor, and I learned then to have a very wholesome respect for the legal minds of this State.

I am very grateful for the lessons which I learned during that early formative period of my life, because they provided more than a mere legal background for me.

I feel that it is a tribute to the Law School of the University of Michigan, for those of us who are graduates, to report that in addition to our legal training, the schooling we received at Ann Arbor served to equip us for the grand adventure that is life.

MY EUROPEAN EXPERIENCES

As you may know, I have just returned to these shores from a brief trip in several European countries. Although it was not my primary intention to do so, my experiences during this trip furnished me with some observations on which to base my comments to you today.

OUR SUBJECT TODAY

The focus of our interest now is "The meaning of an independent judiciary" in our times. You and I know that the concept of an independent judiciary is as old as the United States Constitution itself and even more venerable than that, based on the most advanced thinking of the great French and English political scientists of the eighteenth and earlier centuries. It is as old as the concept of checks and balances, the concept of dynamic interplay between separate and distinct branches of government. The fulfillment of this concept is perhaps America's greatest single contribution to modern civilization. In every field of our national endeavor, economic, political, social, religious, the miracle of checks and balances has proved its values.

FORCES WEAKENING INDEPENDENT JUDICIARY

I would like to turn our attention now to the forces which operate and have operated against an independent judiciary, both in our land and in other lands.

1. One of the most dangerous forces destroying the independence of the judiciary is the force of so-called political expediency, expressing itself, for example, in the nomination of nonjudicial judges, of political hacks in payment for partisan favors, the nomination of men lacking the three essentials for a good judge:

(a) Judicial ability and temperament.
(b) Integrity.
(c) American-thinking philosophy.

If you will be good enough to pardon a more or less personal reference to the work of the Senate Judiciary Committee, of which I am honored by being chairman, let me reaffirm the sincere and honest desire of that committee to do a very conscientious job in reviewing the qualifications of every nominee for Federal judicial office who comes before the committee for confirmation.

It has never been the intention of our committee to indulge in any kind of witch-hunting, but we have felt very strongly that it was incumbent upon us to eliminate any unqualified nominees. You may recall that in the Eightieth Congress, our committee initiated the policy of cooperating very closely with the American Bar Association and the various State bar associations.

COOPERATION OF BAR ASSOCIATION

The committee is extremely grateful for the cooperation which we have received, and the reports from the various State associations and from the American Bar Association have been tremendously helpful to the committee.

The American Bar Association and the various State bar groups, such as this one, are to be complimented on a job well done.

It is a tribute to the essential, innate integrity of any group when it can honestly and conscientiously pass on the qualifications of members of its own group when they are nominated for high judicial office.

LACK OF BALANCE

I should like to interject at this point that there has been evident in the last decade and one-half an unfortunate over balance of one type of philosophy in our judiciary.

This is not conjecture. It is borne out by a report which I secured from the Attorney General.

It is a natural enough development for one administration to perpetuate its philosophy in its nominations. But regardless of how natural a process this may be, it must still be scrutinized very closely as a dangerous potential menace to the integrity of the thinking in our judiciary.

Obviously, in courts dominated by one type of thinking, there is little room for the free interplay of ideas which is so essential to the impartial judicial evaluation of the great issues of the day.

I do not say this as an indictment against the courts, and I want to make it clear at the outset that in anything I say here today it is not my intention to disparage or in any way minimize the stature of the Federal judiciary for whom I have the highest respect. It is my intention, however, to comment on certain painfully obvious factors which must be considered in any impartial over-all evaluation of the Federal judiciary.

NO ONE PHILOSOPHY SHOULD DOMINATE COURTS

Please understand also that I am not speaking merely in the narrow partisan terms of Democrat or Republican. I am endeavoring to speak in the infinitely broader terms of "political philosophies," and it is my contention that no one political philosophy, be it Republican or Democrat, collectivist or noncollectivist, States-righters, or Federal-centralization school of thought, should dominate the courts.

Any executive of any political label should be concerned with maintaining an adequate balance in the political philosophy of the Federal courts, so that the independence of the judiciary may be maintained to the end that no judiciary should ever become the mouthpiece for any one administration, or any one political philosophy.

It is evident from the factual record that it may take at least two decades to halt a dangerous trend toward overweighting of the judiciary with one brand of thinking—and by that I do not mean to indict the integrity of the bench—but rather a shortcoming in the executive branch which has made the nominations.

USURPATION OF POWER

2. Another potential menace to an independent judiciary is the usurpation by any of the three coequal branches of government. If the Executive oversteps the bounds of his authority, or if indeed the national legislature itself interferes with the rights and privileges of the judiciary, or if the judiciary attempts to legislate, then the integrity of the judiciary is threatened.

The Father of our Country, George Washington, in his Farewell Address on September 17, 1796, stated:

"The habits of thinking in a free country should inspire caution in those intrusted with its administration to confine themselves within their respective constitutional spheres, avoiding, in the exercise of the power of one department, to encroach upon another."

The history of European dictatorship is invariably marked by usurpation by one branch of government, invariably the executive branch, of the prerogatives of other branches. We must not let that happen here.

UNDESIRABILITY OF JUDGES IN EXECUTIVE POSTS

I should like at this point to comment briefly on the fact that too frequently the Executive has used judges to perform nonjudicial functions in the Federal Government.

The growing practice of drafting judges to fill executive posts is properly a matter of serious concern. Justices of the Supreme Court have been used in this manner, as in the case of Justice Roberts in the Pearl Harbor inquiry, and Justice Jackson in the Nuernberg trials.

Federal circuit judges, district judges, and justices of the Court of Claims have been called upon to perform executive and other nonjudicial functions.

In some cases the assignment has resulted in the permanent withdrawal of the judge from the Nation's judiciary. At other times the judge has merely been "borrowed" for temporary executive duty and then been returned—presumably unsullied—to the sanctity of the judicial robes.

On other occasions the judges have left one judicial post to engage in executive activities and have subsequently been appointed to another judgeship—sometimes higher in rank than the one previously held.

I am seriously disturbed by the growing frequency of this practice.

DANGERS OF SUCH SHIFTS

The propriety of taking men from the bench to fill executive posts is governed in part by the immediate situation and in part by judicial ethics and public policy.

The statutory restrictions on the practice are somewhat limited. We know that when the architects of the Constitution built into that magnificent structure the principles of the separation of powers—legislative, executive, and judicial—they wisely gave to each branch of government the power to resist encroachment on the part of others.

The founding fathers were particularly concerned with preserving the integrity of the judiciary, and, consequently, they sought to underwrite the independence of the judges by security and tenure of office, by fixed salaries and by a clear delineation of jurisdiction.

Hamilton once wrote that "the judiciary is in continual jeopardy of being over-powered, awed, or influenced by its coordinate branches."

It is conceivable that it would be difficult for judges to maintain the integrity and independence of the judicial office if the practice of appointing them to executive offices carrying exceptional privileges and prestige continues unabated.

When this happens, there is always present some lingering suspicion that the Executive can gain desired ends by placing judges in executive appointments.

It is possible that the whole independence and integrity of the judiciary can be embarrassed, if not compromised, by an easy, toll-free route from the bench to a political office.

We who are members of the bar realize, of course, that the canons of ethics of the American Bar Association admonish a judge not to accept "inconsistent duties," and we know that there are other Bar Association canons relating to this practice.

We may safely conclude that the high standard demanded of the Federal Judiciary should not be subjected to the disintegrating erosion of unwarranted exceptions.

It is safe to say that the basic business of judges is and should remain judging.

WEAKNESSES IN JUDICIARY ITSELF

3. Still another force operating against an adequate judiciary might be inherent weaknesses in the judiciary itself, perhaps expressed in the inherent weakness of the judges, in their possible attitude of servility, or in corruption. We must ever be on guard that every judge, who is after all a trustee of the values of the people, conducts himself in a manner befitting that trusteeship.

An independent judiciary is a strong judiciary, a fearless judiciary, having respect for its coequal branches of government, but respecting even more its paramount obligation to the American people in interpreting the supreme law of the land.

There was a time in Anglo-American history when judges were in low repute because of their improper conduct both on and off the bench. Now we know that the personal touch in judicature can be a blighting touch where even slight deviations from the standards might destroy respect for courts as tribunals of impersonal justice.

Judge Bond once said: "Perhaps it is only by preserving the conception of a court of justice as something larger than the men who carry it on, as something which transcends them, and compels their reverence, that the ground gained through the centuries and left to us of later generations, can be held secure."

It is disturbing to read that members of the highest court in our land have engaged in public verbal altercations.

ONE-TRIP JUSTICE

4. A great many lawyers throughout the land, and a great many laymen also, are becoming increasingly concerned with the rapidity with which old established judicial landmarks are being razed and ruthlessly replaced by a whole new judicial sky line of precedent-shattering decisions.

It has been estimated that of all the occasions when the Supreme Court of the United States in effect overruled previous case decisions since the very first days of the Supreme Court, some 37 percent of those overrulings of earlier decisions occurred in the period between January 1939 and June 1946.

This is, indeed, rewriting judicial history with a vengeance. It is perhaps not for you and for me to say that these overrulings of earlier decisions are not entirely proper in view of the fast-moving changes in the political, economic, and social structure of our land.

Nevertheless, it is evident that we are charting whole new highways of case law with new milestones and highway markers replacing old familiar judicial landmarks.

In some cases the old judicial landmarks have been completely eliminated by court legislation.

Justice Roberts in a dissenting opinion in the case of *Smith* v. *Allwright* (321 U. S. 649, 699) commented on the fact that the decision "overruling that announced about 9 years ago, tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, good for this day and train only."

JUDICIAL NO-MAN'S LAND

Now, that is the opinion of a Justice of the Supreme Court, who recognized a growing feeling of insecurity—a judicial impermanence—a kind of judicial no-man's land, where laymen and lawyers and judges could no longer look to the old established judicial landmarks for guidance.

Justice Frankfurter of the Supreme Court in a dissenting opinion handed down January 6, 1947, in the case of *Katzinger Co.* v. *Chicago Metallic Manufacturing Co.* (329 U. S. 394, 416), referred to another decision of the Court where he evidently felt that the overruling had not even had sufficient judicial decency to completely eliminate the possible confusion attendant upon an earlier decision. He said: "If a doctrine that was vital law for more than 90 years will be found to have been now deprived of life, we ought at least to give it a decent public burial."

Lawyers are familiar with these dissents and with other historic dissenting opinions.

I mention them only by way of side commentary on the fact that many such historic decisions are made with a sharply divided Court.

INSULATION OF JUDICIARY

There is one other aspect of judicial integrity which warrants at least a passing comment, and that is the insulation of the

judiciary from public opinion. In a dissenting opinion handed down on May 19, 1947, in a private lawsuit between individuals in Texas which, however, involved a publisher, Justice Jackson referred to a brief filed by the American Newspaper Publishers Association which pointed out that the association had a membership of more than 700 newspaper publishers.

Justice Jackson commented: "This might be a good case to demonstrate the fortitude of the judiciary."

I am not in any sense endeavoring to comment on the merits or demerits of these dissents, nor would I want them considered as they relate to a specific case. I do believe that Justice Jackson said something very basic when he said that we must demonstrate the fortitude of the judiciary.

In conclusion, I reiterate that I would not want my remarks interpreted as being in any sense a reflection on the judiciary of our land, because I feel that it is imperative that no unwarranted reflections be cast on the judiciary.

In fact, it is only from a concern with protecting and safeguarding both the integrity and the stature of the Court that I venture even to make these observations. I want to make it perfectly clear that I have a high respect for the judiciary, but just as members of the judiciary themselves have observed the need for continued vigilance in protecting the judicial chastity of the bench so must all conscientious lawyers join in continued vigilance to maintain inviolate the sanctity of our judicial system.

OUR OBLIGATION TO JUDICIARY

It is the obligation of every member of the legal profession to seek to maintain a strong and independent judiciary in our land against whatever force would weaken it. To do so requires cooperation from every public-spirited lawyer and judge, from every Member of the Congress, including, of course, in particular, the Senate and House Judiciary Committees, and, indeed, from every citizen.

Each of us has the obligation, whatever our profession, to uphold the judiciary as the supreme protector of our American birthright. In protecting the American judiciary from attack, from whatever quarter, we are simultaneously protecting ourselves, our rights, and our liberties, and those of our children and our children's children, from whatever menace the mind of man can mistakenly or maliciously conceive.

The mind of man is indeed a source for infinite good or infinite evil. Here on this blessed continent the minds of all generations of America have been dedicated to building and enhancing the noblest values of men. It is up to us to continue in that tradition. To do so we must maintain unimpaired the strength and independence of our American Constitution.

CONCLUSION

In this age of material splendor and achievement we must not forget the spiritual wisdom which constitutes the real framework of our national life. We must fight moral decadence at every turn. The world needs spiritual splendor, spiritual ideas of honesty, purity, unselfishness, love more than it needs goods. Without these ideas, goods will only be a palliative. Material remedies for moral ills are ineffective. Many nations are at the ebbtide of spiritual vitality. Our age will determine which of the rival, revolutionary philosophies shall sweep the generations of men. You and I cannot stand idly by. We are called to a great purpose—to serve God, humanity, and our country—by seeing to it that there is a spiritual rebirth. It is a momentous hour in history, and we ordinary folks can be truly great if we do the great job before us.

Tribute to the Late Chief Justice Stone by Herbert Wechsler

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, November 25 (legislative day of Monday, November 24), 1947

Mr. HILL. Mr. President, as one who was privileged to be a student under the late great and beloved Chief Justice of the United States, Harlan F. Stone, when he was dean of the Columbia University Law School, I ask to have printed in the Appendix of the RECORD the very fine and scholarly tribute paid by Mr. Herbert Wechsler at the meeting of the bar of the Supreme Court of the United States in memory of the late Chief Justice on November 12 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The custom of this bar for almost a century was to lament the passing of a Justice by wearing the badge of mourning during the term. It is well that the practice has been altered; for the man in whose memory we are assembled was no believer in such outward signs. He warmed both hands robustly before the fire of life, but when it sank—though suddenly—we may be certain he was ready to depart. His counsel for today would be to think not on his death but on his work. His hope would be no more than that the effort and the product of his years may yield for us, whose work is yet undone, some signal of the path we wish to follow, some token of our duty.

Such title as I have to speak about the meaning of this useful life is held in common with a score of others. He took us from the classroom, as you know, acting with that special faith in youth and in the schools that somehow is maintained upon this Court. We held a perch beneath the rafters of his chambers usually for but a single term. Though jointly we bear witness to the full span of his judicial service, each of us knows nothing but a fragment of the whole, fragments that inevitably differ with all the changes in the issues and the emphases of more than 21 exciting years.

If all could be heard, the seniors of our number would speak of the time of the novitiate, when fresh from teaching, practice, and the Cabinet he took his seat upon this bench. These were the terms of first impressions—of initial soundings in the sea of controversy that constitutes the business of the Court. Others would tell of terms when this was over, the bearings taken, and the directions setted upon many of the major issues of the time. This was the period when the name of Stone was so often joined with those of Holmes and Brandeis or later of Cardozo in the great triumvirates that gave warning of the storm approaching before the lightning was seen by others or the thunder generally heard. A third group would dwell upon the years of crisis, the direction of the Nation's polity hinging on the trend of the decisions, conflict within the Court no less acute or less portentous than the challenge to the very institution mounting swiftly to a climax in another place upon this Hill. Still other voices would describe the time of the judicial readjustment, the unfolding of what the Justice called "the historic shift of emphasis in constitutional interpretation" that began before the great debate was through. This was for him the period of the prophetic realization, the dissents of former years delivered now as judgments on so many basic questions, the whole a triumph of persistent conviction that has its parallel in the lives of few judges, its analog in the stories of few men.

Finally, there are among us some who know the years of service as Chief Justice, judicial labor no less heavy for the addition of administrative duties, the challenge of the great responsibility sharpened by the awful fact of war. Change in the contentious areas of constitutional controversy was by this time clearly delineated. So, too, was it made plain that controversy itself had not been ended by the change; that here, as elsewhere, no solutions can be final and definitive—for all give birth to new issues rising from the ashes of the old; that powerful forces and high values, pursuing their persistent competition, ever generate fresh dilemmas to challenge the wisdom of this Court.

Within these changing settings, different themes stand forth throughout the years. The largest point in the beginning had to do, of course, with insular experimentation, the power of a State's democracy to fashion changes in the legal order by laying on the enterprise within its borders restraints or taxes deemed by it—but not by many others—to advance the common weal. The point, thereafter, has to do with matters far from insular, the power of the men who represent the full constituency to marshal the resources of the Nation in ways they think constructive—though many men in every State believe the measures baneful and their purpose even worse. The point in other contexts is concerned with the policing of our federalism, assessing the authority of some one State to force its will on men or institutions centered within other borders or engaged in commerce among many States—their standing with the local legislature little more than that of strangers in the gates. Another point, in many ways the most perplexing, centers in the differences that mark controls upon the ways of men in getting and in spending and those that touch affairs of conscience or expression, involving an assault upon the final bulwark of the single human spirit facing other men, his country, and his God.

On such great themes as these, the Justice, as occasion offered, brought to bear his full creative power, knowing that to men of law there are no deeper problems, certain of the title and the duty of this Court to fashion from our basic charter answers that will stand against the cries of faction and the test of time: certain also that no answer stands merely on the ground of its authority, that what maintains a judgment in the end is its appeal to reason for support.

This is, of course, to point to what for us could not but be the highest moments—the days in which the justice shaped—whether for the Court or in dissent—opinions drawing on the final sanction—the instrument "intended," as he often liked to quote "to endure for ages to come, and, consequently, to be adapted to the various crises in human affairs." His insight was that both the Constitution and this Court are "instruments of government," that government is an intensely practical activity, its problems centered in the areas of deepest conflict in the interests and affairs of men, its measures born far less of changing theories than of changing facts. He had, therefore, the firm conviction that the basic law must stand above the normal reaches of the conflict and the pressures; that when it speaks to problems of such practical dimension it must direct itself to actuality and cannot rest on vague or flimsy formulae so often scattered in the books. It shocked him always to discover how much there was in the decisions or opinions offered as authority in argument before this Court that did not satisfy these crucial standards;

and nothing pleased him more than the belief that he had made sound principles articulate in working over some such area of barren ground. He sought throughout, within the great tradition of this Court, to show that the inherited document has few absolutes to limit democratic action, that those it has are in the fields where only absolutes—or something very close to them—will keep the action democratic or will preserve those final decencies on which Americans have always been prepared to stake their title to survive.

Men whose fashion is to press their power to the utmost—and they are always many—will never understand how much there was of self-subordination in this great work; the talent and the passion—not to speak of craft—so often given to sustaining measures that the Justice, had their merits been for him, would certainly have held pernicious; the strength of the conviction that, except within the narrow limits where the Constitution speaks most firmly or the highest values stand, the antidote for legislative error must be found not in this Court but at the polls. An age which ever tends to specialize its interests does well to ponder and to honor this capacity for disinterested judging, this ability to etch a standard of adjudication that sustains the governmental structure—whatever party has its transient dominance, whatever claims to power or advantage win political acceptance for the time.

And even in the reaches where the Justice thought the Constitution posed a bar to legislation—a field in which he did not hesitate to stand alone—the men or doctrines or activities he deemed entitled to protection would not often have achieved a shred of his approval, were the issue what he thought was good or useful rather than the right of other men to do or hold or urge what in their wisdom and in God's broad grace they deemed desirable, however much their fellows disapproved. I say an age which seems progressively to specialize its interests can do no better than to contemplate this man whose greatest work inhered so largely in affirming the power or the right of others—be they officials or the victims of officials—to do or to maintain what in his private view he would have thought quite base or wrong.

Not all men who viewed their duty thus would find the work congenial—despite the dignity and honor that attaches to the highest court. In this case, though, I think the mission was completely sympathetic. The reason is, in part, that one who viewed all power as a public trust, its only satisfactions in the chance to render service, was devoted necessarily to abstract and ideal ends. The deeper reason is that Justice Stone was of that small group of men who really have the democratic spirit—to use a term that has been much abused and never more than at this time. I use it, let me add, in none of those strange senses that distort the minds of men today—nor even in the sense in which democracy is taken to bespeak benevolent compassion. I mean no more and certainly no less than the hard faith that other men—both in and out of office—however much we disapprove their natures or their works, have rights that are entitled to respect; that to define these rights, to cherish and support them is the very heart of the enduring quest for liberty and justice under law.

The quality of which I speak is that which more than 60 years ago a Massachusetts judge named Holmes declared "the deepest cause we have to love our country—that instinct, that spark that makes the American unable to meet his fellowman otherwise than simply as a man * * *." This, indeed, if nothing else, we know who shared, however briefly, the democracy of Justice Stone's own workshop. I dread to think—even at this distance—how often our youthful discourse must have seemed to overlook the fact that the Justice rather than his law clerk was the man a President had chosen and a Senate had confirmed. The dread is softened by the thought that no man found transgression less in such presumption, no man had less pride of place or was more genuinely eager to hear stated any relevant idea.

To speak of self-denial in Justice Stone's conception of judicial duty is not, of course, to mean that he believed the judge's task mechanical or even marginal—and least of all the task of judges of this Court. Needless to say, the "shift in emphasis in constitutional interpretation," to use his words again, involved the most creative adjudication, premised on the view that, as he said, "judicial interpretations of the Constitution, since they were beyond legislative correction, could not be taken as the last word," were "open to reconsideration, in the light of new experience and greater knowledge and wisdom."

The spirit was the same—though the limits and desiderata somewhat different in the areas that are not beyond the pale of legislative correction, the normal work of law administration that yields the largest quantity of grist for this Court's mill. No one could more firmly hold an issue closed because a valid statute gave the final answer. But no one would more candidly conclude, when all was weighed, that Congress left the issue open, or shrink less from the view that in such case judicial choice is free and must be made on what amount to legislative grounds. He said that recognition of these truths gave "high distinction" to the work of Justice Brandeis. No recognition ever has been clearer than his own. Within the limits that he set himself, his conscious purpose was to practice what he called the "creative art by which familiar legal doctrines have been molded to the needs of a later day," the "process," as he put it, "which throughout the history of the law, has in varying degrees served to renew its vitality and to continue its capacity for growth."

To state such principles is not, of course, to give the measure of their application. The art of which he spoke, like other arts, achieves its greatness in the judgment of the artist, the instinct or the talent that knows where and how to draw the lines between competing values, to find results that have the quality of median proportion that men, wherever reason has its dominance, perceive as the constituent of justice. This is, I think, the final standard that the country used in placing such consummate confidence in Justice Stone's judicial work; it found his judgment true. There are no better words in which to give the spirit of this sentiment than those that Ezra Thayer used of Gray of Harvard, he was a "rock of trust." Men had the sense that in his hands a balance had been struck between the polar claims of States and Nation, Government and enterprise, groups and individuals, progress and tradition.

I have a final word that is concerned less with the Justice or the chief who gave us access to his chambers than with the man who gave us entry to his home. Young lawyers have a tendency to view the law as all-absorbing, forgetting that the richness of a life inheres as much in range of interest and appreciation as in the rule of service and devotion to the daily task. On this point, too, his law clerks could but note with awe the Justice's example. For while no other interest could compute with his judicial duty, he managed somehow to despatch his work without exhausting either time or energy. Somehow within the framework of this busy life he found the moments to devote to living; the house and study Mrs. Stone and he designed with scrupulous attention to detail; music and the arts, including most discriminate collecting; Amherst, the Folger Library, and later the gallery and Smithsonian; evenings of the widest reading; visitors of grand and humble station, received with equal grace; the garden as a place to work as well as linger; long and, if a weaker man may say so, brisk walks each day, with small regard to weather; a joy in talk, and growing things, and company, and knowledge; a taste for wine when it is good; an abiding interest in affairs of scholarship and education; a helpful word to other men who sought advice or lacked encouragement.

Somehow, I know not how, all this was fused with his judicial labor; the life we had the privilege of witnessing was simple, natural, and untroubled—to borrow words the Justice used in speaking of the birthplace of the President who gave him his original commission. In a phrenetic age, he was unruffled and unhurried. His household had the calm of a New England landscape. He prized the things that make up a developed civilization. He loved the things that in the end we have law for.

Most of our number saw him last when in the spring of 1945 he and Mrs. Stone dined with his law clerks at the close of 20 years of service on this Court. There was a moment in the evening when some lines were read from the first law lecture given at Columbia College, that of James Kent in 1794.

The passage began: "The events which are rapidly crowding the present era are to be deemed among the most solemn and the most important in their consequences of any which have hitherto been displayed in the history of mankind. Great revolutions are taking place in the European world, in government, in policy, and in morals, and a new turn will be given to the habits of thinking and probably the destination of human society. But amidst the universal passion for novelty, which threatens to overturn everything which bears the stamp of time and experience, we in this country ought to be extremely careful not to pass along unconscious of the labors of the patriots who effected our Revolution; nor let the admirable fabrics of our Constitutions, and the all-pervading freedom of our common law, be left unheeded or despised."

The passage from Kent's lecture ended: "I am most thoroughly, most deeply persuaded, that we are favored with the best political institutions, take them for all in all, of any people that ever were united in the bonds of civil society. The goodness of these institutions will brighten on free investigation, and faithful experiment, and be respected according as they are understood."

It seemed to me that, as the words were read, the twelfth Chief Justice—once the third Kent professor of law in Columbia University—smiled with interest and approval. I know that many thought, as I did, of the miracle by which ideas project themselves across the chasm of the years, the thoughts enduring as their applications change. In our mind's eye we saw a Chief Justice yet unborn surrounded by his law clerks born much later; and we knew that when their discourse touched the great men of the past who had sustained their country's institutions it would include high tribute to the work of Harlan Stone.

Vicious Lobby Invading Nation's Capital To Destroy Farm Cooperatives

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. PATMAN. Mr. Speaker, permission having been granted for that purpose, I am inserting herewith a copy of

my statement before the Committee on Ways and Means, November 20, 1947, on cooperatives. It is as follows:

Mr. Chairman and members of the committee, I appreciate the opportunity of appearing before this powerful committee of the House of Representatives on a question of great importance. It involves farm cooperatives and title 101 of the Internal Revenue Act.

ISSUE MISUNDERSTOOD AND MISREPRESENTED

The age-old question, "Have you quit beating your wife yet?" is similar to the question that is generally asked by misinformed and uninformed people concerning cooperatives. The question usually asked is, "Do you favor taxing co-ops the same as private corporations and other businesses?" If you answer "Yes," it is implying that cooperatives have not been taxed like other businesses; if you answer "No," it implies that you are for the cooperatives dodging taxes. Never in my experience in public life—25 years—have I known an issue to be more misrepresented and misunderstood than this very issue involving farm cooperatives.

COUNTRY SOLD ON FALLACIOUS THEORY

It is true that one national organization backed by unlimited funds has sold the country, including many Members of Congress and many of the small businessmen of the Nation, on the fallacious theory that cooperatives are tax dodgers, tax evaders, a menace to private enterprise, and should be destroyed as a way of doing business. I shudder to think what might happen if a similar organization backed by like funds, with the same assistance that has been given by the press and radio news commentators, might accomplish in the way of selling our country on a different form of government if they so vigorously attempted to do so.

SHORT SLOGAN REQUIRES HOUR TO ANSWER

The most effective and devastating campaign that can be carried on is one in which short slogans or phrases are used. Speakers appearing before civic clubs, chambers of commerce, and other groups in towns and cities in this country, incidentally where cooperative members are not likely to be found, repeat such slogans as "You favor tax equality," "You believe in paying your fair share of the taxes," "Do you know that a large segment of our business economy, the cooperatives, are escaping taxation; that they are tax dodgers; that they are putting you out of business through subsidized Government help and by evading taxes?" You can imagine the response where there is no opposition. Yet, when the facts are obtained and evaluated, it is quickly discovered what a deceitful and untrue campaign is being conducted. The truth is, farm cooperatives pay taxes like all other free-enterprise concerns. They are not tax dodgers or tax evaders and are not a menace to other forms of business and they represent a healthy addition to our economy. In a country like our own where people are in such a big hurry and pay so much attention to slogans and headlines without taking the time to know fully the facts, such a campaign as has been conducted against cooperatives can be a very effective one, as has been demonstrated. It is not a difficult matter to use a devastating phrase or slogan that will require an hour of logic and reason to answer, but how many people will listen to an hour of logic and reason for an answer?

DIFFERENCE BETWEEN INCOME AND SAVING

A lot of the misunderstanding of the question of cooperatives has been brought about by the failure of those who are misinformed to understand the difference between income and savings. If a purchaser of an automobile secures it for $1,500 from his dealer when the market price of the vehicle is $2,500 and the purchaser could immediately sell it for $2,500, that does not mean that the purchaser of the automobile should pay income taxes on the $1,000 he has saved. The sixteenth amendment to our United States Constitution authorizes the levy of a tax on income, not savings. There cannot be an income without a sale. If 100 farmers get together and collectively buy through a cooperative that they form to act for them 5 tons of commercial fertilizer each and in this way they save $10 a ton or $50 each, no one can logically contend that each farmer should pay a tax on the amount he saved. On the other hand, if a farm selling cooperative handles the products of a hundred farmers and advances each farmer the then current market price, and then by selling in large quantity and being in a position to bargain collectively with the buyer of the 100 farmers products and in that way get 25 percent more, which is remitted to each farmer, there is an income that is subject to tax. It is not an income to the cooperative, because the cooperative is a mere agent of the farmers, but it is an income to each farmer, which enters into his tax liability to the Federal Government, and there is no tax evasion.

TAXING PATRONAGE DIVIDENDS OR REFUNDS MAIN QUESTION

It is proposed—and I consider this question the major one involved—that patronage dividends or refunds that are made by a cooperative to its members be taxed to the cooperative for Federal income tax purposes. I am opposed to this proposal for the following reasons:

1. It would be unconstitutional, since refunds by a farmers' buying organization to its members are not income but are savings; dividends by a marketing cooperative to its members belong to the member and are subject to tax in the hands of its members.

2. It would be a penalty or death tax against cooperatives, which is not imposed upon any other form of private enterprise.

3. A partnership occupies exactly the same tax status as a cooperative, insofar as patronage refunds or dividends are concerned. A partnership, as an entity, does not pay taxes, but the earnings of the partnership when distributed to its members are liable for Federal income taxes. A cooperative does not pay taxes as a business entity, but earnings of the cooperative as an agent of its members when distributed to the members are liable for Federal income taxes just like the members of a partnership. They occupy exactly the same status for Federal income tax purposes.

In the consideration of the question involving charges that cooperatives do not pay their fair share of Federal income taxes, the statement is often made that a certain cooperative would pay so much in taxes if the cooperative paid the same taxes as it would pay as a corporation. Although I do not agree that the comparison is fair or should receive consideration, it is so often made that the same comparison should be given about the amount of taxes partnerships would pay if they paid taxes as corporations. The Treasury, at my request, has estimated the amount of taxes partnerships would have paid in 1946 if the partnerships had paid taxes as if they were corporations. Allowing 20 percent of the income of each partnership as salaries and making proper deductions therefor, partnerships in the United States during the year 1946 would have paid $1,860,000,000. If 50 percent is allowed for salaries, the partnerships would have paid $1,120,000,000.

4. Individual proprietorships operating under assumed names do not pay taxes as a business entity, but the individual receiving the earnings of the assumed-name business concern must pay Federal income taxes, if due.

5. To impose such a tax would be unduly and unmercifully oppressing to a large group of our population who are using the cooperative as a self-help institution and as an effective means of improving their lot and manner of living. The individual farmer, unorganized, is at the mercy of the buyer of his products.

6. It would be favoring big interests, big wealth, and monopolies, and discriminating against the poor people of our country, especially the hard-working farmers of the Nation.

WHY ODIOUS PHRASE ATTACHED ONLY TO FARM COOPERATIVES

Why should the phrase "tax exempt" be used against cooperatives insofar as it relates to patronage refunds and dividends? If a cooperative gives a patronage refund, it is referred to as tax exempt. The law merely states that no taxes shall be required of the partnership, which has the same practical effect as being tax-exempt. The law does not state that patronage refunds given by private corporations to their customers, under certain terms and conditions, are tax exempt; the law merely provides that the private corporation shall not be required to pay taxes on such refunds. I wonder why the odious phrase should be attached to farm organizations, and under identical facts and circumstances such a phrase is not used against other forms of private enterprise like partnerships and corporations?

COMMITTEE ON SMALL BUSINESS REPORT ON COOPERATIVES, 1946

From the time of the creation of the Committee on Small Business of the House, which was a few days before Pearl Harbor in 1941, until the beginning of the Eightieth Congress, January 3, 1947, I had the honor of being chairman of the Small Business Committee of the House. In 1945 our committee was very much impressed by the charges made by the National Tax Equality Association, and our committee agreed to investigate these charges for the purpose of determining whether or not they were true in whole or in part and if so, to make recommendations to the Congress concerning the charges. We spent more than a year investigating the charges of this association. We heard witnesses on both sides all over the country. We gave each side as much time as it desired and heard every witness either side requested be heard. After the testimony was all in, the staff of our committee commenced preparation of a report to Congress in consultation with committee members. That report was agreed to by all the nine members of that committee—five Democrats and four Republicans—and was filed April 9, 1946. It is report No. 1888, Seventy-ninth Congress, second session. It is entitled "The Competition of Cooperatives With Other Forms of Business Enterprise." It contains 43 pages. On page 2 of the report the issues are set forth as raised by the National Tax Equality Association. They are 14 in number and carefully enumerated. On page 3 the answers of the cooperative officials are summarized. On page 5 there is a chart that discloses the different kinds of taxes paid to the city, county, State, and Federal Governments by corporations, partnerships, individuals, proprietorships, consumer cooperatives, and farm cooperatives. The report contains a discussion of the legislative history of cooperatives under income-tax regulations. It also discusses the types of cooperatives. It is not unusual for arguments to be made about one cooperative when another cooperative is intended. This discussion attempts to clear up the issue on that point. This report also discusses the organization of farmer cooperatives, operation of farmer cooperatives, financial structure of farmer cooperatives, income-tax status of farmer cooperatives, nonexempt cooperatives, exempt cooperatives, comparison of farmer cooperatives with other types of business. Charts 1, 2, 3, 4, 5, 6, 7, and 8, on pages 26 to 30, inclusive, disclose the type of

associations that are cooperatives and federations, the amount of business done annually over a period of many years by each, the number of members of each and other valuable information. The conclusions of our committee are contained on pages 39 to 42, and our recommendations on pages 42 and 43 of the report.

This report of the Committee on Small Business of the House was submitted, before it was authorized by the members of the committee, to the officials of the National Tax Equality Association for comment, as well as to the officials of the cooperatives. Our staff and members of our committee sat across the table with these groups and discussed every sentence and paragraph in this report with them. The report was only agreed to after it was determined that the National Tax Equality Association could not present a logical or reasonable argument against any statement contained therein. This report represents the first report, to my knowledge, that has ever been made by a congressional committee after a study and investigation involving the question of cooperatives. It is unique in that it is the only congressional report that we have on this subject. It may be considered a bible on the subject, because to this day no one has been able to point out any part of the report that is untrue, unjustified or wrong in any particular.

RECONSIDERATION OF REPORT NEVER CONSIDERED

This report stands as a report of the Committee on Small Business of the House. Before your committee, witnesses have testified that the report has been repudiated. This is not true. The only way it can be repudiated is for the Committee on Small Business to meet, discuss it and then vote to repudiate it. This has not been done. Furthermore, no meeting of the Committee on Small Business has been called for the purpose of discussing a repudiation of this report. In addition, the question of repudiating this report in whole or in part has never been discussed, to my knowledge, at a meeting of the Committee on Small Business and I believe I would know it if it has been discussed, since I have attended practically all of the meetings of the committee, and being the ranking minority member, I am sure it would have been brought to my attention if it had been discussed.

A copy of our report filed in 1946 is being presented to each member of this committee, and since it involves almost 2 years' work of a committee and an efficient staff and is material in this investigation, it is my suggestion that it be made a part of these hearings.

DEATH TAX PROPOSED ON COOPERATIVES

Who are these people trying to impose a death tax upon cooperatives? The National Tax Equality Association, of Chicago, raises a huge amount of money every year for that purpose. It employs agents, speakers, and lecturers to mislead the people and pays them enormous salaries and expenses. Where does it get the money to fight what are called tax-exempt cooperatives? They get tax-exempt money for that purpose. It is easy to persuade one who is in the higher-income brackets to contribute to a cause like this if the taxpayer is in the 90-percent bracket, for every $100 paid this association, $10 will represent a contribution by the taxpayer and $90 will represent a contribution by Uncle Sam. A large part of the money used in this vicious attack by propagandists has been diverted from our Treasury into the pockets of these lobbyists.

RACKETS SHOULD NOT BE ENCOURAGED BY TAX LAWS

Corporations are not permitted by law to make political contributions, but there is nothing in the law to prevent them from paying a big price for printed literature, pamphlets, and books from an association of this kind, which will result in enormous profits to the association. I suggest that this committee look into the abuse of the law, which permits contributions made to such concerns as the National Tax Equality Association to be exempt and which permits tax money to be diverted for purely partisan, selfish propaganda purposes. This policy encourages rackets at the taxpayers' expense.

FASCIST TREND IN THE UNITED STATES

That is the way fascism started in Italy. If the members of this committee will refer to page 18 of the booklet Fascism in Action, House Document 401, Eightieth Congress, first session, prepared by the Legislative Reference Service of the Library of Congress, it will be discovered that in the discussion of the rise to power of the Fascist Party in Italy that it was financed along similar lines that the NTEA and many other organizations are being financed in America today. Concerning Italy in this book, page 18, an exact quote is as follows:

"Financed at first by men of wealth as a defense against socialism, the Fascist Party later depended upon membership fees and annual dues, special levies and assessments which furnished it ample funds."

This is the way many of our organizations are operating today.

FASCISTS FIRST DESTROY COOPERATIVES

It will also be discovered from reading the book, Fascism In Action, that one of the first things that a Fascist leader does is to destroy credit unions, farmer cooperatives, labor unions, and all other forms of cooperatives for the obvious reason that they are too democratic. References in this book, which fully prove this point, may be found concerning Germany on page 88; on Italy, Spain, and Japan, on page 106; and as a general pattern of fascism in general for all countries, on page 201.

BOTH COMMUNISM AND FASCISM BAD FOR UNITED STATES

In the operations of many of these organizations in America today, one may easily and quickly discover strong fascistic tendencies. We must continue to fight communism with all our power and might, and as long as we have a better government than the Communists can offer—and I cannot conceive of our Government ever getting as bad as communism—the intelligent people of our Nation will be able to hold back the spread of communism. However, while we are fighting this enemy that is approaching us from the left in the form of communism, let us not overlook an equally vicious enemy approaching from the right in the form of fascism. We want neither, and may I urge you to consider changing the laws relating to tax exemption for these so-called educational organizations, such as NTEA, for the purpose of preventing the diversion of taxes that should go into the United States Treasury and also for the purpose of discouraging the growth of fascism in our country. I do not say that every person who is against cooperatives is a Fascist. Some of our finest and best citizens have been honestly misled into believing that the cooperative movement is harmful to our country, but I do say that every Fascist in our country and every Fascist-minded person in our country is against cooperatives.

SMALL BUSINESS ALARMED ABOUT COOPERATIVES

Small business concerns over the Nation have been led to believe that cooperatives are their enemy and should be destroyed. Most of this type propaganda comes from the national corporate chains for the purpose of diverting attention from the menace they create and also in the hope that it will divide cooperatives, composed of small businessmen, and other groups of small business, which have so much in common.

Here and there independent merchants will be faced with the competition of the cooperatives, in certain lines of business where the profit margins are high. It is much better for the independent merchant to have cooperative competition than the monopolistic chain-store system. It is proven by decisions of Federal courts that it is the policy of national corporate chains to sell at a loss for the purpose of destroying the business of an independent merchant until the independent merchant is forced to close his doors and go into bankruptcy. One chain system, it was proven, followed this practice to the extent of 25 percent to 30 percent of its stores at all times. The national chain could afford to do this since its prices were higher where competition had already been destroyed and in addition the national chain was allowed to obtain a tax deduction on its Federal income taxes for the loss. Since the loss was tax deductible, Uncle Sam pays most of the cost of putting independent merchants out of business; in other words, our Government is placed in the position of subsidizing the national chains for putting independent businessmen out of business.

A list of the contributors to the NTEA will doubtless disclose that the national corporate chains are furnishing a large part of the money to fight cooperatives.

Which is better for independent business? The cooperative certainly cannot sell at a loss to put the independent out of business. Furthermore, the cooperative is locally owned and the profits and savings of the cooperative members remain in that community, which is helpful to the entire community. The profits of the national chain leave the community immediately. It has been proven that independent merchants are more prosperous where farm cooperatives are successful. In Norway and Sweden, there is no chain-store system covering either country; the cooperatives are strong there and a chain system cannot succeed. However, the independent merchants in those countries are prosperous; small business has a real opportunity.

A few years ago out in the Middle West a cooperative returned to its member owners all their patronage refunds or dividends in silver dollars. As those same silver dollars reappeared in the hands of the druggist, the baker, the shoe repairman, and all the other small businessmen, it was learned that cooperatives keep wealth and buying power at home and that the small independent businessman prospered thereby. Most of the checks that are given by cooperatives to their members for patronage refunds or dividends are cashed by independent merchants.

CONCLUSION

In conclusion, I would like to summarize some thoughts for the consideration of this committee:

1. Cooperatives are born out of economic necessity. They protect people from exploitation who would be helpless unorganized. In other words, those individuals who standing alone would be exposed to the greed of vested interests.

2. Cooperatives have done more to protect poor and helpless people from the chiselers, cheaters, and racketeers than any other one effort that I have known of during my lifetime.

3. Cooperatives build community life. They protect, preserve, and encourage the three greatest institutions on earth—the home, the church, and the school.

4. Cooperatives are the greatest protection to the little man of the farm, ranch, and orchard. A cooperative makes a businessman out of every member, regardless of how small an operator he is, which results in a better citizen. His one voice would never be heard but organized in the cooperative way, the collective voice of thousands of little fellows is heard through the length and breadth of the Nation, in the State legislatures, and also in the National Congress.

Incidentally, that is what the big lobbyists object to, being so successfully opposed by representatives of farmers' organizations who are permitted to be here with the aid of cooperatives.

5. Cooperatives keep their profits at home in the hands of its members and they are deposited in a local bank, thereby making additional credit available for people in that area to further help in building the community.

6. Cooperatives prevent the concentration of wealth in the hands of a few, which is the lifeblood of a democracy.

7. Cooperatives are the greatest bulwark against monopoly, communism, and fascism. No real cooperative association exists in Russia or any other totalitarian government.

8. Small business generally is in a more favorable position in areas in the United States where farmer cooperatives are the strongest. This is also true in other countries.

9. Cooperatives represent an important part of the free private enterprise system. They are not confined to farmer buying and farmer marketing cooperatives. Mutual fire, health, casualty, automobile, and life insurance associations, mutual banks, mutual building and loans, credit unions, and rural electrification associations are also involved. Credit unions protect the people from loan sharks where they would be charged from 50 percent to 1,000 percent interest on loans. The REA cooperatives have provided the farmers with one of the greatest blessings of mankind, electricity.

10. Farmers who are members of these cooperatives, handicapped by less manpower and more worn machinery than ever before, produced more food during our great war emergency in the Second World War than ever before despite these handicaps. Food was just as important in the winning of the war as bullets. Should we so quickly forget this great contribution the farmers made in the war effort by slapping them in the face with a death tax against their cooperative organizations?

11. Cooperatives usually prosper and survive either by their members having an interest in common which enables them to unselfishly work in the interest of the entire group or by reason of necessity to protect themselves from exploitation. There was no objection to farm cooperatives until they commenced to step on the exploiters' toes.

12. The charge is made that cooperatives should be stopped as a way of doing business because some of them are large. I am glad they are large. That is the only way they can bargain collectively with other large concerns. Until a cooperative becomes as large as the largest private corporation in that field, there should not be any complaint against the cooperative.

BIGGEST LOBBY IN NATIONAL CAPITAL

It is realized that the biggest lobby in Washington today is the anticooperative lobby. It is well-financed; it is putting up a desperate fight to destroy cooperatives as a way of doing business; it is one of the most sinister and vicious lobbies that has ever invaded the Nation's Capital financed largely by Uncle Sam, and I certainly hope that this committee will not permit its efforts to be successful.

Statement of Mayor William O'Dwyer of New York

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to present remarks of our able and distinguished mayor of New York City on the subject of housing:

STATEMENT TO THE JOINT COMMITTEE ON HOUSING, CONGRESS OF THE UNITED STATES, BY MAYOR WILLIAM O'DWYER, OF THE CITY OF NEW YORK, NOVEMBER 12, 1947

NOVEMBER 12, 1947.

To Joint Committee on Housing, Congress of the United States, Washington, D. C.

GENTLEMEN: I am glad to take advantage of your hearings in this city to bring our housing picture up to date. New York City is still in desperate need of additional dwellings to provide for more than a half million of its population living under trying and often demoralizing conditions. On any reasonable assumptions, and here I propose to be ultra conservative, there remain at the very least 150,000 families in this city who have no homes of their own, are doubled up with friends and relatives, and in many instances are split up among other families with all the attendant maladjustments and miseries which accompany such overcrowding.

The New York City Housing Authority, in a memorandum to the Senate Committee on Banking and Currency, at a hearing on the Taft-Ellender-Wagner bill on December 18, 1945, estimated the shortage at that time to be 187,000 family units. In March 1946 the New York State joint legislative committee on housing and multiple dwellings, headed by Senator McNeil Mitchell, estimated that the needs of New York City by the end of 1946 totaled 211,000 units. The same committee published a further report on June 15, 1947 in which it was stated that the number of families living doubled up on that date was estimated at 360,000, of whom 265,000 were doubled up against their wishes. Whatever set of figures is taken, whatever the precise measure of overcrowding, it is clear that the situation is still serious. Practically every family in the city can testify, from bitter personal experience, to the need of further prompt, drastic action.

This shortage in New York City, and elsewhere, was caused by a combination of factors, most of them in one way or another arising out of the war. These include obsolescence, cessation of civilian residential construction, marriages, and increases in population, shortage of materials, high prices, labor difficulties, exorbitant bids, mass migrations and movements of people to and from war industries, concentration of GI students in cities, general increase in employment and other postwar causes.

New York City, of course, has not, officially or otherwise, ignored this problem. We have not left the problem to Uncle Sam although many phases of the cure are on the Federal, not the local level. Even before taking office on January 1, 1946, I appointed an emergency committee on housing, headed by Robert Moses, our construction co-ordinator, to formulate a program. This commitee included outstanding leaders among labor leaders, businessmen, architects, engineers, insurance executives, builders, realtors, bankers and public officials. These were hard-headed, civic-minded people, with experience in housing and related fields. Their report to me on December 17, 1945, gave a minimum, rock-bottom program of construction which we have followed with some success and some disappointment. The committee, for example, counted on a fairly early resumption of large-scale private speculative building, but this has taken a long time to pick up.

Let me review what that program provided, show where we succeeded and where we did not, and why we need more help.

The program was divided into permanent housing and emergency housing. New York City's capacity to erect permanent housing before the end of 1948 was estimated at 127,000 family units; for emergency housing by the end of 1947 at 43,300 units.

Of the proposed 43,300 emergency units, 19,000 apartments for veterans in Quonset huts and other converted barracks units were to be produced by the joint efforts of New York City, New York State, and the Federal Government. The remaining 24,300 units were to be provided by private builders through rehabilitation of abandoned buildings, conversion of one- and two-family houses and the all-year-round use of summer-resort bungalows.

The rehabilitation of boarded-up buildings, except where buildings have been condemned and rebuilt with public funds, amounted to little because of impossibility of agreement on a local law. The conversion of summer-resort bungalows to all-year-round use was unsuccessful because this type of housing was exempt from rental limitations and because the owners could realize more money from summer than from all-year rentals.

Another disappointment came in the field of emergency conversion of one- and two-family houses as distinguished from new permanent housing. The expectation that private capital would be attracted to this field, through legislative and administrative encouragement by the State and city of New York, was not realized primarily because of inflationary costs. As a result, only about 1,000 apartments were produced in this part of the emergency program.

A better record, although also not up to our earlier expectations, was by city, State, and Federal cooperation in the plan to provide 19,000 Quonset and converted barracks units for the emergency use of veterans. In this category the Federal Government provided 8,600 units. These have been erected by the Federal Government on land provided and prepared by the city of New York at an expenditure by the city of about $10,000,000. The State of New York also has participated in the program to the extent of furnishing 3,200 additional units. Some of these units were put on former military installations, such as the Coast Guard and maritime bases at Sheepshead Bay and Fort Tilden in Rockaway, and some were erected on city-owned property. The combined total of emergency units under both Federal and State sponsorship thus amounts to about 11,800 units. Recently the State of New York, through an additional appropriation, sponsored some 1,000 more of these units in cooperation with the city which provides the sites.

It must be noted that these emergency units were intended for occupancies lasting from 3 to 5 years. By 1949 a start will have to be made toward relocation of some of the veteran families in these projects. These projects must not be allowed to become overcrowded and cannot be continued indefinitely. We had hoped that within 5 years at the most, sufficient permanent housing would be available to absorb these veterans. However, unless considerably more housing than is now in prospect is undertaken, we shall have a serious problem on our hands in maintaining these emergency projects in accordance with reasonably high standards. However, we must expect the growth of families in these projects and anticipate wear and tear on these temporary structures. Quonset huts, for example, now house two

families each. At the end of another year or two, each Quonset hut will be needed for, and should be used to house only, one family. The barracks are generally in excellent condition. The wooden demountable houses, on the other hand, will not have a long life and should be taken down within a maximum period of 5 years.

As to our permanent housing program, the 127,000 units called for by our minimum program consisted of 34,500 public housing units to be provided under then existing and anticipated appropriations and provisions of law; 16,000 units to be erected by insurance companies and savings banks through redevelopment housing projects; 54,000 units to be provided by private speculative builders; and 22,500 units of additional public housing to be provided under the proposed Taft-Ellender-Wagner bill.

Of the estimated 54,000 units to be provided by private speculative builders, about 13,600 units were completed between January 1, 1946 and October 1, 1947. Progress is more rapid now, and it is estimated that we shall have about 16,400 additional units by the end of 1948, a total by that time of 30,000 units or 55 percent of the 54,000 units estimated. The Federal Housing Administrator for the New York area has prepared charts which indicate the number of new dwelling units provided under Sections 203, 603 and 608 of the Federal Housing Act and also the number provided under the FHA rental housing program pursuant to Section 608 of the act.

With regard to the anticipated semi-public redevelopment company housing by insurance companies and savings banks, the original program called for 16,000 units. By the end of 1948 such projects will actually have furnished about 17,000 units. This phase of the program, however, was expanded by us in October 1946 to 21,000 units. Many factors have hindered its realization, including increases in construction costs, difficulties of moving tenants to comparable apartments elsewhere, etc., because of which some savings banks and other financial institutions have postponed their projects indefinitely.

A bright spot in the redevelopment field is the record of the Metropolitan Life Insurance Co., which has completed Riverton in Harlem and is now well along on Stuyvesant Town and Peter Cooper Village on Manhattan's lower East Side. Riverton will provide 1,232 apartments for about 3,500 people. Peter Cooper Village and Stuyvesant Town will provide a total of about 11,250 apartments for about 31,000 people. The slum area cleared for these three projects totals over 100 acres. The total cost of these projects is over $130,000,000.

The city provided partial tax exemption for Riverton and Stuyvesant Town. This kept the rental figures down to $14 per room per month for Riverton and $17 for Stuyvesant Town. Originally the figures were $12.50 for Riverton and $14 for Stuyvesant Town. Increases in construction costs, which amounted to almost 50 percent, required amendment of the original agreement between the city and the Metropolitan Life Insurance Co. to permit the higher rental figures. It should be added that the New York Life Insurance Co. and the Equitable are also building on a large scale in spite of price and other discouragements.

The savings banks, as distinguished from the life insurance companies, with a few exceptions such as the Bowery Savings Bank of New York City, have greatly disappointed us in our attack upon the housing problem. I refer to both equity investment and mortgage loans. The fault is largely but not altogetner with the banks. The regulations of the Federal Deposit Insurance Corporation and of the State Banking Department have encouraged large reserves and thus have driven more and more savings bank capital into Government bonds. At the same time the savings banks, with few exceptions, have clung tenaciously to their demand for 4 percent interest on mortgage loans and have thereby discouraged cooperative, limited dividend and even speculative housing.

In the field of permanent public housing for persons of low income, our minimum program anticipated 34,500 units. These were to be established in 24 projects—2 city projects, 1 Federal project, Jacob Riis houses, under the existing Federal laws and a financial contract, and 7 Federal projects under the Taft-Ellender-Wagner bill, and 14 State projects. It should be remembered that the city makes a substantial financial contribution, in the form of tax exemption, cash subsidy, and related improvements to these Federal and State projects.

This portion of the permanent program has lagged in spite of our efforts to speed it up. Only 11,000 units will be ready by the end of 1948. Eventually, under improved administrative arrangements, its realization is expected except as to the new federally aided projects. Funds for these projects have failed to materialize. Besides 7 originally proposed Federal projects providing 7,500 units, an additional 22,500 units were anticipated if the Taft-Ellender-Wagner bill became law, or 30,000 units in all. Increased costs would now cut this Federal total of 30,000 back to 20,000, but even these are not in sight.

The federally aided portion of Jacob Riis houses, which had been contracted for with the Federal Public Housing Administration, would not have been built if the city had not guaranteed funds for its completion. The Federal Public Housing Administration was not permitted to finance the project pursuant to its contract because construction costs per room exceeded the allowable legal limit fixed by the Federal Housing Act of 1937. It required the enactment of a special law by Congress this year to enable the Government to fulfill its original obligation and only to the extent of the original cost limits, thus requiring the city to contribute $4,000,000 to complete the project.

The State program is expected to be realized eventually. The State housing commissioner contracted to finance 13 new State projects and tentatively agreed to 6 additional projects, but rising construction costs threatened these 6 additional projects. At my request, Governor Dewey asked the State legislature to authorize a vote of the people on the question of additional State housing funds in the amount of $135,000,000. The vote was favorable. Of this amount $120,000,000 is earmarked for New York City and will be used to construct the 6 additional projects tentatively agreed upon which would provide somewhat in excess of 10,000 units. The people also voted affirmatively on two other propositions relating to housing. One of these propositions permits increasing the aggregate amount of State subsidy contracts entered into in any one year from $1,000,000 to $1,500,000. This will allow scheduling of a greater amount of work each year. The other increases the aggregate amount of State subsidy contracts outstanding at any one time from $9,000,000 to $13,000,000. This subsidy will support a total of $435,000,000 of loan funds.

It is common knowledge that since the end of the war, the shortage of equipment and materials has been one of the big bottlenecks in housing construction. This was due partly to repairing and replacing worn-out equipment in mills and manufacturing plants. Shortage of certain materials also caused delay. This situation is correcting itself now except as to local stringencies and a general lack of steel, soil pipe, and plywood.

Another new and very difficult obstacle in the way of slum clearance and new permanent construction in old areas is that of moving tenants to satisfactory substitutes for their present homes. In this connection it must be remembered that we are compelled to clear sites for hospitals, schools, playgrounds, and other urgent city improvements, as well as for new housing, and that there is a limit to the amount of disruption of city life which can be tolerated at one time. The cost of moving and rehabilitating closed buildings is a new factor in the public-construction business.

The housing emergency in New York City is still undeniably acute. The city still needs the full amount of anticipated Federal public-housing money required to finance the 20,000 units expected to be built under the Taft-Ellender-Wagner bill. Pressure for additional permanent public housing has been so great that, despite New York City's financial difficulties, we have initiated an additional program of six veteran housing projects, five of them on vacant land, to rent at $12.50 per room per month, entirely financed by the city, at a cost of $63,000,000. This program is expected to furnish 5,700 dwelling units in 1949.

In anticipation of passage of the new Taft-Ellender-Wagner bill at the beginning of the new congressional session of 1947, we prepared a list of top-priority projects in New York City. At the head of the list we put the seven projects which, as hereinbefore stated, we specifically selected and proposed under the original Taft-Ellender-Wagner bill. These projects included additions to four existing housing projects and three new ones. I hope that Federal assistance will be made available for these seven projects.

If you contemplate reducing the original program, may I recommend to your committee that a separate Federal public-housing bill be passed which will at least take care of the additions to four existing and wholly inadequate projects; namely, Vladeck houses in lower Manhattan, Kingsborough houses in the Bedford-Stuyvesant section of Brooklyn, South Jamaica houses in Queens, and Brownsville houses in central Brooklyn. These additions would cost approximately $62,000,000 at present prices, would add 6,100 additional apartments, and would care for approximately 25,000 additional people. Exhibit A is a proposed bill to carry out this recommendation.

May I further recommend that the provisions for public-housing funds be separated from the other provisions of the Taft-Ellender-Wagner bill so that they will not become involved with other and entirely different issues.

I also strongly urge that the top limit of the construction cost per room in the existing Federal law be advanced to allow for further recent increases in building costs. Room cost limitations in the Taft-Ellender-Wagner bill should be raised an additional $250. This would mean that the ceiling would be $1,750 per room, plus an additional $250 with special approval of the Housing Administrator, except for Alaska where a construction cost of $2,200 per room is already provided. If provision for these increases is not made, the bill should provide that any costs in excess of present ceiling of the Taft-Ellender-Wagner bill may be made up by the local government. Otherwise, available Federal money may not be usable at all, as in the case of Jacob Riis houses previously referred to. A proposed amendment to this effect is attached as exhibit B.

I should also like to recommend strongly, additional Federal guaranties for veterans' loans, especially for multifamily cooperative housing projects. The city and State of New York will find it much easier to stimulate such projects under limited dividend and redevelopment laws if the Veterans' Administration were permitted to guarantee real estate loans to veterans on the basis of $6,000 per apartment instead of the present $4,000, and to make a single guarantee of loans to an entire multifamily veterans' cooperative

project. I strongly urge that such legislation be adopted. A proposed bill to this effect is attached as exhibit C.

The city is here asking Congress for the absolute minimum to cope with a postwar legacy far beyond the resources and capacity of local governments. We have already strained our credit to the limit and reduced other requirements to demonstrate our sincerity. The State has gone a long way to help. Congress should not let us down when we ask for so little.

Very truly yours,

WILLIAM O'DWYER,
Mayor.

Resolutions Adopted by the Twenty-first Annual Convention of the Propeller Club of the United States and American Merchant Marine Conference

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by the twenty-first annual convention of the Propeller Club of the United States and American Merchant Marine Conference, New York, October 15–17, 1947:

The Propeller Club of the United States is an organization of American citizens who are sincerely interested in promoting the best interests of the American merchant marine as a vital factor in the national defense and our country's economic security.

Each year, in conjunction with its annual convention, the Propeller Club sponsors the American merchant marine conference, inviting the participation of associations and groups affiliated with the American marine industry. Twenty-two such groups held open forums or panel discussions at the American merchant marine conference in New York, October 15, 16, and 17, 1947.

Many of these panel discussions formulated resolutions which were submitted to the Propeller Club convention resolutions commitee. These resolutions, after careful consideration by the committee were then presented to the Propeller Club convention session, and the resolutions set forth on the following pages were adopted by the convention.

These resolutions reflect the considered thought of the most representative group of men engaged in maritime pursuits, sincerely concerned with the future of the American merchant marine.

OBJECTIVES OF THE PROPELLER CLUB OF THE UNITED STATES

(a) To promote, further and support an American merchant marine.

(b) To aid worthy and justifiable river, inland waterway, and harbor improvements,

(c) To promote sociability and develop a fraternal spirit among men engaged in the marine industry,

(d) To present marine engineering and architectural ideas, and other plans beneficial to, and informative of, the American merchant marine.

1. PERPETUATION OF THE AMERICAN MERCHANT MARINE

One of the most important problems facing our Nation today is the urgent necessity for the adoption of a sound long-range program to provide a permanent American merchant marine.

1. Our large fleet of war-built vessels is fast becoming obsolete.

2. A program to provide an orderly construction of modern vessels from year to year is imperative.

3. A guarantee of permanent work for shipyards and constant employment in peacetime is required solely in the interest of national security.

4. Such permanent program will provide for design and construction to suit specific requirements for particular trades.

5. National defense features of the merchant marine will be maintained on a current basis.

6. World Wars I and II have taught that ships are indispensable for national defense.

7. The Merchant Marine Act of 1936 provides for a construction differential subsidy based on vessels built in American yards for foreign-trade operations but not for domestic trades.

8. Subsidized off shore operators of American-built vessels are permitted to deposit earnings in a fund for new construction which are subject to the tax deferment privilege but nonsubsidized operators, foreign and domestic, are denied this privilege.

9. American shipowners are limited in the depreciation which they may deduct which is not true of foreign shipowners who may deduct depreciation as earned.

10. Seventy percent of American flag tonnage before Pearl Harbor was engaged in domestic trades, all of which was requisitioned for war service.

The Propeller Club of the United States strongly recommends:

A. The immediate adoption of a sound long-range shipbuilding program.

B. The authorization of the payment of subsidies to American shipyards constructing vessels for all American-flag owners operating in foreign and domestic trades, and the foreign-cost formula for determining the shipbuilding differentials should be abandoned in favor of the principles of section 466 of the Tariff Act which provides for a 50-percent differential.

C. Restrictions upon vessels built under construction subsidies should be eliminated except while owners are granted operating subsidies in foreign trades.

D. All American-flag vessel owners should be permitted to deposit earnings in a controlled fund for new construction with the privilege of tax deferment.

E. Owners of American-flag vessels be permitted to write off depreciation in periods of large earnings.

F. That the sale, lease, charter, or gift of Government-owned ships to foreign nations or nationals be stopped because these nations have been restored to their prewar tonnage status.

G. That the proceeds received by the Maritime Commission from the sale or charter of its ships be placed in its construction fund and used to construct suitable modern ships.

H. That consideration be given to methods by which nonscheduled bulk carrier operations could be made practical.

2. SHIPBUILDING AND SHIP REPAIR

The development and maintenance of an active, adequate, and well-balanced fleet of modern merchant vessels constituting the United States merchant marine is vital to our national security, essential to the promotion of our foreign and domestic commerce; indispensable to our broad international responsibilities; and thus an important factor not only in the maintenance of our national prestige at a high level but also in the national prosperity.

The preservation and continuous active operation of the shipbuilding and ship-repair industry is a necessary prerequisite to the development and maintenance of such a United States merchant marine, and is equally vital to the national security.

Present prospects for the survival of the shipbuilding branch of the industry are extremely unfavorable, due to lack of new shipbuilding contracts for American flag seagoing vessels, with consequent imminent probability of loss of specialized technical staffs and skilled craftsmen vital to its successful operation and essential not only to the preservation of the art of shipbuilding but also to advancements in the art.

There is a widespread misconception on the part of the general public that no new ships are needed because of the surplus of war-built ships now in hand, not realizing that war-built ships designed for emergency war service are not suitable for normal commercial competitive services.

Certain vitally needed types of ships for various essential services are almost nonexistent, and it is essential to the perpetuation of the United States merchant marine in an orderly and systematic manner, that the merchant fleet be ultimately established on the basis of a normal age pattern.

The Propeller Club of the United States is deeply concerned over the failure to resolve the foregoing since the end of World War II, and recommends:

1. That the declaration of policy set out in the Merchant Marine Act of 1936 and again in the Ship Sales Act of 1946 be reaffirmed and aggressively implemented;

2. That there be adopted a sound long-range program to provide those types of vessels needed to establish and maintain an adequate, modern, and well-balanced United States merchant marine;

3. That such a program include passenger liners and combination cargo and passenger vessels required to furnish adequate service on essential domestic and foreign trade routes;

4. That such a program is vital to the continued existence of shipbuilding and ship repairing, as well as allied industries specializing in marine work.

5. That construction under such a program be commenced forthwith.

6. That private shipping operators be encouraged to place orders for such vessels under appropriate existing provisions of the Merchant Marine Act of 1936.

7. That if high costs and other conditions prohibit such undertakings in the case of any vessels deemed required for essential trade services, either domestic or foreign, the Government proceed to construct such vessels under appropriate existing provisions of the Merchant Marine Act of 1936, or in the case of vessels for domestic service, under an appropriate amendment thereto: *Provided, however,* That the Propeller Club of the United States continues to favor a privately owned and privately operated American merchant marine.

3. SHIP-CONSTRUCTION FINANCING

The Research Division of the United States Maritime Commission for the first time has made an extensive study on future replacements for the American merchant marine and the study has laid a systematic foundation for the construction of new vessels over a period of time, which study should be carefully considered.

The Propeller Club of the United States recommends:

That the Maritime Commission and the Congress should consult industrial bankers, insurance companies, steamship companies, and others as to the creation of more interest from private investors toward financing ship-construction programs, and the possible establishment by Congress of an American merchant marine bank.

4. OVERSEAS AIR TRANSPORT

The Propeller Club of the United States believes that American-flag steamship operators should have:

1. The right to operate aircraft as an essential part of the transportation business which they have pioneered and in which they are now engaged.

2. Treatment from the Civil Aeronautics Board in all particulars equal to that afforded others, and especially that afforded steamship interests of foreign countries in respect to sea-air participation.

7. TRAINING PROGRAM

The Merchant Marine Act of 1936 placed upon the United States Maritime Commission the responsibility of creating and maintaining a merchant fleet adequate for carrying a substantial portion of our water-borne commerce and as an auxiliary for national defense, manned with a trained and efficient citizen personnel.

It has been demonstrated twice within the present generation that there is a necessity for an adequate merchant fleet manned with well-trained officers and seamen.

The Propeller Club of the United States therefore recommends:

That the training program, as outlined and approved by the Congress for the fiscal year 1948, to be carried out by the United States Maritime Service, the United States Merchant Marine Cadet Corps, and the Maritime Academies of the States of California, Maine, Massachusetts, and New York, be approved as the minimum program consistent with the mandate of Congress to the United States Maritime Commission as expressed in the Merchant Marine Act of 1936, for the purpose of maintaining a high level of well-trained personnel aboard our merchant vessels with the training facilities now in operation as a nucleus available for expansion in the event of any future national emergency.

8. CONSTRUCTION OF TRAINING VESSELS

The Congress on July 29, 1941, enacted a statute entitled "Construction by Maritime Commission of Replacement Vessels for Nautical Schools" (35 USCA 1123b).

The Maritime Commission is authorized, from any money hereafter appropriated or made available to the Commission, to provide for the construction, by contract or otherwise, in accordance with plans and specifications prepared by the Commission and approved by the Secretary of the Navy, of suitable vessels with modern equipment and instruments to replace vessels otherwise furnished to States which are maintaining schools under sections 1121–1123 of this title. (July 29, 1941, c. 327, sec. 2, 55 Stat. 607.)

The war prevented the construction of the training vessels provided for in the above statute and after exhaustive search it has been determined that there is not available a vessel of the United States suitable for the use of the Maritime academies.

The Propeller Club of the United States advocates that the Congress of the United States be requested to appropriate sufficient money for the construction of suitable vessels for the use of the Maritime academies in accordance with the statute.

9. INLAND WATER TRANSPORTATION

Our inland waterways render a public service of incalculable value to our Nation. They have moved raw materials and finished products in tremendous volume. They have proved a most able and efficient partner in the great war transportation organization of rails, trucks, pipe lines, air lines, lake carriers and barge lines.

The Propeller Club of the United States:

1. Commends the wisdom of the Congress of the United States in having authorized and appropriated funds for the improvement of our national system of rivers, canals, lakes and harbors, and commends the United States engineers for the excellent manner in which they have carried out these improvements.

2. Urges the Congress to approve all legislation which contains waterway and harbor projects essential to the completion of our inland waterway system and which have been approved by the Army engineers.

3. Urges the Congress and the Administration to promptly authorize and appropriate funds for the construction of the canal across New Jersey and the Lake Erie-Ohio River canal, which are the two missing links in our national inland waterway system. The peacetime public benefits to be derived from these two projects fully justify their construction now. They would have returned their full cost to our country had they been available for use in the war emergency.

4. Urges the Congress to authorize and to provide the necessary funds for an economic survey by the Army Corps of Engineers to determine the value to the Nation of the proposed Allegheny-Genesee Waterway linking the Mississippi Valley system of inland waterways with the Atlantic seaboard, thus providing an unbroken slack water navigation route from New York Harbor to Pittsburgh, the Nation's largest inland port and the head of transportation on the Ohio River. The route follows the Hudson River to Troy, the New York State Barge Canal westward to Rochester, N. Y., a new Genesee Valley Canal to Olean, N. Y., and an improved Allegheny River to Pittsburgh, 72 miles of the Allegheny River being already so improved.

5. Believes that (a) inland water transportation should be extended to include all rivers, connecting waterways and harbors which have been approved by the Army Engineers; (b) present channels should be maintained in the highest state of efficiency; and (c) inland water transportation service should be fully protected from that type of competition which is designed to curtail their usefulness.

10. ST. LAWRENCE WATERWAY AND POWER PROJECT

Resolved that the Propeller Club of the United States after full study and discussion believes that the St. Lawrence seaway and power project is not in the best interests of the United States, and reaffirms its opposition thereto.

Tolls

Revenue from tolls would be insufficient to make the waterway self-liquidating and self-supporting. The use of tolls would constitute a departure from the historic national policy of the United States that public inland waterways be open without charge for purposes of navigation and commerce. Furthermore, adoption of a system of tolls on the St. Lawrence would establish a precedent for placing all national inland waterways on a toll basis, a proposal long advocated by land competitors of water carriers and revived in the recent report of the Association of American Railroads entitled "Transportation in America."

11. PANAMA CANAL TOLLS

The Propeller Club of the United States urges that prompt consideration be given to the revision downward of Panama Canal tolls to the greatest extent possible to assist the intercoastal commerce of the United States and to facilitate shipping in international commerce.

12. CHAOTIC ACCOUNTING SITUATION OF MARITIME COMMISSION

The present financial condition of American steamship companies has to be elaborated, footnoted, and explained due to the tremendous amount of unsettled claims and other vital questions accumulating during and since the war from the lack of sufficient and experienced personnel employed by the Maritime Commission.

The Propeller Club of the United States urges:

That the Congress and the Maritime Commission provide the necessary personnel and take promptly such other action as is necessary to settle these claims and questions with operators of Government tonnage.

13. LONGSHOREMEN'S DOUBLE OVERTIME DEMANDS

For many years the stevedoring industry of America has negotiated collective-bargaining agreements with unions representing all of the employees engaged in loading and discharging cargoes in every important port in the United States. These collective bargaining agreements have been honored by the industry both in letter and spirit.

Groups of individual longshoremen have instituted suits under the Fair Labor Standards Act of 1938 under which it is sought to require the stevedores to pay overtime on top of overtime. The basis for these actions rests in an abortive interpretation of the collective-bargaining agreements covering the industry. These suits have not been supported by the International Longshoremen's Association; on the contrary, the president of the International Longshoremen's Association has testified that if the position of these individual longshoremen is sustained by the United States Supreme Court, the efforts of the International Longshoremen's Association over a period of 25 years to obtain sound working conditions for its members will be negated.

The Congress of the United States has determined as a policy that an active merchant marine is essential to the defense of the United States. The merchant marine cannot operate without the assistance of the stevedores of America. An unsound and unrealistic distortion of an honest collective-bargaining agreement openly arrived at and sincerely observed by the stevedoring industry has placed that industry in peril.

In an effort to counteract the avalanche of lawsuits and to effectuate the obvious intent of the collective bargaining agreements between the stevedoring industry and the unions representing the longshoremen, there has been introduced H. R. 4287, entitled "A bill to define and limit the jurisdiction of the courts, to effectuate collective-bargaining agreements, and for other purposes."

This bill will be considered by the Eightieth Congress, second session.

The best interests of the American merchant marine, the stevedoring industry, and the workers employed therein will be protected and enhanced by the enactment of this bill into law.

The Propeller Club of the United States endorses the purpose of H. R. 4287, and recommends its passage.

14. COASTAL AND INTERCOASTAL SHIPPING

The fleets of the coastal and intercoastal steamship lines constituted the major part of the American merchant marine in 1939, and the War and Navy Departments of the United States have stated that the availability of the ships and personnel of these domestic water services are vital and essential to the national defense during war emergencies.

Many business and industrial firms throughout the United States rely on the availability of domestic water services to market their merchandise in competitive areas.

The operating costs of these water carrier services have sharply increased since 1939.

The Propeller Club of the United States agrees that the Interstate Commerce Commission should be urged to authorize the increased rates sought by the standard railroads, coastal and intercoastal water carriers now being considered in Ex parte 166 and other proceedings.

15. COAST GUARD HEARING OFFICERS

That part of the Administrative Procedures Act which became effective on June 11, 1947, requires that hearings looking toward the suspension or revocation of licenses or certificates be conducted by examiners appointed under civil service. The Coast Guard has no

funds which may be used for hiring such examiners.

Since that date the Coast Guard has been unable to act upon complaints against merchant marine officers and seamen who have committed acts of misconduct or negligence.

From 1943 to June 1947, commissioned officers of the Coast Guard conducted hearings against seamen's documents with fairness and dispatch. Many thousands of these hearings were held. The percentage of appeals was extremely low. Only four cases have been taken further to the Federal courts and in no case has a Federal court modified or reversed the action of the Coast Guard.

The Propeller Club of the United States urges that the Congress act favorably on the bill (S. 1977) providing that commissioned officers of the Coast Guard may act as hearing officers in proceedings against seamen's documents.

16. FINGERPRINTING OF WATCHMEN

Private corporations in the shipping industry throughout the United States either maintain a force of private guards or watchmen or contract with independent watching agencies for the furnishing of guards and watchmen for the protection of property.

The individuals so engaged are employed in positions of high trust to augment the services of duly constituted law enforcement agencies. They are potential witnesses in criminal prosecutions and should be persons of unquestionably good character.

The Propeller Club of the United States urges that the various States throughout the United States with port facilities which have no controlling legislation, enact same through their licensing powers to guarantee:

a. That persons making application for positions as guards and watchmen be persons of good moral character and free from criminal records;

b. That all concerned, employers and employees, be required to submit to fingerprinting;

c. That it be made certain that there is no statutory exception to those engaged in this business who exclusively supply guards or watchmen for the protection of piers, cargoes, passengers and steamship piers generally.

17. FOREIGN TRADE ZONES

The Propeller Club of the United States reaffirms its position approving legislation to so amend the Foreign Trade Zones Act as to permit the manufacture and exhibition of merchandise in the foreign trade zones.

18. REVISION OF FEDERAL SHIPPING LAWS

The Propeller Club of the United States urges the prompt modernization and codification of the navigation laws of the United States

19. BRIDGE CLEARANCES

The inland waterways proved of inestimable value during World War II in transiting ocean vessels to tidewater. Particularly was this true of the Chicago drainage canal and the Illinois and Mississippi Rivers when, because of ice or for other reasons of security, the St. Lawrence route was not open or feasible.

A principal handicap to the use of the inland waterways for ocean and lake vessels in wartime was, in the popular mind, an inadequate depth of channel. However, a much more serious difficulty was inadequate bridge clearances, horizontal and vertical, and especially vertical clearances over the Ohio, Tennessee and Illinois River and waterway.

The Propeller Club of the United States urges:

1. That all maritime interests be represented at bridge hearings, and that those branches of the Army charged with military preparedness also be represented so as to lend support to the Corps of Engineers.

2. That it be made a general rule that no bridge shall be erected over any navigable river, waterway, or canal, which will have lower clearance than the minimums approved for the ultimate development and improvement of such waters by the Chief of Army Engineers.

20. IMPLEMENTATION OF RESOLUTIONS

The twenty-first annual convention of the Propeller Club of the United States strongly advocates:

That the recommendations of the annual American Merchant Marine Conferences and the annual conventions of the Propeller Club of the United States represent the views of that large portion of the population interested in the maintenance and development of an American merchant marine, but the mere formulation of such views without implementation leaves them relatively impotent. The several member ports of the Propeller Club are strongly urged to fully acquaint their members with such recommendations and to take such action to implement them as may be appropriate in each instance, including, but not limited to, urging consideration thereof by their Senators and Representatives in Congress, and the collaboration with other organizations of similar purpose, such as the American Legion, which has recently adopted a strong and practical program for the maintenance and development of an American merchant marine, and each port and each regional vice president is urged to regularly and frequently report to national headquarters what has been accomplished in this connection.

That the proper national officers of the Propeller Club of the United States be instructed to register with the Congress of the United States as a nonprofit patriotic national organization whose principal purpose is to do everything possible in the establishment, maintenance, and promotion of an American merchant marine.

21. APPRECIATION

Upon the conclusion of its highly successful twenty-first annual convention and American merchant marine conference, the Propeller Club of the United States expresses its sincere appreciation:

1. To the Propeller Club of the United States, port of New York, its board of governors, officers, committees, and members who have served so willingly and efficiently as hosts to this convention;

2. To the members of the American merchant marine conference committee and to the chairmen and cochairmen of panel discussions who, by their unselfish labors have contributed so generously to the success of this annual meeting, and by so doing, have continued the cherished tradition of providing an open forum for the American marine industry in all of its various aspects for the discussion and consideration of the many and serious problems with which the industry is confronted;

3. To the cadet midshipmen of the New York State Maritime Academy who, through their assistance, contributed so generously to the smooth functioning of the convention and conference.

THE WHITE HOUSE,
Washington, August 7, 1947.

Mr. ARTHUR M. TODE,
Honorary President, The Propeller Club of the United States, New York, N. Y.

DEAR MR. TODE: As I have stated publicly, the removal of restrictions on international trade is one of the most important steps that any government can take toward promoting good relations among nations through the free and mutually profitable exchange of goods and services. The United States is taking the leadership in this direction in its efforts to assist freedom-loving peoples everywhere in making their recovery from the consequences of the recent war.

To assert that leadership, and to protect its own interests and support its economy, the United States should maintain a merchant marine adequate to its needs. To that end I have, as you know, appointed a committee of citizens to study the present condition of our merchant marine and make recommendations for its maintenance and future development.

I am pleased to note that discussion along similar lines is planned for the American Merchant Marine Conference and the annual convention of the Propeller Club of the United States in October. Serious consideration of the future role of American shipping by informed groups such as yours will contribute materially to the final determination of our maritime requirements.

Very sincerely yours,

HARRY S. TRUMAN.

A Plain Citizen Comments on Uncle Sam's Role as Relief Agent for the World

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. VAN ZANDT. Mr. Speaker, we are now in the midst of a special session of Congress, called for the purpose of relieving the starving people of Europe and curbing the inflationary trend that threatens the economy of our Nation.

A large number of the folks back home find it difficult to understand why so much emphasis is applied to the problems of Europe, while underprivileged Americans are ignored completely.

In the following letter, appearing in a recent issue of the Clearfield (Pa.) Progress, the writer, Mr. William McMonigal, Madera, Pa., expresses the views of thousands of American citizens who are in dire need for assistance in an endeavor to keep body and soul together.

If America is expected to assume the responsibility for the problems of the world, we had better strengthen ourselves by first giving attention to our own problems.

Mr. McMonigal's letter is as follows:

LETTER TO THE EDITOR

MADERA.

DEAR SIR: I thought I would write a few lines to the Progress in regards to our old-age pension. I am like the late Will Rogers. I don't know anything except what I see in the papers.

First, I see where our Congressmen had to have a 50-percent increase in wages to make ends meet. Now, I don't believe any such story, for I read where their Sergeant at Arms put their surplus cash away for safekeeping. He had $125,000 in his hands and they can't get it now, when they want it. If it took all their wages to make ends meet, where did they get this $125,000?

Then, I see where they put a man by the name of Russell in under $100,000 bond. That bond is alright for the Congressmen, but it is only another burden on the taxpayer, as they will insure him through a Government bank, and if that man defaults, then, of course, the bank will have to make good. Then they will tax the people all over again to raise that money, so I can't see

where that $100,000 bond is anything but a curse to the public.

I also see where one Congressman from New York wanted to bar the Townsend paper from the mail. If I was in his place, I would be like the man that my friend and I met when we were out on the road a few years ago. This man was shearing sheep and he started at the hind end. My friend said, "I thought they always started at the head to shear sheep." "Well," he said, "I used to, but since Cleveland took the tariff off the wool, I am ashamed to look a sheep in the face." If I was in this Congressman's place, when I come home from Congress, I would be ashamed to look an old man in the face, let alone sending this man back to Congress.

Now Congress is about to adjourn without doing anything for the old people. One Congressman says it takes a long time to get a bill through Congress. It didn't take long to get a bill through to raise the Congressman's salary 50 percent. It went through in less time than it takes to tell it. It makes an old man sick when he reads about all these large appropriations to all the foreign lands and let the old people out in the cold. It looks to me like Congress thought they had the old people down where they can't help themselves and where they just have to take what they can't use down there.

The labor can strike and get something out of it. It looks like they want the old people to strike. You do not need to worry, the old people will always be with you. The Seventy-ninth Congress voted the old people a $5 raise and sent it to the State, and they kept it all but $1.80. Why didn't they send it to the old people direct? It should be given direct to the people, for if they ever get it in Harrisburg that is the last of it.

I see where our President wants $25,000,000 appropriation to get the Communists off the Government's pay roll. I believe in that, but they need to clean house at home first. If they send all that money over to these foreign countries, then send a Communist over to distribute the money around, we all know he will favor his own class of people. That is only creating more Communists, both here and abroad. I figure it is those people we have here that is taking up these foreign loans, who are our Communists in this country.

I also see where our good Governor has granted $100 per month to our Senators and a good, substantial raise to all judges of the supreme court, down to the school teachers who get from $200 to $1,000 per year. I admit they need good people for those jobs, but we also need good people to raise those teachers and officers. If it costs them so much to live there, why don't they stay at home? Why do they run after the old people to vote for them? After they get the old man's vote and tax, that is all they want with him until the next election and tax collection comes around.

All officers in our Government are not included in this statement as we have some very good officers in the Government that I think really want to do something for the old people but they have too much opposition. They allow the old people to earn $1 to help out but our Congressmen wanted and got $5,000 to help out and our State Senators wanted $10 a day but got $100 a month. I have to get along on 69 cents a day and pay taxes to help keep up their fat salaries. A great many will make you all kinds of promises before election but they never had any intention of fulfilling them. A good many of them would like to turn the old people out like an old horse or dog.

A question I would like to have answered if I can find any one in Congress, or out, that can or will answer it. If they do happen to give the old people and school teachers a couple of dollars a month increase they go to a lot of pains to explain to the people through the papers what it will cost the taxpayers to foot the bill, but why don't they explain to the people what it will cost the taxpayers to pay those Congressmen each $416 and better per month; besides all the other Federal employees?

I think I have paid taxes as long as any man down there, if not longer. If I haven't, they are too old to be in Congress. I have paid taxes for 58 years. I am just about 80 years old. My pension started in 1939 at $19.80 and now it is $20.70. We get groceries here that cost 4 or 5 times as much as they did in 1939. I see where they ask the people to have meatless days, and where you are to eat one slice of bread instead of three. I haven't been to but one movie in 50 years for when I get that much money I always find that I need it worse to pay taxes.

I think Dr. Townsend has the only honorable pension plan they ever had. During the war they asked the old people to hold off until after the war was over, which was 2 years ago.

It looks like they want us to wait until they get another one started. They want us to save all the food to send over to those other countries when they are sending stuff from there over here. When we go to the store for meat, they ask us to always pick a cheap cut of meat.

I guess that is to leave the choice cuts for them to send to other countries. Do they think we are not fit to have a good piece of meat. It looks to me like they want to feed these others up to get them ready for another war. I talked to a Jew the other day who had goods in his truck that were shipped from England and Portugal.

The miners are a class of people which I think needs as good a living as there is. I followed the business for 25 years and I know what they have to contend with. There are a lot of people who run the miner down when they really don't know what a miner looks like. I heard one person ask, What is a miner? He asked what he looked like and if he eats hay.

I don't want to offend anyone, but I have had several letters from Congressmen after they went in office asking me to let them know what the country needed, so I am trying my best to explain it to them. The most needed is to take care of our people at home first and to pass the Townsend pension plan without any more fooling about it. I think the Townsend people have just as smart people among them as there are down in Congress, but there are too many people against them.

They want to saddle a sales tax on the poor people to make them poorer than ever.

I see where the sales tax was defeated in Oregon.

That is what will happen to it in this State if it ever comes to a vote. When you plan for these high salaried people, don't forget my 69 cents a day, minus taxes. So many people talk about Dr. Townsend wanting $200 per month for the old people.

That is positively untrue. It is a 3 percent gross income and whatever that makes each month to divide it among them.

WILLIAM MCMONIGAL.

Don't Give Up the Ships

EXTENSION OF REMARKS

OF

HON. HENRY J. LATHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. LATHAM. Mr. Speaker, there are now pending in both the House and in the Senate bills which, if enacted into law, would turn over to foreign nations on what would amount to a "loan basis" a substantial number of our war-built merchant ships. These vessels would be used to haul relief cargoes, on the assumption that they would save the American taxpayer a certain small financial burden by their use of cheap, foreign crews. Little thought seems to have been given to the effects such proposed legislation would have upon our maritime labor employment, and of the more serious consequences upon the international competitive situation.

Another proposal, more recent, is the request of 16 foreign nations to have the United States supply them with materials and money with which to build new merchant ships. In addition, they desire us to sell to them more of our surplus merchant vessels at the favorable terms of the Ship Sales Act, and with money we are asked to supply.

Mr. Speaker, with respect to the requests of the 16 foreign nations, if Congress should see fit to accept these requests, it would mean that, in the aggregate, these foreign nations by 1951 would possess nearly 7,500,000 more tons of merchant ships than they owned and operated in 1938.

We have not only the right, but the duty to examine these carefully. The important fact to remember is that all of these proposals are at the expense of the American merchant marine.

Add to these proposals a few alarming facts:

First. We are in desperate need of balancing our own present merchant fleet. We desperately need suitable passenger and passenger-cargo combination vessels, and certain other special types of merchant ships.

Second. Our shipbuilding industry, that performed so phenomenally during the war, is gradually disintegrating like the proverbial house of sand. By next spring, unless there is a program of ship construction started in the United States, there will not be a single American ship of any size under construction in the Nation.

The recommendations of the European Recovery Plan Transport Committee show that the 16 foreign nations actively plan upon engaging in new-ship construction to the extent of 15,500,000 deadweight tons. It is significant to note that included in this proposed giant shipbuilding program are a number of large passenger vessels, contrasted to our own position where we have but one really first-class passenger liner on the North Atlantic and none planned for construction.

Contrast with our present inadequate position, the *Caronia*, launched October 30 for the Cunard Line and christened by Princess Elizabeth; the new *Mauretania* and *Parthia*, recently placed in service by the British; the new *Willem Ruys* for Rotterdam Lloyd Line accommodating 842 passengers; and the two new Castle liners of British shipowners, the *Pretoria Castle* and the *Edinburgh Castle*, each over 28,000 tons. Where is the American flag in the passenger service on the North Atlantic?

In addition to the 15,500,000 tons of new construction, the 16 nations feel that the United States should sell at favorable terms, with money we are supposed to

supply, some 300–400 of our war-built merchant ships. There is not the slightest doubt that these nations are planning new, modern merchant fleets, in the aggregate greater than they had in 1939, at the expense of our own American merchant marine. By our own Government estimates, during the next 4 years our own fleet, even by the rosiest estimates, will be almost back to the position it occupied in 1938. And at that time, we were carrying less than 30 percent of our own foreign trade.

There is no logic, reason, or justification to increase foreign merchant fleets above their 1938 level at the expense and jeopardy of our own, and thus in an act of overgenerosity imperil our national security.

The Harriman report which will be submitted to Congress, agrees with the American shipping industry estimates, that the possible savings to be made by transferring our vessels to foreign registry would be only a small fraction of the estimate of required dollar tonnage as embodied in the report on the European recovery plan. To quote from the Harriman report:

> The limited financial savings (which would accrue by transferring our vessels to the 16 foreign nations) are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

Moreover, the Harriman report further emphasizes a discontinuance of further sales of our dry-cargo ships abroad:

> When such sales, instead of substituting for foreign construction, will merely add to the foreseeable future surplus of tonnage. The United States needs an active merchant marine for national defense, and we must not create conditions in which that merchant marine cannot survive.

Mr. Speaker, I doubt if there is a Member of Congress who is adverse to helping the European nations to help themselves to recovery and to their rightful places in the scheme of world affairs. Americans have always been known for their sportsmanship and for helping those who have been knocked down and trodden upon. I do not feel, however, that we should attempt to elevate these foreign nations above our own position, and particularly at the expense of our own national security.

In certain parts of our country, American seamen and officers even now are available in greater supply than there are ships to employ them. It would be senseless to contribute even further to unemployment of our maritime labor by turning over more of our vessels to foreign nations on the premise that by carrying relief cargoes with low-wage foreign crews the American taxpayer would be saved small amounts of money.

However, after such vessels were turned over to foreign nations, what guaranty would there be that they would be returned to the United States when the relief cargo movement had ceased? What guaranty would there be that they would not later fall into the hands of foreign governments professing a different ideology than our own? What guaranty is there that if vessels were turned over to foreign nations that they might not add further—with their low-paid crews—to the competition which will and is now facing American shipping?

I seem to recollect that we turned over a considerable number of our ships to the Russians during the war, and thus far we have not received even a reply to our inquiries as to what has become of them. We have just received a report that one such Liberty vessel has been chartered by Russia to Swedish shipowners, and that our State Department says this is legal under the lend-lease agreement.

Mr. Speaker, most of the proposals advanced thus far for helping us to dispose of our war-built ships have been put forward on the theory that the more ships we make available by sale, loan, charter, or by gift, the more dollars European nations will earn with which to purchase more of our products. Upon examination, this theory collapses like a toy balloon.

Several weeks ago, the shipping industry analyzed statements that ocean shipping charges paid to United States shipowners were a major factor in the exhaustion of the American loan to Britain. Upon analysis, it was shown that shipping charges paid to American ships by Britain amounted to only 2.6 percent of the British expenditure for the year ending June 30, 1947. Although there may have been some doubts about the industry analysis, these were dissipated when Britain's most influential shipping publication agreed in substance with the American analysis.

A similar analysis of the shipping aspects of the European recovery plan shows that ocean shipping charges which would be paid to American shipping would actually amount to about 2 percent of the total request for money said to be needed by the 16 nations.

Mr. Speaker, if I have been pessimistic, it is only that I realize that we now have the ships constituting the basis of a strong merchant marine. We have had two sad experiences, in 1917 and again in 1941, to remind us that we simply cannot permit our national American generosity to plunge us into a third fateful situation in which there will not be the time to recreate a strong merchant fleet.

Today, the American maritime industry is more closely unified than it has been in years. Without that unity, there can be no American merchant marine worthy of its name; and without a strong merchant marine, the United States cannot fulfill her obligations in world affairs.

We can keep the American flag flying on all of the high seas if we "don't give up the ships!"

Foreign Aid

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. KEATING. Mr. Speaker, on November 5, in New York City, the illustrious chief executive of the great State of New York, Gov. Thomas E. Dewey, delivered an address on the subject of foreign aid, which, under leave to extend my remarks, I recommend for the thoughtful reading and study of my colleagues.

We are faced with one of the most important decisions of all time. All the available informed opinion of experienced and able public servants should be carefully weighed and studied. I, like many others, approach the problem with completely open mind. It seems to me, however, that no more informative, helpful, and definite statement on this significant subject has been made anywhere by any person in high position.

I am sure I speak for all of my colleagues in the House in expressing to Governor Dewey our gratitude for giving us the benefit of the careful study he has made and thorough grasp he has acquired of world problems, while at the same time furnishing the people of the State of New York perhaps the most successful administration that State has ever enjoyed in its long history.

We meet during a period when most reasonable men are concerned for the future of our domestic affairs and are genuinely troubled as to the proper course of our Nation in foreign affairs.

Internally the Nation is suffering the cruel effects of an inflationary rise in the cost of living as a result of the economic ignorance of the national administration.

In foreign affairs, from Tehran through Yalta to Potsdam and since, we have seen our Government giving aid and comfort to Communist conquest. In Germany, the industrial heart of Europe, we have applied economic policies which have undermined recovery in all Europe. In the Orient, we have seen our own Government turn against our wartime Chinese allies and order them, under pain of losing American support, to accept into their government the very Communists who seek to destroy it.

We have seen reconstruction falter because people did not work, either because they were unable from lack of food, or unwilling, for lack of anything to buy with the wages they earned. We have seen Socialist experiments which we confidently believe to be tragic errors but which are the inevitable result of frustration and despair.

While Europe and China are struggling along at a bare subsistence level, their confused peoples turn from one promised remedy to another with a rising sense of loneliness and desperation.

SENTIMENT HERE HELD CONFUSED

In the face of such a dismaying picture it is not unnatural that sentiment in our own country should be confused. Many thoughtful people are saying we should withdraw from the world. They say Europe and China are finished and we should not dissipate our strength in trying to save them.

Meanwhile, a great program is being prepared for consideration by the Congress to help stabilize Europe, while nothing is yet proposed concerning China. It is very easy out of sentiment, to accept uncritically any program to aid starving millions of people and to help preserve free governments. It is equally easy to say we cannot afford any program at all on top of our own staggering war debt and destructive levels of present income taxes.

The serious economic and diplomatic blunders of the national administration make it even more difficult to reach sound decisions calmly and without partisanship. But I earnestly believe that is our duty.

Despite the blunders of the administration, real progress has been made in some directions. The bipartisan foreign policy,

which I had the honor to inaugurate during the summer of 1944, has been notably successful where it has been followed.

Through the distinguished leadership and labors of Senator ARTHUR H. VANDENBERG and Mr. John Foster Dulles, we were prevented in the early days of the peace from scuttling our other friends, as was done in the case of China, and our prestige in the United Nations has steadily mounted. I do not believe this country will ever know the tremendous debt of gratitude it owes to the unselfish labors and high patriotism of Senator VANDENBERG and Mr. Dulles.

It has been well said that we are in a cold war. We are in it for the simple reason we are being attacked by all means short of war. The attack is by the most violent form of propaganda, falsehood, political penetration and economic sabotage. The whole system of political and economic freedom for which our country stands is under attack by those who would establish a world-wide rule of a police state.

This attack is being hurled against us by able and purposeful men who know what they want and propose to get it. We need to understand their objectives. They are broadly two: First, to intimidate free governments everywhere into accepting Soviet leadership and, second, to mislead or intimidate the American people into refraining from giving aid to those who need it.

The Soviets believe the way to block our policy of restoring economic health to the world is to shout that this policy of ours will lead to war. Of course, the simple truth is that the only risk of war comes from the Soviet attempt to establish police states and dictatorship over people who have known and love freedom. The surest way to avoid war is to create a strong and determined world of free nations. The risk of war is that the Kremlin will repeat the mistake of other despots in 1914 and again in 1939—the mistake of believing that free people cannot or will not resist slavery.

COME-BACK HARD WITHOUT HELP

Nevertheless, there is a school of thought which says we should leave our friends in Europe and Asia to work themselves out of the mess alone or in the alternative that they are done for anyway. Let them try communism if they want to and then they will come back to free governments. But the unhappy fact is that once a Communist dictatorship is set up there is no peaceful escape. Moreover, after the spiritual and physical devastation of 6 years of total war people cannot easily come back themselves without some help. The whole basis of Europe's economy has been dislocated. On top of that a severe winter and a summer of drought have resulted in the worst European crop failures in a hundred years. In China the people are not only hungry but their economy is prostrate and they are under heavy military attack from the very forces into whose hands they were betrayed at Yalta.

In my judgment we have no choice today whether or not to act in this emergency. It is unthinkable that, after a successful war at staggering cost in blood and resources, we should now stop and surrender the fruits of victory. We will be doing just that if we permit the free nations to fall into economic chaos and then under Soviet control.

Our only choice is whether we act effectively or stupidly as we have in the past; whether we act in time or too late and, finally, whether we show our determination to succeed and inspire those we aid to the same determination.

I cannot say that we are bound to succeed. We cannot be positive that the further money spent will not be wasted. The Russians are confidently counting on our failure. They believe that their great allies, misery and starvation, will bring Communist revolutions the world over. That is why they are opposing us so violently in the United Nations. That is why they oppose every effort to restore economic health and well-being to the free nations. They also hope that we are going to bungle the job of using our resources, which are not unlimited, and thus bring on inflation followed by depression here at home.

All these are possible, but as reasonable men, we must make up our minds which course is most likely to succeed and then follow that course with a degree of perseverance and skill we have not yet shown.

BILLION AGAINST UNITED STATES HELD POSSIBLE

Only the quickest look at the alternative gives a ghastly picture. If, as a mere 140,000,000 people, we found ourselves in the midst of a conquered world, from France to China, we should find more than a billion people in an armed camp under the control of an aggressive dictatorship arrayed against us. In terms of dollars, such a condition would cost us in national defense alone a great deal more than any program of aid to Europe, and it would cost us that annually for years to come. In terms of living standards, we should sink to a level not seen by any living person in this country. In terms of our liberties, I find it difficult to see how we could avoid a degree of economic control which would cut the very heart out of our system.

We have only one choice and that is wisely to aid those who stand with us in the world in the hope that they will rise again as bulwarks of the institution of human freedom.

There are even more problems in determining the nature of such a program as in determining its wisdom. It has been suggested that we should not help any nation which has nationalized any industry.

Such a policy would, I think, be very unwise. There are two worlds today. That is enough. In fact, it is one too many. We should not adopt a course which would create three worlds. In the free world, economic systems are not all alike. We do not share the Socialist ideas prevailing in some nations and we believe some of their programs to be affirmatively dangerous to the welfare of their people. I am sure in my own mind that if those nations would restore initiative and free enterprise their progress would be immediately accelerated. But we shall not achieve that result by lecturing from afar or withholding aid if they do not change their practices. So long as human liberty is maintained as a principal objective of a government that government is our friend.

In a task as immense as this, we should find out to the best of our ability what needs to be done and then, learning from the errors of the past, chart a course which has a maximum chance of success. We have seen plenty of errors. In the 2½ years since the end of the war with Germany the United States has provided around $20,000,000,000 in assistance to foreign nations. Much of this has been handled in the most incompetent manner. Much has been so distributed that the Soviet got credit for it. Our motives have been suspected and our purposes grossly maligned. What is most important we have not succeeded.

Foreign borrowers have been allowed to use some of the money we have advanced to compete with each other in our domestic markets to purchase commodities in short supply. This has helped further to create speculation and price inflation.

DELAY ON RUHR ACTION CITED

Our Government has also failed to encourage initiative and enterprise. The Ruhr is a conspicuous example. For some time past we have shared a direct responsibility in the Ruhr and for a long time we have had a great opportunity if we had only seized it. As far back as the summer of 1944 I urged that an international status be worked out for the Ruhr so it could never become the mainspring of a new, warlike Germany but could, instead, start promptly to serve, without menacing, the free people of Europe. For 2½ years we have failed to do that job. So the American taxpayers will this winter supply coal and steel which ought to come from the Ruhr.

For our own sake and for the sake of the world, it is imperative that we avoid the blunders of the past. This will take hard thinking and straightforward action, and both are long overdue. First, as to the aid which is given to prevent starvation; this should not take the form of loans repayable in dollars and we know of no means of importing sufficient goods from Europe to repay ourselves without demoralizing both the European and American economies.

The governments which receive our aid, however, should not be allowed to sell the food and then use the proceeds for further deficit financing. These proceeds should be used to develop the productive resources of the nations so as more speedily to make them self-supporting. They should also be used to develop new productive resources out of which might later come the means of at least partial return on our investment through acquiring important strategic materials needed in our own defense.

On the second, or reconstruction, aspect of our aid, we can legitimately regard the money advanced as a straight loan. But it should be made for business purposes and not left, as during the last 2½ years in the hands of social planners who do not know a loom from a corn husker.

It is time we got businessmen into a business job. It would seem reasonable that the men who built the greatest productive plant in the world should be called on to help. Much of the best work being done in Europe today is by the American manufacturers who have plants in Europe and are speeding their own rehabilitation. One motor company alone has turned out since the war more than 250,000 cars and trucks in Europe and in one nation it recently made its fifty thousandth postwar farm tractor.

We shall want to make really certain, for once, that the aid we provide is not wasted. To provide firm and continuing management I should like to see the entire program closely supervised by a special authority created for that specific purpose. This authority should be under the direction of a genuinely bipartisan board. The chairman should be an individual of outstanding ability, equipped by training and experience to assume the enormous responsibilities involved and entitled by reputation to the full confidence of the American people.

POLICY BY CONGRESS ASKED

Having provided for a businesslike administration of our foreign-aid program, the Congress might well adopt a statement of policy which would make our purposes clear, so clear in fact that nobody could misunderstand them, not even the men in the Kremlin. The Congress could declare it to be a basic policy of the American Nation to assist freedom-loving peoples elsewhere in the world who are ready to work with us to find a way back to economic stability. Such a statement which might well be endorsed by the leaders of both parties will make it clear that the United States has a settled policy and the means of carrying it out; that we will not suddenly or capriciously abandon those in other countries who risk their lives to uphold the principles of freedom in the face of the menace of a police state.

Having made such a statement of policy, we should then make it clear that we expect results. Aid should be extended only

as a prudent person would, in installments, at frequent intervals, depending upon concrete demonstration that the aid is being wisely employed for the purposes for which it is intended. This does not mean that we need to dictate concerning the internal affairs of other nations.

The fact is that the program of European economic cooperation drawn up by the 16 nations in response to the suggestion of Secretary Marshall contains in broad terms solemn commitments on the part of these nations progressively to increase their output of food, raw materials, and industrial products, to take rigorous measures to stabilize their finances, to cooperate fully with one another in a program of mutual help and to work as rapidly as possible toward a European customs union. We may properly require of these nations that they spell out in detail the measures they will undertake to achieve these major objectives.

Having done so, we should firmly insist that they adhere to the program they themselves have formulated and that they demonstrate, country by country, a consistent and effective pursuit of those broad goals as a prerequisite to continued assistance.

The committees of Congress will soon report their findings. By the greatest of good fortune, both for our country and for the world, we have a Republican Congress. It understands the nature of business, and I am confident that these able men will bring forward a sound program. It may well eventuate that the election of a Republican Congress last year not only saved the domestic affairs of the United States, but it may well also save the peace of the world.

WOULD ADVERTISE AMERICA

I earnestly hope that the story of American achievement can be told at the same time that we bring American aid. It cannot be told, as in the past, by shipping around the world modernistic paintings done by Communists at the expense of the American Government. It can be told by the concrete demonstration that human freedom and free enterprise go hand in hand. Neither can succeed or survive without the other. When they are teamed together, they can bring elsewhere the freedom and economic achievement they have brought to us.

To help others make the choice wisely between freedom and slavery we should tell our story to the world. It is a great, an almost unbelievable, story. I am very tired of hearing our success attributed solely to our great resources. The truth is that our success is due to the American system of political liberty and competitive free enterprise which has proved to be the most efficient productive system in the world. It is that system which gives to the average man the highest rewards in improved living standards, increased leisure, and growing economic security.

In this time of world crisis we can demonstrate that the American system has succeeded. This success alone is a complete answer to the advocates of a return to the ancient systems of dictatorship and slavery. It is an answer in material terms—the only language they can understand. But what they cannot understand is that we would surrender all our material success and live on their own abysmal standards before we would surrender what is much more precious—the liberty which God has given us. We know that the exchange of freedom for the security of a police state brings only misery. We know that the spiritual liberty of the individual is the most precious thing on earth.

I am confident that the America we love will move forward, secure in the knowledge that it is the greatest nation on earth because it is generous, because it is free, and because it represents the whole cause of freedom on earth today.

European Aid

EXTENSION OF REMARKS
OF
HON. HARVE TIBBOTT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. TIBBOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address on the subject of European Aid, delivered this morning over Station WOL of the Mutual network by Mr. George E. Reedy:

Opposition to the Marshall plan has become increasingly vocal during the past few days. It is based, primarily, on the thought that the high cost of living would drop were buying for foreign aid cut out of the economic picture.

That theme, which at first was brought out only occasionally, has become the focal point of attack upon the entire program. There are indications that it may be effective. If that is the case, the administration has only itself to blame.

For months the President and his advisers claimed that foreign aid had nothing to do with the current wave of high prices. They said that the amounts involved were too little to have a serious effect on inflation.

Little by little evidence mounted that tore this claim completely to pieces. Finally, when Mr. Truman appeared before Congress to ask for foreign aid, he let the cat out of the bag. He conceded that it involved extraordinary risks of inflation.

In fact, the President said it was so dangerous that he asked for equally extraordinary powers to try and keep prices down. All of a sudden the legislators were told that foreign aid meant a restoration of price controls and imposition of wage controls.

The reaction was immediate. Up to that point Congress, along with most of the country, had been considering foreign aid as merely an evidence of American generosity. They had not realized that it would involve genuine sacrifices on our part.

In this respect, the administration had fallen down in its job of leading the country. They should have been prepared for this revelation. They should have been told that it would mean doing without many things that Americans are used to having.

The whole issue could then have been placed on the level where it belongs. Americans would have been faced with the clear choice of making sacrifices to help the hungry abroad or pulling out of the picture and letting the Communists overrun Europe.

Once this had been made plain, the administration would have been in a far better position to sell its case. A democracy can always arrive at an intelligent decision once the facts are known. But too many people assume it is unsafe to tell all the facts.

Now it must do the ground work that should have been done months ago. Furthermore, it must do it among legislators who have the feeling they were sold. They had been given the impression that nothing was involved except voting funds to Europe.

This has long been the curse of American politics. Generations of politicians have been raised on the principle that it is unsafe to tell unpleasant facts. As a result, when the facts arise, the electorate is unprepared to meet them.

Too much of the debate on the Marshall plan has centered around the issue of whether it does or does not involve sacrifices. That should have been taken for granted. The real issue has been—and is now—whether those sacrifices are justified.

On that basis, proponents of the program would not now find themselves in a false position. They would be debating the case on its merits instead of arguing side issues. They will have to do that over and over again in the next few months.

The President's address to Congress on the opening day of this session was a masterpiece of political maneuvering. But its timing its unexpectedness, and its innermeanings may have done more to jeopardize foreign aid than anything else.

Eating Planned Economy

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cleveland Plain Dealer of November 9, 1947:

EATING PLANNED ECONOMY

Once upon a time there was a Nation known as the United States. It was the richest Nation in the world, being blessed with abundance of fertile lands and natural resources of all sorts. The people had more food and clothes and other things than in any other country. In fact, it was generally recognized as the most prosperous Nation that had ever grown up in that place called the world.

It came to pass, in the course of tumultuous events, that other nations (in that same world), some of which were friends and allies, and others former enemies, were hard pressed. Hunger and poverty beset these other peoples, and they turned to their rich neighbor for succor.

The inhabitants of the United States were distinguished for generosity and humanitarian instincts. As no other nation had ever done before, the United States dispatched food to hungry peoples.

Throughout the great farmlands of the United States were flocks of chickens and turkeys such as the world had never seen. Then it came about, as winter was approaching and the hardships of the less fortunate peoples were becoming most acute, the President of the United States adopted a plan to assist the workings of nature.

The people of the United States were forbidden to eat poultry, which they possessed in abundance, on Thursdays. As we have said, this order was devised with the approach of winter.

Now winter is the time when poultry raisers reduce their flocks by selling them to people to eat. If they were not sold, the farmers would have no choice but to feed them grains, which were urgently needed by the hungry peoples.

The people of the United States, therefore, could no longer eat fowl according to their custom and turned to other foods. Supplies of poultry, as a result, increased on the farms and consumed grain. Supplies ready for the market piled up in refrigeration storage warehouses.

Thus it came to pass that more grain was being consumed on the farms, poultry farmers faced financial hardships and poultry prices began to fall. And what is more remarkable, the Government which by its own acts created the break in prices was committed by law to buy poultry to raise prices again. The people, therefore, were buying chickens while forbidden to eat them.

When great confusion and public discontent brought about a change in this policy and the people again were permitted to eat their flocks, the Government directed that

the farmers should in the future raise fewer chickens and turkeys so that there would be less for the people of the United States to eat and to give away. Thus the Government next turned to the creation of scarcity, although it was well known that scarcity would raise prices while diminishing the supplies of food for everybody.

This process acquired the name of planned economy, which some people—the world always was a strange place—preferred to food.

The event just related occurred in the year 1947.

The Tragedy of All World Tragedies

EXTENSION OF REMARKS
OF

HON. KATHARINE ST. GEORGE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mrs. ST. GEORGE. Mr. Speaker, under unanimous consent, I include in the Appendix of the RECORD an editorial which appeared in the October issue of Today's World:

THE TRAGEDY OF ALL WORLD TRAGEDIES

(By Hamilton Fish)

In conformity with the fundamental principles of Today's World of daring to tell the truth—we denounce the ghastly use of the atomic bombs at Hiroshima and Nagasaki as having been the most colossal blunder verging on criminal folly ever perpetrated by high officials of the United States.

This is not rash or snap judgment on our part, but is the result of patient research, investigations, and careful reading of the reasons presented by the officials who were largely responsible for its use. These top officials are President Harry S. Truman, former Secretary of War Henry L. Stimson, and Chief of Staff George C. Marshall. May the Lord have mercy on their souls, for future historians of atomic warfare, if there are any left, will have none.

Its frightful, immoral, and lethal repercussions are of such a character and magnitude that it may be years before the awful plight into which we recklessly plunged the entire world, including America, will be fully realized. It has already been condemned by the Vatican and by most church leaders in England and by many in the United States. What a tragedy it is that America, hitherto the greatest moral and humanitarian force ever known, should have unleashed this diabolical and deadly weapon upon hundreds of thousands of women and children in two Japanese cities totally unable to protect themselves. Overnight we sacrificed our moral leadership of the world by using this infernal monster of death and destruction.

It would have been far better for the happiness and security of the world that the atomic bomb had never been invented. The military use of this devastating weapon and the consequent unleashing of a concentrated hell on earth is far more important and vital both in history, to our own destiny and that of the entire world, than the winning of World War II. Today's World insists that we should not have used this infernal machine. It was not warranted by military necessity. If it were a military necessity, then no fair-minded person would have blamed us if we had used the atomic bomb against Japanese warships or against a naval station of 100 men on some small island outside of Tokyo Bay as a token of the destructiveness of this new lethal invention. Certainly we should have used it in defense of our own shores in case of invasion. To have used A-bombs on teeming Japanese cities without warning at the conclusion of a victorious war raises both a moral and military issue. This magazine desires to commend former Under Secretary of the Navy Ralph A. Bard for opposing the use of the atomic bombs without prior warning.

On August 6, 1945, at Hiroshima we burned women and children alive without warning. It was a momentous day in the history of the world, perpetrating the war's greatest atrocity and marking the advent of the destructive atomic age which may eventually black out civilization.

President Truman recently alibied his responsibility for the military use of the atomic bombs by claiming it saved the lives of 200,000 American soldiers. That statement does not conform with historical facts. The knock-out punch to the Truman-Stimson claim of saving American lives by the military use of the atomic bomb was delivered by none other than Admiral Chester W. Nimitz, commander of our Pacific Fleet. He told a news conference at his welcome-home reception at the Nation's Capital:

"I think the end would have been the same without the atom bomb and Russia's entry into the war, but it would have taken longer."

Asked if he believed the surrender also would have come before an invasion, he gave an affirmative reply. He is also quoted as saying:

"The atomic bomb did not win the war against Japan. The Japanese had, in fact, already sued for peace before the atomic age was announced to the world at Hiroshima and before the Russian entry into the war. * * * The atomic bomb played no decisive part from the military standpoint in the defeat of Japan."

If Admiral Nimitz is right and he was the highest authority on the condition of Japan to continue the war, then the use of the atomic bomb was a ghastly tragedy.

Maj. Gen. Curtis E. Lemay who directed the B-29 superfortresses bombing Japan said, "the atomic bomb had nothing to do with the end of the war." The fact is our large bombers were unloading their missiles almost at will.

What price the atomic bomb? What price Russian participation? The highest Navy and Air Force generals claim Japan was already defeated and had virtually no navy or air force to fight with. Others state on reliable authority that Japan had already offered unconditional surrender terms.

General MacArthur submitted Japanese peace terms of virtually unconditional surrender months before the Russians had received equivalent terms from the Japs about which we knew. It was bad enough surrendering our moral leadership to experiment with, not one but two, atom bombs when a small token bomb would have sufficed. But far beyond the loss of moral leadership is the incalculable military harm it has done to us. Before the tragic use of these dreadful weapons, the United States was invincible against attack from any one nation or all nations combined. We had by far the greatest Navy and Air Force in the world and a huge and efficient Army. We were just winding up a victorious war against Japan, the last of the Axis powers. We rightly feared no nation or group of nations.

The moment we unleashed the atom bomb and let the rest of the world know its terrible destructiveness, we lost our position of impregnability and became naked and defenseless to attack by the first nation that solves the secrets of this infernal invention. America is now at the mercy of fanatics, saboteurs and enemies from within and without. The truth is, the atom bomb has boomeranged on us the richest, the most powerful and the most peaceful nation in the history of the world. There is no known defense against it. We already live in fear of our own devastating invention and will become more and more fearful of being atomized by sudden attack without declaration of war. It would be the retribution of justice as we recklessly started it. That is why the unnecessary, unwarranted and stupid use of the two A-bombs against Japan amounts almost to criminal folly and certainly constitutes one of the greatest atrocities of the war to the Japs, to ourselves, and to the rest of the world.

This editorial is not designed to be a detailed answer to the recent article by Henry L. Stimson in Harper's Magazine, in which the former Secretary of War stated, "The ultimate responsibility for the recommendation to the President (Truman) rested upon me, and I have no desire to veil it." The record shows clearly that surrender on identically the same terms could have been consummated without committing this abomination of desolation against humanity or letting hell loose on earth to terrorize and maybe exterminate not only Americans but mankind.

Today's world as a result of the Hiroshima crime against civilization belongs to the atomic age. It is part and parcel of our daily life. We cannot afford to ignore it. All other issues pale besides it and are of little consequence.

Mature and second judgment has already begun to condemn those responsible for unleashing this fiendish weapon that may destroy America and even life in the world. Our cities can now be turned into dust in the twinkling of an eye. Governments are instituted among men to preserve life and promote happiness. Bigger A-bombs may well mean mass destruction in which case there will be no need for Government itself. It is difficult to think in terms of war atrocities and war criminal trials if one-half of what is said about the A-bomb is true. It all seems so shocking and futile.

Brig. Gen. Bonner Fellers, in charge of psychological warfare against Japan, for a year military secretary to General MacArthur and later Secretary General to the Allied Council, refutes Secretary Stimson's claim that the atomic bomb ended the war. In an article entitled "Hirohito's Struggle to Surrender" in Foreign Service Magazine, General Fellers described in detail how "the U. S. S. R. repeatedly smothered Japanese overtures for peace with the Allies for 6 months before Japan's surrender."

He points out that "the Emperor's personal decision to surrender and his first attempt to obtain Russian mediation trace back to February 14, 1945, after General MacArthur's forces entered Manila."

The American Government knew about these overtures for peace and "were told by former President Hoover that Suzuki's (Pacifist-made Prime Minister) appointment meant the Japanese were ready to capitulate, and in all probability if a trial balloon were sent up which gave them as only concessions the preservation of the Emperor and an ultimate Liberal government of their own selection, they would submit to every other requirement. Mr. Hoover pointed out also that this gave us the opportunity to make a quick peace without Russian complications, as Russia was not at war with Japan. I do not know what steps the United States took to exploit this favorable opportunity from May to July. Obviously, however, the atomic bomb neither induced the Emperor's decision to surrender nor had any effect on the ultimate outcome of the war."

This quotation from General Fellers, together with that of Admiral Nimitz, tears to pieces the legalistic excuses of Mr. Stimson for the frightful blunder in inaugurating atomic warfare when there was no military necessity for it.

The Soviet Union continues to insist on the right of veto over inspection and control. It would be the height of folly and criminal stupidity to surrender the atomic-bomb

secrets on any lesser guaranties than provided in the Baruch plan.

Today's World agrees with the American Legion and the Veterans of Foreign Wars that we should henceforth retain the atomic secrets for our own defense and for the preservation of world peace and freedom.

Today's World hopes that we will not yield to the propaganda of the rabid "one worlders, America lasters, and Russia firsters" who want us to share the secrets of the A-bomb irrespective of inspection and control.

Whenever Soviet Russia turns from aggression and world revolution to the paths of peace and sincere international cooperation, then and then only should we agree to outlaw the A-bomb.

Madison and the Constitution

EXTENSION OF REMARKS
OF
HON. HOWARD W. SMITH
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. SMITH of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech by Hon. J. VAUGHAN GARY, Member of Congress from Virginia, before the William Byrd Chapter of the Daughters of the American Revolution at the tomb of James Madison, Montpelier, Va., on Constitution Day, September 17, 1947:

Madam Regent, distinguished guests, I am deeply sensible of the honor of being invited to participate in these exercises, and particularly to appear in the role of speaker for the William Byrd Chapter of the Daughters of the American Revolution. It is very fitting that we should assemble at this time and at Montpelier because today marks the one hundred and sixtieth anniversary of the adoption of the Constitution of the United States, and no one contributed more to the framing of this historic document than James Madison who lived here.

Madison was born at Port Conway, in King George County, Va., on March 16, 1751. He studied under private tutors, and graduated from Princeton College in 1771 where he remained to study law for 1 year. Upon returning to Virginia, he continued the study of law, was admitted to the bar, and in 1774 was elected as a member of the committee of safety from Orange County. Having acquired a taste for public life at the early age of 23 years he was destined to embark upon a public career that brought him the highest honors that could be bestowed upon anyone.

In 1776 Madison was elected as a delegate to the Williamsburg Convention, became a member of the First General Assembly of Virginia the same year, and was unanimously elected as a member of the Executive Council in 1778. He was a member of the Continental Congress from 1780 to 1783 and again from 1786 to 1788, and at the age of 36 he served as a member of the Federal Constitutional Convention at Philadelphia.

Madison was elected as a Democrat to the First, Second, Third, and Fourth Congresses of the United States, serving from March 4, 1789 to March 3, 1797. He declined a mission to France, tendered by President Washington in 1794, and also the position of Secretary of State offered him the same year. In 1799 he again became a member of the Virginia General Assembly from Orange County; was a presidential elector on the Democratic ticket in 1800 and voted for Jefferson and Burr. He was appointed by President Jefferson as Secretary of State on March 5, 1801, entered upon the duties of that office on May 2, and served until March 4, 1809. Madison was elected as a Democratic President of the United States; was reelected and served from March 4, 1809, to March 3, 1817, whereupon he retired to his estate, "Montpelier". However, 12 years later he was recalled from private life to serve as a delegate in the Virginia Constitutional Convention. This most distinguished statesman served as rector of the University of Virginia and visitor to the College of William and Mary. He died at "Montpelier" on June 28, 1836, at the ripe age of 85 years, and his remains are interred here.

I have given briefly a sketch of the public offices held by Madison as evidence of his great intellect and ability, which peculiarly fitted him to take such a prominent part in the formation of the Constitution under which we live and which Gladstone properly termed as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

The people of the Colonies from their earliest days claimed for themselves and their descendants exemption from taxation which was not imposed by their own representatives, and as it was not possible for them to be represented in the British Parliament, they denied the right of that body to tax them, and vigorously opposed all such efforts. In the French and Indian War of 1754–63, which was a part of the Seven Years' War in Europe, the American Colonies sided with Great Britain as their protector, and while Great Britain was left with many new colonial possessions all over the world, she was saddled with a great debt. Great Britain believed that the American Colonies should help defray the cost of removing the French menace and of continued British protection, and as a result the British Parliament declared that "the Colonies and plantations in America have been, are, and of right ought to be, subordinate unto, and dependent upon, the Imperial Crown and Parliament of Great Britain," and that the King, with the advice and consent of Parliament, "had, hath, and of right ought to have full power and authority to make laws and statutes of sufficient force and validity to bind the Colonies and people of America * * * in all cases whatsoever."

The assertion of power to tax the Colonies met with violent opposition both in England and America. The distinguished British statesman, Lord Chatham, significantly pointed out in 1765, in discussing the subject, that while British authority over the Colonies was supreme in matters of government and legislation, "taxation is no part of the governing or legislative power; taxes are the voluntary grant of the people alone."

In addition to resistance to "taxation without representation", many grievances were held by the American Colonies against Great Britain growing out of the economic and social life of the Colonies for which the British made no allowance. The Stamp Act Congress which was held in 1765, the boycotting of English goods, and the destruction of imported tea as well as acts to coerce Massachusetts into British obedience were the preliminaries of the war for independence, and led the Colonies to take the first steps which resulted in our present Union. This was the meeting of the First Continental Congress which was held in Carpenters' Hall at Philadelphia, on September 5, 1774, the year that Madison was elected as a member of the Committee of Safety from Orange County which marked his initial venture into public life.

Delegates from all of the colonies, with the exception of Georgia, attended the First Continental Congress, the representation of the people being indirect. A highly important matter was that this meeting, following the practice of the Stamp Act Congress, adopted the rule of one vote for each colony without respect to size, population, or wealth. It is interesting to note that under our Constitution each State has two Senators, elected without regard to size, population, or wealth. However, the equal representation rule often impeded congressional action and retarded the development of a competent general government, and efforts to continue it almost disrupted the Convention of 1787 that drafted the Constitution. After passing a number of measures the Congress adjourned on October 26, 1774, to meet again if the crisis continued.

The Second Continental Congress met again at Philadelphia on May 10, 1775, and continued until it was superseded in 1789 by the Government organized under the new Constitution. When this Congress met, hostilities had begun and the Minute Men of New England were besieging the British military in Boston. Independence, national standing, confederations and State rights were joined together speedily. The resolution of the Virginia Convention at Williamsburg in 1776, to which Madison was a delegate, instructed the colony's delegates to propose independence. The Virginia Convention also gave assent to "whatever measures may be thought proper and necessary by the Congress. * * * *Provided*, That the power of forming government for, and the regulation of the internal concerns of each colony, be left to the respective colonial legislatures." The resolves introduced by Richard Henry Lee, approved and, in turn, adopted by the Continental Congress on July 2, 1776, provided that a plan of confederation be prepared and transmitted to the respective colonies for their consideration and approbation.

Events of transcendent importance were developing, and after considerable bickering the Articles of Confederation were finally agreed to in 1777 and submitted to the States for ratification, Maryland being the last State to ratify the Articles on March 1, 1781. On account of this delay practically the whole of the American Revolution was fought under a gentlemen's agreement which was by no means favorable to efficient operation from either a civil or military standpoint.

The Continental Congress undoubtedly was not the best instrument for the task that it had to perform. Its personnel deteriorated, and much time was wasted in unnecessary debate upon unimportant matters. Its efficiency was impaired because of the obduracy of the State governments, which alone had the power to make the laws enacted operable.

Conditions were not materially improved under the Articles of Confederation, which served principally as a foundation upon which to build. While the Articles contained many sound provisions which were later written into the Constitution, the compact gave Congress no commercial control and no power to raise money. It could only make requisition on the several States and hope and pray that they would respond adequately, which the States never did. The Congress was given control over foreign affairs but had no way of making the States obey even treaty requirements or provide for the payment of the foreign debt.

Thoughtful men, both in and out of public life, were fully aware of the distressful state of affairs, and efforts for a better understanding and cooperation were sought. Virginia led in sponsoring corrective measures which had direct results. On January 21, 1786, the Legislature of Virginia, ignoring entirely the requirements of the Articles of Confederation, suggested a general convention of commissioners from the several States to study the trade of the Union and "consider how far a uniform system in their commercial relations may be necessary to their common interests and their permanent harmony." This convention met at Annapolis in September of 1786. Owing to the limited attendance, very little was accomplished except to make a report, drafted by Alexander Hamilton, to the legislatures of the five States represented in

the convention and also to the Congress. This report drew attention to the fact that the delegates from New Jersey had been instructed to consider not only commercial regulations but "other important matters" necessary to the common interest and permanent harmony of the several States and suggested the calling of another convention with enlarged powers. The report was considered by the Congress, and on February 21, 1787, it resolved that such a convention appeared to be the most probable means of establishing "a firm national government," and that such a convention be held in May 1787 at Philadelphia "for the sole and express purpose of revising the Articles of Confederation and reporting to Congress and the several legislatures such alterations and provisions therein as shall when agreed to in Congress and confirmed by the States render the Federal Constitution adequate to the exigencies of Government and the preservation of the Union."

The legislatures of all the States except Rhode Island appointed delegates to this Convention of 1787. Rhode Island, where radicals were in control, ignored the entire proceeding. Washington was by far the most outstanding member of the Convention. Madison and Randolph, his fellow deputies from Virginia, played, however, very active roles while Wythe and Mason, older men, added the weight of their knowledge and experience as prominent participants in earlier affairs. To Madison more than to any other deputy public life was a profession. His great knowledge of political science and his grasp of the most important problems before the Convention and the means by which they could be solved, enabled him to become the principal architect of the Constitution, and rightfully earned for him the title of "Father of the Constitution."

On May 29, 1787, the Convention having been organized, Randolph opened the main business by introducing the Virginia plan, which had been drafted by Madison and later worked up in preliminary meetings of the Virginia delegation of seven members. It provided for apportioned representation, a legislature of two houses, the lower house elected by the people, the upper one elected by the lower. The legislature was to have all the legislative power of the Continental Congress, and also "to legislate in all cases to which the separate States are incompetent, or in which the harmony of the United States may be interrupted by the exercise of individual legislation; to negative all laws passed by the several States, contravening in the opinion of the National Legislature the articles of Union; and to call forth the force of the Union against any member of the Union failing to fulfill its duty under the articles thereof."

It provided for a national executive and a national judiciary, with a council of revision formed out of them which should have a conditional veto on national legislation and also on the National Legislature's negative of State acts. Provisions were made for the admission of new States and for amendment without the assent of the National Legislature.

This was the germ of the Constitution of the United States. For its form it went back to practices of colonial and State governments; for its powers to the lessons of wartime and later experiences. It gave the Central Government coercive power over the State governments, while it guaranteed their continued existence. Since no provision was made for operation through the State governments, it contained the idea of direct action on the people, and the great law of the land principle was foreshadowed. Charles Pinckney also introduced a plan as well as Paterson, of New Jersey.

Heated controversy arose between the large and small States. On July 2 the Convention was deadlocked over giving each State an equal vote in the upper House, five States voting in the affirmative, five in the negative, and one divided. This threatened to disrupt the Convention, but on July 16 a compromise was reached on the several plans and proposals. Debates, however, continued on the Virginia resolutions. The 15 original resolutions had been expanded into 23. Since these resolutions were largely declarations of principles, on July 24 a committee of five, Rutledge, of South Carolina, Randolph, of Virginia, Gorham, of Massachusetts, Ellsworth, of Connecticut, and Wilson, of Pennsylvania, was selected to draft a detailed Constitution embodying the fundamental principles which had thus far been approved. The Convention adjourned from July 26 to August 6 to await the report of its committee of detail. This committee, in preparing its draft of a Constitution, turned for assistance to the State constitutions, to the Articles of Confederation, to the various plans which had been submitted to the Convention, and other available material. On the whole, the report of the committee conformed to the resolutions adopted by the Convention, though on many clauses the members of the committee left the imprint of their individual and collective judgments. In a few instances the committee avowedly exercised considerable discretion.

From August 6 to September 10 the report of the committee of detail was discussed, section by section, and clause by clause, and further compromises were made. Toward the close of these discussions, on September 8, another committee of five, William Samuel Johnson, of Connecticut; Alexander Hamilton, of New York; Gouverneur Morris, of Pennsylvania; James Madison, of Virginia; and Rufus King, of Massachusetts, was appointed "to revise the style of and arrange the articles which had been agreed to by the House."

On Wednesday, September 12, the report of the committee of style was ordered printed for the convenience of the delegates. The Convention for 3 days compared the report with the proceedings of the Convention. The Constitution was ordered engrossed on Saturday, September 15.

The Convention met on Monday, September 17, for its final session. Several of the delegates were disappointed in the result. A few deemed the new Constitution a mere makeshift, a series of unfortunate compromises. The advocates of the Constitution, realizing the impending difficulty of obtaining the consent of the States to the new instrument of government, were anxious to obtain the unanimous support of the delegates from each State. It was feared that many of the delegates would refuse to give their individual assent to the Constitution. Therefore, in order that the action of the Convention would appear to be unanimous, Gouverneur Morris devised the formula "Done in Convention, by the unanimous consent of the States present the 17th of September. * * * In witness whereof we have hereunto subscribed our names." Thirty-nine of the forty-two delegates present thereupon subscribed to the document.

The Convention had been called to revise the Articles of Confederation, but instead it reported to the Continental Congress a new Constitution. While the Articles specified that no amendment should be effective until approved by the legislatures of all the States, the Philadelphia Convention suggested that the new Constitution should supplant the Articles of Confederation when ratified by conventions in nine States. For these reasons it was feared that the new Constitution might arouse opposition in Congress.

Three members of the Convention, Madison, Gorham, and King, were also Members of Congress, and they proceeded at once to New York, where Congress was in session, to placate the expected opposition. Being aware of their vanishing authority, Congress on September 28, after some debate, decided to submit the Constitution to the States for action, and made no recommendation for or against adoption.

Two parties soon developed, one in opposition and one in support of the Constitution, which was debated, criticized, and expounded clause by clause. Hamilton, Madison, and Jay wrote a series of commentaries, now known as the Federalist Papers, in support of the new instrument of government. The closeness and bitterness of the struggle over ratification and the conferring of additional powers on the central government can hardly be exaggerated.

On December 7, 1787, Delaware became the first State to ratify the new Constitution, the vote being unanimous. Pennsylvania ratified on December 12, 1787, by a vote of 46 to 23 which was scarcely indicative of the struggle which had taken place in that State. New Jersey ratified on December 19, 1787, and Georgia on January 2, 1788, the vote in both States being unanimous. Connecticut ratified on January 9, 1788, 128 to 40. On February 6, 1788, Massachusetts, by a narrow margin of 19 votes in a convention with a membership of 355, endorsed the new Constitution, but recommended that a bill of rights be added to protect the States from Federal encroachment on individual liberties. Maryland ratified on April 28, 1788, by a vote of 63 to 11. South Carolina ratified on May 23, 1788, yeas 149, nays 73. On June 21, 1788, by a vote of 57 to 46 New Hampshire became the ninth State to ratify, but like Massachusetts she suggested a bill of rights.

By the terms of the Constitution nine States were sufficient for its establishment among the States so ratifying. The advocates of the new Constitution realized, however, that the new government could not succeed without the addition of New York and Virginia, neither of which had ratified. Madison, Marshall, and Randolph led the struggle for ratification in Virginia. On June 25, 1788, by a narrow margin of 10 votes in a convention of 168 members, our State ratified over the objection of such delegates as George Mason and Patrick Henry. In New York an attempt to attach conditions to ratification almost succeeded but on July 26, 1788, New York ratified with a recommendation that a bill of rights be appended by the very close vote of 30 to 27.

Eleven States having thus ratified the Constitution, the Continental Congress, which still functioned at irregular intervals, passed a resolution on September 13, 1788, to put the new Constitution into operation. The first Wednesday of January 1789 was fixed as the day for choosing Presidential electors, the first Wednesday of February for the meeting of the electors, and the first Wednesday of March, namely, March 4, 1789, for the opening session of the new Congress. Owing to various delays, Congress was late in assembling, and it was not until April 30, 1789, that George Washington was inaugurated as the first President of the United States.

So well did your forefathers labor that only 21 amendments have been adopted to the Constitution, the first 10 of which comprise the Bill of Rights. Several of the States, including Virginia, consented to ratify the Constitution only after they were satisfied that the Bill of Rights guaranteeing individual liberties would be incorporated as a part of the fundamental law of the land.

Several unique features of the Constitution distinguish it from any previous inventions in the art of government.

The Constitution binds individuals as well as States. Under it all individuals have equal duties and equal rights.

The legislative, executive, and judicial powers are lodged in separate bodies of public servants whose powers and duties compel them to check and balance one another. No uncontrolled power is lodged in any one.

The written Constitution is made paramount to any legislative, executive, or judicial authority.

A court is created with power to hold all authorities within their allotted spheres, but the sphere within which the court may operate is also defined.

The Constitution contains within itself a method whereby it may be amended by the people.

These principles, never practiced before, are the warp and woof of a fabric suitable to a Nation whose government obeys those whom it rules, and whose people rule the Government which they obey.

There are those who would supplant those principles with different ideologies of government. Dictators from without and their puppets from within seek to nullify our Constitution and to destroy our American way of life. We, however, are steeped in the knowledge that "eternal vigilance is the price of freedom." May we be ever vigilant in defending those principles, which are our priceless heritage.

Expunging of Remarks From the Record

EXTENSION OF REMARKS
OF
HON. OTTO E. PASSMAN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. PASSMAN. Mr. Speaker, the curtain that will close a very unpleasant incident is about to be drawn. I refer to my statement of November 21 that I would offer a resolution to expunge from the RECORD remarks purported to be made and inserted in the RECORD by my colleague the gentleman from Louisiana [Mr. MORRISON]. Unfortunately, my statement received wide coverage in the papers of Louisiana, which brought a torrent of letters and telegrams stating that a Member of another body had inserted in the RECORD a statement equally as malicious. They seem to think it was a question of the kettle calling the pot "black." I have no comment on their deductions except to say that the people are of the opinion that Mr. MORRISON was using the RECORD to try to elect himself Governor of Louisiana and that the Member of another body was using the RECORD to try to elect Sam Jones Governor of Louisiana. The consensus of opinion among the many that I have heard from is that both articles should be expunged from the RECORD. Since I have no control over the statement inserted by the gentleman from another body, I shall not pursue the House matter further. I must say, however, that in my opinion Louisiana gubernatorial politics should not be aired through the general distribution of the CONGRESSIONAL RECORD. Neither should the taxpayers be burdened with standing the cost of such statements being franked at Government expense to the voters of Louisiana. I hope that I have not incurred the ill will of any persons of Louisiana or elsewhere because of my stand in trying to bring about fair play and adherence to the rules of the House.

The Food Problem at Home

EXTENSION OF REMARKS
OF
HON. CHESTER H. GROSS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. GROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newspaper account of the activities of the House Agriculture Committee:

[From the York (Pa.) Dispatch of November 13, 1947]

CONGRESSMAN GROSS RETURNS FROM TOUR—REPORTS ON FINDINGS OF HOUSE AGRICULTURE COMMITTEE—FOOD PROBLEM AHEAD

The House Agriculture Committee of which Congressman CHESTER H. GROSS, of the York-Adams-Franklin district, is a member, has just returned from an interrupted tour of the Nation. Terminating their tour at Temple, Tex., because of the call for a special session of Congress, the Congressman said they hope some time next year to complete their tour of the Rocky Mountain and Pacific Coastal States.

Congressman GROSS told a reporter the committee members feel that their trip has had a good effect in the agricultural sections, stating, "the welcome received everywhere and the interest taken convinced the members that the tour strengthened the people's confidence in Congress." The committee, beginning their hearings in New Hampshire on October 13, traveled south along the eastern seaboard States into South Carolina, then on to Georgia; north through the Middle West into Wisconsin; then south through the Corn Belt to Temple, Tex.

One annoying and time-consuming situation with which the committee had to deal at every hearing was the manner in which the Soil Conservation Service packed the committee hearings with their witnesses urging Government-aid programs. Complaint finally reached Washington when Secretary of Agriculture Anderson denied to Chairman HOPE in a letter that the Department was responsible but the witnesses continued to appear, GROSS said.

The committee's visit through the Twenty-first Congressional District impressed members tremendously with the high type of agriculture here and the apparent stability of the people. They were further impressed by the fact that there were more buildings underway in this area than in any other area on their 4,000-mile tour. The hearings were largely attended, ranging from 400 to 1,000 people, and as many as 70 witnesses heard in a single day. The committee was amazed, GROSS said, at the attitudes taken by many witnesses. For instance, in Rocky Mount, N. C., where the tobacco farmers, share croppers, and tenants were getting more than $500 per acre for their tobacco, they still asked for cash payments for lime and fertilizer. As a southern Negro farmer in Georgia told the committee, "It seems to me everybody is interested in soil conservation, but I am sorry to admit that most of those I know are more interested in the cash from the Government than in improving their land."

"This was evident in every section visited," GROSS declared. "After visiting tobacco auctions and cotton gin mills and there speaking with tenants and share croppers, both white and colored, I have come to the conclusion that there is a wide field for improvement, particularly in the South. One of the principal troubles with tenants and share croppers is their illiteracy and their inability to spend their money wisely. It is not unusual to find the share cropper getting $5,000 for his cotton and tobacco and then buying 12 bicycles for his 12 children or a $200 automobile for $1,000 or bidding $200 per acre for $30 land."

TERRACING "OVERSOLD"

"Land terracing has been greatly oversold. The committee saw many thousands of acres of land terraced and never cropped. They saw much land terraced that was not worth $1 an acre and never was. Some places the land has been terraced so hard that on miles of terraces two rows of corn are planted and the balance of the land not farmed. One of their main troubles in the South is the lack of dairy products in diet, as I pointed out to many communities. In the drought-stricken Midwest in the most prosperous farm sections appeals were made for cash payments to purchase lime and fertilizer. In one county in Indiana, where 40 farmers met the committee at a crossroads, a proud farmer boasted that his farm value had increased $150 per acre in the last 3 years and that for every dollar's worth of fertilizer applied to their land they were getting seven in return, yet they wanted the Government to supply fertilizer. This same group boasted, 'This is the only county in the United States that could as of today pay its share of the national debt.'

"The committee found hog production extremely low everywhere except in southern Minnesota and Missouri. One reason is that last spring Secretary of Agriculture Anderson requested that farmers produce less hogs and the other the present high price of corn. In Minnesota and Wisconsin we found a well-balanced agriculture and farmers really prosperous, but the soil-conservation witnesses came forward begging. The committee was amazed to have the wheat king of Kansas get on the witness stand and declare that he knew how it felt to have a crown on his head and then beg for a continuation of crop insurance which cost the Federal Government $80,000,000 last year and benefited no one except a hoard of employees. He also pleaded for free lime and fertilizer. In some counties of Kansas there were produced this year 10,000 bushels of wheat for every inhabitant. It sold for around $2.20 per bushel, which means that every inhabitant in a county like that had an income of more than $20,000.

"In Temple, Tex., where the hearings were terminated witnesses came from six States. Complaints were made about absentee landlords, scarcity of labor, the farmers' inability to buy the proper equipment, as well as the poor houses, which are so common in that area. Nevertheless, upon investigation the committee found that the banks in the Midwest are bulging with farmer money and that many a farmer who lived in a shack had sufficient money in the bank to buy his neighbor's acres at tremendously inflated prices. It is an amazing thing that in the better agriculture areas land values are not nearly as high comparatively as they are in the land of the tenant and the share cropper."

FOOD TROUBLE AHEAD

"I believe there is a serious food problem confronting this country in the not far distant future. For instance, the wheat of Kansas and Nebraska, Oklahoma and the panhandle is still lying in dry ground when it should be 6 inches high. Approximately 2,000,000 range cattle are wintered annually in that area on the wheatfields. These cattle are now finding their way to the stockyards at Sioux City, Kansas City, and Forth Worth, Tex. They will have a serious reflection on our wheat and meat supplies next year.

"During our entire tour we found no place where the people were more conservative, more prosperous, better satisfied, or where a better agriculture program was in effect, than right here in this congressional district. I spoke in numerous places and tried to impress farmers everywhere of the importance of having farmers solve their own problems

and warned that if they let the Government do it for them they are bound to have a master. This met with general agreement by farmers everywhere. Soil conservation may be a national problem but after all can only be solved by the individual who owns the land. Of the hundreds of witnesses we heard, few presented any kind of a program for long-range agriculture. Only one or two asked for a guaranteed price schedule slightly below the cost of production to cushion the farmer against rebounding war prices and still permit him to operate in a free, uncontrolled economy and at the same time protect the Government against surpluses such as we have in potatoes and wool at the present moment. However, numerous farmers asked for a price formula that would guarantee and continue the high prices secured for them by the administration at Washington, apparently forgetting or overlooking the fact that the present prices are war-inflated. We found everywhere unanimous opposition against controls of any kind and that means against acreage controls and market quotas. The committee stopped at many places on their 4,000-mile tour and talked with farmers on the farms and observed just what they were doing. The one conclusion the committee arrived at was that wherever we found a thrifty man he was a happy man. After all, thrift does pay."

BARBECUE ON TUESDAY

"The committee was warmly welcomed everywhere and at Muscle Shoals, in Alabama, the committee was served a barbecue dinner with about 200 guests present on October 21, a meatless Tuesday."

Federal "Gag" Inquiry

EXTENSION OF REMARKS
OF
HON. ROLLA C. McMILLEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. McMILLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Decatur (Ill.) Herald:

FEDERAL "GAG" INQUIRY

The administration has not heard the last of its so far abortive attempt to impose on Government agencies and employees a peacetime censorship as stringent as that in effect during the war—congressional investigators are going to take a look at what's been going on.

The matter is deserving of such attention, because now it is learned the "gag" drafted from wartime Army regulations has been twice applied to the Veterans' Administration and twice withdrawn—both withdrawals having been ordered after alert Washington correspondents discovered the regulations were in effect.

Chairman CLARE HOFFMAN of the House Expenditures Committee, a Michigan Republican and a sleuth-minded attorney, has scheduled hearings on the subject after seeing copies of the proposed minimum "security" standards. These standards are such that a Government employee could be discharged on disloyalty grounds for revealing information which embarrassed his superiors or made their job more difficult. The information would not need to be of such a nature as would endanger the national security. Under the regulations, any employee who disclosed inefficiency or corruption could be discharged.

Never in peacetime has there been such an attempt to make it impossible for the press to give the Nation an honest, analytical picture of the Government in action.

The code in question was drawn up by a three-man security control subcommittee of the State-War-Navy-Air Coordinating Committee. Chairman of the subcommittee is Hamilton Robinson, director of the State Department's Office of Controls. Robinson recently was quoted as saying public officials should decide the amount and kind of information made public. Reconcile that, if you can, with our traditional concept of democratic government. The other two members of the subcommittee represent the Army and Navy, and, more important, represent Army-Navy thinking on censorship.

President Truman has tried to brush aside criticism of the gag move. Things have gone too far for that, however. Here indeed is a matter worthy of congressional investigation, because peacetime censorship is entirely incompatible with the American way.

This We Have Heard

EXTENSION OF REMARKS
OF
HON. FRANCIS CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks, I offer for the RECORD a very moving bit of writing from the Belle Fourche (S. Dak.) Daily Post of November 20, 1947. It deals with a matter on the mind and heart of Congress at this time.

THIS WE HAVE HEARD

We have, in our time, heard women discuss among themselves recipes to be used for donation purposes—the cake to be sent to a ladies aid supper; the cookies for a community party for children. The discussion has been usually of the eggless, sugarless, shorteningless requirements of the recipe, resulting in—as many have said—"a sweet that's plenty good enough."

We have heard women discuss how donated clothing can be stripped of such extras as buckles and button trims. In fact, we once saw a woman going through the clothing she was packing for a missionary barrel and taking off all trims she could use in her own sewing, leaving only the fasteners that held the garment together.

We have, likewise, heard men discuss how little they can donate to community institutions and still get by public opinion.

But in the past few weeks, we have heard discussions like these:

Women reviewing recipes for cookies to be sent to the veterans at Fort Meade, the high grade of the materials used, their point of emphasis, since "these boys have so little they can enjoy, and some of them apparently have been forgotten by their families." The women discuss the preferences of the soldiers as explained by the Gray Ladies, who take the cookies to the hospital each week. The boys like soft cookies best, the Gray Ladies say, soft cookies with frosting. "I use that favorite chocolate recipe of mine," we heard one woman say, "then I make a batch and a half of the frosting, spread it good and thick. I pack them so that they are not broken when they get there." The only wail we have heard in the whole cookie-making project has been the scarcity of big boxes in which to pack the cookies so that they will reach the veterans—after a 30-mile trip by car—in as good condition as they left the kitchen.

In the past few weeks we have heard women and children discussing the sizes of garments and types of garments needed for adult and child in nations overseas; the warmth of stockings and the question of laundering—"Soap is scarce over there; so I put in a couple bars." The complaints have been solely of restrictions placed on the donations by the sponsoring agencies.

This week we heard men discussing donations to the local Scouting organizations. They were commenting that they have in past years given the Girl Scouts only half the amount they gave the Boy Scouts. But this year they gave the girls' organization the same, since the girls' organization had risen to new heights of service.

Nobody knows how many boxes of food, clothing, and pleasure gifts are pouring from Belle Fourche every day in the name of world brotherhood. The boxes go from individuals—child and adult; from organizations—child and adult.

People have responded like this under the pressure of war, time and again. But this is wartime behavior in a peacetime cause.

What does it mean?

It means building peace from the individual up. It means the positive answer to "Am I my brother's keeper?"

May our leaders assembled in Washington see the quality of this upsurge that rises from the people; may they see its unselfishness and depth. Then may they match it, in their behavior, with an equal unselfishness and depth.

Help America

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. WEICHEL. Mr. Speaker, the President has had absolute control over the exportation of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel, so that he would curb and stop the exportation of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel, so that the national defense shall not be impaired, so that the national security shall not be endangered, and so that the civilian use of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel shall not be impaired.

The President has had absolute and complete authority in the matter of export. The Congress can give him no more. Yet, since May 1945, the President has thrown to the winds and did not use his power and authority to curb and stop the export of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel, and protect the people of the United States, by sending and authorizing to be sent abroad untold millions of tons of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel, and last year alone the food that was given and sent from continental United States would be longer than a railroad freight train nearly 3,500 miles long.

The sending and the permission of the President of the United States assisting in the vast amount of building materials, food, farm machinery, grain, meats, metals, motor vehicles, and steel, being sent from continental United States and standing idly by and watching this parade 3,500 miles long of food alone from continental United States without raising a finger or using his right to protect the people has brought about a great scarcity of building materials, food, farm machinery, grain, meats, metals, motor vehicles and steel in this country and has caused the greatest inflation ever known and the highest prices to the people of the United States. Such unnecessary burden caused by the President standing idly by casts a heavy hardship on nearly every person in America.

So that such hardship might not be continued on the American people by the President in not exercising the law and authority given to him, I have introduced a bill whereby no building materials, food, farm machinery, grain, meats, metals, motor vehicles, nor steel shall leave continental United States unless the Secretary of Commerce certificates to the President of the United States that the exportation of any such building materials, food, farm machinery, grain, meats, metals, motor vehicles, or steel will not impair the national defense, endanger the national security, nor impair the civilian use of building materials, food, farm machinery, grain, meats, metals, motor vehicles, or steel by the people of the United States.

Meatless Tuesdays

EXTENSION OF REMARKS
OF
HON. LAURIE C. BATTLE
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. BATTLE. Mr. Speaker, a few days ago, William Kitay had a very timely article in the Birmingham News which I would like to call to the attention of the Members of the House of Representatives at this time. It illustrates the difficulties faced by the President and the administration in trying to save food and help solve an international problem through voluntary self-denial programs at home.

The article follows:

TUESDAY MEATLESS IN NAME ONLY HERE, RECENT SURVEY SHOWS

(By William Kitay)

Meatless Tuesday in Birmingham is meatless in name only, a survey revealed today.

And Charles Luckman, Chairman of the Citizens Food Committee, has wired the News and Age-Herald to remind local residents again that:

"No meat today, it's Tuesday. No eggs on Thursday."

The wire pointed out there no longer was a poultryless Thursday. The ban on poultry was removed under pressure of the Nation's poultrymen who argued the measure was not saving either grain or chickens.

The survey, made by a News reporter, showed that while local citizens openly appeared to cooperate with the President by abstaining from meat on Tuesday, the facts are:

1. The city's meat packers and wholesalers have experienced no decline in the weekly demand. They are supplying retailers with as much meat now as they did before meatless Tuesday.

2. Most retail meat markets are selling as much meat now in 5 days as they did before in 6.

3. Many persons who eat in restaurants are not eating less meat but have merely shifted their meatless day from whatever it was, to Tuesday.

The survey covered 12 meat-packing houses and wholesalers, 15 large retail markets in representative sections of the city, 20 restaurants and the 5 major downtown hotels.

Significant is that the all-out cooperation shown 3 weeks ago, definitely is on the wane. Persons who, during the first two Tuesdays of the drive, selected meatless dishes, today are asking for meat.

A large number of downtown restaurants have quietly put back meat on Tuesday's menus. While all downtown hotels still had meatless menus on their dining-room tables, tnree of the five said they had meat dishes waiting in the kitchen for anyone who asked. And a growing number of people are asking for meat, waitresses reported.

"At first," said one meat packer, "we thought the demand for meat had dropped off about 50 percent of 1 day's business. But during the last week the demand is back to normal."

Most packers pointed out there is a normal seasonal shortage of meat at this time. And that they are delivering every pound they can obtain.

"The amount of meat available normally is so short," said another packer, "that it is impossible even to determine if the demand has dropped off. One thing we do know, we are selling all the meat we can get. We could sell more, if we had it."

The seasonal short supply was said to be due to the light weight of animals this time of year. A slight drop in the demand for beef was blamed on a seasonal eating change and not on meatless Tuesday. As the cold weather approaches, people in the South switch their tastes from beef to pork.

All retail markets contacted made approximately the same comment as voiced by one butcher who said:

"My customers will not buy meat on Tuesday. They act insulted and indignant if I even suggest such a thing.

"The laugh is, of course, that many people make up for it the rest of the week. And most people buy twice their normal needs on Monday. So, at the end of the week I have sold as much meat as I ever did before meatless Tuesday."

The situation in restaurants depended upon the individual trade. Some eating places reported a drop in their Tuesday business, showing their customers went elsewhere where meat was being served. Others reported they were receiving a few complaints but on a whole were not having too much difficulty, as most customers had changed their normal meatless day to Tuesday.

However, most agreed their meat order each week was identical to what it was before the advent of meatless Tuesday.

"We replaced meat with chicken," said one restaurant owner. "But more and more people are demanding meat. Many of my customers are not eating with me on Tuesdays anymore."

Another restaurant man reported he put meat back on the menu today "because we are losing customers." He added that if everyone cooperated, he was all for meatless Tuesday. But that he couldn't let his business go to others who were not observing the day.

One restaurant owner said his steady trade was not complaining so much against the removal of meat from the menu. But that it was strenuously objecting to the removal of eggs from Thursday's menus.

A large cafeteria operator said he solved the problem by putting on the Tuesday menu a lot of meat "byproducts," such as liver, hash, beef heart, and frankfurters. This, he said, seemed to satisfy most people.

An increasing number of restaurants reported meat dishes waiting in the kitchen for all who ask. Their menus, however, showed meatless dishes.

One steak house serving meat today reported "more business than we can handle" and "most customers today are new ones."

United States Foreign-Relief Fund

EXTENSION OF REMARKS
OF
HON. MELVIN C. SNYDER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. SNYDER. Mr. Speaker, on November 12 Mr. R. M. Davis, one of West Virginia's outstanding citizens and businessmen, addressed a letter to the President of the United States, in which he suggested that the Congress pass a joint resolution calling upon the President to issue a proclamation providing for the creation of a United Nations foreign-relief fund to be administered by the United Nations.

In brief, Mr. Davis suggests a community chest. Each Member of Congress, employee of the United States Government, State employees, municipal employees, and the people generally would give 1 day's pay, and school children would contribute 5 cents each, to the proposed relief fund.

The significant fact is that it would be given by the people of the United States directly to the people of Europe for their relief. Such a gift would have a tremendous psychological effect and demonstrate the interest of the people of this Nation, and would in turn be recognized by the recipients as a demonstration of interest in their welfare.

Our assistance to Europe would be divided into two categories; one, relief in food, medical supplies, clothing, and so forth, by direct contribution of the people of the Nation; and two, assistance in the form of machinery, materials, and so forth, to reestablish the economy of the countries concerned. Funds for the latter purpose would be provided by Congress.

The program to furnish relief in category one by the people would almost eliminate the necessity of any legislative appropriation of funds for that purpose and would have the additional benefit of the gift being from the people of one nation to the people of other nations and not from a government to a government.

Mr. Davis' letter to the President follows:

MORGANTOWN, W. VA.,
November 12, 1947.

Hon. HARRY S. TRUMAN,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Along with an increasing number of our fellow citizens, I am

much concerned about world affairs that seem to be drifting slowly toward another war. The hopes of people all over the world that the years following the close of the last war would be filled with peace and happiness and prosperity have given way to fears that we are face to face with another world conflict which may mean the end of the civilization we know.

Now we are told that we must contribute billions of dollars toward the relief and reconstruction of the people living in western Europe. I am heartily in favor of feeding hungry people wherever they may be found to the extent that we do not destroy our own economy. To undermine our own economic system would only defeat our purpose of aiding peoples elsewhere.

In order to accomplish the greatest amount of good in a relief program for western Europe I would like to offer the following suggestion for your consideration.

I propose that the Congress of the United States pass a joint resolution calling upon the President to issue a proclamation providing for the creation of a United Nations foreign relief fund to be administered by the United Nations. The proclamation should also call for the designation of a United Nations Foreign Relief Fund Week for the raising of a substantial sum of money for foreign relief. The American people would be asked to contribute toward this fund with the thought that if the people are permitted to have a direct participation in the raising of the money they will have a far greater appreciation of the purposes for which it is being raised and a much greater understanding of the United Nations as the main hope of peace in the years ahead.

As a basis for contributions toward the United Nations foreign relief fund I would suggest that the President, the Members of Congress, and all employees of the United States Government contribute 1 day's salary, and that all State governors, and all State and municipal employees give their salary for 1 day. All employees of our educational institutions, the public and private schools, colleges, and universities should be asked to give 1 day of their salary to the fund. The officials of all industrial establishments throughout the country would be expected to give their salary for 2 days, while all employed persons are covered in one of the above categories would be asked to donate their earnings for 1 day.

Then I think we should bring all the school children into this program in order that they may early in their lives learn something about the practical problems in international relations. Let each school child give 5 cents toward the relief fund, and he will gain some understanding of the United Nations. Other contributions would be acceptable from anyone on the basis of his capacity to assist.

In my opinion there is no better way for the American people to prove to the world that they are peace-loving and want only to do their part in building a peaceful future than to participate on a mass scale in the creation of such an international relief fund as I am proposing. Charges of warmongering against the United States would evaporate into thin air as concrete evidence of our peaceful intentions began to roll into the countries of western Europe in the form of food, clothing, and medicine. It must be perfectly clear that the goods made available are the product of the free-will offering of the American people.

To cap the climax of the successful creation of a huge relief fund by the American people, Congress should then pass the bill now pending in both Houses for the creation of a Department of Peace in the President's Cabinet. The whole objective of such a department is to educate the American people to their responsibilities in international relations with the hope that this country would set an example which would be followed by other States. Let a Department of Peace on a permanent basis combat the idea that we are imperialistic in this country, that we are a warmongering people. No agency of the Government as it now exists is qualified to undertake and carry into effect the vitally important educational program which is needed to educate people everywhere that war can be avoided and must be avoided if the world is to escape the fate of another Dark Ages.

Very sincerely yours,

R. M. DAVIS.

Let's Blow Our Own Horn

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which appeared in the Daily Evening Item, Lynn, Mass., November 22, 1947:

LET'S BLOW OUR OWN HORN

Several Congressmen who opposed the State Department's Office of Information and Educational Exchange, and who voted to cut its budget by more than half last summer, have now changed their minds. These are men who recently toured Europe, and who returned with the demand for some sort of propaganda agency to offset the stream of anti-American lies and vituperation that the Russian propagandists are pouring into Europe.

This does not necessarily mean that the legislators were shortsighted or dead wrong in their earlier opposition. Conditions have changed in the meantime. Also, some of the strategy of former Assistant Secretary of State Benton and some of the tactics of his assistants were open to criticism.

There was nothing wrong with Mr. Benton's basic idea. It was his laudable intention to fight distortions with dispassionate truth, and to sell American democracy to the semi-slaves in Europe by such means as the Voice of America broadcasts, publications, libraries and traveling art exhibits.

But that was last spring. At that time Mr. Benton's principal target seemed to be Russia. But the Russian people, who most needed to hear the truth about American life and policies, were and are almost hopelessly insulated from the truth.

The Russian people who are 35 and under have been fed from the cradle on the anti-capitalistic dogma of Marx and Lenin. The older ones have had a steady diet of such propaganda for 30 years. Few Russians have radios on which to hear the American side of the story. And it is conceivable that even those who listen to it may simply put it down as false propaganda.

Furthermore, the picture has changed since Congress last considered this State Department information bureau. The Soviet Government has tightened its grip on the Balkans. There is now a Marshall plan to be explained and defended, not behind the iron curtain but in the countries awaiting American aid. Communist propaganda has now been stepped up to a high pitch. National pride is being appealed to. The threat of imperialism and loss of sovereignty is dinned into western European ears and minds day after day.

What is needed now, it seems to us, is a more forceful presentation of the American story. There must be the same scrupulous regard for truth as now, but there must be greater emphasis. We must play up what we are doing now and what we have done to relieve hunger and hardship in Europe.

We must make it even plainer that the refusal of Russia and her satellites to participate in the European recovery program was Moscow's idea, not ours. We must dispel the idea that we are seeking to dominate Europe, or to stuff the capitalistic system down unwilling throats, or to make war.

National modesty is no longer a virtue. The people of Europe must be shown the contrast between our generous but largely unpublicized aid and the niggardly Russian contributions which have been ballyhooed out of all proportion. It may go against the grain of Americans, individually and collectively, to blow our own horn. But that type of information service seems indicated under present circumstances.

Resolution of Compton Post, No. 2089, Veterans of Foreign Wars

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. BRADLEY. Mr. Speaker, Compton Post, No. 2089, Veterans of Foreign Wars, has carefully considered the desirability of allowing Eva Togura D'Aquina, also known as the Tokio Rose, to reenter the United States and has adopted the following resolution in regard to such reentry:

Compton Post, No. 2089, Veterans of Foreign Wars of the United States, Compton, Calif., at the last regular meeting, 10 November 1947, unanimously adopted the following resolution.

"Whereas after the late war in which so many of our American citizens were so diabolically treated by personnel of the Japanese people; and

"Whereas 105 Compton men gave their lives in this war; and

"Whereas the broadcasting system of the Japanese Government was used by American-born and educated Japanese girls to demoralize our servicemen with their slurs upon their loved ones at home; and

"Whereas, one American-born and educated Japanese girl, to wit, Eva Togura D'Aquina, also known as Tokio Rose, a one-time student of the Compton Junior College, of Compton, Calif., is now stating her desire to return to the United States, less than 1 year after Harry S. Truman, President of the United States of America, decreed that the hostilities between Japan and the United States were at an end: Therefore be it

"*Resolved*, As comrades of these men who suffered and those who paid the supreme sacrifice, we are definitely opposed to the granting of any visa, or other mode of entrance into the United States of the above-named person, believing that it would be a disgrace to the memories of our departed comrades; and be it further

"*Resolved*, That a copy of this resolution be inscribed on our minutes and that copies be sent to the Los Angeles County Council, California State department, and to national headquarters, also a copy be sent to the Compton Press."

CLAUDE W. NICHOL,
Commander.
Attest:
DALE H. LEWIS,
Adjutant.
JACK BIGGERSTAFF,
LESTER D. GANDY,
H. A. CASTEEL,
Resolutions Committee.

Antilynch Bill

EXTENSION OF REMARKS
OF
HON. ROBERT J. TWYMAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. TWYMAN. Mr. Speaker, I have today introduced a bill to protect citizens and other persons in the United States from mob violence and lynching. There have been several bills submitted during this first session of the Eightieth Congress for this general purpose. The bill I have submitted, however, provides for greater latitude in punishment for lynching. The bill provides a punishment by fine of $10,000, or imprisonment not exceeding 20 years, or both, upon conviction of participation in a lynching, and prescribes a fine of $5,000, or imprisonment not exceeding 5 years, or both, for any official found guilty of having willfully failed to protect a person in his custody from lynching, or to apprehend or prosecute the members of a lynch mob. The bill also provides for the compensation to the victim of a lynching, or, if it results in his death, to his next of kin, in an amount of not less than $2,000 or not more than $10,000 to be determined in a court of law.

No right-thinking person can justify the necessity for lynching. It is a cowardly practice, usually engaged in by mobs of persons who would not have the courage to carry on their activities alone or in the open. It is a practice which is not to be condoned.

Fortunately, the number of lynchings in the United States is on the decline. For the last several years, there has been a marked reduction in the number of lynchings in the United States. There is every chance, however, that a wave of hysteria may develop which would cause a return to a greater degree of this practice. We must have ready a deterrent by Federal legislation in the form of severe penalties to the individuals and officials who practice or condone lynching. In the wild hysteria that prevails at the time that a lynching is conducted irreparable mistakes occur, and too frequently an innocent victim suffers a horrible fate. All of these acts are contrary to the laws of our country and the principles on which our Nation was founded. No one subscribes to the idea that guilty persons should not be punished for their acts. Each and every State and community has legal processes which can and should be followed.

It is fitting that I present a bill designed to punish persons engaging in mob violence and lynching. The State of Illinois has laws against such acts. A number of States have such laws. Unfortunately, all States have not seen fit to take such action. Furthermore, descended as I am from people who have fought to maintain the liberties afforded by our Constitution, it is perfectly proper that I should interest myself as a Member of Congress in putting a stop to this practice. My grandfather separated from his southern family and came north to fight in General Grant's army, while his brothers remained to serve in the Confederate Army. My entire family has been devoted to the principles that this should be a Nation which protects the individual by law or punishes the individual by law. Those who see fit to evade the principles on which this Nation was founded, and see fit to take the law into their own hands and constitute themselves judges, jurors, and executioners, should be punished as well as the officials who tolerate such proceedings.

I have high hopes that this Eightieth Congress will enact an antilynch bill, and it is my intention to work for its passage and support it in every way that I can. It is my belief that such a law will go far toward ending a practice which the vast majority of the people of the United States abhor.

A Resolution

EXTENSION OF REMARKS
OF
HON. EDWARD O. McCOWEN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 25, 1947

Mr. McCOWEN. Mr. Speaker, under leave to extend my remarks, I am hereby presenting the following resolution of Mathews-Carter Post, No. 325, the American Legion, Department of Ohio, Manchester, Ohio:

Whereas the cost of living has increased to the extent where veterans are unable to maintain a livelihood for themselves and their families on the pensions and disability allowances now received by the Veterans' Administration, and whereas World War I veterans served their country with valor and honor and are entitled to a living pension and the age requirements lowered from 65 years of age to 55 years of age for an automatic total disability for pensions on a Spanish-American War basis, where dependency exists: Now, therefore, be it

Resolved by Mathews-Carter Post, No. 325, the American Legion, Manchester, Ohio, That this organization support and urge the passage of House bill No. 677 now pending in Congress of the United States which provides for an increase in pensions and disability allowances for servicemen of World War I and the relaxation of the age requirements from 65 to 55 years of age.

Adopted this 14th day of November 1947.

WILLIAM R. POWNALL,
Post Commander.

Attest:

R. W. POOLE,
Adjutant.

May I urge prompt action on H. R. 677.

National Science Foundation

EXTENSION OF REMARKS
OF
HON. ELBERT D. THOMAS
OF UTAH
IN THE SENATE OF THE UNITED STATES
Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address I delivered on the subject of the National Science Foundation, before the meeting of the Special Libraries Association, Lafayette Hotel, Washington, D. C., November 25, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NATIONAL SCIENCE FOUNDATION BILL

Mr. Chairman, ladies and gentlemen, I am honored to speak on the subject of legislation for the advancement of science through a medium to be created and to be known as the National Science Foundation.

That there still will be established a National Science Foundation is the prayer of everyone who wants this Nation to achieve and maintain preeminence in the field of scientific education and, as the most habitually peaceful and peaceable of peoples, perhaps, anywhere, set an example before the world in continued technological leadership.

We may not achieve these objectives without Government encouragement and assistance; on the other hand even with the most abundant and bounteous grants that might be conceived, other government competition might run away from us in an easy race, and we still might have to rely greatly on Yankee ingenuity, the natural bent of our young men and women for mechanical inquiry, and the incidental invention which comes from a highly industrialized national community.

So serious is our problem, so compelling is our competition, that we pray that there may be created a National Science Foundation worthy of the name.

My own personal roles in this type of legislation have been diverse. I have had the greatest personal satisfaction in the role of conciliator—I believe all my colleagues would concede my claim to this—and in the amelioration of a stubborn idea here and there to the point that both the Senate and the House approved a bill, thus in a way getting farther than ever before, namely right up to the very edge of Presidential approval.

As you know, S. 526, which Senator H. ALEXANDER SMITH, of New Jersey, and I reported out of the Committee on Labor and Public Welfare, was vetoed. One of the purposes of tonight's talk, then, is to discover where we go from here.

The bill was patently vetoed because of the degree of responsibility of the proposed foundation to the President. I do not want to become tedious, as I certainly should do if I were to rewind and unwind a long spool of events leading up to acceptance by the Senate and the House, of the nine-man executive type of foundation which failed.

As a matter of fact, in S. 525 I personally authored a bill which prescribed the type of organization that the President might have been expected to approve. Surely S. 526 was a compromise with S. 525 which I introduced on both this and other features.

I do not want to say too much about differences of opinion with respect to the administration of the foundation. This is a subject, not for purposeless airing, but for further attention in the crucible itself, and if more laboratory work of the type we have done will yield further increment, we may try with profit to adjust our organization difficulties and agree, White House and all.

The person who wrote the veto message of the President thought of but a single concept of government which overlooked American governmental habits that have become so well established in all of the States and in the Nation. Executive control is one thing, but our Government is what it is today because we worked out some techniques of government which made for a complete separation of many State and Federal activities from political control. To assume that the President should have control of all of the

persons conducting research would show that our State universities and colleges and the State public-school systems have been, administratively speaking, failures. This, of course, is not true.

As conciliator, I do not feel that I have been left high and dry by anyone, but am willing to make further efforts toward agreement.

In passing, however, I might identify, if I can, the bridge we have yet to span, and by inference reveal some of the bridgework we already have constructed, for I am not going to give a tedious chronology of differences of opinion as they have been overcome through conversion or compromise through the years.

The high hurdle is to fix the degree of responsibility of the Foundation's principal officer to the Federal Government, and principally, of course, to the Executive. That which is yet deemed to be an insufficient degree of responsibility is an organization of 24 individuals chosen by the President and confirmed by the Senate, to be members of the Foundation, the members to elect their own chairman and their own executive committee; and the Foundation to name a principal executive officer, known as the director. Another feature was the requirement of an annual report to the President, to be submitted by him, in turn, to the Congress.

In contrast, the bill I introduced in the Eightieth Congress provided for the director to be appointed by the President and confirmed by the Senate.

In this connection, I believe in the sincerity of those who thought my own theory of political responsibility to be preferable. I am also impressed with the feeling that those who felt that science could best steer the course of scientific research also gave up, or gave in. However serious the matter of organization may be, basically, sufficient safeguards were actually retained so that ultimate responsibility to those who would have to open the pursestrings every year was adequate in the product which was presented to the President for signature. This, I say, these individuals believed honestly.

The President believed otherwise, and I certainly would not, if I could, take issue. After all I was complimented because the bill which I introduced provided for the type of administration the President's veto message considered correct. Therefore, the only lesson that may be taken from the experience is that our work of bringing order out of chaos, and agreement out of order, is not yet complete.

I have almost committed a fault. I have spoken of my bill, and I was about to speak of Senator SMITH's bill. S. 525 and S. 526 happened to be the bills we individuals presented. Senator SMITH's number prevailed, after we had considered features of both. Senator SMITH and I signed the committee report placing his bill on the calendar. It was an honest act and we agreed.

But I do not want to take credit for the ideas which Senator KILGORE and numerous others had, or from the President's message on this subject, or any other source material of my bill. In considering Senator SMITH's evident feelings concerning the proposals, always a dangerous thing for another Senator to try to do, I would no more ignore Senator MAGNUSON and others who have manfully considered what science itself might think, and what science itself might do, given money and encouragement, to assist scientific development. I dare not start giving credit, for I could not stop. Senator FULBRIGHT and his associates were no less painstaking.

Instead I want to give credit to every Senator and every Representative who has been sobered by the reduction in our midst of thousands of doctors of philosophy in science, by the more than occasional monopolistic frustration and retardation of scientific development (along with, of course, profitable industrial advancement through invention) and by the terrific competition of at least one rival government in encouraging the development of science. I know that there is no one in any branch of government who has given study to the subject, who does not realize, and who does not fear the reduction of this Nation to second-rate status through lack of knowledge and invention.

The old patent-alone system will not work any longer, unsupported. As one distinguished scientist observed, the old idea of a poor genius working out an amazing scheme in an attic has almost entirely vanished. Certainly we may not preserve our national standing on any such basis or gamble.

The problems of war brought the subject into early and sharp focus. In 1939 President Roosevelt authorized the mobilization of science for war by creating the Office of Scientific Research and Development, with Dr. Vannevar Bush at its head. His unit made a striking record, which led to the President's assigning Dr. Bush in December 1944 a study of the Nation's postwar research program. Dr. Bush reported to President Truman in July 1945. The National Science Foundation bills followed. Hearings meanwhile had long since been held exhaustively on scientific and technical mobilization. Hearings on science legislation followed. Our national scientific ledger was presented with its columns of assets and liabilities. It could be compared calmly, too, with that of other countries.

We learned, or at least we heard, that in 1940 Germany withdrew public support to research in favor of putting everything they had into the production of existing weapons. An expert from the American Navy, recently back from a study, Commodore H. A. Schade, declared that the ensuing 2 years in which all long-term research had been forbidden was a costly mistake, one the Germans tried vainly to rectify by setting up in 1942 the equivalent of a research foundation. A year later a sporadic effort was made to bolster up German naval research, under what Commodore Schade described as "the spur of the German decline in electronic activity and research."

"They never recovered," he concluded, "from the 2-year hiatus when they forbade research between 1940 and 1942."

This witness, appearing before a joint hearing of several committees of the Senate under the umbrella of the Committee on Military Affairs, of which I then was chairman, then went on to list the remarkable array of weapons and war devices which the Germans failed to get into production in time, attributable to this delay.

During the war I went to one of the captured buzz-bomb factories and I also saw the effects of the buzz bomb on England. We, to an extent, followed through the German philosophy of stopping research on the score that we should produce what we had. After the war was over we were not slow in taking advantage of the knowledge of the German scientists who were found in our captured part of Germany.

We suffer delays like this today and think nothing of it. Perhaps we too shall pay for our sins of omission. Discovery, invention, and refinement are marking time here. Are they waiting everywhere?

This is not the place to discuss the moot provisions of a bill which has been vetoed, unless I were to take a side, which I would prefer to do in the way that I undertook to get competing forces in the Senate together, and in the conference adjustments between the Senate and the House.

This organization thing is not crystal clear. For example, former Secretary of War Robert P. Patterson stated in part: "In developing this plan I consider that the utmost in scientific research and development will be gained if the War Department does not attempt to impose its ideas as to the best type of organization which should be adopted to accomplish this. I believe it should be left to the ablest leaders of scientific research and development to outline to Congress for its consideration the type of organization which, in the opinion of those scientific leaders, will call forth the best efforts of the men with scientific talent. They are familiar with the problems, and they know the people with whom they deal. They are expert witnesses as it were, in a field where unskilled persons have far less knowledge.

Dr. Bush stated in part with respect to organization: "A National Science Foundation will be on a far sounder basis if its policy is pursued by a board rather than by one man."

I quote these matters not to embarrass the Presidential veto as here applied, for I myself introduced a bill which provided for a Director with normal responsibilities to the President. I quote them to say that we must bridge this difference with compromise if possible. I quote them to show that there is the highest type of thinking back of both proposals.

And I quote them to suggest that the point is not, or may not be, so important after all and that perhaps under either plan an admirable degree of responsibility to the people of this Nation might well be provided. As a Navy witness, Commodore Lewis L. Strauss, Special Assistant to the Secretary of the Navy, said: "From the point of view of the Navy Department, the question of the overall organization of the Foundation, once it is set up, is of relatively little moment. It is not a matter of organization; it is a matter of men. The proper man for this program should be a man of a certain amount of technical competence, great vigor, and breadth of imagination, and I do not believe that either method necessarily insures that kind of man. I would assume that under one method where the individual is elected by the board, it would be hardly likely that an individual would be chosen who was not persona grata to the President. On the other hand, it seems to me that where the President would be appointing the Administrator, he would be unlikely to choose an individual who was not looked upon with favor by the scientists with whom he would have to cooperate and whose assistance he would require in everything he did."

It is discouraging to be so near and yet so far, but we shall keep striving.

As I said earlier, very little of the bill today remains actually moot, and it is with some promise of a new vista before us, provided we can pass a bill again, that we contemplate its strong points and benefits.

We have progressed through enough bills, committee prints, and now conference report, to know that the Foundation will be authorized to (1) formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences; (2) initiate and support basic research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements—including grants, loans, and other forms of assistance—for the conduct of such basic scientific research; (3) initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements—including grants, loans, and other forms of assistance—for the conduct of such scientific research; (4) grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences; (5) foster the interchange of scientific information among scientists in the United States and foreign countries; (6) correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and (7) establish (a) a special commission on cancer research, (b) a special commission on heart and intravascular diseases, (c) a special commission on poliomyelitis and other degenerative diseases, and

(d) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act.

In carrying out the foregoing, an objective of the Foundation is to "strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education."

Presently five divisions of the Foundation are proposed. These may be augmented. I do not, here, want to outline the differences between the natural sciences and the social sciences, or to define them, or to discover whether and wherein they overlap, for myself or for you, or for the witness, for that matter, who became a little impatient if not indignant because the study of statistics belonged in one category and had been "seized" for another. The five divisions, roughly, are intended, at least by many to embrace mainly the natural sciences. The explanation given is that the bill provides for the creation of new divisions, and the inference is strong that these new divisions are to be social sciences.

We will hear the line of cleavage more sharply expressed than this, I am sure; but at the risk of sounding like the weather man in the Fibber McGee program I believe I will stand on the statement as made.

The proposed Division of National Defense is strongly emphasized in the proposal and was discussed searchingly in the testimony. One half of the members of its controlling committee will be made up of civilians, the remainder will represent the Armed Services.

The other divisions specifically provided for initially are (1) a Division of Medical Research; (2) a Division of Mathematical, Physical, and Engineering Sciences; (3) a Division of Biological Sciences; and (4) a Division of Scientific Personnel and Education, which, under the language of the bill, "shall be concerned with programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other science."

The executive committee is empowered to receive the advice of the Committee for the Division of National Defense, and therefrom establish regulations and procedures for the security of information or property in connection with scientific research having military significance.

The spark plug of the whole proposal is in the scholarships and fellowships to be provided. This, truthfully, is the feature over which I showed greatest concern. Here, as in no other section of the bill, might creep in the most innocently intended abuses, such as unduly stressing the reputation of an outstanding school, and such as overlooking talented individuals who are developing, like the unseen rose, their talents to be wasted on the desert air in many cases except for that little fact which makes the difference between opportunity and none, financial encouragement. The geographical distribution which I shall presently read was not the asking price; it was the selling price. Nevertheless I am satisfied that with such provisions in the bill any possible abuses may be expected, not to be reduced, but to be eliminated. Permit me to read this important section:

"SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

"SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there are not sufficient scholarships or fellowships, as the case may be, available to grant one to each of such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

"(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its Territories and possessions. No individual shall be listed in such register without his consent."

There were those who were nervous about the consideration of patents lest we destroy the present system and strip the inventor of his incentive. The fact that the inventor's incentive has been badly mauled around in the past by monopolistic practices on the part of some companies and industries was lost sight of, but the testimony, taken in 1943 and 1944 on monopoly and cartel practices was shocking. One lawyer went so far as to advise his client that it would be risky to continue to file infringement suits and though they were effective enough in eliminating competition, too many of them would excite suspicion and cause unhappy public reaction. Moreover, the international tie-ups proved to be almost scandalous, particularly with respect to German controlled cartels. Finally in some important products, technological advance was brazenly held back in order, on one instance at least, for the concern to get out whole in a monetary way with money invested in obsolete equipment; and to give another example, in the case of a utility, in order to sell more of the service or the product.

To take an instance of the scientific reluctance of private capital overseas let me quote from Mr. W. S. Wasserman, a Philadelphia investment banker, who said—note this period—in April 1943: "Some years ago I was approached by some of my friends in England and asked whether my firm would be interested in backing a revolutionary type of airplane propulsion based on the jet principle. Some of my banking friends had run across a young man in the RAF who had come out with what he claimed was a completely revolutionary idea. This principle was mathematically analyzed by one of the greatest mathematical geniuses in England and was found to be correct. Extreme difficulty was encountered in raising funds. A small amount of money was made available, but in the long run the company had to be financed by the British Government to bring this inventor's plan to practical development." Mr. Wasserman's next sentence I shall underscore: "This invention may be of first-rate importance in winning this war." I just ask my listeners to look backward over the potentialities of that moment and answer for themselves whether financial encouragement to science might be of value to a Nation's security and help to shape its destiny.

The young inventor does have a difficult situation with his patents. A spokesman for rural electrification spoke slightingly of the farm boys' chances to do anything with the thousands and thousands of gadgets they have invented. Another witness cited the company control of patents inspired within the company. Still another said that far from placing reliance upon chance industrial invention it should be remembered that there are 150,000 industrial concerns without any research laboratories whatever, and that while some concerns are rather generous in their research all had their own affairs to shape rather than the responsibility for general public welfare; and finally, even though there were impressive industry laboratories, two-thirds of these were employed by concerns whose total personnel was only 10 percent of the industrial population.

There seemed to be considerable satisfaction with the agricultural experiment station idea and the farm research programs so far applied. The dean of engineering, Pennsylvania State College, told us: "For a period of 35 years the engineering schools have endeavored to establish somewhat the same sort of relationship with the Federal Government that the agricultural experiment stations have had. We have met with frustration—I think that is the right word—all along the line, partly due to the fact that in engineering there isn't any one group of colleges to represent the interests of research as the land-grant colleges represent the interest of agricultural research."

Let me read the provision on patent rights. It probably represents the bill as finally to be combed out into public law. In short, if a new bill is introduced, it probably will have this patent feature verbatim. Let us see, in view of the actual situation today, if we are not headed for improvement. The proposal follows:

"PATENT RIGHTS

"SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing in this act shall be construed to authorize the Foundation by any contractual or other arrangement to alter or modify any provision of law affecting the issuance or use of patents.

"(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish."

Of interest to the Government is the proposed Interdepartmental Committee on Science. I will not take time to read its provisions, but much thought was given to a method whereby the Cabinet, departments, and the offices and bureaus of the Government might profit by an interchange of ideas and information. We have taken advice on this and prepared a very careful section. So with the section on International Cooperation, we may share the research of others, and vice versa without risk to our security.

Let me again stress the desire for unity of action on the part of the legislative and executive branches of the Government. I am a realist. I hold in my hand a bill, not the ashes of a bill. It is true that the bill has been vetoed. There is no partial veto; all of the bill has been vetoed. The intention was to have a revision of the organization plan, otherwise there would have been no Presidential message in advance of the introduction of this legislation. Therefore, we may, if we are prone to count our gains, believe that Congress would again enact the benefits I have just described, and that the President would approve the enactment; that the fault in short is purely administrative.

We overcame more difficult obstacles than lie ahead to get this far. We are nearly over the top and perhaps do not know it. I do not want to be an incurable optimist, but I believe we ought to hold fast to what we have, and determine to reach a point of agreement on what is left.

I thank you.

The Future of the American Standard of Living

EXTENSION OF REMARKS

OF

HON. RAYMOND E. BALDWIN

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. BALDWIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very excellent and able address delivered by our distinguished colleague from Vermont [Mr. FLANDERS], before the New England Council annual meeting.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This country has a history of more than 300 years of constant improvement in the standard of living of its inhabitants. It is true that there have been ups and downs but, viewed in the long range of history, they are slight irregularities on a continuously ascending curve. Can we be sure that the future will be an extension of this progress? Can we be sure that if so, it will happen automatically without forethought and purposeful action on our part? That is the question I would ask you to consider with me this afternoon.

The first problem we are facing is that of maintaining full employment without inflation. Except for the so-called frictional employment which is largely temporary and voluntary for the individuals included, we have had full employment for many months. We are also having a dangerous inflation. Full employment and inflation are going together. Is the inflation merely a happenstance or is inflation the normal result of full employment? These are the questions we must face.

In wartime we had over-full employment without inflation. We accomplished this by means of rationing, price control, and wage control. We do not wish to reimpose these wartime controls in peacetime.

In peacetime there is a quite evident relationship between full employment and inflation. Without discussing at this time the question as to which comes first—wage advances or price advances—it is quite clear that with full employment and heavy purchasing power the ordinary limits on both wage advances and price advances disappear. If the worker can leave one job without doubt in his mind as to whether he can get another, he will be much more confident and persistent in making wage demands than he will be otherwise. If the manufacturer finds himself in a seller's market, the ordinary restraints on raising the price of his product disappear. This describes in simple terms the malady we are suffering from today.

Whether the initial impetus comes from high wages or high prices, they react on each other with deadly precision. High wages increase costs and purchasing power. The increased costs are reflected in increased prices, which find the high purchasing power available to move into consumption and enjoyment the goods and services produced. Finding that this results in no net increase in consumption, the desire for high wages again expresses itself with another profitless revolution of the machinery of inflation.

It should be sufficiently clear that no actual improvement in consumption is possible without an increase in production. Without that increase a rise in wages or profits simply makes the goods produced cost more. There is, of course, on the part of organized labor a feeling that profits can be dipped into and thus shared in equitably, but there are limits to this process. It is generally considered that a net profit of around $17,500,000,000 resulted from our present annual production rate of $200,000,000,000. This means less than 9 percent of the total. The wage increases being asked, if obtained by all those engaged in productive work, would go far beyond this maximum of 9 percent available for distribution.

What is happening, of course, is that a temporary advantage at the expense of the rest of the workers goes to those organized groups which get the first advances in a new round of increases. This they gain at the expense of other groups who are slower in making and gaining their demands. They have to hurry to catch up. Some groups never catch up. This considerable body of those left behind is growing and constitutes our most serious internal social problem at the present time.

It is clear that the existence of a body of unemployed would slow up this inflationary process. We are not satisfied to have that body of unemployed. We must find some other way to avoid inflation. How can we do it?

I regret that I can see no simple or easy way. In fact, the only way is a hard way. That hard way is a matter of self-discipline for organized labor and for business management. It involves first the understanding of the simple truth that we consume and enjoy only what we produce, and that there is no use trying to raise the standard of living by raising wages and profits if, in the process, we do not produce more.

The second thing which must be deeply graven on our consciousness is that under full employment decisions of important groups of labor and industry as to wages, prices, and profits are no longer private matters. They are public matters and must be determined with the public interest as a major element in the decision.

In reality this public interest serves the private interest as well. There is no private interest of those engaged in the physical production and distribution of goods and services which is served by an unrestrained inflation. The only group which makes money under those conditions are the scavengers and vultures of the social order who fatten on the distresses of the productive elements of society. The interests of those productive elements are the same, whether their place is at the work bench, the counter, or the executive desk. Their problems and decisions must alike be made in view of the social and long-range interests rather than of their immediate short-range advantage.

Of course, while it is difficult to control inflation, it is not difficult to end it. The less it is controlled, the faster it goes up; and the faster it goes up, the sooner and harder it may be expected to come down. It will be well for labor and management to keep repeating this hard truth over and over again, to themselves and to each other, until it becomes the determining factor in their mutual relations and decisions.

Full employment, then, naturally results in inflation and inflation naturally results in depression and puts a stop to high production and a high standard of living. This is the first of the new factors in our social problem which I wish to discuss with you. If we do not like this, we must actively apply the restraints of self-discipline. There is no automatic remedy for whose action we can patiently and inactively wait.

A little earlier, mention was made of the fact that it was useless to endeavor to raise the standard of living as measured in goods and services by attaining increased wages and profits, unless those goods and services were actually produced. We cannot consume and enjoy more than we produce, no matter how high wages and profits go. Unless we increase that production, increased wages and profits merely raise the prices of the goods and services.

Let us look for a moment at the limits on production. We have full employment based on the 40-hour week. We have a highly mechanized productive system which makes efficient use of the available labor. How shall we increase the output? This is our primary problem if we are looking for an increase in the living standards of the American citizen.

It will be useful to look at some of the calculations which have been made as to what constitutes a desirable standard of living for an American family. The so-called Heller committee at the University of California has set up three standards of living for three income groups. The really desirable one, the one which we would like to see apply to every family in the United States, was based on a four-person family of a wage earner, wife, boy of 13, and girl of 8. In the prewar years this desirable budget for this family in the San Francisco Bay region cost around $2,320. In September 1946 the same goods and services cost around $3,575, an increase of 54 percent.

Now the family income of the average wage earner of this country in September 1946 has been calculated as around $2,500. There is thus a great disparity between the desirable and the actual condition. Realizing that in September 1946, as at the present time, we had practically full employment, one begins to wonder how this 35-percent increase in consumption can be provided. The means would seem to be longer hours, more efficient management, and more labor-saving equipment in production and distribution. It is entirely safe to say that the standards of the Heller committee cannot be attained on a 40-hour week with present facilities.

The people of this country will soon have to decide how they want their high standard of living divided, as between goods and services on one hand and leisure on the other.

Skillful management can, however, make its contribution. Production without waste of time or materials, the most efficient distribution, the skilled organization of the labors of large working forces, all can make a contribution toward increased production that can be set alongside that given by increased hours of work. Here the question that faces the American consumer is his willingness to search out or have searched out the best available managerial ability in the country, to the end that that ability may be focused on the problem of seeing to it that the worker's labor hours produce for him and his family the maximum of the goods and services which he wishes to enjoy. To bring this about there likewise has to be a willingness that the highly skilled manager shall be generously paid. He can be paid generously with only a small fraction of the increased production and distribution which his skill can bring about.

There is still a third resource to lay alongside longer hours and more skilled management in the endeavor to raise the standard of living in this country. This third contribution can be made by research in new products which give better service at lower cost and by the invention and development of new capital equipment for labor-saving in the production of the new and old goods and services. This means that the American consumer must be interested in the retention of sufficient profits in industry to apply to the development of these new products and this labor-saving equipment. Particularly is it

true that the old prejudice against labor-saving equipment must be thrown overboard. We must see with crystal clarity that when we have full employment we are bound to use every resource within our power to increase the output of that employment if we expect to raise our standard of living further. It is natural, though shortsighted, to look with suspicion on labor-saving machinery and processes, when a large percentage of our people are unemployed. It is indefensible stupidity to continue that point of view when we are fully employed. The American consumer has a tremendous stake in the rapid development and installation of labor-saving machines and methods.

Full employment then brings us to an end of our expanding standard of living except as we raise the ceiling on that standard by longer hours, well-paid and more skillful management, and new labor-saving products, processes, and machinery.

The third limitation on a further increase in our standard of living is set by the limitations of our natural resources. This will come as a new idea to many. We have been accustomed to think of those resources as limitless so far as concerns our own generation and those immediately following.

It is true that we have suddenly discovered that the heavy iron and steel production of the war was making serious inroads on our high-grade iron reserves. Our low-grade reserves are large indeed, but concentrating them is a costly process as compared with the direct use of the type of ores we have been employing up until this time.

There have likewise been fears from time to time that our oil wells would only last for 5 or 10 or 15 years further. But new fields have continuously been discovered so that while the end of our oil resources has always seemed near, yet it gets no nearer. As a result we have not, perhaps, become sufficiently concerned about this resource.

Depletion of our forest lands has been longest a matter of public concern. It is more than a generation ago that we began to realize that we were cutting them down far faster than they were being replaced. That realization led to the establishment of Government forest reserves as public policy and it led the more far-seeing lumber and paper companies to treat trees as a crop rather than to work the forests as a mine.

While these things are not new to us it must come as something of a shock to realize that we are right now reaching the limitations of food production in this country so far as the important staples are concerned. It is the European emergency which has brought us to this realization. When we have a requirement for European relief of one-third of an unprecedented and probably unrepeatable wheat crop of 1,400,000,000 bushels, and when this requirement comes on top of full employment with an unprecedented domestic demand on food production of types allied to grain production, we suddenly find ourselves bumping the ceiling of this country's resources.

In large measure the domestic market resulting from full employment is the thing that needs looking at. It has demanded a meat production per capita for which we have to go back to the year 1909 to find any precedent. In that year the population of our country was only about 91,922,266. Today that population is about 142,000,000. The range acreage and the feed-grain acreage now no longer exist to produce a higher per capita consumption with our increased population.

For one thing the world demand for wheat has been so great that we have again plowed far into range lands which should have been left in grass. We are again preparing for a dust bowl. In so doing the best range lands are being reduced, and our capacity to produce meat animals is correspondingly diminished.

The desire for a given amount of nourishment from meat as compared with demand for the same nourishment from grain is a serious drain on grain supplies. It means that for the same amount of calories we have to use from 3 to 10 times as much grain for meat as for direct consumption.

Now, so far as food is concerned, the desire for a higher standard of living expresses itself principally in a desire for more and better meat. On this we have reached the limit. That limit was lowered, it is true, by failure of the corn harvest, but the unprecedented wheat harvest helped to maintain it. We have no right to expect as good grain harvests again next year or the year after, or more than exceptionally in the years to come. We have reached the limit on domestic production and consumption and must find some way of adjusting ourselves to that unpleasant fact.

The only method now in sight for safely increasing meat supply is to open up new areas by irrigation. Reclamation thus takes on an urgency which it has lacked up to now, for never before in all our history have we reached the limits of our food production.

This condition has a particular impact on the present inflationary spiral. The demands for higher wages are supported by increasing living costs. Increasing living costs are almost entirely produced by increasing food costs. Most of the food costs are under control as compared with the cost of meat. The law of supply and demand, rather than any profiteering, all the way from the stockyards to the consumer is what is setting the price of meat. In a way, therefore, the whole problem of inflation focuses down onto this one food. Unless we can reduce effective demand by voluntary rationing, I have come to the reluctant conclusion that we will have to institute statutory rationing in this one food product.

Price control will not be needed. The law of supply and demand will take care of price if we can control effective demand at the consumer level by rationing. Furthermore, rationing will more equitably distribute the available supply. That great body of consumers who are being left behind in the inflationary race for higher incomes will have access to a regulated supply of lower-priced meat under rationing. This is denied to them now.

The short-range problem of our current inflation is serious but is, I believe, manageable. The permanent necessity for adjusting ourselves to a diminished supply of meat rests on the limitations in our possible food production described above. To this we must adjust ourselves in some way on the long-range basis. Just how that may be done I am not prepared at this moment to state. I only feel sure that it must be done.

In this talk I have confined myself to a certain group of influences. Our present inflation requires study of other factors than those mentioned. Monetary and fiscal policy enters into inflation control. No mention is made of these policies because we have been concerned this afternoon with elements directly affecting the possibilities of a continued advance in our standard of living in this country.

Let us sum up this problem as we have been discussing it.

We have run up against three limitations to the further expansion of the standard of living in this country. These situations are not theoretical. They are practical, actual, and present.

The first situation is that full employment produces an inflation which bids fair to end in collapse and depression. We have to find means of maintaining full employment without inflation. While short-term palliatives may be applied there seems to be no long-term remedy that does not include self-restraint, long-range as distinguished from short-range self-interest, and real statesmanship on the part of organized labor and business management. These groups must concentrate on the development of this statesmanship both in the public interest and in their own long-range interest.

We have met a limitation in labor hours. We are finding that increase in income does not mean a higher standard of living if no more goods and services are being produced. The limitation of the working period to 40 hours per week is the most obvious limitation. While we can increase the output of the 40-hour week by encouraging the services of the most highly skilled management and by going in wholeheartedly for labor-saving products and productive equipment, we will still have to decide in the long run whether we prefer to take our improvement in living standards in the form of greater leisure or more goods and services.

Finally, and most surprisingly, we have in this country for the first time reached our limitations in food supply. That we have done this would have been incredible to almost any of us a few years ago. Without bringing new land into cultivation we cannot produce more meat per capita than we are now producing even under the most favorable circumstances. This means that a new kind of readjustment is necessary in our thinking as to what kind of a table we are going to set for ourselves and our families, even under the most prosperous conditions.

These conditions and the suggestions for meeting them must not be counted as counsels of despair. Despair is the last emotion to surrender to when the problems are posed by our abundance. The ceilings of output and consumption are far above anything the human race has ever enjoyed at any other place or any other time.

We are, therefore, dealing rather with counsels of challenge. If we clearly see the conditions which face us we can meet the challenge wisely and effectively. This discussion is a contribution toward the determination of such wise and effective policy.

The Relation of Colleges to Government

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. WILEY. Mr. President, on October 31 last, it was my pleasure to participate on a round-table panel in Ripon College. This college is an excellent small institution, which is currently celebrating its centennial. The college represents the very finest, I believe, in American educational traditions, and is symbolic of the many similar small institutions throughout our country, which are contributing so much to progress in the field of higher education.

I ask that the text of my talk at this round table be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE RELATION OF COLLEGES TO GOVERNMENT

(Statement by Hon. ALEXANDER WILEY, United States Senator from Wisconsin, on round table panel, Ripon College, Ripon, Wis., October 31, 1947)

I am grateful for the privilege of participating with my many friends in this discussion. The subject, Relation of Colleges to Govern-

ment, is a very thought-provoking one, and at the same time, a very vital and sober subject. This is so because colleges are supposed to be the foundations of learning, where men gain knowledge and acquire skill.

Knowledge and skill for what? How may that knowledge and skill serve government? What are the types of knowledge and skill?

TWO ANSWERS

I believe that there are basically two answers that can be given to these questions.

The first answer is that colleges can contribute to government in material research and learning, and the second is in the field of spiritual research and learning.

MATERIAL CONTRIBUTIONS

We are presented all around us by evidences of the great material contributions of American higher education to government in our times. We know how, for example, the great and humble universities and colleges of our land contributed to research on the atom bomb in the service of national defense of government and country. We know how government—State and Federal—is contributing funds in many instances to colleges and universities for research on other problems ranging from agricultural to mineral resources, to physical science—physicis and chemistry—problems.

And, too, colleges can so instruct students in the social sciences—in the art of public administration, for example, that government will be assured of adequate personnel in the coming years. Yes, all about us we can see how the men of government and the men of science of higher education, both professors and students, are contributing to material research.

I do not underestimate the value of this material function; I believe it has great expanding frontiers.

T. H. Huxley wrote in 1892: "The medieval university looked backwards; it professed to be a storehouse of old knowledge. * * * The modern university looks forward, and is a factory of new knowledge."

But I do not overestimate the value of this new research, this new knowledge, because, I regret, the colleges have not sufficiently utilized the spiritual wisdom of bygone ages as they should.

SPIRITUAL LEARNING

Yes, material instruction and research do not present us with the major relation of colleges to government, which I regard as a spiritual one. No matter what our scientific advances, no matter how much colleges can contribute to increasing the technological information and then disseminating that technological information to students, no matter how many advances we make in the material realms, the colleges will not have served their principal function if they do not produce students and citizens who are worthy of their spiritual responsibilities in this atomic age.

I am reminded of the words of Goldsmith in the Deserted Village:

"Ill fares the land
To hastening ills a prey
Where wealth accumulates and men decay."

So, too, I say that ill fares that system of higher education whose wealth of knowledge, whose brilliance of faculty, continues to increase without a corresponding increase in its ability to educate students to live adequately and gallantly in these days of tensions, of pressures, of fears and doubts, and anxieties. Yes, it is the role of higher education to equip students for noble living, conquering the negative in us and around us. There is no nobility of the soul except where individuals learn honesty, integrity, and service to their fellows.

CHALLENGE OF OUR TIMES

A few weeks ago I returned from Europe and en route home I spoke to the American Bar Association. I concluded my remarks before that body of distinguished lawyers and judges with this statement:

"In this age of our material splendor and achievement, we must not forget the spiritual wisdom which constitutes the real framework of our national life. We must fight moral decadence at every turn. The world needs spiritual splendor—spiritual ideas of honesty, purity, unselfishness, love—more than it needs our material goods. Without these ideas our material goods will be only a palliative.

"Material remedies for moral ills are ineffective. Many nations are at the ebb tide of spiritual vitality. Our age will determine which of the rival revolutionary philosophies shall sweep the generations of men. You and I cannot stand idly by. We are called to a great purpose to serve God, humanity, and our country by seeing to it that there is a spiritual rebirth in our Nation. It is a momentous hour in history and we ordinary folks can be truly great if we do the job before us."

COLLEGES' OBLIGATIONS

In that paragraph, I had stressed my concept of the obligation of the colleges to our Government and to this age.

1. They must raise up God-serving men and women, who are not so enmeshed in material concepts and the thought of material gain that they have lost sight of the true purpose of living.

2. They must raise up men dedicated to preserving the republic. To do that, these men must understand our system of Constitutional checks and balances, the wonder of it and the imperative need of preserving it for themselves and future generations.

OBLIGATION TO WORK

3. The colleges must raise up men and women who know in whatever field of human endeavor they find themselves, they are dedicated to "work and production." They must not be shirkers, or chiselers, or grafters, but builders; men who recognize that they do not live by bread alone and do not live for self alone.

4. The colleges must raise up men who can teach themselves and learn well in the school of life.

Here is how one man described this matter of self-education. Perhaps he exaggerated somewhat, but listen to what he said:

"Every man has two educations—that which is given to him, and the other that which he gives to himself. Of the two kinds, the latter is by far the most valuable. Indeed, all that is most worthy in a man he must work out and conquer for himself. It is that that constitutes our real and best nourishment. What we are merely taught seldom nourishes the mind like that which we teach ourselves."

SPHERE OF GOVERNMENT

Let us note this fact before we go any further. In a narrow sense the word "Government" relates to administration. In a larger sense, the term Government means 142 million of us humans.

ADVENTURE OF TODAY

In this fast-moving, dramatic, and climactic age, the big business of a college is to see to it that its students are on their toes—"awake and aware" of the privilege of living in this age of great adventure. No generation was ever engaged in a greater adventure than the present. The college must see to it that its graduates do not get a sense of discouragement or the tragic. Yes, you of Ripon are building builders for the future or termites of the present. If they are builders, they will be like Livingston, in darkest Africa, or like Edison, looking for the answer to problems. If they are builders, there will be bred into them the joy of endeavor.

Now, speaking from observations of almost 9 years in Washington, I would say that the colleges of today and tomorrow who simply turn out selfish individuals without any sense of obligation to the period in which they live, are missing the mark. The college that brings to its students the vital truth that man does not live by bread alone; that civilization is not made up of wood and coal and wheat and wool, but of elements more ideal; that life consists in developing a sense of the appreciation of the spiritual values; that the individual is best qualified to meet the impact of this age who develops a sense of loyalty to the proved values, including the Republic—that college has the proper relation to the Government.

For any college to perform adequately in this age, it must have adequate tools. The greatest tool of any college is not that found in its buildings and laboratories, but that found in its professors and teachers. I remember one teacher who sensed the privilege of molding the human clay that came into his classroom into "soul stuff." He taught that there were three great sins in life.

SINS OF LIFE

1. Failure to face your obligations.

2. To permit yourself to become guilty of arrested development.

3. To permit yourself to become a peddler of the negative and defeatist thought.

Under the first category, he spoke of those obligations that one had to his own family, his own city and State, and Nation.

Under the second, he told of men who come out of college thinking they were educated, little recognizing that life itself was a kindergarten course and that we must constantly grow.

And under the third, he said that those who peddled the negative and the defeatist were "sewage carriers," gossipers.

LIFE'S MEANING

And then he quoted Browning that "life has meaning and to find its meaning is my meat and drink." He said that life's meaning alone could be obtained in rendering selfless service to his fellows. And he taught that brilliance was good enough in its place but that the reason so many brilliant men failed was because they depended too much on their brilliance and not enough on work.

Let me recall for you the words of Theodore Roosevelt:

"What counts in a man or in a nation is not what the man or the nation can do, but what he or it actually does. From the standpoint of the nation and from the broader standpoint of mankind, scholarship is of worth chiefly when it is productive, when the scholar not merely receives or acquires, but gives."

Let me recall, too, the words of Benjamin Disraeli, speaking in the House of Commons in 1873:

"A university should be a place of light, of liberty, and of learning."

NEED FOR RENAISSANCE OF IDEALISM

An education that justifies a man only to prey on society imprisons that man. Gluttony, greed, and selfishness cramp the soul of man. Give us men intoxicated, so to speak, with the thought of giving joy and with the thought of helpfulness.

So, what we need in America and what the world needs today is a renaissance of idealism. There must be no deflation of the spirit. The highest function that a college can perform for its government—and people of this Nation—is to see to it that there is such a renaissance; that its graduates are filled with enthusiasm and inspiration; that they recognize with William James that there is an untapped source of power within us. When a college sends such material out in the interests of the Republic, it renders the greatest service to the Republic.

CONCLUSION

The material and the spiritual—each in its place, each to the degree that is merited—that is the twofold function of colleges today to government.

Neither function should be underestimated nor overestimated. We are living in times which require the fulfillment of both functions if we are to continue our progress. Colleges must grow, just as individuals and nations must grow. There is no standing still. There is only going either backward or forward.

I am certain that this splendid institution, like so many institutions throughout our land, will continue to go forward, blazing a trail of progress for other institutions to follow nobly in its way.

The Freedom Train

EXTENSION OF REMARKS

OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Maurice H. Thatcher, formerly a Member of the House of Representatives from the Louisville, Ky., district, on the subject of the Freedom Train. Every year the Society of Mayflower Descendants in the District of Columbia celebrates the anniversary of the signing, on November 21, 1620—old style, November 11—of the famous Mayflower Compact, on the *Mayflower*, the ship that brought the Pilgrims from their exile home in Holland to the bleak shores of New England, where they founded, at Plymouth Rock, the Plymouth Colony. The anniversary of the Compact Day dinner of the society was held on the evening of November 21, 1947, at Hotel Twenty-four Hundred, in the city of Washington. For many years Mr. Thatcher served as governor—the chief officer—of the society. His address was broadcast over Station WINX, Washington. The Freedom Train is very much before the public just now, and it is believed that Mr. Thatcher's very interesting and informative discussion of the subject constitutes a worth-while contribution.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am very glad to speak on the subject of the Freedom Train, at this, the annual compact day dinner of the Society of Mayflower Descendants in the District of Columbia. I am honored by the invitation thus to appear and am grateful therefor. I must also extend to the staff of WINX Station in Washington on behalf of the society and myself, assurances of the most earnest appreciation for the courtesy accorded in providing for this broadcast.

In recent months the country had been told a great deal about the Freedom Train. The newspapers, the radio, the screen, and other agencies of publicity and communication have had much to say on the subject. It shall be my endeavor to summarize the pertinent facts involved.

The question which first presents itself is, What is the Freedom Train? It is a railway unit made up of three rebuilt steel coaches in thoroughly fireproof manner, with every possible protective device installed, and the whole operating under the most carefully planned schedules of safety. Pullman and other coaches, specially arranged, constitute parts of the train, these for the accommodation of those in charge. The three coaches first named are carrying 127 of the most precious documents and texts of history, beginning with the letter written by Columbus regarding his discovery of America (1492), and coming on down through the centuries to Magna Carta, the Mayflower Compact, the Declaration of Independence, our Federal Constitution and its Bill of Rights, and the Gettysburg Address, to the Charter of the United Nations, and including various other items bearing on the story of the evolution, establishment, and maintenance of free institutions in our Nation, and dealing with World Wars I and II. In most cases originals have been procured and utilized, while in some, authenticated texts and copies. All have been appropriately and protectively framed for the inspection of our citizens. Undoubtedly this is the most striking display of vital instruments dealing with the subject of free government the world has ever known. In addition, six historic flags are included on the train, making a total of 133 exhibits carried. The train and its contents are under the guard of United States marines, and the railroad schedules are all so planned as to assure the fullest measure of security of operation.

Next, it will be asked, "What was the genesis of this undertaking, and what are the motives involved?" The Freedom Train project was suggested by the Attorney General of the United States, Hon. Tom C. Clark, and it has been sponsored by him and the Department of Justice. No Federal funds being available for the purpose, and the opportunities for good appearing to be so great, private influences, of voluntary character, immediately became effective and concrete, and undertook to handle the situation. A private nonprofit corporation was created and organized under the laws of the District of Columbia, and designated as the American Heritage Foundation. Under it a board of trustees was named, with Mr. Winthrop W. Aldrich, prominent New York banker, as chairman.

The Foundation thereupon took over, and has since carried on, the Department of Justice, the Library of Congress, and the National Archives, meanwhile, rendering full and efficient aid and cooperation. The tremendous lot of details involved, including the preparation of the physical set-up of the train, the selection and arrangement of the exhibits, and the making up of the itinerary and schedules for the train's operation have been the work of the Foundation and assisting agencies. The three exhibit cars are furnished by the Pennsylvania Railroad Co., the three pullmans are loaned by the Pullman Co., and the baggage car by the Santa Fe Railroad Co. The Diesel engine is of the latest type, of 2,000 horsepower, and is provided by the American Locomotive Co. The exterior of the entire train is white, with a red and blue stripe, and a gold American eagle in the center; while on the end doors appear the great seal of the United States and that of the American Heritage Foundation. Experienced persons are in charge of the exhibits, and high-class railroad men operate the train.

The necessary funds for all this have been procured from private sources. It is expected that the total direct cost will be something like $1,000,000. In addition, large sums—running into many millions more—will be raised and expended for the purposes of local patriotic programs throughout the country, the same to be put on in the respective localities where the train stops, the exhibition of the contents of the train constituting a fitting climax to each such program. The local radio, screen, church, school, club, and other agencies will be accordingly enlisted in the effort to make the locality program a thoroughgoing success.

The avowed purposes of this great enterprise may be said—in their major imports—to be of twofold character. One is to bring home to the American people the vital story of the age-old fight for free institutions and the free exercise of the democratic process in government, or, in the words of the Foundation, "to re-create awareness of our heritage." The great landmarks in the forward march of freedom—beginning so many centuries ago, and moving onward to Plymouth Rock, New England, Virginia, and the other points of American settlement and colonization, and thence on to the Revolution and the birth and maintenance of our Republic—will thus be most effectively dramatized for the benefit of all. The other primary objective sought is the combating of the many subversive and dangerous activities and influences now current in our midst so antagonistic to our form of government, our freedoms, and our manner of life. In the further language of the Foundation, a purpose involved is "to arouse interest in safeguarding and improving the elements of American democracy." By the exhibition of these great trophies of liberty and constitutional government, it is hoped that there will be, in large measure, a rededication, a reconsecration, by the general body of our citizens, to the cause and principles underlying our democratic-republican form of government, and which is ours today by reason of the sacrifices of our Nation's founders and preservers and by virtue of the long and weary struggles through the centuries for freedom as achieved and represented by these sacred texts. In each visited city there is to be a period of such dedicatory services, culminating in the arrival of the Freedom Train and the exhibition of the exhibits carried. Through the local agencies of exposition in all these urban communities there will be given the fullest notice and information concerning these special services and the train. To quote the Foundation, the program deals only with "our heritage of political and democratic ideals, institutions, and forms. It has nothing to do with our economic system."

This may be sufficient to indicate what is projected and hoped for in this extraordinary and most praiseworthy enterprise. The implications as to all of this may be surmised.

Now, as to the itinerary of the Freedom Train. It began on the 17th day of September 1947 in Philadelphia, the birthplace of the Nation and American independence, and on the one hundred and sixtieth anniversary of the signing of our Federal Constitution in that city. Thence, the journey turned eastward through New Jersey, New York, and the New England States; whence it is turning southwestward, and will reach Washington at midnight, Wednesday, November 26, for a stay of 2 days. The train will be open to the public here from 10 a. m. to 10 p. m. each day—Thursday (Thanksgiving Day) and Friday, November 28. I would especially urge that every effort be made by members of our society and our guests on this occasion to visit the train and see the exhibits carried, and to do this as early as possible. The local press and radio will give full information concerning the stay in Washington. There is now being carried out an appropriate local program, to continue until the train's arrival here. The train will remain on track 4, main concourse, Union Station, while here.

The train is scheduled to make stops at more than 300 of the more important cities and centers of the country scattered throughout the 48 States; and the entire distance to be covered is estimated as being more than 33,000 miles. One year's operation is projected, but it is to be hoped that this period will be substantially extended, as the present stops of the train are wholly insufficient to accommodate the great number who strive to see the train and its exhibits.

This brings us to the very pertinent inquiry, "What exhibits are carried on the Freedom Train?" The included documents have been carefully selected by a committee headed by Mr. John Foster Dulles, and as cataloged by the Foundation. There is not present time to permit a complete enumeration, but certain references may be made. The first title is called The Beginnings. There are three items under this heading, No. 1 being the first printed letter written by Columbus, touching the discovery of America in 1492; No. 2 is the thirteenth century manuscript of Magna Carta; and No. 3 is the English Bill of Rights (1689).

The next two headings are entitled, respectively, "Stirrings of Freedom in Colonial America" and "The Struggle for Independence." There are 12 items under these headings, the first of which—No. 4 in the full series—is the Mayflower Compact, to commemorate which this dinner is held. Various important letters written by Franklin, Jefferson, and others in the Colonial and pre-Revolutionary period are included, together with the contemporary manuscript of the Articles of Confederation, attested and signed by Franklin and Silas Deane; also, a copy of Paine's Common Sense (1776); also are included Jefferson's rough draft of the Declaration of Independence, and a contemporary copy of the Declaration.

The next title is "Fight for Freedom," made up of five items, including The Crisis, by Paine (1776); Paul Revere's original commission as official messenger; the letter of George Washington to Gouveneur Morris, describing conditions of the winter headquarters in 1780; and the Treaty of Paris (1783).

Then follows the title "Religious Freedom," consisting of four items, including the Maryland Toleration Act of 1649; Roger Williams' statement on religious freedom; and Jefferson's bill for religious freedom (1784).

Next is the title "The Achievement of the Constitution," under which are grouped eight items, among them the famous collection of writings by Hamilton, Madison, and Jay in behalf of the adoption of the Federal Constitution, and published under the designation of The Federalist (1788); Washington's own copy of the Constitution (1787); and other historic documents bearing on the subject matter of the Constitution and its ratification.

Then follows the title "The Bill of Rights—A Charter of Liberties." There are eight items included in this group, beginning with the Bill of Rights to the Constitution (1789), and various memoranda and letters of Jefferson and Madison dealing with the Bill of Rights.

The succeeding title "Alexander Hamilton," with three items, is made up of the original manuscripts of Alexander Hamilton on the Constitution, the public credit, and Washington's Farewell Address.

Next, we have the title "The Flag," consisting of two items, including Francis Scott Key's manuscript of the Star-Spangled Banner.

Then follows the title "Washington's Leadership," with two items, to wit: Washington's Revolutionary War account book and his Farewell Address.

Next comes the title "Emancipation and Reconciliation," made up of seven items, including, among them, Lincoln's draft of the Emancipation Proclamation; the Emancipation Proclamation itself; Lincoln's Gettysburg Address, and his Baltimore Address (April 18, 1864); and Gen. Robert E. Lee's letter accepting the presidency of Washington College (August 24, 1865).

The next title is "Women's Rights," covering three items of historic interest, dealing with the subject of enfranchisement of American women, and including the nineteenth amendment, providing for suffrage for women.

Next in line is the title "Freedom Follows the Flag," with five items, including the Northwest Ordinance of 1787, whereby all of the Northwest Territory was ceded by Virginia to the United States Government; letter from President McKinley to William Howard Taft, president of the Philippine Commission (1900); and proclamation of the independence of the Philippines by President Truman (1946).

Then there is the title "Inspiration of American Freedom to Other People," five items, noteworthy documents.

Then follows the title "American Memorabilia." Under this title there are 16 items, among them being Benjamin Franklin's own epitaph in his own handwriting; Mirabeau's tribute to Franklin (1790); the thanks of the Congress of the United States to the French Nation (March 1791); Andrew Jackson's letter to the Secretary of War, describing the battle of New Orleans (1815); and log book of the United States frigate *Constitution* (1815).

Next is the title "Freedom of the Press," with a total of 10 items, including 3 issues of John Peter Zenger's New York Weekly Journal, 1734–35, together with an editorial of Benjamin Franklin concerning Zenger; and John Milton's famous Areopagitica (1644).

Then we have the title "Modern America," with three items, namely: original typescript with autograph annotations of Woodrow Wilson's first inaugural address; declaration by the United Nations, called the Atlantic Charter (1942); and the United Nations Charter (1945).

Then follows the title "Fight for Freedom—World War II," made up of 18 items, including President Franklin D. Roosevelt's proclamation of an unlimited national emergency (May 27, 1941); agreement for the invasion of western Europe; last message from Corregidor; naval reports on operations in the Pacific region; Admiral Nimitz' battle report on Midway; General Clark's message announcing victory of the Allies in Europe; instrument of surrender of the Jap forces in the Philippine Islands; instrument of Germany's unconditional surrender; and log of the U. S. S. *Missouri*, dealing with the Japanese surrender.

While the greater number of documents carried on the train are originals, it has not been possible, always, to procure originals. The Mayflower Compact is utilized in the form of the printed text in a book known as Mourt's Relation, published in 1622, and said to be the first printed story of the voyage of the *Mayflower* to the New World.

In addition to the items in the original list of documents, there have been added by the Foundation certain documents, five in number, including the original typescript draft of the Covenant of the League of Nations, 1918, and personal report of General Stillwell to General Marshall, January 28, 1944, concerning military actions against the Japanese in China.

Added to the 127 items thus included in the titles I have mentioned are 6 flags, designated as "flags of freedom," being General Eisenhower's personal flag, Commodore Matthew C. Perry's flag flown on his flagship at the time of the opening up of Japan in 1854, the flag raised on Mount Suribachi by the United States Marines upon the invasion of Iwo Jima, flag flown from the U. S. S. *Missouri* upon the occasion of the Japanese surrender in Tokyo Bay, and the SHAEF flag, symbolizing the liberation of the peoples of Europe from Nazi tyranny.

Pilgrim descendants are very much gratified that the Mayflower Compact is included as an exhibit on the Freedom Train. It has played a most vital part in the establishment and maintenance of free institutions in America, and in the grouping of early American documents carried on the train it is named as the first of the number. Our Federal Constitution (our Nation's gyroscope) is but a complete and effective elaboration of the principles of self-government stated, in simplest form, by the compact.

In connection with the operation of the Freedom Train a freedom pledge, of appropriate character, has been formulated, and it is being signed by visitors to the train and voiced by various groups engaged in the rededication ceremonies already mentioned.

The pledge is as follows:

"THE FREEDOM PLEDGE

"I am an American. A free American.

"Free to speak—without fear;

"Free to worship God in my own way;

"Free to stand for what I think is right;

"Free to oppose what I believe to be wrong;

"Free to choose those who govern my country.

"This heritage of freedom I pledge to uphold.

"For myself and all mankind."

No true American can view these epoch-making documents without experiencing a quickened and revitalized loyalty to, and appreciation of, the institutions of his country; or without renewed determination to do all within his power to merit, protect, and preserve the heritage of freedom, which, in the slow processes of time and struggle, has come to him and his fellow citizens.

A study of the documents and texts carried will reveal the grim and age-old fight for freedom and the rights of the individual man that began with Magna Carta in A. D. 1512, and culminated in the American Declaration of Independence and our Federal Constitution and its Bill of Rights nearly three centuries later. The efforts of the lovers of liberty was for a government of law rather than a government of men. Only in our Constitution and its amendments, providing for the rights of our people, and through the admirable system of checks and balances set up in the Constitution, has there ever been adequately established in the earth a government of law. The trouble with the world today; the trouble during the two world-embracing wars of the generation now closing; indeed, the trouble which has plagued mankind throughout the past—has been due, primarily, to the fact that there were governments by men rather than governments by law. Arbitrary or despotic power has always brought the disregard of the rights of others, both at home and abroad. Governments by men and totalitarian rule have always spelled dictatorships and tyrannies; and such governments, from times immemorial, have waged cruel and relentless war, and brought death, desolation, and sorrow to the human race. Hence, so long as there shall exist in the earth dictatorships and totalitarian forms of government, there will be wars; and not until there are removed, everywhere, these causes of war, may we expect wars to cease. While it is the duty of all free nations to do everything possible—with the best tools available—to bring about the conditions of permanent peace and security throughout the globe, such nations must not permit themselves to be lulled, by false hopes, into fatal neglect and insecurity. In their efforts for peace they should be governed by a wise realism, as well as by a strong desire, to deal with justice for all.

Twice within the memory of those who live today our America, which, under the free institutions and systems growing out of our manner of life and mode of government, had become strong and powerful beyond all precedent, has been the greatest single factor in saving the world from being conquered and enslaved by dictators and totalitarian might. It is but natural, therefore, that we of America, who believe in its laws, institutions, and way of life, are of the deep and abiding conviction that the safety of the future lies in the knowledge and effective application, in all other lands, of the

essential principles underlying these laws and institutions. In the very nature of the case we cannot undertake to impose on others the establishment of governments embodying these principles; but must trust, under our system of freedom, that the light which oppressed nations and peoples may receive from our uplifted torch, may enable them to find their way. The brightness and enduring quality of this beacon depend on the strength and patriotism of our citizens; and, beyond question, this strength and this patriotism are increased by everything that yields to us a wider knowledge and keener appreciation of our history, heritage, and institutions. In the effort to revitalize the story of the struggle for freedom, and of the birth and perpetuity of the American Nation, and to bring about a new consecration to the purposes, ideals, and destiny of the Republic, the Freedom Train is privileged to play an important part. The thanks of all our people are due those who, by their time, money, and labors, have made the Freedom Train possible.

The idea and purpose of this patriotic venture are of outstanding character: indeed, without precedent in all history. Certainly, in this era of world confusion and perplexity, with the questions of permanent peace and security unsolved, the truths and lessons embodied in the sacred memorials and texts carried on the Freedom Train should be brought home to the American people in the most effective manner; and to this end the privilege of visiting the train and viewing the exhibits should be accorded and availed of in the fullest way possible. In the spirit and word of these documents the American Nation was founded and has grown to unprecedented and enduring greatness. Yet, there are those who would destroy all this by the substitution of alien forms of despotic government, with the inevitable loss of all the precious freedoms which Americans know. All loyal Americans should, therefore, earnestly and effectively cooperate to make the mission of the Freedom Train a success.

The Future of Puerto Rico

EXTENSION OF REMARKS
OF
HON. DENNIS CHAVEZ
OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article written by me entitled "Puerto Rico's Future in the Eyes of a United States Senator," which was published in El Estado, a magazine of the island, in the September-October issue of 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUERTO RICO'S FUTURE IN THE EYES OF A UNITED STATES SENATOR

I have been asked by the publication El Estado to express my idea as to the future of Puerto Rico and its people. I believe that I understand the racial, religious, and political background of the island. When I say I understand, I mean understanding of ancestry, political philosophy, and general history. I happen to be of the same racial extraction as most of the people of the island, hence I believe that I understand the general characteristics of many, many years. The God of Nations some hundred years ago determined that the area of continental United States wherein my folks have been born and reared for hundreds of years would become a part of the United States of America. Since then everything that has had to do with matters political, with matters economic, with matters of loyalty and patriotism, deal only with the United States of America. Notwithstanding my ancestors, I was reared under that atmosphere, with all the trials and tribulations, hopes and dreams, that go to the average citizen within the United States. My luck has been good; I am the beneficiary of those things that Uncle Sam stands for, and knowing my background, I say that I can appreciate to the fullest extent the benefits that come to those who are born under the Stars and Stripes.

The people of Puerto Rico come from the same kind of racial, religious, and historical background as those of New Mexico who are of my kind and race. Hence, I believe that I can appreciate everything and every feeling that the Puerto Ricans might have on account of racial and religious characteristics. The idea is that through the same God of nations, Puerto Rico and its people did in 1898 become an integral part of the United States of America. Lots have happened since then, great economic and cultural progress has been made. An understanding of American institutions, ideals, and traditions has prevailed. In 1918 through the Jones law, the citizens of Puerto Rico became American citizens of the United States of America. Hence, to me the question that is now and then asked, "What is the political status of the people of Puerto Rico?" is simple: the greatest status, the ideal status of anyone in the face of the earth is that of being a citizen of the real democracy of the world, a citizen of the United States of America. To forever preserve and protect that citizenship and what it represents, Puerto Ricans have suffered, bled, and died throughout the battlefields of the entire world, so, the status of the people of Puerto Rico is that of being citizens of the United States of America, a great privilege. That being so, there is no need for the people of this island to worry or suffer as to their status, their concern should be: How can they as said citizens improve their individual standing and those of their neighbors? The question is asked: How can that be done? It can be done by following to the spirit of the ideals, the traditions, and those things that the originators of our country fought for and created.

No one knows better than I the racial characteristics of the people of the island. Of course, the child loves the mother and we can love Spain and all its grandeur of the past, but being American citizens we have to face stern reality and be practical. We have to live in this age and not in the age when Isabella and Ferdinand, and Carlos V, and Felipe II were in power and at their best. Let's reason for the moment a practical proposition. Like Spain in its period of influence and grandeur, so was England, Henry the Eighth, Great Queen Bess, Victoria, and the British Empire, but at the moment what practical man that has a family to feed has to be concerned about the time when the sun did not set on the Union Jack? It happens that in this period and in this age, the country that you belong to, the country that is great, the country that is powerful, the country that respects the opinion of any citizen no matter how humble or how meek, is the United States of America; again you are privileged to be citizens of that Nation wherein you can express your opinion as you see fit, where you can worship God as your conscience would dictate, where you can have hope that your children might not suffer what you suffered, and where you can dream of equality of opportunity that can and will be realized.

Every time I come to Puerto Rico I can see progress and general improvement. Since my last trip, the construction of a glass factory and a paper factory have been concluded. Your energetic and enterprising businessmen have been working hard to do their share in industrializing the island. Your cement plants, so necessary for construction and which mean so much to you in the future, are of the best. In a small way, great strides have been made with structural steel; better methods are being practiced in agricultural activities; yes, better wages are being paid to those who labor. More and more persons are going to school and colleges, both here and in the continent. I have seen improvements also in political activity—your public officials as a whole are sincere, patriotic, and industrious citizens who appreciate that they are only the agents of the people of the island and not their bosses. It appears to me that they react very nicely to public demands and aspirations. I, for one, am most happy that your public officials are working and planning for the future. Puerto Rico in a few years will become one of the most interesting tourist centers in the Caribbean. As soon as the island has better hotel facilities to accommodate the visitors you will see the continental American here by the thousand. That will bring outside money; a better understanding of the people of the continent and the island; create new business, and make for better conditions for all concerned. I am optimistic by nature, but I feel that there is plenty of justification notwithstanding to say that, in my opinion, a great future awaits Puerto Rico and its people.

Let's forget about idle dreams and phrase-catching words about independence. There is quite a difference between the so-called independence and liberty and freedom. You are independent. From the bottom of my heart what I wish the people of Puerto Rico to have is freedom, liberty, and equality of opportunities in life under the Stars and Stripes. No one should ask more.

DENNIS CHAVEZ,
United States Senator.

Foreign Aid and Domestic Anti-Inflation Program

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed in

There being no objection, the article from the veterans' edition of the Army Times relating to the President's foreign aid and domestic anti-inflation program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON.—The majority of veterans of World War II stand foursquare behind President Truman's broad foreign aid and domestic anti-inflation program as outlined to Congress this week, the results of an opinion poll conducted by Army Times reveal.

Ninety-two percent of thousands of veterans responding to a lengthy opinion poll have gone on record unqualifiedly in support of a continuation of rent controls beyond the present February 29 deadline, the GI weekly reports.

An even 70 percent of the same veterans favor the Marshall plan for extending economic aid to the free countries of Europe, although only 53 percent of them are in favor

of expanding the plan to include other countries of the world.

A lesser majority, 66 percent, said "Yes" to the specific question: "Do you favor restoring price controls on food, clothing, etc.?"

The Army Times' opinion poll did not include a question concerning the rationing of cost-of-living commodities.

Typical comments from veterans responding to the Army Times' poll show a keen understanding among the vets of the need for this country to extend aid to Europe and a strong feeling that industry and big business have failed them in the matter of keeping prices in line.

Those favoring continuation of rent controls are convinced that real estate lobbyists and "rent hogs" will send rents sky high if controls are ended.

Many of them opposing restoration of price controls expressed the view that controls would only result in further scarcities, hoarding, return of the black market while others oppose restoration on the grounds that it is too late to repair the damage done by ending price control too soon.

In every section of the country veterans have painstakingly answered each of 15 questions included in the opinion poll with "Yes" or "No" answers and in most cases have taken the trouble to give their reasons for taking a specific position.

Although returns from the poll are not yet complete and tabulation of the stand of the veterans on other specific questions has not been made as yet it appears that the housing situation and the high cost of living are considered by the majority of veterans as the biggest problems they face.

Further results of the survey will be made public next week.

The Foreign Aid Program

EXTENSION OF REMARKS
OF
HON. JOHN SHERMAN COOPER
OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial dealing with the proposal for foreign aid, which I ask to have printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Louisville (Ky.) Courier-Journal of November 15, 1947]

A MATTER THAT NEEDS TO BE CLEARED UP

As discussions of the Marshall plan progress, it is certain that increasing importance will attach to foreign assets in the United States. And unless existence of these assets is recognized in official policy, it will damage the general public support which United States citizens now accord efforts to assist Europe.

The House Foreign Affairs Committee has just heard from Representative HERTER that French assets in this country are worth $500,000,000, and that Frenchmen are hoarding at least $2,000,000,000 in gold at home. Recent estimates of assets which foreign citizens have in this country run as high as $17,000,000,000. This equals the total of European aid needed from this country, as estimated by the President's Committee on Foreign Aid.

While it is outside the realm of the Marshall plan, the subject is further emphasized by Yugoslavia's request for release of $56,000,000 of Yugoslav gold frozen in this country during the war.

No figures are available on how much of total foreign assets in the United States came from countries for which Marshall plan assistance is contemplated. The proportion must be considerable. Some of it is normal foreign investment, no doubt. But most of it surely is fugitive money—funds transferred abroad by property owners who feared for the economies of their native lands. It is simply a more elavorate version of what the French are doing by hoarding gold at home.

In effect, then, the United States is asked to demonstrate a faith in the economic survival of European nations which some of their own citizens are unwilling to demonstrate. While the number of these cautious capitalists may be small, it is enough to put a serious damper on our enthusiasm to help.

During the war Great Britain supplied an example of quite a different sort. To finance the war effort almost every British investment in a foreign country was liquidated. South American railroad interests, United States tobacco assets—corporate and private investments—all were sold to provide dollar credits which the British Government repaid owners with sterling credits.

This is the sort of transaction which seems needed now. In its report this month, President Truman's Foreign Aid Committee declared: "It should be made a condition of continued assistance under such a plan (as the Marshall proposal) that the participating countries take all practicable steps to achieve production and monetary goals which they have set for themselves in the Paris report." One such practicable step would be conversion of foreign assets into dollar credits, to eke out United States assistance, and to serve as an ordinary token of good faith on the part of participating nations.

Political Recognition of the Negro

EXTENSION OF REMARKS
OF
HON. WILLIAM LANGER
OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Republican for the month of October 1947, which makes reference to Mr. R. R. Church, chairman of the Republican American Committee of Chicago, an outstanding Republican who, at one time, was appointed by the late President Coolidge to be Governor of the Virgin Islands.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGROES DEMAND GOP RECOGNITION

The Republican Party has not won a Presidential election since the Negro voter left the party. It is implicit that Republicans nurture and cultivate the noticeable trend of the Negro voters back to the GOP since the 1946 elections. It is therefore necessary that the entire attitude and strategy of the GOP, as it affects the Negro citizens, be changed.

That is the earnest opinion of the Republican American Committee, whose policy committee met this fall in Philadelphia, under the chairmanship of R. R. Church, and drew up a plan to win back the Negro voter.

To accomplish this objective, the committee believes that "it is necessary that the entire attitude and strategy of our party as it affects the colored citizens must be changed."

As spokesman for the largest single minority in the United States, the committee expressed sincere disappointment in the record of Congress.

"Deeply disturbed over the failure of the first Republican-controlled Congress in 16 years to take any ultimate action on problems of transcending importance affecting the civil rights and economic welfare of large segments of the population * * * we feel impelled to warn our party of the dangers which lie ahead if it continues its policy of inaction on these issues, and we urge it to rededicate itself to its founding principles of equality and justice to give reassurance to Republicans everywhere of its determination to correct these evils by effective legislation."

Placed in its importance of action according to the committee, the legislation which must be passed to turn the Negro voter to the GOP is: 1, the FEPC; 2, the antilynching bill; and 3, the antipoll-tax bill.

"The Republican Party can demonstrate its continued faith in the democratic processes and its belief in the dignity of man by marshalling its forces to pass these bills."

The committee emphasized that the Negro would not be deceived by legislative jockeying, buckpassing, or double talk. He will not be satisfied with noble gestures, but will demand from the party in power actual fulfillment of platform pledges and promises.

To regain this vast voting power of 20,000,000 citizens, the spokesman urged the Republican majority in Congress to place this legislation upon its must calendar in the early part of the next session and to make its passage a matter of party responsibility.

Negroes scattered throughout the 36 States were urged to bring pressure at local and State levels in order to hurry the passage of this Federal legislation. The members of the Republican American committee were asked to hold conferences, to send telegrams, to arrange for personal interviews with their Senators and Representatives in order to impress upon them the necessity for these laws which will improve the living conditions of one-tenth of the population.

Seeking to put an end to the economic and civil barriers which harass the minorities of our Nation, the policy committee members called for the national chairman of the Republican Party to indicate to the American people, that the GOP is not insensate to the hopes, desires, aspirations, and rights of its largest single minority, and that it will take whatever steps are necessary to guarantee the passage of the legislation enumerated previously.

That the Negro desires economic security above all is apparent by his gradations in the importance of the legislation. He placed the Fair Employment Practices Act above all appeals of antilynching and antipoll tax. He desires the opportunity to work amid decent conditions, most of all.

In conclusion, the policy committee of the Republican American committee put itself on record as follows:

"1. That it urge the Republican majority in both Houses of Congress to adopt the Ives-Morse, the antilynch, and the antipoll tax bills, as must legislation.

"2. That the Republican National Committee appoint a special committee, with the power to act, to make a thorough canvass and a study of the entire situation of the Negro voter, his problems, and his relationship to the GOP.

"3. That the Republican Party set forth the party's principles in a concrete bill of rights, and dispatch this bill to every Republican State, county, and city committee for their information, guidance, and adoption.

"4. That copies of these resolutions be sent to the chairman and all members of the Republican National Committee, to the members of Congress, the Republican governors, to Republican State chairmen, and to the press."

Can America Do the Job?

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. TAYLOR. Mr. President, I should like to call the attention of the Senate to a forthright, clear statement of America's potential—in natural resources and manpower. It is an address entitled, "Can America Do the Job?" by the Honorable C. Girard Davidson, Assistant Secretary of the Interior, before the Young Democratic National Convention, at Cleveland, Ohio, on Saturday, November 15, 1947.

I was particularly interested in Secretary Davidson's view that not only can America meet any task with its resources, but that it can effectively aid in world reconstruction through proper use of its manpower. But Secretary Davidson makes the point that our manpower can function at full pace only if we preserve the cherished civil rights upon which our democracy is based, and he outlines the real threat which exists to the precious American heritage of freedom of opinion.

Mr. President, I ask unanimous consent that Secretary Davidson's address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You and I, as more or less young Democrats, are gathered here today not primarily as workers in a political party but as men and women who are seeking to discharge great responsibility to our Nation. The people of this country are keenly aware that the world is at a great crisis; the consciousness is beginning to dawn, too, that our own Nation is at crisis point.

We no longer need to be told that this is one world. We know it. We should no longer need to be told that we are an inseparable part of that world, in sickness and in health, in joy and in sorrow.

The world's basket of bread—its machinery and coal and resources—is our basket, and our bread and resources are also the world's. We know this now. The people of the Nation know it, and their representatives will soon demonstrate this new awareness by their approval of the plan proposed by our Secretary of State, George C. Marshall.

We in the Interior Department have been charged with a special responsibility in connection with America's new role in the world, and particularly in connection with the Marshall plan. We have been asked the question which is bothering many Americans—even many of good heart and sound vision. Can this Nation afford the Marshall plan? Can we meet the demands that are heaped upon us by a prostrate world and by the insistent and meritorious clamor of our own people for a higher standard of living? Can we feed and fuel and equip our own people and industries, at an even better scale, and at the same time provide the people of western Europe and China with food and fuel and equipment so that they can live and work as free people?

Our answer to that in the Krug report is a thumping yes. We can provide for ourselves and for our friends abroad out of our resources and production. But we can do more than that. We can provide for our own people an ever-increasing prosperity, an even richer Nation, and an even better way of life. And at the same time we can provide not a minimum of aid, but we can, if we wish, provide a full measure of assistance for our friends which will help them and us to create a new world of abundance, freedom, and peace.

We can do this—not just the minimum but the maximum for ourselves and our children and for the world—if we will truly and boldly conserve and use the resources and assets with which we are endowed.

We can do this if we proceed in the great tradition of the Democratic Party—if we are brave and resolute and development-minded. We cannot do it if we are timid, reactionary, and miserly.

We must not be the servant who through fear hid his talent and was cast into outer darkness but rather we must be the one whose daring but wise use multiplied his resources and thus opened his way to even greater prosperity.

The conservation and development of our resources has two inseparable phases: one, the development of our physical assets; and two, the greatest use of our human assets—our people.

America's good earth is not feeble or exhausted. In large part it is relatively untouched. America's mighty streams, by and large, are still unharnessed; many of them are still instruments of destruction, instead of servants of our people.

If we are concerned about potential shortages of food, let us add more productive land by irrigation and drainage. As we are doing in the great Coulee basin in the State of Washington, let us reclaim vast tracts of now barren soil upon which great quantities of precious food can be grown.

We are now handicapped by a shortage of electric power. Let us build more of the great dams like Bonneville and Grand Coulee, which our Republican friends once called "white elephants." We can, by harnessing our streams, generate enough electric power to increase vastly our industrial production and to ease the drain upon our oil resources.

Are we worried about the depletion of our soil from erosion and sustained high yields of crops? Let us control our floods, expand our soil conservation programs, reseed the public range, produce and apply more fertilizer, irrigate and drain our land where needed. We Democrats have made great strides since 1933; we can achieve these goals, if we have the will and the vision—and I might add the Congress.

Some people, including those who think that America has quit developing, say that we are running out of iron ore and other important minerals. We at Interior know that this need not be so. We know that what is needed is not tears and lamentation, but work; we have not even fully explored our Nation for minerals. We need to do this; and we need to spend some money for research on the utilization of our abundant stocks of low-grade ores. We know we can develop and use synthetics; we can make coal into gas and gasoline.

These are merely illustrative. We know how to provide an abundance—even a superabundance—of natural resource products. The question is not can we supply ourselves and our friends with what is needed for peace and prosperity, but will we. And this depends upon whether we in the Democratic Party will again take the lead in ushering our people and our Nation—and this time the world—into a new era of development.

But this alone will not do the job. Resource development alone will not provide Americans and their friends in the world with either peace or plenty. Resource development alone is useless—indeed, it is impossible—unless our people are vigorous, alert, imaginative, and adventurous.

America's frontiers were not opened by timid, unimaginative, or frightened people. America was neither won nor developed by people who lived in fear. Our Nation is the product of free men, thinking and working freely; freely agreeing or freely differing. It is our glory and our good fortune that our people have had diverse ideas, differing backgrounds, contrasting principles. In this crucible of free ideas, freely expressed, there was formed the vigorous, indomitable spirit of America.

And so the critical issue we face when we consider whether America can meet the demands of the present and future, is not so much do we have the material resources; but rather can we bring to the job the full talents of free men, freely exercised. Do we, in short, still have the freedom of soul and thought, the greatness of heart and mind, that our crisis requires?

It is easy to say that of course we do, that we are a great democracy, that our very name is synonymous with freedom. That has been our proud history, that has been our promise.

But it is a history and a promise that are now in jeopardy. Our freedom—the freedom for the genius and the crackpot—the scientist and the alchemist—the scholar and the screw ball—which has enriched our society and given us vigor and inventiveness is now in mortal danger. Our boasted protection—even for the view we despise and the thought we reject—is being frantically withdrawn from all but those who march squarely down the middle road of conformity.

I hardly need to prove this point. The attempted suppression of political thought, the instances of oppression of minorities are too fresh in the minds of all of us. The recent report of President Truman's Committee on Civil Rights has brilliantly presented instances in which our practice has failed to live up to the American ideal.

The forthright statement given by President Truman yesterday to his Loyalty Review Board that the executive branch of government will engage in no witch hunts is hailed by all freedom-loving Americans. They commend his order to the departments that in the enforcement of the loyalty program the civil rights of all Government employees shall be properly and adequately protected; that employees will not be removed for disloyalty on the basis of rumor, gossip, or suspicion, but that charges must be presented, a hearing granted, and provision made for appeal.

Of course, the President can and has spoken on this issue for the executive branch. But the party of which he is a member and which holds this belief in the fundamental rights of the average man is not in control of the legislative arm of our Government.

There we have seen individuals stigmatized and branded as outcasts, without charges or a hearing, presumably because they have at some time or other been identified with causes which are now unpopular. Individual citizens have been convicted in the eyes of the public with consequent impairment of their reputation and earning ability on suspicion, innuendo, and the flimsiest of circumstantial evidence in violation of all of the rules of fair play. We have seen an

entire industry and a number of artists exposed to a klieg-light investigation which might better have been staged on a Hollywood set. Citizens are irreparably damaged who have no recourse in the face of congressional immunity. An apparent attempt is being made to eliminate from positions of influence persons who do not adopt a mid-Victorian social and economic philosophy or who do not believe that the development of our political and economic institutions reached perfection during the presidential term of Herbert Hoover.

No true American can quarrel with the stated objective of these inquiries. No true American will tolerate in positions of public trust people whose allegiance is to a foreign power, or who have knowingly allied themselves with an organization which serves another government. But I cannot and will not believe that the eradication of these pests requires a reign of terror. I cannot and will not believe that it makes necessary the suppression of freedom of thought and opinion. And I do not believe that it means that the Government and the Nation, in order to detect and disarm a handful of subversives, must deprive us of the services of loyal scientists, administrators, research workers, clerical employees, and others who, if they are allowed to work freely in an atmosphere of freedom and trust, have so much to contribute.

Those who, with whip and lash, press this terrible crusade in defiance of all of our traditions are of two sorts: they are either frightened people who, fearful of the menace of communism, lack faith in the power of freedom; or they are people who are deliberately and coldly using the opportunity which the real danger of communism affords, to eradicate any vestige of liberalism and progress in America.

These are dangerous people. These are dangerous attitudes. If we once lose faith in the power and vitality of freedom, America is indeed in danger. If we fear that the free development, expression and interchange of ideas is dangerous to our democracy, we have abandoned our heritage. We have then made a fatal overture to the very totalitarianism that we profess to reject.

Totalitarianism masquerades under many stated objectives—some good and some evil—but the essential difference between our democracy and all forms of totalitarianism is the maintenance of civil rights. That difference is worth fighting for, as we have demonstrated in two bloody wars within our lifetime. We must never surrender our basic civil rights on the spurious grounds that their surrender is necessary to fight our enemies. If we do, we shall find that we have lost what we are fighting to preserve, without ever engaging in battle.

There is more to Americanism than the ideas and principles of any one man or group of men. Americanism is a tolerance for all of our ideas. It is the principle and practice of freedom. The application of this kind of Americanism to our problems will assure our success in providing greater abundance for ourselves and the world.

And so, as we increase our efforts to prevent soil erosion, our efforts must be even more vigorous in preventing the erosion of our liberties. As we increase the fertility of our soil to produce more food, we must preserve the fertile soil in which freedom may flourish. As we push the building of dams to prevent devastating floods, we must be alert to see that our civil rights are not swept away in a tidal wave of hysteria. And as we guard our forests from destructive fires, we must be doubly sure that we have no burning of books.

Young Democrats have a special and deep responsibility to keep the party the great champion of human freedom—the heritage given it by Jefferson, Jackson, Wilson, and Roosevelt, which is being carried on so ably by President Truman. With that kind of dedication, the Democratic Party will provide the leadership for an America in which our human as well as our economic potentials will be fully realized. With that kind of leadership, America can do the job.

Removal of Army Officers

EXTENSION OF REMARKS
OF
HON. WAYNE MORSE
OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter regarding removal of Army officers, which appeared in the Army and Navy Journal on October 18, 1947.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTERS TO THE EDITOR

REMOVAL OF ARMY OFFICERS

EDITOR, ARMY AND NAVY JOURNAL:

Since unification of the Army and Navy has become an accomplished fact, a rather anomalous and incongruous situation presents itself, namely, that under certain existing laws as, well as recently proposed legislation (H. R. 2744), an officer of the Regular Army may be removed from the active list, discharged, or placed upon the retired list by an order or "confidential letter" signed by the Secretary of War (Secretary of the Army), such action on the part of this official to be "final and conclusive." However, officers of the Regular Navy and Marine Corps may be removed from the active list under similar circumstances only with the approval of the President, the constitutional Commander in Chief, in war and peace.

Insofar as the Army, Navy, and Air Corps are now at least in theory unified under the Secretary of National Defense, it seems strangely inconsistent that all officers are not afforded equal protection under law. All officers of the United States are appointed by the President, by and with the advice and consent of the Senate. Yet the officer of the Regular Army is apparently the only officer of the United States who may be removed without the approval of the President.

In the opinion of this writer, this fantastic discrimination is not generally known and recognized or the significance fully appreciated by officers of the Regular Army, Members of Congress, the Attorney General, and perhaps not even by the newly appointed Secretary of National Defense.

In the near future hundreds of Army officers are going to be passed over and removed from the active list (virtually by selection boards) without the same protection afforded their compatriots of the Navy and Marine Corps—the approval of the President, their Commander in Chief.

The legality and constitutionality of such arbitrary procedure together with its conflict with century old law and custom (Article of War 118) may well be pondered and seriously considered by all concerned before the ax falls.

"OLD ARMY."

Zeal for Democracy

EXTENSION OF REMARKS
OF
HON. ALLEN J. ELLENDER
OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Zeal for Democracy," by John W. Studebaker, United States Commissioner of Education, published in School Life, in its October 1947 issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ZEAL FOR DEMOCRACY

(By John W. Studebaker, United States Commissioner of Education)

A vigorous program designed to vitalize and improve education in schools and colleges throughout the United States with respect to the ideals and benefits of democracy and to reveal the character and tactics of totalitarianism has been launched by the United States Office of Education.

Strongly supported by Congress, this program will aim to make the principles and practice of democracy and the traditions of our republican form of government more vivid and meaningful. Resource material, teaching aids, programs of study, and good practices found in various school systems and colleges to be made available to educators in the future, especially during the next year, should stimulate increasing interest in education for democracy, for representative government; showing clearly the nature of their opposites, namely, communism and fascism.

AMERICAN EDUCATION IS CHALLENGED

We do not know what the future holds for the world in this uncertain atomic era. We do know, however, that American education is challenged to cause millions of young people to come from the schools with the deep-seated conviction that government in a free society is what the people want it to be, that it seeks and responds to the freely expressed desires, opinions, and judgments of the people, and that, conversely, totalitarian government maintains itself by force, suppression, and coercion of the people to make them conform to the will of the dictatorial group "at the top."

Our young people should learn the ways of democracy by practicing them in school and college. They should see the shadows behind glamorous and attractive promises and propagandas for the easy solution of all important social and economic problems. They should intelligently oppose the scapegoat type of indictment of certain classes, creeds, or races. They should examine carefully all undemocratically operated movements or organizations placing power in the hands of a few leaders. They should weigh wisely the continual criticism leveled at politicians or other classes or groups blaming them for our social and economic difficulties. Finally, they should have a sufficient store of knowledge to be able to detect and expose totalitarian methods and practices.

A PROGRAM OF HIGH PRIORITY

I regard this program as one of high priority for American education. As a partner in the program, the United States Office of Education is strengthening its historic function of promoting national security through education. Schools and colleges, completing

the partnership, can make a timely and genuine contribution in helping our youth articulately to defend the democratic way of life with intelligence and perseverance.

Congress Gets Our Free-Mail Plan

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. McMAHON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article entitled "Congress Gets Our Free-Mail Plan," from the Army Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS GETS OUR FREE-MAIL PLAN

WASHINGTON. — The free-transportation plan proposed by Army Times for shipment of individual food and clothing packages to Europe's needy was offered to Congress this week in a bill sponsored by Representative AUGUST H. ANDRESEN, Republican, Minnesota, on the opening day of the special session.

A day later, Representative ANDRESEN appeared before the House Foreign Affairs Committee to suggest that the legislation be incorporated in the Marshall plan itself.

Meantime, a companion bill to put the Army Times plan into effect was offered Thursday in the Senate by Senator BRIEN MCMAHON, Democrat, Connecticut, one of several Congressmen who have previously endorsed the idea. Senator MCMAHON has also suggested to President Truman that the battleship *Missouri* be used to transport such packages.

The Veterans of Foreign Wars, the Amvets, and the AVC have already given whole-hearted veterans' approval to the Army Times plan and the Amvets have endorsed it in national convention with a further pledge that they will raise 1,000,000 individual food packages if the free-postage idea is adopted.

Representative ANDRESEN, who returned only last month from an 11-country tour of Europe as a member of the Herter subcommittee studying foreign-aid needs, testified before the House Foreign Affairs Committee on the opening day of hearings on the Marshall plan that the free-postage idea has logic on its side.

He said food packages were one sure way of proving to the people of Europe that the American people, personally, are coming to their aid because there would be a personal link involved that could never be established through the impersonal distribution of grain and flour.

"But the postage on such packages," he said, "actually costs more than the food they contain."

He added that some idea of the volume of good will inherent in the scheme could be obtained from postal department figures showing that last year, with no special incentives, the American people individually shipped 600,000,000 pounds of food packages to people in Europe.

Representative ANDRESEN described for the committee the many ways that Russia and communism are trying to wreck the Marshall plan while claiming credit for whatever aid the starving and needy are getting now.

He said that if the Marshall plan could include the free-postage idea Europeans then would know that they are getting help from American individuals and we can better teach them the meaning and benefits of democracy while making it possible for Americans to participate personally in a humanitarian venture.

The Minnesota Congressman was complimented by the committee when he completed his testimony.

Federal Trade Commission Policies and Activities

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very fine address delivered by Hon. Garland S. Ferguson, Chairman of the Federal Trade Commission, before a meeting of the Small Business Advisory Committee in Washington, D. C., on October 13, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a difficult task for anyone in a short time to discuss the policies and activities of the Federal Trade Commission relating to small business. Here time permits the presentation of only an outline.

The Commission operates under several Federal statutes. First and foremost of these is the Federal Trade Commission Act. It is the organic act by which the Federal Trade Commission was created just 33 years ago this last month. It was enacted by the Congress in exercise of the authority contained in the commerce clause of the Constitution of the United States. By this legislation, there was, in 1914 for the first time, introduced into the laws of our country that short and far-reaching clause which reads, "Unfair methods of competition in commerce are hereby declared unlawful." This provision against unfair methods of competition was, and still is, the cornerstone of the regulation of competitive practices in interstate commerce. The Commission was set up under this act as the administrative and enforcing agency of the Government with powers to carry out its provisions, and with authority, in the interest of the public, to issue cease-and-desist orders against persons, partnerships, or corporations found using such unfair methods of competition in interstate commerce. Experience in the application of this law, since it was signed by President Woodrow Wilson in 1914, has brought to the Commission many cases of administrative and judicial determination. These reveal that the phrase "unfair methods of competition" is not only of comprehensive character, but also is a living organism capable of being applied to new, or as yet unknown practices, which may arise from time to time in the conduct of business and prove to be unfair.

In the same year 1914, the Clayton Act was passed, by which the Congress legislated, among other things, against the practice of lessening competition and restraining trade by certain specific trade practices; namely, (1) discriminations in price as was then covered by section 2 of the act; (2) the use of tying contracts in the distribution of goods, wares or merchandise as covered by section 3; (3) the practice of one competitor gaining control of another through stock acquisitions or mergers covered by section 7 of the act, and (4) the use of interlocking directorates between normally competing corporations. Primary authority to enforce the provisions of the Clayton Act proscribing these several inhibited trade practices was vested in the Commission, with certain concurrent authority conferred upon the Department of Justice.

In 1936, Congress took another step, to add to the category of unfair trade practices with which the Commission may deal, by enacting the Robinson-Patman Antidiscrimination Act. This statute amends section 2 of the Clayton Act of 1914 and prohibits the practice of selling in commerce at discriminatory prices where the effect may be substantially to lessen competition, tend to create a monopoly, or to injure, destroy, or prevent competition. It also catalogs, as unfair and illegal trade practices, the granting of certain types of brokerage, commissions, advertising or promotional allowances and discriminatory services or facilities.

In 1938 came the Wheeler-Lea Act by which Congress further expanded the Federal Trade Commission's authority to deal with unfair trade practices. A primary purpose for the Wheeler-Lea enactment was to facilitate remedial processes for dealing with unfair trade practices and to make substantive provisions of law of more direct service in protecting the public interest. The act amends and strengthens the original Federal Trade Commission Act of 1914. By it, the words "unfair or deceptive acts or practices in commerce" were added to the phrase "unfair methods of competition in commerce" as it stood in the original act. Thus, as this basic statute now stands, the Commission is authorized to act in prevention of all those business practices which the law classifies as "unfair methods of competition in commerce" or "unfair or deceptive acts or practices in commerce."

The Wheeler-Lea Act specifically lists false or misleading advertising of food, drugs, curative devices, and cosmetics, as being a type of trade practice falling within the inhibited class. It also adds special civil and criminal remedies in the case of misrepresentation of these products. The Wool Products Labeling Act of 1939 was designed to protect industry, trade, and the consumer against the evils resulting from the unrevealed presence of substitutes and mixtures in wool products.

The statutes which I have cited constitute the source of the Commission's authority and the chart of its duties with respect to the regulation of business practices in interstate commerce. They are all directed toward the maintenance of free and fair competition and to the control of methods which, in the eyes of the law, are harmful to industry, trade, and the public; which obstruct or interfere with the free flow of merchandise in the channels of distribution under sound and equitable conditions.

As the official body set up to deal with these matters, the Commission was created in 1914 as a nonpartisan independent agency of the Government and a quasi-judicial tribunal, having not only powers and facilities for administration and investigation, but also the determination of issues by judicial processes.

In the work of the Commission directed toward preventing the use of unfair trade practices in industry and trade, three well-defined courses of procedure are followed. One might somewhat descriptively refer to them as the compulsory method, the consent method, and the cooperative method. All three are designed to do just what our act says; that is, prevent unfair competition, and unfair and receptive acts and practices in interstate commerce.

Where compulsory action against an offender is required to bring about correction

and the protection of the public interest, the Commission, as I have already indicated, is authorized, upon due process, to issue cease and desist orders against the offender. In such cases, findings of fact are made upon pleadings and evidence and, of course, after full opportunity is afforded the respondent for the taking of testimony, the filing of briefs, and the submission of oral argument. Such cease-and-desist orders may be appealed to the United States Circuit Courts of Appeal for review, and may eventually be taken to the Supreme Court of the United States upon certiorari. If no appeal is taken, the order becomes final at the end of 60 days. For violation of a final order, the offender may be subjected to civil penalties of not more than $5,000 for each violation, collectible through the courts.

One charged only with a violation of our organic act, however, need not in all cases have compulsory action in the nature of formal trial taken against him, unless he chooses to persist in the alleged unfair practices and refuses to avail himself of the means of voluntarily consenting to refrain from them in a manner which will satisfy the public interest and avoid the necessity for litigation; or unless he desires to contest the issues and have them determined by the judicial processes I have referred to. If an offender desires to agree voluntarily to discontinue the unfair practice which is complained of, the Commission, in its discretion and subject to certain limitations, may afford him the opportunity to enter into an agreement, called a stipulation, to cease and desist. It is the policy of the Commission to extend the privilege of such informal stipulation only in cases where it is of the opinion, under all the circumstances, that disposition of the case by this method will effect prompt correction and will fully protect and satisfy the public interest. Such stipulation procedure is what I have referred to as the consent method of settling cases without the necessity of instituting formal litigation. It does not extend to cases of deliberate fraud or concerted action in restraint of trade.

A third procedure available for the elimination of unfair trade practices and the consequent promotion of fair standards of business ethics is provided by the Commission in the trade practice conference plan. This is what I have referred to as the cooperative method. Such trade practice conference procedure has for its purpose the wholesale elimination of unfair trade practices by industry-wide cooperation with the Commission and collaboration of all groups in interest in the formulation, establishment, and observance of fair-trade practice rules governing the conduct of the industry and trade in question. Under the plan, joint action among competitors with the supervision and aid of the Commission is possible, and experience proved the efficacy of this method in more than 100 industries as an adjunct to the compulsory procedure which I have outlined. The Commission is now, with the sanction of the Congress, enlarging this method of procedure.

Conference proceedings are conducted on a basis of voluntary participation; though the Commission may initiate the conference, it cannot compel attendance or participation. Parties in interest are at all times free to advise and consult with the Commission's representatives in the matter. Where necessary or desirable, informal meetings or preliminary discussion may be arranged to formulate tentative drafts of rules or to develop, through an exchange of ideas, a clearer understanding of the problems involved and the assistance which can be rendered by the Commission in their solution. The conference considers and proposes rules for submission to the Commission for its approval. Before rules are finally approved or promulgated by the Commission, they are subjected to public hearings at which all interested or affected parties are afforded opportunity to present their views. They may submit such in writing or be heard orally as desired. Through such conferences and hearings, all groups in interest have the opportunity to be heard and to consult with us in the matter, even though they may not happen to be classed as members of the particular industry or trade involved.

In passing upon the rules proposed for approval, the Commission applies the test of law. In other words, the rules must not sanction practices which are contrary to law or which, when put into effect, may bring about a result which is illegal or opposed to the public interest. The purpose of this is, of course, obvious. It is not within our province to sanction violations of the law, but on the contrary we are directed to promote law observance, to the end that honest business may be liberated from the waste and fetters of unfair practices, and the rights of the public may be protected.

In addition to the activities of the Commission in enforcing the laws committed to it, it has the function which may be described as advisory or consultative in character, as provided for under section 6 of the Federal Trade Commission Act. In carrying out that function, the Commission places at the service of Congress, the President, the courts, and the general public the expert knowledge and skill acquired by the Commission and its staff in ascertaining and analyzing the facts regarding various industries and recommending remedies for evils disclosed, including recommendations for legislation. This class of activities includes matters of broad public policy that are of special interest, not only to the statesman and lawmaker, but also to the economist, the small businessman, and all others who are concerned with economic and social trends with their long-range results.

While the subject matter of these reports varies considerably, most of them deal with the general subject of competition and monopoly. With the level of economic concentration reaching all-time heights, the need for such special reports will undoubtedly increase, and it is hoped that they will be continued and expanded.

The relevancy of these reports to the problem of small business is obvious. They describe the general trend of economic concentration, the means by which large corporations may have achieved the ascendancy of power, the mergers and acquisitions which may have taken place, and the monopolistic practices which may have existed. Frequently these reports have an immediate impact on legislation; for example, the Commission's report in 1919 which resulted in the Packers and Stockyards Act; the report of the Commission on public utilities which resulted in the Securities and Exchange Act and the Public Utility Holding Company Act; and recently its report on the copper industry that had its effect on tariff legislation.

In passing section 6 of the Federal Trade Commission Act, Congress intended that the Commission should make full use of the "spotlight of publicity" as a means of ameliorating the uneconomic and harmful practices of monopolies which could not be adequately dealt with through the antitrust laws. It is the purpose of the Commission to effectively utilize this power in order to protect small business and the competitive system. Recently the Commission gathered factual information and reported it to Congress showing that in the dynamic development of industry, based on modern technology, the facts of concentration in big business and the swallowing up of small business constantly tend to outrun the law. In laying these facts before Congress, the Commission pointed up today's choice as being one between legislative action recommended by the Commission to plug loopholes in the present laws against further concentration of economic power in big business, the disappearance of small business, and continued frustration of our declared public policy for free and competitive enterprise.

Simply stated, the Commission's proposal is that the Clayton Act be so amended that acquisition by a corporation engaged in interstate commerce of the assets of a competing corporation also engaged in interstate commerce be made unlawful where the result tends to monopoly. As the law now is, only stock (not asset) acquisitions so tending are unlawful under that act.

Under the present law the Commission cannot halt this concentration of economic power when accomplished through acquisition of assets as distinguished from acquisition of stocks. It is in that respect that the Commission has recommended each year since 1927 that Congress amend and strengthen the law, so as to make the acquisition of assets unlawful.

The war contributed powerfully to the trend of concentration. Government purchases and Goverment financing of productive facilities were necessarily, in order to win the war, channeled predominantly into the hands of corporations which already occupied positions of dominance. Surplus profits created by such channeling have contributed powerfully to the trend by providing funds for additional wartime and postwar expansion through acquisition of former competitors.

In its enforcement of laws committed to it by Congress, the Commission has proceeded for the protection and preservation of small business enterprises against blacklisting and boycotting with all that they entail concerning cutting off supplies and outlets, use of tying and exclusive dealing arrangements, and unlawful acquisition of stock of competitors. Examples of the Commission's actions in those respects are briefly stated as follows:

In an industry consisting of approximately 100 wholesalers, the Commission found that they, through a trade association, combined and agreed not to buy from manufacturers dealing with small retailers on terms and conditions not approved by the wholesalers. It was clear that the purpose of the scheme of the wholesalers was to prevent manufacturers from dealing directly with small merchants who were selling at retail. The small merchants thus not approved were included in "white lists" prepared and distributed to manufacturers by the wholesalers. Those small businessmen were thereby blacklisted. Manufacturers who sold them were then boycotted by the organized wholesalers. The Commission ordered that this practice be stopped. Its order was appealed to the United States Circuit Court of Appeals, where it was affirmed.

A similar case which did not reach the courts was one in which an organization of large building material dealers established rules and definitions, which, in effect, decreed that a manufacturer of building materials should not sell to the small retail distributors unless such retailers had been approved by the director of the organization. Such approvals were evidenced by certificates issued by the director. The retailer not holding such certificate was not considered to have shown any economic necessity for his operation as a building supply dealer. The operations of many small businessmen were thus interfered with and some were put out of business. The Commission's order in the case directed that such practices of that organization cease. There was no appeal to the courts.

During 1945, the Supreme Court of the United States unanimously upheld orders

previously entered by the Commission against two large and prominent producers of glucose, one with a plant at Decatur, Ill., and the other with plants at Kansas City, Mo., and Chicago, Ill. Those two companies had engaged in price discriminations through the use of a basing-point system. Under the operations of that system, small businessmen engaged in the manufacture and sale of candy in southwestern United States, including Kansas City, as well as those located in the neighborhood of Decatur, Ill., were being discriminated against in favor of the large candy manufacturing concerns located in Chicago. The discriminations involved in some instances exceeded the margin of profit usually realizable on some of the more popular brands of candy bars.

In other cases the Commission has proceeded against the practice of two large optical goods manufacturers because of their practices of granting preferential treatment to large buyers. For example, those companies granted quantity discounts in terms of what they designated "big dealer" and "little dealer" discounts. They gave the big dealers who were able to purchase optical goods in the amount of $1,500 per month a discount of 25 percent from the prices that they compelled the small dealers to pay. The Commission's orders entered in the cases directed that such practice be discontinued.

In a case against a large salt manufacturer the Commission charged, and found that it was selling table salt to small buyers at prices considerably above those it was charging large buyers. The Commission found that the discriminations thus practiced operated to the detriment of the small businessmen and directed that the discriminations be discontinued. Many more examples could be cited.

For a number of years officials of associations representing more than 25,000 independent tire dealers, located throughout the United States, have been filing with the Commission and with Members of the House of Representatives and the Senate complaints that preferential treatment in the form of quantity discounts and other discriminatory favors were accorded to mass distributors of rubber tires by the manufacturers are creating monopolistic conditions in that industry. They have complained that mass distributors are gradually driving the independent tire dealers out of business. The Commission has had inadequate funds with which to undertake investigations for the purpose of ascertaining all of the facts with respect to the distribution and pricing policies of more than 40 manufacturers of tires and the effects of such policies on the independent tire dealers. However, following meetings of members of the Commission's staff with representatives of a Subcommittee of the House Select Committee on Small Business during June 1947, the Commission on July 7 adopted a resolution pursuant to the terms of which it has moved to investigate the pricing and distribution policies of more than 40 manufacturers of automobile tires. This action has been taken for the purpose of determining whether conditions in the industry warrant the Commission taking action as is provided for in section 2 of the Clayton Act, as amended, to fix and establish quantity limits with respect to the sale of automobile tires in commerce.

From what I have stated, it is, I trust, clear that the Commission is empowered to and is acting on a wide front in dealing with competitive practices which are truly unfair. In so doing, it is actively engaged in the work of keeping the channels of commerce free from unfair business practices and I can assure you that the Commission is willing and anxious to aid not only small business but all businessmen in every way possible to achieve and maintain these objectives in the public interest.

Pennsylvania's Heritage of Freedom—Historic Documents in State Museum

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. MARTIN. Mr. President, we have all been greatly interested in the Freedom Train as it has proceeded over America. I think the exhibition of the historic documents on the Freedom Train has done much to arouse the people of the United States to a better understanding of what our Government really is.

Pennsylvania has also on exhibition what may be called a Freedom Train of its own, a large room of the State Museum at Harrisburg, which contains original documents pertaining to the State. I call it to the attention of the Members of the Senate, and hope that all who may visit our State will be interested in viewing the original charter given by King Charles II to William Penn, dated March 4, 1681, and other papers of similar character. There is a description of those papers contained in an article published in the current issue of Right of Way, the official publication of the Pennsylvania Threshermen and Farmers Protective Association, and I ask that the statement may be printed in the Appendix.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the current issue of the Right of Way, the official publication of the Pennsylvania Threshermen and Farmers Protective Association]

PENNSYLVANIA'S HERITAGE OF FREEDOM EXHIBIT OPEN TO PUBLIC—ORIGINAL DOCUMENTS IN STATE MUSEUM DESCRIBED BY CHARLES M. STEESE, ADMINISTRATIVE ASSISTANT

Pennsylvania has a Freedom Train of its own—only it's firmly anchored in a large room of the State Museum at Harrisburg.

Incident to the recent visit of the widely heralded Freedom Train, now touring the Nation, and in order to give the citizens of Pennsylvania an opportunity of seeing for the first time in the history of the State all of the priceless documents pertaining to the founding of Pennsylvania and development of its government, there has been arranged in the State museum under special police guard an exhibition of these important papers.

The exhibition was formally opened by Gov. James H. Duff on Navy Day, October 27, and will remain in the museum over the winter, in order to give the public schools, the colleges, and all citizens an opportunity to see them.

It is of interest to note that the room in which the documents are being displayed was used by the Governor as an Executive Office prior to the building of the present capitol.

The documents have been carefully bound in light-repellent film, and are lighted by a carefully selected fluorescent tube in order that no damage will be done in the display of them.

Following is a complete description of each document in this exhibit:

THE CHARTER OF KING CHARLES II TO WILLIAM PENN

This charter, approved by the King on March 4, 1681, and proclaimed on April 2, 1681, officially created and named Pennsylvania, and made William Penn its first governor and proprietor.

INDENTURE BETWEEN THE DUKE OF YORK AND WILLIAM PENN, AUGUST 21, 1682

By this the duke released his claims to the area included in Pennsylvania, which claims were based upon his conquest of the Dutch colonies in 1664. It is interesting not only as a legal document in Pennsylvania history, but as evidence of the friendship between William Penn and the duke, who later became King James II.

THE FIRST FRAME OF GOVERNMENT FOR PENNSYLVANIA

This frame of government, or constitution, for the Province of Pennsylvania, was written by William Penn, and formally adopted in England on April 25, 1682, by the Proprietor and some of the first purchasers. This is Pennsylvania's first constitution.

THE SECOND FRAME OF COVERNMENT FOR PENNSYLVANIA

A number of objections were made to the First Frame of Government, and William Penn issued this second Frame, which the Assembly approved on April 2, 1683. This is, therefore, the first constitution of Pennsylvania which was formally approved by elected representatives of the people. Only the first page is shown.

THE GREAT LAW OF 1682

This, the first code of laws of Pennsylvania was adopted by the first session of the assembly, held at Chester in December, 1682. The preamble and first chapter are especially noteworthy, since they established religious toleration and freedom of conscience as basic foundations of Pennsylvania law.

THE CHARTER OF PRIVILEGES, 1701

When William Penn returned to Pennsylvania late in 1699, he immediately began to plan a final settlement of constitutional difficulties. The result was this charter of privileges, adopted on October 28, 1701. This, the last constitution of provincial Pennsylvania remained in effect until the American Revolution, longer than any other constitution of Pennsylvania down to the present time. William Penn relinquished so much of his power to the assembly that, except in the appointment of the governor, Pennsylvania had a democratic system of government from that time. This is the version enrolled in the Provincial Record, the minutes of the governor's council.

MINUTES OF THE CONSTITUTIONAL CONVENTION OF 1776

In response to the wish of Congress, Pennsylvania revolutionary leaders early proceeded to organize an independent State government. On July 11, 1776, a constitutional convention assembled in Philadelphia, and was in session until September 28. Benjamin Franklin was the president of this convention, and had an important part in the drafting of the first State constitution. This manuscript booklet records the proceedings of the convention.

FIRST CONSTITUTION OF THE COMMONWEALTH OF PENNSYLVANIA

The first State constitution was approved by the constitutional convention on September 28, 1776, and went into effect immediately. It was an ultrademocratic constitution, providing for a general assembly of but one house, and for a plural executive, the supreme executive council, to exercise the functions usually entrusted to a governor.

Its most famous section was the declaration of rights, stating the rights of all citizens. This section of the constitution of 1776 is still in force, having been retained by all the later constitutions of Pennsylvania.

THE DECLARATION OF RIGHTS

The most famous and lasting part of the constitution of 1776 was the declaration of rights, which stated the fundamental and inalienable rights of all citizens. Like the Virginia bill of rights, which it followed by only a few months, it was a pattern for bill of rights in other States, for the Bill of Rights in the United States Constitution, and for the French Declaration of the Rights of Man. It is still in force, having been retained in all the later constitutions of Pennsylvania.

PENNSYLVANIA'S RATIFICATION OF THE UNITED STATES CONSTITUTION

On December 12, 1787, Pennsylvania became the second State to ratify the Constitution of the United States, which had been drafted by the Federal Constitutional Convention meeting in Philadelphia from May 25 to September 17, 1787. Pennsylvanian delegates had an important part in the writing of the Constitution, which is a significant milestone in the evolution of Pennsylvania as well as United States Government. This is the official copy, with the signatures of the delegates to the State's ratification convention.

THE CONSTITUTION OF 1790

The second State constitutional convention met in Philadelphia on November 24, 1789, and drew up this more conservative State constitution, providing for a governor, a general assembly of two houses, and a more independent judiciary. The convention adjourned on September 2, 1790, after declaring the new constitution in effect. Notice the signatures.

CONSTITUTION OF 1838

The third State constitutional convention met at Harrisburg on May 2, 1837, adjourned on November 23 to meet again in Philadelphia, where on February 22, 1838, the amended constitution was adopted and signed. It was submitted to a vote of the electorate on October 9, 1838, and went into effect on January 1, 1839. Under this constitution all male white citizens received the right to vote, the power of the general assembly was expanded, and the number of elective officers was increased.

THE PRESENT CONSTITUTION OF THE COMMONWEALTH OF PENNSYLVANIA

The fourth State constitutional convention met in Harrisburg on November 12, 1872, and adjourned on November 27 to meet again in Philadelphia where the present constitution of the Commonwealth was completed on November 3, 1873. It was submitted to the electorate on December 16, 1873, and went into effect on January 1, 1874. Under this constitution the offices of lieutenant governor and secretary of internal affairs were created, the general assembly's power to enact special or local legislation was limited, and the structure of government was elaborated in great detail. This is the official copy, from the office of the secretary of the Commonwealth, its legal custodian.

TWO IMPORTANT INDIAN TREATIES

The treaty with the Five Nations, signed October 11, 1736, released their claim to the lands watered by the Susquehanna River. For this they were paid 500 pounds. The walking purchase treaty of August 5, 1737, certified on September 23, 1757, relates to the famous Indian walk, in which expert walkers walked for a day and a half. From this transaction Pennsylvania gained 1,200 square miles for settlement in eastern Pennsylvania.

SHIP LISTS

Valuable lists of immigrants to Pennsylvania in colonial days are preserved in these ship lists, which show the names of the settlers as well as the ships on which they arrived. Notice especially the oath of allegiance to the King, and of fidelity to the proprietor, which all were obliged to subscribe before admission to the colony.

Issues Before the American People

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, November 28 (legislative day of Monday, November 24), 1947

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Lewis B. Schwellenbach, Secretary of Labor, before the national convention of the Congress of Industrial Organizations, at Boston, Mass., on October 14, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I was happy to receive and accept the invitation extended to me by the Congress of Industrial Organizations. It gives me an opportunity to discuss with you some of the issues which I consider important today, and also to renew acquaintance with a number of my friends within the organization. Before I finish the subject of gratitude, there are two other actions which this organization has taken for which I am deeply grateful. One is the consistent reelection of Philip Murray as your president. He has a complete understanding of the problems which confront our Nation and the relationship between the labor movement and those problems. He is not an appeaser on any fundamental issue which confronts the labor movement, but he does understand the necessity for proper timing of the presentation of questions in order that they may most effectively be presented and considered. I have for him not only the highest respect, but a feeling of deep affection as a result of our contacts during the last 2 years. The third thing for which I wish to thank you is the recommendation by this organization to the Department of Labor of John Gibson. No night was too long, nor was any trip by plane too dangerous to stop him when he and I considered either was necessary. He is the hardest worker I ever knew and the most loyal assistant I have ever had. I have been, and am now, extremely proud of the fact that he is one of the assistant secretaries in the Department of Labor.

The last 6 weeks, through a series of speeches and press conferences, I have attempted to bring to the attention of the American people the fact that despite what they have been told to the contrary, the increases in wages of the workers of this country were not the exclusive causes of increase in prices. For two long years representatives of business, in the press and the magazines, have dinned into the ears of the American people the claim that advances in prices were exclusively caused by advances in wages. I have attempted to be conservative in my attitude and fair to all involved. I had hoped that as a result of these speeches and interviews, I might work myself into an argument with those who have presented the claim to the contrary. The facts are on my side. Insofar as I know, the only newspaper or individual who has attempted to answer me has been the Baltimore Sun. Its answer was that I was a politician and a demagogue. I suppose that having held political office during 8 of the last 13 years, I am properly classified as a politician. However, I know that had I done what the Baltimore Sun and other papers I think I should have done, I would be a statesman. Had I broken the promise to the people of my State at the time of my election to the Senate and refused to follow the leadership of Franklin D. Roosevelt, I would have been a statesman. Had I taken advantage of the opportunity presented by my present office to condemn and to join into an effort to destroy the labor movement in the United States, I would have been a statesman. The good faith of keeping campaign promises and the following of a course consistent with my deepest convictions upon the question of organized labor have relegated me, in the eyes of editors and publishers, as a mere politician. For myself, if that is the standard, I prefer to be known as a politician. Insofar as demagoguery is concerned, if one becomes a demagogue by telling the truth to the American people, if one becomes a demagogue by revealing facts which heretofore have been concealed, if in refusing to permit my office to be used as a club for the destruction of organized labor as many people would have liked me to do, if these things constitute demagoguery, I may say that while I refuse to accept the opprobrium, I would still prefer to be called that than to become a statesmen by having to knuckle down to every special interest in the United States. As I say, I had hoped to stir up some legitimate argument on this question upon the basis of facts. I have failed in this because no person can get into a legitimate argument with one who ignores the facts and ignores the figures and simply answers by calling names and hurling epithets at those with whom they disagree.

All I have tried to do and all I am trying to do now is to prove that wages alone are not responsible for price increases, and to bring to the American people the realization that the element of profits is also an important factor which must not be overlooked in evaluating the problem of prices. You all know, and every individual in America who reads the papers knows that ever since VJ-day, the attempt has been made, and usually successful, to place responsibility for any price increase upon wage increases. You are all familiar with the typical release given out by any industry which decides to increase its prices. The head of that industry issues a pontifical statement to the effect that, against their wishes, it has become necessary to increase prices. The reasons given for it are increase in wages, which are expounded at great length, and then the statement that there were other factors which created the necessity for the price increase. Usually the figures are given out as a comparison between 1939 and 1947. Everyone knows that during the war years wage increases were not objected to by the manufacturer because he knew that the Government would pay the bill, either in adjustments of their contracts on which they were working, or contract settlements after the war was over. Everyone knows that in 1939 we had a loose labor market under which the purchasers of labor had a pool of 6,000,000 unemployed upon which they might call if they desired to keep the wages down. The subject which is of importance and the subject about which the American people want to know, is what has happened during the period since VJ-day and since June 1946 when price control was abolished. Those are the pertinent figures and those are the figures to which the American people

should pay attention. I am free to admit that wage increases have had a relationship to price increases. I will not admit and I deny with all my vigor that all price increases should be blamed on wage increases. While wages have increased 21 percent from August 1945 to August 1947, during the same period prices have increased 24 percent. Of that 24 percent, 20 percent occurred after the lapse of OPA in June of last year, while the hourly earnings of factory workers increased 15 percent.

For the third quarter of 1946, which was the first quarter after price control received its stab in the back, the annual reported profit of all corporations, after taxes, was $8,100,000,000. Using the second quarter of 1947 and similarly adjusting it to an annual basis after taxes, the profits are $16,600,000,000, showing an increase in profits since the abolition of OPA as slightly above 100 percent. You will notice that the corporate profit figures I have given to you are after taxes. I have made no such deduction in reference to wages, but this is because it is impossible for anyone accurately to figure the amount by percentage of the wage earners' pay which goes to taxes. Certainly the 21 percent increase in wages should be reduced by the amount of individual income taxes that the individual or the family may pay. I do not think that any sensible person can deny that the use of the repeated statement that wage increase is exclusively culpable so far as prices are concerned in the light of the fact that price increases have consistently moved ahead of wage increases at a time when the profits of industry were increasing over 100 percent. I recognize the right of a corporation to make profits, but I say that when profits increase at this rate, they certainly should bear a substantial portion of the burden for the price increases since June 1946. The contention is made that of the $16,600,000,000, $4,100,000,000 should be disregarded because it is contained in inventory, which may be substantially reduced because of decrease in prices. I do not know, and no honest-minded citizen should pretend to know what portion of these inventories will ultimately be disposed of at lower prices. I do know, however, that ever since prices started to rise, the holders of inventories in this country have been able to sustain their position before the courts that they were entitled to use for income-tax purposes the amount of the last highest price which they paid for a portion of their inventories which they sell. This is called "the last in and first out doctrine," whereby inventory holders are protected in their income taxes against price increase which they have paid for the products they have bought. It will be interesting to find out their attitude upon the same problem when and if there will be price reductions of the articles now inventoried.

The claim is made that these profits are not reflected in dividends. Of course they would not be because the stockholders might then become accustomed to a high rate of dividend and make inquiry when it had been reduced. The claim is also made that after completely wiping out the inventory figure, the present percentage of profit to the national income was exceeded in 1929 and 1930, 1937, 1940 and 1941. That may be true. But look what happened to the country's economy after 1929 and 1930, and what happened in the last months of 1937. 1940 and 1941 were prewar years in which we were preparing for war, hold no relationship to our general economy picture. The attempt is made to blame the Administration policy of shipments of products abroad for a portion of the price increase. The fact is that during the first half of 1947 we exported 8.8 percent of our gross national product as compared with 6.8 percent during the year 1929. Certainly this 2-percent increase of our shipments abroad can bear no substantial relationship to increase in prices here. Another effort to blame the administration involves the criticism of our tax policy. Statements are made that if the President had not vetoed the tax bills there would not have been such an increase in prices. The fact of the matter is, as everybody recognizes, that we do not today have a free market in which there is competition. We have a sellers' market because the earnings and savings of the people during the war and the profits of the corporations make it possible without control to run the prices up. The corporations already had received a substantial contribution so far as taxes are concerned when the excess profits tax was abolished as of January 1, 1946. The adoption of the tax bills which were passed and vetoed would simply have increased the demand without increasing the supply.

The President is asking the people to demonstrate that they want to win the last war. The conclusion of the shooting war did not mean the end of the war. On our part the war was fought for certain definite purposes and ideals. We wanted to preserve the institutions of democracy, freedom of speech and freedom of the press and freedom of religion. We saw Germany and Japan destroy these freedoms. It was but the first step along the road to ultimate aggressions which finally resulted in war. Our war will not be won until we have achieved those objectives.

It is not our purpose to impress upon the rest of the world our system of democracy. What we tried to do in the war, and what we still are trying to do, is to see to it that those nations which want to embrace all or a portion of our form of democracy may do so without the interference from the outside by any totalitarian power. We made a substantial first payment on this doctrine in the form of the lives of American boys in every part of the world. There have come back hundreds of thousands of those who added their personal contribution to the cause by returning home with bodies maimed and minds shattered. The amount which the President is asking with which to pay off the balance which is required if our war objectives are attained is picayunish beyond what these men have paid and infinitesimal as compared with what a third war would cost. All he asks the American people to do is stop wasting food. The sacrifices for which he asks are the minimum. The American people, if they will but think, must realize the necessity for, the desirability of, this last expenditure which they are called upon to make. I ask the labor movement of America to join, as I know it will join, with these efforts.

The road of the labor movement has been a difficult one. As a result of its efforts conditions in this country are far more desirable than they are in any other country in the world. The liberties which have been enjoyed are not the ends which are sought. They are the means to the ends. Every forward step which American labor has taken for the benefit of those who work has been the result of the fact that American labor had the liberty not only to think, but also to speak and write. The trouble with the old-time reactionaries was that they saw these freedoms and could not look beyond them. They would point out to the American people the valued rights which they had under our Constitution, never realizing that it was through these rights that the American people had the hope that they could improve their standards of living and enjoy some portion of the fruits of their industry beyond merely the preservation of these rights. These old reactionaries lived in totalitarianism. They would let the people speak. They would let them pray. They would let them write, but they controlled the elections by the use of money and threats of reprisals. They controlled the lives of their employees by making them live in company towns and seeing to it that their grocery bills took up about all of the wages that they received. They controlled the economy through their control of the resources of the Nation, which were so great that they, and they alone, could exploit them.

We all know what happened to organized labor under that theory. It was allowed to die on the vine. That is why I am so much opposed to reactionaryism in the labor movement itself. I classify as reactionaries those who would give to the Government complete and total control over the lives of our citizens; those who upon order from abroad seek to substitute totalitarianism for democracy in America. Under the Morgans and the Hills and the Cookes and the other great financial magnates who dominated this country up until the time that the people decided that they wanted to use their freedoms to better conditions, at least they let the Constitution alone and let the people imagine that they had power even though they prevented its ultimate exercise. We were permitted to speak and to pray and to write. The American workers have gone far ahead in the exercise of those rights. It would be a grave mistake to permit the reactionaries in the labor movement, who would deprive us not only of the exercise of the rights, but also of the rights themselves, to use trade unionism as a means to attain the objectives which they seek.

If the workers of America, organized and unorganized, are to succeed in their efforts to secure a reasonable chance to live in comfort, decency, and peace, those workers, all of them, must have a strong department in the Federal Government that will give them the services they need. It is part of our job to assist the States in the promotion of health and safety measures. In order properly to carry out this function, the President asked for $718,000. The House of Representatives eliminated the appropriation altogether. The House and the Senate, in conference, restored this to the extent of $200,000. That was done in the name of economy.

The President approved a budget of $6,764,000 for the United States Employment Service. It is part of our job to get jobs for people. This was reduced by 44 percent to $3,300,000, including the complete elimination of $893,000 for the Veterans Employment Service. Four hundred field assistants of this Service have been separated. How soon those who say they represent the American people forget the sacrifices and suffering of those that bared their breasts that American freedom might live!

Congress reduced the President's request for the Wage and Hour Division by more than $2,000,000. This reduction will mean that only 28,000 of the 550,000 covered establishments will be inspected during this fiscal year.

There is some talk about the next session of the Eightieth Congress increasing the minimum wage to 60 cents an hour. During the last Congress, and this one I have advocated an increase to 65 cents, with a scaling upward to 75 cents an hour. Changed living costs have now made 75 cents a necessity. Perhaps the Congress will pass a bill which will authorize a necessary increase in the floor under wages. I am not the least bit interested, however, if Congress passes such an authorization bill and then fails to provide sufficient funds with which to carry it out. There are two parts to this problem. One is the authorization and the other is the appropriation. One cannot go without the other and if the first is passed it will be a mere phantom bill or, to use a more understandable phrase, it will be simply "a phony." This form of deception will not be permitted without forcible attention being called to it so that the American people may see what is happening.

The Bureau of Labor Statistics furnishes all the basic figures for most of the planning that is done not only by labor but by indus-

try in the United States. Never so much as now is there necessity for accuracy of those figures. Never so much as now has it been necessary to cover the field which the Bureau wants to cover. Yet the appropriation for that purpose was reduced from $6,900,000 to $3,400,000. Repeatedly, prominent, important, and sincere Members of Congress have said that they would not commit themselves until they knew all the facts. The cutting of the throat of the principal fact-seeking agency of the Government lends some support to the thought that I may have used the word "sincere" inadvisedly.

During the last fiscal year we had approximately $56,000 appropriated to the Department for Workers' Education. It seemed to me to be a desirable program. This year I asked for $116,000. The entire sum was eliminated from the appropriation. Many of the other departments of Government asked for and received appropriations for similar functions within their departments for the benefit of the people with whom they directly come in contact. I could see nothing wrong, and I see nothing wrong now, in giving to the workers an opportunity to study the various problems of industrial relations and to study and understand the various clauses in labor-union contracts. I intend to continue insertion of that item in the budget, and ask for and hope to receive the wholehearted cooperation of the labor-union movement.

If we are to have a strong Department of Labor, we will need the support of those in the labor movement who are organized. The Department was created for you and for all of the unorganized workers of America. We need your support. I have come here to ask it. I want that support not merely when the bills are a couple of days away from passage. I want it throughout all of the weeks of the year.

Another matter which I wish to call to your attention, because I think not sufficient attention has been paid to it, is the enactment of laws in many States which have as their purpose the destruction of labor-union activity. A number of States have enacted anti-closed-shop laws, restriction of strike activities, antipicketing laws, and the regulation of labor relations in public utilities. In some cases there were omnibus laws, which cover a great variety of subjects. For example, a Delaware law deals with unfair labor practices, prohibition of the closed shop, and picketing. In other States separate laws were enacted on each of these subjects. Some 14 States passed laws prohibiting certain types of union-security agreements, thereby taking the right to the freedom of contract away from employers and unions.

In Maine, on the other hand, a law prohibits closed shop agreements, but permits the making or maintenance of union-shop agreements.

In Delaware, the Labor Relations Act declares that it is not an unfair labor practice for an employer to refuse to grant a closed shop or all-union agreement. It also provides that in contracts where the parties promised to join or not to join labor organizations they are contrary to public policy and shall not afford any basis for granting legal or equitable relief in any court in the State.

In 12 States, laws have been passed regulating and placing restrictions on picketing and other strike activities. Other legislation likewise incorporates this feature.

In laws passed by eight States, the check-off of dues by an employer from the employee's wages are prohibited, except where authorized by the individual employee.

We live in a paradoxical age. We have 60,000,000 employed persons in this country. Our bank deposits are larger now than ever before. Our car-loadings are limited only by the supply of cars. Yet there pervades our entire atmosphere the fear of what is ahead. Some are afraid of war. Some are afraid of collapse. We are desperately close to reaching the day when people will say that they want to stand still or go backward. They neglect to see, or they are ignorant of the historical lessons which they should remember or have learned. Any time any Nation stops expanding its economy, it faces deterioration and disintegration. That has happened several times in the world's history. No nation can afford to look back to find a comfortable hiding place from the problems of the day or of the future. No people can escape from them. No successful people can afford not to grapple with them. It takes more than courage during these days of an unsettled world to face and attempt to solve the problems which confront us. These times require daring. It is not enough for people to escape the fear, to advance only to the point of timidity.

Many mistakes have been made in the last quarter century. One of the most important from the point of view of economics, was the raising of the tariff rates after the end of World War I. Up to that time we had been a debtor Nation. We could afford to shut out foreign products because they took ours in payment for what we owed them. When, however, we became a creditor Nation sound economics required that we reverse our course. Another mistake was made shortly after September 1931 when England abandoned the gold policy in that we did not, at that time, assert leadership in the world of finance. Efforts were made by President Roosevelt and his administration to overcome these mistakes, but too much time had elapsed before they had the opportunity. Growing out of these two mistakes have come a multitude of economic problems which were interrelated with the other to that by the time he became President Mr. Truman had the most difficult position that was ever held by any man in the history of the world.

As I said, we need more than courage. We need daring to meet the problems ahead. I am confident that we can meet them. So sound is our basic structure that it cannot be destroyed so long as special and selfish interests are deprived of the power to misuse it. We have faced many crises before. We met them and defeated them because we had an understanding of their relationship to all of our people, and we gave to all of our people an opportunity to join in the selection of our leaders who would be required to handle them. The whole question will be decided on the basis of whether we advance or retreat or attempt to stand still.

No nation has ever been permitted to stand still. Retreat means only submission and surrender. The only course open to us is to advance. That we can do if we stay true to certain principles which we have inherited. The first requirement will be faith—faith in ourselves and our system of government and economy, and faith in the God upon whom we rely. Second, we must have intelligence so that we can understand the necessity for advancement. Third, we must have the courage to meet the problems. And, fourth, we must have the daring to find and to try the solution to the problems.

That is the reason why I am so much interested in and for such a long time have believed in trade unionism. You have been subjected to severe attacks during the last few years. Few organizations could have withstood those attacks. You have demonstrated your faith, your understanding, and your courage. There is no room in the leadership of America for the selfish, the near-sighted, and the timid. The trade-union movement has blazed the trail. It must furnish the education, not only to its members but to the other workers. Its leadership must not only have courage, but it must dare to do those things which will preserve American democracy. Those who have this unselfishness and understanding and daring must go out, as the Lord once said, "into the highways and hedges" and instill the faith and courage in the hearts and into the understanding and into the minds of those today who are so confused. Given a chance to know what a problem is about, the American people have never failed. We do not propose to fail now and we look with hope and confidence upon the ability of the Congress of Industrial Organizations to present this argument and this plea to call Americans everywhere within the boundaries of our Nation.

Prospects of Democratic Victory

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Wednesday, November 26 (legislative day of Monday, November 24), 1947

Mr. MAGNUSON. Mr. President, a former distinguished Member of this body, Hon. Mon C. Wallgren, who is now Governor of my State, recently delivered an address before the midwestern Democratic meeting at Kansas City, Kans., on November 20, 1947. I ask unanimous consent that his remarks, dealing with the political situation in the United States, may be printed in the Appendix of the RECORD. I have received an estimate from the Public Printer that the manuscript will occupy three pages of the CONGRESSIONAL RECORD, and that the cost will be $213.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Tonight I wish to review some fundamentals in American political life which convince me that the Democratic Party will be victorious in 1948. Harry Truman will be reelected President of the United States.

Were he not to run of his own accord, then he would be drafted. He has proved himself in office. We need this man of brave heart and cool head to keep the Nation on a steady course to a peaceful and prosperous future.

He is needed as a good Democrat, close to the plain people of America, who therefore speaks to a hungry and frightened world with the authentic voice of American democracy.

In a time of transition and emergency Harry Truman was summoned to an office he never sought for himself. He entered upon his duties with a quiet dignity and courage which have won him the admiration and solid affection of the American people.

He was too modest to pretend he knew all the answers. He has grown in office and he continues to grow. But he will never lose that humble reverence for the highest honor in the land that any American can claim. He will never lose that simple and abiding faith in God and in the good sense and democratic spirit of the American people. In that faith lies his inspiration to carry on with the heavy and exacting responsibilities which fall upon the Chief Executive.

Harry Truman's sincerity, his willingness to proceed with care and caution through troubled waters, his ability to understand the other fellow's viewpoint, his boundless confidence in the American people, his calm but resolute judgment based on the facts—these sterling qualities I came to know in him as chairman of the Senate War Investigating Committee. I was privileged and proud to

serve under Senator Truman's leadership on that committee.

His record of competent leadership, carried over to the office of Chief Executive, is greater today than ever before. I repeat, Harry Truman will be reelected by an overwhelming majority.

The sorry performance of the Republican-controlled Congress reaffirms the hopeless incompetence of the Republican Party to deal with contemporary problems. That party has shown a callous indifference to the welfare of ordinary citizens. The forceful realization is brought home that the tasks we face today and tomorrow are far too grave and far too important to be made the responsibility of a Republican administration and a Republican Congress.

The American people are interested in performance. They want a job done and there is much to do. Needy nations to be helped to their feet. The peace to be secured. A domestic economy to be made strong and productive. Homes to be built. New enterprises and jobs to be fostered. New frontiers of science and technology to be explored for the happiness and well-being of all people.

Only a forward-looking administration can meet the urgent needs of a busy nation and a suffering world. Public support will go only to the party with the broad, liberal view, the party that makes the welfare of people its primary business. That party is the Democratic Party.

Now and then a few Republicans claim the mantle of liberalism. They declaim in public against the policies of their own party. They repudiate its blind reaction, and warn that unless the Republican Party takes a new and different course it will fail at the polls.

These few lonesome liberals in the Republican Party search through the pages of history to glean a speck of comfort. They note that the Republican Party sponsored Abraham Lincoln and Theodore Roosevelt. Hopefully, they recite a few good laws that have emerged from bleak and barren Republican administrations of the past.

We can respect the good intentions of these lonesome liberals in the Republican Party. We can admire their courage for trying against such great odds to rejuvenate their party. We can accept their conclusion that only a party genuinely devoted to the broad public interest is entitled to public support. But we cannot understand their fantastic political whim. For to liberalize the Republican Party is a task more hopeless than to change the ocean tides.

The course of political futility to which the sincere liberals of the Republican Party are committed, is plain enough. But also there are makeshift liberals in the Republican Party who pursue a course of political opportunism. They constantly promise to support liberal measures, yet they are found voting against appropriations that would make such measures effective.

The makeshift liberals who front for the Republican Party do not control its policies. Whoever accepts the political blessing of the policy makers in the Republican Party will inevitably bow to their will, no matter what is promised the electorate. The elections of 1946 have shown convincingly that the American people do not share in the dividends of Republican victory. Privileged groups which sponsor the Republican Party consider these dividends their own.

Abraham Lincoln, were he able to view the scene today, would be appalled at the vast gulf which separates his party from the plain people he loved so well. And Theodore Roosevelt today would scorn the malefactors of great wealth who give sustenance to the Republican Party.

In practical life we know that the lines of party are never neatly drawn. We do not decry the motives of people who sincerely differ with us in their political views. Neither do we say that our party is perfect, that one party is all good and the other all bad. But we speak now of the vital and enduring distinction between the Democratic and Republican Parties.

The Democratic Party is broadly liberal and progressive in principle. Whatever the obstacles, it strives constantly to live up to that principle. The Republican Party is narrow and reactionary in principle. Fundamentally it maintains that character, whatever deviations may occur.

History reveals that the precious and permanent values of the American heritage are transmitted through the Democratic Party. Our party is the standard bearer of American democracy. It fulfills the hopes and aspirations of Americans in the common callings of life. The Republican Party has always attracted men of selfish purpose and privilege and allowed them to dominate its policies.

Americans hold their Government to be good when it serves the many, and evil when it serves the few. Times of political complacency and confusion have seen Republicans in high office. Inevitably they have directed the machinery of government to benefit a small minority. Sooner or later the good common sense of the American people prevails, and a stop is put to this abuse of the democratic process. Whenever democracy is put to the test, whenever the Nation is sore, beset with problems crying for solution, the American people turn to the Democratic Party for guidance and constructive action.

Seen in the light of the Democratic Party's historic role, Republican gains in 1946 represented one of those political lapses that prove so costly and corrosive to the welfare of this Nation. The Republicans exploited the anxieties and irritations of a war-weary people. They cashed in on a common need and hunger for peacetime goods.

The barrage of propaganda and the crossfire of criticism against OPA served the Republican Party well. Public resentment was directed toward the party in office, while the people were left too bewildered to notice that their collective pocket was being picked.

Day by day we are feeling the consequences of Republican high-price policy. The plight of the average family is well-nigh desperate. Wages have lost out in the race with prices and profits. Modest savings have been eaten up. Families are encouraged to mortgage future wages by buying on credit. (Removal of credit restrictions, we may note, projects the high-price pattern into the future.) The necessities of life are climbing beyond reach of those who work for wage or salary, of older people dependent upon modest pensions, of veterans in school or training.

Economy-minded Republicans in powerful congressional places complain with brutal cynicism that there are too many drones in our society. They slash welfare budgets to shake-down the relief load. A few unfortunate poor are driven from relief to beggary, but there are fresh recruits waiting to take their place on the relief rolls. Those at the bottom of the economic ladder take the worst beating from Republican high-price policy. Relief needs are increasing, even in this period of relatively high employment. In one great city alone there are almost 9,000 GI's on relief.

The apologies, the excuses, the search for scapegoats by the Republican Party will not alter a grim fact. Republican price policy has set off a dangerous inflationary boom which paves the way for economic disaster, for privation and want in the midst of plenty.

The Republican Congress cannot escape the blame. Following the 1946 election Congress was completely reorganized. The entire legislative leadership was taken over by the Republican Party. Republicans became chairmen of all the committees in Congress. Their record is clear. The congressional record is a saga of their blunders. The Republican Party has written its own walking papers with indelible ink!

The Republican Eightieth Congress has ignored the needs and aspirations of the American people. Why then do the Republicans take pride in their handiwork and see only good in its results? The answer is simple. While they have served the American people poorly, they have served their masters well.

Taken together, the components of the Republican postwar program represent an organized effort to shift the burdens of reconversion onto the backs of working people, farmers, and consumers, and to channel the benefits of reconversion into the hands of a few.

Extinction of OPA was first on the agenda because those who bless the Republican Party were grasping for quick and easy profits before production could catch up with the backlog of consumer demand.

Next in line came the Taft-Hartley law. Not only were working people pushed to the wall in the matter of uncontrolled prices. The long arm of the law was thrust into their unions in order to weaken their bargaining power. This is the intent and purpose of the antilabor law.

It is easy to lose sight of the intent and purpose of the Taft-Hartley law by getting sidetracked into argument about the merits or defects of particular unions and about complex details of the law drafted by high-priced corporation lawyers. Our stand against this law does not mean that unions are blameless in each and every respect. But in common justice to the working people who built this country strong, who fought in the war and toiled on the production lines for victory, we must repudiate this wholesale legislative attempt to wrest from them their hard-won gains and to shatter their union strength.

This law reaches into the unions' internal affairs. It works to create dissension and distrust, setting each workingman against his brother, and all against their chosen leaders.

The Taft-Hartley law is punitive in character. It narrows the area of free collective bargaining and sets up a complicated policing system over unions. Therefore, it must be considered an insult to the dignity, intelligence and loyalty of the free working people of America.

To support the legislative assault on labor, a propaganda campaign by big business and its political henchmen exploited the well-known American dislike of monopoly. Monopoly in business was shunted off as a thing of the past. Giant business organizations presented themselves in the mellow light of competition and pushed labor unions into the harsh glare of monopoly power.

Anyone who is willing to face the hard facts of economic life today, knows that monopoly control by giant organizations is not merely a thing of the past. The concentration of economic power is greater today than ever before. The urgencies of war and reconversion have fostered monopolies.

These ominous developments have a long history behind them. In America there have always been some persons more privileged, more ruthless and self-seeking than the rest. They have preempted and taken for their own enrichment millions of acres of the public domain, the natural wealth of mine and forest, field and river. With haste and waste they have done their work, indifferent to the public need or the Nation's future.

Today their heirs and successors in the industrial and commercial life of the Nation wield power as a kind of invisible government. They fix the conditions of life and the standards of living for great numbers of the population. Whenever the American people lapse into complacency, there is a rise in the political influence of these groups.

Unchallenged monopoly power over the resources of the Nation invites restricted production, higher prices, mounting unemployment, and curtailed consumption. Unchallenged monopoly power is thus an invitation to economic ruin. Ultimately it would put an end to free enterprise, for idle and starving men, in desperation, would demand that their Government take over and run the whole economic machine.

The American people will fight monopoly without compromise, for unhindered monopoly control signs the death warrant to free enterprise. Free labor unions are a strong bulwark against a regimented economy. Whenever the monopoly charge is thrown at the labor unions, let us remember one vital distinction: whatever their faults may be, labor unions are people organized for mutual protection of their jobs and daily bread, whereas big-business monopolies are combines organized to restrict trade and production in the interest of greater profits for a few.

Workingmen organize in unions to insure a decent wage. Farmers organize in cooperatives to insure a decent price for farm crops, and, they too, are feeling the lash of the Eightieth Congress. Farmers' cooperative associations are being pilloried and subjected to congressional investigation in an attempt to weaken the bargaining power of farmers.

Just as labor unions were charged by big business with having a one-sided advantage in the law, so now the farmers' cooperatives are said to have an unfair tax advantage. Just as the labor unions were charged with being monopolistic, so now the monopoly label is put on farmers. Just as union wage scales were blamed indiscriminately for high prices, so now the large industrial corporations, embarrassed by publicity about their own fat profits, direct the accusing finger at the substantial rise in farm income.

Farm prices and farm incomes are good, and deservedly so, for farmers are called upon to do a production job unparalleled in the history of the world. The climb to farm prosperity has been long and hard from the deep pit of depression. The Government has a permanent responsibility to insure that never again will the farm economy sink into chaos.

It is essential to have an intelligent, long-range price-support program for agriculture. Furthermore, by Government aid, the benefits of advancing farm technology can be widely spread among the farmers.

The next few years will see a terrific strain on agricultural resources to meet the food needs of the Nation and the world. The lifelines of a healthy, thriving people are anchored in the soil. That soil must be kept in place and its elements of fertility maintained. Soil-building practices, including adequate programs of flood control, drainage, and irrigation, are vital to protect and enlarge the Nation's agricultural plant.

We cannot tolerate in this country a repetition of the paradox of glutted markets and hungry people. Governmental action must be directed to assure continued farm prosperity and the distribution and consumption of all that American farmers can produce.

In my section of the country organizations of farmers and labor unions have learned to work for common goals. Farmer and city worker both realize that good wages and good prices for farm crops go together. And both realize that a Republican-controlled Congress, which seeks to disrupt their organizations and weaken their bargaining power, cannot have their best interests at heart. Contrasting their steady gains under Democratic leadership with the false economies and petty sniping of the Republican Congress, the farmers will know what to do next November.

When we hear the Republican argument that farm cooperatives have unfair tax advantages, let us remember what the Republican propose to do in the matter of taxes generally. They propose to let the wealthy save millions and the poor save pennies in a tax-reduction program. They hope that low-income families will be attracted by this program, even though it would actually burden those least able to pay.

Nobody likes to pay taxes. At the proper time, taxes can and should be reduced. Tax reduction now would only feed inflation, and President Truman rightly vetoed the tax bill passed in the first session of the present Congress.

But the Republicans are committed to a program calculated to concentrate the benefits of reconversion into the hands of a few. They appointed a so-called citizens' committee to advise them on tax policy, first making sure that nine-tenths of the group were sympathetic to their views. At a time when corporation profits are bulging fat, and large concerns are eagerly pushing some of this fat into business expansion, we are told that corporation taxes should be reduced to provide business incentive.

With taxes, as with other important affairs, the Republicans proceed upon the maxim: To them that hath shall be given; from them that hath not, shall be taken away.

A few weeks ago some Republicans were confidently proclaiming, "as Kentucky goes, so goes the Nation." For once Republicans were right. I think all of us here tonight will agree that the clouds must have momentarily cleared from their crystal ball.

Because the wrath of the people has been registered, we can anticipate that some gestures to the voters may be made in the second session of the Eightieth Congress. I say gestures, because these moves, if any, will be motivated by considerations of political expediency, not by principle. They may have the form of needed legislation, but not the substance.

Perhaps I am too optimistic even in expecting that the gestures will be made. However, we ought not to underrate the resourcefulness of Republican politicians hungry for high office. They are practiced in the arts of subterfuge and political expediency. False-front legislation in housing, health, and education; a few added appropriations for essential services that were seriously cut down, these may be offered in the hope of garnering votes. After all, the Republican record to date is so bad, that even the slightest improvement will be conspicuous.

Here in the West we can see sharply the distinction between legislative principle and expediency. The Republicans have never accepted in principle the great multipurpose dam and power projects of the West. They refuse to vote appropriations sufficient to fully develop these projects.

Development of water resources is the lifeblood of the West. The narrow vision that sees in these wealth-creating projects of Government at best only "public works" that should be slowed down at one time, perhaps speeded up at another, is blind to the needs of a modern economy.

Republican Congressmen see only the first cost, and refuse to consider the productive wealth and economic benefits that flow from such developments. They cannot seem to comprehend that these great projects also pay for themselves—that these appropriations represent an investment in the economic development of the Nation, and that every cent appropriated actually will be repaid through sale of electric energy or irrigation water.

My own State of Washington is a good illustration. Last year in the city of Yakima, a celebration was held in recognition of final payment on the Tieton irrigation project financed by the Federal Government. The Government got back every penny with interest.

If the Republicans dared to do it, they would banish the TVA Act from the statute books. The Senate debates on the Lilienthal confirmation showed only too plainly their utter lack of comprehension regarding TVA accomplishments for the South and the Nation.

Franklin Roosevelt once said, "The waterpower resources of the Nation must be protected from private monopoly and used for the benefit of the people."

Let us contrast this statement with the remark of a Republican Congressman who has been energetic in resisting further development of Federal projects. He said recently: "Power does not belong to the people; it belongs to those who can get it."

Here we have in a nutshell the contrasting Democratic and Republican conceptions of the role of Government in resource development.

We believe that in a dynamic democracy, development of natural resources for the good of all the people does not signify an impairment of free enterprise. In the American system of free enterprise, geared to twentieth century needs, Government and private initiative are not opposed, but complementary. Indeed, Government has a positive duty and function to promote free enterprise. If it fails to act, control over economic life will then pass completely into the hands of powerful groups already privileged by wealth and circumstances to command an excessive share of the good things in life.

Government investments in power and reclamation projects stimulate private enterprise. Millions of kilowatts generated, millions of acres reclaimed, mean more factories and farms producing more goods and services for the Nation.

The positive results of government in a democracy, acting in behalf of free enterprise, are evident on every hand. Action by the Government in a Democratic administration was necessary to open up our great aluminum plants for competitive peacetime operation after 50 years of monopoly control. Now more and more avenues of opportunity are opening up for small manufacturers, fabricating this wonderful metal into countless products for home and business use. The aluminum industry is booming under the stimulus of competition. Private initiative is enlivened and invigorated when government acts in the public interest.

In the field of housing, too, government has an essential role to perform. Housing is properly the field of private enterprise, but when great slums blight our cities and millions are desperate for want of decent housing, government aids and incentives must be forthcoming to improve and expand the Nation's housing resources.

A comprehensive housing bill, fathered by Senator ROBERT F. WAGNER, a great humanitarian and Democrat, has been pruned down and pigeon-holed by Republican committees of the Congress. Can anyone point to a single positive action by the Republicans to speed consideration of this bill?

Republicans have always believed, and still do, that housing is for the people who can get it, not necessarily for the people who need it. The clamp-down on vital housing legislation is simply part of the Republican program for enabling extra profits to be raked from a high-priced market, without regard to the real and very acute needs of our people. Democratic victory in 1948 will assure to our veterans and others ill-housed, legislation that will get decent home built at a reasonable price.

A few days ago President Truman submitted to the special session of Congress his program for emergency aid to Europe. Let us hope that the Members of Congress will

quickly compose their differences and provide the necessary means for executing this urgent task.

That there are differences of opinion and judgment we know only too well. The danger is that in the turmoil and conflict of debate, the fundamental objectives of the foreign-aid program will be obscured, perhaps defeated, by those who are willing to make political capital from the suffering of people.

Already we have heard the proposals of some who would attach restrictions so complex and heavy as to doom the program to failure from the start. Others want to take the program out of the Government and make it a special form of business enterprise.

To many Republicans the Marshall plan has become a convenient kind of scapegoat to divert attention from Republican responsibility for high prices and a device to conjure up the threat of intolerable tax burdens.

In the background lurks the persistent shadow of isolationism, ready to embrace any project that will cause Americans to become discouraged and disillusioned, and thence to turn their backs on the world.

The generous heart of America responds now, as always, to the cry of the hungry in ravaged lands. The majority of Americans are solidly behind the Marshall plan and the government program as outlined by the President.

As a Nation, we have enough for ourselves, and to spare. Even if we must tighten our belts for a time, the productive might of this country is capable of supplying our needs at home in abundance, and needs abroad in moderation.

A wise man once said that if all sat at the same table, no one would go hungry. The American people will sit at the same table with democratic peoples in other lands, and so far as we can help it, no one will go hungry.

During the war, though ten to fifteen million of our able-bodied young men and women were withdrawn from the productive labor force, this country attained a production record, the like of which was never seen before in the world. With our enlarged plant capacity, our new skills and technology, our wealth of manpower, our natural resources still awaiting development, we can produce for peace.

There are some who say it is unwise to gear up our productive machinery to a large world demand. They foresee idle capacity and a depression after immediate export needs are met. This is an espect of the familiar scarcity economics which permeate the Republican Party and its monopoly adherents. We hear it from the private power companies. We hear it from the steel makers. Why expand capacity, they say, when a depression may be around the corner?

Scarcity thinking in industry is predicated upon depression and therefore serves to reinforce the very conditions which bring about depression. The prophets of scarcity have no faith in America's future. In pursuit of their own limited purposes, they are willing to limit opportunity for Americans at home and let the world wallow in misery.

There is an object lesson for Americans in the fact that those who want to limit production for foreign aid are of a kind with those who want to limit production for home needs. This is economic isolationism of a most vicious kind. The American people will have none of it. They want an economic system which is dynamic and expanding; they want an economic environment which permits the maximum of freedom for initiative and competitive enterprise. Our people are united in the desire to increase the range of opportunity and the standards of living for the average citizen.

On one extreme we have those who want America to turn its back on the world, and on the other we have those who charge us with seeking to dominate the world by a ruthless imperialism. Both extremes come together in their opposition to the President's foreign-aid program. Both work against the best interests of the United States. Both have a profound ignorance of the American character.

The demands of the American people, taken as a group, are always modest and peaceful, never grandiose and belligerent.

Americans have a permanent stake in the democratic way of life. They abhor the police-state methods. They respect individual integrity and they repudiate the concept of individual subservience to an all-powerful state.

But Americans know that individual freedom cannnot be cheaply purchased and easily secured. They were willing to pay in blood and toil to end the mad dreams of world conquest by the dictators of Germany and Japan. And they are willing now to demonstrate that democracy offers to the world the only satisfying alternative—a system of government which assures to all peoples the ample fruits of productive labor and the preservation of individual freedom.

Totalitarian governments can be answered by a working demonstration that men can live in freedom and live without want. We will demonstrate it abroad with food and machinery and funds and ideas. We will demonstrate it at home by doing in democratic ways all things necessary to achieve a good life for our people.

The responsibilities to our own people and to the world require determination, experience, and vision. They require our finest leadership. This leadership, after next November, will have the united support of a Democratic Congress.

With that support Harry Truman will lead us forward to our goal of a sound economy and a peaceful world.

Thanksgiving

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, November 28 (legislative day of Monday, November 24), 1947

Mr. WILEY. Mr. President, yesterday it was my privilege to address the people of Wisconsin, through radio transcription, on the subject of Thanksgiving. I ask unanimous consent that the text of my remarks be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHALLENGE OF THANKSGIVING

(Address by Hon. ALEXANDER WILEY, United States Senator from Wisconsin, over Wisconsin radio stations, Thanksgiving 1947)

Fellow citizens of Wisconsin, it is a pleasure to greet you from the Nation's Capital. Mrs. Wiley and I wish that we might have been in Wisconsin during this Thanksgiving season as America gives thanks for all that she is and all that she enjoys. However, as you so well know, the Congress is meeting in special session, and we are proud and privileged to participate with it in handling the tremendous problems of our Republic during these critical times.

I want to express my deep thanks to the management of this station for their courtesy in enabling me to visit with you for these few moments.

OUR TOUR THROUGH STATE

Let me say at the very start that Mrs. Wiley and I are particularly thankful that recently we had the opportunity to visit so many areas of our State during the latter part of the congressional recess. We journeyed literally thousands of miles up and down and across the State.

We visted with religious groups, fraternal organizations, business, labor, farm, education, and other groups. I'm very happy that I've had the particular opportunity of talking with high school students and college youths and feeling the pulse of Wisconsin—young and elderly. It is a strong, sturdy pulse, beating with the rhythm of production—production in our factories, on the farms, beating with the rhythm of work in our households and our offices and on our assembly lines—beating with faith in the future. Wisconsin is rounding out this last year of her first century of statehood, and she is making ever-increasing contributions to America's material and spiritual welfare. That is borne out by all the Government reports which come to my office each day.

SUGGESTIONS OF HOME FOLKS

I brought back with me to Washington the frank suggestions, comments, and criticisms of the folks back home. I am grateful for all the recommendations which I have receive from our people.

Mrs. Wiley and I do wish that we might have had more opportunity to visit even more areas of our State and personally see more folks. However, through your letters to us, we hope to continue to hear from you as often as the spirit moves you.

TRIP TO EUROPE

As you may know, during the early part of the recess, we spent a very brief period in several European countries. We saw at first hand some of the problems which America faces in her foreign relations. Yes, we saw many reasons for which America should be particularly thankful in this year of our Lord 1947.

SPIRIT OF GRATITUDE

In any year, it is good to give thanks unto the Lord. In the Book of Fsalms, we read:

"It is a good thing to give thanks unto the Lord, and to sing praises unto Thy name, O most high; to show forth Thy loving kindness in the morning, and Thy faithfulness every night."

In Thessalonians, we read:

"In everything, give thanks, for this is the will of God."

Both religion and medical science tell us the joy and the healing powers of thankfulness. Sincere gratitude, deep thanksgiving—purify us and tend to give us "the peace which passeth all understanding." Thanksgiving relieves our tensions, it lights our eyes, it gives courage and good cheer.

This is no mere wishful thinking or idle sentiment. These have been my experiences as well, no doubt, as your experiences and the findings of countless others.

WHY BE GRATEFUL?

And yet I can almost hear someone say, "What do we have to be grateful for?" "Look at the tremendous problems we face." Look at the hardships, the difficulties up ahead. Prices have reached some of the highest levels in our history and are causing tremendous hardship, particularly among low-income groups. There is still a serious housing shortage, although the American construction industry is building new homes at record rates. Taxes are a tremendous burden to our business life and are decreasing the amount which the wage earner can bring home in his pay envelope.

FOREIGN PROBLEMS

These domestic problems stand against the background of our foreign problems. As many Government reports have recently told us, the peoples of Europe are in critical straits. War did not make for peace. It left a heritage of battered cities and broken hearts, undernourished bodies and diseased minds, a bitter legacy of crime and corruption and despair. In the chaos and

confusion of postwar Europe communism has found fertile breeding grounds.

Many peoples who dearly prized their freedom have found themselves in the meshes of fanatical communism—the people of Poland—the land which gave us Kosciusko, Curie, and Pulaski, millions of Germans in the land which gave so much of the world's culture and industrial genius, as well as fathering so many of our own fine American citizens, the people of Hungary—the land of Kossuth, of Austria, of Bulgaria, of Rumania, the people of Finland, of Greece—all these and other peoples, who cherish their national sovereignty and rights, feel themselves increasingly under the Red shadow.

What do we have to be grateful for when we face a picture such as this, when the American taxpayer, who has already been saddled with a two-hundred-and-sixty-billion-dollar national debt and with a terrific burden of taxes, faces the possibility of still more foreign aid to be given?

REASONS FOR GRATITUDE

Some folks may indeed ask this question, and yet, if we but look around us, we will see the answer to it. There are so many things for which we may be grateful. For one thing, America is at peace. To be sure, the guns are not silent throughout all the world, but we are striving with our might and main, through the United Nations, to still them. The horror of world war has come to an end. Yes, we still have with us the heart-rending heritage of war in our own land—hundreds of thousands of our veterans, many of whom are broken in mind and body. We want to assure for them the justice which they so richly deserve, adequate medical care, their full rights and privileges under law, decent housing, opportunities for education and business enterprise. But America is at peace, and for this we are duly thankful to God.

BLESSING OF FREEDOM

Yes, America, too, is still free. We still enjoy the basic freedoms for which our men have bled in all the wars which we have fought—freedoms of speech and press, freedom of religion and assembly, freedom to work wherever we please, to start a business wherever we please, to grow to the limits of our potential abilities.

In some of the lands which Mrs. Wiley and I visited abroad, such freedoms are rare and in many instances are unfortunately growing rarer. The government is taking an increasing hold over the lives of private citizens. Of course, in our own land there is a tendency toward Government regimentation, but here, if we use our traditional American ingenuity and courage, and maintain our system with its checks and balances, we can combat this menace.

OUR MATERIAL BLESSINGS

A third reason for our thankfulness is, of course, America's tremendous material blessings. Even before the war, with only 7 percent of the world's population and occupying only 6 percent of the land area, we possessed 80 percent of the world's automobiles, 50 percent of the world's telephones, 33 percent of the world's railroad mileage, 60 percent of the world's life insurance policies. We consumed 75 percent of the world's silk and 60 percent of the world's rubber. We had 1 radio for every 3 people as against 1 for every 90 people in Soviet Russia. Since the war, this gap has even widened.

SOVIET VERSUS UNITED STATES STANDARDS

Let's compare our workers with Soviet workers, for example. With his full week's pay, a Russian worker can buy only 16 quarts of milk. The average American wage earner (based on recent statistics) could buy 275 quarts of milk and still have change coming. The Russian worker can buy less than 10 pounds of meat with his full week's income, whereas the American worker can buy 82 pounds of beef. The Russian worker can buy, at the most, 4 pounds of butter, if he can find it, with his weekly pay, while the American worker can buy 60 pounds. In fact, it's been estimated that the standard of living of the American worker is 10 times that of the average Russian or 1,000 percent higher. The prices of foods in Russia have come up an average of 166 percent whereas wages of workers have come up only 25 percent.

This is not to imply that our workers have no problems. On the contrary, I have pointed out the difficult position which they face during these days of rising prices. Nevertheless, with a bit of perspective, we can see how grateful we should be for living in this land of liberty where we can handle our problems—as freemen.

ACCEPTING THE CHALLENGE

Another reason for which we should be grateful is, I believe, that we are resolutely accepting the challenge of Thanksgiving with traditional confidence, faith, and hope. The challenge to which I refer is the challenge to continue to improve our way of life so that we will have ever more for which to be grateful. To be sure, there are a lot of pessimists, a lot of doubting Thomases, a lot of grumblers, of fearmongers. But most of our folks know that America can lick this inflation and other problems and can continue to strive successfully for world peace and plenty, if we simply display the qualities of industry and love of liberty which Americans have displayed through over 170 years of war and peace.

Surely the problem of high prices is no greater than the problem which our men faced as they approached in landing crafts the beaches of Normandy or a dozen Jap-infested islands from which poured a rain of death upon them. Surely our problems are no tougher than our men faced at Valley Forge, or at the Alamo, or at San Juan Hill, or in the Argonne Forest.

TWO SYMBOLIC TRAINS

Across our land there are now moving two trains, which are symbolic of America's deepest feelings—the Freedom Train, and the Friendship Train, the one carrying the most blessed documents of American liberty, the other carrying the living proof of the Christian generosity of America's people.

Every train, however, that moves across America's landscape is a freedom train and a friendship train. Every train symbolizes the freedom of American enterprise and it represents the friendship among the 48 States, among all segments of our people. It represents the friendship which we hold for all men and women of good will.

CONCLUSION

Yes, it is a good thing to "give thanks unto the Lord," and it is a good thing that America has instituted Thanksgiving.

Mrs. Wiley and I wish for you and yours a Thanksgiving rich in blessings.

The Tax Burden and the Professions

EXTENSION OF REMARKS

OF

HON. JAMES P. KEM

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, November 28 (legislative day of Monday, November 24), 1947

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject, The Tax Burden and the Professions, delivered by me before the Lawyers' Association of Kansas City, at Kansas City, Mo., November 12, 1947. The information contained in this address I hope may be of interest to the members of all professions—doctors, teachers, engineers, registered nurses, lawyers, and the rest; in fact, to all persons who earn their income by personal effort.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE TAX BURDEN AND THE PROFESSIONS

Professional people have for a long time taken pride and satisfaction in the substantial accomplishments of our professional organizations in the public interest and for the common good. Only a few years ago, for example, the Lawyers' Association of Kansas City decided that the corporation statutes of Missouri were antiquated and obsolete. It undertook a campaign to remedy this situation. A committee set about drawing a model statute. When completed, it was guided through the legislative process, and in substantially the form proposed by this association it is now the law of Missouri. Never a day passes when Congress or the State legislature is in session that lawyers, appearing on behalf of clients, do not give capable and effective guidance and assistance to legislators in the performance of their duties.

It is a truism that lawyers are usually too busy with their clients' affairs to look after their own. What is true of lawyers individually may also be true of lawyers collectively, and what is true of the bar is true of other professions. The attention of our organizations is directed mostly to the promotion of legislation for the benefit of the public at large, but little—perhaps too little—for the benefit of the members of the profession themselves. Other groups—trade unions, for example—are constantly bringing pressure to bear on Congress and the legislature in their own interest. The professions, I sometimes think, lean backward in this respect.

Another truism, and one with which any discussion of taxes should start, is that the best way to reduce taxes is to reduce the expenses of government. For several years past the Federal Government has been engaged in a spending spree unparalleled in history. The present Congress, at the last session, made a praiseworthy effort to reduce expenditures. I should be less than candid if I did not say that in my opinion its accomplishment in this respect was less than the people had a right to expect. As a Member of Congress, I have no desire to evade my part of the responsibility. I believe, however, it is fair to say that the responsibility should be shared with Congress by two other groups; first, the heads of the executive departments and bureaus of the Federal Government who failed to cooperate with congressional committees in their effort to find where savings could be made; and, second, those of the people back home who insist upon higher appropriations. It is to be hoped that Congress will carry through with courage and determination. If the people of this country desire lower taxes, they must demand lower appropriations.

I. THE INCIDENCE OF THE FEDERAL INCOME TAX ON THE PROFESSIONS

The Federal income tax, as its name indicates, is intended to be a tax on income, not a tax on capital. There are three forms of income: (a) investment return, (b) capital gain, and (c) earned income.

Adam Smith, in his Wealth of Nations, considered that all income should be taxed alike. He asked but one question in determining ability to pay: "How much is your income?" This test, however, is not followed in every

case in our income-tax laws. We have gone far afield in affording, for one reason or another, special treatment to various groups or classes. My thesis tonight is that earned income, particularly in the case of a professional man, is entitled to special consideration. This applies to the members of all professions—lawyers, doctors, teachers, engineers, registered nurses, and the rest; in fact, to all persons who earn their income by personal effort. Those who make a living largely by their own efforts expect to bear a full share of the cost of government. They would be something less than human if they did not before long become restive under the burden of more than a just proportion.

When a businessman spends a sum of money in order to obtain machinery, equipment, or buildings, necessary in his business, he acquires what is called for tax purposes a capital investment. He may allocate the cost, so much per year, over a number of years, and deduct for Federal income tax purposes a yearly percentage of the cost. In this manner, he is permitted to deduct from his income, free from income tax, the cost of the necessary equipment to engage in his business. By use of this method of calculating his tax, the businessman does not pay a Federal income tax on that portion of his capital which, theoretically at least, he uses up year by year. This is referred to as an allowance for depreciation.

The reason for this deduction is obvious. If it were not allowed, money would not readily be invested in enterprises, sometimes financially hazardous, which are essential to industrial development and progress. Production, so necessary for the Country's well-being, would be adversely affected.

Now let us examine this situation as it is applied to the professional man. Before he can engage in his chosen calling, he is schooled for several years at a considerable cost in order to obtain the specialized knowledge and skill required to engage in the practice of his profession. Usually a license is required, and not infrequently the requirements to qualify for the license include a specified number of years in an approved technical school. This specialized training corresponds to the machinery and equipment of the businessman. It is the professional man's capital investment. However, a deduction for depreciation or depletion is not allowed as a means of recovering funds that have been invested in acquiring the skill and knowledge of the profession.

The engineer who develops a patentable process or machine cannot charge off against his taxable income the cost of acquiring the knowledge which was basic to the invention. However, the businessman who purchases that machine or process can, over a period of time, charge off the cost to him of the purchase. The cost to a businessman of the use of a lawyer's specialized skill and knowledge, enabling the businessman to operate within the established rules of law, can be deducted as a business expense. But the cost of an essential element to the engineer and the lawyer, viz., the cost of obtaining the specialized knowledge and skill, cannot be treated as a capital investment or as a business expense. The physician, the accountant, the teacher, the registered nurse, and the other professional people find themselves in a similar predicament under the present tax laws.

If the professional man is to be given the same treatment with respect to income tax as is given to the businessman, he will be permitted to recover through the equivalent of a depreciation charge against taxable income the basic capital he has invested in purchasing an essential item of equipment in order to engage in his profession. In the case of the professional man the need to use this method is greater than in the case of the businessman, because skill and knowledge, unlike machinery, buildings, and other tangible capital, have no resale value and no salvage value.

Opportunities to earn income by employment are lost during the years of education. There is no interest on the money expended in receiving the training. The period of substantial earnings for a professional man is usually not reached until the late thirties and is over all too soon. The benefit to the professional man to be derived from a charge against his taxable income for this purpose would be especially helpful to him during the lean period after entering the profession and before reaching the period of substantial earnings.

II. THE REASONS FOR EARNED-INCOME RELIEF

Several cogent reasons may be assigned for special treatment for tax purposes of professional income. Let us summarize them.

1. The professional man is entitled to something in the nature of a depreciation or depletion allowance.

The professional man is constantly wearing out his physical and nervous equipment. Each year marks a milestone toward the end of his professional usefulness. He is using up his reserves of strength just as the reserves of a mine or oil well are depleted. In the case of mines, oil and gas wells, and other natural deposits and timber, the Internal Revenue Code provides for "a reasonable allowance for depletion * * * according to the peculiar conditions in each case * * * to be made under rules and regulations to be prescribed by the Commissioner." The courts have said that deduction of depletion for income-tax purposes is permitted as an act of grace in recognition of the fact that mineral deposits are wasting assets, and is intended as compensation to the owner for the part used up in production.

A lawyer's intellect, a doctor's skill, a nurse's special care, a teacher's instruction, or a business executive's energy are not fixed or indestructible capital, capable of producing an income forever. Yet the income they produce is taxed more severely than that from capital because capital is permitted to replenish its loss tax free by dipping into income through depreciation, obsolescence, and depletion.

2. The professional man is put to much incidental expense.

The individual with earned income has expenses not borne by the individual with investment income. The former must live near his place of employment and maintain a standard of living in keeping with his position. On the other hand, the investor may elect to reside wherever he pleases, thus avoiding the extra expenses required in a particular community, and his standard of living does not necessarily have an effect on the return derived from his investment. Inasmuch as the major portion of these extra expenses borne by the individual with earned income is not deductible for tax purposes, such as going back and forth between home and place of work, it results that earned income is taxed to some extent on a gross basis, while investment income is taxed on a net basis.

3. Earned income is uncertain.

Earned income is more uncertain than income derived from capital. If an investor is not too much lured by the possibility of an extravagant return, he may assure himself of a reasonably stable income. On the other hand, the individual with earned income is always confronted with the possibility of illness or accident, either of which may temporarily or permanently suspend his income, thus creating the necessity of savings to protect himself and his family from the possibility of that time when earned income ceases or is substantially reduced. The earned income stops short at the death of the earner.

4. Capital gains are accorded special treatment.

As has been said, the present law recognizes the need of special treatment for income derived from certain sources, particularly capital gains. The Revenue Code imposes a tax of not over 25 percent on the gain from the sale or conversion of capital assets held for a period of more than 6 months. There appears to be no reason why earned income arising from personal endeavor should not receive at least as much consideration as capital gains occurring in many cases without effort on the part of the taxpayer.

5. An incentive should be provided for work and effort.

Considerations of public policy are involved. Lightening the burden on income derived from personal earnings would encourage added effort to receive the gain. It should stimulate the personal initiative, the additional hour, and the extra ounce of energy so essential to a highly productive economy.

There is still another benefit to the public from fair treatment to the professions in this respect. Young men and women would be encouraged to enter training for them, at a time when we hear much of the shortage of doctors, dentists, nurses, and teachers. Also, postgraduate training would be encouraged and the level of competence would be raised.

III. THE ARGUMENT AGAINST EARNED-INCOME RELIEF

Few arguments have been advanced against tax relief for earned income. This may be due to the fact that there has been a surprisingly small amount of discussion of the subject. Three arguments that have been made deserve consideration:

1. The difficulty of administration.

It may be admitted that tax relief for earned income presents difficulties of administration. In the case of the small businessman, for example, it is hard to differentiate between income resulting from personal effort and that accruing from investment. Authorities of the Internal Revenue Department state that when the earned-income-tax credit was allowed it created a great deal of trouble in administration due to the fact that the tax credit was figured incorrectly in at least one-fifth of the tax returns. However, this may have been due to the fact that the directions to the taxpayer were unnecessarily complicated and involved, and this difficulty at any rate may be overcome by a settled policy and taxpayer education over a period of time.

2. Local taxes place a heavier burden on investment income.

It is contended that a sufficient discrimination in favor of earned income already exists because the local taxes on property place a heavy burden on investment income. The argument is put this way by Prof. H. L. Lutz, of Princeton:

"A final judgment as to the proper treatment of personal and property incomes cannot be reached by considering the Federal income tax only. The tax system of the American States will probably always contain the property tax in some form. The combination of property and income taxes results in a heavier total taxation of the funded or unearned incomes, without the necessity of emphasizing the distinction in the income tax." (H. L. Lutz, Public Finance, p. 308.)

The argument does not appear to be supported by the facts. Indeed, an opposite conclusion seems justified. Figures prepared in 1931 by the Joint Committee on Internal Revenue Taxation show that the individual with little wealth pays an average of 5 percent of his total income on property taxes, in spite of that fact that 75 percent of his income is earned income. On the other hand, the wealthy individual, with only 16 percent of his income earned, pays in local taxes only 2 percent of his total income. It is apparent

then that the earned-income class pays more than its proportionate share of the property tax, and it is eminently fair to give it a reduction in Federal income tax.

3. All income is on the same moral level.

Again, it is contended that no distinction between earned and investment income is justified, because such income does not, in either case, vary as to the deserts of the recipient. This conception is set forth by Lord Hugh Cecil in his exposition of political theory, Conservatism. After making some comparisons, such as the easy gains of popular writing as against the niggardly profits of good scientific work, he concludes:

"All property is seen to be on the same moral level, as something acquired without injustice, that is to say, without fraud or violence, but not meritoriously so that the owner's title may rest on his virtues."

Lord Hugh Cecil's discussion of the moral basis of the acquisition of property reminds one of Burke's famous Letter to a Noble Lord. When Burke retired from Parliament, it was proposed to raise him to the peerage as Lord Beaconsfield, but before this was done, Burke's son, in whom all his hopes and affections were centered, died. Burke then considered a hereditary honor an empty one, and he was given a grant of 2,500 pounds a year from the Crown. The next year the Duke of Bedford seized upon the granting of this pension as a weapon with which to attack the Pitt administration, which had been responsible for Burke's pension. Burke at once saw in the fact that the assault came from the Duke, the head of the House of Russell, which had received substantial grants from the Crown, an opportunity for the most telling repartee, and he availed himself of it with splendid effect. As literature, the piece is probably unsurpassed in the English language for lofty and scornful invective. In replying to the young Duke of Bedford, whom Burke called "my youthful censor," he said, among other things:

"The first peer of the name, the first purchaser of the grants, was a Mr. Russell, a person of an ancient gentleman's family, raised by being a minion of Henry VIII. As there generally is some resemblance of character to create these relations, the favorite was in all likelihood much such another as his master. The first of those immoderate grants was not taken from the ancient demesne of the Crown, but from the recent confiscation of the ancient nobility of the land. The lion having sucked the blood of his prey, threw the offal carcass to the jackal in waiting. Having tasted once the food of confiscation, the favorites became fierce and ravenous. This worthy favorite's first grant was from the lay nobility. The second, infinitely improving on the enormity of the first, was from the plunder of the church. In truth his grace is somewhat excusable for his dislike to a grant like mine, not only in its quantity, but in its kind so different from his own.

"Mine was from a mild and benevolent sovereign; his from Henry VIII.

"Mine had not its fund in the murder of any innocent person of illustrious rank, or in the pillage of any body of unoffending men. His grants were from the aggregate and consolidated funds of judgments iniquitously legal, and from possessions voluntarily surrendered by the lawful proprietors, with the gibbet at their door."

Suffice it to say that our taxing authorities have never attempted to construct a tax system on a moral basis, realizing its utter impracticability. We can differentiate as to the source of income, but it is hardly practical to deal in moral values affecting the manner of its acquisition.

IV. THE NEED FOR SPECIAL TREATMENT FOR EARNED INCOME HAS BEEN RECOGNIZED

In 1924 the Federal income tax laws for the first time recognized that earned income was entitled, for tax purposes, to special treatment. A credit was granted of 25 percent of the normal tax on earned net income, and for the years 1925–31 this credit was extended to apply to both the normal tax and the surtax. During the depression years of 1932 and 1933 the earned-income credit against the tax was eliminated in an effort to increase the Federal revenues. In 1934 earned income was again given preferential treatment. This time a credit was allowed against earned income instead of a credit against the tax, as previously done. This new credit was either 10 percent of the amount of earned net income not in excess of $14,000, or 10 percent of the entire income, whichever was lower, and applied only to the normal tax. In 1943 the credit allowed earned income was abolished, and the present law provides for no difference in treatment of the various forms of income.

The United States is not the only country that has realized that earned income should not be taxed to the same degree as unearned income. Great Britain now authorizes a credit of one-sixth of earned income, not exceeding a stated amount, approximately $1,000, as an allowance against income subject to the standard rates.

Canada differentiates between earned income and unearned income by imposing a special tax of 4 percent on unearned income. The first $1,800 of income from any source is exempted from this special tax.

In Australia all income below $648 is considered to be earned, and all income over $16,200 is considered to be unearned. Within these two figures, earned income is favored by imposing two different rates of tax, the lower one applicable to earned income.

V. WHAT FORM SHOULD RELIEF FOR EARNED INCOME TAKE?

We come now to a consideration of what form the proposed relief for earned income should take in the United States.

1. A direct depletion allowance is impractical.

There are serious difficulties in the way of capitalizing the cost of professional training and allowing a depletion allowance upon the cost so determined. For instance, should a person who has studied a profession at considerable cost be permitted a depletion charge if he decided later not to follow the profession? Should the deduction be permitted only to those engaged independently in the practice of the profession, or should it be extended to those who are employees of a corporation or other organization? And also, what costs should be included in the capital fund since the costs of an education vary widely in different institutions and among different individuals? For these and other reasons, a direct depletion credit is impractical.

2. Recommendation of the Joint Committee on Taxation.

In the year 1931 the Joint Committee on Internal Revenue Taxation of the Congress submitted a preliminary report on earned income. It concluded that the principle of allowing a deduction from net income, subject to tax of a certain percentage of the amount of the earned net income, representing a fair allowance for the exhaustion of the earning power of the individual, was fair and sound. It suggested three methods in which this might be accomplished, saying that the choice is largely a matter of judgment, depending upon the particular point of view.

If the strict theoretical view is taken, the committee said, it appears that a deduction from net income of 12½ percent of the earned net income for both normal and surtax purposes will probably most nearly meet the requirements.

If a practical viewpoint is taken, with the thought that the small taxpayer should receive the greater part of the relief, and that the loss of revenue should be limited, the committee said a deduction of 33⅓ percent of the earned net income in excess of personal exemptions from the net income, for normal tax purposes only, may be considered superior.

Finally, the committee recommended that if it is desired to take a middle course, where the relief can be readily fixed for each amount of earned endeavor, and thus allow both theoretical and practical considerations to have due weight, a table-of-constants method will offer the most advantages.

Any one of these methods offers a sound approach. The differential in favor of earned income should be sufficient (1) to afford an equitable adjustment to the classes involved, and (2) to serve as an incentive to work and effort. For these purposes, I regard the provision in effect prior to 1943 as wholly inadequate. The plan decided upon should be sufficient in amount to be worth while, and simple enough to be easily understood.

VI. DISCRIMINATION AGAINST THE SCHOOL TEACHER

At this point mention may be made of another discrimination in taxes that is peculiar to the members of an ancient and honorable profession, the school teachers. The practice is now frequent, and it is becoming more so, for school boards to require the teachers to attend summer school every few years to qualify for continued employment or to meet the qualifications for salary increases; and the cases in which the school authorities contribute to the cost of attending summer school are few and far between. The Bureau of Internal Revenue has stated in its rulings that it considers as ordinary and necessary business expenses, and therefore deductible from taxable income, "every necessary item of expense in conducting business, incurred primarily because of and solely in the furtherance of the business engaged in." Yet in spite of this general rule, in a ruling made back in 1921 and followed consistently ever since, the Bureau of Internal Revenue has held that: "The expenses incurred by school teachers in attending summer school are in the nature of personal expenses incurred in advancing their education and are not deductible in computing net income."

The position taken, in accord with this principle, is that any change will have to result from legislation. If a business organization sends one of its employees to school to learn how to operate a certain machine or to learn how to do a certain job better, it can deduct as a business expense the cost to it of paying for this education of the employee. A physician attending a medical convention or a chemistry professor attending a scientific meeting or convention may deduct the cost as a business expense (*Jack* v. *Commissioner*, 13 B. T. A. 726; *Silverman* v. *Commissioner*, 6 B. T. A. 1328). Although the chemistry professor can deduct from his taxable income the cost of attending a convention to gain new knowledge, and incidentally to further his education, if he had spent the same amount of time and money at a summer school of some outstanding university, in order to gain additional knowledge so that he could be a better professor of chemistry, he could not deduct this cost as a business expense, and neither could he depreciate it as a capital investment.

We have heard much recently about Federal aid for education, and that this aid is necessary to provide a method whereby teachers can obtain an adequate wage. It would help a lot, as far as our teachers are concerned, if we had less Federal tax discrimination against school teachers. I hope you lawyers will decide to do something for yourselves, and that when you do that you will lend a helping hand to the teachers.

VII. DISCRIMINATION AGAINST RESIDENTS OF NON-COMMUNITY-PROPERTY STATES

Under existing law there is another discrimination that falls heavily on earned income in some States. The present law discriminates between families on the basis of residence, by enabling couples in community-property States to divide their earned

and investment community income between separate tax returns, thereby bringing their tax payments into lower brackets. It discriminates also against earned income in non-community-property States, which is taxed to the earner, while the recipient of investment income is afforded numerous opportunities for splitting that income with members of his family. Since professional income is usually earned by one member of the family, the professional classes are among the principal victims of this injustice in States like Missouri.

The tax savings in community-property States by income-splitting varies at present rates with the size of the income. When all the income is received by one spouse, the savings vary from zero, in the case of married couples without dependents, with not more than $3,000 net income, to $342 at the $10,000 net income level and $12,854 at the $100,000 level. A change in the law to permit income-splitting between husband and wife in every case would, at present rates, result in a loss to the United States Government of about $750,000,000. Most of the tax savings would be received by those families with an income over $5,000.

It is obvious that the present arrangement is unfair. A husband, with no dependents other than his wife, who resides in Missouri and has an income of $10,000 from personal services only, pays a Federal income tax of $342 per year more than his counterpart living in any one of approximately 13 community-property States. In other words, part of the burden of paying taxes for equal benefits is shifted from one group to another group solely by reason of place of residence. Pressure has been brought on some of the State legislatures to provide community-property laws so that the inhabitants can receive some relief from the Federal income tax. As a result of new legislation in the States, this year the Bureau of Internal Revenue has ruled that husbands and wives in Oregon, Nebraska, Michigan, and Pennsylvania[1] may now, for the first time, each report only one-half of the community income in separate tax returns. In these States, it has been decided by the State legislatures that between the present Federal income tax and joint ownership of income by husband and wife, the lesser of the two evils is the latter. A similar proposal in Missouri failed of passage at the last session of the legislature, due, it may be supposed, to a reluctance to tamper with the basic property laws of the State.

This problem has received consideration over a period of 25 years. Four types of remedies have been proposed:

(1) To require joint returns for all married persons, which would cause married couples to pool their incomes in one return. Under this plan married couples with combined incomes above the first surtax bracket—now at $2,000—who now file separate returns would pay higher taxes, and their relative tax burdens would be increased in comparison with those of all other taxpayers;

(2) To tax earned income to the earner and community-property income to the spouse exercising management and control. This plan would eliminate the tax savings resulting from the automatic division of income under the community-property laws in some States, but would leave unaffected tax savings resulting from other forms of income-splitting, such as family partnerships, and having the investment income in the name of the spouse with no or little earned income. Its adoption would increase the taxes of spouses who now derive tax savings from reporting community income on separate returns;

[1] The Pennsylvania statute was declared unconstitutional by the Supreme Court of Pennsylvania, on November 26, 1947.

(3) A plan to equalize the differences has been mentioned, but it has failed to meet with much support. It would eliminate the tax advantage in community-property States by subjecting married persons filing separate returns to a new and higher surtax schedule. Under this plan it would usually be found more economical to file joint returns;

(4) What I believe to be the best plan of dealing with the community-property problem is that proposed by Representative ALBERT L. REEVES, JR., of Missouri. This plan would grant to spouses in all States the option to divide their combined incomes for tax purposes. This plan would reduce the taxes paid by married persons who have unequal incomes which in the aggregate exceed the amount taxable under the first bracket regardless of whether they now file joint or separate returns.

It is my opinion that there is no reason that a person earning a certain income in a non-community-property State should pay a larger Federal income tax than someone living in a community-property State earning exactly the same taxable income from the same profession. This matter should, and I believe, will, receive early attention from the Congress.

VIII. DELAY AGGRAVATES INJUSTICE

In conclusion, let me remind you that the late William E. Borah once said:

"The marvel of all history is the patience with which men and women submit to burdens unnecessarily laid upon them by their Government."

For my part, I marvel at the patience with which the professional people of this country have submitted to the burden of an unfair and unjust proportion of the Federal income tax. They have done so seemingly with very little complaint for many years.

Colbert is supposed to have said, with typical French cynicism:

"The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least possible amount of hissing."

I am bold enough to express the view that some hissing from my brethren at the bar is in order. I hope that it will start here tonight, and that it will be heard as far as Washington.

Faith, Not Fear, Must Move Us

EXTENSION OF REMARKS

OF

HON. HARLEY M. KILGORE

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, November 28 (legislative day of Monday, November 24), 1947

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Faith, Not Fear, Must Move Us," written by Brooks Atkinson and published in the New York Times magazine of November 23, 1947. I think it has a bearing on the program which the Senate is now engaged in considering.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAITH, NOT FEAR, MUST MOVE US—WE SHOULD, SAYS AN OBSERVER, BASE OUR POLICY ON CONFIDENCE IN AMERICA, NOT DISTRUST OF RUSSIA

(By Brooks Atkinson)

(Brooks Atkinson, the Times' drama critic, was formerly its Moscow correspondent. He was awarded a Pulitzer prize for articles on Russia.)

Let us hope that the current mood of the country is a passing one. The mood is bitter and sullen, streaked with fear. Let us hope that it derives from nothing more permanent than exhaustion from the war. Wars infect the spiritual health of any country, no matter who wins them, and we are not immune.

It is better to win than lose a war, but not much better. Although the First World War was relatively small it left us in an abnormal frame of mind that produced a number of aberrations—bitterness toward our allies, repudiation of the principles of the war, vilification of war leaders, intolerance of foreign political ideas, general disintegration of personal morals.

But after the First World War we were not afraid. A kind of vague fear permeates the country now. It is eating away at liberal institutions and influencing our policies at home and abroad. It poisons our capacity to think clearly. We are afraid of Soviet Russia which, ironically enough, is afraid of us. If the gods pay any attention to these flutters of panic that skip across the world, they must enjoy this foolish spectacle of two powerful nations shaking in their boots at each other and competing with each other in a tempest of rancor.

Fear is a treacherous factor in situations that require decision and action. It wrecks normal judgment. If the Thomas committee wants to find a real adversary in its search for un-American activities it might investigate the growth of fear in this country. On the evidence of history, fear is un-American. America was settled by foreigners who were not afraid of work and danger. At crucial moments America has been inspired by men who were not afraid of freedom.

The greatness of America is founded on the abundance of our natural resources. But our wealth has been transmuted into a strong and vigorous Nation by the work and imagination of men who had courage. In everything that is vital and honorable in this Nation there is a history of courage somewhere by men who acted on their convictions.

But fear has begun to paralyze some of the normal functions of American institutions. For example, the Gestapo methods used in the loyalty test of Government employees violate the traditional American respect for an individual's security. Since Government employees have access to confidential information and are in a position to sabotage public affairs, the Government is entitled to be sure that its work is being done by people who are loyal. No one questions that. The people as well as the Government have an obvious stake in the loyalty of Government employees. But the secretive methods used in the operation of the loyalty check carry over into our democracy the techniques of police states. No secret police, including the FBI, can be trusted to weigh evidence judiciously or to protect the rights of individual people.

The loyalty check has veered so widely from democratic procedures that the President's Committee on Civil Rights discusses it with considerable anxiety in its thoughtful report, "To Secure These Rights," and declares: "Provision should be made for such traditional procedure safeguards as the right to a bill of particular accusations, the right to subpena witnesses and documents where genuine security consideration permit, the right to be represented by counsel, the right to stenographic report of proceedings, the right to a written decision and the right of appeal."

These would be elementary considerations in any public operation not influenced by fear. No doubt the President's recent appointment of an advisory board to review the loyalty check is the logical response to public opinion, which is the ultimate authority in a democratic state.

Action motivated by fear has recently appeared in another branch of the executive arm of the Government. Less than 2 years ago the State Department provided visas for three prominent Soviet journalists who were specifically invited to travel freely around the United States. With a hearty gesture, the State Department aided and abetted a wonderful journey.

But now things have changed. A few weeks ago Pierre Courtade, correspondent of the Communist l'Humanité, of Paris, applied for a visa to report the meeting of the Assembly of the United Nations. Since France is a member of the United Nations his application represented legitimate business. After a mysterious delay the State Department finally gave him a limited visa with the proviso that he must not peek at the rest of the United States.

We spend a good deal of time wrangling with the Soviet Government about freedom of the press and the moral right of newspapermen to travel anywhere in search of information. But in the Courtade case the State Department, assuming authoritarian powers of discretion, applied to a foreign journalist the same attitude we condemn in the Russians. Every nation guided by fear inevitably ends up in the same blind alley.

The un-American activities of the House Committee on Un-American Activities also come from group hysteria. Unfortunately, they are legal, though unenlightened by the philosophy of the bill of rights. And perhaps one may be pardoned for taking malicious pleasure in the fact that most of the victims called to the witness stand looked as disreputable as their inquisitors. For any American can defend himself against the Un-American Activities Committee by behaving with the candor and courage of an American. Once a question becomes public there are no penalties on honesty. Although the committee has no moral right to ask a man what his politics are, he has a full right to answer. But the Washington carnival, with Hollywood writers and celebrities as the showiest actors, proved something more disquieting.

People in high places in American life are scared, chiefly of Soviet Russia, and are willing to undermine American institutions by informing on their neighbors and recommending that an unpopular political party be declared illegal. They fear that 140,000,000 Americans cannot survive unless the 100,000 members of the Communist Party are turned over to police surveillance.

Since the Communist Party is operated like a conspiracy and is oriented more toward Soviet Russia than America it presents certain problems that cannot be lightly brushed away. But at a time when communism is more unpopular than ever in this country, many Americans are unwilling to trust the common sense of public opinion or the sound political traditions that have made America a strong Nation of free men. In fact, they are willing to try a little totalitarianism to preserve democracy. Like other things that are going on in America at the moment, this gives comfort and aid to the Soviet Russian party line.

Fear not only distorts normal judgment but it freezes the heart. On the Statue of Liberty we proudly display an inspired poem that begins:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free."

and we take considerable pride for humanitarianism. But we close our shores to at least 400,000 of the 1,600,000 displaced persons of Europe, some of whom have been waiting for a home for 5 years.

Most of them are the sort of people who helped fashion America in its present image, for they are the political and spiritual descendants of the millions who emigrated here from tyrannies and chaos during the last century. They believe in freedom more passionately than many Americans do at the moment. Fear of foreigners, which is one of the most primitive characteristics of a civilization and one of the basic characteristics of Russia, has locked the door of America against people who can help to give the world a new birth of freedom. We have forged a few links in our own iron curtain.

That is one reason why we are so generally disliked abroad. Although we have already given $12,000,000,000 to help ravaged countries abroad, we are held in low esteem by people looking for spiritual leadership. The Marshall plan, which is the most constructive proposal yet made anywhere, may change this situation if it is not strangled with political restrictions.

The main reason for our unsavory reputation may be the wide gap between our wartime statement of principles and our niggardly peacetime fulfillment. Caught off balance by Russia's initiative in the Balkans and in Poland, we have not made a single bold gesture in the spirit of the Atlantic Charter. We have not succeeded in helping "people to choose the form of government under which they will live," nor, apart from splendid moral statements, have we been able to give "assurance that all the men in all the lands may live out their lives in freedom from fear and want."

In the unhappy process of continually retiring from the Russians we have found ourselves automatically supporting reactionary governments in Greece, Turkey, and China and backing unpopular groups in Korea. At Yalta, fearing that Russia might not fight Japan, we blandly turned over all practical authority in Manchuria to Russia, without first asking the consent of the Chinese.

Out of fear of the Chinese Communists, and perhaps out of bad conscience, we have given American arms to help maintain in office a moribund Chinese Government which is unpopular with the Chinese people. American arms have been used to quell a popular uprising in Indonesia, where we have no responsibility or interests, although the Atlantic Charter expressed a desire to "see sovereign rights and self-government restored to those who have been forcibly deprived of them."

Perhaps the good impulses of Americans have been congealed by fear, not only of Russia but of change and of liberal ideas. In a world that has been oriented to the left, not by Russia alone but by the collapse of old and inadequate prewar regimes, we have been standing for the status quo, and to the rest of the world we now represent plutocracy. A liberal-minded nation with the courage to act on progressive convictions could be a great inspiration for the sort of free governments in which presumably we believe.

Apart from our food and goods, which are naturally wanted, the world longs for spiritual leadership which the principles of the Atlantic Charter expressed. The revolution that would be generally exalting would be democratic—not communistic. And the disheartening thing about the fear of Russia in Americans today is the lack of confidence it shows in our national creed. If the Russians are really smart, they ought to capitalize on that situation, and perhaps they have.

Unless we let America disintegrate, morally and materialistically, faster than seems likely, there is nothing in Russia to fear at the moment. Russia is a large country, populated by admirable people with infinite potentialities, but led by a handful of fanatical doctrinaires who are scared. They have all they can do to look after themselves, to say nothing of efficiently administering the countries they are dominating, and they cannot yet provide their own people with a decent standard of living. They have not yet fulfilled even one of the four basic freedoms—freedom of speech, freedom of worship, freedom from want, freedom from fear.

As a matter of fact, they have come closer to fulfilling freedom of worship than any of the others, which is curious, since that is the one freedom in which they do not sincerely believe. The cautious relaxation of pressure against religious observance represents their helplessness against the will of people rather than their own conviction.

Certainly there is danger of war. If the world remains rigid and inflamed there is danger of war with Russia in 5, 10, 15 years. No one can rationalize the danger away nor guess when the danger may be greatest. But every student of the subject agrees that Russia cannot fight an aggressive war now, nor can she risk provoking war, for she has hardly begun to recover from the appalling losses of the last. In the meantime she has been losing friends rapidly, particularly in England, where she once had many well-wishers.

Since the spring of 1946, when she was at the peak of her influence, she has made no further progress outside her own borders. Time is running out for Russia as an imperialistic power. Large as her army is, it is not powerful enough for unlimited conquest or continued subjection of people used to western ideas. Having nothing constructive to give the world, Russia now has nothing to look forward to except an internal collapse of the United States and the degeneration of American political traditions.

So why this wave of fear? Why do we let Russia inhibit our freedom of action and poison democratic principles at home? For this is the time to be, not less democratic, but more democratic than ever, to have faith in our own system and eagerness for progress. And if we base action on fear of Russia we shall be as guilty as Russia is of blocking the avenues to eventual understanding.

Whether Stalin believes what he says or not, it is true that the Russian and American systems can coexist and learn from each other—by normal commercial trade, to cite no other method. Although American ideas may be repugnant to Soviet Russia, American goods are quite acceptable, and are good tokens of faith in modern civilization. The Soviet leaders with their timid minds and ruthless methods have locked that door, but they are not so successful that they can afford to keep it locked forever, and the peace and well-being of the world is not so impossible to create as the frightened men of the Soviet state imagine.

The Marshall plan is a wholesome expression of American principle and a rational use of American resources for the good of the world as well as of ourselves. By excluding themselves from participation in its benefits the Russians have advertised the bankruptcy of their statesmanship, for they have nothing to substitute. The relentless logic of materialistic progress, which is something they profess to worship, may draw them into it, despite themselves. In fact, the Harriman report on the Marshall plan assumes that there will be trade with Russia and the Russian satellites before the plan has fulfilled its mission.

There is a calculated risk in the Marshall plan. But let's not forget that there has been a calculated risk in every stage of American development. The country was built by men who took risks—pioneers who were not afraid of the wilderness, businessmen who were not afraid of failure, scientists who were not afraid of the truth, thinkers who were not afraid of progress. And when there is no risk, but only fear instead, the American way of life may be regarded as finished. For progress in liberal institutions as well as in material things takes courage, drive, and conviction. Nobody's revolution is ever finished, including Washington's, Jefferson's, and ours. And Russia's.

Which? Private Enterprise and Full Production, and Plenty, or Government Controls and Scarcity?

EXTENSION OF REMARKS
OF
HON. JOHN M. ROBSION
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. ROBSION. Mr. Speaker, President Truman in his message on Monday, November 17, urged the Congress to provide for allocations, rationing, and price fixing on many commodities, including steel, fuels, petroleum and coal in order to carry out his program of providing $600,000,000 of stop-gap aid to France, Austria, and Italy and also the much larger program, perhaps involving $20,000,000,000 under some rehabilitation program, generally designated as the Marshall plan. I have received many letters from those engaged in the coal-mining industry expressing strong opposition to any such allocations, rationing, or price fixing. It is urged by the coal exporters and the industry generally that any such reimposition of Government controls beyond those now in effect will cut down production and contribute to inflationary trends and bring about a scarcity of coal by disrupting distribution. They point out that—

First. During 1946, coal shipped overseas under Government procedure whereby the Procurement Division of the Treasury Department obtained most, if not all of the coal, to be exported;

Second. Under calendar year 1946 total foreign exports of coal, excluding Canada, amounted to less than 20,000,000 gross tons;

Third. This Government system of purchase through Treasury procurement was entirely eliminated March 31, 1947, and it is estimated during the calendar year 1947 these coal exports will exceed 41,000,000 gross tons;

Fourth. In August 1947, under this free enterprise commercial system, overseas exports of solid fuels including anthracite, bituminous and coke exceeded 5,000,000 gross tons—an all-time record. This demonstrates efficient operation under the free-enterprise system which cannot be realized under a system of Government controls;

Fifth. The bituminous-coal industry of the United States is the only coal industry of the major coal producing countries that is now operating under the free-enterprise system and by virtue of such operation is supplying its own needs and a large portion of the coal needs of the world.

The National Coal Association on November 22, 1947, said in a written statement:

> There is no necessity for Government price fixing with respect to coal. To do so would impede production which is badly needed. There is no over-all shortage of coal. Let us keep some fundamental facts in mind. The United States is the only country in the world that has an adequate supply of coal available at this time. This is only because the industry is operated under the law of supply and demand. Prices are higher than they were a year ago and this is due to the increase in wages, increase in the cost of materials and supplies, and a shorter work-day. * * * The law of free enterprise is bringing out the coal necessary for this Nation's requirements and to supply coal for other countries. Any Government price fixing would reduce production of coal as it would become involved in all of the usual Government red tape.

It is pointed out, production for the week ending November 15 was 12,590 tons, even though Armistice Day was included in that week and there have been produced since January 1, 1947, 538,000,000 tons, indicating clearly that without interference production might exceed 600,000,000 tons during the present calendar year. The blighting hand of bureaucracy will cut down production and bring about shortages and inflationary prices. In all of the important coal-producing countries of the world except the United States, mines have been nationalized under socialistic forms of government. They have eliminated private enterprise and in those countries we find confusion, disorder, and strife on every hand, with reduced production and higher prices. These are the facts as presented by the National Coal Association, the Coal Exporters Association of the United States, the Big Sandy-Elkhorn Coal Operators Association, the Harlan County Coal Operators Association, the West-Kentucky Coal Co., and many others. Shall we abandon our system of private enterprise in the production of coal that is being carried on so efficiently and successfully and which has enabled us to provide coal for our own use and a surplus to aid other countries, and adopt the government-owned and socialized controlled system of other countries of the world which resulted in cutting down production and inflationary prices to consumers and made the people of those governments dependent upon us for their coal supplies?

Repayment and the European Recovery Program

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I submit a copy of an editorial from the Washington Evening Star of November 27, 1947, as follows:

REPAYMENT AND THE EUROPEAN RECOVERY PROGRAM

Under the chairmanship of Representative HERTER, the House Select Committee on Foreign Aid has put its finger on a significant fact in declaring that the United States can receive an important measure of repayment for the help it proposes to extend under the long-range European recovery program. The repayment—a kind of reverse lend-lease—can be in the form of the strategic raw materials we are stockpiling for national defense.

The same point has been made by experts associated with the President's Committee on Foreign Aid, headed by Secretary of Commerce Harriman. They have noted that our stockpiling program has fallen far short of its objectives up to now. According to congressional action taken last year, the program calls for an outlay of about $275,000,000 "for the expeditious acquisition of adequate stocks of certain strategic raw materials, the domestic production of which is insufficient to meet emergency requirements." But the Harriman group has found that the acquisition to date has been slow, unbalanced, and in many cases, negligible. In connection with legislation for the projected European recovery program, therefore, it has recommended that special arrangements be made with the recipient countries to increase the output of these materials to a degree that might permit their shipment to the United States at a rate of more than $250,000,000 a year.

Chairman HERTER and his committee have taken the view that such arrangements might even include agreements under which the United Kingdom or France, for example, might allow us to participate in the production of specific colonial resources, with certain fixed amounts allocated to us. In the committee's words, "Where it is inexpedient politically or otherwise to attempt this direct solution of acquisition of mineral rights a combination of American private capital for development under Government partial guaranty, plus stock-pile deliveries over a 25-year period, would go far toward repaying some of the Marshall program loans and possibly securing interest coverage on previous advances." The deliveries would be made up of more than a dozen major strategic materials, including asbestos, chromite, industrial diamonds, manganese, nickel, tin, and zinc.

The proposed European recovery program, of course, is designed primarily as an investment to help our friends abroad regain their economic and political vigor and thus preserve their independence against the threat of Red totalitarianism. If it succeeds in that, it will pay us rich dividends in terms of our own well-being and security—things that cannot be measured in dollars and cents. That does not mean, however, that the ERP must be put down as a project from which we should expect no other type of return. Both the Harriman and Herter committees have shown how it can be repaid in part in the concrete form of strategic materials. It offers other reimbursement possibilities as well. It is not meant to be a one-way operation entirely, with the United States getting no cash value whatever for what it gives.

The Eisenhower Foundation

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Friday, November 28 (legislative day of Monday, November 24), 1947

Mr. CAPPER. Mr. President, on October 12, 1947, Charles M. Harger, publisher of the Abilene, Kans., Reflector-Chronicle, and president of the Kansas Eisenhower Foundation, addressed the Kansas State Historical Society on the Eisenhower Foundation. Since Mr. Harger's remarks give certain facts about the foundation which, I believe,

will be of interest to the Members of Congress, I ask unanimous consent to have his remarks printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF CHARLES M. HARGER, PUBLISHER OF THE ABILENE, KANS., REFLECTOR-CHRONICLE, FORMER PRESIDENT OF THE SOCIETY AND PRESIDENT OF THE EISENHOWER FOUNDATION, BEFORE THE KANSAS STATE HISTORICAL SOCIETY AT ITS ANNUAL MEETING AT TOPEKA OCTOBER 21, 1947

Fifty years ago—a little more than that—the Eisenhower family moved to Abilene. They built and lived in a modest two-story building in what was then a remote part of the city and is not now inside the close business and residence section. It was on the wrong side of the tracks. But they had a little ground there and they raised five sons—fine, cheerful, wide awake, full of life, full of honors in the school—and one of them was Dwight Eisenhower.

Dwight I knew better than I did the others. He was a member of the same high-school graduating class as my daughter, he was over at the house dozens of times, he was just a nice boy. He was clean. He was decent. He worked hard. He helped earn all the money he could to aid the family, as all the others did. When he went to West Point it was without any pull or any political advantage—just the friendship of the businessmen of Abilene who liked him. The other four boys went to college and worked their way through. By the way, that was a remarkable family. Its five boys all worked their way through college; all occupied prominent places in business and professional life, and one of them, as you know, is president of the Kansas State College.

Dwight went to West Point, and we kept track of him. He came home frequently and we knew him for years and years and years. We kept watching his upward progress and one day we learned that he was a member of the War Staff in Washington. Then the President of the United States, the King and Premier of Great Britain made him head of the Allied forces in Europe, the greatest army that was ever gathered fighting against the most brutal, the most dastardly group of gangsters that ever lived on earth. And he won the war. His Army won the war. He got the honor for it. They acknowledged it. His diplomacy, his ability to gather together the groups from the different countries, molded them into a unified force and we all know what wonderful victories he won.

Then he came home. He stopped in London. One hundred thousand persons crowded the street in front of the Guild Hall. He stood on the balcony with King George on one side, Winston Churchill on the other—Princess Elizabeth in the background somewhere, I suppose—and made an address. It was a marvelous address—beautiful diction, beautiful language, beautiful sentiment. It was a speech that won the heart of every person who heard it or read it. One of the big London papers printed that speech eight columns wide. In comparatively large type, it covered the whole front page and in the center of the page was put a box. In that box was printed the Gettysburg Address. It said in the legend at the top of the page, the headlines, that the address of General Eisenhower was just as beautiful and just as glorious in its sentiment as anything that Abraham Lincoln ever wrote.

That shows how much they thought of him. He came to New York, and thousands and hundreds of thousands cheered him down Broadway. He came to Washington. He came to Kansas City and it was the same thing over again. He came to Abilene and 40,000 people poured into that little town of 6,000 population. I never saw acres of people before until they gathered around the speaking stand out in the park. It was a glorious reception, his home reception.

Then we decided that something ought to be done about it. Here was a man who was unquestionably the greatest general that America ever knew. He had commanded the greatest Army, had had the most remarkable support from every country and from all the generals. And he was a Kansas man, Kansas ought to do something about it. He was an Abilene man, Abilene ought to do something about it. We organized what is technically and officially known as the "National Foundation to Honor General Eisenhower and the United States Armed Forces." He wouldn't have it any other way. He wouldn't have it called the "Eisenhower Foundation," although in general parlance it has come to be called the Eisenhower Foundation.

We set out to raise a million dollars. The foundation has been organized for about 2 years. It has trustees and vice presidents—most of them, of course, from Abilene in order to hold meetings—from Abilene, Topeka, Kansas City, Chicago, and New York. We have tried to raise enough money so that we can build a shrine, a memorial. There ought to be a better name for it, but that's what it means—a structure that would house the trophies that he has promised us, for he has rooms full of them. He says there are so many of them he don't know what to do with them when he takes them up to Columbia University, and he has promised to deposit them with the foundation when we get the building ready to receive them. We have raised about $50,000. Dickinson County voluntarily, no solicitation, raised about $22,000 of that. The rest has come from donations from people of the Middle West. The Veterans of Foreign Wars and the Legion and their auxiliaries have assisted, and we are constantly raising more money. A week ago today they had a collection in many of the schools of Kansas, in which several hundred dollars were raised, and next month there is to be a tag day. All of that, of course, is only incidental. Some day we have to get in touch with wealthy people, or wealthy foundations in the East, and get larger sums—fifty or sixty thousand dollars of money at a time. They are generous as this is a most worthy cause. That's what we are trying to do. We have not struck the right persons yet, but I think we will, and if anyone here would like to give a thousand dollars we would be pleased to send it to the foundation.

General Eisenhower is coming to Abilene. He will bring with him in his plane a token portion of these trophies he has received. I don't know how many, it may only be a satchelful, and it may be a ton of them, I don't know how much a plane will carry, but he will bring them and turn them over to us as an indication of what he will do later when we are prepared to receive them. Some of these trophies are really valuable. Premier Stalin gave him the most valuable trophy or badge, banner, or something or other, making him a member of a Russian order. Jewelers have estimated, so it is reported, that the diamonds, sapphires, and rubies adorning it are worth $22,000. The Russians seem to have plenty of money for decorations and things of that sort. The Danish Government this week gave him a jeweled sword, set with jewels and diamonds. He has oceans of things filling two or three rooms, all to be deposited with the foundation.

In the meanwhile there was the property of the Eisenhower family, consisting of a house, their home in which they had lived, and adjoining it a block of ground of rather large size, with no buildings on it. Last June, Milton acted for the four sons, and they deeded that property to the foundation. We had a celebration at Abilene. Governor Carlson made a speech and Milton presented that deed to me as President of the foundation, and since then we have done a great deal to repair the house. The house needed a new roof and paint, without destroying in anyway the symbolism of the house as the home of the Eisenhowers. All the old things are there just as they were when Mrs. Eisenhower passed away—the dining room, the living room, the little parlor, the old piano, the books, the kitchen. The bedrooms have the same beds. The beds have the same bedding they had on them, and I noticed that on one of the bed posts was hanging the white cap that Mrs. Eisenhower used to wear. There are many souvenirs of the boys, that is of their boyhood life when they were in Abilene. All is there, just as naturally as we could make it, for the entertainment of the public. Then we threw open the house and had a couple of girls to act as guides. It was the latter part of June by the time it was finished. More than 12,000 persons have gone through in the last 120 days. That is nearly 100 a day. They come from every State in the Union, from eleven foreign countries—tourists that go through—and they all come there to see the home that was the boyhood home of General Eisenhower.

That shows how wide a following, how wide is the admiration for him. I believe if we ever get that foundation completed, if we ever get that structure built, it will bring thousands and thousands of people to Kansas just to come and see that memorial to General Eisenhower. He has been very modest about it. He does not want us to pressure anybody to give, and we are to do it as voluntarily as we possibly can. But we want to put it through. We want to complete it in the next 2 or 3 years, and along with it to do something for the rising youth. His ambition of life—his idea that he always talks about to me—is the youth of the Nation, how it needs to be taught the things on which our forefathers built this Nation; that we are not teaching them enough American citizenship. We hope, if we have enough money in the foundation after building a suitable structure, to use some of it to foster that education in some of the colleges and help to uplift this younger generation, which he feels is not living up entirely to its possibilities. That is his idea and it is the idea of the foundation—but first we have to have the building and the funds with which to work.

That's the story. We have appreciated the work of the Legion and the VFW and their auxiliaries in raising money and helping the cause all over Kansas. Many of the counties from out West, where they are loaded down with money—wheat money—have been very liberal in their contributions. Many of the cities have been liberal, and we are hoping that we can succeed in raising enough funds to complete that job.

Now, all of this, of course, has been very interesting to the press. Five books have been written—lives of General Eisenhower. All of those authors have come to Abilene and have spent 2 or 3 weeks digging out material—stories and incidents of his boyhood. A number of incidents never happened, but they make good reading matter. And there were magazine people—all sorts of magazine people—from the Saturday Evening Post, Collier's, and publications like that. All those magazine people came out and we entertained them. We were glad to meet them, for they are such interesting people. Then the newspapers, the Chicago newspapers, the St. Louis newspapers, New York, San Francisco, and of course, all the local papers like Wichita, Topeka, and Kansas City. They have come out and written feature stories for their Sunday issues. They all built up the reputation, notoriety and fame of General Eisenhower.

And so, reading all those articles and hearing those newspaper and magazine people talk, Abilene has evolved a dream. It may not come to realization, but it may, and that dream is that in addition to being the boyhood home of a great general, it may also be the boyhood home of a President of the United States.

It's a Great Day, at That

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a copy of an editorial which appeared in the Washington Times-Herald of November 27, 1947, Thanksgiving Day, as follows:

IT'S A GREAT DAY, AT THAT

You don't have to look far or hard for things not to be thankful for on this Thanksgiving Day, 1947. The map of the world, including the United States, is plastered with such.

For one item, there is the inflation which is plaguing this country. Prices are up and going higher, and there's nothing to be thankful for in that.

For another, High Tax Harry Truman and his New Dealers are fighting to increase our inflation by railroading through Congress an insufficiently safeguarded European-aid plan to cost twenty billions or worse in the next 4 or 5 years. At the same time, they are trying to blame the Republicans for inflation, and are asking Congress for power to bring back black markets and superinflationary under-the-counter prices through a restored system of consumer rationing and Government price controls.

On the international scene, Communist Russia is still raising unmerry Hell.

Captive countries behind the iron curtain are suffering a variety of tyranny, robbery, and villainy reminiscent of the 30 Year's War of Genghis Khan; and the knowledge that such things are going on frays the nerves of civilized people everywhere.

The cold war against the United States is being stepped up by Russian stooges in France, Italy, Yugoslavia, Greece, China, Korea, Japan, and needless to say, the United States itself.

How the cold war can be kept indefinitely from becoming a hot war is hard to see; though we still think that would be a calamity of calamities, and that we should do everything in our power to prevent it. Another thing not to be thankful for is that our present rulers seem no more anxious to head off World War III than Roosevelt was to keep this country out of World War II.

For all that, things might be a lot worse than they are.

At least we have the hardest money in today's world, and a huge stock of gold to anchor it to. That most likely means that, while our inflation may get a good deal worse than it now is, we'll not suffer from such paper-money tornadoes as have wrecked the economies of Greece and Hungary since the war.

The United States also has plenty to eat. Our crops have been enormous for some 10 years last past. They will probably be off somewhat during the next year, but no famine or semistarvation is in prospect. We can be thankful for that.

We can also be thankful that Senator ROBERT A. TAFT (Republican, Ohio) and like-minded men are fighting in Congress for the proposition that we should ration the rest of the world on American food shipments before we think of rationing ourselves.

TAFT'S proposal was greeted with horrified shrieks by the do-gooders, but it is only common sense—how can we hope to help any other nation if we weaken our own? And it seems to be taking hold in Congress.

Then, too, we seem to have learned a few lessons from our latest war experience—not enough, perhaps, but a few.

THINGS TO BE THANKFUL FOR

At least we're still budgeting heavily for the armed forces, and throughout the services there is evident a determination that never again will we be caught napping.

Research on new-type airplanes, guided missiles and rockets is going forward energetically; and if Congress will only appropriate still more money for these purposes, we can be that much more thankful.

Maybe this is a gruesome thing to say, but it seems to us one of our chief reasons for offering up thanks today is the fact that we've been sensible to date about the atom bomb.

A year ago, it was touch and go whether Russia would succeed in kidding us into prematurely yielding up to some international agency all our knowledge of how to make atom bombs. The question is decided now, in the negative.

Meanwhile, we've been busily making and stock piling these individual weapons; and the current ones are said to be 50 times as powerful as the primitive little numbers that smashed Hiroshima and Nagasaki; and the reports that Russia has an atom bomb of its own appear to be just some more Soviet wahoo (old Indian word for bushwah, old Indian word for mahoola).

On balance, we think Thanksgiving Day, 1947, is a relatively glorious occasion for the United States, and we hope you enjoy it.

Our Honored Dead

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. McDONOUGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an unusual patriotic address delivered by the Honorable J. F. T. O'Connor, United States district judge for the southern district of California, in the Los Angeles Coliseum on Memorial Day, Sunday, May 30, 1943, which I had the privilege of attending.

It is estimated that 70,000 persons were present on this occasion. Distinguished guests were Gov. Earl Warren, Mayor Fletcher Bowron, Admiral R. S. Holmes, Maj. Gen. M. Murray, Judge Goodwin Knight, Archbishop John J. Cantwell, Rabbi Edgar F. Magnin, Dr. E. C. Farnham.

The address follows:

No one has expressed the spirit of this day in more significant words than William Gladstone when he said:

"Show me the manner in which a nation or community cares for its dead, and I will measure with mathematical exactness the tender sympathies of its people, their respect for the laws of the land, and their loyalty to high ideals."

We have assembled in this vast coliseum under sunny skies to honor the memory of our soldier dead. High and deserved tribute has been paid in the press, over the radio, and, this afternoon by Governor Warren, Mayor Bowron, distinguished officers of our armed forces, Archbishop Cantwell, Reverend Doctor Farnham, and Rabbi Magnin, and you, my fellow Americans, many tens of thousands, by your presence speak a far more eloquent tribute than any words of mine. While similar exercises are held today in most of our States and in Alaska, far away Puerto Rico, and the Hawaiian Islands, no gathering outnumbers this one.

Three quarters of a century ago the first Memorial Day services were held. They were dedicated, at the direction of the national commander or the Grand Army of the Republic, Gen. John A. Logan, to the fallen Union heroes of the Civil War, but as time healed the wounds and softened the bitterness of the strife, and men read into Appomattox not defeat for the South but a triumph for both armies, the soldiers in grey were honored with their brothers in blue. The men in '61 who shot out of the skies at Fort Sumter the Stars and Stripes, and lowered it from the southern capitols, 4 years later with their own hands raised again the emblem of freedom and justice, testifying to the indestructibility of the Union.

Two years after the close of the Civil War the women of Columbus, Miss., impartial in their offerings made to the memory of the soldier dead, strewed flowers on the graves of confederate and national alike. This act, simple and spontaneous in its origin, quietly done by women whose men followed the light of a fading star, touched the heart of the North as no resolution, no law, no speech, could do.

Was it the soldier son of a mother in Maine upon whose grave fell the tribute from the Mississippi mother's hand? Perhaps in the common sorrow shared by each was drowned the erstwhile enmity. The poet, Francis Miles Finch, wrote the story in imperishable words:

"They banish our anger forever
When they laurel the graves of our dead
Under the sod and the dew
Waiting the Judgment Day
Love and tears for the Blue
Tears and love for the Gray."

Of the 3,000,000 men who marched under the leadership of General Grant and General Lee, about 900 live today. In their honor a Nation bows its head in prayer and reverence. Thirty-three years of peace followed the Civil War. From Andrew Johnson to William McKinley our Nation pursued the peaceful pathways of a people determined to build a new continent dedicated to Liberty, justice, and free enterprise— a new South arose. The battle trenches were filled, the battle-scarred fields grew new life with cotton, corn, and tobacco finding new and better markets across the Mason and Dixon's line. Houses and barns were rebuilt, while factories flourished in the North and the pioneer was breaking sod in the everwidening West, won by the heroes of the Indian wars. Once again from the lips of a united people came the song, born in the throes of an earlier war: "Oh say can you see by the dawn's early light * * *." Again the bugle note, again the call to arms, and the sons of the men who wore the blue and the gray now marched shoulder to shoulder under one flag, one command, one country.

Today we honor alike the heroes of the Spanish American War. They avenged the sinking of the battleship *Maine*. They carried our flag in triumph to the outposts of the Pacific and to the rich islands of the Philippines—Guam, Wake, and Midway were among the possessions which fell under our protection, while the last vestige of a foreign power relinquished its jurisdiction in the Western Hemisphere.

Today comes the real appreciation of our debt to the soldiers and sailors of '98. What would have happened had not the Stars and Stripes floated over the islands in the far Pacific during the past 45 years? We builded better than we knew. No—not we, but a higher power nearly half a century ago, sent our battleships to fight in distant tropical waters to liberate millions of men and women and to make more secure the safety of our own land. If speculation is pardonable on this solemn occasion, it is my humble opinion that the flag of the rising sun would float from every port and fort and public building, from the largest to the smallest island. Under Nippon the vast resources of the Philippines would have been used to build forts, guns, battleships, and battle planes to rule the Orient and threaten the peace of the Occident. The Philippine Commonwealth comprises 114,000 square miles with 16,000,000 people under the heel of Japan, but not for long. Soon Japan will feel the full power of American might and courage in the air, on the sea, and under the sea, and on the land, and her flag will symbolize not the rising sun, but the setting sun.

Nearly 20 years of peace followed the Spanish-American War, when again the bugle notes sounded the call to arms, and over 4,000,000 Americans responded. It was Europe's war—not ours—until a ruler drunk with power and crazed with ambition denied the right of American ships flying the flag of the United States to sail the high seas. One after another our unarmed ships were sunk—men, women, and children murdered by German torpedoes—from Washington to Berlin went countless notes of protest but the Kaiser, convinced we would not fight, and if we did, could not arrive in time to prevent a German victory, and that if our soldiers did arrive they were no match for German military power—gave the order for unrestricted submarine warfare. Our soldiers did arrive, they did fight, and they conquered. Fifty thousand four hundred and ten American soldiers died in battle or from battle wounds, while 182,674 carry the scars of battle. That was the most valuable part of our contribution and our sacrifice in the last war.

To these heroes of World War I a nation pays its tribute today. The statesmen, or shall I say the politicians, lost what they bled and died for under European skies.

Nearly a quarter of a century passed in peace, but slowly the war clouds were gathering over Europe and in the far Pacific—again it was Europe's war, not ours, until December 7, 1941. Japan without a declaration of war, without justification, without warning, in fact at the very moment her emissaries were assuring our Nation at Secretary of State Hull's desk that Japan was our friend, their grinning faces masking the treachery and perfidy of their minds, the sons of Nippon were murdering our soldiers and sailors at Pearl Harbor. They murdered 2,343; they wounded 1,272, and 960 are missing. They destroyed 177 airplanes. In the harbor 86 ships were damaged or destroyed. The despicable blow planned for a score of years or more in great detail by military strategists was intended to bring speedy victory to Japan. Guam, Bataan, Guadalcanal, Wake, the Solomons, and Attu is part of our answer. The completed story will be written in the ashes of Tokyo.

There are new graves in North Africa, Iceland, Alaska, the Aleutians, the islands of the far Pacific, and under the seas—new reasons for this memorial occasion. Our men sleep side by side with the other heroes of the United Nations. Each country honors its own dead—each honors the dead of the other nations fighting in a common cause. Love of liberty and justice binds in links stronger than steel, these United Nations. Determination to crush the enemies of democratic institutions is the watchword—liberty for all men the goal! Here in this Coliseum blend the colors of the United Nations—one for all and all for one. Each flag speaks the heart of its own people. Here they form a huge cross silently invoking divine assistance without which no cause can triumph. No historian can pen the story of another generation to read. No language has words to express the inhuman and brutal acts of savagery perpetrated by the Axis Powers.

Inspired by these solemn services, we shall go forth with renewed faith in the justice of our cause, sanctified by the blood of our soldier dead and with a deeper appreciation of the meaning of the present conflict. Let no rumble of discord stay the efforts of the leaders charged with the responsibility of bringing victory to the United Nations, peace to the world, and happiness and freedom to all mankind, foe and friend alike. Roosevelt, Churchill, Stalin, De Gaulle, Giraud, and Chiang Kai-shek—this great multitude voices the approval of the war's progress and lifts its heart in prayer to Almighty God to speed the end of destruction of life and property and, with the hope that another Memorial Day will witness "Peace on earth to men of good will!"

Putting It Up to Congress

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. ANGELL. Mr. Speaker, the Congress was called into session by the President to consider foreign relief and high prices now prevailing throughout the United States. The Portland Oregonian, published in my congressional district, has written a series of editorials discussing these problems which are worthy of consideration by Members of the Congress and I include them as a part of these remarks.

The editorials are as follows:

[From the Portland Oregonian of November 11, 1947]

PUTTING IT UP TO CONGRESS

Secretary of State Marshall's factual, unemotional statement of Europe's needs should set the tone for congressional consideration not only of emergency aid, in the special session, but of the long-range assistance program. This is not to say that the Congress should accept without question all recommendations of the administration. Careful examination of the requests for gifts and loans from the 16 friendly nations, and assurances that those countries will work together to help themselves, are essential. But any attempts to make partisan,'political capital of the European aid program would be an affront to the intelligence of the American people.

So many writers and commentators lately have been saying that the cold war between communism and freedom in western Europe already has been won, or is about to be won by the forces of democracy, that Congress must guard against an inclination to sit back in its seat and take it easy. If the spread of communism has been stopped, temporarily, the reason is not ideological. It has resulted from a renewal of confidence in depressed countries that they can depend upon the United States for help.

Decisive congressional action to implement the promises of the Truman administration—though such promises were made without consultation with Congress—must be taken. Russian communism would gain ascendancy in France, Italy, and Austria if Congress defeated the aid program, or by haggling and political quarreling delayed its effectiveness beyond the grim winter months. And when communism takes over a country, there is an end to world cooperation as well as to individual liberties.

Secretary Marshall's statement to the joint congressional committees of foreign affairs that the long-range program of European assistance must be one of construction, production, and recovery is reassuring. Congress would be negligent, however, if it accepted such assurances without making sure that beneficiary nations will take steps to stabilize their currencies, remove trade barriers, and draw strength one from another, as well as from the United States.

Emergency appropriations to pull France, Italy, and Austria through the winter and to strengthen the occupation must be given priority. Whatever steps may be feasible to reduce prices in this country, thus making the European burden easier to bear, should come next. Then, the long-range program of world assistance, geared to the goal of ending the dependency of friendly nations as quickly as possible.

[From the Portland Oregonian of November 14, 1947]

MARSHALL'S SECRETIVENESS

Secretary of State George C. Marshall's projection of military "top drawer" secrecy tactics into the conduct of foreign affairs is drawing increasing criticism from Members of Congress and the press. This page thinks he is making a mistake—in fact endangering his own plan for aid to cooperating nations—by refusing to let the public in on the facts of the world situation.

Nevertheless, one need not go far to find some explanations for his secretive attitude—aside from his training and habits as an Army career man and Chief of Staff in the great war.

When General Marshall succeeded James F. Byrnes as Secretary, the Communist tide in Europe was advancing at an alarming pace, menacing France, Italy, Turkey, Greece, and other nations as well as clamping the leg-irons on those countries which already had fallen as satellites. No effective American policy had been developed to oppose it.

While President Truman took the credit for the Greek- and Turkish-aid program, it is generally understood that Secretary Marshall helped develop it. It was Marshall who gave western Europe its first concrete hope of averting economic chaos and Communist absorption. In his address at Harvard University he offered American loans and grants to European nations which would get together and present a reasonable program for reconstruction.

Development of the Marshall plan followed. As a result of the Paris Conference called by Bidault and Bevin, 16 nations lined up in what may roughly be called the American bloc, and 7 by choice or compulsion threw in their lots with Russia. This became the first clear development of American foreign policy—a realistic and tough policy—in the postwar era. And the spread of communism was stopped.

It is not surprising that Secretary Marshall, who dealt with the European situation in a decisive military manner, has been encouraged to believe that he can continue to make grave decisions without consultation with Congress or the people.

It is no discredit to the Secretary to say that he cannot, and that he will soon come to realize it. Congress is not disposed to write a blank check for the administration to spend, nor should it be. The people are entitled to know what steps are being taken and what dangers exist. This is not a quarrel between reporters and Congressmen on

the one hand and the Secretary of State on the other.

What actually is involved is the fundamental right of a free people, to know what their leaders are doing.

[From the Portland Oregonian of November 17, 1947]

WE MUST EARN THEIR BREAD

The momentous special session of Congress opening today would not have been necessary had European countries made better progress on the long road to recovery from World War II. Congress has been called back to deal with domestic inflation, as well as to provide additional emergency funds for France, Italy, Austria, and occupied Germany, but the prices which are a burden to everyone would not have risen so high were it not for the bidding for food and goods to meet Europe's needs.

Nor is it likely that Congress can devise any guaranteed program which will greatly reduce domestic inflation, so long as the drain of resources to Europe continues unabated. Congress will do well if it can check the rise. It must be apparent that the sooner our friends in Europe struggle to their feet, the better it will be for all of us.

The role of bread-earner and physician to the world is not one which the United States eagerly assumes, having had unhappy experience as "Uncle Shylock" after World War I. Yet it is a responsibility this Nation cannot shirk if there is to be world recovery and peace instead of further degeneration into chaos and eventually into war. Perhaps our efforts will not be enough. We must make them, regardless.

It is well to remember, if Congress appears to be giving undue attention to the details of the aid program, that these are our elected representatives who feel a keen sense of duty to determine the best and least costly method of helping other countries. There still is not sufficient understanding of the Marshall plan—which is not so much the plan of this Government as it is the presentation by 16 nations of their requests for help.

If Congress can improve upon this program, it would be remiss if it did not do so. There is no obligation for it to accept it as written, though should some Members of Congress succumb to a temptation to make partisan politics of human misery they certainly would risk their political futures, as well as the Nation's welfare.

It will be pointed out that had the Soviet Union joined in world reconstruction with at least a show of amity, had it even fulfilled its Potsdam pledge for the unification and rebuilding of Germany, western Europe would not be so hungry and cold this winter. Yet that is a situation this Nation has found no means to alter. The United States has no alternative to the Samaritan role, and we think the people are ready to make the sacrifices which that requires so that the feeble light of peace may be kept aflame.

[From the Portland Oregonian of November 18, 1947]

RETURN TO FEDERAL CONTROLS

President Truman's bold and forceful program to halt inflation before it ruins the Nation is a challenge to Congress, to business and to labor to accept it or to devise a better one. It took political courage for the President to urge the resumption in peacetime of odious consumer rationing, price ceilings, wage ceilings, and rent control for it is not at all certain that such measures would do the trick should Congress approve them.

The President and his advisers evidently sensed the deepening tide of public resentment against living costs, which have outpaced earnings, and evaluated it correctly as a threat to the world-assistance program which is essential to peace and recovery. The people probably will support any reasonable program which will bring lower prices. But there may be fatal flaws in Mr. Truman's plan.

One wonders if he would have gone further and advocated total controls over prices, allocations of supplies and wages had it not been for the virtual impossibility of obtaining the consent of Congress and support of the public. The truth seems to be that the people want lower prices without a return to the widespread Government controls of wartime—and therein lies the danger of Mr. Truman's plan.

He asks authority of Congress, for example, to impose price ceilings on vital commodities in short supply that basically affect the cost of living—these falling in the classifications of food, clothing, fuel, and rent. But there would be no ceilings for delicacies and luxuries.

How would the Government prevent growers and manufacturers from turning their production into higher-priced luxury items, thus curtailing production of essential food and goods on which profits were limited by ceilings? Remember how the market was flooded with $10 luxury shirts, not long ago, when the overwhelming demand was for $2 everyday shirts?

This selective treatment in price ceilings also would apply to industrial items. Would the over-all result be a lower cost of living, or higher?

Mr. Truman expressed the opinion—which could be more accurately classified as the hope—that rationing of consumer goods would not be necesary, but he asked for authority to impose it if need arose. Of course, it would be necessary, if there were further depletion of basic food and clothing items by diversion of production to luxury items. Rationing is a specter which most Americans abhor.

The President's selective plan of controls also would apply to wage increases. He wants authority "to prevent wage increases which will make it impossible to maintain the price ceilings." Suppose, for example, ceilings were imposed on the prices of steel but not on the prices of automobiles. Steelworkers then could be denied wage increases, while automobile workers were getting them. One needs no crystal ball to foresee what would happen then—strikes, slack-off, or cessation of steel production, worse shortages, and higher prices.

The Little Steel formula used by the Government in wartime was at least generally applicable to all industrial wages and had the attribute of approximate equality.

It is plain from President Truman's message that he hopes to use these powers of selective controls as a threat to obtain farm-labor-management cooperation in checking the price spiral. But the threat will not be enough, and when controls are applied in one industry or to one commodity the forces of dissent will be loosed.

It is discouraging to see the Nation headed back into Federal controls, when the trend since wartime has been toward greater freedom from authoritarian government. The failure of the people to make good their escape after the last war increases the odds against breaking the chains again.

[From the Portland Oregonian of November 19, 1947]

PRICES AND POLITICS

Senator ROBERT A. TAFT's flat rejection of President Truman's demand for return to Government controls comparable to those in wartime—rationing, wage and price ceilings, and allocation of materials and goods, for consumers and for business—keynotes the 1948 Presidential campaign.

This was a situation which President Truman unquestionably expected to result from his message. Whether or not he believes such Federal controls essential if the United States is to provide foreign relief, he must have known that a Republican Congress would not accept them.

The plan he proposes puts Congress on the spot. If it rejects Mr. Truman's demand for executive authority unprecedented in peacetime, and fails to adopt measures of its own sufficient to halt inflation, Mr. Truman's campaign in 1948 will be simple. No one then could say whether or not his plan would have worked. But if Congress devises its own program, probably along the lines suggested by Senator TAFT, and inflation is checked, the GOP nominee will benefit by a restoration of public confidence in the economic soundness of the party.

One danger in this political issue which was made by Mr. Truman is that the foreign aid program may be lost or crippled in the controversy. That cannot be permitted to happen, for if Europe collapses in chaos and communism, the peril to this country will be so great that parties and politicians will prevail no longer.

Senator TAFT expresses belief that domestic inflation can be checked by reducing the $37,000,000,000 burden of Government expenditures; by reducing Federal taxes to relieve the pressure for additional wage increases and to make up the family deficit between earning power and buying power; by limiting exports of inflationary items; by reducing substantially the Marshall plan appropriations for long-range European assistance; and by controlling expansion of private credit.

Of those proposals, only the limitations on credit and exports fall within the President's 10-point plan. The prediction can now be made that the congressional program will follow Mr. TAFT's plan more closely than it will follow Mr. Truman's.

There can be no questioning the public demand for a curb on price increases, nor for the economic necessity of stopping inflation to avert collapse and depression. This page is convinced that the people do not want to return to Federal regimentation in peacetime, and will fight it with the under-counter, black-market weapons which were a national scandal in wartime. Our own experience, and the example of European countries with regimented economies, have made a free enterprise system more precious to us.

The Los Angeles Times expressed it rather well: "The supreme irony of Mr. Truman's petition to Congress is this: He says that to aid the sick we must share their sickness. Europe has too much government to produce, but if the United States had the same amount of government it would produce more."

Despite the injection of the anti-inflation issue into the Presidential campaign, there is nothing partisan nor political either in that issue or in the imperative necessity of helping Europe to its feet. Both the White House and the Congress should keep that in mind.

Let Us Weigh the Cost of War

EXTENSION OF REMARKS

OF

HON. JOHN W. GWYNNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. GWYNNE of Iowa. Mr. Speaker, I desire to call attention to a very significant editorial in the November 29, 1947, issue of Labor entitled "Let's Weigh

the Cost of War Before We Plunge Into Another World Conflict."

In all our deliberations, Congress and the American people should remember two things: One, another war would take the lives of millions of innocent people, and, secondly, another war would probably settle nothing, and might even destroy civilization.

In accordance with permission heretofore granted, I enclose the following copy of the editorial referred to:

Men in high places—politicians, journalists, diplomats, financiers, militarists—are talking lightly of the inevitability of another world war. Before they plunge hundreds of millions of helpless human beings into such a catastrophic conflict, is it too much to suggest that they pause for a few minutes to read the stark facts of history?

Stephen Bonsal, famous war correspondent, is still living in a suburb of Washington. More than a year after the close of the First World War, he was in uniform, a lieutenant colonel in the Army Intelligence Service. The Paris Peace Conference had adjourned and a democratic government was struggling for existence in Germany. Bonsal was dispatched to Berlin to see how things were going.

On his return trip to Paris, he stopped at Valmy, scene of a famous battle. There in 1792 French revolutionists, many of them lacking in military training, routed the crack troops of the King of Prussia and his associates. But that was a little war. Why, in World War I the defense of Verdun alone cost the lives of 400,000 Frenchmen! Bonsal noted that fact and continued:

"My hours in Valmy, and those that immediately followed, will mark a period in my own war memories.

"The train I ultimately caught was crowded, jammed, with the wreckage of war; it had been chartered, apparently, to carry the crippled and the crushed survivors of battle to Verdun, where they were to celebrate the anniversary of some great feat of arms which was, I think, the recapture by the French of Douaumont, and now the train was carrying them back to darkened homes.

"This train, crowded with those who survived, was a more horrible sight than any of the many ghastly battlefields I have witnessed in so many lands.

"It was clear to me that those who had died in a moment of exaltation and of inspiration were the lucky ones; to many of these death had been merciful, often it had come instantaneously, but the overcrowded train in which I now stood up for hours was filled with men and women who were dying slowly, the long-drawn-out death of conscious agony.

"All about me were groups of men who had fought heroically, many with grotesquely distorted faces which even their loved ones could not look upon save with a feeling of repulsion that must have been difficult to conceal.

"Very much alone were the groups of war widows left to struggle for existence in a pitiless world, with perhaps a child, wearing as its only heritage the Medaille Militaire as substitute for the guiding hand of a father.

"As I traveled with this cavalcade of misery and of suffering, I realized more fully than ever before the terrible price our generation has paid for its victory. Is it not possible that we have learned our lesson? Can we not see to it that such a crime shall never happen again? Is not the panorama of calamity and distress by which we are surrounded a sufficiently crushing indictment of the military epoch out of which no one has emerged victorious?

"How I wish all who will be called upon to shape world policies in the next decade could have been exposed to this heart-rending spectacle.

"Out of such an experience might come something more substantial than our halting covenant for peace and nonagression, with reservations, signed by men well beyond the fighting age; perhaps might be reached even a universal decision not merely to disarm but to beat our swords into plowshares and to join in the forgotten prayer, 'Peace! Peace unto Jerusalem. They shall prosper who love Thee.'"

We fought World War I to "Make the world safe for democracy." In World War II we sacrificed thousands of our sons and billions of our treasure to give the world the Atlantic Charter, and now, 2 years after Hiroshima, we are stumbling toward World War III.

May God in His mercy soften the hearts and enlighten the minds of the statesmen of the world.

United States Air Forces

REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, I wish to call to the attention of the Congress that on November 24 I introduced H. R. 4565, to appropriate $430,000,000 to the United States Army Air Forces and $250,000,000 to the United States Naval Air Forces, and my bill has been referred to the Appropriations Committee.

Mr. Speaker, on yesterday there appeared articles in the newspapers stating that Secretary Symington, testifying before the President's Air Policy Commission, said that—

The present Air Force goal of 55 combat groups by next January 1 is "not adequate to the security of the United States as framed by the Joint Chiefs of Staff" and that "for adequate security, we need an Air Force comprised of 70 combat groups, including 21 very heavy bomber groups, 5 very long-range reconnaissance groups, 5 light bomber groups, 22 fighter groups, 10 troop carrier groups, and 4 tactical reconnaissance groups" and that this would necessitate 6,869 planes and would include air transport command and air training command aircraft." Additionally, Secretary Symington estimated "the Air Force should have 27 National Guard air groups composed of 3,212 planes and 34 air reserve groups made up of 2,360 planes, making a grand total of 12,441 planes for a strong United States Air Force."

Symington said that—

The Air Force could reach its 70-group goal within 1 year, provided Congress O. K.'d enough funds, and that legislation should be passed to permit the Air Force to buy on a 5-year basis, instead of the present limitation of 2 years.

Mr. Speaker, at House and Senate hearings executives of the aircraft industry also testified that unless the Government ordered aircraft at once, the aircraft industry would dry up and that the industry would go out of business. We cannot permit this. This question is the responsibility of the Congress, and I hope that immediate favorable consideration will be given to my bill to save our Air Force and our aircraft industry. Mr. Speaker, for the information of the Congress, I ask that a copy of my bill, H. R. 4565, be printed following these remarks.

H. R. 4565

A bill making appropriations to provide supplemental funds for the Department of the Navy and the Department of the Air Force

Be it enacted, etc., That (a) there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Navy, for new construction, procurement, and equipment of aircraft, spare parts and accessories, including expansion of and facilities in public or private plants, to be immediately available and to remain available until expended, in addition to amounts appropriated for such purpose under the Navy Department Appropriation Act, 1948, the sum of $250,000,000.

(b) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Air Force, for purchase, manufacture, and construction of aircraft, and instruments and appliances, including radio, radar, and electronic equipment, necessary for the operation, construction, or equipment of aircraft, and spare parts and equipment connected therewith, to be immediately available and to remain available until expended, in addition to amounts appropriated for such purpose under the Military Appropriation Act, 1948, the sum of $430,000,000.

School Teachers' Salaries

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 20, 1947

Mr. CLASON. Mr. Speaker, most Members of Congress are personally interested in the problem of furnishing adequate pay to the school teachers of the United States. As one who has been a teacher in the past and who has always been particularly interested in adequate education for our young people, I am glad to bring to the attention of the Members of Congress the remarks of a distinguished New England commentator, Mr. Hubert W. Kregeloh of Springfield, Mass. His suggestions are thought-provoking and worthy of full consideration by both national and State legislators. All of us know that most public school teachers and college professors and instructors deserve higher salaries than they are now receiving. After reading Mr. Kregeloh's instructive address, I am sure we will have a better background on which to build the future of teachers in the United States. His remarks are as follows:

DON'T FORGET THE TEACHERS

(By Hubert W. Kregeloh)

At this time, in several regions of the country, the public-school teachers are seeking pay adjustments. Before the public crystallizes its reaction to these demands it may be helpful to examine the issues involved soberly and searchingly.

It is the normal first reaction of every American to meet demands for more money with hostility and suspicion—whether the demand is for higher wages, prices, or taxes.

It is a healthy reaction, springing from an understanding of human nature. For if the demands were easily granted, without careful questioning, the temptation to try unreasonable assaults on one another's pocketbooks would quickly become irresistible.

We are fortunate to be in a position to resist, question, and scrutinize. In totalitarian countries, such as the Soviet Union, wages, prices, and taxes are decreed by an almighty government, as everything else is decreed. The citizens are merely informed of the amounts they will be expected to pay, and of the penalties they face in the event of noncompliance. But because we are so largely masters of our own fortunes, it is necessary for us to make up our minds with maximum responsibility. When a large group of wage earners requests a raise we must ask ourselves two determining questions: Is the demand justified by the circumstances? Can the funds be procured? In the case of the teachers it is hard to see how any fair-minded American could deny that the demand is eminently justified. And it would be shameful to argue that the funds could not possibly be raised by the nation which provided its citizens with the world's finest conveniences, financed the most prodigious war effort in the history of man, and has already shipped to foreign countries almost $20,000,000,000 worth of postwar assistance in one form or another.

We pride ourselves in our ability to give leadership to the world. Yet in the field of education we are not a shining example. Other countries which we consider "backward," among them the Soviet Union, do much more relatively to promote education. We have some outstanding educational institutions, but the national average is not as high as many believe it is and not nearly as high as it could easily be. The main reason for this condition is a catastrophic shortage of first-rate teachers. While teachers have been deserting the profession by the hundreds of thousands since 1939, the situation is still getting worse. As Mr. A. N. Spanel, president of the International Latex Corp., recently warned in a public-service advertisement: "Nobody wants to be a teacher. Young people turn to other occupations. In colleges, where teachers are trained, the seats are empty. There is often no one to take the place of the teacher who leaves the profession. The war greatly increased the birth rate. Soon these war-born children will appear at the schoolhouse door. There will be more pupils * * * and fewer teachers, * * * inferior schooling for millions of our youngsters."

Pointing to the shameful fact that American wages for all others have been raised substantially in recent years, that the national income has increased 300 percent since the war began, while teachers' incomes have been raised only 12 percent, Mr. Spanel stated in his advertisement that "teachers are quitting the profession simply because they are underpaid. They are victims of our short-sightedness. The high cost of living has wiped out their savings. Jobs outside the schools offer better pay. The teachers are naturally taking them. They will continue to do so until the American people decide to pay teachers a living wage."

It is ominously significant that the people, by and large, have not decided to come to the rescue of the hard-pressed teacher, but have evaded the issue and have made excuses, while unrealistically continuing to expect devotion and perfection from the teachers. At that, it is amazing how much devotion and perfection still is encountered among this neglected profession. For an educated, intelligent and ambitious person to be a teacher under prevailing conditions, one must truly be an idealist, and it is indeed inspiring to note how the shrinking core of competent and devoted teachers continues the Herculean struggle of giving their best to a community whose gratitude and appreciation are all too often shamefully inadequate. Have we forgotten, or are we indifferent, for example, to the facts that teachers willingly went without annual increments during the depression—and in many communities contributed part of their salaries to help take care of the increased welfare load; that teachers, for patriotic reasons did not ask for any increase in salary schedules during the war; that teachers performed the gigantic task of registration for the draft and registration and issuing of ration books for food, gasoline and fuel oil; that teachers have proved, time and again, that in periods of national or local emergency they stand ready to give generously of their time, energy, and even their meager funds? Do the exemplary moderation and self-discipline of the teachers in the face of dire difficulties make no greater impression on us than to conclude: Here is one group whose legitimate needs we may conveniently ignore?

Taking note of the strategy of labor unions, we complain that the tactics of their leaders are frequently belligerent, unreasonable, insolent, detrimental to the interest of the public and generally offensive. But does not the plight of the self-restrained teachers tend to confirm the contention of the unions that without pressure, threats, belligerence, and noise improved working and living conditions just cannot be obtained? We have now arrived at fateful crossroads where we must choose between three alternatives.

First, we can acknowledge the economic difficulties of the teachers, who now frequently earn less than unskilled manual workers with little education, and honestly resolve to provide quick remedial action.

Second, we can continue to ignore the situation, in which case our educational standards will continue to slip and the final consequences will surely be catastrophic for all of us.

Or, third, possibly as the result of continued indifference, we may drive our teachers to desperate measures—measures which would shock the community and demoralize our youngsters, measures which the teachers themselves have always been anxious to avoid. We expect the teachers to be examples for the young generation and for the community, men and women who conduct themselves with the dignity, refinement, and responsibility traditionally associated with the profession. Do we want to have these people walk out in mass strikes, picketing schools and city halls, making inflammatory speeches and perhaps becoming involved in physical violence? Do we want them to produce men like John L. Lewis or Caesar Petrillo to take up their grievances? Do we want to drive them into the arms of the eagerly awaiting Communist and look upon the blessings of Americanism with cynical bitterness?

Do these possibilities frighten us? Then it is time for us to relieve the teachers from financial worries, raise their income to levels that render the profession attractive and pleasant, free them of the need of taking part-time employment unrelated to their normal work, and give them an opportunity to study, buy books, attend concerts and lectures, travel and engage in other activities helpful to their ability to transform our children into responsible and educated citizens.

To contend glibly that in this rich country the funds to raise the teachers' salaries to decent levels are not available is either malicious or stupid. We spend more per capita than any other nation for lipstick, powder and perfume; for baubles to stick in our ears, put on our fingers or pin on our dresses; for ice cream and soft drinks; for whisky and bubble-gum; and for jive records. If we cannot divert a fraction of the sums spent on these pleasant but quite nonessential luxuries to the financing of an education commensurate with our role in the world we admit to monumental national immaturity. And always it must be borne in mind that educators—in elementary and high schools, in colleges and universities—never advance unreasonable demands. They do not expect to grow rich in their profession, they know they will never make as much money as the successful businessman, even though they may have studied much more, may have a much higher education and may work much harder. Their ambitions do not go beyond a reasonably comfortable and secure existence—an existence which a great and wealthy Nation can surely provide for one of the most vitally important segments of its citizenry; and in return they stand ready to repay us with high dividends by enhancing the ability of the American people to deal wisely and intelligently with the complex problems of our days.

I am not qualified to suggest how the funds needed are to be raised, but I know they can be raised. If a sudden emergency arose—fire, flood, explosion, earthquake, or epidemic—the money would be there no matter what the need. Well, the crisis in American education is an emergency, comparable in seriousness which any one can imagine. I don't think a sales tax, as proposed in some quarters, would be a good idea, because it creates hostility where sympathy is needed, but perhaps we could settle for a special addition to the direct State income tax. If a deadly disease threatened us and required constant defensive measures, would anyone in his right mind object to paying a higher tax to defray the cost? The creeping deterioration in American education is as deadly a disease as any. If unchecked, it would lead to increased crime, to lowered cultural levels, to political and ideological trends dangerous to the American way of life, to incompetence in the field of statesmanship, and to growing military insecurity. It would also raise the specter of depression and poverty.

Americans are supposed to recognize a good investment when they see one. As the feverish activity of foreign nations now demonstrates, there is no better investment than investment in education.

PMA Payments Help Protect the Nation's Soil

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. POAGE. Mr. Speaker, an editorial published in the St. Louis Post-Dispatch on November 16 suggests that the people are not getting their money's worth out of payments which are made to farmers for carrying out agricultural conservation practices. This criticism is so far from the truth, and its implications are so serious, that I want to submit some facts to keep the record straight.

The conservation practices for which farmers may receive some financial assistance under the agricultural conservation program are selected from a list of more than 50 practices which are approved for the Nation as a whole. This national list is determined very carefully, in line with the best technical knowledge as to the relative benefits of various sug-

gested practices. From the national list, each State selects those adapted practices which are most needed—and will return the greatest benefits—for that State. The elected farmer committees—ACP—in each county then select from the State list the practices most needed in that county. This selectivity makes it possible to concentrate on those practices, and only on those, which will mean the most constructive improvement.

The basic specifications which must be followed to qualify for financial assistance under the program are drawn up by a State technical committee, with membership drawn from the staff of the State agricultural college, the experiment station, and other soil-conservation authorities. I have before me the Oklahoma Agricultural Conservation Program Handbook for 1947, the same handbook which was placed in the hands of the farmers of that State. It lists these practices and specifications in detail. There is nothing hit or miss about this program. Every step is worked out carefully and scientifically, in line with democratically determined local adaptations.

The editorial quotes a large ranch operator in Texas County, Okla., as having said that only a relatively small part of the annual conservation payments in his county "represented permanent improvements to the soil." The record for Texas County refutes this charge clearly. The report for 1946, the last year for which complete information is available, shows that practices for which payments were made fall entirely in the class of conservation practices which build definitely and constructively for the future. The following table gives the practices carried out under the program in 1946, both for Oklahoma as a whole and for Texas County:

Selected conservation practices carried out under the agricultural conservation program—Oklahoma, and Texas County, Okla., 1946

Practices	Unit	State of Oklahoma	Texas County, Okla.
Ground limestone or equivalent.	Tons	431,387	0
20 percent superphosphate or equivalent.	do	16,839	0
Green manure and cover crops.	Acres	410,724	0
Construction of terraces.	1,000 feet	47,242	402
Contour farming:			
Intertilled crops	Acres	525,708	838
Close-sown crops	do	616,567	17,041
Protecting summer fallow.	do	222,074	79,806
Strip cropping	do	20,662	0
Sod waterways	1,000 square feet.	18,130	0
Dams and reservoirs	Number	15,764	83
Wells	do	690	44
Seeding or reseeding pasture or range land.	Acres	315,753	3,132
Deferred grazing	do	245,277	8,446
Planting trees	do	43	0

Just which one of the above practices would the Post-Dispatch or the Texas County farmer condemn? Mr. Atkins is quoted as stating that "The Production Marketing Administration seems to function on the principle of making it easy for everyone to earn the payments so we can justify the program because of wide participation."

Just which of these practices does he feel are of no value? By far the largest practice approved in Texas County, Okla., is that of protecting summer fallow. Surely no one who has seen the dust storms of Texas County would say that this protection was not needed, nor can any intelligent person claim that the protection is merely for the benefit of the farm on which it is practiced. Those who live almost 500 miles from Texas County, Okla., have seen the air filled with dust, a portion of which undoubtedly originated in that area. Protection of summer fallow is essential to protection of the soil of a whole great area.

It has been recognized not only by the Production Marketing Administration in Washington but the State committee in Oklahoma, and by Mr. Atkins' own neighbors in Texas County, because it must always be remembered that these practices are paid for by the local county committee, which is composed of local farmers. If payments are made for unnecessary practices in Texas County, Okla., the local farmers themselves must, through their committeemen, accept the responsibility.

The Agriculture Handbook indicates rather clearly that farmers of Oklahoma were not only careful about the practices for which they approved payment of the funds allocated to their State, but it contains seven specific provisions for forfeiture of payments where the farmer engages in practices defeating or nullifying the program if payment is authorized. One of these provisions relates specifically to Texas County, and to six other western counties, and imposes a deduction of $3 for each acre of native sod or other permanent vegetative cover broken out without the approval of the county committee. The purpose of these penalty provisions is clearly to assure the community of the benefits of the entire program, and seem definitely to refute the statement that the Production Marketing Administration was simply trying to make it easy for everyone to earn payments.

Referring specifically to Texas County, it is in the area where some of the Nation's most spectacular soil losses have occurred due to wind and dry weather. Reports from the general area, which includes portions of Kansas, Colorado, and Texas as well, are to the effect that there again may be trouble if the current drouth persists. It may also be added that reports indicate that the favorable weather of recent years, plus the demand for wheat and its relatively high price, has brought much new land into production. The reports further indicate that established farmers generally are taking every advantage of the ACP program to continue and extend such practices as contour farming and protected summer fallow. The figures bear this out.

During and since World War II the Nation has faced demands for maximum farm production. The phenomenal way in which farmers have responded to that demand is on record. This tremendous production was made possible primarily because weather and rainfall conditions have been especially favorable. But back of that is the fact that the Nation has been engaged in this program of building and maintaining its soil.

Undoubtedly every farmer in his own self-interest should be concerned with the maintenance of his land. However, the history of agriculture in this country and in many other parts of the world is striking evidence that this self-interest alone is not enough. Many farm owners, despite current cash returns for their products, are still unable to finance needed practices. Tenants often do not have the same self-interest to maintain the soil as owner-operators. Many absentee owners are concerned only with immediate returns. Through death or retirement almost every farm changes hands at least once in every generation. These are facts which bear indirectly on the Nation's policy on soil conservation and support the need for a program which will insure that the conservation job will not be neglected.

Certainly today, with the whole world calling for United States farm production, we must continue and expand those measures which develop and maintain our basic soil resources. This must be done in the interest of our whole national economy, and not just for the benefit of our agricultural producers. Assuring our future productive capacity is too vital an issue to be kicked around like a political football. The Nation would be shortsighted indeed if it did not provide the financial assistance necessary to see that active, coordinated conservation work went forward on the individual farms of 3,000 agricultural counties, in 48 States.

No one can find fault with the suggestions in the editorial as to the desirability of extending the Soil Conservation Service. The Soil Conservation Service is the action agency which does the physical work on the ground. Its contribution to the stability of American agriculture cannot be measured. PMA payments are in no wise comparative with soil conservation. They are simply supplementary, and have certainly resulted in a much more widespread use of the Soil Conservation Service. Nor need there be any lack of agreement with the Agriculture Extension Service, which is the educational arm of the Department. The Extension Service has done and is still doing a fine job of taking information to the farmer, but in many cases information and an available action agency are not sufficient unless the farmer has the income with which to pay the bill. Terraces will not be built and fallow land will not be protected no matter how often the county agent tells him of the need, or how ready the Soil Conservation Service is to provide the engineering. Someone has to pay for gasoline, bulldozers, and the man hours. All too often the income from the individual farm is inadequate to provide the funds needed to protect the Nation's land. The PMA has provided a portion of those funds.

It would be a tragedy if Congress were now to stop the clock and allow the return of a dust bowl in western Oklahoma.

Communism in European Trade-Unions

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. McDOWELL. Mr. Speaker, I present here a statement made this morning by the noted radio commentator, George C. Reedy. It presents a new thought on the situation. I do not necessarily endorse it, but it is well worth thinking of:

Representative CHARLES KERSTEN, of Wisconsin, has come up with a suggestion that deserves some very serious consideration. He proposes that this country intervene directly in the struggle between Communists and anti-Communists in European trade-unions.

KERSTEN, a young but influential Member of the House Labor Committee, believes there is no more important arena for fighting Communists. He came to this conclusion during an intensive study of trade-unions in Europe this summer.

At the moment, he says, the Communists are in a distinct minority in the trade-unions of France, Italy, and Germany. But they are well organized and are receiving aid directly from the Soviet Union. As a result, they have influence far beyond their true strength.

If we do not plunge in and help out our friends among the trade-union leaders, KERSTEN believes we may wake up some day without any friends at all. In the battle to save Europe from the Communists this would be a major tragedy.

The proposed aid would take the form of direct grants of money and rations to anti-Communist leaders among industrial workers. It would be handled by labor experts attached to American missions sent abroad to administer the Marshall plan.

The Communists have already demonstrated the damage they can cause in Europe through control of key unions. They have brought the industrial machine of France close to a complete halt, and they have kept Italy in a state of unrest for several months.

Yet, well-informed observers of European events believe, they are probably in a minority, in the unions of both nations. Their control rests partly on organization and partly on money and directives sent to them from the Soviet Union.

KERSTEN concedes that any active help offered to anti-Communist leaders would subject the United States to criticism. But he thinks we should face it head-on, in the realization that we are only countering an attack ultimately directed at us.

The prospects for driving Communists from the trade-unions are brightest in Germany, he says. There the population is overwhelmingly anti-Soviet, with the possible exception of the Ruhr coal miners. In this region the Red leaders may have some strength.

However, the United States may be losing the struggle to influence Germans just by neglect. The Russians, he says, are concentrating every effort on propagandizing children and young people. We are doing very little in that regard.

The Russians have printed 27,000,000 textbooks for the children in their sector of Germany. These textbooks, of course, are heavily slanted toward Communist doctrines. In our zone we have printed only 4,000,000 textbooks—a mere drop in the propaganda bucket.

If we are not careful we may someday have a strong section of Germany completely indoctrinated in communism. The people would be as blind as the Hitler youth—incapable of understanding anything except what their masters had taught them from the cradle.

The problems that KERSTEN is posing cannot be lightly dismissed. At the moment we are getting ready to embark on a great crusade, to save Europe from communism. This is a battle we could well win on the economic front, but lose on the political front.

His suggestion for helping our friends among the trade-union leaders is one that would have to be studied very carefully before being put into practice. However, to be certain of success, we will definitely have to take some steps with that end in view.

The Freedom Train

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. MILLER of Nebraska. Mr. Speaker, I ask permission to insert in the Appendix of the RECORD my remarks on the Freedom Train and to include an address given by the Honorable JOSEPH W. MARTIN, Jr., on November 27, 1947, when the train came to Washington, D. C.

Mr. Speaker, the 7-car Freedom Train, carrying the historic documents of our country, will visit more than 300 communities in the 48 States. The objectives of this train is to develop a greater awareness of the advantages we enjoy as Americans, emphasizing the relationship of our hard-won personal freedoms to our development as the strongest nation of free people in history.

It will persuade all Americans that only by active personal participation in the affairs of the Nation can we safeguard and preserve our liberties and continue to demonstrate to ourselves and to the world that the way of freemen is best.

It is to be hoped that millions of Americans will visit this Freedom Train and renew in their hearts the freedom pledge, which reads as follows:

I am an American. A free American.
Free to speak without fear.
Free to worship God in my own way.
Free to stand for what I think right.
Free to oppose what I think wrong.
Free to choose those who govern my country.
This heritage of freedom I pledge to uphold, for myself and all mankind.

The speech follows:

Fellow Americans, it is fitting that this Fredom Train, with its exhibit of priceless documents which comprise the records of how the foundation of Americanism and free government was laid should be in the Capital of this Nation on this, our day of national Thanksgiving.

No people anywhere on this planet have documents so priceless. They are the charter of human liberty on this continent, and a beacon of hope for the world.

No people have so much for which to be profoundly and reverently thankful to Almighty God as do we, the American people.

No people in the world have ever made such progress in free government and individual liberty as has been made in America in one and three-quarters centuries since the founding fathers wrote these epochal documents.

It is not with pride or arrogance we view these documents and ponder the eternal principles they declare. Freedom Train, as a symbol of our liberty and our richness of life is not a boast of power. It is a symbol of our own humble faith in God, our faith in ourselves, and our heart-deep desire to help all the rest of the world to see, to learn, to share, and to love the marvelous fruits of freedom as have we in the United States.

Freedom Train means, in its real symbolism, that freedom moves forward, and that freemen, working, loving, worshipping under the eternal principles set forth in the documents you will see here, move forward to higher spiritual and cultural achievements. It means there can be no progress under any system of government, or in any day-by-day living, which does not put foremost and keep foremost the vital, vibrant fact that life on this earth without individual liberty is worth nothing. The whole round of human existence becomes a weary, meaningless period of confusion, suffering, and chaos within the human spirit if freedom is denied, if liberty is gone.

Freedom is wholly of the spirit. It is not to be found in money, in power, in greed, in the hoarding of material wealth.

That wise and good Man who walked the shores of Galilee voiced that profound fact when He said:

"What profiteth a man if he gain the whole world and lose his own soul?" Let us ask ourselves: What profiteth a man if he gain great material wealth and lose his liberty?

We of this later day have come to take our liberties too much for granted. We have in a great measure lost the force of the warning the fathers handed down to us, that "Eternal vigilance is the price of liberty." With what horror have we seen the ghastly developments which have proved that warning to be true. With what horror have we seen the carnage wrought in this world, the bloodshed, the human agony imposed—all because power-lustful men were willing to go to any lengths to satisfy their selfish longing for personal aggrandizement at the expense of the freedom of their fellow men.

With what sacrifices are we striving to pour out scores and scores of millions—yes billions—of dollars to try to help the other peoples in the world to learn the blessings of freedom, to achieve freedom, and to live freedom.

We must stand as a united people to stop the march of despotism across the world. Any aggressive doctrine which would enslave the world must be destroyed, or else free men must fight against it until they die. Death is to be preferred to human enslavement. Any aggressive power which today seeks to march to power across the wreckage and misery of the world can do so only by trampling under foot all the sacred concepts of life; by trampling under foot human hearts, human happiness, and human freedom. Any such ruthless power must be stopped before it makes a carnal house of the whole world.

The documents enshrined on this Freedom Train for loyal Americans to view with humble thanksgiving set up the greatest experiment in human freedom and self-government ever attempted in the world. Every foreign statesman and student of government of that early day predicted the American experiment would fail. They believed people were incapable of self-government. They believed a chosen few must sit at the top and rule.

Yet, in spite of faults here and there; in spite of the vast changes taking place throughout the world, our American system

of government, economy, and society has enabled us through the last hundred and seventy-one years to achieve more than any other nation has been able to achieve in a thousand or 5,000 years.

Look at our country; look at our freedoms under the Bill of Rights; look at our comforts of life; look at our living levels and our working conditions; look at our people everywhere and then turn your eyes to the Orient, or to continental Europe, and marvel at the accomplishments and the progress we have enjoyed under the principles laid down in the documents you will view in this Freedom Train.

In 5,000 years the Orient has failed to reach the richness, to acquire the tremendous productive capacity we have. In Europe the same is true. Our people came from lands all over the globe. But under the government, the economy, and the society set up under these documents which this Freedom Train carries about the Nation, our people, through liberty were able to create and leave to us this great, rich heritage we call the United States.

This inheritance is not ours to squander, to exhaust, or to lose by indolence, indifference, or carelessness. We hold this most sacred trust—this great Nation, its principles and the fruits of its principles, in trust for those who are to come after us.

We hold this great heritage in trust for all the world to see, to admire, and to emulate. If we bring our Nation through these storms which now sweep the earth, if we can help the other peoples of the world without fatally depleting ourselves and wrecking ourselves, if we can keep America sane, sound, and solvent—what a beacon of hope, what a torch to light the footsteps of those in other parts of the world who seek happiness through liberty. Unless we hold this torch high, unless we shield it against the gusty winds of selfish alien doctrines of totalitarianism, the light of the world will go out. To do that, to protect our shining beacon calls for the concerted, devoted help of a united America. It calls for the devotion of every class, every race, every creed, every section of all who reap the blessings of our wonderful way of life.

On the monument bases in front of the Archives Building down on Pennsylvania Avenue are two inscriptions. They read:

"What is past is prologue." "Study the past."

Seeking what we may hope and expect to do in the future by looking at what we have been able to do in the past we can have high hope that we will survive these political storms and conflicts at arms which have swept the world and roll on to greater achievement as a nation just as this Freedom Train will roll on to let more tens of thousands of Americans see the precious documents which are the heritage of all Americans.

The signs of the times warn us we must be united and devoted to our liberties. We must be careful our freedom is not undermined by sinister and stealthy subversionists. We must be ready to uphold our traditions, our rights, and our privileges on the basis of the national good and not sacrifice our unity by each one seeking his own temporary advantage at the expense of his fellows. We must continue to do all we can to keep this spirit of cooperation and vigilance active among our own people. For that reason the Freedom Train is making an invaluable contribution to the Nation's good.

We all pray Almighty God in His wisdom and power and everlasting love to guide us, to show us the way that we may keep this great heritage untarnished, unimpaired, that all the world may see and marvel and emulate; and that our own posterity may share in the rich blessings of our grand Nation. May we be united for freedom in our faith in America through our faith in our God and our thankfulness to Him.

National Administration Determined To Reduce Americans to World Economic Level

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EXTENSION OF REMARKS

OF

HON. GEORGE B. SCHWABE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I think the most challenging criticism of President Truman's bid for bureaucratic and un-American controls in peacetimes, in his recent address to the Congress, is set forth in the following statement issued by Mr. Tom Linder, chairman of Farm Commissioners' Council, and commissioner of agriculture of the State of Georgia.

Mr. Linder's statement needs no embellishments or explanations. Coming from one who believes implicity in representative democracy and American ideals, and from an organization composed of the commissioners of agriculture and those at the head of our agriculture departments of the several States, it should be read by everyone. If you want to know what the farmers of this country, without regard to political affiliation, think of President Truman's request for tyrannical power in controlling prices of farm products and commodities, you should read the following statement issued by Mr. Linder last Monday, November 24, 1947:

The present national administration is determined to reduce the American people to the economic level of the world.

The only way the American people can be reduced to such level is to have an administration that parallels in power over the people the totalitarian regimes of Russia and some other countries.

The President's request for such totalitarian power from the present Congress is the admission of the truth of this statement.

Very recently the President specifically referred to the powers he now requests as being the methods of police states.

According to Secretary of Agriculture Anderson, as stated to the Commissioners of Agriculture at Biloxi, Miss., 2 weeks ago, price controls under OPA cost the people 10 cents out of every dollar.

The restoration of price control at the present time on this basis would cost the American people $12,000,000,000 per year.

The President considered these requested powers as the totalitarian powers of a police state until he spent an hour in conference with Leon Henderson and Chester Bowles.

It would be interesting to know what sweet honeydew logic fell from the siren tongues of Henderson and Chester Bowles that laid great Caesar low.

The great champion of democracy who opposed restoration of a police state in America 1 month ago becomes the willing slave of the proponents of controlled economy.

The President of the United States, the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General remained in serene composure and undisturbed by transactions on futures commodities exchanges when farm prices were so low that the farmers could not buy a new shirt or a pair of shoes.

It is only when prices on these exchanges go up to about 60 percent of true parity that these great champions rise up in wrath and demand control of commodity exchanges.

Since prices have gone up to present levels, since there is full employment in the country, since there is tremendous taxpaying power among the people, and since the American economic level is far above that of the balance of the world, these champions suddenly develop a desire to control these exchanges and force prices downward, together with the American standard of living, which it must carry with it.

The American way is to let the people speak. It is only a year until Presidential election. This country can rock along another year without adopting the principles of dictatorship. Let these champions submit their cause of price controls and economic controls to the people of the United States in next year's election. Let the people speak, and let Congress and the officials listen and then we will all know where we stand. Lincoln said, "Tell the people the truth and the Nation will be safe."

Congress, by taking hysterical, hurried, or ill-considered action, could easily throw our entire economy into a tailspin and the Chief Executive, acting under a delegated authority, can easily do the same thing through bureaucratic control.

Nothing at this time would tend to restore confidence among the people so much as for them to know that Congress is going to wait for a mandate from the people before taking any unusual action.

O democracy, democracy, what sins are committed in thy fair name. The President and others may speak with the coat of democracy but the voice is the voice of totalitarianism. Senator TAFT spoke with a voice of a true American in reply to the President's request for totalitarian power.

Of Mr. Truman it might be said:

"He wiggled in and he wiggled out,
He left the country all in doubt,
Whether the snake that made the track
Was going out or coming back."

The administration says we must make unprecedented exports to foreign countries.

The administration's whole trade program, including the 23-nation treaty, has for its purpose unprecedented imports into this country.

Unprecedented exports require unprecedented production, yet the administration is doing everything in its power to discourage production by trying to force the prices of farm produce below cost of production.

Unprecedented imports will necessitate reduction in production in this country.

While other nations have starvation diets, the fact still remains that they have more food than they have of anything else; therefore, our imports from foreign countries must consist of food out of their already meager supply.

Our exports to needy countries must of necessity be paid for by the taxpayers; this can only be done if we have high prices, high wages, and high salaries.

With low prices the taxpayers will be under a heavy burden simply to finance the national debt and meet current Federal expenditures.

Before this Nation can make any progress in any direction, the national administration must first decide in what direction it intends to proceed.

With $260,000,000,000 national debt and with high consumption of commodities on the present economic level, a moderate decline in farm prices would be catastrophic. A decline of 20 or 25 percent from present prices would be as detrimental to our economy as were the extreme low prices of 1930, 1931, and 1932.

If the weight of the Government is thrown against present agriculture price levels, it will result in a depression such as we have never seen and will make the days of 1931 and 1932 seem like the good old days. It will create in this country the most favorable and fertile ground for the growth of communism, which we are supposed to be fighting.

Exorbitant Taxes—The Enemy of Progress

EXTENSION OF REMARKS
OF
HON. EDWARD G. ROHRBOUGH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. ROHRBOUGH. Mr. Speaker, under leave to revise and extend my remarks, I include herein an editorial from the West Union Record for November 27, 1947, published at West Union, W. Va.

This is a Democratic paper, and the editor, Walter Stuart, being a Jeffersonian Democrat, sometimes talks like a Republican. The editorial follows:

EXORBITANT TAXES—THE ENEMY OF PROGRESS

This country will never have the kind of prosperity it should have until taxes are reduced to a point where they can be borne without hardship by every class of citizenry or where they will not discourage the expansion of industry or the establishment of new business or enterprise. High taxes are the Nation's greatest barrier to progress and the expansion of industry.

In view of the fact that the maximum tax rate is more than 90 percent, is it not a great wonder that this country enjoys as much prosperity today as it does? Under such a tax rate, there could be no prosperity if it were not for the vast amount of money put in circulation as the result of the war. But that war money is being fast siphoned away from the people by exorbitant taxes and by exorbitant prices for everything the people have to buy, and as a result the war money is not going to last long.

What inducement could there be to anyone to invest capital in a new enterprise when taxes take anywhere from a third to nine-tenths of the income? It would be absolutely impossible today for anybody to build up a great industry with the profits from his business. Under the present tax system, this country could not produce another Henry Ford.

If taxes had been reduced at least 50 percent at the close of the war and expenses of government had been reduced by a like amount this Nation would have experienced a business activity unparalleled in all the world's history. There would have been such an expansion of industry that in a very short time the production of goods would have kept pace with the demand. In a brief time everybody who wanted a car and was able to buy it could have had one and everybody who wanted a house and was able to pay for it could have had one.

There is nothing that the United States Government could do that would stimulate business more than to make a big reduction in taxes. High taxes can destroy business and a reduction of taxes can put new life in business. Thousands of little businesses in this country have been destroyed during the past few years by high taxes. The power to tax, as it has been truly said, is the power to destroy, and never has the truth of that old aphorism been more strikingly exemplified than it has been during the past 6 years.

Taxes should be reduced regardless of the enormous debt that this country owes, and there should not be a little reduction, such as was provided for in the recent tax bills which were passed by Congress and vetoed by the President, but there should be a big reduction. A big reduction in taxes would do more to keep this country out of another depression than anything else that could be done.

The politicians who oppose reduction of taxes contend that any surplus in the Treasury should be used to apply on the national debt, that tax reduction should wait until certain conditions are more favorable or until the national economy is more stable or until our foreign commitments are more definitely established.

It will take at least a hundred years to liquidate the present national debt and it may never be liquidated, but the people will have to live and business will have to go on in the meantime. There is no sense in impoverishing the people of today in trying to pay the national debt. The payment of the debt will have to be spread over several generations. No one generation can pay it or any very great part of it. Most of the debt was incurred in the interest of future generations as well as in the interest of the present generation and future generations should bear their share of the huge debt created by the war. The war was fought for future generations as well as for the present generation.

The very first legislation considered at the next session of the Congress should be a bill to reduce taxes. The people should bring to bear upon the Congress every influence possible in order to get a substantial tax reduction. Any Member of the Congress who opposes tax reduction should be defeated for reelection. If he cannot be defeated for renomination, he should be defeated at the general election next November, it matters not what his politics may be. A Republican should be as much interested in tax reduction as a Democrat. High taxes bear as heavily on the one as on the other.

The war has been over more than 2 years and yet the people are still paying war taxes, the same outrageously high taxes they paid during the years of the war. It is certainly time that the people were getting some relief.

Editorial by James C. Tibbetts, Editor, Platte County (Mo.) Gazette

EXTENSION OF REMARKS
OF
HON. WILLIAM C. COLE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. COLE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a splendid editorial written by Mr. James C. Tibbetts, editor of the Platte County Gazette, of Parkville, Mo., which in my opinion contains sound advice. It follows:

Congress is again in session. We fervently hope for legislation to stop pouring money—cash money—into other countries as well as a ban on guns and ammunition. We approve of the sending of some grain to tide countries through the winter, with medicines and clothing. Since the cessation of World War II, these countries have had two crop years in which to raise supplies. It is true some machinery has been needed but foreign farming methods are different from ours. When we send cash, the money is wasted on the purchase of arms as well as a lot of other things which keeps the people so stirred up in fighting their neighbors that no crops are even attempted. Republicans and Democrats should unite in pushing through a sensible program for the relief of all peoples.

Honest toil by our forefathers in days gone by pulled this Nation through many close times, and more work and sweat by all of us will steady the ship of state now. More production with limited exports is what this country needs most of all. We are opposed to giving foreign countries huge sums of the taxpayers' money—it seems to us that they just buy ammunition to continue their feuding. This editor does not believe in a lot of cumbersome Government controls.

Repatriation of Prisoners of War

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. KEATING. Mr. Speaker, the beneficiary countries under any recovery plan should employ self-help, not serf help.

Recently we have heard the phrase "slave labor" bandied about considerably and with a high degree of inaccuracy and misrepresentation. The true use of the term is exemplified in the shocking disclosure that two and one-half million prisoners of war are still held by our allies. This is the subject of a pointed and vigorous editorial in the Washington Post, which, under leave to extend my remarks, is quoted below.

Several constituents of my congressional district have appealed to me for aid in assisting their relatives, who are still held as prisoners, to be released from custody in order that they may return to their families in their native lands and assist in the rebuilding of their shattered countries. Although it is true that this Nation is not chargeable with the guilt of detaining foreign nationals for forced labor, I agree with the author of this editorial, who points out that our State Department should bring the strongest kind of pressure to bear upon the countries pursuing this practice to revise their policy.

It can be argued with considerable force in connection with any recovery plan that the extension of aid to any beneficiary country should be conditioned upon a covenant by that nation guaranteeing such repatriation of prisoners of war, according to a definite fixed schedule. Particularly is that true if such an integrated assistance program contemplates aid also to the country whose nationals are being held.

The outstanding example is Germany. It is universally accepted that there can be no satisfactory revival of western Europe without a substantial restoration of German industry, of course carefully conceived and supervised to prevent any effort toward rebuilding a war potential. The utter folly of the notorious Morgenthau plan, pursued all too long by the administration, is now generally recognized. Any German recovery requires the full utilization of its manpower. A German workman, toiling in his native land, is going to put forth better effort and contribute more to the over-all picture than that same workman dressed in the dungarees of a prisoner of war in France. Apart, therefore, from the persuasive humanitarian principles in-

volved, it is important to the efficient operation of any recovery program that the beneficiary countries employ self-help recruited from their own nationals.

Unfortunately the great bulk of these prisoners are held by a power with which negotiation and persuasion have been found singularly difficult. That does not, however, affect the principle involved or minimize the importance of taking such steps as are possible to prevail upon our other allies to follow our lead in the release of war prisoners. After all, some 800,000 are still held by nations other than the Soviet Union. Furthermore, their release would focus the spotlight of universal censure upon the one country continuing an internationally condemned practice. It is not too much to hope that pressure of such a character might avail much toward bringing about parallel action on the part of Russia. In fact, in this global "cold war" who knows but what Russia, in her fight to oppose any recovery plan for western Europe and to curry favor in Germany, might take the offensive in freeing these slaves, if for no other reason in order that thereby she might jump the ideological gun on the western democracies.

To the chairman and members of the Committee on Foreign Affairs, wrestling with the complicated problem of framing a program of foreign aid, I submit this suggestion for their careful consideration.

The editorial from the Washington Post follows:

SLAVE LABOR

The United Press survey disclosing that more than 26 months after VJ-day 2,500,000 prisoners of war still have not been returned to their homes is a disheartening comment on the debasement of international morality. It is a euphemism to refer to these men as prisoners of war. They are, in actual fact, a slave labor force pressed into the service of captor countries. To show that 73 percent of the prisoners are held by the Soviet Union is only to establish degrees of guilt. For these men to be separated arbitrarily from their families after the needs of war have ceased is something very close to barbarism.

A total of 1,656,532 German and Japanese prisoners reportedly still are in Russian hands. This figure is not especially surprising in a country that has made use of slave labor as an internal policy. The disturbing point is that France and Britain, where the principles of the Geneva Convention on treatment of war prisoners have long been recognized, should continue to negate those principles. Whatever the real needs of these nations for an augmented labor force, the plain fact is that the practice they are following is not essentially different from Hitler's. Nor is the argument that prisoners cannot be repatriated at a faster rate because of conditions in Germany a convincing one. The plan for European recovery demonstrates conclusively the close interrelation between German economic recovery and the welfare of the remainder of Europe. German industry cannot be expected to produce the goods France and Britain themselves need until its manpower is returned.

In his book, Speaking Frankly, former Secretary of State Byrnes tells of some of his tribulations in attempting to speed up the return of war prisoners, including an unabashed admission by the French that repatriation could not be increased because of their own labor shortage. As the matter now stands, Britain has agreed to return all its prisoners by October 1948. As of March 1 of this year, the French held approximately 450,000 German prisoners, including a number captured by American forces, which they have been returning at a rate of 20,000 a month. An agreement of the Council of Foreign Ministers, to which Russia is a party, provides that all German prisoners shall be repatriated by December 31, 1948.

For its part the United States has clean hands. Aside from war criminals awaiting trial, the last German and Japanese prisoners in this country were returned in 1946. But while the United States has discharged its own obligation, it cannot remain oblivious to the continuing blot on the conscience of humanity. We believe that the State Department should exert every effort to hasten the return of remaining war prisoners to their homes.

The International Crisis

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. KEATING. Mr. Speaker, wearer of the Purple Heart earned through serious injuries suffered in the Pacific while serving his country, diligent and profound student of international affairs, pious churchman and patriot of the first order, our colleague, Hon. EDWARD J. DEVITT, of the Fourth Minnesota District, is entitled to speak with authority in matters affecting the international scene. On October 17 he delivered the principal address at the national convention of Jewish War Veterans held in his home city of St. Paul, Minn. A copy of this address has been sent to me.

The simple, direct, sound, and well-reasoned content of this speech commends it to the careful attention of the Members of the House. Although many, like myself, may still be studying this great problem in an effort to arrive at a conclusion consonant with the ultimate welfare of our Nation, certainly the persuasive considerations advanced by our able colleague are a distinct contribution to our thinking.

Under leave to extend my remarks, I include this address:

I would like to talk with you today about our critical international situation. Never before in history have we had so many troubled spots in the world. Each of them is a smouldering punk which might ignite eventually into World War III. Look anywhere on the globe and you will see evidence of friction between peoples and between nations; you will see hunger and starvation, economic dislocations, and physical destruction.

Actual civil war exists in China. Korea is at an economic standstill, and in Indonesia the flames of nationalism are blowing against the old Dutch colonial policies. India is split asunder and the two new nations there are experiencing inordinate birth pains. Every day the newspaper and the radio records the gravity of the Palestine situation. The Balkans, as so often in our history, are again viewed as the potential trouble spot of southern Europe. A divided Germany is in great want, its wheels of industry grinding slowly.

Our focus these days is directed particularly to the plight of Italy and France where human suffering is great and where the vicissitudes of a European winter, combined with a small grain crop and economic maladjustment indicate an even more serious condition in the immediate months ahead.

One of the major decisions to be made in the field of foreign policy by the people of the country and ultimately by the Congress of the United States is whether we shall turn our backs upon Europe, and especially upon France and Italy, or whether we shall continue to aid them in the hope of rebuilding a self-sufficient and prosperous Europe.

I hope I do not oversimplify the problem by saying that it is essentially a contest between isolationism and internationalism. It would certainly be the easier course for us, today, to say that we have done enough for Europe and the world and to wipe our hands of it all. We have contributed most generously of our wealth and of our manpower in the waging of two great world wars which originated in that great smouldering caldron of diverse peoples in the old countries. Since Pearl Harbor we have contributed no less than $67,000,000,000 in aid to foreign countries—$67,000,000,000 mind you, not million. Although some $51,000,000,000 of this was in lend-lease, it would be wishful thinking to expect that even one one-hundredth of it would be returned to this country. And the people are saying, not within some justification, "When are we going to take care of ourselves? For how long must the international WPA go on and on? What of the high cost of living in the United States? Isn't it true that the giving of more aid to Europe will bring even a higher cost of living to the people of this country?"

And so we find ourselves today at the crossroads. We must decide whether we will continue to interest ourselves in the affairs of other nations or whether we shall draw again into the isolationists' shell, traditional of our pre-twentieth-century history.

For my part, much as the course of isolationism may be attractive to our own immediate and selfish well-being, we must continue today, and tomorrow, and for all time to concern ourselves with the problems of other nations, because in this modern age of rapid communication and transportation and of great scientific advances in the arts of war, we are really only one country in a small world of many countries. And what affects the peoples of other countries, directly or indirectly affects us. Our deep concern, therefore, must be to help solve the problems of the world because those problems are in reality our own.

We just can't let our fellow human beings starve. It isn't in us. It isn't humane.

I am just as well satisfied that we can't let communism spread further in the world. It has spread far enough. The Russian Government today controls, through actual aggression and occupation, or through infiltration and connivance, the peoples and the governments of 100,000,000 people over whom it had no jurisdiction prior to the war. Read off the names of the once free countries which now tremble under the boots of the Soviets—Finland, Latvia, Esthonia, Lithuania, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, eastern Germany, Yugoslavia, Albania. Greece and Turkey have been on the list but a temporary boost from our Government through the Greco-Turkish loan bill has prevented, or at least forestalled, their demise. I say that communism has spread far enough! From Stettin on the Baltic to Trieste on the Adriatic, and west to the continent of Asia the once free peoples can no longer call their souls their own.

There are only two great democracies left in Europe—France and Italy, and they are

in a precarious condition today. Palmiro Togliatti, the No. 1 Italian Communist, claims there are 5,000,000 Reds in Italy. It is estimated that 40 percent of the French people are either Communists or inclined toward communism. It took but a few hours for the Russian Politboro to engineer the fall of the Hungarian Government and to replace it with a Communist-dominated cabinet a few weeks ago. It would probably take no longer to engineer the fall of the present democratic Italian and French Governments. In time of general hunger and want, the greasy words of the Communistic propaganda machine sound so very consoling to a bewildered people.

We of this country must stop communism in its tracks by furnishing temporary aid to the peoples of France and Italy, and by furnishing them long-range aid for reconstruction and rehabilitation through inauguration of the Marshall plan. Temporary aid would cost some $500,000,000 and could probably be financed through some or all of the existing international finance agencies, such as the Export-Import Bank, the Monetary Fund, and the World Bank.

The Marshall plan calling for an expenditure of some $19,000,000,000 over a 4-year period really asks no more than we have been providing in past years. It differs from a strict handout in that it contemplates that instead of just helping the people of Europe, we will help them to help themselves. Instead of giving them a potato to eat, we will furnish them the seed and the fertilizer to grow their own food. Instead of giving them clothes to wear and houses in which to live, we will furnish them the machinery and the tools and the where-with-all to make their own clothing and build their own houses and reconstruct their own industries so that in time they may live by their own efforts alone.

International trade accounts for about 10 percent of our employment and industry in this country. By rebulding and revitalizing international trade through the self-help furnished by the Marshall plan, we will be insuring for our own economy and our own peoples the continuance of this 10 percent of our lifeblood, which may well be the difference between a prosperous and a depression kind of living in the United States.

I do not advocate that we deprive ourselves of the necessary food and essentials of living, but I urge that we contribute as much as we can of our own subsistence to help our European democracies without at the same time crippling our own existence. I feel certain that the Congress will circumscribe any grant of further aid to Europe with safeguards to insure the businesslike management and distribution of such aid; that there will be no more wanton hurly-burly passing out of American products by harebrained Socialist- and Communist-thinking international social workers without the giving of proper credit to the people of the United States. Such relief will be administered with businesslike methods and with proper credit attributed to the American people.

The present administration has been deficient in apprising the people of the country of the details and the necessity for the inauguration of the Marshall plan. For any such proposal to succeed, it must have the united and intelligent support of the American people. Our country is controlled at bottom by an intelligent and informed public opinion. Abraham Lincoln once stated in the course of a debate with Stephen Douglas, the little giant: "Public opinion is everything in the United States. With it, nothing can fail. Without it, nothing can succeed." How true that is. We must have an informed and enlightened public opinion as a condition precedent to the inauguration of the Marshall plan. It is the responsibility of our present administration to inform the American people about the plan, its details, and the necessity for its enactment. Although I am not a part of this administration—indeed, I am a member of the opposite political party—I believe that our acceptance of the Marshall plan and its businesslike administration is a necessity in this great world crisis. For that reason, I urge public understanding and acceptance of it.

The decisions which we make in these days in the field of foreign affairs are the decisions which will determine whether or not we shall have World War III. World War I wasn't started by the shooting of some minor royalty at Sarajevo, Serbia, in 1914, although that was the immediate provocation. World War II was not started by the bombing of Pearl Harbor in 1941, although that was the immediate provocation. Those two world wars resulted from the short-sighted, selfish mishandling of international affairs for the 20 or 30 years which preceded the actual commencement of the conflicts. We must make sure that today when laying the course of our foreign policy we are not igniting the embers for a third great world conflict. It is only the historian in retrospect who sees the picture as a whole. Because of our concentration on the affairs of the moment and the business of the day, we are not always appreciative of the long-range significance of our immediate conduct.

Upon you Jewish veterans of the wars I advocate an awareness of the importance of our foreign-policy decisions today. I urge a deep concern for international affairs and for the adoption of policies like the Marshall plan, which will serve the humane purpose of feeding the hungry, clothing the needy, and sheltering the homeless, on the one hand, and of stopping the aggressive spread of communism, on the other. In such manner I believe we can steer our course in this world in such a fashion as to avoid the perilous and dangerous course which leads to World War III.

I thank you.

Resolution of New Orleans Homestead Savings and Loan League

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

Whereas that part of Jefferson Parish comprising the heavily populated Metairie, Bridgedale, and other sections are exposed to the floodwaters of Lake Pontchartrain, that the hurricane of September 1947, during which that entire area was under floodwaters for a period of over 5 weeks, with material damage to over 2,500 homes, further emphasizes the necessity for adequate flood protection for that area; and

Whereas the construction of the Bonnet Carre spillway by the United States Government causing the flow of Mississippi River waters into Lake Pontchartrain, thereby causing the lake waters to rise above flood stage represents a constant threat to the flooding of the above area and also the entire area from the Bonnet Carre spillway to the line of the parish of Orleans; and

Whereas the hazardous condition is preventing the natural growth and expansion of the city of New Orleans and is the main deterrent to the construction of many thousands of low-cost homes mainly for veterans of World War II, as the area described is the logical area to contain some 30,000 home sites with provision for parks, playgrounds, and recreation facilities: Therefore be it

Resolved, That the New Orleans Homestead Savings and Loan League, representing an industry with over 95,000 members and having millions of dollars invested in home loans in the area, deplores the fact that the area is unprotected from Lake Pontchartrain waters and is fully cognizant of the constant hazard as impeding the growth of New Orleans and the construction of needed low-cost homes, therefore respectfully urges upon the Congress of the United States that the area be protected by a sea wall and that the area be earth-filled above potential lake-water levels, and that Congress meets its responsibility to the people in that area by providing the necessary funds for the cost of such project; be it further

Resolved, That a copy of these resolutions be sent to the President of the United States, to Louisiana Members of the Congress of the United States, to the United States Army Corps of Engineers, to the United States Mississippi River Commission, to the mayor of the city of New Orleans, to the Governor of the State of Louisiana, Pontchartrain Levee Board, police jury of Jefferson Parish, and others interested.

Congratulations, Mr. President

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. LUDLOW. Mr. Speaker, under both of the great political parties, as far back as my memory of Cabinet appointments extends, there has been too much of a mixture of politics and postal affairs.

The Postmaster General has been known as the political member of the Cabinet and usually he has been the national chairman of the party in power.

President Truman is entitled to the congratulations of the Nation for breaking this precedent. I do not know whether Jesse M. Donaldson, the new Postmaster General, is a Democrat or a Republican, and I do not know whether President Truman knows, but we all do know that he is a very efficient official who will bring to the office the experience of a long postal career and a determination to administer the office in a way that will mean the utmost in service to the public.

Under unanimous consent to extend my remarks in the RECORD, I include a letter I have written to Mr. Donaldson, as follows:

NOVEMBER 26, 1947.

Hon. JESSE M. DONALDSON,
Post Office Department,
Washington, D. C.

DEAR MR. DONALDSON: My warm congratulations on your appointment as Postmaster General. President Truman has acted wisely and in the public interest by selecting the Department's most outstanding career man for that position. It is indeed refreshing to see a man chosen for a postal appointment of that magnitude on the basis of his demonstrated qualifications for the work to be done and on no other basis. My long association with the Post Office Department in connec-

tion with the postal appropriations has given me a very high opinion of your intelligent and comprehensive knowledge of the Department's needs.

I am wishing you much happiness and success as a member of the Cabinet.

Yours very sincerely,

LOUIS LUDLOW.

Why Can't We Have the Facts Earlier?

EXTENSION OF REMARKS
OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. ROBERTSON. Mr. Speaker, the Congress has been called into special session by the President, and if we are to judge by the President's message delivered to the joint session, we have been called here to appropriate and vote relief for certain countries in Europe. By indirection we are advised that this is preliminary to the proposed Marshall plan, which will probably be the first order of business with the beginning of the next session of Congress.

I have no disposition to question the sincerity of the President whatsoever, but I do think that the country has become confused by virtue of the fact that we have so recently been able to rid ourselves of Government controls, and uncomfortable aspects that go with war, that the country will not take kindly again to more controls, especially if those controls are for the purposes of relief.

It is my considered judgment, Mr. Speaker, that the President has presented this case from the wrong angle. It has been presented as a stopgap relief aid for certain countries of Europe, where as a matter of fact the stopgap aid, so-called, and the funds that will be asked for under the Marshall plan are nothing short of funds for national defense, and the country would be better off if they were so advised today.

We have recently listened to major addresses on the floor of the House, one given by the distinguished gentleman from Illinois, the Honorable EVERETT DIRKSEN, who has recently returned from Europe, where he made extensive studies. There can be no doubt about the authenticity of his remarks and the candor with which he spoke.

The same can be said of the Honorable KARL MUNDT, who followed Congressman DIRKSEN a day or two later with a forthright address telling us the exact conditions that prevail in Europe today. His remarks have been made for the same good reason that he too has recently returned from a trip to Europe where he has made extensive investigations. Therefore we must accept his statement as one worthy and dependable.

A few days later the Secretary of State spoke from Chicago rather forthrightly about the dangers of communism and the practices of Stalin, Molotov, and Vishinsky, and others.

Not so long ago the country was awakened by a new book appearing, the author of which is the Honorable James Byrnes, its title "Speaking Frankly." This book makes amazing revelations. It is regrettable indeed that these revelations were not made many months ago. Surely if the conditions outlined in this book prevail today they prevailed when Mr. Byrnes was Secretary of State.

It seems to me, Mr. Speaker, that we are approaching this serious question from entirely the wrong angle. If we stand in the vestibule of trouble with Russia, and most surely Russia is doing everything possible to make trouble, then the people of the Nation should know the existing conditions as they are, not 1 year or 2 years later, but they should know them today and they should have known them in the past.

The President's request for relief for Europe may be construed if you please as national defense. It should be so labeled because it is nothing less than that, if we accept the words of the Honorable EVERETT DIRKSEN, the Honorable KARL MUNDT, the Secretary of State, and the message conveyed to us in the book by the former Secretary of State, Mr. Byrnes.

Alaska: Land of Challenge

EXTENSION OF REMARKS
OF

HON. E. L. BARTLETT

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. BARTLETT. Mr. Speaker, Alaska was honored last summer by a visit from Hon. William E. Warne, Assistant Secretary of the Interior. Secretary Warne traveled from Ketchikan to Point Barrow, from the remote Pribilof Islands to the eastern boundary of the Territory. He talked with many people, and he learned much about this last great remaining frontier land of the United States. This is shown by the factual presentation made by Secretary Warne when he delivered a speech before students of Haverford College at Haverford, Pa., November 18. I consider it a privilege for me to offer his address for inclusion in the RECORD:

ALASKA: A PROBLEM, AN OPPORTUNITY, AND A CHALLENGE

Alaska is a problem, an opportunity, and a challenge for the United States.

The Territory is 586,400 square miles in extent; one-fifth as large as the 48 States. Its coastline is 10 times as long as that of the States.

Ever since Alaska was purchased from Russia for $7,200,000 in 1867, we have indulged in generalized thinking about it. It was "Seward's folly." It was "the land of perpetual ice and snow," and for a few years at the turn of the century it was "gold."

The time has come when the United States must take a closer look at its great remaining frontier of Alaska. We must now occupy and develop Alaska.

There is a great variety in Alaska. We must realize that in so vast an area climates, terrains, soils, resources, and peoples vary. Southeastern Alaska is timbered fiord country, spectacularly beautiful as the mountains rise steeply from quiet waters. Central Alaska, the very heart of the Territory, has warm summers and cold winters, and a great variety of promising resources. Here, perhaps, the greatest growth and the greatest development impend. The Aleutian chain, as though flung carelessly into the cold northern waters, stretches clear to Asia. These islands, grass-covered, rugged, often weather-bound, are bleak prisoners of isolation. The great deltas of the Yukon and Kuskokwim Rivers and the shores of the Bering Sea are, for the most part, unfriendly lands, largely undeveloped, except for the fishery in Bristol Bay. The Arctic plains north of the Brooks Range and the northern coasts are within the zone of months-long nights and little interest connected with them until recently. Now they are the site of an intense exploration for petroleum, and the caterpillar tractor and the Navy "weasel" are weaving long tracks in the tundra.

Alaska might be called a land of contrasts. High-towering, snow-clad mountains overlook expanses of low, swampy muskeg. In the south, where rainfall greatly exceeds 100 inches in annual average, glaciers grind their way to the sea, thus making islands of forests and villages separated by impassable, frozen channels. In the far north where the rainfall is so low as to place the Arctic slope in the arid class, the thin ice and snow cover melts off each year, though the ground may be frozen permanently 3 inches below the roots of the reindeer moss.

Alaska is a vast nearly empty land. Fewer than 100,000 people live in the Territory, and of these residents 40,000 are Eskimos, Aleuts, and Indians, native peoples.

Alaska is a hard land, as exciting and challenging to an imaginative visitor as the uncut interior of the United States must have been to the pioneers who pushed across the Alleghenies.

Alaska is a rich land with more coal than Pennsylvania, with more gold than California, with strategic and other minerals in quantities, with billions of board feet of virgin forests, and with millions of acres of land that may eventually be farmed. Alaska's fishery is the most valuable in the Nation, and her game and fur resources exceed anything that has existed in the 48 States in 50 years. Alaskan scenery is superb and the recreational opportunities, though almost wholly undeveloped, are splendid.

From this discussion of the physical characteristics of Alaska, I now turn to consideration of the future of the Territory. The very remoteness of Alaska and its far northern position that formerly made it simply our storehouse of barely-sampled resources now give the Territory a position of prominence undreamed of before the recent war.

Alaska suddenly has become the crossroads of aerial world trade routes. Here the flight lines to Japan, China, and India will cross those soon to be established north over the Pole to Europe. Not only has the airplane given Alaska its new significance, but it has introduced new era pioneering. In Alaska the airplane substitutes for the covered wagon, the pony express, and the early railroads that opened the West in the last century. In Eskimo villages where no automobile has ever been seen, little float planes and even large transport ships are stationed or visit regularly. We did not startle the Eskimos of the village of Shungnak, above the Arctic Circle, when we set our amphibicus plane down in the Kobuk River immediately before the village store, although land transportation, aside from dog sleds in the winter, is unknown there. The village does not even have a street. In the summer, you go to Shungnak afoot, by canoe, or by plane.

Because of the new situation created by the airplane, the development of Alaska now is essential and, I believe, inevitable.

Just as nature abhors a vacuum, so today with world population pressures and demands

what they are, I believe it would take active resistance to prevent the settlement and development of Alaska. There is every reason for the United States to encourage, guide, and foster the development of Alaska as an extension of our American civilization, because this movement will enlarge our National opportunities and enrich our commerce at a time when our national obligations are very great, both here and throughout the world. The employment of the resources of Alaska and the opportunity that this activity provides to use the energies and skills of our young people seem to me to be so obviously sensible as really to require no further justification.

I would simply add, however, that the population of Alaska is considered essential to the defense of the Territory and of the United States. This must not be overlooked.

Now, to sketch briefly the problems faced in the settlement and development of Alaska.

TRANSPORTATION

Transportation is a major problem. The only important railroad extends from Seward and Whittier on the south to Fairbanks. There is no rail connection with the 48 States, although in a relatively few years I think there must be one. The lack of great volume makes water shipment expensive. Development of the resources of Alaska would provide backhauls which would break this garrote on the lifeline of the commerce to and from the Territory. Virtually all passenger travel to and from and within Alaska now goes by air. On the landing field at Kotzebue I saw a DC-3 transport taking off for Nome on an Alaska circular charter tour with more than two dozen tourists aboard. Such casual visitors were absolutely unknown in Kotzebue before the new air age. While the Government has sponsored and developed a much more nearly complete system of aviation facilities in Alaska than most would expect to find there, the job is not nearly done. Without question, the airplane will be a permanent substitute in parts of Alaska for some other means of travel and transportation. Roads simply will not be built in some areas, and railroads cannot be. Even so, however, the absence of roads presently is the greatest deterrent to settlement in Alaska. We have a problem somewhat like the old one about "Which comes first, the hen or the egg?" This problem is: Shall we build the roads into areas that should be settled or wait until the people have homesteaded these areas before constructing roads to them. In effect, we have been following the latter course heretofore, with the result that there has been so little settlement as to be almost negligible. The Department of the Interior now proposes a program of road construction to the areas that are favorable for settlement as a means of aiding in their occupation.

SETTLEMENT

I have already said that Alaska is a hard land. Homesteading procedures adapted for the mid-Western plains can hardly be expected to do the job in Alaska. Yet they are the principal tools today. In the Matanuska Valley, it takes a man a year to clear 5 acres because of the heavy growth of birch and spruce and the matted roots in the soil. At this rate, 8 years are required to clear 40 acres. Yet 40 acres in Alaska are considered the minimum-sized farm to supply a man with a decent living. In addition, the homesteader must have a house the first winter. In that rugged climate, he cannot keep his family in a tent, lean-to, or dug-out, as the pioneers were able to do at least the first year in Kansas, Nebraska, and the Dakotas. The Matanuska colony, which gained such prominence 10 years ago, however, has demonstrated that permanent settlement and a permanent agriculture can be established through group occupation and well-planned and financed attack. A footnote on the Matanuska experiment: 48 of the original 200 families are on their farms after more than 12 years. Another 7 families are residing in the immediate vicinity in retirement, but still own their original land. All of the farms are occupied. In addition to the 200 farms of the colony, 250 additional farms have been cleared and occupied in the Matanuska Valley since the colony was established. This is significant because, prior to the establishment of the colony, only 50 farms had been established in the Matanuska Valley in almost 70 years of American occupation. The town of Palmer, which serves the Matanuska Valley, is one of the most substantial and promising in Alaska. The people of the Matanuska Valley have developed such aids to good living as Boy and Girl Scout camps on one of the most beautiful little lakes that I have ever seen; community clubhouses; boating and bathing facilities on this same lake; as well as other community facilities and aids to rural living. There are opportunities in Alaska for other group settlements, scores of them. Such settlements would, as the Matanuska colony did, attract more homesteaders to substantial, growing communities.

Alaska is not likely ever to be a prominent agricultural area, but with fortitude and perseverance men and their families will make decent livings on Alaska farms. The area should be able to feed itself in very large measure as collateral industries and activities grow and expand, even though the population increases. This, the Territory is not doing today, even though there are less than 100,000 people in the vast expanse of Alaska. Most of them are fed by foods transported from the United States at great expense, and the cost of living is very high because of it.

RESOURCE DEVELOPMENT

Mining, except for gold, is in its infancy in Alaska but the Territory has treasure upon treasure locked in its mountains and hills, many of which have not been adequately explored. Mining can long be an important industry in Alaska, if the metals and minerals are exposed and used. One of the growing-pains that Alaska is experiencing at this moment is a dearth of building materials. In the land where stands our greatest virgin forests, there is virtually no lumber to be had, and only a rare sawmill. Though the raw materials are present, there are no cement mills. This summer at Anchorage, men who were trying to build themselves homes were almost fighting in the streets over single bags of cement that managed to trickle through from the outside, as the Alaskans refer to the rest of the United States. So far as I could learn, there is but one brick kiln in all of Alaska. Pumice deposits are plentiful and pumice can be used to make good building blocks.

What Alaska needs sorely are investment capital and additional business enterprise. I was informed that there were 1,500 vacant jobs in Anchorage and at nearby Fort Richardson. What keeps the labor force from coming? Generally, the answer is: housing shortages, transportation difficulties, and inadequate living and feeding facilities. Alaska is in need of year-round employment opportunities and a permanent labor force. There are bright prospects that pulp mills will be established in southeastern Alaska, using the forests that abound there to provide a continuing supply of paper in quantities estimated up to 6,000,000 tons a year. Such enterprises as these will go far toward filling the needs of Alaska. They will provide steady employment, freight for backhaul, and markets for agricultural and other products. The undeveloped water powers offer important opportunities for manufacturing and large-scale industries utilizing local resources.

The fisheries of Alaska, particularly the salmon fishery, outweigh in importance every other industry. The fisheries, with intelligent management, may be depended upon to provide a continuous source of income, food, and gainful employment. Management of the fisheries is a responsibility retained by the Federal Government and amounts expended in regulation and enforcement and in research have historically been woefully inadequate. As a consequence, the fisheries have had their ups and downs, and unless the situation is corrected it is doubtful whether, in some areas, they can be considered permanently productive.

I have indicated some of the proposals that will be made in connection with a program for the settlement and development of Alaska. I think I should discuss the reasons for and the scope of the program itself.

A knotty problem is found in claims growing out of a lack of final determination of the rights of the natives to lands used and occupied by them. The fact that use and occupancy draw their significance from different activities among the races gives rise to the problem. Does hunting over or picking berries in an area constitute use, and does a recognition of rough tribal boundaries constitute occupancy by bands of the lands in question? These questions become pressing as development and closer settlement gain speed. Delay in settling this issue will surely reduce the chances of rendering complete justice to the natives and, as well, will impede desirable improvements and developments. Spokesmen for both natives and whites in Alaska this summer told me that the question should be disposed of as quickly as possible, saying a bad decision from either point of view was preferred by both to longer delay. The Department of the Interior will place this question before the Senate Public Lands Committee in a few weeks, indicating the avenues that may be taken in search of the solution.

Alaskans are handicapped in the management of their resources, not only by absentee Government control but largely also by absentee industrial control. In this instance, a specific reference is made to three industries which most acutely affect Alaska's whole life: transportation, fishing, and mining, which are, to a large degree, absentee controlled and operated and which return too little to the Territory itself.

A carefully coordinated effort must be made by all agencies that are involved, if the obstacles to Alaskan development are to be removed and if the challenge of this development to American ingenuity is to be met. No such effort heretofore has been made or even proposed. There has been virtually no organized effort on the part of any agency, private or Government, to develop or to stimulate development of Alaskan industry, community life, and agriculture.

The Department of the Interior this year is endeavoring to organize a program for the development and settlement of Alaska which will attack all of these problems.

Such a development program for Alaska must be based upon the assumption that the Territory will become one of the United States just as soon as its people, its resources, and its pace of development permit it to assume the obligations of Statehood. In this way, absentee Government control can be removed. Our Alaskan program looks to that end.

For the purpose of preparing the proposed program, agencies of the Department of the Interior, of which nearly a dozen have Alaskan responsibilities, have brought together their Alaskan programs for integration into a single coordinate activity.

In attacking the transportation problem, the Alaska Railroad proposes to make much-needed additions, improvement, and changes in track, roadbed, structures, and equipment. It is a complete rehabilitation program designed to insure the road's ability to handle increases in volume of traffic which have already developed. On another front of the transportation problem, the proposed program of the Alaska Road Commission provides for the construction and maintenance of highways to supplement the trunk-road system, as well as to provide connecting and feeder roads to the Alaska Railroad, to water transportation, and to farm areas.

To meet such problems of health and welfare as a tuberculosis death rate in Alaska, which is nine times that in the United States, medical forces would be strengthened by the proposed program and new modern centralized hospital facilities created.

The protection and enhancement of Alaska's presently most valuable industry, the fisheries, would be accomplished through a proposed program for more effective fish conservation. This would require more adequate law enforcement personnel, more effective control measures such as salmon-counting weirs, and investigations into the availability and utilization of the fish resource. For example, of the 360,000,000 pounds of salmon caught in Alaska, 120,000,000 pounds are dumped at sea in the form of cannery trimmings and related materials. Measures are proposed to reduce such losses.

I shall not take time to enumerate the proposed contributions of the other agencies of the Department of the Interior. As a whole, they constitute an integrated approach to the development of the resources of Alaska and to overcoming such major obstacles to settlement as the lack of suitable transportation.

Other departments of the Federal Government having responsibilities in Alaska, and of these there are also nearly a dozen, have been called upon for and have responded with cooperation to the end of integrating all the proposed programs of the Federal Government in Alaska into a single development program. Through this method, it will be possible to determine where and what activities must be expanded to meet essential needs and to eliminate duplications and distortions that occur from lack of knowledge of collateral work. It is by this means that the operations of the Department of Agriculture in marketing the timber from Tongass National Forest, of the Department of Commerce in encouraging the manufacturing of pulp, and of the Department of the Interior in protecting the important fish resource from the pollutional wastes of lumbering and pulp manufacture are to be interrelated so as to maximize the resulting benefits and minimize the damages.

There still will be required, in my judgment, the consideration by the Congress of special needs and requirements in Alaska that argue for legislative additions to and modifications of present programs. For example, at present there is no legal basis for an adequate group settlement program in Alaska. This particular step in the effort to bring up to date the thinking about Alaska will likely receive consideration in the spring.

Why do I talk about Alaska to a collection of students of Haverford College in Pennsylvania? I do so because the challenge of Alaska is to the energies, the imagination, and the fortitude of young men and women—those who are in college today and who will graduate tomorrow. As did the western frontier of yesteryear, the northern frontier today calls for men of intelligence and vision who are willing to work for what they will get and who have a desire to help in building a better world.

Price of Sugar

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, in the midst of universal discussions on the high cost of living and inflation, which reached a climax in the message of the President, I would like to bring to the attention of the House and to the attention of the public generally, the reassuring fact that the price of sugar remains at a low level by comparison with the price of other foods. Also, that the supplies of sugar have finally become equal to the demand, with the prospect that in 1948, there will be a surplus.

Those of us who represent sugar-producing States have perfectly good reason for being pleased with this result. It must be remembered that sugar was the first food to be made the subject of a price ceiling, even before Pearl Harbor. Sugar was likewise the last food to have rationing and price ceilings removed, which was accomplished on October 31.

An article in the Sugar Bulletin which has just come to my desk has served to refresh my memory as to the remarkable cooperation which has existed between our domestic sugar industry and our Government. The article is as follows:

IN WASHINGTON WITH C. J. EOURG

The date proposed by Louisiana as proper and safe for the decontrol of sugar price ceilings and rationing—October 31—has arrived and passed without disturbing incident. A reasonable time having elapsed to permit observation as to the immediate effect on the market, the American Sugar Cane League has no reason to regret its proposal of the date. At the time the legislation was before Congress last spring, Louisiana stood alone in its insistence that the sugar supply and demand situation would be sufficiently definite in October to assure an accurate decision to be made during that month with regard to decontrol. We were willing to leave the matter discretionary with the Secretary of Agriculture, provided any further extension would have to be justified by a report showing that conditions in the sugar market were different in October than we had claimed they would be. Members of Congress being in the mood for ending controls early, Congress accepted the Louisiana date and adopted it as law.

We are pleased to acknowledge that Secretary of Agriculture Anderson and Sugar Branch Director Marshall have handled the progressive elimination of Government controls in an efficient manner. The purchase of the Cuban crop at a price which reflects the cost of living in the United States has facilitated the solution of problems connected with the domestic producing areas, which has included a basic price ceiling considered fair to all producers. The production of large crops in the United States beet area and in Cuba have served to make possible the gradual decontrol as to rationing and as to inventory limitations prior to the final elimination of price ceilings. The net result has been that the transition from Government war regulations to the relatively free enterprise under the Sugar Act, has been brought about with the smoothness of fluid gear shifting in automobiles. In fact, the recent decision of the Secretary of Agriculture to make commitments to the Army for as much as 484,000 tons of sugar from the 1947 crop, to be shipped overseas for distribution in occupied areas, constitutes a practical demonstration that in the early fall, after the offshore crops have been harvested, is unquestionably the most appropriate time to evaluate all angles of the sugar supply and demand picture in the United States.

Substantial confirmation of this reasoning is contained in the statement of the Secretary-General of the International Emergency Food Council made on October 27:

"Because of this year's all-time record Cuban sugar crop, the world sugar situation is temporarily in rough balance at current price levels for sugar. In fact, because of the current dollar exchange difficulties, it has been possible to assign considerable quantities of sugar to the occupied areas. In the months immediately ahead, the sugar situation probably will appear relatively easy. Whether this situation will continue throughout 1948 is largely dependent upon the size of the Cuban crop and the availability of dollar exchange. No firm forecast on these matters can be made at this time.

"It is of the utmost importance, however, to make sure that any apparent lack of demand at present does not discourage production of every possible pound of sugar in 1948. At present prices, calories in sugar are very little, if any, more expensive than those in grain and during the months before new crop cereals are available, sugar represents the most important alternative source of carbohydrates of which more supplies, rather than less, are likely to be available."

Mr. Speaker, through this praiseworthy cooperation, it has been possible to maintain very reasonable prices for sugar and finally to bring about the transition from war regulations to a restoration of free enterprise within the industry, without any of the violent fluctuations which have prevailed on other commodities. This accomplishment is all the more remarkable because of the experience following the First World War when the price of sugar at retail was 30 cents or more a pound for a time, followed by a ruinous drop in price which brought terrific losses and hardships to all persons engaged in the sugar industry, as well as many of the industrial users and other large buyers of sugar.

There were many in and out of Congress who insisted upon continuing into 1948 the regulations on sugar price controls and rationing. Last spring, when this matter came up before the Banking and Currency Committee, of which I am a member, there were dire warnings that any decontrol of sugar prior to March 1948 would result in a price of 40 cents or more per pound and terrible dislocation in the sugar market to the detriment of the consumer. We likewise heard pessimistic prophecies on the floor of the House and Senate as to what would happen if controls were eliminated as early as October. Mr. Speaker, I had been assured by responsible representatives of the Louisiana sugar industry that October is the recognized ending of the sugar statistical year. It was pointed out to me that the Sugar Act itself recognized the 12-month period of November to October as the statistical year for determining the estimate of consumption. It was

also explained that the tropical island crops are produced during the spring and summer, so that the sugar supplies from those offshore areas are definitely known previous to October. On the other hand, the beet and cane crops within the States of the United States mainland are already in process of being harvested, and the estimates of total production can be made with practical certainty at that time. Accordingly, I supported in committee and before the House, the decontrol date of October 31, 1947, which was passed by the House and Senate and finally became law. The good judgment upon which the action of Congress was based is now corroborated by the recognized leading sugar trade journals. For instance the Willett & Gray Weekly Statistical Sugar Trade Journal of November 6 had this to say:

All price controls on sugar were eliminated on October 31 and the article seems to have made the most orderly transition from a controlled to a free market of any commodity released from wartime control.

Our United States primary distributors made no change in their quotations which are still listed at 8.40 cents for cane refined (with the exception of Sucrest who continues to quote 8.35 cents), while the beet processors continue to quote 8.30-cent basis.

Importers of offshore refined did advance, but only slightly and now ask 8.50 cents for graulated in cotton bags on the remaining supply presently available, against 8.40 cents quoted for this packing last week. The 8.50-cent price in cotton was their previously allowed maximum under control which they had been shading.

At retail the large chain stores announced that there would be no change in their prices to home buyers and the smaller stores naturally have to maintain prices reasonably close to these competitors.

The same journal on November 20 reported:

In most sections of the country the recent heavy demand for refined sugar for the housewife's use has entirely disappeared and a number of cases of cancellations of old unconfirmed orders are reported. Here in the East refiners are still experiencing a good demand from the metropolitan area and from upper New York State but there is more insistence on small packages and refiners' various specialties. It has been rather difficult to get bulk granulated here in instances due to export commitments made some time ago when it was expected that the domestic demand would show the usual falling off in November and December. With some principal refiners temporarily withdrawn on export sales it is likely that this condition will be remedied shortly, however.

The Lamborn Sugar Market Report, published in New York, had this to say in its issue of November 4:

The closing days of October witnessed ever-mounting hysteria on the part of housewives and small industrial users in many sections of the country, particularly east of Chicago and in the far West, as they strove to obtain as much sugar as possible before price controls should be eliminated on October 31. In the Middle West area buying was irregular. Some sections reporting heavy demand, while others had apparently reached the point of saturation. The Department of Agriculture performed yeoman service in attempting to quiet the fears of housewives and small industrial users as to sugar prices and the sugar supply.

Eastern and southern cane refiners are bowed down under the weight of orders which have resulted from the tremendous buying spree. Shipping delays range up to 8 or 9 weeks, depending upon the refiner, with the greater delays applicable to grocery size packages. The car supply has been reasonably good over the country, but the weight of orders has been so heavy as to obscure that fact.

A week later, in its issue of November 10, it reported encouraging news as follows:

Reports from most sections of the country state that the consumer demand for refined sugar is definitely on the wane. Assurances of the Department of Agriculture to the effect that supplies of sugar are such as not to warrant price increases undoubtedly have influenced the housewife, although the fact that several days have elapsed since sugar controls were ended without any rise in price has presented her with more concrete evidence of the uselessness of hoarding sugar. Furthermore, there has been no talk recently concerning rationing, in or out of official circles, which the housewife could by any stretch of the imagination interpret as likely to apply to sugar.

The Sugar Market Review for the week of November 6-12, issued by George E. Kesler & Co., of New York, covers the market developments with these paragraphs:

Now with the hysterical hoarding demand, thoroughly unexpected, and created principally by scare reporting on the part of radio news commentators, newspaper columnists, and others, refiners find themselves faced with an unprecedented demand for sugar from their regular customers which they are unable to supply because of their export contracts. It goes without saying that this is not a situation they would have chosen for themselves, for there is no refiner anywhere who does not want to take care of his regular trade first. However, there they are, faced with a fait accompli in the form of their duly executed export contracts, calling for delivery at certain specific dates and to definitely named steamers for whose cargo space exporters have signed contracts with the steamship lines.

Some relief is indicated by the fact that two prominent refining interests have withdrawn temporarily as export sellers. This means that one of these days, unless Government requisitions necessitate otherwise, these refiners should be able to assign their bulk granulated output to their regular users. Meantime, however, little bulk is expected to be available.

The effect of this state of affairs, as has been said, is felt principally in the East, where bulk granulated is scarce. In the Middle West and West this condition does not prevail, except in cases where cane sugars are in demand, because from Ohio westward the domestic beet processors are delivering their sugars in a prompt and orderly fashion and are materially helping to relieve a situation which, without their assistance, would be almost entirely out of hand.

It will be noted that there is recognition from New York of the value of the domestic sugar industry by the reference to this demonstration of the helpfulness and protection which the American consumer derives from the existence of the domestic sugar industry.

The Secretary of Agriculture has helped to bring about the gradual and progressive return of the sugar business to its owners by first removing the rationing of sugar in June, and a few weeks later by eliminating inventory limitations. Each such change caused a slight flurry in the sugar market, but following this the market settled down. Finally, when October arrived, there was evidence of increased demand and some fear that hoarding might result, but as the public became reassured through the announcements of the Department of Agriculture regarding the availability of ample sugar supplies, the market became stabilized so that we can now be satisfied that the changes from Government control have been brought about in an orderly manner and with full protection for the American consumer.

Moses Waddel

EXTENSION OF REMARKS
OF
HON. JOSEPH R. BRYSON
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. BRYSON. Mr. Speaker, on August 17 last I had the privilege of speaking at the unveiling of a monument to Moses Waddel at Willington, McCormick County, S. C.

Under leave to extend my remarks in the RECORD, I present the following copy of my speech:

When permitted to speak on occasions like this, beneath the blue canopy of heaven and these ancient trees now clothed in the rich green of summer but soon to take on the myriad colors of the rainbow following the touch of frost, I am persuaded to paraphrase the words of the poet and say, "Speeches are made by fools like me, but only God can make a tree."

It was beneath these same trees now more than a century ago that a great Carolinian, a great American, established a place of worship and a school to which institutions came the youth of the day. The fame of this place has gone out to all the Nation and the influence of its great founder still permeates the political and religious life of our Southland.

As we unveil this marker memorializing the establishment of Willington's Presbyterian Church, we visualize the church's founder, Rev. Moses Waddel.

The highest profession to which anyone can aspire is that of the ministry. Second only to this highest of all callings, stands the teacher. Reverend Waddel served masterfully in a dual capacity as preacher and teacher.

Although known as an able and conscientious minister of the Gospel, Moses Waddel's fame as a great teacher spread throughout the Nation. The list of clergymen and leaders in public life who studied under this great schoolmaster here at Willington reads like a roll-call of America's most notable men.

Emulating the example of the Nazarene carpenter, Moses Waddel preached and taught as he went about doing good. To Moses Waddel it was not sufficient that a young man be taught the arts and sciences of the day; to him, no education was complete without a sense of righteousness based on the teachings of Christ. If our Nation is great today, and if it is to remain great tomorrow, it is because throughout our history we have had men like this bard of Willington who believed and taught that underneath knowledge, man must be endowed with a spirit and consciousness of God.

Historians have not recorded many of the details in the life of Moses Waddel, but what has been left unsaid about the greatness and

power of this humble Presbyterian minister is eternally recorded in the deeds and lives of the great Americans he taught and inspired in his log-cabin school here at Willington.

Moses Waddel was born in July 1770 in Rowan County, N. C., of parents who had emigrated from the county of Down, in Ireland, in 1767. At first the child was frail and sick and not expected to live. When he began to gain strength, his parents gave him the name Moses, after the Old Ttestament patriarch who had been providentially preserved in his infancy.

Early in his life, young Moses Waddel showed proficiency in academic pursuits and, despite a long interruption in his studies by the invasion of the British troops, he had, at the age of 14, completed the study of the Latin and Greek languages, Euclid's elements, moral philosophy, geography, criticism, and arithmetic.

At 14 he began teaching English and Latin to pupils in his neighborhood in North Carolina. This was the beginning of a career which was to reap renown. In 1786 he moved to Greene County, Ga., and opened a school, which he was forced to close the following year because of Indian invasions. The next year his parents moved to Greene County and Moses Waddel established another school.

Following his decision to enter the ministry, Waddel enrolled at Hampden-Sidney College in January 1791 and graduated the following September, spending only 8 months and 26 days in college. He was licensed to preach the following May.

Soon after his entry into the ministry the Reverend Waddell became convinced that he could extend his usefulness by teaching and preaching at the same time, so he established a school near Appling, Ga., later moving into the village. While living at Appling an event occurred which was of great importance to Waddel's future career. He came to the Calhoun settlement in Abbeville district, South Carolina, and here met Catherine Calhoun whom he married in 1795. Miss Calhoun's younger brother, John C. Calhoun, was destined to become Waddel's most distinguished pupil. Young Calhoun entered the Waddel school at Appling, but following the death of his sister, Catherine, little more than 1 year after her marriage to Waddel, the school was suspended and young John returned home.

In 1800 Moses Waddel married Elizabeth Woodson Pleasants, of Halifax County, Va., and the next year he moved to Vienna, S. C., where he opened another school. John C. Calhoun returned to this school and within 2 years was ready to enter the junior class at Yale College.

It was in 1804 that Waddel moved here to Willington and established the academy which was to gain the reputation of being an American Eton. The first schoolhouse was a two-room log cabin, but when it was decided to establish a church at Willington, a combination schoolhouse and church was built and Dr. Waddel served as preacher and teacher. In the period between 1804 and 1819 he taught approximately 4,000 students at his famous Willington Academy.

Dr. Waddel's success as a teacher has been attributed to various factors. He possessed a remarkable capacity for inspiring boys to learn, and students loved and respected him even though his discipline was strict. He was devoted to their interests and welfare, often giving private advice to them concerning their conduct and associates. Discipline and control in the academy were maintained by a monitorial system of student government with the schoolmaster as head. From the statements of some of Dr. Waddel's former students it would seem that his reputation for severity and cruelty must have been exaggerated.

James L. Petigru, one of his most notable students who became South Carolina's greatest lawyer, referred to Dr. Waddel as "kind, without weakness; devoted to learning, but still more devoted to virtue."

Augustus B. Longstreet described his teacher as "benevolent, affectionate, charitable, hospitable, and kind."

The curriculum of the academy was chiefly classical and a tone of distinct seriousness of purpose prevailed at Willington. Students were particularly noted for their thorough preparation for college. The president of Princeton University said repeatedly that he received "no scholars from any section of the United States who stood a better examination than the pupils of Dr. Waddel."

There were also extra-curricular activities at Willington, such as a debating society, and recreations which included wrestling, running, jumping, playing town-ball, and bull-pen.

The following picturesque account of life at the Waddel school is quoted from Pinckney's Life of John C. Calhoun:

"The boys boarded at farmhouses in the neighborhood or lived in log huts in the woods near the academy, furnishing their own supplies. At sunrise Dr. Waddel was wont to wind his horn, which was immediately answered by horns from various boarding houses in all directions. At an early hour the pupils made their appearance at the log cabin schoolhouse.

"After prayers, the pupils, each with a chair bearing his name sculped in the back of it, retired to the woods for study, the classes being divided into squads according to individual preference. In the spring and summer months those squads scattered through the oak and hickory woods in quest of shade, but in cold weather the first thing done by them was to kindle log-heap fires. Whosoever imagines that the boys did not study as well as they would have done under the immediate eye of the teacher is mistaken. I have been to many schools, conducted according to various systems of education, but nowhere have I seen such assiduity in study, nowhere have I ever witnessed such emulation to excel." Those are the words of W. Pinkney Starke, another of Dr. Waddel's noted students.

In May 1819 Dr. Waddel assumed his duties as president of the University of Georgia at Athens. Two motives have been ascribed to his accepting the presidency of the university. These were: "First, to raise the university from the low state to which it had sunk in public estimation, and to give it so much respectability and usefulness as to secure the confidence of the people of the State * * *; (and second) he felt that before him would be opened a grand opportunity of communicating to the system of public education the spirit of Christianity as the animating principle of the whole."

According to Longstreet, the effect of Dr. Waddel's association with the University was "almost magical." The school soon attained a measure of prosperity unequalled in the past. Upon his arrival the new president found only seven students in attendance. Ten years later when he resigned, he left an efficient faculty, a number of new buildings on the campus, an improved financial status and had witnessed the annual arrival of multitudes of the youth of Georgia and of the neighboring States.

Dr. Waddel returned here to Willington in 1829 and lived the life of a planter on his estate of several hundred acres and continued his work in the ministry. He also had a school reopened which was run under his general supervision, although he did not participate in the instruction of students.

In 1836 Dr. Waddel suffered a paralytic stroke and from then until his death in 1840 he was physically and mentally incompetent. In January 1839 he was moved to the home of his son, Prof. James P. Waddel, in Athens, Ga., where he died on July 21, 1840.

For the description of the character and service of Moses Waddel let us turn to those who knew him best:

Augustus Baldwin Longstreet wrote: "The reputation of Dr. Waddel never suffered from change of times, place, or society, but, bright at its rising, it grew brighter and broader at every move in his orbit. * * *

"The fruits of his vineyard are scattered far and wide through most of the Southern States, and long have they been seen in rich luxuriance in the Capitol of the Union. * * *

"Where lay the secret of his success over others of equal abilities? I should say, in his sleepless vigilance over the conduct and morals of his scholars; the equity and impartiality of his discipline, and his firmness in enforcing it; his ready insight into the character of youth, and his skill in improving it, either by prompt correction or speedy commendation, as seemed to him best; and in his well-regulated familiarity with them, which made him at all times accessible to them, without lessening their respect for him. To all which it may be added that, when left to choose, he almost invariably established his school in some retired spot, which, while it brought his pupils, night and day, under his immediate supervision, removed them almost entirely from the temptations of vice. Certain it is that he had the faculty, in a wonderful degree, of developing the native powers of the youthful mind. * * *

"As a Christian, Dr. Waddel's * * * piety burned with a steady flame. * * * He was active and constant in the discharge of his ministerial duties. * * *

"As a citizen, he was ever blessing and ever blessed."

John C. Calhoun, writing of the character of his former tutor said:

"It was as a teacher that he was the most distinguished. In that character, he stands almost unrivalled. Indeed, he may be justly considered as the father of classical education in the upper country of South Carolina and Georgia."

James Louis Petigru in a tribute paid to Dr. Waddel at the University of Georgia in 1846, said:

"The civilization of his age and country may be said, in some degree, to be indebted to him, for he carried the lamp of learning to a distance from the crowded seats of men, and exerted an influence in favor of education that was widely felt. A devout minister of religion, he extended its benefits to the poor; a priest without averice or ambition, he fed his Master's sheep with no mercenary hand; kind without weakness; devoted to learning, but still more devoted to virtue—he trained his pupils to place the pride of intellect far below the value of moral sensibility."

The roster of Dr. Waddel's students bears evidence that no schoolmaster in the South and few in the Nation had a more distinguished list of graduates over an equal period of time. Scores of clergymen and leaders in public life were numbered among those trained by him here at Willington. Included among these were John C. Calhoun, William H. Crawford, Hugh S. Legare, George McDuffie, Augustus B. Longstreet, and James L. Petigru. True, indeed, were "the fruits of his vineyard * * * scattered far and wide throughout most of the Southern States, and * * * seen in rich luxuriance in the Capitol of the Nation."

The old church and schoolhouse he built more than a century ago has long since crumbled in decay, but his life and deeds will live forever in the hearts and minds of the people.

"A builder builded a temple,
He wrought it with grace and skill;
Pillars and groins and arches,
All fashioned to work his will.
Men said as they saw its beauty,
'It shall never know decay.
'Great is thy skill, O Builder.
'Thy fame shall endure for aye.

"A teacher builded a temple
With loving and infinite care,
Planning each arch with patience,
Laying each stone with prayer.
None praised his unceasing efforts,
None knew of his wondrous plan,
For the temple the teacher builded
Was unseen by the eyes of man.

"Gone is the builder's temple,
Crumbled into dust;
Low lies each stately pillar,
Food for consuming lust.
But the temple the teacher builded
Will last while the ages roll,
For that beautiful unseen temple
Was a child's immortal soul."

What's Ahead for the Livestock Industry?

EXTENSION OF REMARKS
OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks, I include an informative address made by Mr. Charles A. Burmeister, economist, Livestock Branch, United States Department of Agriculture, at the Oklahoma Livestock Conservation Clinic, Oklahoma City, Okla., on November 13, 1947:

As the year 1947 draws to an end and livestock producers review its unusual events, they are well justified in contemplating as to what may be expected to occur next year and in the years beyond.

What adjustments or changes in plans should they make so as to best prepare for forthcoming developments? The livestock conservation clinic you are holding at this time affords an excellent opportunity for an exchange of ideas and views, and I greatly appreciate the privilege of being with you and being permitted to share in your discussions.

My contribution to your program will be to bring to your attention some of the information we have in the Department of Agriculture regarding trends in livestock production and probable future supplies of livestock, and to point out some of the more significant developments that may have a bearing on the future.

Looking back over this year, we can see that it has been an outstanding one for the livestock industry. Demand for meat was never greater and livestock prices reached levels never seen before, despite the fact that marketings of cattle and calves exceeded all previous records, and meat supplies were far above average. Feed was fairly plentiful, particularly early in the year but demands for it were so great that feed prices rose relatively more than prices of livestock. This increased production costs and caused hog producers to change their original plans to raise more pigs.

Unfavorable weather at planting time and during the growing season blasted hopes for another record corn crop like that of last year, and the harvest this fall is the smallest since 1940 and the second smallest in 11 years. This means much smaller supplies of feed grain than last year and less than the average of the last decade. Production of the four principal feed grains is about one-fourth smaller than the record total of last year, but the carry-over of these grains is somewhat larger and offsets some of the reduction in this year's harvest.

With a record wheat crop produced this year it is probable that more wheat will be used for feed than in the previous year when about 200,000,000 bushels were used for this purpose. The increase in wheat feeding will be limited, however, by the national grain-conservation program now in operation. Normally, the wheat that is fed goes mostly to poultry and dairy stock, largely in the form of mixed feeds. Relatively little of it is used for feeding beef cattle and lambs, and its use for feeding hogs is largely in those areas where other feed materials are not readily available.

Pasture and range conditions over much of the country have been generally good this year. In your State and western Texas, New Mexico, and Arizona, however, conditions have not been so favorable, as you well know, and there is much concern as to whether you might be experiencing the beginning of another of those droughts that occur occasionally in this region.

The relatively good season for pastures was also favorable for hay production and supplies are generally abundant. In relation to the number of animals on hand, these supplies are the largest of record and will greatly help in meeting the shortage in feed grains.

Supplies of byproduct feeds, including the oil cakes and meals, may prove to be nearly as large as the record supplies of the past year and will also help to alleviate the feed-grain shortage.

With smaller feed supplies on hand, we can expect hogs to be marketed at weights considerably lighter than in the last few years when they were far above average. Reports from the leading markets in recent weeks show that weights already are about as light as in the prewar years of the mid-thirties when droughts cut down feed production.

The decreased feed supplies will also tend to restrict cattle feeding, both as to the numbers fed and the length of time they will be kept on feed. A reduction of at least 10 percent in the number of cattle fed from the level of the previous year is not at all improbable and it may be even greater. The number fed this past year was probably the largest of record, although the number of long-fed cattle produced was below average. Another reason for expecting considerably fewer cattle to go into feed lots this coming year is the fact that fewer cattle are now available for purchase as compared with a year earlier. As I will bring out more fully further on in this discussion, there are rather definite indications that the very large slaughter of cattle and calves this year has resulted in a considerable reduction in cattle numbers, and much of the decrease has been in steers, heifers, and calves, the kind of cattle usually wanted for the feed lots.

Total meat output this year is indicated to be about 23,000,000,000 pounds, or slightly more than last year, when price controls were in effect much of the time, and somewhat less than in 1944 and 1945, when requirements for the war effort were very great. Meat production this year included more beef than in the other years, but less pork, lamb, and mutton; and also less veal than in 1944 and 1945. The heavy weights of the hogs marketed kept pork output from being smaller than it otherwise would have been, and the light weights of the cattle slaughtered tended to hold down beef output.

Slaughter supplies of livestock now in sight for next year indicate that meat production in 1948 probably will be around 21.5 billion pounds, which would be a decrease of about 7 percent from this year's level. Such a reduction would mean a decrease of about 10 pounds per person for our consumers, making the yearly per capita total about 146 pounds as contrasted with the average of 156 pounds now indicated for this year. But it would be about 12 pounds more than the per capita average in the five prewar years of 1937–41.

The rise in hog prices in late 1946, following the removal of price controls, resulted in a hog-corn price ratio last winter much above average and hog producers increased the spring pig crop slightly over the previous year. Had the ratio continued above average into the summer a very large increase in the number of sows farrowed this fall could have been expected, but the ratio dropped sharply after February when corn prices began to rise and by mid-June it was below average. Farmers in early June indicated that they planned to increase the fall pig crop about 9 percent, but because of the continued unfavorable ratio during the summer it is doubtful if the increase will be that large. The total supply of hogs for slaughter in the next 10 to 12 months, therefore, is probably only about 2 percent larger than that of the past year, but since market weights will be considerably lighter we can expect less pork and lard.

Sheep numbers have been decreasing since the early part of 1942 but the rate of decrease dropped off sharply this year because of fewer aged sheep going to slaughter. The number of stock sheep in the country at the beginning of 1948 will be the smallest in more than 80 years. This means small lamb crops in prospect for several years, and also very small supplies of lamb and mutton for consumption.

Sheep numbers probably will begin to increase gradually, either next year or in 1949, but the total increase during the next few years is likely to be moderate, since in most areas sheep growers may find it difficult to compete with cattle raisers until wool prices become more favorable in relation to cattle prices. In those areas where sheep herders are required the increased wages that had to be paid during and since the war caused production costs to increase relatively more than lamb and wool prices. This caused sheepmen to reduce their flocks even though in many instances they were operating on lands better adapted to sheep than to cattle. The long period of unusually favorable range conditions during the last decade also made it easier for cattlemen to compete with sheep growers in some of the areas where sheep normally predominate.

Because fewer feeder lambs are available this fall and also because there will be little winter wheat pasturage here in the Southwest, the number of lambs fed for market this winter will be considerably smaller than in recent years. A decrease of 1,000,000 head from last year and of nearly 2,000,000 compared with 2 years ago appears to be a reasonable guess.

One of the phenomenal developments in 1947 has been the high level of consumer demand for meats which was reflected in rising meat prices even though meat supplies for consumers were more abundant than at any time in the last three decades. This demand resulted from the high level of consumer income, which this year averaged nearly $1,200 per person after payment of taxes, and was more than double the prewar figure of 1937-41. The retail value of the meat consumed this year averaged about $75 per person as compared with the prewar average of about $30. Except during the years when price controls on meats were in effect, the retail value of meat consumed has usually been equivalent to 5 or 6 percent of the total disposable income. But this year expenditures for meat in relation to income were somewhat greater than average. There are two possible explanations for this. One is that the lower income groups now probably receive a larger share of the total income than they did in prewar years, and thus are in position to spend more for the luxury food products like meat. The other explanation is that because of their relative scarcity consumers have not

been able to buy other goods which they desire, particularly the more durable goods, and in consequence they have been willing to expend a larger proportion of their income for meat. When these other goods become more plentiful the demand for meat may weaken and be reflected in lower meat prices.

The specialists who are engaged in analyzing business trends and the factors determining the level of national income tell us that they do not see any developments in prospect which would cause the income level to decline in the first half of next year. A moderate decline might possibly occur in the latter half, but for the year as a whole the total income should be about as high as this year. Prices of livestock in 1948, therefore, may be expected to average as high as this year, and in view of the small marketings in prospect they may be higher.

In addition to the unusually strong demand for meat, another outstanding development this year was the very large movement of cattle and calves to slaughter. The total slaughter of these animals is now indicated to be about 36,000,000 head, unless there is a marked reduction in the rate of slaughter during the remaining 6 weeks. This, of course, is possible since many producers may decide to postpone sales until the new year in order to avoid being in the higher income-tax brackets.

A total of 36,000,000 cattle and calves slaugthered this year would be in excess of the calf crop, which is expected to total less than 35,000,000 head. Allowing for the usual disappearance in the way of death losses, totaling on the average about three and one-half million head, and taking into account the half million cattle normally imported from Mexico and which are not available this year because of the foot-and-mouth disease outbreak in that country, it becomes apparent that we are likely to have four to five million fewer cattle and calves at the end of this year than were on hand at the beginning. We are now forecasting that the total number will be between seventy-six and seventy-seven million head, or about 9,000,000 less than was estimated 3 years earlier, when numbers were at their all-time peak of eighty-five and one-half million. This means that during the last 3 years our slaughter and death losses of cattle and calves have exceeded our calf crops and imports of cattle. It means also that we cannot continue in this way much longer without reducing our herds to a level which would be too low for the national good, and also to make the most effective use of our grazing and forage resources.

In order to prevent a further reduction in cattle numbers it would be necessary to reduce the slaughter of cattle and calves in 1948 to about 31,000,000 head, or about 5,000,000 less than the slaughter indicated for this year. In view of the current price level for cattle and the uncertainty in the minds of cattlemen as to how long these prices will continue, I do not believe that slaughter will drop to 31,000,000 head next year; hence I expect a further reduction in cattle numbers in 1948.

One cannot predict with certainly when the present decline in cattle numbers will end nor at what level it will halt. It will end only when cattlemen sell fewer cattle for slaughter than the number of calves raised. Our records show that when the yearly slaughter of cattle and calves exceeds about 88 to 90 percent of the yearly calf crop, cattle numbers decrease, and when it is less than this percentage they increase. A change of approximately 2.25 points in this percentage ratio will result in 1 percent change in cattle numbers. If we have a slaughter of 36,000,000 cattle and calves this year it will be equivalent to about 103 percent of the calf crop expected this year. This indicates a reduction of 6 percent in cattle numbers by the end of the year, or about 4,000,000 head, which is in agreement with other indications that this reduction will occur.

Since about 1880 cattle numbers have increased and decreased in fairly regular cycles, with about 16-year intervals between the low points. Most of the cyclical changes have been in numbers of beef cattle rather than dairy stock. The latter have increased gradually about in line with the growth in population. The reductions from the high points to the low points in total numbers in the four previous cycles have averaged about 17 percent, and in beef cattle about 25 percent. If the percentage decline from the peak level reached at the end of 1944 should be about average, it would establish the next low point at about 71,000,000 head for total cattle, or about fourteen and one-half million below the recent peak. The reduction in numbers in the downswing of the cycle from 1934 to 1938, which was shortened by the Government drought emergency cattle buying program in 1934–35, was less than average. The decrease in the present downswing may also be less than average, especially if no serious adverse economic developments occur in the next few years, which would be an incentive for more pronounced liquidation. I am inclined to believe that numbers at the low point will total about 74,000,000 head.

The status of our breeding stock is the most important factor to consider in appraising the cattle situation at this time and for the years ahead because that is what will determine the future trend of beef production. During 1945 and 1946, when cattle numbers were reduced nearly 5,500,000 head, there was very little change in the numbers of beef cows and heifers; most of the reduction being in steers, calves, and milk stock. This year the slaughter of cows and heifers, especially the latter, has been unusually large, and this indicates a considerable reduction in the cattle breeding herd. The slaughter of steers and calves also has been much larger than average, which means that our reserves of cattle for future marketing and herd replacement will show a marked decrease. If cattle slaughter is to continue at a high rate next year it will be necessary to draw heavily on the breeding herd which would further reduce breeding stock and retard expanding cattle production when producers are ready to begin increasing numbers.

In view of the increase of nearly 2,000,000 people yearly in our population this present downward trend in cattle numbers will result in a marked shortage of beef for consumption sometime during the early fifties and is a factor that cattlemen should consider in making their plans. With the usual imports of a half million stocker cattle from Mexico and 200,000 from Canada no longer available, the problem of maintaining beef production at the desired level becomes more difficult. The only alternative for expanding meat production lies in increasing hog production and this is dependent on feed grain production. Decreased feed supplies this year will cause a reduction in the number of pigs raised next year—probably 5 to 10 percent—and this will result in smaller supplies of pork in 1949. It usually requires 2 to 4 years of good corn crops to get a large increase in hog production. Weather conditions during the next 2 or 3 years, therefore, will be the determining factor in our meat supplies in the early fifties.

In appraising the long-time trends in cattle production we need to consider the production capacity of our resources. In each of the previous cattle cycles, with one exception which resulted because of the severe drought of 1934, the peak in numbers was slightly higher than the previous peak. The proportion of cows in the beef cattle herd has increased considerably since the first World War and there has been a general tendency to market cattle at younger ages. This has resulted in increasing the yearly live-weight production per cow kept by around 15 percent.

Another reason that it has been possible to increase cattle production since the first World War is that cattle have largely replaced horses and mules in the utilization of our grazing and forage resources as these animals were replaced by tractors and other mechanical power.

Since 1918 the numbers of work stock have decreased nearly 16,000,000 head. This number is equivalent to about 19,000,000 cattle of all ages in terms of the grazing requirements to maintain them. The grass and hay formerly required to maintain large numbers of horses and mules is now used largely in the production of beef.

In determining our production capacity for the future one of our guides or measuring rods is the number of grazing animals we have maintained in the past over the varied conditions that confronted producers. Converting our grazing animals—cattle, sheep, and work stock to a common denominator equivalent to one milk cow or one horse or mule and designated as a grazing unit, we find that since 1900 our total grazing units have ranged from a low of 74,000,000 to a maximum of 91,000,000. The latter figure was reached in 1918 and the low point occurred in 1928. In 1944 the total was nearly 89,000,000. At the beginning of this year it was 81,000,000 and at the beginning of next year it probably will be about seventy-six or seventy-seven million. If we assume that the maximum units ever recorded for each State to be our maximum production capacity the total is slightly more than 93,000,000 units. If we assume also that some of the States like those in the South could maintain more livestock without difficulty we probably could increase the maximum to 95,000,000 units. In view of the possibility of drought recurrence at intervals this maximum probably could not be maintained with safety unless the carrying capacity of our ranges and pastures is increased by better methods of management and the use of higher yielding grasses and forage crops.

With a further reduction in numbers of horses and mules in prospect, cattle could be increased to replace them and a total cattle herd of at least 85,000,000 could be maintained with safety over the long period under average weather conditions. In view of the present downward trend in numbers it will be several years before this maximum level will be reached.

Thank God for Congress

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. ENGEL of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpt from a radio broadcast over Mutual Broadcasting System by Commentator Albert L. Warner on November 27, 1947:

This being Thanksgiving Day, columnists and editorial writers and just plain citizens are full of things for which to give thanks: Freedom and peace (such as it is) and prosperity and the opportunity to help less fortunate people.

But I doubt if anybody has mentioned Congress. Congress is too often an object of lambasting or of barbed humor. But our

National Legislature is a focal point of our freedom and our democracy. The overwhelming proportion of our legislators are industrious, honest men, proud to represent their people, and intent on listening to their own good consciences and to what they conceive to be the wishes of their constituents.

Some critics may not like the political or economic complexion of Congress. But the people made it—and they can change it.

Often on any given legislative problem it is difficult to get the facts. Facts come piecemeal or lie hidden, and sometimes, like opinions, they clash. But most Congressmen keep digging.

As facts are brought to light and opinions form into policy, these legislators carry out the processes of democracy, not too swiftly perhaps, but not with steps too doddering.

It may not be amiss to put in a word of thanks for our democratic institution—Congress.

Politics in Statesmen's Clothing

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. MacKINNON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Minneapolis Sunday Tribune for November 23, 1947:

POLITICS IN STATESMEN'S CLOTHING

It was expected that President Truman would ask Congress to take some action on an anti-inflation program for the United States along with his request for more relief for Europe.

The President's council of economic advisers had recommended some such measures. Most Republicans were ready to go along with them.

These measures were:

Restoration of controls over consumer credit—the time-payment plans that offer merchandise at a dollar down and a dollar a week.

Authority to increase the reserve requirements of Federal Reserve System banks.

Power to allocate some scarce materials among manufacturers in this country.

Extension of the export controls.

Authority for the Government to set margins—the down payments—in commodity markets.

The President, however, decided to throw the book at the Republican Congress. He requested not only these powers and actions, on which he could have expected approval, but he dragged out many of the old, discredited ideas on how to control inflation and asked reenactment of them.

Why?

The President must have known Congress would not approve such measures. He must have known it unless he has far less understanding of the reactions of the people and the Congress than it would be natural to assume any President must have.

It was only a short while after he himself had said that any sort of controls produced the police state that he was before Congress asking for such controls.

The only logical explanation of the President's requests, therefore, is that he was trying to set the stage for himself in the Presidential campaign of 1948. He was using a serious situation, both as regards our foreign policy and our domestic economy, to his personal political advantage.

He and his advisers apparently thought they would embarrass the Republican Party by this tactic. If Congress adopted the sweeping powers and proposals, Truman and his party would take the credit. If Congress declined to go along, Truman and the Democrats would say high prices were the fault of that failure to cooperate with the President. He was trying to play a heads-I-win, tails-you-lose game.

If such was the President's intention, he did not reckon with the statesmanship that is evident in Congress. The pressures upon our domestic economy, about which the President expressed such concern in his message, can be reduced in other ways than through regimentation and controls.

Already the report of the Senate Committee on Foreign Affairs has recommended that some of the funds to be made available to Europe be left free of restrictions that they must be spent in the United States. That will lessen the pressure here somewhat.

Congress also can arrange for more orderly movement of commodities to Europe to prevent bidding up of prices by the present competitive methods. Finally, Congress could whittle down Federal spending even more here at home and thus reduce even more the inflationary pressures.

The responsibility for keeping inflation in check and a sufficient flow of relief to Europe rests almost entirely with Congress. It is less likely to be influenced by political consideration there than elsewhere in Washington.

Antilynch Bill

EXTENSION OF REMARKS
OF
HON. ROBERT J. TWYMAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. TWYMAN. Mr. Speaker, under leave to extend my remarks, I submit herewith, an editorial from the Rochester (N. Y.) Democrat and Chronicle of Monday, November 24, which comments upon the bill introduced by Representative KENNETH B. KEATING for the purpose of protecting persons from mob violence and lynching. You will note the favorable reference to the provisions made in Mr. KEATING's bill, providing for the manner of furnishing funds for the payment to victims and next of kin.

SHOULD BE SUPPORTED

Every effort to make the crime of lynching punishable by law is sure to win substantial backing in a majority of the States. The fact that many such efforts have failed, owing to unyielding opposition in the South, does not discourage new attempts to get this much-needed type of legislation through Congress.

Representative KENNETH B. KEATING, of Rochester, is the author of the latest bill to force this matter on the conscience of the country. He proposes a maximum fine of $10,000 or a maximum prison sentence of 20 years, or both, for any person convicted of participating in a lynching; a fine of $5,000 or 5 years imprisonment for officials who willfully fail to protect persons in their custody from mob violence.

He proposes furthermore that victims of mobs or their next of kin be entitled to recover $2,000 to $10,000 in court, to be paid out of the Federal Treasury and charged back against grant-in-aid to the State in which the offense occurred.

These are reasonable provisions which, if enforced, should put a heavy hand on lynchers and those who wink at this crime. The bill has been referred to the Judiciary Committee, which has other antilynching proposals before it. We hope it is reported out and that Congress has opportunity to debate it. We cannot have too much confidence, of course, that it would be able to get through the Southern bloc in the Senate, which has killed more than one antilynching measure in past years.

Yet sentiment, even in the South, is hardening toward lynching as the fiendish crime it is. Although there are laws enough to punish perpetrators if vigorously applied, a blanket Federal law putting enforcement squarely up to the States would be a great advance step. It would be a demonstration to the world that as a nation we mean business in outlawing this survival of barbarism.

Monsignor Sheen Says Food Alone Will Not Halt Reds

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, on yesterday it was my privilege to attend the annual Pan-American Thanksgiving services at St. Patrick's Church in Washington, and under authority granted to extend my remarks in the RECORD, I wish to submit a newspaper article quoting from the sermon delivered by Rt. Rev. Msgr. Fulton J. Sheen, noted Catholic lecturer, and which services were attended by notables from our Latin-American neighbors and high-ranking public officials. The newspaper article submitted is as follows:

MONSIGNOR SHEEN SAYS FOOD ALONE WON'T HALT REDS

All the food in the world will not stop Europe from going Red, the Rt. Rev. Msgr. Fulton J. Sheen, noted Catholic lecturer, said yesterday at St. Patrick's Church in a Thanksgiving sermon predicting Latin-American countries will demand revamping of the United Nations to assure world peace.

"Food may relieve conditions of communism, but it will not remove the cause," said Monsignor Sheen. "All the food in the world will not prevent Europe from going communistic." He spoke at the traditional Pan-American Thanksgiving Mass.

WE BEAR WORLD CROSS

"The United States—in these times—has been conscripted to serve, feed, and clothe a weak and weary world. Without knowing it, the American people are carrying the very cross of Christ.

"They are in the same situation as Simon of Cyrene who, in spite of his protests, was forced by Roman soldiers to bear the cross of bleeding Christ to Calvary.

"Before he knew it, the beam was on Simon's back as he became the sullen carrier of another's cross—the innocent sharer in another's crime. How far Simon walked without a change of heart we do not know—but Simon became a Christian.

"Until the San Francisco Conference, North American peoples had a similar outlook. But at that conference the chairman, representing the United States, decided not to open sessions with a prayer lest such a

supplication be offensive to some delegates. As a result, this country is being forced into a position where it is trying to support religion by not offending antireligious forces.

"But we are beginning to see that defense of Europe is synonymous with defense of Christian values."

Here Monsignor Sheen explained that many who had commonly regarded the Christianity of Latin-American countries as a kind of accidental appendage to their civilization now find themselves drawn into even closer bonds with their neighbors to the south.

PREDICTS CHANGES IN UN

"As Simon, I repeat," he said, "we do not know yet whose cross are we carrying, but we are carrying a cross and that, alone, makes a people noble.

"The smaller nations of the world—including our neighbors—must by the nature of their case rely upon law (for peace) and not upon great armies and air forces.

"Among them are the Pan-American nations which (like the United States) are unconsciously drawn into a defense of Christian values and they will seek reorganization of the United Nations in order to give supremacy to law over power."

He suggested that the General Assembly be put at the top as the major legislative and judicial body of the UN and that the Security Council be made subordinate to it as an executive branch whose responsibility it would be to enforce decisions of the Assembly.

He also outlined the following five-point program for world peace:

1. Development of the brotherhood of man.
2. Recognition of man as a theological creature.
3. Work for conversion of non-Christian countries to Christianity.
4. Give law supremacy over power by turning the UN upside down.
5. Discard materialism and adopt the practice of penance.

DIPLOMATS IN AUDIENCE

It was a great throng of worshipers who heard Monsignor Sheen speak, embracing many of the highest representatives in America of several foreign nations as well as outstanding American laymen and officials.

Archbishop Amleto Giovanni Cicognani, apostolic delegate to the United States, pontificated the Mass. The Most Reverend John M. McNamara, administrator of the archdioceses of Washington and Baltimore, presided.

The Reverend Gilbert Hahn was deacon of the mass, the Reverend Lawrence J. McGlone subdeacon, and the Very Reverend Bernard E. Ransing assistant priest. Deacons of honor included the Very Reverend Francis J. Connell and the Reverend Joseph T. Kennedy. Masters of ceremonies were the Reverend Walter J. Schmitz and the Reverend E. Robert Arthur.

The Ballot Box

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. McDONOUGH. Mr. Speaker, we as elected officials and servants of the people should never forget the conclusive, decisive, and powerful effect of the ballot box which is the instrument by which all great issues and questions, and the election of men to public office is determined.

I submit herewith a short poem from the November issue of the Family Circle which should serve as a reminder of its powerful effect, especially in the United States where freedom of choice by the ballot must always be guarded against encroachment.

A weapon that comes down as still
As snowflakes fall upon the sod;
But executes a freeman's will,
As lightning works the will of God:
And from its force nor door nor locks
Can shield you—'t is the ballot box.
—*John Pierpont.*

What New Orleans Has Done for the Negro

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. HÉBERT. Mr. Speaker, my request for permission to extend my remarks may appear rather unusual because of the nature of the contents of the article which I have asked permission to bring to the attention of the Congress.

It is an article by John Lester, who conducts the column Lagniappe in the New Orleans Item. Mr. Lester, I believe, is one of the most promising young newspaper columnists in this country and a distinct credit to the newspaper to which he contributes.

Mr. Lester recently wrote a column relating to the Negroes in the city of New Orleans. I read it with more than passing interest because it carried a message which should—but of course will not—strike a resounding note in those who prate so much about their concern for the advancement of the Negro.

Mr. Lester's presentation of what New Orleans has done for the Negro and his advancement is further testimony of the responsibility which the South has accepted to the members of this race. It is significant that these contributions have been made by southern people in a Southern State and a southern city without such phony measures as so-called fair employment practice acts, hate-generating antilynch laws, hypocritical anti-poll-tax legislation, and other innumerable suggestions which come from those who, while shouting from the housetops their desire to assist the Negro, are contributing endless harm to his real advancement.

The South knows its Negro and knows its Negro problem and is well capable of handling the problem without outside interference or misdirected proposals from those who would use the Negro as a political tool instead of aiding him as a human being with a rightful place in the world in which we live.

Those of us who are truly sympathetic to the Negro as a human being and desire to see him advance, are much concerned about the false propaganda and deliberate slander upon the South in connection with the race problem. The Negro cannot be helped by continually fanning the flames of hate and prejudice; the Negro cannot be helped by undesirable arbitrary laws which demand certain conduct on the parts of individuals.

I cite Mr. Lester's column as an example of what the Negro can do under the kind, understanding guidance of a paternal South which is able to cope with a problem if given the opportunity without outside interference.

The cry goes up daily about Negro minorities. The real danger is the attempt of the radical, self-seeking Negro minority beyond the Mason and Dixon's line trying to rule the top-heavy Negro majority of the South which is being helped and assisted every day in an orderly, understanding, and logical manner to become a more enlightened race.

Some of the statements in Mr. Lester's column will undoubtedly come as a surprise to many of you. To those of you who know and understand the South it will be the bringing to light of an old story.

Mr. Lester's column:

NEGROES BIGGEST NEW ORLEANS RACE GROUP

There are about 15,000,000 Negroes in the United States, about 850,000 in Louisiana, and about 180,000 in New Orleans. This last figure represents the combined total of some 43,000 families. It also means that Negroes form the largest single racial group in New Orleans and make it the first city in the South and the sixth city in the Nation as far as Negro population is concerned. About 18 percent of New Orleans Negroes own their own homes. About 15,000 own automobiles. They spend on the average of 27 percent of their income for food, but have a total buying power estimated at well over $1,000,000 a week. New Orleans has over 800 Negro owned and/or operated businesses (women play a tremendous part in business here) and is the second city in America in that regard. Largest business of all is life insurance, and the New Orleans Negro owns 16 companies here, doing an aggregate business of about $6,000,000 a year. Local 1419, a longshoremen's union, is not only the largest all-Negro local in the world, but the richest as well, with over $750,000 in the bank. There are 6 Negro theaters in New Orleans, and one of them, The Palace, is the largest in the United States. There are 5 Negro beauty schools in New Orleans, more than in any other city in America. There are also 15 hotels and 13 drugstores, 2 more "firsts in the Nation" for New Orleans Negroes. There are 25 taxicab companies, with a total of over 400 cabs in operation; 2 libraries; 2 bishops; 2 artists; 1 architect; a fight promoter; 6 authors; 47 doctors; 12 dentists; 2 lawyers; 8 printers; 1 privately endowed hospital; 2 of the finest Negro night clubs (in addition to others, of course) in the country; 50 grocery stores; 45 schools with a total of 552 teachers. Two business schools and two colleges, and of these latter, Xavier is the only Catholic Negro college in the Nation. The largest Negro Catholic church in America is Corpus Christi, here in New Orleans. In all, however, New Orleans Negroes have a total of more than 475 churches, the majority of them Baptist.

Like his brothers and sisters everywhere, the New Orleans Negro has a strong strain of nature worship in his blood, which accounts for his rich emotionalism, and, probably, for the fact that there are more than twice as many Negro clergymen in New Orleans as there are whites, in proportion to

the population. (It probably also accounts for the fact that Negro folklore is one of the largest and most varied bodies of lore in New Orleans today.) New Orleans supplies more Negro clerical workers to the Nation than any other American city. New Orleans is the only major city in the deep south in which the percentage of Negroes in the total population has increased in the last 45 years. Illiteracy among New Orleans Negroes is down from 95 percent during the war between the States to less than 15 percent today. By nature, New Orleans Negroes are agriculturists but, today, most wage earners among them are connected either directly or indirectly with business or industry. By nature, too, the Negro is a vegetarian. Average age of Negro businessmen in New Orleans is 42 years. The greater majority of their customers buy for cash with, possibly, the single exception of one item: furniture.

In the field of music, New Orleans Negroes are among the greatest creators and interpreters of jazz of all time, Louie Armstrong is the undisputed "daddy of 'em all" but there's also Zutty Singleton, "Buddy" Bolden, "King" Oliver, Sidney Bechet, Alphonse Picou, A. J. Piron, and Clarence "Basin Street" Williams, and the list could go on. In another generation, New Orleans Negroes were famous all over the world for their excellence and artistry in working with wood and iron. Currently famous all over the world is the character of King Zulu and the Negro's other contributions to Mardi Gras are likewise notable. (The ancestors of New Orleans Negroes originally came from Africa, from an area as large as the whole continent of Europe, and the first of them hit American shores in 1619.) Present-day Negroes here have a club, one of the most famous in the city, called The Hundred Dollars A Week Club, for anyone making that figure or more each week. The average wage of New Orleans Negroes, by the way, is one of the highest in the United States. Probably the oddest fact concerning the New Orleans Negro, however, is that the Emancipation Proclamation didn't include this city at all, due to a technicality, even though it freed about 4,000,000 slaves elsewhere in the Nation.

Shareholders in the World's Greatest Business—Peace

EXTENSION OF REMARKS
OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. BRYSON. Mr. Speaker, on November 4 last it was my privilege to speak before the Business and Professional Woman's Club at the Cleveland Hotel, Spartanburg, S. C., and over radio station WORD.

Under leave to extend my remarks in the RECORD I enclose a copy of my speech:

It is indeed a great honor to be thus invited to speak to the business and professional women of Spartanburg on the tremendously important subject of shareholders in the world's greatest business—peace.

The term "shareholder" is a familiar one to you ladies who, no doubt, daily have business contacts with shareholders. I should, however, clarify my reference to the term "the world's greatest business—peace."

All of you are citizens of the United States. The United States is constantly referred to as a democracy or as a republic. Now just what do we mean by these words? Mr. Webster defines democracy as government by the people—a form of government in which the supreme power is retained by the people and exercised either directly as in an absolute or pure democracy, or indirectly, as in a representative democracy, through a system of representation and delegated authority periodically renewed. His definition of a republic is a state in which the sovereign power resides in a certain body of the people, the electorate, and is exercised by representatives elected by, and in theory at least responsible to, them. Thus we see that we, as citizens of a representative democracy or republic, hold the supreme power of the country in our hands. Such powers as our National, State, or local governments have are those which we have seen fit to delegate to them. The tenth amendment to the Constitution, a part of the Bill of Rights, states specifically that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

That the National Government operates in the category of big business is evident from the fact that the annual budgets run into billions of dollars. The budget expenditures for the year which ended last July reached more than $42,000,000,000 and this represented a considerable decrease from the war years. The National public debt in 1946 amounted to nearly $2,000 for every man, woman, and child in the United States. In the same year national receipts amounted to $305 for each person while expenditures by the Federal Government averaged $461 for each individual in the population. These figures are based on Treasury reports and the Bureau of the Census estimates of population.

In view of these facts it is apparent that we all are shareholders in our Government, and that the United States Government falls in the category of a big business. Our Government's concern with peace has been publicly expressed, on many occasions, by our President and other statesmen. A few weeks ago President Truman, speaking at the Inter-American Defense Conference in Brazil, declared: "The fundamental basis of the policy of the United States is for permanent world peace." All our efforts in the United Nations and in other international organizations have been directed toward the goal of an enduring peace. It is inconceivable to me—as I am sure it is to you—that we should for a single moment consider the desirability of anything other than peace.

But if we are to preserve even the rather shaky peace which we now enjoy, we must all exert ourselves. It is regrettable that in the past the United States has gained the reputation of winning the war but losing the peace. Whether or not this is true, we cannot afford to let it happen now. The cost has been too great in lives lost or shattered, in populations uprooted and driven from their homes, in the destruction and devastation of wide areas of the globe. Let's examine the figures for the number of persons who were killed or who died as a result of the two great World Wars of this century. According to the War Department, more than eight and one-half million people died as a direct result of the First World War. More than twenty-one million were wounded; nearly four million were listed as prisoners or missing. Of the United States troops, 126,000 were killed or died; more than 234,000 were wounded; and 4,500 were taken prisoner or were missing. The casualties of World War II are even more staggering. Total casualties, including killed, missing, and wounded members of both the civilian and military populations, amounted to more than 45,000,000. The United States, which had no civilian casualties resulting directly from enemy action as of June 30, 1946, had suffered a total of 1,135,054 dead, wounded, and missing. Three thousand four hundred and twenty-three South Carolinians were killed in action, died of wounds, or of other non-battle-induced causes in the Army alone. Certainly this was a terrific price to pay.

In addition to the cost in lives, the cost in dollars of the wars in which the United States has participated has been little short of stupendous. Only within the past year or two has the last pensioner of the War of 1812 been removed from the Government pay roll. Not only do we have to pay for the guns and the ammunition and all the supplies for our troops while they are engaged in the war, but we also have to pay what are called the continuing costs. These costs include pensions, care of veterans, interest on war debts, and so on. The continuing costs are much greater than the expenses incurred for strictly military purposes. For instance, the Spanish-American War cost us $582,000,000 in military expenditures but almost $2,500,000,000 in continuing costs up to June 30, 1946. During 1945 the continuing costs of the Spanish-American War amounted to $143,000,000 and were still rising. World War I so far has cost us $74,000,000,000, and in 1945 alone cost us $312,000,000. The continuing costs of World War II have only begun, but already the total cost of that war has risen to nearly $400,000,000,000. Now this money doesn't appear miraculously in the coffers of the Treasury Department. Much of it gets to the Treasury through the collector of internal revenue. And where does the collector of internal revenue get it? That's right: from you and me, from the taxpayers of the country. A great part of each tax dollar collected goes to pay for the wars in which we have been involved. I don't mean to say that we should have stayed on the sidelines. On the contrary, it was absolutely essential that we enter the conflicts and so save our democratic form of government. I do want to point out how much it has cost us and to emphasize the fact that we cannot, we must not, permit another war. For should such a war ever start, it is more than likely that we would suffer greater casualties than ever before. In the atomic age we cannot hope to escape great destruction in our cities and production areas. What the dollar costs would be cannot even be imagined.

Our industrial production has surpassed that of of any other country in the world. During the war the tools of death and destruction rolled from our factories in a great flood. Energetic measures were taken to boost production. Naturally a period of reconversion of the factories to peacetime production was necessary. At the present time, production is reaching new heights and our national income is soaring. It is up to us to see that this increased national income is put to the proper use. If we spend as much time, with the same enthusiasm, working for peace as we did working for war, we shall soon have a better world in which to live and rear our children. Just think of what we could do with the $74,000,000,000 which World War I has already cost us. Think of the campaign for peace we could put on with such a sum—or even with only a tiny part of such a sum. Think of what we could do to banish ignorance, alleviate pain, and bring comfort and happiness to the world. And remember that it is up to you, the shareholders in the business of government, to say what shall be done.

Scarcely has the advance guard of our honored dead reached their native shores for permanent burial before heavy threatening clouds of another war enguif the troubled world.

There are many problems to which we must soon find a solution if we are to maintain the peace in this uneasy world. Perhaps the most pressing problem is that of the relations between Russia and the United States. Every day the newspapers carry some new story of conflict between the two greatest nations in the world today. Per-

haps it is not surprising that there should be friction between our two countries. The form of government maintained by the Soviets, and advocated by them for all other countries, is very different from that which we believe to be good and desirable. They believe in a strong central government; we believe in limiting the power of our Central or National Government.

The Soviets believe in control of all forms of business by the Government; we Americans believe in what we call free enterprise, with as little Government control as possible. Our entire history and cultural backgrounds are different. It is not to be wondered at that our way of thinking on various world problems is seldom the same. But it is the methods of settling those differences that are cause for alarm. We have tried the policy of sitting down at the conference table and attempting to arrive at mutually satisfactory decisions. So far this method has been unsatisfactory, due to the consistent Russian refusal to make concessions. It is hard to escape the conclusion that the Communists are convinced that a third world war is inevitable. Stalin himself wrote, "It is inconceivable that the Soviet Republic should continue to exist interminably side by side with imperialist states. Ultimately one or another must conquer." Recently he has expressed himself in a more pacific vein, but many competent persons believe that his earlier statement represents his true belief. Certainly there is evidence to support the theory that Russia is preparing for a third world war by attempting to gain domination of Europe and Asia, and by infiltrating and weakening all countries, such as our own, which cannot be brought under Communist control.

Thus it may be that, abhorrent though the idea is, we shall have to face again acute conflict in this era. Most assuredly, we shall avoid it if we can, but not at the cost of abandoning our American way of life. As terrible as the thought of an atomic war may be, more terrible is the thought of a Russian Communist dominated world. In spite of our desire for peace, we must remain realistic. It is dangerous to become too vocally strong while remaining physically weak. It is essential that our military forces be maintained at a strength sufficient to safeguard our national security. Although the United States is the richest and most powerful Nation in the world today, we have come to be too weak militarily since the end of the war. We must not allow that situation to go unremedied.

These are but two aspects of this great problem which now faces all of us—namely, how to keep the peace. But there are many other questions to be answered, all of which deal directly or indirectly with the peace. Shall we aid Europe this winter? If so, how much, and under what conditions? And there are a host of problems before the United Nations. What shall be done about Palestine? Or Korea? What policies are to be carried out in regard to the Balkans? I shall not dwell on these at this time. I merely offer them as illustrations of some of the world problems now facing us.

And what, you ask, can you as individuals or in groups such as this club do about it? Let us return to the analogy of the citizen as a shareholder in the business of government. At certain regular intervals, usually once a year, the shareholders of a business meet and choose a board of directors for that business. Similarly, the citizen-shareholder goes to the polls at regular intervals, every 2 years, and chooses his representative in the Congress. Now the shareholder in a business would not vote for a director who advocated a policy which would lead the company to bankruptcy or would lose the company customers. Nor should the citizen vote for a candidate for Congress who advocates the wrong policy for the National Government. But in order to know whether the policy is right or wrong, you have to know what the issue is and what the result of the policy would be. The most important thing that you can do, then, is to educate yourself on the problems of peace. When you have studied the matter, talk it over with your friends. Let your Congressman know what you are thinking. Let him know whether you approve or disapprove of the way he is handling your business.

It is good to know that you ladies are concerned, as you are, about public affairs. Nature has been kind to women. The mind of a woman is, in many respects, keener than the mind of a man. The mortality table reveals the fact that the average length of life for woman is some 3 years longer than that of man. The ravages of war have further depleted the ranks of men. Women now greatly outnumber the men all over the world. With the enfranchisement of women, particularly in our own great country, you are now more powerful than men. Great responsibilities are yours. May you continue to strive for permanent and lasting peace.

There is much hard work ahead for all of us if we are to succeed in our avowed goal of a permanent world peace. All of us must help. There will be many disappointments along the way and at times we will be discouraged. But if we persevere we may see the day for which the poet Tennyson longed—

"* * * when shall all men's good
Be each man's rule, and universal peace
Lie like a shaft of light across the land."

Our Waning Air Strength

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I appeared on the floor of the House this noon to call to the attention of the Congress the fact that on November 24, 1947, I had introduced H. R. 4565 to provide an appropriation of $430,000,000 for the United States Army Air Forces and $250,000,000 for the United States Naval Air Forces, stating that I had promised my constituents when I was first elected to Congress that if I could prevent such a catastrophe our country would never be caught unprepared as we have been in the last two World Wars, and that since our Air Force has disintegrated to a point where it is inadequate for the defense of our country, it was my opinion, that we should immediately provide sufficient funds for this important branch of the services to furnish additional aircraft and technical equipment to build it to a point where it would at least be potent enough to protect and defend our Nation for we all know that in this atomic age, air protection is the only possible defense that any nation could have against this type of attack. The responsibility is the responsibility of the Congress, and I have introduced the legislation to rebuild, if only in part, our air power and air defense. I have performed my duty and my promise to my country and my people. I hope that the Congress will give favorable consideration at once to this important legislation.

Mr. Speaker, in support of my position I include an editorial from the Washington Post, of even date, entitled, "Our Waning Air Strength," and I respectfully request that the same be included together with my remarks.

The editorial is as follows:

OUR WANING AIR STRENGTH

As Secretary of the Department of the Air Force, W. Stuart Symington has just revealed figures disturbing enough to demand the promptest possible action. In the world as it is, until there is a peace worthy of the name, the United States will be taking a reckless gamble unless all elements in its security establishment are maintained in a state of readiness adequate for any emergency. But the most important of these elements—our strength in the sky—is waning progressively for want of sufficient congressional appropriations. Mr. Symington has made that much very clear.

The central fact in the situation is this: That in keeping with the State Department's estimate of international trends the United States Air Force, under General Spaatz, has determined what should be the minimum strength of our military aviation at this time. The minimum calls for 55 groups of planes of every type by January 1. It calls, further, for an expansion in the following 12 months to a total of 70 groups made up of 6,869 planes in the Regular USAF, plus 27 groups with 3,212 planes in the Air National Guard. Above all, as of the present moment, it calls for the placement of at least 630 of our heaviest bombers (B-29's and the bigger ones in production) at strategic bases throughout the world, with 504 of these in constant readiness for immediate action.

If we had this kind of strength in being or in near-future prospect, there would be reason to feel confident, not merely in our own security, but also in the ability of such a force to serve the peace of the world as a check against any major aggression anywhere. Unfortunately, however, as Mr. Symington has emphasized to the President's Air Policy Commission, General Spaatz's figures are largely things of paper—a picture of what ought to be in existence, but actually is not. Thus, although the USAF is able now to supply 55 groups by drawing on planes from reserve stocks, the prospect is that by the end of next year it will have only about 40 groups, or little more than half of the 70 regarded as essential to meet our minimum security requirements.

The fundamental reason cited for this prospective decline is that the current level of appropriations is simply too low for the maintenance of the rock-bottom amount of strength the USAF must have if its preparedness is to be kept in line with the State Department's assessment of the international situation. General Spaatz and Mr. Symington have made this point most persuasively. If they are as right as they seem, Congress should lose no time in adopting corrective measures. Certainly, when it comes to national security, we can pinch pennies only at the risk of imperiling ourselves and free lands everywhere.

Radio Report to the People by Hon. W. Lee O'Daniel, of Texas

EXTENSION OF REMARKS
OF
HON. W. LEE O'DANIEL
OF TEXAS
IN THE SENATE OF THE UNITED STATES

Monday, December 1 (legislative day of Monday, November 24), 1947

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a report to the

people made by me while in Texas during the time Congress was not in session earlier in the year.

My report was made in five radio speeches, and I ask that the first speech be printed in the RECORD of today, and that the other four be printed in order, one on each of the 4 days when the Senate may be in session following today.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REPORT TO THE PEOPLE—PART 1

(Radio address by United States Senator W. LEE O'DANIEL, radio station WBAP-TQN, Fort Worth, Tex., August 4, 1947)

How do you do, ladies and gentlemen, and hello there, boys and girls. This is your United States Senator W. LEE O'DANIEL, Democrat, of Texas, speaking to you on the Texas Quality Network from the studios of WBAP 820 in my old home town of Fort Worth, Tex.

At the very outset I want to make it distinctly understood that the report I am making to the good citizens of this State during these 4 weeks is in no way, shape, manner, or form to be considered a political campaign, or a prepolitical campaign. It will be strictly a report to the good people of Texas in my capacity as your United States Senator. It is not intended to be a report to the little group of male political hula-hula dancers in Texas and in Washington, D. C., who have been taking turn about dancing in the headlines of the newspapers for the past several months, with a forced grin on their faces, and doubt and fear in their hearts, trying to get the voters of Texas to watch them shimmy, and encourage them to become a candidate for the office of United States Senator next year. Now, if I thought the great rank and file of the people of Texas were especially anxious to know right now whether or not I am going to run for reelection, if I thought they were sitting up nights losing sleep while they rolled that question over and over in their minds, then under that condition I would feel that I had an obligation to make my intentions known at this time. But, folks, that is not the case; the people are not thinking about who is going to be a candidate for the United States Senate in 1948, it is just the professional politicians and the political machines who are interested in that. So, for that reason, I am not going to satisfy their curiosity at this time. Oh, yes; I know whether or not I am going to run. I know right now. I have already made up my mind what I am going to do, but I am not going to give these politicians the satisfaction of appeasing their curiosity, because I know their motives are entirely selfish.

Now, in reference to who will be elected, I could be mistaken, but there is one thing about which I am absolutely positive, more positive than I ever was in my life concerning a political campaign, and that is there is not enough power in the hands of this political clique that runs politics down here in Texas, reenforced by the power of the New Deal patronage machine in Washington, aided by the communistic left-wingers and the labor racketeers, to defeat me for a second term in the United States Senate if I run. So if I do run and any of these boys feel lucky, all I have to say is the water is fine, come on in, and I will guarantee you will get your money's worth when the weather gets hot about July 1948. So all you politicians call up your corporation connections now, arrange for your vacations, go up to Colorado and cool off, because you are not going to find out this summer what I am going to do next summer. By the time I get through reporting to the people about the deplorable condition of our Government I surmise the professional politicians will find out that there is something more important for the people to think about than the selection of a United States Senator next year.

My friends, I am coming to you with this report at a time which I consider to be the most crucial period in our entire history. I am naturally an optimist and have a very cheerful disposition, as you all know from listening to me for many years on the radio. But this is no time for optimism or hilarity. It is a time to be very serious. I am your public servant. You are paying my salary, and you sent me to Washington to find out what is going on there. I have found out, and I intend to tell you the truth about what is going on, regardless of where the chips fall. This Republic of ours in 170 years has grown from a relatively unimportant wilderness to become the greatest and most powerful nation on the face of the earth. We have reached the heights, have passed the crossroads, and are now skidding down the hill to destruction, with careless and reckless professional politicians at the helm. Unless the good Christian people of this Nation wake up and take some definite action to change our course, this Nation will go the way of all other great nations of the past and become a has-been nation. I do not want to be a calamity howler, but I do intend to perform my duty as your public servant and shout the alarm from the housetops. It is very unpopular for anybody to shout warnings too far in advance of the disaster. But unless somebody assumes that role, it may become too late to do anything about it. As a reminder let me call your attention to the warnings I started shouting 9 or 10 years ago about the encroachment of communism into our Government and about extravagant spending of the taxpayers' money, and the piling up of Government debt. Do you remember how I called your attention to those destructive forces? Do you folks remember how I went about this State telling you that your pussyfooting professional politicians at Austin were on a spending spree, and that they were placing mortgages on your homes and farms and businesses by writing hot checks on the State treasurer to the tune of several millions of dollars? Do you remember my telling you that by their extravagance, deceit, and deception they were actually hocking hot checks with certain banks in this State as collateral on which they borrow money to pay old-age pensions?

Yes, friends, it was very unpopular to sound that alarm, and it made the professional politicians in Texas so dad-blamed mad that they all ganged up on me and fought me bitterly in every underhanded manner they could during the entire time I served as Governor of this great State of Texas. But as you know, the fight I waged against them brought about some reform. You no longer have outstanding hot checks on your State treasury. The debt has been entirely liquidated, and now you actually have cash in your State treasury, and all of this was accomplished by the tax bill which was passed during my administration, because no other tax bills have been passed since my administration, and all these debts were paid with tax money. Furthermore, I recommended and got submitted to the people of Texas for adoption a constitutional amendment which you adopted, even though the professional politicians opposed its adoption, and now it is impossible for your State officials to ever create a public debt, except in case of some great emergency and then only by four-fifths vote of both branches of your State legislature. The good people of Texas give me credit for sounding that alarm, and fighting for and securing those reforms, but some of the newspapers of the State have been so busy criticizing me about every little picayunish thing they could conjure up, that they have not had time to print the truth about these substantial governmental improvements which have been accomplished on account of my fight for them, and furthermore they have tried to give all this credit to succeeding State administrations instead of mine where it rightfully belongs.

Then you will also remember how I have for many years bitterly fought the communistic labor leader racketeers who have been working hand in hand with the professional politicians, both in Texas and in Washington, in an effort to destroy our American system of democratic government and our American system of free private enterprise. Well, most everybody now admits that I was right then. Even our Federal Government at Washington has finally awakened to the fact that the Communists have wormed their way into high places in our Government, and even into our military high command, and have been selling America down the river all this time that I have been shouting the warning. The only difference is that the shouting coming from high places out of Washington now is pure deceit and deception. They are not sincere, and they are only trying to whitewash their own communistic activities. Oh, yes, they may fire a few little clerks and stenographers if they catch them reading the New Republic, or popping their bubble gum too loud, but those little clerks and stenographers are not the ones that have wrought the real destruction of our Government in Washington.

Let me tell you exactly how America has been sold down the river. It is largely by the enactment of communistic and socialistic legislation. Let me call your attention to the fact that it does not take Socialists and Communists to enact socialistic and communistic legislation. Socialistic and communistic legislation can be written, introduced, and enacted by Democrats and Republicans. And, furthermore, let me tell you that a lot of this socialistic and communistic legislation has been enacted by Congress during the past 14 years, and while I am at it let me tell you that you can't blame all of it onto the Democrats, because there are Republicans in Congress who also vote for socialistic and communistic legislation.

Now, perhaps it might be well for me to describe some of this socialistic and communistic legislation. I would classify the Wagner Act as purely communistic. It sets up the labor leader organizations which act on orders from Moscow. I would classify the OPA and rent control in peacetime as purely communistic. I would classify the Tennessee Valley Authority as purely communistic, just exactly like they have it in Russia. I consider every dollar loaned or given to any foreign nation to be in direct violation of the Constitution of the United States, and for the purpose of helping to wreck our own finances and open the door for socialism and communism. There are many other communistic and socialistic laws on our statute books which have been placed there during the past 14 years, and so far none of them have been repealed, even though the Republicans have been in the majority in the Congress for the past 7 months.

Now, friends, if the time permits, I intend to discuss these various pieces of communistic legislation more thoroughly on this series of four weekly radio broadcasts. I am just outlining the conditions now, on this first brodcast. While, of course, the enactment of socialistic and communistic legislation will sooner or later completely wreck our Government, there are many other devices being employed which are helping to destroy our Nation. One is public spending and another is public debt. Every experienced man and woman within the sound of my voice knows that one of the surest ways to destroy a person, a family, a business, or any other kind of organization economically is to continually spend more than is taken in.

Another sure way to destroy any person, firm, or organization economically is to retard or stop their production. Now, I want to call your attention to what you already know, and that is that your Federal Government in Washington for the past 14 years has been working overtime on both of these destructive tactics. They have retarded production or stopped production by the enactment of the Wagner Act, which took management of industry away from the owners and turned it over to a gang of communistic labor leader racketeers who have called thousands of strikes in industries all over the Nation for the main purpose of stopping production and have also stopped production completely in large plants by purposely shutting down other factories or mines which supplied their raw material.

I realize that the clever statisticians will produce manufactured statistics to try to disprove some of these facts, but every employer and owner, and everybody who has hired any work done lately knows what I am saying is true. The Government itself has spent millions of dollars in subsidies and other payments to make it more profitable for farmers and others to not produce than to produce. This kind of crop-control legislation on sugarcane and sugar beets was reenacted during the Eightieth Congress under Republican control. Potatoes are still being destroyed by Government edict, while many people are hungry for potatoes. Then on top of the Government doing these things to retard or decrease or destroy production, it has engaged in the most reckless spending spree ever undertaken by any other nation on the face of the earth, and for the main purpose of destroying the accumulated savings of the people of this Nation for the past 165 years. They started out in a modest way on WPA, and have never taken a backward step since then as far as spending or squandering the taxpayers' money is concerned. Now they have expanded the domestic WPA to a world-wide WPA, and are shoveling out our money by the billions, instead of the millions, to any and every nation on the face of the earth that will take it. In some cases like Greece and Turkey, it looks like they had to threaten a little force against them if they refused to take our money. In their fiendish desire to scatter our money all over the world, it seems that we could not print it fast enough to satisfy some of the foreign nations, so we just shipped our money-printing plates to Russia, so they could print all of our money they wanted to spend, without waiting for us to print it for them. Now some people have come to me in a fit of anger when they heard about our Government giving our money-printing plates to Russia so they could print as much of our money as they wanted, but I want to ask this radio audience which of the two tactics is worse. Is it worse for our Government to give Russia our money-printing plates so they can print all of our money they want, or to print the money ourselves, wrap it up in nice packages and ship it by prepaid express to England as a gift? At least we save the paper and the labor in printing when we let Russia print it instead of us going to the expense of printing it ourselves. Either process is dead wrong, and to my way of thinking it is one of the most unsound, vicious, and corrupt governmental acts ever practiced, and how the people of this Nation can stand idly by and watch their public officials engage in such tommy-rot without demanding their impeachment is beyond my comprehension. Of course, Stalin is laughing at our continued stupidity as he prints our money and uses it to buy material to be used in building up his huge war machine which he intends to use against us when he gets everything ready. And as far as England is concerned, everybody knows its government has gone completely socialistic, and here are our public officials pouring out our money to that socialistic government. Our actions are so silly that even the people in England who have good sense are laughing at us.

I have in my hand the Sunday Express, printed in London, England, August 3, this year. Let me read an article from page 4. Here it is:

"A very large section of the population decided that with the election of a socialistic government we had automatically entered the millennium in which work did not matter any more. If you needed money, you had merely to hand out your stocking and Santa Claus would fill it. The Government at the same time decided that if only the United States would lend us sufficient dollars we could sit back and build the heaven of their dreams without bothering too much about the facts of life. Unfortunately, the United States loaned us the money. Unfortunately, the money is now nearly exhausted, and unfortunately it hasn't done us a bit of good. On the contrary, by our pledges to make sterling debts convertible into dollars on request and by hog-tying ourselves by the notorious article 9 so that we cannot even move food we need from the larders of the Empire to the homeland's kitchens, we have brought disaster upon us."

So here, my friends, you have a perfect example of our Government being so eager to bankrupt our own Nation by shoveling out billions of dollars to a socialistic nation, and their newspapers now accuse us of bringing disaster upon their nation by forcing those billions upon them. Of course, nobody expects the loan to be repaid, and anybody who gave the matter any study knew before the loan was made that it would never be paid. And all the money our Government is pouring down every rathole in every foreign nation on earth is not only hastening our day of financial disaster, but it is laying the foundation to make every foreign nation hate us when the day finally comes that we are forced by circumstances to stop shoveling out our money to them. And to further make the sound-thinking people of all foreign nations hate us, Congress adjourned, so that all the long-haired strutting peacocks in the Senate and House could start flying pleasure junkets all over the world, at taxpayers' expense, to show off and brag about how rich we are, and try to tell every nation on earth, except Russia, how to run their own business. Now friends, I may be odd in staying here at home and visiting with American citizens and surveying our domestic problems, while my colleagues, or many of them at least, are having such a hilarious good time at taxpayers' expense, surveying the spheres, hemispheres, and stratospheres. But I am seriously alarmed about the conditions that confront our Nation. With the shoveling out of our money, at an ever-increasing rate, I think it is well to look at our financial condition. Two years after every foe has surrendered unconditionally, just like we demanded, we are still continuing wartime spending and wartime taxation. We have a public debt of around $260,000,000,000. To bring the shocking meaning of this gigantic debt closer to you, let me tell you that the cold figures show that based on national income, Texas' share of this national debt is $10,000,000,000. To illustrate what $10,000,000,000 in debt means to the people of Texas, I refer you to the total value of all real and personal property rendered for taxes in each 1 of the 254 counties in this State for this year, and tell you that when it was all added up by the comptroller down at Austin, it amounted to only $5,000,000,000, or just half as much as Texas' share of our national debt. Even if all real and personal property in Texas were rendered at only 50 percent of its real value, you can see that the national debt is a mortgage on Texas citizens for 100 percent or more of the value of every bit of real and personal property within the boundaries of this State. Is that not enough to cause you to be alarmed? When the bubble bursts, my dear friends, as it inevitably will, the banks will close, the insurance companies will go broke, and all of your lifetime savings will be hard to find. It does not require a prophet to foresee this approaching catastrophe.

Now I realize that it may sound strange to hear a lone voice in the wilderness shouting calamity during this period of false prosperity when people's pockets and all the banks are bulging with two-bit dollars. But let's see where this abundance of floating currency is coming from. It is being printed by your Government for the explicit purpose of covering up their mistakes and fooling the public, thus putting off the day of reckoning as long as possible. The high prices our farmers are getting for their wheat and corn and cattle is the result of deliberate planning and maneuvering by your Federal Government. Commodity prices have been bid up by foreigners who are buying with money that our Government is giving them, and that money is simply being added to our public debt. In other words, your Government is deceiving you by using your own credit to borrow money to give to foreign countries to send back to you in payment for your wheat, corn, cattle, cotton, and other commodities. It is also my honest opinion that this maneuvering is part of a plot concocted by your Government to run up commodity prices so that they will have argument at the next session of Congress to reimpose price controls upon you.

Now, friends, I am sticking my neck out in giving you my personal opinions of the skullduggery that is going on in Washington, but let me tell you that I am not alone in these thoughts. There are some good men in the United States Senate. Not too many, but there are some. You can count the good ones on your fingers. But some of these good sound Senators have told me in plain words that they believe our Government has gone so far to the left that it is already too late to save it. They will not say this publicly, but they actually believe it to be true. I am not going to say that it is impossible to save our American form of government, but I will say that it is the most important problem facing the American people today. We are in much more danger of losing our American form of government today than we were while Hitler was running loose in Europe and while the Japanese were seeking to rule the world. Our politicians did not save us then. We were saved by one group and one group alone, our men in military uniform and especially that group of brave young men out on the firing line who stopped the aggressor's bullets with their bodies. Our brave boys on the battle line saved this Nation, not with the help of the politicians, but they saved it in spite of the politicians. Since our brave boys won the war, our professional politicians have lost the peace. We are now in a battle for existence where the fighting men cannot take part; the politicians are running the whole show and they are doing a miserable job.

You ask me, What can the people do about it? There is just one answer, and I fear that you will not do that one thing which is necessary to save our Nation. Under our form of government, the people are supposed to rule themselves. It is the only such government ever set up in this world. It is founded squarely on the Holy Bible and the teachings of Christ. Our wise forefathers were honest, sincere Christian people, to the core. They

did not merely put on the robes of righteousness on Sunday. They wore them every day. They wrote for us the Constitution of the United States, a document which I consider to be the greatest document, outside of the Holy Bible, ever penned by the hand of civilized and Christianized men. Today we are off of the Bible, and today we are off of the Constitution. We are floundering in a mess of self-made confusion. Too many people have strayed too far from God, and too many politicians have gotten too far away from the people, the Constitution, and commonsense principles.

There are only two ways to get back to God: one is through prayers, and the other is through poverty. The best thing that could happen to this Nation is for it to be swept by a real, sincere, old-fashioned religious revival. It is not time to compromise with God's law and Jesus' teachings. It is time for people to return to the set of sound principles in business, social, educational, family, economic, and religious life that were embraced by the founders of our Republic. Now friends, I have studied the pages of history, and I have never found any trace of any man who could force any other human being to believe what he was saying. I do not expect you to believe what I am saying, unless you desire to do so. I know I am telling you the truth, but whether or not you believe it, is a matter for you to decide. One of the surest guaranties against our American form of government being saved, is the fact that conditions existing at the head of our Federal Government in Washington are so rotten that it is practically impossible for anybody to believe them, even when they are told to them by their most trusted friend.

On one of my future programs I expect to tell you exactly how our American form of government can be recovered and preserved, providing, of course, that it is not already too late to save it.

I will make another radio report to the people one week from tonight on these same radio stations starting at 7:30 p. m., central standard time. In the meantime, I have opened an office at 314 Federal Building, Fort Worth, and I invite everybody to visit me there or write me there, 314 Federal Building, Fort Worth. I also expect to visit other towns in Texas as time and conditions permit.

I have no prepared speeches to make except these four weekly broadcasts, but will be glad to interview anybody who has business to transact with your Senator, and will endeavor to answer any questions dealing with the affairs of our Federal Government. When I do visit other towns this summer, I shall make no attempt to draw any crowds, either large or small, at any place because it will be purely business trips pertaining to Government service, and will in nowise be considered as a political campaign. This is your United States Senator, W. LEE O'DANIEL, speaking from Fort Worth, Tex., and I will be speaking again on these same stations next Thursday evening at 7:30. Until then, I wish you one and all a most pleasant good evening.

The Crisis in America's Aviation Industry

EXTENSION OF REMARKS

OF

HON. BURNET R. MAYBANK

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, December 1 (legislative day of Monday, November 24), 1947

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD an article relating to the crisis in America's aviation industry, by Ansel E. Talbert, from the New York Herald Tribune of November 30 last.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WEAPONS OF TODAY AND FUTURE GIVE PLANE MAKERS A DUAL TASK—AIRCRAFT INDUSTRY MUST TURN OUT LATEST PILOTED TYPES AND BE READY FOR MASS PRODUCTION WHILE DEVELOPING 4,000-MILE ROBOT-GUIDED MISSILES

(By Ansel E. Talbert)

American aviation is undeniably undergoing a crisis. The aircraft-manufacturing industry, which accomplished prodigious feats of production in the recent war, is facing operating losses of $50,000,000 a year—or worse.

Some large sections of the industry are in relatively good shape; others notably are not. Tax carry-backs allowed by the Government will absorb a large part of this year's losses, but this is the last year they will act to do so.

The industry's aeronautical scientists and production planners are being charged with the correct solution simultaneously of two of the most important problems of national defense ever to confront the Nation—one long-range, one immediate.

WEAPONS OF THE FUTURE

The long-range problem calls for the design and development of all manner of weapons of the future. In the ultimate, this means robot-guided missiles able to carry the atomic bomb accurately to targets more than 4,000 miles distant. These weapons could destroy an enemy nation's industrial areas and other war resources in hours instead of years.

The other problem is concerned with immediate security. It demands the industry keep turning out piloted aircraft of all types which are faster and better in other respects than those of any other nation.

Not only must the industry turn out such types—both military and commercial—but it must keep in readiness for manufacturing thousands of them on even shorter notice than it had in the recent war.

Some strategists feel that the long-range bomber, which was the decisive weapon of victory in the recent war, has had its day because of improvements in the art of interception. But few question that the piloted airplane's potentialities will be great, both offensively and defensively, for another decade. The general impression is that if war should come to the United States within the next three years it would of necessity be fought on the air side largely with the bombers and other aircraft types of the recent war.

For this reason the maintenance of an adequate Air Force and Navy air arm of constantly improving types is considered vital until the long-range guided missile is a reality.

But the importance of pushing guided-missile development with all possible speed is being stressed significantly by the two World War II commanders who had at their disposal the largest assemblages of heavy bombers in history. They are James H. Doolittle, former lieutenant general, commanding the Eighth Air Force in England, and Sir Arthur Harris, Great Britain's wartime air chief marshal.

Both Mr. Doolittle and Sir Arthur, now civilians with no service axes to grind, stress that the key to national security for the democratic powers is encouragement of science and the scientists. In his war memoirs, recently published under the title of "Bomber Offensive," Sir Arthur goes much further than his American opposite number in attacking reactionary thinking in the services. He prophesies:

"I have not the slightest doubt that the air force will go the way of the other services and tend to cling to the antiquated weapons with which it will conceive its interests to be bound up. * * * It is true that the atomic explosive has to be carried by something, and perhaps a few very fast, very long-range aircraft would provide a convenient means of carrying it.

"But it is much more efficient if put into a missile which has no crew and is directed by radar and mechanical means."

SCIENTISTS MAKE PROGRESS

America's aeronautical scientists have developed no guided missiles which a push button could send winging with accuracy across the vast stretches of the Atlantic and the Pacific and over the frozen wastes of the North Polar Basin. But, pronouncements from the service politicians in Washington to the contrary, the scientists already have perfected considerably more than the push button for push-button warfare of the future.

Maj. Gen. Curtis E. LeMay, who had a major role in the bomber offensive against Germany and later commanded the bombers' assault on Japan, is authority for the statement that the Air Force is at work on intercontinental missiles. One of the chief designers taking part in this program told this correspondent a few days ago:

"We will have in approximately 3 years, I believe, a guided missile capable of intercontinental warfare, with its guidance mechanism perfected and tested."

Industry designers say that almost any competent aircraft manufacturer could begin today constructing pilotless planes having the general lines of the German V–1 flying bomb, with a speed of 600 miles an hour for 4,000 miles. Interception of a large percentage of such missiles, however, might not be too difficult for an enemy nation which kept its top-ranking scientists at work on the problem.

Therefore, designers believe development work should proceed apace on supersonic pilotless aircraft having speeds of 1,200 to 1,500 miles an hour for 4,000-mile ranges and on long-range rockets of even higher speeds. It is estimated that between $200,000,000 and $300,000,000 will have to be expended on research and development before such missiles are ready for combat.

How long the development takes depends to a large degree on when and how much money is appropriated. Right now there is no adequate provision by Congress for such a development program, and under the most favorable conditions it is believed the work will require approximately 10 years.

NAVY DEVELOPS MISSILES

The Nation's guided-missile program is not being held up entirely by lack of sufficient funds for the complete long-range-missile program. The Navy has been doing an outstanding job with the limited funds it has in turning out target-seeking antiaircraft missiles, both rocket and ram-jet propelled. It also has been developing controlled missiles to be used against ground targets at ranges of up to several hundred miles.

Concerning missiles of this type, this correspondent obtained in writing from the headquarters of the Eleventh Naval District, in which the Navy's important over-water testing range at Point Mugu, Calif., is located, the following statement:

"In immediate prospect from Navy projects with the United States aircraft industry are supersonic, jet-propelled pilotless aircraft carrying pay loads from a small charge capable of knocking down an airplane, to the atomic bomb. These will be capable of sniffing out prescribed targets with no help from human hands or air-borne brains."

The Navy is studying ways and means of bringing missiles available before long to

within striking distance of the shore-based targets of any potential enemy.

Two former battleships are being made into missile-launching ships, and the Navy recently publicized the initial launching of a German V–2 rocket from the deck of the aircraft carrier *Midway*. Rear Adm. G. C. Crawford has disclosed it is feasible to launch guided missiles from submarines.

Some of the Navy's chief guided missiles are the following:

1. Neptune: A giant supersonic rocket 45 feet long and having a range of 235 miles. More slender than the German V–2 and one-third its weight, it has an alcohol-and-oxygen-burning motor developing 200,000 pounds of thrust.

2. Kingfisher: A new jet-propelled version of the Navy Bat, first and only pilotless aircraft used in combat by the Navy in the recent war. It transmits radar signals to the target and homes on the echoes it receives.

3. Little Joe: A shipboard-launched and rocket-propelled missile guided by radio against enemy aircraft formations. A proximity fuse causes automatic explosion of the warhead when it reaches the vicinity of an enemy plane.

4. Gorgon: A 500-mile-an-hour missile launched from a mother plane and steered by a pilot who watches the bomb's progress through a television eye in its nose.

5. Gargoyle: A 700-mile-an-hour jet-propelled bomb capable of being maneuvered violently against an evasive target after being dropped from a dive bomber.

6. Bumblebee: A 1,500-mile-an-hour flying test vehicle powered by a ram-jet engine.

7. Loon: The Navy's improved version of the German's V–1 flying bomb.

In general, development of guided missiles can be made to dovetail with aircraft development. The same kinds of machine tools, jigs, fixtures, and processes turn out both, with a few minor variations. After preliminary research and development work has been completed, there appears to be less precision machining in production of propulsive equipment for missiles than in manufacture of reciprocating engines and propellers for aircraft.

The one thing in the aviation and guided-missile field which no amount of money can buy, however, is time. There are several score projects pending which could be carried to a successful conclusion for, say, $2,000,000 or $3,000,000.

They could not be accomplished in half that period later, however, even if an appropriation of $100,000,000 suddenly was made available.

Industry leaders know that their present double-barreled assignment is a tough one even for an industry in the best possible financial condition. It is likely to prove to be an impossible one for an industry which this year received orders for military and naval aircraft amounting to fewer than 1,500 planes, unless Congress takes action in the next few months to formulate an air policy with more behind it than wishful thinking.

XC–99—XP–86—D–558–2

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 28, 1947

Mr. LARCADE. Mr. Speaker, under previous authority to extend my remarks in the RECORD and to include a newspaper article, I wish to submit an editorial from the Washington Times-Herald of date November 30, 1947, which is presented to the Congress in support of my H. R. 4565, making appropriations for the Army Air Forces and the Naval Air Forces. The editorial referred to is as follows:

XC–99—XP–86—D–558–2

The above caption is not a code message to any of our operatives anywhere, or a tipoff to the correct answer to the current Tello Test question, or anything else dramatic or mysterious. It is merely a list of the names of three sensational new planes unveiled by the air force and the Navy in the last couple of weeks.

XC–99, built by Consolidated-Vultee for the air force, is the world's biggest land-based plane, and a sister ship of the B–36 bomber. This newest giant is designed to carry 400 fully equipped ground soldiers, or 50 tons of freight. Its maximum range, with reduced load, is 8,000 miles, top speed 300 miles per hour, and ceiling 30,000 feet.

The XP–86 is a new fighter plane of radical design, built for the air force by North American Aviation. This little honey with wings swept back at a 35-degree angle is powered by a GE-Allison J–35 axial flow jet engine which delivers a 4,000-pound thrust. It is expected to do almost 700 miles per hour, has a range of 1,000 miles, and can perform at better than 40,000 feet altitude.

An interesting feature of the XP–86 is its ejector pilot seat, which will bounce pilot and parachute clear of the plane in an emergency when XP–86 is traveling so fast that the man couldn't hit the silk on his own muscle power.

D–558–2 is a Navy job—or, to be more explicit, a joint Navy, national advisory committee for aeronautics, and Douglas Aircraft job. It has a nose like a swordfish; takes off by Westinghouse turbo-jet propulsion, and then is booted to top speed by a rocket engine. This top speed is expected to be close to the sea-level speed of sound—760 miles per hour.

The flying swordfish is for research use only, its object being to help in gathering data on what happens to flying machines moving at or near the speed of sound.

All this aviation news is exciting and encouraging. It ought to be especially attractive, we should imagine, to adventurous young men thinking of making careers in the Air Force. And it shows that our flying men are on their toes, keeping abreast of all developments in aviation, and working out many a new wrinkle of their own.

Let us not, however, take this news for more than it is worth. Actually, our present air strength is a long way short of being phenomenal.

Up to now, we haven't settled on a permanent aviation policy for the United States—a policy which, by current estimates, would call for at least 3,000 new planes of all types each year for the Air Force, plus about 400,000 highly trained officers and men for that same branch of service, plus two hundred and fifty to three hundred millions a year for research.

According to Air Force Secretary W. Stuart Symington, we need a 70-group aerial defense set-up, totaling 6,869 planes and including 21 very heavy bomber groups (B–29's), 5 long-range reconnaissance groups, 5 light bomber, 22 fighter, 3 all-weather, 10 troop-carrier, and 4 tactical reconnaissance groups—plus 22 special squadrons for emergency uses. Wanted also are 27 National Guard and 34 Air Reserve groups, to bring our total warplane strength to 12,441.

Congress is already getting chinchy with the research funds. The then Army Air Force wanted $272,000,000 for this purpose in 1946; Congress cut the amount to some $200,000,000. For 1947, the allotment was a slim, stingy $110,000,000. For 1948, the best the Air Force now hopes for is the inadequate sum of $147,000,000.

This is dangerous business—taking chances with the national safety—especially at a time when Russia is spending tremendous energies on research and on building up its air force.

Let's call off this kind of gambling now, and take to spending all the money that is needed to maintain an air force second to none. In view of the heavy role aviation played in the winning of World War II, that is the cheapest and the best form of insurance we can take out against world war III itself, or against defeat if there should be a world war III.

Appointments to the Bench

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, December 1 (legislative day of Monday, November 24), 1947

Mr. WILEY. Mr. President, it has been my effort throughout my work on the Senate Judiciary Committee to bring about the finest possible nonpartisan selection of judges to the Federal bench, the selection of men unalterably devoted to our constitutional system of checks and balances.

Recently, however, the Department of Justice furnished, at my request, a report showing a continuing lopsided unbalance in the Federal judiciary. At present there are 237 Democratic judges, or 76.2 percent of the total, as against only 74 Republican judges, or 23.8 percent of the total.

In this connection, the November issue of the American Bar Association Journal contains a very stimulating editorial with regard to the British experience in nonpartisan selection of judges. My colleagues are familiar with the outstanding caliber of editorials in the bar journal, whose distinguished editor in chief is the Hon. William L. Ransom. Because this editorial is worthy of our deepest consideration for the light that it may contribute on this subject, I ask unanimous consent that its text be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"I HAVE NEVER APPOINTED A MEMBER OF MY OWN PARTY" TO THE BENCH

The first item of the striking sentences and short paragraphs which we culled from addresses at our Cleveland meeting is from the Lord Chancelor of Great Britain, Viscount Jowitt. It arrested our attention to such an extent that it seemed worthy of brief analysis, because of what it may suggest as to the election of judges in the United States. He said:

1. That as the highest officer of Britain he appoints all of the judges, from the highest to the lowest courts.

2. That he is the best qualified person to do this, because he sits in and hears cases and sees the lawyers in action, and so can best judge of their fitness for judicial office and get the best man for the place.

3. That he has never permitted any political consideration to enter in the slightest degree into his selection of any man for the bench.

4. That he has never appointed a lawyer to the bench until he has discussed him with the judges of the court or division in which his nominee would sit.

5. That he has never appointed a member of his own political party (the Labor Party) to judgeship.

Those who have the appointing power as to judicial offices in America could do much for their country and its judicial system if they would accept and follow all or most of the standards and procedures declared by the Lord Chancelor. Some day a President of the United States will extirpate partisanship, root and branch, as a factor in the selection of judges. He will not bar members of his own party—or of any party—if they possess the experience at the bar, the proficiency in the law, the innate sense of justice, and the attributes of impartiality, independence, and courage which qualify men to become judges. We do not understand that the Lord Chancelor has refused or failed to appoint to the bench lawyers of the Labor Party because they were members of his own political party.

Vivisection: Lifesaver or Fraud

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 18, 1947

Mr. WOODRUFF. Mr. Speaker, under leave to extend my remarks and include therein an article, I hereby present the article entitled "Vivisection: Lifesaver or Fraud" by James R. Miller:

VIVISECTION: LIFESAVER OR FRAUD—SCIENTISTS SAY IT PRODUCES MEDICAL MIRACLES; ITS ENEMIES WANT IT OUTLAWED AS USELESS CRUELTY—HERE ARE THE FACTS BEHIND A BITTER CONTROVERSY

(By James R. Miller)

(Profit and loss on vivisection: Diabetes used to kill everyone it touched. Now insulin is keeping 1,000,000 Americans alive. The cost: 30 dogs. There was a time when paralysis of the respiratory nerves meant certain death. Now we have the iron lung. The cost: 24 cats. Until a few years ago, "blue babies" died by the hundreds. Now children afflicted with this malformation of heart and arteries—which cuts down blood supply to lungs—are being saved by an intricate new operation. The cost: 75 dogs.)

Because 6,350,000 New Yorkers hustled into hospitals, clinics, and police stations to be vaccinated, the danger of a smallpox epidemic was averted last spring.

To most Americans this was a gratifying spectacle. One small group, however, who call themselves antivivisectionists, took a dim view of it. They oppose the use of vaccines and serums on the grounds that they are developed through cruel experiments on animals.

These people want to outlaw all experimentation on living animals. If they have their way, we will be deprived of some of our best weapons against disease, and almost every medical research project in the country wil be retarded or stopped altogether.

Incredibly enough, the antivivisectionists come closer each year to having their way. In 1945 they turned up in the New York State Legislature with petitions signed by more than 200,000 people, and two bills they sponsored were killed only after a long and bitter fight. In Massachusetts a similar bill lost by only one vote. Other such bills have come before the Legislatures of Illinois, California, Maryland, and Pennsylvania.

In Washington, D. C., Representative LEMKE, of North Dakota, has urged Congress to prohibit experiments on dogs in the District of Columbia—hoping thus, he says, to set an example for all States.

Vivisection is being fought most energetically in States that support great medical centers.

The movement is nothing to be laughed at. It is powerful and dangerous.

Strictly speaking, the word "vivisection" means cutting, or operating on, a living animal. For this reason, it does not properly apply to more than 5 percent of the experiments performed on animals. Usage, however, has made it synonymous with animal experimentation in general—a circumstance which, because of the word's grisly connotations, plays into the hands of the antis and embarrasses the pros.

DOGS GET THE PUBLICITY

Many different species of animals are used in this work. Rabbits, for instance, are employed in a standard pregnancy test. Monkeys, guinea pigs, rats, and cats are all widely used experimentally.

But although dogs are used much less often than other animals, they get most of the publicity. There are two reasons for this: 'antivivisectionists care most about dogs, and dog experiments have produced the most spectacular results. They are, by the way, indispensable in some experiments because of their size and because their physical structure so closely resembles that of human beings.

The animals are procured in various ways. Many of the smaller ones are bred on research institution farms or in laboratories. In most communities, cats and dogs may be obtained from pounds. When this is impossible (as in New York City, where the American Society for the Prevention of Cruelty to Animals refuses to give them up) they are imported across city or State lines at considerable expense. Sometimes, no doubt, they are bought from people who have stolen them.

The antivivisectionists have organizations in almost every State and in several other countries. For financial support they take in dues and modest donations from individual animal-lovers. A couple of years ago two Chicago women each left them $2,000,000. For publicity they count heavily on campaigns in certain newspapers.

They boast the moral support of eminent individuals. Some of these, to be sure, are curiously qualified or situated, but their names resound. Irene Castle McLaughlin, the former dancing star, is their most colorful propagandist. Other big guns are William James, the philosopher (who died in 1910); Dr. Henry J. Bigelow, the Harvard professor of surgery (who died in 1890); Bishop Barry, the late canon of Windsor; "the great-minded and noble-hearted" Earl of Shaftesbury; John Jacob Astor, and others, more or less noted, more or less contemporary.

One antivivisection society enjoyed the membership of Ernest Thompson Seton for the short time it took him to learn what it stood for and to write an icy letter of resignation.

PRO AND CON

In the opposite camp we find most of the physicians and surgeons of the country. They usually come to grips with the antivivisectionists in legislative hearings. The major arguments, pro and con, are as follows:

Vivisection, according to those who oppose it, is a needless cruelty. They assert that the animals used are anesthetized only about 5 percent of the time. They say animals suffer not only from surgery but from deliberate starvation and brutal exercises enforced upon them in order to test their endurance and other reactions.

Here's what the doctors say: Animals are anesthetized only 5 percent of the time because only 5 percent of the experiments require anesthesia. Most animal experiments are only as painful as the injection of a needle or the swallowing of some fluid. Whenever surgery is necessary, it is performed with the same anesthesia and sterile techniques that are used on human beings. The fact 's that it is virtually impossible to operate successfully on an unrelaxed—suffering—animal.

As to diet and endurance experiments, they are sometimes made, but not without humane regulation. Undoubtedly, some animals suffer, but that does not imply cruelty. Maj. Gen. Norman Kirk, Surgeon General of the Army, wrote not long ago: "I have visited scores of medical research laboratories. I have yet to see a single example of cruelty. On the contrary, animals are better fed, better housed, treated with more consideration than they are in most households."

The next charge, closely related to the first, is that vivisectors are sadists—or that they tend to become sadists.

The only answer to this charge is that there is simply no evidence for it. A special committee of the American Medical Association enforces strict laboratory standards, and every State has laws covering cruelty to animals.

Next, it is said that vivisection should be abolished because it is not practiced for the good of the animals involved.

The good of the animals is not, of course, vivisection's main purpose. But it is through vivisection, the doctors point out, that we have found the causes and cures for rabies, black tongue, and distemper, which have killed more dogs than the vivisectors have ever seen.

Now we hear that vivisection is a financial racket perpetrated by publicity-seeking researchers and greedy drug manufacturers.

NOT ENOUGH RESULTS?

Again, there is no real evidence presented—only the accusation. But it is true that in some communities there are people who make money by the sale and transportation of laboratory animals, particularly cats and dogs. It is estimated that labs spend a million dollars a year from precious research funds just to buy the animals they need. Yet in 1946 pounds operated by the ASPCA in New York City killed outright 55,110 dogs and 154,729 cats.

So far we have discussed the moral arguments. Now we come to the practical ones.

The first of these raised by the antivivisectionists is that animal experimentation (even if it could be justified morally) doesn't produce enough results to make it worth while.

In answering this one, doctors like to remind us that it wasn't so many years ago that we all knew of someone who had run a rusty nail in his foot and died in the awful grip of tetanus, with neck contorted and jaws locked. Not long ago parents watched helplessly while children tried to draw breath into throats clogged by diphtheria. Diabetics fought an ever-losing battle. The life ran out of soldiers and smash-up victims as they bled on the field or the street. But today, because of experiments on animals, we have antitetanus serum, diphtheria antitoxin, insulin, and blood plasma. Through similar experiments we have found the means to fight pernicious anemia, rickets, pellagra, cerebro-meningitis, and a variety of diseases of the lungs, intestines, glands, liver, and gall bladder. By tests on animals we have developed the very anesthetics without which nine-tenths of modern surgery would be impossible.

PRACTICE FOR SURGEONS

Another objection to vivisection is that it is often practiced to demonstrate or corroborate facts already known.

It is true that many experiments are repeated. This is precisely the way doctors have learned, perfected, and taught the surgical techniques that enable them to join severed arteries, graft nerves, remove kidneys, clear out blocked windpipes, and perform some 20 complicated abdominal operations. This is not a matter of fooling around. It is exploring. At this point the antivivisectionists complain that medical students practice well-known surgical techniques on animals. The answer to this is that they must practice—either on animals or on people.

Next we hear it said that vivisection is not necessary, because some of our most important medical discoveries, such as the sulfa drugs and penicillin, were made by chemical experimentation alone.

Yes; these drugs might accurately be called test-tube discoveries. But that omits the fact that they would be of no earthly use to us if researchers had not been able to test them on animals. This is an essential step in the use of almost all powerful drugs. Safety tests are required by our Federal Food, Drug, and Cosmetic Act.

ANOTHER PROCEDURE

Dr. Victor Heiser once put this problem of testing squarely before a group of antivivisectionists at a legislative hearing. He produced a small bottle which he said contained a possible cure for hookworm. This disease was then killing hundreds of thousands of human beings and dogs every year.

"Ordinarily," the doctor said, "we would test this on dogs. Since you object to that, let's try another procedure." He then nodded at one of the objectors. "I'll give you one teaspoonful." To another he said, "I'll give you two." And to another, "I'll give you three. Then we'll see what happens. You may become terribly sick, but I don't think you'll die. And anyway, you'll have the satisfaction of knowing you have served your 'best friend'."

Dr. Heiser started pouring and the antivivisectionists vanished.

The next-to-last-ditch argument is that, despite all the medical claims, vivisection can't be of great value because we still suffer so much from so many diseases.

THEY KEEP TRYING

Indeed we do. Every year 177,000 Americans die of cancer. More thousands die of heart disease, tuberculosis, and apoplexy. The antivivisectionists quote one doctor who insists there will never be a cure for cancer. But most medical men want to keep on trying. Diabetes used to kill nearly everyone it touched. But the doctors continued to fight it, and two of them at last created the magic of insulin. Today that drug is keeping 1,000,000 Americans alive. It cost the lives of 30 dogs. There was a time when paralysis of the respiratory muscles meant certain death. Now we have the iron lung. That cost us 24 cats.

Until 3 years ago, early death was certain for the stooping, gasping children known as blue babies. A malformation of heart and arteries cut down the blood supply to their lungs. Now they are saved by the hundreds because of an intricate operation perfected by Dr. Alfred Blalock, of Johns Hopkins Hospital. In his experiments, he used 75 dogs, many of which survived.

Thousands of Americans owe their lives to the bronchoscope, which makes it possible to remove foreign objects—nails, bones, safety pins, etc.—from the throat. The instrument and the technique for using it were developed in experiments on anesthetized dogs. One such dog, a dachshund named Bozo, has been used to train 14 bronchoscopic specialists. In Great Britain, on the other hand, antivivisection laws prevent this use of animals. Result: no bronchoscopists.

TOUGH FIGHTS AHEAD

The doctors have won many great battles against disease, but their toughest ones may well lie ahead. It seems only reasonable that they should have every necessary weapon at hand to help them. At the Cornell University Medical College, Dr. Ephraim Shorr is hard at work against "irreversible shock," a post-injury condition that has probably killed more soldiers than bullets have. Dr. Shorr is using dogs on this job and without them, he says, this important research will come to a stop.

The antivivisectionists have still another argument which they think is a clincher: medical research cannot really justify animal experimentation, because no matter how many tests are made, the final test must always be made on man.

They are right, but it seems eminently wise and humane to see that this final test is as safe and helpful as possible.

Let's take a quick look at some of the magazines in which the antivivisectionists elaborate on their arguments.

An editorial writer for Living Tissue, monthly magazine of the New England Anti-Vivisection Society, says: "Were it proved by demonstration that cruel experimentation on living animals leads to any real benefit to human health, I should, nevertheless, denounce it as a disgrace in a Christian land."

A magazine called A-V, published in Philadelphia by the American Anti-Vivisection Society, recently ran an institutional ad urging support of any society whose aim is the total abolition of experiments on living animals.

BATTLE OF WORDS

This magazine goes on to describe vivisection as largely a matter of vested interests, and add, "vaccines, sera, and many immunizing, inoculating, and injected substances are the result of cruel experiments on living animals—avoid them."

Such is the nature and caliber of antivivisection propaganda. It is not enough that the arguments have time and again been reduced to absurdity. It is not enough that vivisection is stanchly defended by men like Dr. Thomas Parran, Surgeon General of the United States Public Health Service; the late Dr. Elliot Cutler, great brain surgeon of Harvard; Dr. Anton Carlson, head of the physiology department at the University of Chicago; and Dr. R. E. Dyer, director of the National Institute of Health.

WHAT MAKES THEM TICK?

Despite all this, every year doctors have to leave their work to attend legislative hearings, fight the battle all over again. It has been said that the antivivisectionists are well-meaning, misguided people. But there is no reason to be so charitable toward those who lead their cause. They are irresponsibles. They insinuate, misrepresent, play cynically on the emotions.

It is hard to say what makes them tick. Psychologists suggest that they are people who have transferred their affections from people to pets. It may be. Certainly they care little about cruelty as such. They eat their meat and wear their furs with never a thought of the animals that were butchered or that wriggled and froze in steel traps. There is not one of them who can stand up against the trenchant comment of Dr. Carlson:

"If a man is not worth more than a dog, then our efforts to improve man are in error. We had better start raising more dogs and destroying more men, women, and children, so that the canine species may inherit the earth."

The Marshall Plan

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. KEATING. Mr. Speaker, the policy committee of the Rochester (N. Y.) Association for the United Nations, the largest group of its kind in the country, has taken affirmative action approving the so-called Marshall plan and has furnished me with a copy of its views, which, under leave to extend my remarks, I include below.

Although it is my intention to retain an open mind on this important question and feel that much depends upon the conditions and restrictions provided for in the specific program of foreign aid eventually presented to us and the safeguards afforded our own people in such or parallel legislation, certainly the type of constructive thinking which is evidenced in this statement is a valuable contribution and deserving of our thoughtful consideration.

I am happy, therefore, to give the benefit of these views to the chairman and members of the Committee on Foreign Affairs and my colleagues in Congress:

THE MARSHALL PLAN

For months to come the Marshall plan and its application will be the subject of intense debate. Nations of the world are directing their economic and political forces for its success or toward its failure. In the midst of this struggle, action by the United States in regard to it is of paramount importance.

The decision whether or not to implement the Marshall plan and to what extent will test to the full the vision of the American people and search its greatness.

The genius of the Marshall proposal was the Secretary's clear understanding that the people of Europe needed to substitute a high hope for the deep despair into which they were plunging. Marshall knew that even a few months might be too late and that unless an impetus was given to the forces of reconstruction, Europe might fall into a chaos from which recovery might be a matter of decades instead of years, during which totalitarianism would spread inexorably over the affected areas. A part of his vision may also have been his realization that the rich hope which he held up before the prostrated nations of Europe would force these nations into a form of cooperative study in order to avoid a lingering stagnation. They would have to conceive their economies and their futures as a closely knit cooperative unit in size and resources comparable to the United States or Russia, and with new policies and programs in line with the technological and economic trends of the modern world.

There were, as a matter of fact, several great chances involved. One, that the nations of Europe could not get together in a sufficient degree of cooperation to agree upon a workable and feasible plan. Although there will be many criticisms of the plan submitted by the 16 participating nations, some of which will be justifiable, this first risk has been adequately surmounted by the nations involved.

The second risk was that the American people might refuse to make what appear to be the enormous, immediate sacrifices

necessary and might fail to rise to the challenge of the long-range benefits implicit in the plan. The answer to this risk is still to be given by the American public. This answer will include not only the immediate steps necessary to start the program but also a steadfast and consistent support of it in the years that lie ahead.

The third risk has to do with the capacity of the participating nations to carry out the program that has been outlined. This too is a matter for the future and will depend upon the inherent qualities of the peoples involved and their ability to discipline themselves, politically and economically, into an acceptance of the hardships and self-denials necessary to make the plan a success. Will they be willing to do these things consistently over a period of years in order to achieve the dreams that can be realized for the future? Do they realize that such a fulfillment might well bring to them an overall prosperity far greater than they have ever known?

A call for a federation of western European powers might have found these nations unwilling to face the risks of Russian counteraction. The proposed plan will accomplish the major benefits of a federation of western Europe without immediately running headon into innumerable national prejudices and jealousies, or the possibility of drastic Russian action. Behind all this we must recognize American prestige and American influence are at stake. A failure now on our part will probably mean that in the not distant future, the greater part of western Europe will fall under the domination of totalitarian governments.

To the isolationists among us, this may at first blush seem a matter to which we may remain indifferent. Let them consider that we are talking of an area that contains a population of 270,000,000, of nations which contributed at least 66 percent of the prewar shipping tonnage of the world—50 percent of its imports and 40 percent of its exports—an area whose steel producing capacity nearly equals and whose shipbuilding capacity exceeds our own. This area has vast pools of brilliant scientists and great industrial and educational facilities. The thought that this enormous potential might be lost to western civilization forces upon us a realization of the immediacy of the stakes involved.

The problem of sustaining democratic Europe must be considered, however, not only in terms of possible losses in trade and business, but also from the military standpoint. If we refuse to implement the plan, we will lose powerful allies.

Woven through the entire problem afflicting Europe is the human element. The reconstruction of trade, industry, and agriculture are all pointed toward relieving the misery of millions of people. Their hunger, their need for the simplest necessities of life can only be met by a generous response from the prosperous nations.

The plan must be regarded as one that brings with it possibilities of creating a stable and free world. Coming to grips with that realization will be the greatest contribution to forging the success of the plan. In the long-range planning the American people must recognize the role they fill in the world of economics and enlightened politics. We wield the strongest moral, political, and economic weight in the world today. Having 6 percent of the population, but 50 percent of the wealth of the world, plus a heritage of freedom and liberty, our responsibilities are great.

Many people will boggle at the expense involved in the plan. This is, however, a part of the cost of winning the war. Sixteen billion dollars by itself seems a gigantic sum of money. Added, though, to $350,000,000,000 spent to win the war, plus $15,000,000,000 which have already gone in the form of temporary relief, it loses some of its proportions. Surely we did not expend $350,000,000,000 and the lives of hundreds of thousands of our boys to defeat Hitler for the purpose of surrendering Europe to social dissolution. This result is almost certain if we are unwilling to make such expenditures as are necessary. Nor would it be wise to spend lesser sums on a mere program of relief for an indefinite period without any constructive accomplishment except that of keeping Europe just above the starvation level. Such a program would not remove the probability of a totalitarian triumph on that continent. A sequel to this result would be a military budget in our country that would mean annual expenditures of a greater magnitude than those provided in the Marshall plan for European reconstruction.

Nor should we suppose that what we advance to Europe goes across the Atlantic never to be returned. The greater portion of that amount will be paid to our farmers, industrialists and laborers for the food and goods which will be transshipped.

What is the relation of the Marshall plan to the United Nations? We feel that the success of the plan will increase the possibility of establishing a powerful and significant world organization. It will mean that a majority of the nations will be dedicated to the great freedoms cherished by enlightened men and to the great democratic principle of rule by will of the majority. And the only kind of a UN organization that can work effectively for the peace and happiness of the world is one in which those same principles of freedom and majority rule in the ascendent.

We feel the immense importance of the decisions to be made but the choice is clear. We either make the necessary adjustments—protecting the gigantic investment already made, or we abdicate our position of international leadership and withdraw to the American continents to wage a far more difficult and costly effort against ever-increasing odds and pressures.

This is the great challenge with which every civilization is confronted in one form or another. Difficult, risky, and seemingly expensive as the Marshall plan may be, it not only furnishes and holds out the great hope by which the vicious economic cycle which now embraces western Europe may be broken and a beneficent upward spiral begun, but it also offers to America a great opportunity to assume the leadership of which a great nation must be capable, if it is to retain its greatness.

The plan will not be adopted unless it is understood and vigorously supported by the American people. We count on the members of our organization to contribute their part to its success, by supporting it through word to their representatives in Congress.

Pardon Me, Truman

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial of the Washington Post of Sunday, November 30, 1947, under the heading "Curley's homecoming," and editorial of the Chicago Daily Tribune of today, December 2, 1947, under the heading "O pardon me."

[From the Washington Post of November 30, 1947]

CURLEY'S HOMECOMING

After a 5 months' sojourn in a Federal penitentiary for using the mail to defraud, Mayor Curley has returned to his home in a happy frame of mind, ready to resume his official duties. He was evidently well treated by his jailers, for instead of the death that he gloomily predicted when the prison doors opened to receive him, he comes back to work feeling 10 years younger. We do not begrudge the former prisoner a new lease on life, but we do hope that a renewal of energy will not add 10 years to the official activities of Boston's city head.

What really bothers us is the failure of the citizens of Boston to rise in wrath and demand the retirement to private life of an official who is a disgrace to any self-respecting community. In commenting on the public indignation aroused by the exposé of General Meyers, we expressed the belief that the American people had passed beyond the stage of cynical acceptance of wrongdoing and were no longer disposed to condone the misdeeds of those in high position. The triumphant reappearance of Mayor Curley suggests that we may have been overoptimistic.

At any rate, his hold on the voters of his own city is a reminder that a good many of our citizens still lack that capacity for feeling moral indignation which is so essential to the efficient functioning of democratic governments. That holds true not only for Boston supporters of Mayor Curley but also for the Massachusetts State Legislature and the Governor who eased the way for his return to office. Nor can it be forgotten that President Truman's commutation of sentence is generally viewed as good political strategy in a preelection year. No doubt that is true, if political strategy is judged by its vote-getting effectiveness. But if votes can be garnered by such means, how can we retain our faith in an enlightened public opinion as a safeguard against official venality?

[From the Chicago Daily Tribune of December 2, 1947]

O PARDON ME

Mayor James M. Curley, of Boston, walked out of a Federal penitentiary last week after serving less than a third of an 18 months' sentence for using the mails to defraud. President Truman commuted his sentence to let him out of jail for Thanksgiving. Mr. Truman freed another Democratic politician, Donald Wakefield Smith, former member of the National Labor Relations Board, who was convicted with Curley of operating a scheme to defraud manufacturers by claiming ability to land war contracts.

Curley is as crooked a scoundrel as walks the current political scene. He has been a crook all his life and has been charged with crime before, but until the mail-fraud conviction, the law had not caught up with him since his youth. Mr. Truman said that he commuted the sentence because Curley is 73 years old and in ill health. If a man isn't too old to steal, he isn't too old to do penance for stealing.

Mr. Truman is a product of gang politics. It is no coincidence that numerous political gangsters, and just plain gangsters, who got into trouble in the Federal courts have found him a ready and sympathetic friend. He and his predecessor, Roosevelt, pardoned more than a score of the Kansas City vote thieves who were sent up the river when that city achieved a temporary clean-up of

the Pendergast gang. Truman restored the civil rights of some of these crooks just in time for them to get out and help steal the congressional primary from Representative Slaughter, whom the President purged last year.

Another Truman pardon went to James Gavin, Louisville gambler who had been in cahoots with Democratic politicians in Kentucky. Some of those politicians were alleged to have been the sponsors of the pardon but Mr. Truman accepted the responsibility by granting it.

The parole of the four Capone gangsters who were sent to prison for shaking down the movie industry for a million dollars had obvious political connections. At the time that the paroles were in the works, the hoodlums' political organization in Chicago went to town for the Democrats in last year's election.

Abuse of the pardoning power has not been unusual in the governor's mansions in numerous States. Never until now, however, has it stained the White House.

Philippine Assistance

REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. CRAWFORD. Mr. Speaker, when the United States extended to the great people of the Philippine Republic their independence on July 4, 1946, we did not at that time finish the job in that section of the world. We now have before us this great call from western Europe. We have armies of occupation in Japan, under the leadership of General MacArthur. The Philippines have not gotten back on their feet industrially and commercially. We are receiving two primary commodities from that area, the so-called apaca or hemp, and copra from the cocoanut trees, all which we need very badly. This coming year we may be receiving a few tons of sugar from that area. But I want to join with those others of the Congress who are sympathetic to our placing some of our financial assistance in the Far East, and especially in the Philippines. I have had occasion to talk with some high Philippine Government officials, in whom I have great confidence, and things are not going too well over in that section of the world. I think it is the duty and responsibility of this Congress to pay more attention to getting the Filipinos back on their feet so that they can contribute to the production of goods and services to supply the needs of that country as well as this country.

I have also had occasion to talk with some Members of the House who have returned from that section of the world in recent months, and they tell me things are not going too well in the Philippines. I certainly hope that this Congress will be extremely sympathetic to assisting the Filipino people back in the ways of commerce and industry.

We Must View Surpluses From a Need Angle

EXTENSION OF REMARKS
OF
HON. CHARLES R. ROBERTSON
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. ROBERTSON. Mr. Speaker, for a great many years, especially prior to the beginning of the last war, many sections of the country were confronted with what was known as depressing surpluses of farm products. This was particularly true in the Wheat Belt. And the depressing surpluses reflected themselves in the low prices that the farmers obtained, and as a result of these depressing surpluses it became necessary for this Congress to pass legislation in the interests of those who suffered.

Mr. Speaker, today the Nation stands in a different position. With bountiful crops the last 7 years in the Wheat Belt it would be a healthful situation if we had surpluses today. We have arrived at the place where perchance we might be considered the leading nation of the world. Certainly we are possessed of many of the attributes to be found in a nation that can rightfully make claim to this position. This has all come about seemingly before we were ready for it and seemingly before some people wanted it. And this tremendously great change in affairs and our relationships to the other nations of the world has changed the position that might result from depressing surpluses.

Few countries have the agricultural productive capacity that we have, and even in the days of our depressing surpluses, which reflected low prices at home, there was even then a demand for our surpluses could they have reached the proper place. Back in the days of the thirties, when the price of wheat was at a very low level, the countries of Italy and Germany could well have used all of our surpluses. And had this been possible of accomplishment, the North American farmers who grow wheat would never have suffered from the low-market conditions.

It is reasonable to assume in our new role we must take a new view of this question of surpluses. It seems to me the editorial in the Country Gentleman for December has presented this in a forceful manner, and I include this together with my remarks in the CONGRESSIONAL RECORD:

A DIFFERENT VIEW OF SURPLUSES

The common feeling toward an old farm bogey—surpluses of food and feed grains—needs changing Nearly all the proposals for a new farm program so far presented to the House and Senate committees have viewed an oversupply as an evil to be prevented or got rid of as speedily as possible.

Yet recent experience, during the war and at present, has twice demonstrated that reserves of food and feed grains are an inestimable asset. When Pearl Harbor came approximately 600,000,000 bushels of wheat, corn, and other grains were in storage, either owned by the Government or under loan. Without these reserves the expanded livestock, dairy, and poultry programs, which contributed so much to victory, would have been impossible. Right now a reserve of wheat and feed grains would be one of the greatest blessings we could have. It would avert a reduction of livestock and poultry that threatens to carry them below the country's going needs.

Such urgencies can be repeated in the future. Droughts will recur, as this year. We have embarked on a foreign program that is likely to call for emergency supplies at times. This country has nearly 12,000,000 more people than in 1940 and its growing population has shown that it wants to eat more meat, dairy and poultry products. Long-range farm programs to raise the food level in this country by expanding production along these lines have been proposed by H. E. Babcock, in Country Gentleman, and by the Department of Agriculture. They can be successful only if adequate feed reserves are on hand to stabilize operations. Without them the first drought or emergency drain on supplies would cause a liquidation of herds and flocks that would be disastrous to farmers.

Plainly an adequate reserve of food and feed grains is in the interest of agriculture, the consuming public and the Nation. The question is how to prevent it from having a depressing effect on farmers' market prices.

One logical method has been suggested. This is for Congress to establish, as a permanent Government policy, that such a reserve shall be maintained as an investment in the national security. Although it would be turned over to prevent deterioration, the same volume would be held until needed to meet shortages or other emergencies. It would be off the market until required. Any production goals which might be set up would take its existence into account. Part of the depressing effect of surpluses in the 1930's is attributed to uncertainty over Government policies. There would be no uncertainty over this policy. Such a reserve might still exert some influence on the market, but this should be outweighed by its stabilizing effect on agriculture generally.

There is the further factor of the public interest, which must be considered in any farm program. Farmers want and are entitled to price supports to protect them from disastrous price breaks. But no such insurance can be a one-sided proposition. In return for it the consuming public is entitled to the assurance of plenty of food. A safe reserve of food and feed grains is necessary if that is to be done.

With the present outlook for winter wheat and the prospect of nearly empty bins next summer, there is no chance now of building up such an extra supply. But Congress, at least, should recognize the necessity and provide for the future. The earliest possible accumulation of an adequate reserve of food and feed grains and its maintenance for emergencies should be made a definite Government policy. And such a surplus should be financed and looked upon as what it really is—an investment in the national security and a burden to be borne by the farmers.

PUREBRED PRICES

Some of the prices being paid for purebred livestock, particularly dairy and beef cattle, show plain signs of inflation. A current issue of Farm Business Notes, published by Minnesota College of Agriculture, said this about the situation: "Within recent months a dairy bull is reported to have sold for $45,000 and a dairy female for $23,500. A lot of 50 purebred dairy cattle were sold at auction by one breeder at an average of $3,082 a head. A beef female brought $25,000, one beef bull sold for $51,000 and another for $52,000. A breeder of purebred beef cattle sold 50 head of males and females at auction for an average of $5,614. * * * Although these are extreme rather than typical cases

they are mentioned because they suggest what is taking place in the purebred-cattle market." Since then all these purebred beef cattle prices have been topped.

A general boom feeling is one reason for such artificially high prices. Another is the activity of people with large, nonfarming incomes, whose breeding establishments are often a side interest. As the Minnesota publication says: "Under existing Federal income-tax laws and regulations those with large incomes are encouraged to make such investments * * * they are able to recover a higher proportion of major capital losses and depreciation through income-tax deductions."

These inflated prices are detrimental in several ways. While extreme cases, they have an effect on purebred values generally and tend to raise the whole level of good foundation stock too high for the majority of farmers to afford. This works a hardship on young farmers, many of them war veterans, who would like to start with good livestock. There is also a psychological factor to be reckoned with. The public, feeling none too well about high food costs, sees occasional reports of these whopping prices for purebred livestock and naturally concludes that farmers must be getting rich.

A similar boom after the First World War brought losses to many and downright tragedy in some cases. Reports indicate that a much larger share of the sales this time is being financed with cash and less with purebred notes. But, while the present boom may be safer, it isn't contributing to the long-time interests of the purebred industry. These consist in getting just as much good foundation stock into the hands of real farmers as possible. It can't be done with inflated prices.

More About Food

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. BRADLEY. Mr. Speaker, the Herald-American, published at Compton, Calif., is one of the leading newspapers of that area. The editor is an experienced businessman not only in the newspaper field but in various fields of commerce and industry as well. In the following editorial, he has set forth his opinion about current high prices and world conditions. I believe the Members of Congress should have the benefits of this editorial, published in the Compton Herald-American on November 20, 1947, and I, therefore, include it in this extension of remarks:

FROM THE PUBLISHER

(By Cliff Smith)

MORE ABOUT FOOD

When you clear away all of the words, whether high sounding or otherwise, two things stand out very clearly as the sole and exclusive reasons for high prices of food in this country.

The first reason is excessive Government buying and the so-called price-support program. Recent examples are the buying of the entire prune crop, the poultry crop (after the President's poultryless Thursday had ruined public demand), the entire raisin crop, the entire wheat surplus, the entire corn surplus, and a majority of the potato crop and the wine surplus, to be given away overseas. As long as no purchaseable surplus exists for the public to buy—regardless of what the commodity is—the price is going to be high.

The second reason for high prices is the shipment of excessive quantities of food overseas. During the war years no such quantities of food were shipped overseas as are being shipped now.

When we get down to whether or not there is need for this food overseas I believe some of the following facts are pertinent and illuminative.

WORK UNDER GERMANS

During the war France, with the exception of a small minority called the underground, was happy and prosperous under German rule. Everybody was working and vast quantities of food was produced and shipped to Germany to help keep the German war machine going. Now France is being given vast quantities of food by us and nearly their entire supply of coal. Right in our own community we can see hundreds of carloads of coal going through here every month to be loaded on ships at the Long Beach coal dock to be sent to France, free. We not only give them the coal, we pay the freight. I am informed by certain officials that much of this coal is then resold by France to countries under Russian domination.

What happens to our food when it gets to France? At the present time communistic strikes are in progress at many French ports and the food which we have sent them free gratis cannot be unloaded from the ships. If and when this food is unloaded, the American label is torn off and it finds its way into the black market so that the people of France do not know we sent the food. Businessmen returning from France say that the French people give Russia the credit for sending the food and England credit for sending the coal.

SHORT WEEK NOW

During the war Hitler saw to it that the French people worked. Today they have the 4-day workweek and the 6-hour day.

We have been feeding Greece since 1920 with disastrous results. We have furnished $300,000,000 to Greece recently and observers there say conditions are worse than they were before we sent the $300,000,000. Inspectors have recently found $75,000,000 worth of spoiled American-donated merchandise in Greek warehouses. This merchandise spoiled because the Greeks had plenty of this particular kind of merchandise so they merely let it lay in the warehouses until it spoiled.

ITALY IN CHAOS

A condition of chaos now exists in Italy. Half a dozen divisions of infantry would straighten the matter out and put these people to work and make them self-supporting. But no—that would not be democratic. Remember, in Italy less than 5 percent of the people know what the word "democratic" means. The last experiment in democracy in Italy was during the time of the Roman empire. That degenerated to the point that only the members of the army were allowed to vote. This led to one of the most absolute dictatorships in history and the final and complete collapse of the Roman Empire.

Communistic riots are taking place daily throughout Italy and the Government is hanging on only by a thread—it will probably fall within the next week or 10 days.

FOOD NOT EFFECTIVE

All the food on earth cannot straighten out this condition. Force is the only language they understand.

England wasted her three and one-half billion-dollar loan and is admittedly in much worse shape now than before the loan.

It is a small sidelight, however, on English affairs where Britain, which is crying so loudly that it is broke and needs help from us, can give more than $2,000,000 in gifts to its heir apparent princess. Also this same princess and her Greek prince prospective husband cannot live on $60,000 per year, so the King gives her some of his money from his million dollars a year. The President of this Nation, which is asked to keep Britain's finances from utter ruin, only draws $75,000 per year.

It has been a well-known fact since the beginning of time that you cannot buy friendship, and that is exactly what we are trying to do.

TANKER GIFTS

Ninety of our late model oil tankers have been sold to other nations. These tankers are urgently needed here because we drained a large part of our oil reserves during the war to help keep the navies of the world on the high seas. These tankers have been sold without receiving any money in return. Now the suggestion is we build more for ourselves.

I could go on and on enumerating examples of the utter throwing to the four winds of the heavens or to the seven seas the basic materials of this Nation. Every ton of food and every shipload of coal which we send overseas tends to weaken us just that much more.

The Friendship Train was a wonderful example of the big-heartedness of America but was also one of the dumbest exhibitions on record. The gathering of thousands of tons of food to give away when we did not know who we were going to give it to or whether or not the people who eventually receive it need it.

ANOTHER NEW DEALER

This is on a par with the New Deal philosophy which raised such men as Major General Meyers, assistant chief procurement officer of the Air Services, to a position where he could throw business to his own firms building aircraft or parts, and accept gifts from many of the firms from whom he was purchasing goods—Cadillac cars and a $10,000 refinish job on his apartment.

The proposal to put back into effect the wartime rationing and wartime controls is an attempt to establish a totalitarian police-governed state in what is supposed to be the greatest democracy in the world. Instead of establishing the totalitarian state here we should establish a totalitarian state in Europe in the troubled spots, put those people to work, put down their uprisings and instead of trying to teach them democracy, of which the rank and file have not the slightest conception, teach them to work and produce. A few divisions of troops would do more good than all the food we can rob ourselves of and send overseas.

Remember this—the only thing which keep prices high are: (1) Government buying and (2) the shipment of vast quantities of food overseas.

A Pension for Our Senior Citizens

EXTENSION OF REMARKS
OF
HON. NOBLE J. JOHNSON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. JOHNSON of Indiana. Mr. Speaker, while the Congress is giving attention to the matter of appropriating additional billions of dollars, American dollars, for the aid of Europe and perhaps also of Asia, I trust we shall not forget entirely the plight of our worthy elder citizens in the United States.

Last week we observed Thanksgiving Day. Our hearts went back over the years in gratitude and honor for all those who have contributed so generously of their energy and material resources toward the making of this Nation, which has become the envy of all the world. It was appropriate that America of today should do this. Certainly there is a debt to every generation of Americans that have played their respective roles, generation by generation down through the years, all the way from Plymouth Rock in 1620 to this very moment. They deserve every bit of honor that we might bestow upon their hallowed memory. But there is something more we can do.

A generation of those worthy forebears are still with us.

They are our own mothers and fathers now living, and, in the main, advanced in years beyond the time when they should be required to work. They are just as worthy as any generation that passed before them. They constitute our great opportunity to really "honor the fathers and mothers of America." Did we as a nation really mean those beautiful words and phrases that we used with such superlatives in our speeches, pulpits, over the radio, and in our newspapers and magazines? If we did, this question of "a decent old-age pension, uniform in all the States, adequate in amount to maintain at least a decent American standard of living" should be favorably considered by this Eightieth Congress. There is a program developing in this Congress to bring such a bill to the floor. It is not a discharge petition.

It is a friendly request, in writing, addressed to the Committee on Ways and Means, in a most cordial and respectful manner, calling for an opportunity to thoroughly consider and vote on such a bill.

The time for consideration will be at the convenience of the committee and the House leadership, but during this Congress.

The amount of the pension is reasonable, but uniform in all the States.

It is a clean old-age-pension bill, offered to take the place of old-age assistance under the Social Security Act.

It does not involve extraneous issues. It contains only a reasonable, sound, American pension, which, in my opinion, any citizen favoring better old-age pensions now will certainly approve.

The friendly and respectful approach to the committee is commendable.

Every Member of the House who has an old-age-pension bill pending in this Congress is uniting in this program.

We trust that every Member who concurs with us in regard to old-age pensions, and who has not already done so, will see either the gentleman from Indiana [Mr. LANDIS] or the gentleman from Oklahoma [Mr. MORRIS] and join us in this united friendly effort for better old-age pensions now.

This is a way in which a grateful America can really show appreciation for those who gave so generously that we might enjoy so fully the blessings that are ours today.

Those who have given their lives in the service of our country in peacetime and in war deserve our consideration.

They have given us everything that we thank God for this thanksgiving season, even to the noble sons and daughters to whom we look to defend our liberties.

Certainly their comfort and security should be adequately looked after even before we extend our billions for the relief and comfort of citizens in other lands.

We should consider the question of better old-age pensions in the Eightieth Congress.

Editorial by Manchester Boddy, of the Los Angeles Daily News

EXTENSION OF REMARKS

OF

HON. NORRIS POULSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. POULSON. Mr. Speaker, I am inserting in the RECORD today an editorial of November 18 written by Mr. Manchester Boddy, editor and publisher of the Los Angeles Daily News. Mr. Boddy is without a question one of the leading journalists of the country, known as a progressive and liberal thinker but always fundamentally sound. I think that the editorial which I inserted on November 20 and the one today definitely sustain the above statement I made. This editorial very clearly outlines the fundamental issues confronting us today. I recommend it for your reading:

MANCHESTER BODDY

That the Republican majority in Congress and a sizable number of Democrats will vote against granting President Truman's request for executive authority to restore limited rationing, power to impose control over prices, wages, and the allocation of strategic material may be taken for granted. It appears equally clear that Congress will authorize a carefully hedged stopgap-aid program for Europe calling for an expenditure somewhat short of the $597,000,000 requested by the President.

The reasons are not entirely, or even predominantly, political. They go to the very heart of the central issue of our time.

President Truman is asking a peacetime Congress to put the United States on the road that leads toward state socialism with all that the term implies: regimentation, state-planned economy, rigid controls over personal liberty and private initiative.

Quite obviously, the President himself does not believe in the end product of the measures he reluctantly advocates. They should be used, he pointed out, only if conditions become more acute. He wants the American people to solve their problems through voluntary action but thinks a club in the closet might serve as a potent persuader.

In his 10-point immediate anti-inflation program the President, in fact, asked for the return of practically all the Government's wartime economic controls. It is significant, however, that he did not ask for them because he believed they should be the standard equipment of the American economic system. "I look upon them," he said, "as short-run insurance against the impairment of our prosperity and the threat to our future development."

Since President Truman thus refuses to champion state socialism per se he deprives his Republican opponents of an opportunity to go before the American people with the clear-cut ideological issue that his short-run insurance measures suggest. Instead, he says, in effect:

"I believe in the free-enterprise system. Today it is threatened with destruction by inflation and world-wide economic chaos. Therefore, I propose that we use anti-free-enterprise measures in order to preserve our free-enterprise system."

Congress will say: "We won't give you those anti-free-enterprise powers," and President Truman will reply:

"Very well, if you have a better prescription for preserving our system against destruction by inflation and economic chaos, write it."

The Republican Congress will have a difficult time avoiding that challenge. When it gets down to writing its own prescription for the Nation's ills, it will be forced to do something about inflationary bank credit, which is the mother of run-away-installment credit. President Truman wants power to control that threat. The Republicans will have to grant that power or suffer the consequences.

The President wants strict Federal regulation of speculative trading on the commodity exchanges. As long as the commodity exchanges serve as free markets they should be permitted to function with a minimum of interference. Insofar as they are used as gambling houses they should be regulated. To stop gambling on commodity exchanges does not interfere with free markets any more than outlawing gambling in the Yankee Stadium interferes with baseball. The Republicans will do well to heed old Aristotle's advice: "Every institution has within itself the seed of its own destruction."

The export situation does justify Federal action. Since aid to Europe is inevitable, there is no sense in allowing foreign nations to bring our dollars back to America and bid against each other for our food and clothing, thus sending prices ever higher.

Certainly the Government can promote full production, regulate traffic, and protect the value of the currency. There is nothing socialistic about such efforts.

If President Truman's plea for emergency powers went no further than such matters, Congress would have no choice but full cooperation. The real sting is found in proposals:

"To authorize allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

"To authorize consumer rationing on products in short supply which basically affect the cost of living and

"To authorize price ceilings on products in short supply which basically affect the cost of living or industrial production, and to authorize such wage ceilings as are essential to maintain the necessary price ceilings."

Water running down hill eventually will hit bottom. Those measures, once employed, soon would create in the United States the very situation our dollars are employed to prevent in Europe.

The notion that we must be like Europe in order to save Europe is nonsense. The way to help ourselves and Europe is to promote the greatest possible production, and the

way to more production is the elimination of unnecessary restrictions and restraints.

The main trouble with Mr. Truman's plea is the fact that he lacks conviction, courage, and faith. He wants to "preserve and protect" the free enterprise system, but doesn't think it can meet the challenge it now faces. He proposes corrective measures but hastens to explain that he won't use them except in an emergency—because he doesn't believe in them.

An Ode (or Something!) Commemorating the Contempt Citations Which Congress Voted on the 10 "I Decline To Answer" Hollywood Reds

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. MUNDT. Mr. Speaker, as America struggles with the problem of driving Communists and their sympathizers out of Government positions and as we continue our efforts to bring out into the open the party-line activities and propaganda of other Reds and "pinks" who lurk behind false façades of loyalty and respectability and ply their poisonous craft in private enterprises, we have tried committee hearings, court action, congressional citations of contempt, loyalty purges by the FBI, and numerous other realistic and serious-minded devices and techniques. All loyal Americans rejoice these days that genuine progress is at long last being made in the direction of exposing and curtailing the un-American and disloyal activities of those who would trade our way of life away and replace it with the tyrannical and godless techniques of Red fascism as now operating in Russia and her clutch of captive countries behind the iron curtain.

Now comes Mr. George Abell, popular Sunday columnist of the Washington Times-Herald, Mr. Speaker, with a new device for destroying the enemies of freedom in this country. His weapon is ridicule and rhythm and rhyme are the techniques he employs to expose the fallacies and the selfish ambitions of those who think more of personal gain or private pelf than they do of their patriotic obligations to this land of the free and the home of the brave. In a few short but significant verses of satire and common sense George Abell strips the thin veneer of respectability off those who prate and preach about the alluring virtues of a foreign system while privately profiting to the utmost from the system which they are endeavoring to destroy.

Mr. Speaker, for 2 minutes of relaxation and for purposes of reenforcing our faith in the doctrines of the founding fathers of this country and our Constitution, I commend to Congress and the country the reading of the following verses by George Abell as they appeared in last Sunday's issue of the Times-Herald:

READY, WILLING, AND GEORGE ABELL
ON CONGRESS' CITATION OF THE HOLLYWOOD REDS

Of all those movie acting hacks;
Of all those educated quacks;
Of all who swell our income tax—
  By warbling songs of "Mommie,"
The very lowest type of worm,
The kind that makes your insides squirm,
Is without question, I affirm,
  The rich and ritzy commie.

He is the kind of lovely guy
Who trills a haunting lullaby
While pouring Bourbon, Scotch, or rye
  For "Lucky" Luciano.
He is the sort for whom, I note,
Tom Clark holds out an overcoat,
And bobby-soxers simply dote
  On him at the piano—

He is our friend "Monsieur Verdoux,"
So wistful, elfin, ingenu,
Who bravely bore a cane in lieu
  Of sword to fight the Germans—
The kind who rides a Friendship train,
And helped the Communists in Spain,
But finds it awkward to explain
  His philanthropic sermons—

The kind who calls plebeians "pard,"
And plasters down his hair with lard,
And swanks along the boulevard
  In fancy Rolls and Bentzes;
Who gives fanatic whoops and hollers
For wretched tramps in soiled collars,
But zealously retains his dollars
  For party-line expenses—

The kind of glutted parlor snake
Whose innards for the hungry ache,
While swilling caviar and cake
  At Sovietic binges;
Who bleats that Russia's kind and good,
But much prefers to stay and brood
And assuage in Hollywood
  His conscientious twinges.

At last, before the justice bar,
We see these creatures as they are—
Writer and stooge and movie star—
  A bunch of Reds and zanies;
At last, congressional fanfare
Unmasks the liberal millionaire;
America's become aware
  Of what a daisy chain is.

So if you page at Goldwyn-Mayer
A pretty boy with pinkish hair
And they reply he isn't there,
  You'll realize the reason;
And I for one sincerely hope
That he'll be dangling from a rope
Because I am a bourgeois dope
  That doesn't hold with treason.

Old-Age Assistance

EXTENSION OF REMARKS
OF
HON. GLEN D. JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. JOHNSON of Oklahoma. Mr. Speaker, within the next day or two the House of Representatives will begin consideration of the interim-aid bill, which will provide assistance to the starving people of the countries of western Europe. Later we will consider the long-range Marshall plan for continued aid for the needy people of those countries.

In directing our minds and efforts to the solving of distressed conditions in distant lands, we must not look so far away that we are unable to see the misery and suffering that exist among our own people here at home. Today, while we are bent on helping our fellow man abroad, I have introduced a bill which has for its purpose the alleviating of unhappy circumstances engulfing a certain group of our own people in this country—our dependent aged citizens.

When the Congress convenes in its next regular session, I hope and trust that the bill I have introduced will receive the same earnest consideration that is given the bills designed to aid the needy of Europe.

The bill I have introduced, and to which I invite the attention and consideration of the House, amends the Social Security Act and reads as follows:

A bill to amend the Social Security Act (49 Stat. 620) by adding a new title thereto to be known as title XIV, and for other purposes

Be it enacted, etc., That the Social Security Act as amended is amended by adding, after section 1301, a new title to read as follows:

"TITLE XIV. ALTERNATE OLD-AGE ASSISTANCE PLAN

"SEC. 1401. The program under this title shall be administered by the Federal Security Administrator.

"SEC. 1402. That any State, so electing, may suspend operation of its present old-age assistance plan and in lieu thereof pay into the United States Treasury the sum of $25 per month for each citizen of such State qualifying for benefits hereinafter provided. This amount shall be kept in a separate account, to which there shall be added by the Federal Government the sum of $35 per month for each $25 deposited by the State adopting this plan.

"SEC. 1403. Each citizen of a State adopting this plan who qualifies under section 1404 of this act shall be paid from the fund established in section 1402 hereof by the Treasury of the United States, upon certification by the Social Security Board, the sum of $60 per month.

"SEC. 1404. (a) A person to qualify under this act shall be—

"(1) sixty years of age or over at the time of filing application;

"(2) a citizen of the United States and an actual resident of the State for a period of 1 year or more immediately preceding the time of filing application;

"(3) one whose gross income or whose gross income combined with gross income of a spouse, as the case may be, was less than a minimum amount with respect to which a Federal income-tax return was required to be filed in the tax year preceding the year in which application is filed, except, of course, income provided for in this act shall not be considered to disqualify a person;

"(4) one whose capital assets do not exceed $5,000 if a single person or $10,000 jointly with the assets of a husband or wife if a married person; and

"(5) one who has filled out a form, obtainable at any post office, which shall require a sworn statement as to the name, address, residence, citizenship, income, age, capital assets, and pensions or other benefits received by the applicant.

"(b) Applicants shown qualified by such forms shall be placed immediately on the pension list and shall be entitled to receive pensions on the first day of the month following filing of application: *Provided*, That such filing was made at least 10 days prior to the first day of the month.

"SEC. 1405. Every person receiving old-age assistance under the present Social Security Act from a State adopting this plan shall be automatically covered upon certification by the State to the Social Security Board.

"SEC. 1406. (a) Any person receiving a pension, retirement pay, or Government disability compensation aggregating an amount less than the amount of old-age assistance provided herein, shall be entitled to receive the difference between the amount received as a pension, retirement pay, or Government disability compensation and the amount provided by this act: *Provided, however,* That a person so receiving benefits of as much or more shall not be entitled to benefits hereunder. The Social Security Board shall determine the correct amount due in such cases and the same ratio of payment as set out in section 1402 hereof shall be borne by the State and the Federal Government.

"(b) A qualified person who becomes ineligible shall immediately so notify the Social Security Board by registered mail and the Board upon receipt of such notice shall suspend payments to such person from that date. Any such person who knowingly and willfully receives and fraudulently cashes any check after knowingly becoming ineligible shall be guilty of embezzlement from the United States and the interested State and punished as now provided by law.

"SEC. 1407. Upon proof of death of a beneficiary under this act the Social Security Board shall pay, from the separate account provided by this act, the sum of $200 toward the burial and funeral expenses of such person, and such account shall be reimbursed by the Federal Government and the State in the ratio provided in section 1402.

"SEC. 1408. Whoever knowingly, fraudulently, and willfully, for the purpose of obtaining a pension or for the purpose of continuing to receive a pension under the provisions of this act when not qualified, shall make or cause to be made any false statement, representation, affidavit, or document, in connection with an application or other required action under this act, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further,* That any person so convicted shall be removed from the pension list, and shall be prohibited from reapplying for benefits under this act for a period of 1 year from the date of final conviction.

"SEC. 1409. The Social Security Board and any State adopting this plan are hereby authorized to prescribe rules and regulations deemed necessary to carry out the provisions of this act, except that neither may require any different qualifications than those set out in section 1404.

"SEC. 1410. As used in this act, the term 'State' shall include the Territories of Alaska and Hawaii.

"SEC. 1411. There is hereby authorized to be appropriated such amount as may be necessary to carry out the provisions of this act."

Tidelands Oil Controversy

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. BRADLEY. Mr. Speaker, the so-called Tidelands decision of the United States Supreme Court which upset all preconceived ideas regarding the ownership of the marginal seas surrounding the United States, is not an oil fight, but rather is a fight for the basic principles of States' rights.

The editor of the Long Beach Argus, in the edition of that paper on November 6, 1947, has expressed the opinions of the people of southern California so well in this regard that I take pleasure in inserting his editorial entitled "This Is Not an Oil Fight," in the CONGRESSIONAL RECORD at this point:

THIS IS NOT AN OIL FIGHT

(By George Rochester)

For the past few years much has been said about the tidelands fight and the majority of people seem to have the impression that the controversy concerns only the oil that lies beneath the sands of a few miles of California's shore line.

This is absolutely not the case. The fight is for State's rights, and California, along with almost every other State in the Union, stands to lose if the Government is successful in proving its case that the tidelands of these various States, including those bordering on the Great Lakes, belong to the Federal Government.

While it is true that there has been discovered some oil deposits under the shores of a very small portion of California, should the Government win this case other sections of the State stand to lose a great deal of valuable shoreland. So, it is evident that this fight is not to protect the oil fields of Long Beach, but to protect the entire coast line from one end of the State to the other. Other States having tidelands are just as vitally interested as is California because they, too, will lose many millions of dollars of property now standing on tidelands and which have been built either by bond money or direct taxation.

New York, Boston, San Francisco, San Diego, Houston, Savannah, in fact every port in the United States is built on man-made or God-made land. Will the Congress of the United States allow all this valuable property to be turned over to the Federal Government and disregard all the decisions handed down for the past 100 years that the States themselves owned the tidelands to a distance of 3 miles from shore? We cannot believe it.

The only way, however, for this matter to ever be cleared up is for the Congress to pass a quitclaim bill that will forever and all time give to the States their title to the shores bordering upon each State as it was specifically stated when the States were admitted to the Union.

All this talk about the oil grab in the State of California is merely a smoke screen. This is a fight for State's right and is being fought for this and this alone. When it is taken into consideration that of the more than a thousand miles of shoreland in the State of California only 15 miles have shown any oil production, this alone should prove that the talk of the oil grab is a fallacy. If the tidelands ever belonged to any State—and it has never been disputed during all the time since the Original Thirteen States formed the Union—then California owns her tidelands.

Both Houses of Congress passed the bill that would have settled the question at the last session but the President was influenced to veto the bill. Now the fight will have to be made all over again and will be at the coming session in 1948. Whether we will be successful or not depends upon the support we get at home and in every State in the Union. We believe California will receive that support.

If the Federal Government can claim the oil beneath the tidelands along the shore of California, then what is to prevent the Government from claiming all the gold, the iron, the copper and silver mines of the various States.

No; this is not an oil fight. It is a fight for State's rights, and we hope the people will realize this and write their Congressmen and Senators to support the bill when it comes up at the next session of Congress in 1948. This is as little as anyone could do to help save the tidelands of our State and lend a hand to the other States who are fighting along with us to retain the lands granted us under the Constitution of the United States.

Do They Want Low Prices?

EXTENSION OF REMARKS
OF
HON. JAY LeFEVRE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. LEFEVRE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article appearing in the November 29 issue of the New York Sun by George E. Sokolsky:

THESE DAYS

(By George E. Sokolsky)

DO THEY WANT LOW PRICES?

The current boom, stimulated by an inflationary tendency, is favored by the administration because it benefits them politically. Everybody is at work. Everybody has money in the pocket. Prices are high, but the people can pay for what they want. There is grumbling, but no real dissatisfaction. Any lowering of prices would develop fears that the depression, which the Russians and Henry Wallace have regarded as "inevitable," has actually arrived.

Therefore, the administration keeps prices high and shouts against the inflation. They act one way and talk another. The President's 10-point program was a talking matter; not a single step has been taken to implement it, in spite of the fact that the President possesses ample powers to curb the inflation in many directions—certainly in reducing the amount of money in circulation.

Marriner Eccles, for instance, proposed that bank credits be limited, a step that would, if properly handled, lessen the inflation. As a matter of fact, sound bankers have for some time been more conservative in granting credits, particularly consumers' credits, but they ought to increase loans for productive purposes as opposed to speculation. When a loan is made that adds nothing to the general welfare but merely gives an individual an opportunity to gamble in an inflationary market, it is not sound to assist him.

John Snyder, Secretary of the Treasury, who more closely represents the administration than does Marriner Eccles, opposed Eccles's proposals for limiting bank credits. When Eccles insisted upon limiting Government expenditures, he hit the administration more fiercely than even Senator TAFT or BYRD have, for he, being in the family, even as a left-over, knows what the canker of Government spending is upon the body politic. This administration means to spend more and more between now and election day on the Al Smith formula, "Nobody shoots Santa Claus," which Harry Hopkins turned into a political gold mine.

Again in the matter of conserving food supplies, the administration talks one way and acts another. The Luckman dramatization is, of course, finished and never was needed. Nothing was actually saved by it.

Yet, there was something that both Luckman and Secretary of Agriculture Anderson could have done and did not do. A very bad practice exists in the baking industry which is unnecessary, wasteful and serves no purpose, but grew up in the competition for retail outlets; that is, the overstocking of bread in groceries and the acceptance of returns by bakers. Those returns of old bread are ground up for feed, but a great waste is involved. The bakers would like to get away from the practice, but dare not enter into an agreement lest the Department of Justice institute antitrust proceedings against them.

It certainly ought to be possible for the bakers, the Department of Agriculture, the Department of Justice, and the White House to work out a procedure for ending this wasteful practice at a time when grain is so sorely needed without the bakers taking the additional risk of an antitrust suit. But the administration does nothing and the practice continues. Incidentally, the Secretary of Agriculture says that he does not know any way to limit the weight of hogs and cattle—so how does he expect, by Government controls, to limit the consumption of grain?

The fact is that the administration is not willing to take a single step to lower prices, if such a step would antagonize a sufficiently large and vocal group, as, for instance, the farmers, just as it has been unwilling to offend the labor leaders by supporting the extremely mild controls on the predatory padrone system of the labor supply.

In a word, the administration wants to keep the prices high to satisfy those who benefit from high prices and talk low prices to please consumers. And then they can always blame the Republicans in Congress for not doing what the administration is by the Constitution and the law empowered to do. They want to keep the boom going by keeping prices high for political reasons, while they talk anti-inflation for economic reasons. They hope that this paradox will keep them in office. And it might.

Mr. Speaker, all I can add to the above article now is, and it might not. The American people gradually get wise to double talk.

Congressman Stevenson Reports From Washington

EXTENSION OF REMARKS

OF

HON. WILLIAM H. STEVENSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. STEVENSON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement:

WASHINGTON, D. C.

DEAR FRIEND: From time to time I plan to give you the opinions of Washington leaders regarding important issues before Congress as a service from my office. I hope these reports will be helpful in keeping you informed of national trends, from the Washington viewpoint.

DOES AID TO EUROPE MEAN REGIMENTATION AND HIGHER PRICES?

In a report on allocation controls by Mr. Carl Farrington, Assistant Administrator, Production and Marketing Administration, before the Joint Committee of the House and Senate on the Economic Report, the Administrator stated as follows:

"The urgency of maintaining a large flow of food to foreign countries is one of the reasons why it is essential that the Government use allocation powers and inventory controls over scarce commodities, grain, and other agriculture production."

Farrington also warned that a reduction in the amount of grain fed to cattle would be necessary in order to save such grain for foreign export. I quote further from his report, as follows:

"This reduction in the supply of feed makes it necessary that we market hogs at lighter weights, market beef cattle with less finish, cull our dairy herds and poultry flocks more closely than normal, and reduce broiler and turkey production.

"These necessary measures will inevitably result in smaller supplies of livestock in 1948.

"The supply of meat for domestic consumption per person in 1948 will be less than the present year.

"The decrease from 1947 along with a high level of consumer incomes will tend to further strengthen prices that are already at or near record levels.

"Export needs this year and continuing heavy export needs in 1948–49 create a situation which makes it essential that authority be available not only for controlling the export of wheat, but also, there is likely to be need for domestic allocation controls.

"In view of the shortages that are in prospect and the large volume of Government procurement that may be necessary for export, the following powers should again be available: I quote from the Administrator's report:

"Authority to allocate food by imposing limitations on inventories, on delivery and transportation, and requiring producers and distributors to set aside specific amounts or the entire production for acquisition by governmental agencies.

"Authority to allocate the use of facilities and materials to carry out the food program by restrictions on the use of storage facilities, controlling the distribution of farm machinery, the distribution and importation of fertilizer, and the use of transportation facilities by rail.

"The powers should be such as to make it possible for the Government to become the sole buyer of the crop."

Commenting on the stopgap relief aid for Europe, Senator WHERRY (Nebraska) said, "Mr. Farrington says 'Ration, allocate, do not feed cattle.' If we do not feed cattle the meat supply will be decreased. The same statement applies to pork and chickens. When we begin rationing one thing, whether it is corn, or whether it is wheat or livestock, it is my opinion we must go the whole way."

"If in our desire to feed those whom we should like to feed there is any doubt that it will require the imposition of allocations and controls, now is the time to think about it."

In the debate on the European aid bill, Senator TAFT said: "We are paying today approximately five or six billion dollars in taxes to give materials and supplies to western Europe. The tax burden today is a threat to our own economy. As the Senator from Florida, Senator PEPPER, says, it means higher prices for America. Mr. Harriman, Secretary of Commerce, admitted we are exporting $11,000,000,000 more in goods than we are taking in. These dollars are coming back to pay for the purchase of goods already in short supply in this country. Undoubtedly that is contributing to the tremendous price rise. It threatens a return to a completely regimented state and the elimination of the freedom necessary for full production."

We do not want people across the seas to go hungry or freeze. But if billions of dollars given to foreign countries means higher prices, higher taxes, and regimentation for our own people, then the matter of foreign aid takes on grave and serious consequences for all of us.

Sincerely and respectfully,

WILLIAM "BILL" STEVENSON,
Member United States Congress,
Third District of Wisconsin.

Radio Address to the People of My District

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address made by me over station WNBF on November 29, 1947:

Dear friends of the Triple Cities and my congressional district, the spirit of Thanksgiving is in the crisp air this season. As you and I look about us at a prostrate Europe and an unhappy Asia, we certainly have reason to give thanks to the Almighty for our own good fortune.

But we need also to indulge in prayer and contemplation to the end that the sadness in other lands is terminated soon. America's responsibility is clear-cut in this respect. We must come to succor the unfortunate, the hungry, the homeless.

Yes; America owes it to the downtrodden, the suffering millions to aid them. We want to do a good job in this respect. The answer, then, is to put the American people on a firm basis, a strong economy, to enable us to accomplish that job.

Let's make the American dollar buy a hundred cents' worth of goods, whether it be food or clothing or any other necessity. The outrageous prices people are now called upon to pay just don't permit a dollar to go anywhere.

What good are high salaries if the cost of living is twice as high? The housewife can't buy as many groceries with $10 today as she could with $5 a few years ago.

It used to be possible to clothe a large family on the average income. At present, many folks have to wear clothing threadbare and even big wages won't cover the bill.

Frankly, I'm concerned about the seriousness of the whole picture. High prices produce scarcity in the land of plenty. High prices create shortages where there is a surplus. The people see these vital goods in profusion upon the counters and in shop windows, but they cannot buy. The prices are beyond their reach.

The future of a desperate world in my opinion hinges on the success of America to keep the energy and freedom we now have.

Americans cannot produce without food themselves. They cannot protect others from the ravages of weather, if they are without protection, without shelter, without clothing.

Americans must have enough money to buy these necessities. Inflationary levels and sky-high prices render their money useless and they are no better off than without a dollar.

The advance of communism in any nation is heralded by the failure of its leaders to recognize the dangers of hunger and want among the people. The best insurance against communism or any foreign ideology, for that matter, is to make the American system work.

The task as it appears to me is to see the American standard of living, which is the

best in the world, maintained for the American people. The era we are now in should bring forth new evidence of the genius of free initiative. The citizens ought to be able to participate in and enjoy the fruits of this great peacetime production. What good will any of it be if they can't buy the modern household devices, the new automobiles, the countless additional blessings of these peaceful pursuits?

We have no alternative but to lick inflation. Our economic structure will not stand a continuation of it. The people will not suffer long from the dire consequences high prices bring without drastic action. We mustn't let violence mar the enviable record this country has had for so many years.

As your representative, I feel my duty is to to point out to the Congress that our economic house is on fire and that we must take steps now to put it out.

Therefore, I introduce this week in the House the following:

"Resolution calling on Congress to wage war against the high cost of living

"Whereas the Congress is once again convened for the purpose of meeting the exigencies of these difficult times; and

"Whereas the American people are now being forced to pay the highest prices in our history for food, clothing, and other essentials; and

"Whereas the American people expect their Congress to give first attention to the serious domestic and economic situation in which they find themselves; and

"Whereas a continuation of spiraling prices and inflationary trends will threaten the American form of government and the free-enterprise system, and give strength and encouragement to subversive elements: Therefore be it

"*Resolved by the House of Representatives (the Senate concurring)*, That immediate action be taken, to the end that inflation be checked and the trend of prices reversed to enable the American people to feed, clothe, and provide for themselves and their families in an adequate manner."

Exports to Russia

EXTENSION OF REMARKS

OF

HON. JOHN SANBORN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. SANBORN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter signed by the members of the American history class of the Midway High School of Lewisville, Idaho. This letter is thought-provoking and shows an understanding interest in United States foreign relations on the part of these students that calls for our attention and commendation. It follows:

LEWISVILLE, IDAHO, *November 24, 1947.*

The Honorable JOHN SANBORN,
House of Representatives,
House Office Building,
Washington, D. C.

SIR: As a class in American history, we pay particular attention to events which are transpiring now in the United States and the world. We have just listened to the daily broadcast of Mr. Cedric Foster. He quoted a statement made by Mr. Harold Stassen concerning the fact that the United States is still sending heavy farm machinery and other scarce commodities to Russia under some sort of moral obligation.

We had no idea this was still going on in the face of what we are trying to do with the Marshall plan. It seems a bit befuddled and incongruous to us. It does not make much sense to build up with one hand and tear down with the other—to give with one hand and take away with the other.

The Russian Government has virtually declared war on democracy. It has openly pledged itself to tear down the capitalistic system and spread totalitarianism throughout the world.

Apparently some people have forgotten how materials we shipped to Japan were returned. With the recent return of our war dead and with diplomatic relations with Russia what they are, it looks like it is going to take something worse to jar their memories. Can't you do something to arouse Congress to stop these shipments (under any kind of moral obligation) to Russia? And before we send any more—let us collect the $11,000,000,000 they owe us.

As our representative in a place where you can make your voice heard, we are leaving it up to you to do something about it.

Very truly yours,

An American History Class of Midway High School: Marvin Green, Theo Hanson, Ranae Casper, Maurine Christensen, Yvonne Lawson, La Rene Wright, Glenda Clark, De Mont Taylor, Bob Moldi, Dallas Bybee, Stanford Olson, Doyle Lufkin, Garth Hall, Junior Pordonnet, Bill Butterworth, David Hawker, Robert Watson, La Faun Kershaw, Shirley Call, Emma Rae Berret, Robert Brown, Joe Poole, Dale Robinson, Donald Walker, Darrell Hinckley, Ronald Boyce, James R. Simmons, Merrill E. Walker, Lowell Lindstrom, Delman Yargesen.

Come to Life, Mr. President

EXTENSION OF REMARKS

OF

HON. HORACE SEELY-BROWN, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. SEELY-BROWN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I insert an editorial which appeared recently in the Bridgeport Post, Bridgeport, Conn., entitled "Come to Life, Mr. President." The editorial follows:

COME TO LIFE, MR. PRESIDENT

It just doesn't make any sense.

What we mean is, President Truman's public declaration that he "sees no harm" in our shipping potential munitions of war in great quantities to Russia and Russia's satellites at this moment, while Truman is planning to clamp down all kinds of rationing on us at home.

If an ordinary person made such a statement in view of world conditions at this time, with Russia arming to the teeth, making the whole world resound with attacks on the United States, insulting us, vilifying us, and lying about us—we'd say he was blind, drunk, or crazy. Since President Truman is none of these things, then what is he? If you ask us he's a very bewildered, befuddled, and puzzled little man in the White House.

To add insult to injury, the Russians are coming to our ports and carrying away the railroad locomotives, freight cars, steel rails, steel girders, and other precious fabricated steel goods, including complicated American-made machinery, in so-called Liberty ships which were constructed by us at great costs and under great pressure to the war, turned over to Russia under the smooth title of lend-lease and, of course, never paid for.

It's so simple a kindergarten child ought to be able to understand it. We are arming a nation which proclaims us to be her potential enemy. We are arming a nation which calls us warmongers while it proceeds to build up the biggest war potential in the world—in part with the very materials which are in short supply here at home.

We hope Congress stands up and tells the President what it thinks about all this folly. Not one restriction should be imposed at home until we first have (a) put an absolute embargo on all shipments of all kinds to our potential enemies and their satellite states; (b) divided what we can spare among our friends; and (c) determined then what steps will be necessary at home.

Senator Taft Right While New York Times 100-Percent Wrong

EXTENSION OF REMARKS

OF

HON. HOWARD H. BUFFETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. BUFFETT. Mr. Speaker, with tactics considerably more polished than those of the Daily Worker, the New York Times sets out to smear Senator TAFT almost every time the courageous Ohioan speaks up for the American people.

The Times' persistent policy of mudslinging at TAFT would be more understandable if the Times had matched Senator TAFT's perspicacity in sizing up New Deal save-the-world patent medicines.

The New York Times whooped it up for the multi-billion-dollar Bretton Woods scheme. That panacea device was supposed to stabilize the currencies of the world. Senator TAFT exposed its weaknesses and voted against it. With the plan operating, currency chaos is worse than ever before.

The New York Times carried editorial after editorial of ballyhoo for the British loan. The following are samples of their claims:

If the loan is approved, we can look ahead with considerable confidence to a general reduction of tariffs and elimination of preferences; to a minimum of quotas and embargoes; to an intelligent and restrained resort to Government subsidies; to general acceptance of the rule that international business should be conducted on a business basis and not as a phase of political action. (Times editorial, July 7, 1946.)

The Times spared no reckless superlatives in its propaganda for the British loan. Another of its many editorials on the loan began with this grandiose assertion:

The House of Representatives has begun final consideration of a measure which is as important for our safety, for the preservation of our way of life, and for the realization of the aims for which we fought as any measure Congress has been asked to pass upon thus far. * * *

To the outside world this credit has become the touchstone of America's policy and intentions after the war. Our readiness or

unreadiness to grant this credit must decide whether the United States is willing to do its share toward world reconstruction on the basis of free, normal, and healthy trade, or whether the nations hard hit by the war must continue and even expand and tighten that vast system of economic regimentation and discriminatory financial and trade controls which are the forerunners of political regimentation and ultimate conflict. Our action here must decide, in short, whether the world shall look to the American or to the Russian system for salvation, and whether the United States is to be a leader in the postwar world, or whether it prefers to retire to an economic isolation which would quickly nullify the gains of its conversion to international political collaboration. * * *

The whole program of world recovery, and with it peace and security, now hinge on this action. (Times editorial, July 9, 1946.)

But Senator TAFT saw the fatal flaws in the British-loan scheme, exposed them vigorously, and voted against it.

Today the British-loan scheme is recognized as the biggest hand-out flop to date, which makes it a record fiasco of some kind or other.

In Hitler's Germany one technique of national socialism was to destroy strong opponents by smear tactics. If that were to happen here, the New York Times, armored by a long tradition of honesty and fairness, would be a most effective instrument for those tactics.

Senator TAFT barred the door when President Truman, at the time of the rail strike, tried to make conscripts out of the laboring people of America. When the administration and the House were panicky, TAFT was cool and courageous.

America needs more men in high places with the integrity and ability of ROBERT TAFT.

Atomic Energy

EXTENSION OF REMARKS
OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. McDONOUGH. Mr. Speaker, Mr. David Lilienthal, Chairman of the United States Atomic Energy Commission, in a recent broadcast urged the people of the United States to become more familiar with atomic energy because of its vast importance to the future of mankind.

I agree with Mr. Lilienthal and shall take this opportunity to speak briefly on some of the aspects of this amazing discovery from a layman's point of view. My qualifications for assuming this task is my experience and practice as an industrial chemist before entering public service.

I was engaged in metallurgy in the manufacture of steel and aluminum, and in explosives in the manufacture of nitroglycerine, nitrocellulose, tetranitroanaline, and in research work on nitro starch.

I do not want to leave the impression that I am an expert on atomic energy. I have found that much of the knowledge I used in chemistry makes atomic energy easier to comprehend.

The atomic theory was discovered by John Dalton, an English scientist, in 1808. He said all matter is made up of small indivisible particles called atoms and that the weight of an atom of one element differs from the weight of an atom of another element. This means that an atom is the smallest indivisible particle of matter and that an atom of hydrogen weighs less than an atom of mercury.

Science believed this to be the indisputable law from 1808 to 1919 when Rutherford and Chadwick, English physicists, reported that they had succeeded in knocking protons out of the nitrogen atoms producing hydrogen. This shattered the Dalton atomic theory and proved that the atom was not the smallest indivisible form of matter—that the atom had parts.

Then, in 1932 Chadwick discovered the neutron was also a part of the atom.

The third important part is the electron which for all practical purposes makes the atom therefore composed of these three parts: The electron, the proton, and the neutron. The electron is the outer shell. The nucleus or center contains the protons. There are other known parts of the atom. I am, however, confining this discussion to electrons, protons, and neutrons.

There are two principles that have been cornerstones of the structure of modern science. The first—that matter can be neither created nor destroyed but only altered in form. This is known as the law of conservation of mass. The second—that energy can be neither created nor destroyed but only altered in form. This is known as the law of conservation of energy.

For all practical purposes these two principles were unaltered and separate until some 5 years ago.

Albert Einstein as early as 1905 clearly stated that mass and energy were equivalent and suggested that proof of this equivalence might be found by the study of radioactive substances such as U–235 and radium.

To the average person without some scientific knowledge or training, atomic energy is a great mystery, beyond understanding, and something for only scientists, engineers, physicists, and mathematicians to deal with.

The average person thus closes his mind and shuts himself out from any possibility of learning anything about atomic energy, believing that it is something so new and terrifying, so deep and impenetrable that he thinks he could never grasp or understand it.

Atomic energy is not new. It has always existed. All we have done is discover it. It is as old as the hills.

Can you imagine the utter amazement of the first man that discovered fire? Think of the courage of Benjamin Franklin when he discovered electricity by flying a kite during a thunderstorm. He did not know then that he would not be electrocuted and he did not then have the slightest idea that electricity would be used to light great cities, drive great power plants, heat homes, cook food, and the thousands of other uses it has been put to.

We know what fire is and how to use and control it. We know how to use and control electricity. Frankly, now should we not learn all we can about atomic energy—instead of looking upon it as a monster of destruction, should we not see it as a great gift to humanity for good, and a means to help mankind live better and happier?

Nothing is more important to our domestic and international future than to learn all we can about atomic energy. We should know what the word "fission" means.

We should know what "neutrons" are.

We should know what a "chain reaction" is.

We should know why "uranium 235" was used in preference to any other element.

Here are some of the answers:

"Fission" means the property to break up into fragments, to split, in this instance into other atoms.

"Neutrons" are subatomic particles which are much smaller than atoms and are neutral, hence their name. That is, they are neither positive nor negative.

"Chain reactions" are the continuations of the reaction of releasing neutrons, which in turn penetrate other fissionable atoms and release other neutrons, thereby establishing a continuous reaction.

The potentialities of atomic energy are too great, too serious, too far-reaching in their effect on the future of civilized mankind to be ignored.

Before Einstein announced the theory that matter can be converted into energy it was known that neither matter nor energy could be created or destroyed. You can only change its form. In other words, to use an old adage, "there is nothing new under the sun," or all matter and energy that now exist have always existed, and no new matter can be created; neither can you destroy matter that now exists. All you can do is change or alter its form. That is, you can change ore into metal, or coal into coke, or cotton into explosives, but you do not create nor destroy matter. You merely change its form.

But we have only changed its outer form, not its inner form. We have not released any atomic energy. All we have done is rearrange the atoms of the matter we have been dealing with. These atoms, of which all matter is composed, are well protected. They are harder to budge than the most reactionary or conservative Member of Congress. I say this advisedly, because you cannot make a man do what he will not do, but can now make the atom do what you want it to do. That is, some of them. There are still many reactionary and conservative atoms. The most liberal one is uranium 235, and there is a good reason for this, because the U–235 atom has more protons and neutrons congested and compacted in it and more electrons revolving around it than any other known atom, just waiting for a chance to split up and release atomic energy. Atoms are very, very small. They are so small that 100,000,000 laid side by side would not measure an inch in length. Everything is made up of atoms—your clothes, food,

your body, house, automobile—everything.

All matter is made up of atoms.

All atoms are not alike. The principal difference between atoms is in the number of electrons surrounding the nucleus, which always equals the number of protons in the nucleus of all atoms.

This means that there is a different number of electrons surrounding the nucleus of an atom of gold than there is surrounding an atom of copper, or tin, or of aluminum, or of iron, and so on.

There are 92 different kinds of atoms. Each has a different number of electrons revolving around its nucleus, causing them to have different properties and characteristics.

The most simple or least complex atom is hydrogen, which has only one electron revolving around its nucleus.

The most complex atom known is uranium, which has 92 electrons revolving around its nucleus. That is part of the reason why uranium 235 can be used so successfully as the essential element in the production of atomic energy.

Uranium 235 is not the ordinary form of uranium that occurs in nature. It occurs naturally as U–238, and it takes 140 pounds of U–238 to produce 1 pound of U–235. It is very difficult to convert U–238 into U–235.

One pound of U–235 can produce energy equal to 3,000,000 pounds of coal. Think what that means.

Another thing about U–235 is that when its atom is split up by being shot at or bombarded by neutrons, it yields other neutrons, which, in turn, bombard and split other atoms of U–235 that are nearby. Thus the process, once started, continues, each reaction releasing tremendous heat and energy. This is called a chain reaction.

One reason why the U–235 atom does this so well is because its nucleus has—in addition to its 92 protons—143 neutrons crowded and congested within it, and 92 electrons revolving around the nucleus. Another characteristic of U–235 is that it is fissionable or subject to fragmentation. This is what makes U–235 so valuable for the production of atomic energy.

In addition to the source of power from atomic energy, one of the most important possibilities is the development of transmutation—that is, the converting of one element into another. The effect of transmutation on the economy of the world is stupendous and far reaching.

If methods are found to convert lead into gold in commercial quantities, or iron into silver or copper, you can well imagine what would happen to monetary values. And it is possible that these methods will be found through the development of atomic energy.

Transmutation has already been done. We have converted uranium into barium, nitrogen into hydrogen. General Electric has changed silver into cadmium, and silver into palladium, and copper into nickel. The October 29, 1945, issue of Time tells this story.

True, General Electric has not done this in commercial quantities, but it has been done.

Transmutation was the first thing the alchemist, the great-great-granddaddy of the present-day chemist, tried to do, but he never found out how to change one metal into another because he did not know the natural law of the elements.

The present-day chemist is on the right track because he knows the natural law of elements and is following them.

Everything that now exists will still exist just as long as Almighty God will permit.

Hollywood's Record, One of Patriotism

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. HOLIFIELD. Mr. Speaker, during the recent investigatory activities of the House Committee on Un-American Activities there has been considerable comment in the press on reports that most of the motion pictures produced in Hollywood are burdened with Communist propaganda.

I do not presume to take over the privileges of the committee in answering these reports, but I feel that I must rise to the defense of an industry and an art that has contributed so much to selling the American way of life to the entire world.

I know from my own personal experience as one who goes to the movies for entertainment that I have yet to see a film that is not American in concept and feeling. I was particularly interested in reading that a prominent Washington theater owner, Mr. Sidney B. Lust, referred to his 32 years in motion pictures during which time he failed to see or detect Communist propaganda in films. But I was more interested in the fact that the facilities of one of our greatest military institutions, West Point, were made available to Mr. Joseph Bernhard, president of Film Classics, a motion picture producing company, to facilitate the production of The Spirit of West Point, a film that, according to all critics, fully exemplifies the American spirit of competition and fair play.

I know that there are scores of other films that have been produced through the years which have done much to act as salesmen abroad for the American way of life, as well as for American products. I know that during the war the motion picture industry unselfishly devoted its time and talents without thought of reward, imbued only by the patriotic fervor that has enabled us to win victory against a desperate enemy.

I cannot let these reflections on Hollywood go unchallenged because I feel that such reflections serve only to hamper a great American industry rather than help it. I firmly believe that with such men as Mr. Bernhard, the Warner brothers, with Mr. Louis B. Mayer, Mr. Darryl Zanuck, Mr. Dore Schary, and with Mr. Eric Johnston, as with other leaders at the helm of the motion picture industry, we need never fear that Hollywood ever will be un-American.

Our Dirty Linen Is the Nation's, Too

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New Orleans States of November 28, 1947:

OUR DIRTY LINEN IS THE NATION'S, TOO

There has been quite a controversy stirring both House and Senate in Washington on the publication in the CONGRESSIONAL RECORD of a speech by Senator JOHN H. OVERTON attacking Representative JAMES H. MORRISON and the latter's reply.

Much of it has hinged upon the propriety of printing both statements in the RECORD. A number of Louisiana Representatives led a movement to have JAMES H. MORRISON'S statement expunged, but met opposition from other Congressmen who said they would not vote MORRISON'S out unless the Senate voted OVERTON'S out or the Senator withdrew it voluntarily. The matter there rests at this impasse.

We are not here concerned with the propriety of "washing Louisiana's dirty political linen in the Congress," as one Representative is reported to have said in criticism of both Senator OVERTON and MORRISON. We are concerned, however, as every Louisianian should be, with the truth of the allegations, and the answers to the questions. And the Congress of the United States should be, too.

In a radio address broadcast November 11, Senator OVERTON asked JAMES H. MORRISON, candidate for governor, to answer three questions.

These were whether Representative MORRISON would affirm or deny the reports that MORRISON offered to support Jones against Long in 1940 for $60,000, and when rejected by the Jones people he accepted $20,000 in cold cash to keep silent and make the public statement that he was going fishing, the report that JAMES H. MORRISON accepted some $50,000 or $60,000 to support Lewis Morgan in the second primary 4 years ago after being eliminated from the race, and the report that JAMES H. MORRISON is being financed in the present campaign by the gambling fraternity of New York and New Orleans.

Representative MORRISON issued a statement the next day. He answered the questions about being bought to support opponents of Jones and Davis in this manner:

"In the two campaigns that have gone before this, JIMMY MORRISON has supported the men he thought best fitted for the office. I make no apologies for this. If, in exchange for this support, these candidates offered to pay some of his campaign debts, that was but to be humanly expected."

In view of the language used, and the omission of a direct denial by MORRISON that he accepted money from the supporters of Mr. Long and Mr. Morgan, which in both instances were the remnants of the old Long-Leche-Maestri crowd, it is not unfair to assume that money passed into MORRISON'S hands for his support.

In his answer to OVERTON, JAMES MORRISON did deny outright that he was being supported by New York gamblers. Then he made this statement:

"JIMMY MORRISON had no more to do with New York gamblers coming into this State than the man in the moon. JOHN OVERTON knows that this is true. JIMMY MORRISON had no more to do with them coming back into this State after they were closed up in

1940 than McCauley's traveler to New Zealand. JOHN OVERTON knows this is true likewise. If memory serves me right, these New York gamblers returned in 1942."

Nowhere in JAMES H. MORRISON'S statement does he deny being aided and abetted and financed by New Orleans gamblers, though Senator OVERTON asked him the direct question.

Perhaps Representative MORRISON considers these New York gamblers, who he says returned here in 1942, purely local talent now. Perhaps he considers them New Orleans gamblers.

We do not consider that MORRISON answered Senator OVERTON. We think that the House of Representatives ought to make MORRISON answer. If his support has been bought, or if he is backed by law-breaking gamblers and racketeers, it is not only Louisiana's dirty linen, but the Nation's, that needs washing.

The American Merchant Marine

EXTENSION OF REMARKS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. BLAND. Mr. Speaker, under leave to extend my remarks in the Appendix of the CONGRESSIONAL RECORD on the subject of the American merchant marine, I include herein a letter from the National Federation of American Shipping relating to the shipping sections of the report by the President's Committee on Foreign Aid—the Harriman committee of 19.

I heartily approve the letter and ask its perusal by all interested in the merchant marine.

The letter of Mr. Frazer A. Bailey, president of the national federation, to federation members is dated November 12, 1947, and reads as follows:

The Federation of American Shipping has examined the shipping sections of the report by the President's Committee on Foreign Aid (the Harriman Committee of Nineteen). The report shows that a thorough and careful examination has been made by this committee of the proposals contained in the Paris report of the Marshall plan nations, and in subsequent discussions with representatives of these participating nations at the government level as referred to in the Harriman report.

The federation finds agreement with many of the conclusions of the Harriman committee, whose report confirms the federation findings that savings in dollar freight costs which could be effected by the sale or other disposal of American war-built tonnage to the participating nations are but a small fraction of the total of such costs. The Harriman committee has shown that the $1,214,000,000 freight costs attributed to shipping under the 16-nation proposal should really be reduced to the neighborhood of $300,000,000 as recently projected by the federation. This latter figure is only about 2 percent of the estimated aggregate costs of the Marshall plan. The Harriman report reaches the conclusion that "the limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve."

Such savings are also not sufficient to justify the long-range damage which would be done to the American merchant marine in the future by transferring a substantial number of war-built vessels to nations whose fleets already exceed their 1938 capacities in vessels of this character, and whose competition would have to be met in the postwar manned with low-wage foreign crews. When it is proposed that funds are to be supplied from the United States to buy these ships from us, the resemblance to a gift is brought into bold relief, and the question of capital costs in a competitive situation is obvious.

The Harriman report recommends the sale of further war-built vessels to the participating nations "contingent" upon a commensurate reduction in European shipbuilding. It must be realized, however, that—

(a) before the war 75 percent of the shipbuilding facilities of the world were located in these 16 nations;

(b) shipbuilding is one of their primary industries, recovery of which is a substantial factor in the Marshall plan;

(c) whatever "contingencies" are now arranged, it is not reasonable to expect these nations to cease building in the immediate future or for any protracted time dry-cargo vessels to meet their requirements;

(d) their present fleets of such vessels of 5,000 gross tons and over (suitable for international trading) are 1,400,000 tons in excess of their capacities in 1938; and

(e) their shortage really exists in the smaller vessels required for coastal and nearby European trades which are not available in American war-built ships and must of necessity be constructed of special design to meet particular trade requirements, including shallow-draft vessels for small harbors, etc.

Even as to the large dry-cargo vessels which are included in the current European shipbuilding program, it appears that the vast majority of these are Diesel-propelled, obviously for particular trading conditions, and are not available in the American surplus fleet. This is stated in the Harriman report as the contention of the representatives of these participating nations.

We feel that the Harriman report reference to the European passenger ship construction program may be misleading to the general public. It states that only one strictly passenger-type ship of more than 20,000 gross tons is now under construction; namely, the Cunard's *Caronia*. It goes on to say that there are other so-called combination vessels with passenger capacities varying from 250 to as high as 1,800 passengers. This turns on a matter of definition. The report states that the latter such vessels in the American fleet would be classified as among our best luxury liners. Princess Elizabeth christened the *Caronia*, but Princess Margaret Rose also christened the *Edinburgh Castle*, a vessel of over 28,000 tons, which is building for the Union Castle Line, as is also the sister ship *Pretoria Castle*. These will give the Union Castle the second largest passenger fleet in the world, the Cunard White Star being first. Even with these we must not overlook two other new Cunard liners, the *Mauretania* and *Parthia*, which have gone into service recently, and the Rotterdam Lloyd Line's *Willem Ruys*, of 21,500 tons, with accommodations for 842 passengers. Meanwhile the United States fleet is sadly deficient. No comparable vessels are building in American shipyards. It is not the shortage of strategic materials, as stated in the Harriman report, which causes this condition, but rather economic circumstances under which United States shipowners have so far found it impossible to contract for the building of similar passenger vessels for United States flag operation. Meanwhile we are endeavoring to restore economic conditions in Europe.

The federation agrees with the Harriman report:

"The United States needs an active merchant marine for national defense, and we must not create conditions in which that merchant marine cannot survive."

And we might add, we need American ships to carry a substantial part of our own commerce, to maintain transportation facilities to important world areas, and as a leader among the United Nations we must keep a reasonably strong position upon the seas.

FRAZER A. BAILEY,
President.

WASHINGTON, D. C., *November 12, 1947.*

House Delays Threaten Aid Cargo Tie-Up

EXTENSION OF REMARKS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newspaper article from the Washington Post:

HOUSE DELAYS THREATEN AID CARGO TIE-UP—COAL, FOOD IN PORTS CAN'T MOVE UNTIL ITALY AND FRANCE GET DOLLARS

(By Ferdinand Kuhn, Jr.)

The slow-moving House of Representatives' timetable on interim aid threatened yesterday to pile up grain and coal at American ports and to interrupt the flow of vitally needed American supplies to Italy and France.

A State Department official confirmed yesterday that Italy had already run out of dollars and had none immediately in sight except what Congress would provide. Secretary Marshall warned the congressional foreign policy committees on November 10 that Italy would be dollarless by now.

France still has enough dollars to continue purchasing here through December, but, oddly enough, an interruption of supplies for France is at least as threatening as in the case of Italy.

FRENCH PLANNED DIFFERENTLY

The French had hoped to use their last $100,000,000 this month to pay for chemicals, lumber and industrial raw materials from the United States and elsewhere. These items are not covered in the interim relief bill now before Congress, which is limited to food, fuel, fertilizer, seeds, fibers and medical supplies.

The French had planned, for example, to import sulfur, rubber goods, and chemicals from the United States, zince ore from Newfoundland and Latin America, and lead from Mexico and Peru, to keep their factories going during January and to keep their zone of Germany supplied.

Now, however, the French are forced to use their dollars to pay for American grain and coal because the congressional authorization for these relief supplies has been delayed. They will have to cancel their industrial imports altogether if Congerss does not quickly carry the load of French dollar expenditures for food and fuel.

Officials here fear the result will be forced shut-downs of French factories later in the winter, with inevitable unemployment, for lack of the materials needed to keep them going. The Italians weeks ago had to abandon their purchases of comparable materials because of their shortage of dollars.

It was learned at the State Department yesterday that there are no further uncommitted funds for Italy in the $332,000,000 post-UNRRA relief appropriation approved by Congress last spring. (France was not eligible for this post-UNRRA help.)

The only possible source of additional dollars for Italy, apart from a congressional au-

thorization now, is about $20,000,000 still owed by the United States for the earnings of Italian prisoners of war in this country. But there is little prospect that the Army Department can finish its bookkeeping on this complex transaction in time to pay the dollars and bridge part of the gap caused by slow motion on the interim-aid bill in the House.

If it were not for the help of the Commodity Credit Corporation, the Italians would have to stop acquiring all food and fuel here. The CCC, however, has already bought most of Italy's 152,000 tons of grain for January, and is moving it as far as the seaports, despite the fact that Italy has no dollars to pay for it at the moment.

The present delay in the House threatens especially serious transportation difficulties if it continues beyond the end of this week.

Coal for December shipments has to start moving by December 10 if serious congestion of port and shipping facilities is to be averted. In December alone 67 coal cargoes are needed for Italy and 145 for France. The shipments, totaling 600,000 tons for Italy and 1,300,000 for France, have to be spaced to keep available colliers loaded and on their way.

ONE HUNDRED AND FIFTY MILLION ADVANCE HOPED

One informed official estimated that there would be no dangerous interruption if both Houses of Congress completed action on the bill this week. This assumes that the present bill will authorize the Reconstruction Finance Corporation to advance up to $150,000,000 ahead of the actual appropriation, as the House Foreign Affairs Committee recommended yesterday.

The one hundred and fifty million total is just about adequate to handle French and Italian needs until the end of this month. By that time, harassed officials here hope, the two Appropriation Committees will have held their hearings and Congress will have completed all the necessary action.

Address of Col. O. Pierre Lee

EXTENSION OF REMARKS
OF
HON. GEORGE W. ANDREWS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. ANDREWS of Alabama. Mr. Speaker, I ask consent to have printed in the RECORD a speech just recently delivered before the Auburn (Ala.) Rotary Club by Col. O. Pierre Lee, a veteran who served ably and heroically on overseas battle fields as an officer in both World War I and World War II. Colonel Lee, now practicing law in Opelika, Ala., was appointed, at the conclusion of hostilities, as judge and alternate prosecutor on American military courts for international justice at Augsburg, Germany. In his executive post with the American military government, Colonel Lee was in an extraordinary position to observe the circumstances which prevail in Germany and Europe at this time.

The speech follows:

On this occasion I am reminded of a story of a chaplain in the Eighty-second Division of the First World War who had been the Baptist minister of a little flock in a small town in Indiana prior to going into the Army. The chaplain had a habit of going among the men, saying, "Boys, you shouldn't play blackjack or poker or shoot craps, as you are endangering your immortal souls, and the wine of France is very bad for you, and also the cognac." He had very little success in his expostulations with the men and finally said he didn't believe there was a Christian in the bunch: "They are the worst bunch of people that I ever came in contact with." A while later his outfit was ordered up into the great Argonne drive, and the chaplain followed along from the rear, seeing to the burial of the dead and administering unto the dying. He saw the result of the shot and the shell that swept line after line of men away like chaff before the wind. Night came on, and the chaplain was lost, and he imagined he was between the American lines and the German lines, but he didn't know in which direction the American lines were nor where the German lines were. He fell down in a shell hole and began to pray, and directly he heard a great American voice say, "Who in hell led that ace of clubs?" He arose from his knees and said, "Thank God I am still among Christian men." That is the best way that I can express my appreciation and happiness today in being able to be with you ladies and gentlemen in Auburn, in this State of my nativity.

I have spent the last 4 years in a land of destruction, destitution, suffering, and death. Presently, I have just returned from nearly 1½ years in Germany and from traveling throughout 14 countries in Europe. I have stood in what were the streets of Berlin, which was a city with a population one and one-half times that of the great State of Alabama, and have seen in the central section of that city not one whole solitary building left standing—not one dwelling, one apartment house, or office building or factory. There are hundreds of thousands of people who have dug into the debris, dust, and ashes of that city like moles, and made caves in which to exist. There are thousands of children without any guardians, whose parents and guardians have been killed in the war, who are running at large like wolf cubs, with no caretakers, and who are literally starving to death. On a lesser scale you can see these things in all of what has been the larger cities of Germany, including Hamburg, Bremerhaven, Bremen, Frankfort-on-the-Main, Munich, and numerous others. In Italy and France the Governments are in such an unstable condition that the people have no incentive to do anything. Germany has the misfortune to be divided into four zones. In the Russian zone, which has a great deal of the natural resources of Germany, they refuse to cooperate with the rest of the country. The mark is absolutely worthless as money except to buy the sparsely rationed food for the German people. The wealthy people have a system of bartering by which they take all of the treasures which have accumulated in their families for generations to the farmers and trade them for food. Therefore, the farmers are accumulating all of the wealth and all of the trinkets of Germany, and they sell this food on the black market for exorbitant amounts. In their present state Germany, France, Italy, and Austria are cancerous growths in the economy of the world. There is only one sure way of these countries taking their place in the family of nations and doing their part in the world, and that is for them to have a money system which will be useful in their trade with foreign states.

One great step forward would be a peace with Germany and this peace is necessary before a sound monetary system can be established. The great detriments to this peace with Germany are Russia and finding some leaders in Germany who have the confidence of the German people and who would have the authority to sign the peace. The American military government in Germany has ruled that no person who was a Nazi can be placed in any position of trust throughout the American occupied zone. Nearly every person of any ability in Germany prior to the war and during the war, with the exception of Jews, were at least nominal members of the Nazi party. As an illustration of that, when I took over the governorship of a city in Italy, while the war was going on and while the German artillery was still bombarding that city, I called a meeting in the city hall for the purpose of organizing the city government. At that meeting I had called all of the leading men of the city, including the priests, heads of the schools, the mayor, the bankers, doctors and lawyers, leading merchants, and the leading manufacturers. I then asked them if any of them were Fascisti and all denied that they were. I then said, "Gentlemen, it is a very strange thing to me that in this country which is governed by Fascisti, when the German Army has just left your city, and was in control here, that none of you are Fascists, but you gentlemen are all prominent leaders of your community. To be perfectly plain and frank with you, if I had been living in Italy during this time and wanted to do well in my business, I would at least have been a nominal Fascist." Upon that, each man admitted that he was one. We had no way in Italy of telling whether a man was a Fascist or not, except upon oral testimony or the admission of the individual. But in Germany, we captured the records of the Nazi party and had a complete record of every man who was at any time a Nazi, and of his actions while he was a member of the Nazi party. These records are in the record section in Berlin. Under our military government, we precluded any of these people from being members of the government or holding any other position of importance in the life of Germany and, therefore, we have very few men of any initiative in the leading places. The British have not gone this far and have not precluded nominal Nazis from holding offices or taking their natural places in the lives of the community and, to my mind, the administration of their zone has been more efficient. By not having these good administrators, our distribution of foodstuffs and other materials has been very deficient.

Our occupation of Germany is a token occupation, and it is impossible for the Americans that we have over there to govern Germany. The only thing that they can possibly do is to generally supervise the governing and the Germans themselves have to look after the details. An exception to that is the military government courts where we try the Germans who are violators of the proclamations and all other nationals who have committed crimes or misdemeanors, whether against the German people or among themselves. I personally tried over 700 of these cases, and I think that I acquired just about as thorough a knowledge of the inside of the situation as it is possible for a foreigner to acquire who does not speak the language.

Our occupation of Germany would be successful to a far greater extent if we had American civilian or officer personnel who were trained as administrators or who had better administrative ability. Under the present set-up, it is impossible for men of ability to accept employment by the War Department in occupied Germany without great personal sacrifice to themselves, as there is no permanency attached to such employment. The result is that we cannot get career men of sufficient training and ability. In Italy our military government was much more successful, for the simple reason that it was not divided into zones, and the United States and British Governments were united in governing Italy as the Allied Military Government under one command. In Germany the occupation is divided under four commands.

Russia is the most unpredictable of any nation. The reason for this is that it is under an absolute dictatorship, and even

the highest men of authority under him are not able to predict what "Uncle Joe" Stalin will do. I was told by the head of the War Crimes Commission in Austria that his family lived about 60 miles from Vienna, outside of the Russian zone, but that in order to get there he had to pass through the Russian zone, and that on some occasions the sentry would wave him on without even looking at his permit, but on other occasions he would be stopped and his permit would be looked at, and that maybe the next time he would be taken to headquarters and questioned for sometimes as long as 2 hours before being allowed to proceed. I remember on one occasion my wife and I were traveling from Augsburg, Germany, to Vienna, and that we had to pass through the Russian zone. When we came to the edge of the zone, some Russian officers came on the train and demanded our papers. Of course, I had all papers in order, but to test out this officer I showed him a little comic book which I had in my pocket, and he, not knowing how to read English, passed us both. In another case there was a friend of mine with his wife who showed them all of his papers in Russian, English, and German, and his wife was put off at the Russian zone, not allowed to proceed, and was sent back into Germany. A Baptist missionary from Scotland told me while I was in Florence, Italy, during July that he was delivering an address to over 10,000 people in Austria inside the Russian zone when his meeting was broken up and he was arrested by the Russians and carried to Siberia. As he was married to a Montgomery, Ala., girl, General Keyes took an interest in his case, as well as the British marshal, and through their influence the Russians released him. General Keyes told him that the reason the Russians arrested him was that they thought that he knew something which he did not, and it was up to them to find out what it was. They found within a short distance of where this meeting had been held that the Russians were making 200 tanks a day. General Keyes had him escorted to the border and told him he had better not come near the Russians again, as they would probably rearrest him and he would not be heard from again, as the Russians would claim that they had released him and knew nothing of him.

From my observations, it appears to me that the only way that we can avoid war with Russia is first to have an Army and Navy and Air Force that is second to none in the world and next to help the countries in Europe get on their feet and to supervise that help in a way that will not hinder our own economy, and to see that this help goes to the proper people and to the proper places and that we, the United States, are given full credit for it and not to allow any other nationals to assist in such supervision. If this is not done, the best that we can hope for will be isolation of the United States from the rest of the world, and we know as intelligent people that, under the present conditions of travel, we can fly from any given point in the world to another point in less than 24 hours and such isolation is impossible. If he were living today there is no man who would grasp this more quickly than the "Father of Our Country." In our old foreign policy, heretofore we have had England to back up up with its might, but that might for the present has deteriorated and now the United States has to stand on its own feet. We are capable of doing it if our people will see the light. Our way of living is the best that exists in the world today, with the possible exception of the little countries of Norway, Sweden, Denmark, and Switzerland, but they are very small areas of the earth's surface. You will never realize how fine it is to travel without visas and passports and permits; how fine it is to be able to stand in a public meeting and express what you are thinking without being carried away to jail; how great it is to be able to go down to a store and buy what you want if you have the money; and when you can call what property you have your own and have the full protection of the law in your enjoyment of it. Most other nations of the earth do not have any of these privileges. As I said before, if we want to continue our enjoyment of them, we must let Russia know in no uncertain terms that we expect to maintain ourselves along the lines that I have mentioned.

It is said that "When over four centuries ago adventurers from the Old World first landed upon the southern shores of this western continent and pushed their way into the depths of the primeval forests, they found growing within its shadows a mighty plant, with vast leaves radiating upward from the mold and tipped with formidable thorns. Its aspect was unfriendly, it added nothing to the beauty of the wilderness, but from the midst of some of them up rose a tall stem, rivaling in height the trees themselves and crowned with a glorious canopy of golden blossoms. The flower of this forbidden plant was the agave, or American aloe, sometimes called the century plant because it blooms but once in a lifetime. It is of the family of lilies, but no other lily rivals its lofty magnificence. From the gloom of the untrodden places, it sends its shaft unto the sunlight. It is an elemental growth, but until the flower blooms after its ages of preparation, it seems to have no meaning, proportion, or comeliness. It is only after those golden petals reveal themselves upon the summit of their lofty eminence that we are able to comprehend the symmetry and significance of that which has waited so long to avouch itself. This lily of the ages, native to American soil, may fittingly stand as the symbol of this great American republic, which after so many thousands of years has reared its head heavenward out of the wilderness of time and revealed its golden promise to those who have lost their way in the darkness of the forests of error and of oppression."

Aid to China

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Gov. Thomas E. Dewey at the dinner in his honor given by the alumni of Columbia University Law School at the Waldorf-Astoria Hotel, New York City, on Monday, November 24, 1947:

This is a wholly nonpolitical occasion. But in the state of the world today there is no subject which is not deeply fraught with heavy political implications. Economic decisions, the direction of government action, the fate of nations, and the peace of the world depend upon wholly political decisions. Accordingly, while it is quite impossible to be nonpolitical, I can and do speak about a subject which transcends political considerations and is of momentous import to the future of the United States. I shall speak as dispassionately as is possible consistent with my very strong beliefs.

Today we are, as always, interested in the security of the United States of America and in building that security for the years to come. We are also interested in preserving freedom, not only because we believe it is the highest expression of man's aspirations but because in a world engaged in a cold war we need friends. I speak, therefore, in the interest of America and of keeping our bulwarks strong enough so that our sons shall not be sacrificed in another world war.

To this end, I undertook to set forth a program for foreign assistance in a speech 3 weeks ago, in this room, urging full aid on a bipartisan, businesslike basis. Our bipartisan foreign policy which I inaugurated in 1944 has served the Nation well. Even as I speak, Mr. John Foster Dulles, having completed a tremendously burdensome session at the United Nations Assembly, has flown to London to participate in the Conference of Foreign Ministers, while Senator VANDENBERG is piloting the program of foreign aid through the United States Senate. But most unfortunately there has been no consultation and therefore no bipartisanship in many aspects of our foreign policy and that is conspicuously true with relation to China.

In addition to recommending strong and effective measures to preserve the integrity of the free nations of Europe, I pointed out that only 4 months after VJ-day we saw the strange spectacle of our own President publicly ordering our Chinese allies, under pain of losing American support, to accept into their Government the very Communists who seek to destroy it. It was my earnest hope that, in the face of great peril to China, our own Government would reverse its policy and take positive steps while there is still time.

We are facing one whole program—not little bits of problems. We have a whole struggle on our hands, world-wide in scope. We and all other nations which resist totalitarian dictatorship are being attacked by all means short of war. In America we are under attack by propaganda, falsehood, and economic sabotage. Free governments in Europe are under attack by rioting, political strikes, and armed violence. But the program of Communist world conquest of the remaining free nations is furthest advanced in China, the largest nation of all. The cold war, which has become a warm war in Europe, is a very hot and successful war in China. The inescapable fact is that unless we change our national policy immediately there is good reason to believe that the 450,000,000 free people of China will soon fall wholly into Communist hands.

The free world is now in the desperate position of a man who has gangrene in both legs—in western Europe and in Asia. As a doctor, our Government is telling the world we have a very good cure for gangrene but we will apply it to one leg only while the gangrene in the other leg destroys the patient. There can be no doubt that all Americans must be united on aid, prompt aid, to the free peoples of Europe. The ominous news from France and Italy, during these last few days, proves conclusively that international communism is on the march; that it is coldly and deliberately seeking to gain control in these countries by promoting civil wars such as those which are raging in China. It would be a world-wide catastrophe if they were to be successful. A Communist police state in the Mediterranean and in France would be as serious a blow to the freedom of man as would have been the victory of the Axis in the recent war.

But obviously the danger points are not centered exclusively in Atlantic and Mediterranean areas. We also had to fight a great war in the Pacific. We need a strong policy in both oceans. We soon found that we needed the two-ocean Navy which I was so much abused for demanding in 1940. I insist that we now need a two-ocean foreign policy.

We are generally agreed as a nation that we have no choice today whether or not to act in the world emergency. We are going to act because it is unthinkable that after winning a war we should surrender the fruits

of victory by allowing the free nations to fall into economic chaos and then under Soviet control. But if 275,000,000 people are important it seems to me that 450,000,000 people are also important. As we take action to save the 275,000,000 people of Europe for the free world, it is the sheerest folly to abandon the 450,000,000 people of China. If China falls, we may reasonably assume that all Asia is gone, and western Europe and the Americas will stand alone—very much alone in a hostile world.

Accordingly, I was dismayed to discover that in the emergency program presented to the Congress by the President last Monday there was not even a mention of China. This is utterly incomprehensible at a moment when the world is in imminent peril of losing a free China.

Now, I suppose there are many Americans who are inclined to say, "Well, China has been engaged in civil wars for decades and this is just some more Chinese civil war. Why should we undertake the impossible?"

I can understand this point of view very well, but let's look at some facts. The previous civil wars of China have been primarily internal affairs. The present struggle is a war of conquest under the leadership of a small group of avowed Chinese Communists who are serving the purposes of Soviet imperialism. The startling fact is that these Communist forces have actually conquered nine-tenths of all of Manchuria, which is larger than all of France and Germany and embraces 70 percent of the industrial might of all China. They have infiltrated nearly half of the balance of China with active and successful guerilla warfare. A less sturdy people would already consider themselves defeated. But the Chinese still hold out, hoping that America, having helped to save them from one oppressor, will not deliver them into the hands of another.

The situation in Korea is a good example of what might well happen in China. At this moment Soviet occupation forces hold the northern half of Korea and American occupation forces hold the southern half. The Communists have completely regimented the northern half, installed a totalitarian government, and built up a well-trained, well-armed, fighting army of 250,000 men under puppet leadership. In the American half there is no civilian government, no native military force—nothing but a political void.

We have now, with great pains, prepared for a plebiscite in Korea which the Soviets are cynically boycotting. They are boycotting it because they anticipate that immediately upon the withdrawal of American and Soviet occupation troops, the armed forces of the north will engulf all of Korea. This will completely outflank northern China and will result in the delivery of the 23,000,000 Korean people from Japanese tyranny to Soviet tyranny.

Next to the Monroe Doctrine our policy of the open door and the political integrity of the Chinese Republic is the oldest and most fundamental part of the foreign policy of the Government of the United States. Time and again over the years we have reemphasized that policy through Republican and Democratic administrations. Time and again over the years we have implemented that policy with strong action when required and generous assistance when needed.

There must be some basic importance to a policy so deeply rooted in the history of our country. That importance obviously stems from the fact that as a Nation we long ago decided that it was essential to our welfare to have a free and friendly China, while it was dangerous to have one under the dictatorship of an unfriendly and possibly hostile power.

It is a frequently forgotten fact of modern history that the infamous Japanese attack on Pearl Harbor was precipitated by our insistence upon the independence of China and upon the withdrawal of Japanese troops from their adventure of armed conquest. This is made perfectly clear in our official white book issued in 1943. In short, however deeply our emotions were stirred and our interests were centered on the defeat of the Nazis in Europe, it was our defense of the freedom of China which precipitated the perfidious attack on our Nation and brought us into the war. For 5 years we waged a global war at staggering cost in blood and resources—and we won it.

And now, a little more than 2 years later, our dearly bought victory still eludes us and our Government watches the same China under the same government rapidly being overrun by a new aggression.

In the face of this world tragedy, I regret to say that for the first time in our history we have a Government which has no discernible Chinese policy whatsoever. We are bankrupt so far as Chinese policy is concerned.

In excuse for our failure, it has been said that there is corruption within the Chinese Government and that the most we can hope is that about 70 percent of any aid we might send would be effective. I do not know whether it would be 50 percent effective or 80 percent effective and I doubt if anyone knows. Of one thing I am sure; it would be immensely more effective than nothing. Now, I do not excuse the fact that there is corruption in the Chinese Government. I do not suppose anyone excuses the fact that the Greek and Turkish Governments do not wholly fit our ideals. There are obviously faults in the British and the French and the Italian Governments, and I suppose we have a couple of faults ourselves.

But the fact is that these Governments have taken their stand on the side of human freedom, which we are struggling to preserve in the face of remorseless, spreading totalitarianism. We in America have chosen sides in a mighty movement. We chose our side a century and a half ago. It is still our side. We are on the side of freedom against tyranny and I hope we always will be.

But to be specific: This is the same Chinese Government, headed by the same individual, which we have supported against Japanese aggression since the invasion of Manchuria 16 years ago, in the year 1931. It is the same Government which we supported in 1939 through the note of Secretary Hull demanding that the Japanese surrender their conquests. It is the same Chinese Government in defense of whose independence our Nation demanded that the Japanese cease their attacks in 1941. It is the same Government with which we fought shoulder to shoulder for 5 years.

It was this Chinese Government to which we insisted Marshal Stalin pledge his "moral support and assistance with military equipment and other resources"—an agreement which is now openly and flagrantly violated.

It is unnecessary to rehearse in detail the history of our own broken pledges. But it is worth noting that having provided small arms, artillery, and airplanes to the Chinese when they were fighting the Japanese at our side, we committed ourselves at Cairo to support them in reestablishing their territorial integrity after the war. Yet, even as the need became acute, our Government suspended the shipment of the ammunition without which those arms are today useless and the parts without which many of those airplanes are today useless. It was not until a year later, in May of this year, that we released a small amount of ammunition, meanwhile allowing the half billion credit previously earmarked for China by the Export-Import Bank to lapse. Recent allocations of ammunition and aircraft are grossly inadequate. The miracle is that, beset on every hand, the Chinese still fight on in the dim hope that our country will finally redeem its pledges before it is altogether too late.

The tragic result of our Government's ineptitude and lack of policy in Asia has been to allow the Soviets and their allies to make rapid progress in liquidating their problems there and completing their expansion in the Orient so as to be free to turn all their effort to the subjugation of Europe.

Desperate as the situation is, it is still not too late. The tremendous resiliency, the hard work, the great loyalty of the Chinese people can still be mobilized if aid is extended. The total omission of any reference to China in the President's call for emergency foreign aid, is an error which can still be repaired. Any one of several administrative actions which are immediately available could partially repair the damage. The recent, faltering steps must be accelerated. They must be integrated into a comprehensive and effective program.

Insertion of even modest aid in the bills now in preparation by the Congress would help materially. But if at least some aid is not given immediately by these bills, the moral effect upon our Chinese friends will be terrible beyond contemplation.

Now, let me make myself perfectly clear. I know very well that there is no simple solution to this problem. But I can neither understand nor excuse a government which is too timid or befuddled to attempt a solution. I urge most earnestly that however hard a job it will be to shape a policy and carry it out, it will be no harder than the war we fought, among other objectives, for the preservation of a free China. With a tiny fraction of the effort we expended in the Pacific theater of the war we could provide the resources and skills which we might reasonably hope would save China—would save one-fifth of the whole world for the growth of the institution of human freedom.

I believe that sooner or later our Government will discover its errors and will inevitably, in the interest of the American people, return to our traditional policy of backing a free China. The only question is whether we will do it soon enough—while there is still a government to support and while it can be done without tremendous cost. Events are moving swiftly. Last August the Chinese dollar stood at forty thousand for one American dollar. The ensuing decline in three short months has carried it down to one hundred thousand for one American dollar. The combination of Communist successes and loss of hope in America has accelerated tragedy for the whole Chinese people. The Chinese know that without American help they are doomed to become victims of a Soviet scheme of world conquest. And that knowledge is reflected in the events from day to day.

So much of China is mountain and desert that pressure of population on the arable land is intense. Eighty percent of the Chinese are farmers and live for the most part at a subsistence minimum. But perhaps because of this only the strongest have survived, and the Chinese can work harder on less food than any other people in the world. The average Chinese exists on the equivalent of about 40 American dollars a year. At the same time they preserve a level of courtesy and tolerance in human relations which might well be an example to the rest of the world.

In the long Japanese war most of China's industrial regions, great cities, and banking centers were occupied. The nation could maintain only a small portion of the cost of war by taxes or the sale of bonds. The result was that the war was financed to the extent of about 70 percent by the issuance of paper currency. The cost of living, expressed in Chinese dollars, was recently 30,000 times what it was in 1937.

The whole Chinese Government is maintained at a total cost at the current rate of international exchange of 1,000,000,000 United States dollars a year, including the cost of its current war, which accounts for 70 to 80 percent of the budget. In this condition of economic prostration it is obvious

that the Government is unable to purchase in the world markets any substantial amount of essential supplies.

It is equally obvious that a comparatively small expenditure by our country should produce enormous results. Even seventy-five to one hundred million dollars in the present bill before the Congress for emergency aid to China would change the entire situation psychologically.

The longer-term program should be worked out by competent experts on the spot. It has been estimated that an annual program as small as $250,000,000 a year for 3 or 4 years would provide the necessary imports to maintain China's economic life while she wages the struggle against her Communist enemies. A smaller sum in addition should meet all needs for purchase of military equipment and service of supply.

There are in existence at this moment surplus supplies which would provide a large proportion of the material immediately necessary to the Chinese armies. These supplies are actually in the Pacific now—situated in the Philippines, Guam, Okinawa, and Japan. Only an order is needed from Washington and they could be shipped immediately to armies where men are dying for lack of them.

In short, sums of money are needed which would be comparatively modest additions to our foreign air program. The supplies in the Pacific are presently available. The military personnel urgently needed to provide technical advice to the Chinese armies is to a large extent on the spot and needs only orders to go to work. We need a man to run the job in China who not only knows China but who has the broad, economic, social, and governmental training so essential to a task of this magnitude. Above all, we need an honest about-face which will produce immediate administrative action to restore the honor of the American Republic in keeping its commitments and in keeping one-fifth of the world in the area of human freedom.

This program is essential, in my judgment, to the safety of the American Republic. It is a traditional and vital part of our American policy. With vigor and competence there is reason to believe we can succeed. I earnestly hope that our Government will speedily move to keep the faith by action which will bring cheer to free men everywhere and will stand as a bulwark of American liberty and independence in all the years to come.

Letter of Mr. Otto Dieckmann, of Cincinnati, Ohio

EXTENSION OF REMARKS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks, I herewith insert a letter from Mr. Otto Dieckmann, chemist, of Cincinnati, Ohio. The clipping referred to advocated the inclusion of tobacco as incentive goods under the Marshall plan:

CINCINNATI, OHIO, *November 26, 1947.*
Hon. BRENT SPENCE,
Representative from Kentucky,
Washington, D. C.

DEAR MR. SPENCE: The attached clipping is from the Cincinnati Times Star and with your permission I wish to comment on this and give you some information about the Germans as I have known them.

I was born and raised in Cincinnati and studied chemistry in Germany, spring 1895 to fall 1898. Many of the men with whom I studied became outstanding industrialists and others noted men of science, as for instance Prof. Dr. Otto Hahn, now of Goettingen formerly of Dalem (Berlin), the man who split the atom for the Germans. I maintained correspondence (off and on) with more than 50 men and more recently only 32.

I may say that not one single one of these men ever fell for that ideological baloney called nazism.

In the course of more recent correspondence practically all are asking me to send them some tobacco, notably cigarettes. I have always complied, but not since sending of cigarettes has become a verboten item.

I would very much like to continue sending cigarettes to these men and am confident that the few I send would be used and not find their way into the black market. But I wish to do this legally and not in an underhanded manner.

It is my opinion that such acts as sending tobacco will do more to build up good-will and a desire for collaboration with the western countries than the money sent under the Marshall plan. All of these people have been men of substance and were accustomed to luxuries, so that the least we can do is to let them have their tobacco.

In closing I trust that some arrangement can be worked out to at least permit us to send our friends a smoke that they enjoy.

Very truly yours,

OTTO DIECKMANN.

Postage on Relief Parcels

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. KEATING. Mr. Speaker, one factor severely militating against voluntary assistance to foreign nationals by their relatives and friends in this country is the high postage cost on relief parcels. Certainly individual assistance and aid from privately financed agencies should be utilized to the greatest extent possible in the effort to relieve the stricken peoples of other countries before, or at least contemporaneously with any call which may be made upon the already overburdened and harassed taxpayers, now nearly every citizen in the Nation, to finance relief measures through further deductions from pay envelopes. Probably private individuals and agencies cannot do a complete job, but certainly they should receive full cooperation from their Government in their worthy efforts.

Time and again it has been communicated to me by constituents of mine who have relatives and friends in Europe that they often find themselves unable financially to do all they would like to do for their brothers and sisters across the sea because of the exceedingly high postal rates on shipments of merchandise. Oftentimes, they tell me, the postage exceeds the actual value of the package itself. I am informed that the rate is 14 cents a pound, which means that they must pay $1.40 for a 10-pound package, or $2.80 for a 20-pound package. For a family of modest income, much as they might want to share their bounty with the less fortunate, this large postal charge is a definite deterrent.

Title 5, section 372 of the United States Code reads as follows:

> The Postmaster General, by and with the advice and consent of the President, * * * may reduce or increase the rates of postage or other charges on mail matter conveyed between the United States and foreign countries.

Under existing law, the Postmaster General, therefore, has clear authority to decrease, temporarily, postage charges on foreign shipments of relief supplies.

Accordingly, last month I took this matter up with President Truman, emphatically urging that immediate steps be taken to effect a substantial reduction in the postal charges for shipment of goods abroad, particularly foodstuffs, clothing, medical supplies, and necessaries. The President promptly referred the matter to the Postmaster General, who has advised me that, while he appreciates the urgent need and realizes the hardship imposed upon many mailers in sending articles under the existing schedule of parcel-post rates, he regrets that no reduction in postage charges can be made at this time, due to general increased operating costs in the Post Office Department. He has, however, agreed to study the rates further "for the purpose of determining if the present rates are equitable or if any change is necessary in connection therewith."

In the meantime, however, and in anticipation of a possible final adverse decision from the Postmaster General, it seems to me that Congress might well adopt appropriate legislation on this subject. To that end I am today introducing a bill providing for a reduction by one-half in the present rates of postage charged on parcel post relief packages sent to addressees in foreign countries. Rather than to attempt to restrict the items covered by this measure solely to the category of food, clothing, medical supplies, and other necessaries, it has seemed preferable administratively to provide that the Postmaster General may define by appropriate regulations just what is meant by "relief packages."

This bill necessarily carries authorization for an appropriation to the Post Office Department of an amount sufficient to make up the deficit arising from such a reduction in postal rates. Certainly from a purely fiscal standpoint, this relatively minor contribution is the most economical manner of extending aid and would materially decrease the requirements of many foreign nations for assistance from our own public treasury. In addition, it has the merit of granting substantial encouragement to the extension of voluntary help which is in the finest American tradition.

I am conscious of the fact that bills have been offered at this session to eliminate entirely any charge for postage on foreign relief shipments. I am not intending by this action to express any opposition to the worthy objectives of the sponsors of such legislation. On the contrary, I should be happy to support it. Realizing, however, the practical as-

pects of the problem and feeling that it is highly improbable that such measures would receive favorable Committee and House action, I suggest as an alternative, this plan for a 50 percent reduction, at least temporarily, in the postage charges on such shipments. I am confident that those who send goods abroad would be happy to defray a part of the cost, provided this governmental assistance might be rendered.

Favorable action on this legislation would go far toward relieving much distress and suffering overseas and would be enthusiastically welcomed by the millions of American families who by reason of family or national origin ties, desire to extend help to their stricken relatives and friends across the seas in a measure far greater than they now find themselves able to do under existing postage charges.

Congress in Action

EXTENSION OF REMARKS
OF
HON. KARL M. LeCOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. LECOMPTE. Mr. Speaker, I find in one of the small but splendid weekly papers of Iowa, the Gazette, published by Mr. Alvin B. Jones at Fremont, Iowa, a description of Congress in action by George S. Benson, the president of Harding College at Searcy, Ark. I do not recall that I have ever met President Benson, nor have I any knowledge of this college, but the World Almanac states that the college was founded in 1925 and has a student body of approximately 400. President Benson, it appears, recently visited Congress and observed the proceedings and has written an interesting analysis of our legislative processes and, incidentally, has given his conclusions about representative government. I commend the reading of this article to every Member of Congress.

Under leave to extend my remarks, I include the article from the Fremont, Iowa, Gazette of November 22, 1947:

LOOKING AHEAD

(By George S. Benson, president, Harding College, Searcy, Ark.)

CONGRESS IN ACTION

Spectators at a recent Congressional inquiry guffawed. I hope that some of them got the point. A movie actor had just remarked, dead-pan: "I've heard people say that we would have a more efficient government without Congress." A very serious point was contained in that statement, which apparently struck spectators as a humorous jibe at lawmakers, present and not present.

It is somewhat of an American custom to poke fun at our elected officials. Some steam is released that way, like the blowing-off of a safety valve. That's all right. But that any sane American to suggest doing away with Congress is no laughing matter. You might as well say that we ought to give up our democratic way of life, in the interest of greater efficiency. One would be equivalent to the other. But who wants an efficient tyranny?

OUR SAFEGUARD

I am going to say that I appreciate Congress. I am not ashamed to say it. Moreover, I am concerned that there are those who fail to recognize the essential dignity and worth of this branch of our Government. Out of the welter of political turmoil in Washington, I think there is still room for a healthy respect for what our Congress does. And we must never forget that Congress represents the will of the people, of the majority. Congress is a mighty safeguard.

When any congressional session is over, try looking back over the record. It will usually surprise you how much was accomplished. Especially so, if you are one of those Americans who like to chant: "Why, oh why, doesn't Congress do something?" When the recent Congress adjourned in late July, final action had been taken on at least 17 major issues. This was an array of achievements, when you recall that this Congress was the first new Congress following the war.

ANOTHER LOBBY

Action was taken on Presidential tenure and succession, labor-management relations, portal-to-portal pay, excise taxes, National Science Foundation, continuation of the RFC and the CCC, crop insurance, continuation of certain subsidies, Army-Navy unification, cashing of terminal-leave bonds, executive reorganization, continuation of first-class postal rates, rent control, and termination of existing credit regulations.

This Congress was also economy minded. It should be credited with saving between two and three billion dollars for taxpayers. This Congress actually did more to economize by cutting down Federal expenditures than has any Congress in at least 15 years. There was stubborn resistance to every attempt to economize. This time one of the most active and persistent lobbies was the full-grown bureaucracy of the Federal Government.

A THANKLESS TASK

Considering the fact that the American people already spend more for government—local, State, and national—than they spend for food, we should be grateful to an economy-minded Congress. For Congress saved money for taxpayers, despite widespread "scare" tactics of a powerful and well-mobilized bureaucracy. Realizing the resistance to reductions of expenditures, we should be happy that we have a Congress that stands for economy.

Fateful problems will face this same Congress in its special session and the regular session to follow. Our sincere commendation should go to legislators for their efforts and for their sincere public service. Their thankless but necessary persistence will remain necessary as long as we maintain this republic.

The Threat of Inflation

EXTENSION OF REMARKS
OF
HON. JAMES I. DOLLIVER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. DOLLIVER. Mr. Speaker, the American public is greatly concerned about the threat of inflation. As evidence of this concern, I have received numerous communications from my constituents who are very much alarmed by the actions of some of our governmental agencies accentuating the inflationary trend. I ask that one of these letters, typical of others, be included in my remarks. The letter follows:

COMMERCIAL SAVINGS BANK,
Carroll, Iowa, November 18, 1947.

Hon. JAMES DOLLIVER,
House of Representatives,
Washington, D. C.

DEAR JIM: I heard Senator TAFT's speech over the radio last night regarding rationing and inflation and was very much impressed. However, in my judgment, the Government and Congress can do a lot toward keeping down inflation if they will only take off some of the free, easy credit systems that they have promoted during the Roosevelt administration and the New Deal in order to try to prime the pump. The pump has now been primed and is flowing gushers, but there doesn't seem to be a thing done by the Government to restrict and hold down the easy credit and low interest that now prevails.

An example of that just happened at my desk this morning. An insulation concern operating from Omaha is in Carroll this morning selling insulation to home owners on a long-term easy payment set-up. The party that has just purchased a $750 insulation job is a mechanic whose credit, to my knowledge over the past years, has been very meager and small due to his small income. Yet under the FHA set-up in which these loans are insured, the finance company finances a $750 insulation job where this party has been getting along for years without this additional insulation. Were it not that the government has this plan insuring this insulation, I doubt if anyone would venture a $750 loan for this project. I know we will not and we are not even going to finance the set-up at all. This is just one sample of what is happening because of the Government's efforts to produce jobs and furnish easy credit terms over a long period of time. The salesman goes out and sells the job with the proposition that it costs the customer a little over $20 a month to pay for the work, and as long as they can get these easy terms and long-time credit, they are easily sold.

Now that is just one $750 inflation act which is a concrete example of why we cannot hope to control the spending until the Government will revise some of those old programs that were inaugurated to prime the pump. I believe the should all be discarded now and if the occasion arises again that we need them, they can easily be adopted again. It is my guess that with these high-powered salesmen in this community, they will probably sell eight to ten thousand dollars' worth of insulation jobs that could well afford to wait until conditions become a little more normal.

I sincerely hope that somebody in the Congress will make an investigation along this line and I firmly believe it will help as much to curb the inflationary spiral as anything we can do at the present time.

Sincerely yours,

R. M. MOEHN,
President.

The Federal Tax Outlook

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. KNUTSON. Mr. Speaker, pursuant to permission granted me to extend my remarks in the RECORD, I desire to insert an address delivered before the

American Institute of Accountants on November 6 by Dr. Roswell Magill, former Under Secretary of the Treasury, entitled "The Federal Tax Outlook," which I hope will be read by every Member of Congress. The address follows:

To speak with assurance about problems of domestic tax policy these days involves a degree of omniscience that few of us possess. There was a time when a speech on tax policy could be introduced merely by a paragraph on Federal expenditures. That paragraph stated that if expenditures could be brought under control, particularly WPA expenditures, and the Federal Budget balanced, then taxes could be revised and reduced. It is still true that if expenditures could be brought under control, taxes could be greatly reduced, but the problem of expenditures has become much more complicated. Today the demand for relief expenditures comes not from our own citizens, but from across both oceans, and it is fantastically greater in amount than ever Harry Hopkins dreamed. In addition, every day's events witness the pressures of many other insoluble problems that vitally affect the American budget and tax picture. How much of an Army and Navy can we and must we maintain? How much can we and should we pare down the Federal debt? How long can we expect the present unprecedented levels of employment and national income to continue?

A tax lawyer is no expert on world politics. He strains his capacities when he discusses tax economics. Yet some premises about items in the budget have to be laid down if questions of tax policy are to be discussed at all. I shall make mine explicit, even though I cannot debate them here with you this morning.

Actual Federal expenditures for 1947 were $42,500,000,000, and we wound up the year with a net surplus of $753,000,000, about the same as the surplus in 1929 and 1930, the last preceding fiscal years in which the budget was balanced. The President recommended budgetary expenditures of $37,500,000,000 for 1948, and retention of present taxes, which he estimated would produce (with other miscellaneous receipts) $1,300,000,000 more than enough to balance the budget. The Congress trimmed the budgetary expenditures somewhat; indeed, the Appropriations Committee of the House did a much more careful and thoughtful job of analyzing proposed expenditures by each department and bureau than it has been given credit for. Nevertheless, the President has recently stated that expenditures in the current fiscal year will probably be around $37,000,000,000. Receipts may total $42,000,000,000, leaving around $5,000,000,000 for debt reduction or tax reduction. The President includes $3,600,000,000 for "international affairs and finance."

It is evident that if Federal expenditures can be further reduced, as they certainly should be, money will be available for such other purposes as debt reduction or tax reduction. We must not let ourselves become complacent about present Federal budget levels. Not only are expenditures four or five times what they were in the thirties (and the thirties was not a period notable for rigid economy), they are far above what fiscal students have estimated to be necessary.

Several studies came out a few years ago, forecasting Federal budgets of $15,000,000,000 to $22,000,000,000, with $18,000,000,000 as a general average. Tremendous production, full employment, and unexpectedly great national income have combined to make present Federal budgets bearable, but can we count on all three factors to continue for the indefinite future? I have not seen an investment advisor who thinks so. Therefore, we should be well advised to continue to trim Federal expenditures all we can, to get the budget down nearer to a level we can afford in an average year, not merely in an unusually prosperous one. A $20,000,000,000 to $25,000,000,000 budget is certainly possible for a normal year, without undue curtailment of proper Government functions.

The Federal budgetary expenditures present to a layman an immensely complicated maze. If ever there is justification for a citizen leaving the subject to the experts, there is here. Yet it must be evident that we must not leave the determination of the size of the budget merely to Federal bureau chiefs. Any bureau chief shares the natural human desire to make his bureau bigger and better, to improve his staff, to advance into new fields. Therefore, he just must have more money. We all witnessed a demonstration last spring of the intense unwillingness of the Federal bureaucracy to cut expenditures, of the propagandist appeals that can so readily be developed against any cuts. We are, therefore, very fortunate in having vigilant congressional appropriations committees, well-staffed to search out and to find the soft spots in departmental budgets. As citizens and as professional guardians of the profit and loss statement, we owe the country the duty of assisting intelligent supervision of the budget in every way we can, and of supporting efforts to bring it under control.

We need not despair of the practicality of cutting the total of expenditures. We need a strong Army and Navy, certainly; and we want vigorous and effective Government departments. Experts tell us that we can have them within a $20,000,000,000 to $25,000,000,000 budget. Therefore, let us strive to that end, for if we can attain it, crushing tax burdens can be eliminated. On the other hand, if we cannot get our expenditures under real control, the prospect for tax reduction, for a continuation of present business activity, for economic health here and abroad, is not bright. Finally, one way to get expenditures down is to reduce taxes so that the money is not there asking to be spent.

I

Three items—debt reduction, tax reduction, and expenditures abroad—offer the major competing claims to any excess of Federal receipts over expenditures. My premise is that a budgetary surplus should be divided among the three; that the excess of receipts should not be devoted solely to one or even two of the three.

Humanitarian motives combine with good judgment in favor of help to European countries which will do their best to help themselves. We certainly do not wish to play Santa Claus to the world, but we do want to preserve, if we can, a democratic civilization in which we may hope to live at peace. If widespread starvation in Europe is to be avoided and if its economy is to be revived and restored, aid from us appears to be essential. With the best will in the world, Europe cannot restore itself to physical and economic health.

We certainly have our own domestic problems to consider, as well as the world's. We are one of the few remaining countries in which a free private enterprise system persists. Our domestic health, as well as our aid to foreign countries, depends entirely upon the vigor and vitality of that productive system. We must continue to produce and produce mightily, for it is goods and not merely dollars that are in great demand today.

Since taxes always operate as a brake upon the economy, and our individual taxes remain at almost the war peak, it is especially necessary both to reduce the over-all tax burden, and to remove the tax injustices that have grown up through the years by the rigid and rigorous application of the revenue laws. We cannot expect men indefinitely to work harder and to produce more, when the Government gets more than they do out of their additional earnings. We need a more favorable tax climate in the interests both of satisfactory production and of satisfactory Treasury receipts.

Finally, the debt ought to be pared down a few billions. We ought not, I think, to devote excess revenues merely to debt reduction, and to refuse to reduce individual income taxes at all. Paring down the debt alone will not remove any brakes on the economy. It will not cause men to produce more, nor will it increase anyone's incentives. Moreover, in the past, we have found that an intelligent reduction of tax rates may result in more revenue than the previous high rates did. It is quite likely that the same result would be produced today. We will have the revenue to pay off enough of the debt to demonstrate that we regard the debt as a real obligation which we mean to discharge; and also to give all sorts and conditions of workingmen the incentive of more pay to take home after taxes.

II

If you have followed me thus far, you can join with me in filling in the details of my tax proposals for the Federal Government. Whether or not a tax program of any kind, or such a tax program as you and I regard as wise, can be put through in a Presidential election year is a nice question. Certainly none of us would choose such a year as the best time for calm consideration of individual income tax rates and exemptions, nor of technical amendments. Nevertheless, there is clearly a strong will in Congress to do the job in 1948. Since revenue revision is badly needed, you and I ought to do what we can as citizens to bring it about.

It is likely that there will be two revenue bills in 1948, one dealing primarily with rates and exemptions; one primarily with amendments to the tax structure to remove injustices and restrictions upon the proper functioning of our economy. Probably tax reduction will largely be limited to the individual income tax, plus perhaps some of the excises. The corporation will only benefit from the adjustments to the tax structure. Such a program is justified because corporations have had a major tax reduction since the war, the repeal of the excess-profits tax, and individuals have not. The tax reduction bill will, of course, have more political repercussions than the revision of the code; and I enter with great misgivings into this field of political prophecy.

H. R. 1 and H. R. 3950, both vetoed by the President last spring, were attempts to reduce the tax burden on individuals by a more or less flat percentage cut in rates across the board. The reduction in dollars for the big income taxpayer was thus much greater than the reduction in dollars for the small taxpayer, but only because the former started off with a much heavier tax burden than the latter.

An alternative method of income-tax reduction would be an increase in exemptions. The effect of such a procedure would be first to eliminate millions of taxpayers from the tax rolls, and thus from direct tax responsibility to the Government. Second, the revenue cost of even a slight increase in exemptions is great, for all taxpayers are affected.

With Government costs what they are now and are going to be for some time to come, we cannot afford to reduce income taxes much. Moreover, since the great bulk of the income stream flows to taxpayers with net incomes under $5,000, we cannot afford to increase exemptions much, at least if the income tax is to continue to be the mainstay of the Federal revenue system. In a democracy all able-bodied citizens may be called upon to fight to support and maintain our Government in time of war. Should not all citizens with incomes, at least above a minimum subsistence level, pay direct taxes to support and maintain our Government in times of peace?

The fact is that exemptions have been severely reduced and rates severely raised dur-

ing the war years since 1939. Previously, during the thirties, exemptions were not much changed, but rates were steadily raised. Hence, in beginning an approach to a more normal peacetime tax system, it would seem just and wise to raise exemptions a little and to reduce rates a little.

In my judgment, the whole surtax rate schedule should be revised, if we still believe in the old American dream that a country boy can work his way to the top, and that he should be encouraged to do so. The present scale is so steeply graduated and the rates are so high that added work and accomplishment are not much rewarded. The surtax rates on the higher incomes produce little revenue, but they do discourage risk taking and endeavors to advance in the business world. In general, there is much to be said for the proposition that, in normal times, a man should not be asked to do more than share his income equally with the Government. A thorough revision of surtax rates perhaps cannot be done in 1948, but surely a start can be made by some percentage reduction of surtax rates.

Another plan to increase the equity of the individual income tax is to permit husbands and wives in the non-community-property States as well as in the community-property States to compute their respective taxes by first dividing their total incomes evenly between themselves. Surely there is no sufficient reason for taxing a man earning $50,000 in California or Texas $6,194 less than a man with the same income in Illinois. With tax rates so high, injustices of this sort are intolerable, and there is every reason to believe that they will be remedied next year. Since the dollar benefit of the change would flow mainly to persons earning incomes in excess of $5,000, the adoption of such a plan will doubtless be accompanied by a reduction in rates or an increase in exemptions that will be beneficial primarily to persons with incomes under $5,000.

III

So much for the income-tax-reduction bill, which may be the first revenue act of 1948. The second bill, in which we are more interested as tax practitioners, may be the bill to improve the structure of the revenue act, to eliminate injustices, to enable business and the tax administration to function more smoothly. A vast number of amendments of this sort have been proposed by individuals and professional organizations. They have been widely discussed and thereby perfected; and a large measure of agreement upon them has been reached by the proponents, the staff of the joint committee, and the Treasury. The great problem is to consider, sift out, draft, and enact these so-called technical amendments. There are dozens and even hundreds of them. Many of them present debatable questions of policy. Many of them are hard to formulate.

The Committee on Ways and Means and its staff consequently confronted a very formidable task. It decided to accept it and perform it, not to lay it over for the indefinite future. Hearings have been going on for months. Volumes of testimony and of briefs have been submitted. The committee does not lack for data, but the job of sorting out proposals and drafting the actual revenue bill is a staggering one. The committee and the staff have done valiant work to accomplish it.

Last June Chairman KNUTSON, Congressman DOUGHTON, senior Democratic member, and the committee asked a group of 10 men to help out. That group, called the Special Tax Study Committee, has just made its report to the Committee on Ways and Means. I shall not go over all the detailed recommendations with you here this morning, for I hope you will each read them for yourselves. Let me emphasize rather our general purposes.

First, the committee decided to make no recommendations on such major policy questions as individual income-tax rates and exemptions. The Committee on Ways and Means and the Congress are charged with the duty of determining national policy on these matters. The relevant data is readily available, and the committee and Congress are better informed than we are on the considerations pro and con.

Our committee thought we could perform more useful service by reviewing and reporting upon major structural amendments. We have made recommendations on about 50 major topics, many of them with several subdivisions. Our basic purposes were largely twofold. The Treasury and, to a degree, the whole world, is greatly dependent upon the active functioning of our economy. We need to produce more than we have ever done before. Therefore, we need to eliminate those provisions of the tax law which tend to make it difficult for business to function at its best. Our recommendations relative to depreciation, section 102, and pension and stock-purchase plans are examples of our attempt to carry out this purpose. Second, we wanted to eliminate serious inequities and injustices. The tax load will continue heavy for a long time to come. Therefore we must use our best endeavors to distribute it fairly. So we have made recommendations to improve the taxation of family income, to eliminate the double tax on corporate income distributed as dividends, and to ease the tax on small corporations. We hope that another result of our recommendations will be to reduce controversies with the Treasury and litigation in the courts.

Many difficult problems, both of policy and of draftsmanship, are presented by any project to revise the revenue laws. There are several possible ways, for example, to alleviate or eliminate the double tax on corporate dividends. Which shall be adopted? One is a variation of the old undistributed-profits tax—let the corporation deduct dividend distributions as well as interest payments, and itself pay a tax only on such income as it retains. Another is the British scheme—treat the tax paid by the corporation as a payment on behalf of the stockholder, withheld at the source. Thus the amount of the dividend which the shareholder must return is the amount he received plus his portion of the income tax paid by the corporation.

The simpler plan which our committee recommended harks back to that embodied in the revenue laws from 1913 to 1936: let the stockholder take credit at the initial rate of normal tax and surtax for the tax the corporation has paid. At present this would mean a 19-percent credit for a 38-percent tax. The ultimate goal of this plan would be equivalency between the starting rate of tax applicable to the individual and that applicable to the corporation. Some day we may reach that utopia. In the meantime, the credit is reasonably fair and is more intelligible and practical than either of the other two plans.

Much of the trouble the practitioner has confronted in recent years is really due to court decisions that seem unreasonable and, at any rate, are very hard to live with. Why should a foreclosing mortgagee be taxable upon interest he didn't receive, merely because he bid the amount of principal and interest for the property? He made the bid of interest because it cost him nothing, and in all probability he really had a loss, not a realization of income, on the whole deal. Why should the essential elements of a recapitalization or a reorganization be shrouded with so much judicial mystery, when it is plain that Congress intended to and did embody in the law the complete catalog of specific technical requirements for a reorganization? When a sale of property is in fact made by corporate stockholders personally after a liquidation, why should the sale be taxed as having been made in substance by the corporation? How can anyone know what "substance" is, when we know that it is not fact?

Our committee has tried to correct each of these difficulties. The last two presented serious problems for the draftsmen. We have recommended that Congress state expressly that the conditions, qualifications, and requirements set forth in section 112 are all that are to be applied, unless the Commissioner shall prove, by a clear preponderance of the evidence, that the principal purpose of the plan of reorganization was tax avoidance. We realize that the proviso perpetuates uncertainly, but could we reasonably give the Commissioner less? We have further recommended that the gain on a sale of corporate property, whether preceded or followed by a liquidation, should be subjected to only one capital gains tax, thereby eliminating entirely the materiality of the issues of fact which the courts have been trying not very happily to resolve. We have great hopes for both changes.

The amendments I have outlined, plus the 50 others we have recommended to the trust provisions, the pension provisions, the estate and gift tax sections, and so on, do not involve much revenue. The ordinary layman would not regard them as major matters. Yet you and I know that the smooth functioning of the revenue laws, indeed their utility and efficiency in raising billions of dollars fairly, depends upon the justness and decent operation of just such sections as these. Our revenue system could break down because of recognized overcomplexity and inequity; and it is approaching unpleasantly close to that situation today. The Committee on Ways and Means deserves a very good mark for recognizing the need of a thoroughgoing revision of the code, and the possible utility of a citizens' advisory committee to help out. I know you join me in hoping that the effort for sound basic reform of the revenue laws will actually be successful.

One word more. Some of our recommendations go a long way toward sustaining the taxpayer's accounting practices and business decisions, unless the Commissioner proves him wrong. Thus, the burden of showing that surplus is improperly accumulated for section 102 purposes is put on the Commissioner, as well as the burden of showing that the taxpayer's method and rate of depreciation are erroneous. Both provisions reverse the former presumptions. These provisions will only work well if taxpayers in general make honest, defensible business decisions. Our committee has based its work on the premise that the great bulk of taxpayers are honest businessmen. If we are shown to be wrong, the country will be in for another decade of tax evasion investigations, witch hunting, and loophole closing. You public accountants can take a great part in seeing that business plays the game fairly according to the rules.

The perfection of the revenue laws is probably a never-ending task. Many wise men have worked at it—men like Cordell Hull and George May and Arthur Ballantine and A. W. Gregg and Randolph Paul, to name only a few—and yet so much remains to be done. Accountants and lawyers are key men in the process, for we see the system in action every day, and we know what the actual impact of each section is. Our committee earnestly hopes that our report will appeal to such men as yourselves, that you will find its recommendations technically sound, and that you will work for its adoption. The code will not be perfect, even if all our ideas are embodied in it. But if you agree with us that it will be greatly improved thereby, and will make your endorsement known, we ought to be able to make a long step forward in 1948.

Alaska—Unfortified Bastion

EXTENSION OF REMARKS
OF
HON. E. L. BARTLETT
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. BARTLETT. Mr. Speaker, under leave to extend my remarks, I desire to call the attention of the House to an excellent article about Alaska which appeared in the New York Herald Tribune for December 1. Entitled "Alaska—a Bastion Unfortified, and an Easy Pearl Harbor No. 2" it was written by Wilbur Forrest, assistant editor of the Herald Tribune:

ALASKA—A BASTION UNFORTIFIED, AND AN EASY PEARL HARBOR NO. 2—CIVILIANS AND THE MILITARY FEAR CONGRESS' FUNDS WILL BE TOO LITTLE AND TOO LATE; TERRITORY AS IT IS TODAY WOULD TOPPLE IN INVASION

(By Wilbur Forrest)

ANCHORAGE, ALASKA.—The current debate in Congress over funds for European rehabilitation has a peculiarly ironic interest in Alaska today. While Alaskans appreciate the dire humanitarian need of foreign help from the United States, they fervently hope that the intimate, urgent, and vital problem of defending America is not to be wittingly neglected.

People here in Alaska—both civil and military—know all too well that Alaska is at this moment a land of potential Pearl Harbors as well as a prospective victim of a too-little-and-too-late policy of penurious congressional appropriations for defense.

The truth is that should an effective enemy attack Alaska tomorrow this great bastion of North American defense would be lost to the United States because Congress is not providing the funds for its adequate protection. An enemy would simply use our installations and airfields for further invasion southward.

AIR-BORNE INVASION

Any foreign incursion into Alaska would be made by air-borne troops armed to the teeth. They would come from across the Bering Strait, no great air distance either from Seward, the principal port of entry, or from Anchorage and Fairbanks, nerve centers of the American Alaskan Military Establishment.

At these places and elsewhere in Alaska American service troops are withstanding minus-zero temperatures and unaccustomed weather conditions to build up facilities which one day may accommodate American combat forces capable of fending off air-borne enemies and aviation fighter units fast and powerful enough to catch an enemy before he arrives. In Alaska today, however, there are neither combat troops nor air fighters in numbers worthy of mention. Moreover, the radar screen which our forces desperately need around the Alaskan periphery awaits a comparatively piddling appropriation in Washington of some $35,000,000.

The Bering Strait is a hostile barrier between the United States and Russia, a sort of No Man's Land over which even American Eskimos are barred. Russian and American commanders remain on their respective sides and have utterly no contact of a social or official nature. American aircraft are forbidden to fly over Russian territory on the almost certain penalty of being shot down.

It is the thinking of so many Alaskans with whom I have talked and that of our conscientious and self-sacrificing military people of the air, ground, and sea here in Alaska—that if the United States Government and the American people do not want to defend Alaska adequately as a matter of national security, then we should pull out and cease making gestures here in the far north. It will require a generation to bring Alaska to a state of real defense at the present rate of doles from annual budgets. Much can happen and may happen in a fraction of that time.

THE ISSUE OF STATEHOOD

Alaskans believe that statehood is closely tied with a military and air defense of Alaska. It is probably true, as claimed here, that 98 percent of Alaskans are for statehood and that the opposition springs solely from vested interests which would deplore taxation for roads, railroads, and other betterments Alaska so desperately needs if her large territory shall ever be well populated and self-supporting, and not a stepchild of the Department of the Interior.

If Alaska is to be defended, roads and railways are of paramount military importance. The present Alaska Railroad is a tottering 385-mile span from Seward to Anchorage and from Anchorage to Fairbanks. In favorable weather it can haul an inconsequential 1,400 tons daily. It was submerged inertly in snow for 21 days last winter. Almost alone on land it serves the mainland of Alaska, an area one-fifth the size of the United States.

The mission of our forces in Alaska is:

1. Air defense.

2. Experimental and field testing operations under Arctic and sub-Arctic conditions.

3. Training of fighter, bomber, and other aircraft personnel under conditions not found elsewhere.

Unfortunately, the lack of facilities has made our No. 1 objective rank third. Our No. 3 objective also may be said to have been hamstrung by lack of facilities to train more than one bomber group and one fighter group during the year. Lack of facilities has been caused primarily by a dearth of American taxpayer funds which, in the view of many Alaskans, are going to Europe and everywhere except to the frontier of American defense—Alaska.

Other reasons holding back Alaskan defenses are, of course, weather, the short construction season, difficulties of getting materials into the interior, and a short labor market in which civilian workers know how to exact time and a half and double time for overtime.

URQUHART IN COMMAND

At Point Barrow recently I met Lt. Comdr. J. B. Urquhart, United States Navy, of Columbia, S. C., commanding naval installations there. The most poorly paid Eskimo dog team driver or caterpillar train worker receives about $70 weekly. Urquhart's pay is inferior. Of course, Urquhart has a future which excels that of the Eskimo.

Alaska is commanded by Lt. Gen. Nathan D. Twining, a top Air Force general who under the new services merger is Alaskan and Aleutian boss of Air, Army, and Navy, and all of the technical branches. Immediately in command of the Air is Maj. Gen. J. H. Atkinson, chief of the Alaskan Air Command, which is the operational and tactical element of Alaskan defenses.

His responsibilities are:

1. Defend Alaska and Alaskan approaches to the United States.

2. Conduct aerial reconnaissance and surveillance of Alaskan areas and approaches thereto.

3. Deny any possible aggressor bases in the Alaskan area from which attacks could be launched and supported.

4. Establish and maintain a continuous training program for tactical forces in Alaska and the Aleutians.

General Atkinson has the obligation to defend the principal naval operating base in the Aleutians, now under Rear Adm. A. E. Montgomery, commanding the Alaskan sea frontier and the Seventeenth Naval District. General Atkinson, whose Air Force record is particularly distinguished, will do his best with what Congress and the American people give him. He must also defend the Anchorage and Fairbanks areas in the Alaskan interior.

Our commanders in Alaska are brave men indeed to expect what they may be obliged to face from nearby Asia, realizing what they have to face it with.

The recent testimony of General Spaatz, Air Force chief of staff, before the President's Air Policy Commission in Washington, gave emphasis to this Alaskan situation when he quoted intelligence reports of a 14,000-plane Russian Air Force of which possibly 1,000 are bombers of the B-29 type and hundreds are of the fast, jet-fighter type.

Alaskans do not think that it is warmongering to talk about a probable attack on Alaska from across the top of the world or over the Bering Strait. They recall too well that we did not fortify Guam for fear that it would upset the delicate feelings of the Japanese. In this day and age, when Russia has neglected nothing to vilify American acts and falsify American intentions—an attitude unprecedented in the modern history of allied nations—then Alaskans believe they are justified in bringing their sentiments out into the open.

Your Stake in the United Nations

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. KEATING. Mr. Speaker, throughout the Nation local branches of the American Association for the United Nations are doing an outstanding job in acquainting the public with aims, objectives, and accomplishments of the only body in the world today organized to promote world security and peace.

Numerically the largest, and probably the most active and effective of these units is located in Rochester, N. Y., a city which is always found in the forefront of constructive, worthwhile efforts. The directorate of the local association is composed of leading educators, professional men and women, labor leaders, industrialists, club women, clergymen, and other citizens of the community.

They have performed a public service of incalculable value in bringing to every fireside a better understanding of the way the machinery of the United Nations operates and a clearer realization that the best chance of achieving and maintaining a just and enduring peace lies in enthusiastic support of a world organization.

The most recent accomplishment of the Rochester Association has been to arrange with the editor of one of the leading newspapers to present each week a summary of the work of the United Nations. I congratulate both the local association and the editor for this constructive step. I commend this action to the consideration of my colleagues and urge that in the communities which they represent, if such an informative program has not yet been undertaken, they bend

their efforts toward bringing that about in order that there may be the widest possible dissemination of the facts relating to this timely and important subject.

Dr. Dexter Perkins, of the University of Rochester, an illustrious professor of history, who heads the local association, in a foreword to the first in this series of articles, has this to say:

The United Nations is by no means a panacea. It has neither great economic resources nor as yet any physical power. It is, however, an agency which serves to focus attention on international problems, and it may in time become competent not only to make recommendations which have a moral weight but to provide the machinery for carrying out its decisions. No institution can be judged after it has been in existence only 2 years. The success of this new agency of international cooperation depends upon the support it receives from public opinion all over the world, and particularly upon the support it receives from the people of the United States. That is why it is important to understand it.

In September it was my privilege to address a rally during United Nations week. Under leave to extend my remarks, this address follows:

YOUR STAKE IN THE UNITED NATIONS

For millions of people today all over the world the words "United Nations" sum up their hope for peace and security.

The delegates, gathered at San Francisco in June 1945, sought to create a new organization founded upon the ideals and common aims of all the peoples whose governments were determined that mankind should have a better world in which to live.

Many of us have read, and speculated, upon what the world is to be in this atomic age. With man's mind, talents, and inventive genius reaching out into the infinite, we must choose the direction we are to take. Will it be upward to a brighter world of peace, understanding, and tolerance among men, or will it be a headlong plunge into darkness and despair, with mankind seeking to survive underground while great fertile fields and large industrial areas are being wiped from parts of the earth? The time to make that choice is upon us; we cannot avoid it.

To have peace, lasting peace, in the world today, nations must forget their sometimes petty interests or at least learn to harmonize them with those of the whole human race. Two world wars and the possible prospect of a greater holocaust have completely overshadowed national interests as such. If the nations of the world insist upon pursuing a purely nationalistic course and upon maintaining international hostility between one another, the chaotic outlook is dreary, indeed.

When one compares the nations of the Old World, which have been at each other's throats for more than a thousand years, with the United States, it is not difficult to understand why our way of life is the envy of millions far from these shores. These millions will lose faith in all things should some international organization like the United Nations fail to keep the peace. They know, or should know, that only through the combined efforts of all nations everywhere for a lasting peace will it be possible for them to survive and live as freemen.

But this lasting peace, of which we speak, cannot be left to the mercy of Old World powers still harboring the hatreds of generations. To supplant these hatreds with the ideals and aims which will preserve the peace may call for more than mere platitudes to the effect that war is waste and peace is the great desire of all peoples. It cannot be worked out so simply. The failure of the League of Nations after the First World War is proof of that. Obviously some organization with a very great deal of power is necessary to persuade the countries of Europe, and of the Orient too, to drop their hatreds and suspicions and pull together.

Hence, to bring about complete readjustment of national psychology in every country of the world, it is essential that some organization of great power have at its command the most highly skilled students of humanity, economy, government, and statesmanship, if law and order among nations are to be maintained. The only other alternative to such an organization is a complete imperialistic despotism, either on the part of the United States or on the part of Russia. And there is only one way to prevent this: Nations must cooperate, either through persuasion or compulsion. Effective persuasion can be accomplished through the United Nations.

It is hardly necessary for me to add that our way of life in the United States would disappear completely under the imperialistic policy of Russia. For the peoples of the world it is a matter of Hobson's choice: It is to be a cooperative world or no world.

To forestall a possible war of extermination, it was necessary to bring about a world organization designed to do all in its power to prevent such a catastrophe. The delegates of the nations who labored at San Francisco were not perfect. The relations between the countries they represented were not perfect. The plan they produced is not perfect. But it is a plan dedicated to the task of preventing war.

That it was not successful from the beginning, that there have been delays, bickerings, and fumblings within the organization, does not mean that it will not work. Eventually we must see to it that it does work.

But there are certain elements within the organization which have consistently obstructed some of the most important measures before the United Nations.

If members refuse to use the machinery they have created for international cooperation, that machinery of itself can accomplish nothing. We must spare neither patience, time, nor effort in our endeavor to surmount these difficulties. We must see to it that this effort to outlaw war does not fail.

From its inception I have been a stanch supporter of the United Nations organization. I feel strongly that the peace of the world is dependent in a large measure upon some such form of world organization. The ideals and aims upon which it is founded are the markers along the upward road mankind must take if he is to survive.

These ideals and aims, expressed in the preamble of the United Nations Charter, are: to prevent war, to accomplish the peaceful adjustment of international disputes, to remove economic, social, and other causes of war by cooperation among nations, and to promote social progress and better standards of living in keeping with a faith in fundamental human rights and in the dignity and worth of the individual.

These words express the objectives of all peoples whose governments joined together to form the United Nations. They are of vital concern to all the peoples of the world because they point the way to the fulfillment of man's highest aspiration, a dream that has persisted through the long, dark night of history that man would someday lift himself from the blood of war into a new world of peace and understanding among his fellow men. Certainly, it is a goal worth striving for.

What is the United Nations doing to bring us closer to this goal? The accomplishments to date have not been spectacular, but they are a step forward in the right direction.

For example, various questions affecting peace and security have been brought before the United Nations—the Iranian question, the Syrian and Lebanese question, the Indonesian question, the Spanish question, the Greek and Balkan question on three separate occasions. These questions have been debated in the Security Council; differences of opinion which might otherwise have led to incidents, have been aired, and where no unanimous resolution could be reached, various suggestions were put forward in the debates and received world-wide publicity.

On the long, and sometimes rocky road to its objectives, the achievements and efforts of the United Nations have left an imprint on each man's doorstep which is often overlooked. Many of these achievements and efforts can be translated into terms of bread, farm output, timber and houses, medical services, transportation jobs, and freedom of ideas.

For instance, one of the United Nations agencies which might be of great benefit to any one of us, is the World Health Organization Interim Commission. If you are unfortunate enough to be ill, it is conceivable that your doctor might be able to cure you in less time because the World Health Organization has standardized the drugs, serums, and vaccines he uses.

At a meeting of physicians in Geneva last June, work was begun for bringing the new war-born drugs like penicillin and the sulpha series into standardized form for world use and prescription. Such a plan lays the basis for improved fabrication and reduced prices, making it possible for more people to share in scientific and technological gains.

Controlling of development or spread of epidemics also will be aided by the warnings and recommendations of this organization. The fight against tuberculosis and malaria on several continents is now being carried on by specialists of this World Health Organization.

We know of the terrible plight of people in Europe during the winter following the last war. As a result of the efforts of the Emergency Coal Organization, these people will be less cold, not warm, but less cold this coming winter.

No international organization for the preservation of peace—whether it is the United Nations or any other—can exist or exert any lasting influence unless each member has a thorough knowledge of the hopes and aspirations of all the other signatory nations. Countries, like individuals, can only understand one another by friendly discussion of each others' problems. So often the reason for their hatred is because ignorance has twisted and distorted the true picture of one another.

The United Nations Conference on International Organization at San Francisco recognized this vital need for freedom of information by embodying the Council for Social and Economic Progress in the final draft of the Charter. In encouraging the international meeting of minds on questions of common concern, much of the fear born of ignorance which contributes to future wars is dispelled.

Not all of the organizations affiliated with the United Nations are in the formative stage. Nor are some of them new. Others, concerned with improving the way you and your family live, have been operating for some time. The International Labor Organization was an autonomous branch of the League. Now it is a specialized agency of the United Nations.

In June 1946 some of the member nations through this organization agreed upon a precedent-setting convention which fixed a minimum wage for seamen. Improved food, berths, and working conditions were included and new standards of social insurance. Hours of work, age for beginning work, social insurance, safety on the job, and working conditions for women, are other matters on which international agreements have been worked out.

What are the educational problems for children in the war-battered areas of the world? Children who have experienced the

terrors of enemy occupation of their countries, who have been separated from their families, who have huddled together in some roofless hideout wondering what tomorrow would bring? For years some of these children have been without toys, books to read, instruments to play; they have been without all the good things a child should have to live a happy and normal life.

What is the United Nations doing for them?

One of the most important agencies in the United Nations is that dealing with the welfare of children, particularly those children affected by the war. UNRRA set aside a fund to be used by a permanent organization for this purpose. Its first work is to meet the emergency needs of the underfed, underclothed, and undercared-for youngsters. Recently in Congress we passed a bill authorizing contributions up to $50,000,000 to what is to be known as the United Nations Appeal for Children.

UNESCO, the educational, scientific, and cultural organization, also looks after children's welfare. It seeks to mobilize teachers and governments for the rebuilding of the educational systems in war-shattered countries.

As the world grows smaller, the number of ways in which you are affected by international relations multiplies. Your radio, your health practices, your passport, the facilities for getting news into your newspapers, the kind of house you live in, the methods of raising and shipping food, your job, even the way your child is taught, will all move toward the highest common denominator our common ideas and resources can bring about.

These few examples of the efforts and achievements of the United Nations give us some idea of its purpose and of the benefits we may enjoy if we do not sidestep the obligations it imposes. In view of the benefits which have already accrued, and of others which we can confidently expect in the future every one of us should lend his moral support to the noble ideals finding expression in this organization. And he should look a second time at its critics.

He should also do his utmost to defeat all subversive elements bent upon retarding its effective operation, or the ultimate destruction of the organization and its ideals.

No nation can long endure without the favorable public opinion and the moral support of its citizens. Likewise, the success of the United Nations depends upon the peoples of all nations working together for the common welfare. Only then can we be assured of peace on earth and good will to all men.

Shipments to Russia

EXTENSION OF REMARKS
OF
HON. A. LEONARD ALLEN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. ALLEN of Louisiana. Mr. Speaker, in view of the attitude of Russia toward this country, I am surprised that our Government continues to ship great quantities of tools, farm implements and other things to that country. During the 12 months ending September 30, 1947, our exports to Russia totaled $155,398,000. Many of these exports consisted of machinery, vehicles and farm implements which are very scarce here and are very difficult for our own people to obtain. I confess that I am not in accord with the view of those who think we should continue to ship this material which is in short supply here at home to a nation which manifests the attitude Russia does. I know from personal experience that farmers are unable to buy farm machinery which they badly need.

In view of the great inroads that communism is making in the world and in view of the fact that Russia today is the great exponent of communism and stands as a threat to the entire world, I confess that I cannot understand the position of our Government in continuing to ship to Russia machine tools, electric equipment, industrial tools, farm implements, and other items which are in short supply here and which are bound to strengthen Russia. Feeling as I do, I have advised the Secretary of Commerce of my position and I have protested the continuance of this practice, since that Department has full authority over this matter.

America's Stake in the World Economy

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. CRAWFORD. Mr. Speaker, the National Foreign Trade Convention was held in St. Louis, October 20, 21, and 22, and a program of action drawn up which is worthy of deliberate consideration by Members of Congress.

Realizing that the outcome of the conflict of economic and political ideologies in the world is at the moment a matter of grave concern to citizens of the United States because turmoil abroad brings lowered productivity there, and a disruption of world trade, the convention developed its program for action in connection with a foreign economic policy for this country.

I submit for the consideration of my colleagues the first of two parts of the summary of the final declaration of the foreign-trade convention:

FINAL DECLARATION OF THE THIRTY-FOURTH NATIONAL FOREIGN TRADE CONVENTION

AMERICA'S STAKE IN THE WORLD ECONOMY

The thirty-fourth national foreign trade convention declares its adherence to the principles relating to the conduct of American foreign trade as defined and sponsored by the thirty-second convention in 1945, and to the proposed foreign economic policy for the United States put forward by the thirty-third convention in 1946. Conscious of the growing magnitude of America's stake in the world economy, the convention offers to the American people a program for action, conceived in the light of these principles and dedicated to the effectuation of the proposed policy.

The course that foreign economic policy takes in the months ahead is the first and vital concern of this convention. Speaking as it does, in this field, for the international trading and investment interests of American private enterprise, the convention does not deem it within its province to pass judgment on the foreign policy of the United States in all of its manifold phases: it recognizes that national action in the field of international affairs, designed as it must be to promote our security and well-being as a nation and to safeguard our free institutions, embraces considerations extending far beyond the field of the economic alone; and it recognizes that foreign economic policy is, of necessity, an integral part of this larger pattern. But the convention recognizes also that foreign economic policy has a vital purpose, in its own right, in fostering the development of an optimum flow of foreign trade and investment to the end that the American people may be benefited through an increased production, interchange, and consumption of useful goods and services. The concrete recommendations advanced in the program for action presented with this declaration are focused, therefore, upon those aspects of foreign economic policy which, while serving the broader purposes of the foreign policy itself, may also bear importantly upon the opportunities available to American private enterprise in the conduct of the Nation's foreign trade.

In its basic concept, the program is consistent with the thesis that foreign economic policy must reinforce and implement the foreign policy of which it is a part. It is predicated upon the underlying truth that an expanding production and interchange of goods and services, and the nurturing of democratic values everywhere, are requisites of enduring peace and prosperity; and it assumes, as its specific premise, that the security and well-being of the United States and the preservation of our own democratic forms and processes, are bound up inextricably with the pattern of events as it comes to evolve in the world as a whole.

This pattern today is tremendously confused and complex. The problems to which it gives rise, extending over the whole range of the social, economic, political, ideological, and military considerations involved, constitute an immediate and continuing challenge to the achievement of the purposes our foreign policy is designed to serve. The solutions to many of these problems lie, admittedly, beyond the economic area with which this convention is competent to deal. Yet, the impact of the economic forces at work is deep and all-pervading, and the fact remains that until the material well-being of the world is assured, there can be no sound and lasting basis for the peace and security to which mankind aspires.

The degree of material well-being to which the world can attain will depend, in the last analysis, upon the energy and intelligence with which, in every country, the natural resources at hand or within reach are converted to the use and enjoyment of the consumer. In their pursuit of this material well-being, the nations of the world are confronted with a choice between two opposing economic courses. The first course, to which we in America are committed, is the course of economic freedom, with its reliance upon free, private, competitive enterprise as the mainspring of accomplishment and progress, and its recognition of the dignity and worth of the individual as inherent in political democracy and in the spiritual concept of freedom itself. The second course is the course of economic regimentation, with its invitation, under socialism, to the materialistic concept that the individual is the servant of the state and a cog in the collectivist machine, and its subversion not only of economic freedom but of political freedom as well. In some countries, where socialism has been imposed by fraud or by fiat, political freedom has already been destroyed; in others, the economic goals of socialism are still being pursued under the forms and processes of political democracy. Yet, however it may come into being and whatever political associations or implications it may have, the inevitable result of economic regimentation is the paralysis of those individual initiatives and incentives that underlie America's greatness.

The outcome of the conflict of economic and political ideologies existent in the world today is a matter of profound concern to the people of the United States. Even where political freedoms have been preserved, the practice of socialism carries a threat to our well-being in America by reason of the effects it brings in lowered productivity and the disruption of world trade. But more important still is the fact that economic regimentation, in face of the failure to which it is destined, calls increasingly for political regimentation to insure its continued application. It is this prospect of progressive abandonment of the democratic process throughout the world, and of resort to the authoritarian controls of the police state—which we have come to identify as communism—that holds the greatest threat to our own security and to the integrity of our institutions.

It is no accident that communism flourishes where it does. So long as underproduction and persistent poverty exists, the specious appeal of a dictated collectivist security will be compelling. So long as wretched, undernourished peoples take refuge in that appeal, the world will rest in precarious balance, and we ourselves will stand in jeopardy. In seeking to arrest the spread of the Communist virus, the exercise of diplomatic and other pressures is not enough; the seeds of danger lie far too deep to make such measures in themselves effective. They lie, actually, in the basic frustration of human beings, who, aspiring to a decent standard of living, have not yet found the means for its attainment.

Clearly, under this conception, the steps that have been taken toward checking the expansion of the Communist ideology as a world force, and toward checking the expansion of Communist Russia as a world power, can be construed as only a beginning. No effort to save the world from communism will be successful until a solution is found for the economic problem on which communism feeds, which is, at its roots, the problem of underproduction and the poverty that underproduction brings. The solution of this problem demands that the free nations of the world work together to increase their productivity, not merely to the prewar level, but far above that level. It demands that the peoples of these lands be given the opportunity to apply their energies and initiatives more fully and more efficiently in utilizing the resources which they possess or can acquire.

We in America, in making use of the resources available to us, have applied our energies and our initiatives under a political and economic system which brings out the best there is in human incentive and achievement, and which has produced the highest standard of living ever known. We hold the place we do in the world today by reason of this accomplishment, and by reason specifically of the ability we demonstrated, during the war, to apply these energies and initiative in defense of our free institutions. That ability was manifest, and the war was won, because the Nation stood united in a common cause. Now, with the war behind us, we find ourselves faced with a new challenge—a challenge related just as surely as the other to the safeguarding of our future and the preservation of our security and strength. That challenge, the building of a groundwork on which an enduring structure of world productivity and world peace can be erected, will demand, as the challenge of war demanded, the united force of our national will behind it.

It is not mere altruism or a sense of humanitarian responsibility that impels us to meet this challenge; the issue is one which involves, deeply and critically, the enlightened self-interest of the American people. If we refuse to answer the call that is put upon us by the world's need for greater productivity; if the efforts we make to create a liberal system of world trade are unavailing; if we fail to secure, by the power of example, the adherence of other peoples to the economic concept in which we believe, then the destructive doctrines that Karl Marx preached will have gained new and dangerous strength.

America's stake in the world economy is one which far transcends the stake of our material welfare alone. Profound social, moral, and spiritual values are at issue, depending for their realization upon the creation in other lands of an environment in which free institutions can survive and flourish. The creation of such an environment is vital to our own security and to the preservation of our institutions, for if the freedoms we cherish for ourselves are lost to the rest of the world, we may be very sure that they will be lost also to us.

Conscious of this deeper reality that lies beneath the concrete proposals it makes, the convention offers to the American people a program for action, as developed and endorsed by the board of directors of the National Foreign Trade Council, in the earnest hope that it will find acceptance and support without regard to sectional or party interest.

A PROGRAM FOR ACTION

To the end of promoting an economic environment in which world productivity will be fostered, the interchange of useful goods and services expanded, and a basis laid for enduring peace and prosperity, the convention calls for the following action:

1. Provision of subsistence relief, during the present emergency, to those peoples in devastated lands who demonstrate a national determination to become self-supporting and to preserve their political freedoms.

Alleviation of hunger and distress is the first requisite to the restoration of the processes of production. The foodstuffs, medicines, clothing, and other essentials required for the release of human energies to the tasks of reconstruction, whether made available in the form of loans or as outright gifts, represent an investment by the American people in the world's recovery and well-being.

The United States Government, in undertaking the major burden of this relief, with such assistance as may be forthcoming from private sources, should take into account the ability of the American economy to withstand the drains it will entail, and should seek, as an integral part of the program, the cooperation and participation of other nations in proportion to the respective capacities they possess.

2. Control and coordination of the distribution of relief to the end of assuring its most productive utilization in achieving the goals of economic reconstruction.

Relief benefits, within the countries receiving them, should be extended on an entirely nonpolitical and nonsectarian basis, and distribution should be carried out, wherever possible, under the supervision of trained American specialists working through approved local agencies. Recipients should be made aware of the source of such relief, should be informed as to its emergency nature, and should be made to understand that it is motivated by a desire to alleviate suffering and distress and to improve the capacities of the recipients to achieve self-support.

3. Provision by the United States Government of financial assistance, during the period of transition and reconstruction, to promote the economic productivity and monetary stability of those countries requiring such aid and manifesting a determination to maintain free societies and to work out their own salvation.

Financial assistance designed to serve the ends intended should be confined to those countries and to those fields of activity where conditions are still such that private capital cannot be attracted; and, in any event, should not be extended for purposes inimical to the investments of American citizens within the recipient countries, nor to those countries which have followed policies of expropriation of properties of United States nationals without prompt, adequate and effective compensation.

Provision of governmental financial assistance must be realistically related to the likelihood of attainment of the desired goals of rehabilitation, and to the prospects that exist for eventual repayment in the form of useful goods and services. Such financial assistance should be extended only after thoroughgoing investigation in collaboration with competent industrial and financial specialists, and only after due consideration has been given to the maximum potentials of national and regional self-help; to the adequacy of our own resources and productive capacity, and to the ability of our economy to withstand the inflationary pressures involved.

4. Encouragement of American private investment abroad, where the economic and political environment is conducive, as a vital means for securing the efficient utilization of available resources, facilities, and techniques in increasing productivity.

The demonstrated advantages of private foreign investment should be sought, domestically by tax legislation designed to foster capital formation, and, internationally, by the negotiation of treaties of friendship and commerce and other agreements, which will provide the incentives and safeguards demanded by those who invest their capital in foreign lands.

Where private investment is not currently feasible, and the capital for foreign industrial rehabilitation is provided from United States Government funds, it is imperative that the channels of private investment be kept open by making use whenever possible of the facilities of private enterprise in carrying the program forward.

5. Utilization, in conjunction with the projection of both public and private capital abroad, of such managerial and technical skills as may be required to ensure the most productive application of the funds employed.

In the instance of governmental financial assistance, the Government should satisfy itself, as a prerequisite to its provision, that competent management and technical personnel, if not available locally, can be provided from American or other sources.

In the instance of private investments, where competent management and techniques will normally accompany the capital, assurances should be secured that no impediments will be placed in the way of the freedom of entry and employment of the personnel required.

The presence of skilled American personnel on the ground will serve not only to make more productive the new facilities created with American funds, but, collaterally, will assist the recipient countries in utilizing more efficiently the facilities and resources they already possess.

6. Emphasis upon such internal financial and monetary reforms, by those nations receiving economic aid, as may be required to establish sound currencies and realistic international exchange relationships, thereby providing an essential stimulus to greater productivity and increased trade.

Internal monetary stability and sound international exchange relationships are prime requisites to the restoration of economic health. Unless these are achieved, no economic assistance designed to restore productivity and to expand international trade can be effective.

The International Monetary Fund was created for the precise purpose of stabilizing national currencies and international exchange relationships. The International Bank and the proposed International Trade Organization are designed to facilitate the economic development and the trade essential to the achievement of this monetary

stability. The usefulness of these institutions will be limited, however, until the participating nations achieve internal financial order and stability. Unbalanced budgets and deficit financing, and the attempt to conceal the effects of these devices through unrealistic official exchange rates, make for monetary chaos and vitiate any efforts to achieve monetary stability from without.

It is essential, therefore, that our Government and its representatives in the fund and the bank collaborate, where appropriate, with the recipients of economic aid in developing programs for internal financial and monetary reform; and that proper regard be given, in providing such aid, to the demonstrated good faith and capacity of the recipients to carry out these programs.

A nation's productivity cannot be restored until confidence is established in its currency as a means of payment and exchange; nor can confidence in the currency be restored until that nation's productive wealth is marshaled behind it. Cause and effect are inextricably mixed, and the attack, to be successful, must be made on both fronts simultaneously.

James J. Davis

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. VAN ZANDT. Mr. Speaker, much has been said the past week in eulogizing the life and achievements of the late Senator James J. Davis, whose death occurred November 22, 1947.

Jim Davis, as he was affectionately known to countless friends, deserved the popularity he enjoyed because he never lost the common touch. As a result, he made friends in every walk in life and thus his death is universally mourned.

I knew Jim Davis personally and have many pleasant memories of our years of friendship.

In paying my tribute of respect, I should like, at this point, to read the following editorial from the November 25 issue of the Clearfield (Pa.) Progress because it is a brief yet graphic picture of the life of genial Jim Davis from his autobiography written 25 years ago.

The editorial is as follows:

JAMES J. DAVIS

James J. (Puddler Jim) Davis, who died Saturday in a suburban Washington hospital, liked himself better in the role of humorist and philosopher than that of a politician.

The immigrant boy who became United States Senator from Pennsylvania and later Secretary of Labor shows his preference clearly in his autobiography written in 1922, while he was serving in the President's Cabinet. One reviewer called the volume "a human book, a document of toil and sweat and funny stories and homespun philosophy and egotism."

When he was 8 years old and his parents told him they were leaving Wales for America, the deceased wrote that he thought they were going to fight Indians and commented wistfully: "That would have been as much fun as going to Sunday school.

His mother destroyed his illusions—they were going to work in a steel mill. The disappointment was so great that his father had to drag him from under a bed by the heels when the time came to make the voyage.

The book tells all the events of his younger days of which he was proud—how he started work in the steel mill at 11 and became an iron puddler at 16, the thrashing of the town bully, the home-made suit of clothes, the licking given the crooked contractor, the speech that stopped a strike, the superiority of beer over water when one works in a puddling mill.

He says:

"A land where a boy can enter the mills at 11, learn two trades, acquire a sound business education, and make a competence in his thirties is not such a bad country as the hot-headed reds would have us believe."

He tells of roaming the country as a young man, working in some 50 steel mills, and gives his thoughts on economics:

"Labor makes the present day safe—but the present day only. Capital safeguards the future."

"The white man who doesn't want to work is sick. He needs a dose of medicine, not a dose of millennium."

"The time to quit work and divide the wealth is just 2 weeks before the end of the world."

GI Subsistence Allowances Now Pitifully Inadequate

EXTENSION OF REMARKS
OF
HON. FRANCK R. HAVENNER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. HAVENNER. Mr. Speaker, the subsistence allowances authorized by the GI bill for veterans attending educational institutions are now pitifully inadequate. Those subsistence allowances were calculated on the basis of reasonable living costs at the time the bill was enacted into law. Since that time the cost of living has mounted so extravagantly that many married veterans, in particular, are now finding it impossible to purchase the bare necessities of life for their families and keep up their school work.

During the present semester more than 55 veteran students at the University of California alone have been forced to leave college and take full-time jobs, in the hope of saving enough money to return at some later date to complete their education. The possibility that many of them will be able to do so is very remote.

If this Congress persists in the majority policy of drastic economy, without making proper provision for the minimum living requirements of our veterans, it will be guilty of a deliberate violation of the Government's solemn pledge to enable them to complete the educations which were disrupted by the war.

The following letter from one of my constituents gives a graphic illustration of the cost-of-living problems which confront a married veteran today:

This letter is designed to supplement knowledge which you undoubtedly already possess concerning the living status of veterans attending educational institutions under the GI bill.

The subsistence allowances which were authorized under that legislation were calculated on the basis of reasonable living costs existing at the time of enactment, but it is all too commonly realized that these costs have climbed approximately 80 percent from that time to this. Despite this change in living conditions which the veteran, and everyone else, must face, it is evidently presumed by the majority of Congress that the subsistence payments are capable of being stretched to almost double their originally calculated buying power.

On the other hand, salaries paid to Federal employees under civil and military service do not seem to possess this magical ability to buy the same amount of necessities at higher price levels, because they have been adjusted to some extent in line with rising price levels. State and local wage and salary scales also, for the most part, reflect the increased cost of living. Cannot something be done to enable the veteran attending school to purchase at least the necessities of life? We do not ask a luxurious living standard, but it is unreasonable to expect a veteran to keep up his school work when he is continuously worrying about meeting day-to-day living costs.

I am a married veteran attending the University of California at Berkeley. I have an 8-months-old daughter. Here is our family budget:

One-month budget (averaged for the past 6 months):

Rent	$25
Utilities (we have no phone)	6
Food (wife and I)	51
Food (baby)	12
Clothing	9
Doctor and medicine	11
Life insurance (GI and private insurance)	10
Carfare	10
Entertainment and miscellaneous	5
Total	139

This budget does not include unpredictable expenditures such as dental bills, new prescriptions for eyeglasses, cost of same, etc., which nevertheless crop up all too frequently. Furthermore, we cannot afford magazine subscriptions, newspapers, and the like. The budget here given is the result of every possible economization.

We spend nothing that is not absolutely necessary to the maintenance of our family health, or to a minimum regard for future contingencies. To spend less would mean an inroad upon that health, or upon our ability as a family to meet possible emergencies. This seems to us a reasonable attitude in the circumstances in which we find ourselves.

It is clear from these figures that we cannot live on the existing subsistence payment of $90 per month, which is granted to veterans attending school, provided they are married. Incidentally, there is no recognition of the increased expense due to children, be they 1 or 10 in number. Had we not saved some modest sums while I was in the service we would not now be able to meet our expenses. What we shall do when these savings are exhausted I do not know.

There are, of course, two courses of possible action: First, to obtain part-time work while continuing my studies. This presumes that such part-time work is available. As a matter of fact, the type of job where one can work on a haphazard schedule during the week on a temporary basis is indeed rare, and the pay for such work is generally quite low. It presumes further that the adoption of such a schedule would not interfere disastrously with school work. At the present time I spend 16 hours per week in the classroom and a minimum of 2 hours of home or library study for each of these hours, making a total of 48 hours. Assuming I could get part-time work paying $1 per hour, I would have to put in about 15 hours per week to make enough to meet our budget requirements, including extra carfare ex-

pense, etc. This would make 63 hours per week. If the job paid less, more hours would be needed. I doubt that I could put in that many hours per week and be sufficiently alert to obtain from my class work the amount of benefit which the Congress no doubt originally intended should be derived.

The other possibility is to leave school and take a permanent position, hoping to be able to save enough money to return at some later date and go on for a degree. Already, in this very semester, more than 55 veteran students at the University of California alone have taken this course. They have dropped out in the midst of their studies and have gone to work. It is to be doubted that all of them will be able to return later. In any event, such an interruption is highly disruptive and demoralizing.

Mr. HAVENNER, I believe that I speak for the majority of veterans attending school when I say that all we want is an adjustment which will reflect the original intent of the Congress when the GI bill was enacted. It seems to me that intent would be nullified if veteran students either jeopardize their school work by undertaking heavy part-time work schedules, or leave school entirely with the intent of returning later. Furthermore, it is impossible to estimate the number of veterans who are impelled to give up even considering attending school in the first place, because of the inadequacy of the allowances, and who are therefore denied the benefits to which Congress intended that they should have access.

I feel sure that you have already received considerable correspondence along these very lines, and that you are therefore already engaged in an effort to restore the ratio between allowances and living costs which existed at the time the bill was passed, but my wife and I feel that we should add our voice to the many in a corroborative rather than an initiative manner.

Furthermore, while veterans' organizations have also taken up the cudgel in this matter, there is always room, it seems to us, for the affected individuals to send in their stories, too.

Don't Tamper With Coal

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. VAN ZANDT. Mr. Speaker, recently Acting Secretary of the Interior Chapman asked the House Banking and Currency Committee for quick congressional authority for rationing and price controls on coal, oil, and gasoline if a serious shortage develops.

If Congress wants to hamper coal production, all that is necessary is to restore governmental control of the coal industry.

Production in the coal fields today is nearing a new high and according to those who operate the industry and dig the coal, the supply is adequate to meet the demands at home and abroad.

The United Mine Workers of America represent the men who dig the coal. As an organization, they oppose governmental controls of the coal industry and, in so doing, echo the sentiments of thousands of coal miners in Blair, Centre, and Clearfield Counties, which comprise my congressional district in Pennsylvania.

According to an editorial appearing in the December 1, 1947, issue of the United Mine Workers Journal, the coal industry can meet the need for coal and increase production 1,500,000 tons weekly if the railroads will provide an adequate car supply. The editorial frankly points out that it is a transportation problem and not an over-all direction of price fixing and distribution that confronts the Nation.

The editorial in the United Mine Workers Journal is timely and is as follows:

DON'T TAMPER WITH COAL

The bureaucrats are licking their chops for one more chance to control coal. The Interior Department has asked Congress for power to impose price controls and rationing of coal. The bureaucrats who will take over will publicly state how they dread the assignment, but secretly they welcome the opportunity to boss coal again with as much mental glee as a gypsy troubador invited to a festival.

Of course, control of oil was included in the request which is allegedly tied to President Truman's anti-inflation program. Both oil and gas will be in short supply. Oil executives admit the oil supply will be below demand by approximately 15 percent.

The Government proposes to fix prices on both oil and coal. Gas prices are fixed by public service commissions and consequently the only controls that could be exercised in the case of gas would be diversion from manufacturing to domestic usage.

Frankly, there is nothing wrong with coal, including profiteering mine prices, that an adequate railroad car supply will not solve, and since the twenty to thirty thousand cars that have been hauling lake coal, plus new car deliveries, will be available for transporting coal to industrial and domestic consumers in the Middle West and East after December 1, there appears to be no conceivable reason except bureaucratic desire for the Government to tamper with the coal industry.

Regardless of the prevailing shortage of certain coals and sizes, there is plenty of substitute coal available to meet every transportation, industrial, and domestic need. In fact, many coal operators are convinced that there will be a softening of prices by February in the steam market if present production rates are maintained.

As of the week ending November 15, with 6 weeks more operating time remaining, the 1947 bituminous output totaled 538,070,000 tons. At present we are maintaining a weekly rate of production from a million to one and one-half million tons higher than was maintained at this time of year in 1944 when record production totaled 620,000,000 tons, which will in all likelihood be equaled this year when consumption is not as great as it was in 1944.

Anthracite production is only 6 percent behind 1946, the decrease being due entirely to the refusal of anthracite consumers to buy in the spring and the conversion from anthracite to oil burners. Now that oil cannot be provided for the burners installed in furnaces that previously used anthracite, the domestic consumer victims of the "go-getter" oil salesmen are demanding anthracite coal for reconversion from oil back to anthracite.

Analyzing the situation carefully, we think there is more than meets the eye in the bureaucratic request for control of coal. The Government won't be able to roll back prices. Many operators recognize this fact. Consequently there are some antiunion-minded operators who view the situation as water on their wheel. They figure that the Government take over can be continued beyond the next period of bituminous wage negotiations and consequently they can have the Government front for them when wage negotiations start. This type of operator is willing to undergo any bureaucratic dictation that gives promise of stopping the progress of the UMWA and creates an over-all control by which he can chisel and take away from the coal miners the rights and privileges that coal miners now enjoy.

We think President Truman is being grossly misled by the bureaucratic advice given him as regards coal.

The widespread complaints being registered by the public and echoed by thinking operators, wholesalers, and retailers are primarily aimed at the unwarranted export of choice metallurgical and domestic coals to foreign lands.

The Journal has received letters telling the results of lodge meetings in condemnation of the program, from business organizations, from coal operators, from wholesalers, retailers, and the public at large, and these complaints plainly state that they have had enough of giving preference of select coals gratis to foreign countries.

And like the public, the coal miners have had enough—in fact too much of Government meddling in coal affairs and we want no more of it.

The coal industry can make good every domestic, industrial, and transportation coal need if the railroads will provide an adequate car supply, and this can be done to increase production 1,500,000 tons per week. So it is a transportation problem and not an over-all direction of price fixing and distribution that confronts the Nation.

If the bureaucrats seeking to tamper with coal, which will certainly backfire on Truman if he permits coal to again became a bureaucratic play toy, possess the mental qualifications to supervise production and distribution, then God knows they should be drafted for the more serious Government tasks ahead such as the purchasing and export of food and other materials to meet the requirements of foreign relief that are involved under our uncharted spending of the taxpayers' money.

The Despoilers on the March

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. LEMKE. Mr. Speaker, recently you have heard a lot about Alaska. You have heard from the would-be despoilers, who would like to keep Alaska in the status quo so they can denude and loot it. The truth is that Alaska must be settled with Americans if it is ever to be developed.

My answer to those who oppose the enlarged homesteads for veterans, under the Lemke-Peden bill, is that they are either ignorant of the facts, or servants of a few would-be pulp and lumber barons. These tools are misrepresenting the Lemke-Peden bill and continue to do so in magazine articles and elsewhere.

However, they will not get away with it. Alaska is going to be settled and the veterans are going to be given some consideration. The 21,000,000 acres of virgin timber is not going to be leased to a

few timber-pulp barons to slash down. It is going to be given to veterans to be maintained under a sustained forest yield.

The homesteads are going to be large enough to take care of an average family of seven on the American standard of living. Bureaucracy and the pulp grafters are not going to get away with another Tea Pot Dome scandal. The veterans have first claim on Alaska in the way of enlarged homesteads. The Lemke-Peden bill does not deny the right to anyone else to take a homestead, but his homestead will be subject to the present homestead laws unless he is a veteran. What we need in Alaska are the defenders of our Nation, not the despoilers and would-be denuders.

Below you will find an article by a real settler in Alaska. You will note how these settlers have been hindered by the creation of useless parks and national monuments. The Lemke-Peden bill respects all these existing parks and monuments, but there may be some that later on should be abolished if they serve no park purpose or have no scenic value to offer as a park.

Here is the article by a real American Alaskan:

THE BATTLE FOR GUSTAVUS

(By Charles Lincoln Parker, Sr.)

At Gustavus, the most beautiful and virgin wealthy land in the North American Continent, we have everything, yet we have nothing. How is that possible? you may ask. My answer is lack of cooperation and man-made obstacles. But this is ahead of my story of oppression and hardship which a family of real pioneers has had to experience in the conquest of our last frontier—Alaska.

Let's go back to the days our family, the Parkers, first arrived in Alaska. Father Parker joined the gold rush in 1897. Seeing an opportunity to aid the gold-mad stampeders, he stopped for a spell at Lake Linderman, which is on the Canadian side of the Chilkoot Pass. There he established a halfway house, to feed and shelter the gold-seekers as they came musking in with their supplies over the Chilkoot Trail.

Our mother at Portland, Oreg., with her three little children, Eunice, May, and myself, wished to be with our father, so bundling up her tiny tots, set sail from Seattle on the steamer *Alki*. This ship was loaded to the guards with supplies and gold seekers. What courage you will say, the bravest of the brave. Our mother, a lady always sheltered from the rough side of life, had to experience such a voyage to join her husband and our father. Her very courage protected her like a cloak and these rugged stampeders treated mother like an angel, which she will always be to her loving children.

The steamer *Alki* landed at Skagway July 15, 1898. From there we went to Dyea with our father, who was now with us. Everything at Dyea was in a turmoil; shelter was hard to get; so mother and father decided to take us tiny tots over the Chilkoot Trail, to our halfway house at Lake Linderman. We were to stay there until suitable shelter could be provided at Dyea, for mother and us little ones.

The next morning we started out. The strongest packers, the French Canadians, volunteered to pack us tiny stampeders over the rugged and perilous trail. What a procession we must have formed. I was but 11 months old at that time, so extra care must be taken of me. The great and powerful riverman, Gene La Rose, later my father's partner, bundled me on his broad back and led the way into that rugged and unknown country. I traveled like a king in search of an empire to conquer. Mother was helped along the trail by father and at times had to be carried over the hardest going, but without a protest. She was happy to be with our father and the little family together again. What an example of indomitable courage.

Later on we moved to Atlin, B. C., where our father had a placer claim on Spruce Creek. While there two more children were born, Albert and Leslie. The going was rugged for all of us. Food for tiny tots was very scarce, but we tightened our belts and didn't complain. As always, Mother was cheerful and doing all in her power for her little ones.

About 1905 we moved to Skagway, Alaska, where our baby brother Glen was born. Father was operating a sawmill at Winton, British Columbia; and with his partner, Gene La Rose, was shooting the Whitehorse Rapids with rafts of lumber for Whitehorse and other camps down the Yukon River. After Gene La Rose was lost in these rapids, father abandoned the sawmill at Winton and moved permanently into Alaska.

Now we will skip a few years and arrive at the spring of 1917. Our family had been tempered like the finest steel in frontier life. What would be more natural than for us to take homestead land in this frontier country? After looking over various locations we decided to locate at Gustavus Land, the beautiful level land at the northern headwaters of the inland passage and at the panhandle of Alaska. Little did we know then of the opposition we would encounter in carving out a home and future in this natural frontier country.

We arrived at Gustavus early in June 1917, set up our tents and went to work, prepared a garden and built permanent shelter. Being we were at war, I left later that summer and joined the Marines. In 2 years I returned from service and found our family had accomplished a good deal in permanent buildings and were very optimistic about the future. Why shouldn't we be optimistic about the land at Gustavus? Here for future settlement we had 100,000 acres of grazing and agriculture land. Most of the land was as level as a floor with huge, open meadows of joint grass, fine all-the-year-round feed for cattle except when it snowed heavy and buried the 2-foot joint grass. We even talked about having regular, dependable mail-boat service and small-boat harbor and docking facilities for large ships, schools, churches, stores, and other facilities when this fine land was known and located by others. We dug in and built a sawmill, barns, miles of fences and began to raise cattle in earnest. All four boys and sister May took up their own homesteads beside the home ranch of father's. This was all done without any financial aid.

Then came the time when the pressure was put on us. The bear were killing our cattle and destroying our actual livelihood. When we applied for assistance to rid the country of bear, a bear reserve was established with an imaginary line just north of our patented homesteads. This same land had been open for homesteading previously. It was impossible under the circumstances to range cattle any more. What few homesteaders had joined our settlement were disheartened and most of them left. They had actually patented their land and still had no road from their homestead to the small-boat dock east of Salmon River.

In 1939 all of the unpatented land at Gustavus was taken over by the Glacier Bay National Monument. This destroyed our only chance of making a settlement and having schools, etc., and left us an isolated few. Is it fair to reserve land that was open to settlement and rob the homesteaders that have patented their land of a settlement?

In the spring of 1941 I decided something must be done to turn the eyes of the Nation on the situation that had developed at Gustavus. As Gustavus was a natural site for a great air base, I went to Anchorage and contacted my loyal friend, the late Gen. Simon Bolivar Buckner, Jr. He was the greatest general of all time, the man who saved Alaska when the enemy was heading for the mainland and Gustavus in 1942. I pointed out to General Buckner the fine weather conditions at Gustavus and the huge area of flat land in a country as mountainous as southeastern Alaska. Also that I had built an emergency landing field here, that had taken me 10 years to complete in my spare time and that a number of planes had used my landing field in emergency already. After an examination of this site, General Buckner ordered this field to be built, and I proudly maintain that this is the finest airfield in the North.

The situation here today is enough to discourage an iron man. The one hundred thousand acres of agriculture and grazing land surrounding our 2,000 acres of patented land is reserved in the Glacier Bay National Monument, Bear Reserve, and Military Reservation. The small-boat dock is rotting down and is unsafe to use; we have no small-boat harbor, school, stores, church, or other facilities that make a community, but the little band of pioneers carries on. This struggle has lasted for 30 years. If we fail how can Alaska be settled? What chance for statehood in Alaska if the settlers are driven out?

We have made one more bid for freedom from this man-made oppression, that is, a small-boat harbor. At Salmon River in the heart of the airport and our patented land, we wish to have a small-boat harbor built. We can then ship quick frozen fish by plane direct to the fish-hungry Midwest. Also, on our 2,000 acres of patented land, we can lay out a city and invite fishermen and other homebuilders to establish their homes here. We can also ship by plane our delicious strawberries and countless other Alaskan farm products to the States. When people move to Gustavus, we can then open up our rich mineral deposits in this region and utilize our forests and other natural resources that are in abundance in this virgin country.

When people settle here and see all this fine land for agriculture and stockraising, the high snow-clad mountains surrounding this great level country like a gigantic, rugged wall, the sunlight changing the tinting on these peaks from pink to gold, they will gasp in amazement at such magnificent natural beauty. They will make their homes here permanently and thank our little band of pioneers who have blazed the way to a great empire, Alaska.

Peace With Preparedness

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. LARCADE. Mr. Speaker, under previous authority granted me to extend my remarks in the RECORD, I wish to include a copy of an editorial by Hon. William Randolph Hearst, published in the Hearst newspapers, April 6, 1935, and which at this time I believe to be just as sound and patriotic as it was when the same was published more than 12 years ago.

The editorial is submitted below:

PEACE WITH PREPAREDNESS

(From an editorial by William Randolph Hearst published in the Hearst newspapers, April 6, 1935)

The duty of our Government is to keep America out of war, and to keep war out of America.

The second part of our duty is as important as the first part.

We must keep the ravages of war out of our own land.

We must be prepared to protect our country and our people.

We must have an army and a navy and an air force to defend our people from attack.

Every intelligent citizen knows that we want military forces for defense, not for aggression.

We want them to preserve peace, not to make war.

And it is as much the duty of Government to protect its people from the assaults of enemies from without as it is to protect them from dangers from within.

The primary obligation of good government is to insure conditions of peace to its people, protection from danger and disturbance, so that they may spend their lives, enjoy their liberties and prosecute their occupations in safety and security.

The motto of America should be: Millions for defense but not one cent for oppression and aggression.

W. R. HEARST.

The One Who Told Us

EXTENSION OF REMARKS
OF
HON. CARL ALBERT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, November 18, 1947

Mr. ALBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Daily Oklahoman, Oklahoma City, Okla., of November 3, 1947:

THE ONE WHO TOLD US

Possibly columnist Alsop is right in saying that sky-high prices give such price restrictionists as Chester Bowles and Paul Porter abundant reason for saying, "I told you so." Certainly those worthies did say forewarningly that bounding prices would follow the termination of all price controls.

But it would seem that if anybody has warrant for saying, "I told you so," it is Bernard Baruch positively, and Representatives Mike Monroney and Albert Gore possibly. When war first began to stimulate prices and shove them upward, Baruch came forth with his plan to freeze all prices and all wages at the prewar level. He warned the Government most solemnly that if all prices were not frozen it would be futile to freeze just a few. At the same time MONRONEY and GORE were warning the Congress that any system that failed to control all prices and wages would soon wreck itself.

In Canada, where the pattern outlined by Bernard Baruch was followed substantially, comparatively little trouble with booming prices and inflation was encountered. But for reasons which appeared sufficient to our Government it refused to accept the Baruch plan. It sought to restrict the prices of certain commodities while allowing most prices to play a game of deuces wild. Of course, failure came from that bifurcated policy, because nothing but failure could come from it. If anybody is tempted to say, "I told you so," that privilege goes first of all to Bernard Baruch, Mike Monroney, and Albert Gore. For they actually told us, and they told us first of all.

Sea Power and Security

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. RIVERS. Mr. Speaker, sea power is an indispensable adjunct to the security of this Nation. Until planes yet beyond the vision of man are constructed, the Navy will have to protect American ships and protect our shore line.

The versatility of the Navy's missions in the Pacific in the recent war should be known to every American. Its achievements read like a story book.

So well has her part in World War II been pointed out, I am privileged today to place in the Appendix of the RECORD an address entitled "Sea Power and Security" delivered on the occasion of Navy Day at Charleston, S. C., before the Propeller Club of the United States, Port of Charleston, by a distinguished Marine colonel, Col. J. H. Fellows, who saw activity in both wars and knows whereof he speaks.

The address is as follows:

It is indeed a privilege to be here this evening, and I am especially flattered that the occasion of my presence is the observance of Navy Day.

On the chance that to some of you it may seem strange that a marine should be addressing your organization on this occasion, permit me to remind you that the Marine Corps is an integral component of the Navy and the only essential difference between marines and Navy men is the uniform.

Twenty-five years ago, in 1922, World War I had been over for 4 years and everyone was enjoying a feeling of safety in the belief that there would probably be no more wars. So why should they continue to pay taxes for armed forces? Why not reduce the Navy and the Army? Why pay for fire insurance if there was no danger of fire?

And so representatives of the family of nations met in Washington and agreed upon limitations in the size of their navies as a step to a warless world. The United States thereupon sank or broke up a large number of naval vessels as its part of the agreement, and thus brought this Nation eventually to such a state of military weakness that our influence in world affairs became too ineffectual to prevent the very catastrophe that the disarmament program had sought to avoid.

Today, therefore, we once again find ourselves in a postwar era following a Second World War. A war that a quarter of a century ago was naively thought to never again be possible.

But this time there is a difference in the general outlook, for in spite of a successful conclusion of the greatest conflict in the history of the world, the road to the type of peace for which we fought is beset by difficulties and distrust.

World War II was concluded only 2 years ago, but today the word "war" appears in editorial usage with almost equal frequency to the term "peace."

Even so, it is apparent that the inevitable reaction following every great war effort has again promoted a tendency toward a generally apathetic outlook with regard to our national security.

Our possession of the atomic bomb, and talk of rocket propulsion, guided missiles, and of other new devises and weapons, have stimulated this apathy by promoting an entirely false sense of security in the minds of a large part of our population. It has even been said that push-button warfare is here, and there is no further need of maintaining existing military forces.

After the amazing scientific and mechanical developments which have emerged from this latest war, I am sure no one will ever again decry the wizardry of Buck Rogers. But let us not be led into the realms of fantasy.

Admittedly, our thinking must be progressive, but what is even more important, it must be realistic and we should remember the disarmament conference of 1922.

It is true that guided missiles are in existence, but research and developments in these weapons have barely scratched the surface of their possibilities.

The atomic bomb, although the most devastatingly destructive weapon yet developed by men, is still a bomb. Like other bombs, it requires land-based or carrier-based airplanes to deliver it.

At Bikini, the atomic bomb sank or damaged a number of ships and killed animals inside of ships for some distance from the area directly under and over the bomb explosions, and was found to be unquestionably an effective weapon against ships that are close together and against naval bases. But, the tests also led to the conclusion that navies will still be needed and that the bomb has not made them obsolete, though it may result in changes in the design of ships and in the methods of naval operation.

The discovery of the atomic bomb, and the development of guided missiles, will undoubtedly bring some important changes in all armed forces and in design of their tools of war. But modern wars are not won alone by a single type of weapon, or exclusively by air action, or by naval action, or the sole action of some other type of armed force. Armies do not exist solely to fight armies or fleets to fight fleets. There was no Japanese fleet at Okinawa, yet the capture of Okinawa by Army and Marine Corps forces would not have been possible were it not for the physical presence and support of American naval forces, which alone suffered 16,000 casualties in the operation.

Modern war is waged by the combined action of sea, land, air, diplomatic, and economic effort. For example, the airplane, as employed by the United States Navy in the war against Japan, was an integral element of our sea power and supplemented the mobility of the ship to produce flexible and mobile concentrations of power of our fast carrier forces.

In the Battle of Midway, in 1942, these forces destroyed nearly half of Japan's carrier-based air strength, which enabled our amphibious forces to establish themselves in Guadalcanal 2 months later, thereby wresting the initiative from the Japanese—an initiative which he never regained.

In the Battle of the Philippine Sea our carrier forces destroyed the last remnants of Japanese naval aviation, thereby materially lessening the naval resistance to the invasion of Iwo Jima and Okinawa.

Aircraft from these fast carrier task forces sank 40 percent of the Japanese Imperial Navy's tonnage, while the Navy as a whole sunk 78 percent of all Japanese ship tonnage lost.

The atomic bomb dropped on Hiroshima undoubtedly decided Japan to surrender when she did, but Japan was not beaten by the atomic bomb. She was beaten because we gained command of the sea, which in modern usage means control of the areas under, above, and on the surface of the seas for one's own use while denying their use

to the enemy. We gained mastery of the sea by destroying her navy and thus were able to strike her with our landing forces and air power wherever we willed. She was beaten because our Navy stopped the flow of seaborne supplies essential to Japanese existence and because of the devastating destruction of American aircraft, particularly the long-range B–29's, operating out of the Islands of Guam, Saipan, and Tinian, in the Marianas group.

But those B–29's, our longest-range aircraft, the plane that finally carried the atomic bomb to Japan, could not effectively bombard Japanese cities from a base further distant than Guam. Guam was not recaptured until the summer of 1944, after 2 years of fighting our way across the Pacific Ocean. Fighting which involved the capture, by amphibious landing forces, of land bases which were essential to the operation of our naval vessels and land-based and carrier-based aircraft. Fighting by naval surface and subsurface forces to insure that the sea lanes to our bases would remain open to the cargo vessels transporting the prodigious and continuous flow of gasoline, fuel oil, food, ammunition, weapons, and equipment and supplies of infinite category required by armed forces in combat. Fighting which was successful because during that 2 years we gained command of and thenceforth dominated the sea.

Without our dominating sea power General MacArthur could never have moved into the Philippines; Admiral Nimitz's forces would never have occupied the Marianas Islands and Okinawa, and we would, therefore, have been unable to establish the air bases essential to the effective bombing of Japan.

In short, no decisive action would have been possible had not our sea power been such as to insure this mastery, and had we not been able, with our merchant vessels, to transport the millions of tons of supplies essential to the support of the operating forces.

And so it was sea power, which implies a balanced and integrated force of ships, aircraft, submarines, and amphibious forces with their foot soldiers who must invariably put the seal on final victory, which gave us command of the sea and the ability to move our ground forces and supplies to strike the enemy when and where it was desired and so defeat the Japanese.

The defeat of Germany was due in part to her ignorance of the use of sea power, an ignorance ranking high in the list of fatal strategic, political, and psychological miscalculations of her leaders. She was beaten because England refused to admit defeat; and because Hitler, on breaking through to the English Channel, was not prepared to launch an amphibious invasion of England with ground forces. And later it was too late for a successful Channel crossing because, with their dominating sea power, control of the Atlantic Ocean passed to the British and American Navies. And the United States could then pour the full weight of its men and resources across the Atlantic to supply Russia and Great Britain, too.

The United States is, strategically speaking, an island as is Japan and Great Britain. An island nation cannot be attacked, nor can it carry war to an enemy without crossing an ocean. But some people believe that even if wars cannot be abolished, they will be won by transoceanic bombardment with great masses of guided missiles, and by transporting, completely by air, invading armies, and millions of tons of materials to keep them supplied. Perhaps that day will come, but it is not here yet.

Even if the United States could be bombarded by transpolar missiles or by air attack, a decisive conclusion can only be obtained by ultimate assault in force and by the invasion and occupation by foot soldiers. Until aircraft are developed which can operate at will regardless of weather conditions, and can be built in such numbers that they can transport whole divisions of troops, land them at will, and maintain an unbroken flow, in overwhelming quantity, of troop replacements, equipment, munitions, and supplies, the sea will be the principal medium of transport to either ourselves or our enemies.

For example, in 1942 the problem arose of moving 100,000 long tons of war materials per month under war conditions from San Francisco to Australia, approximately 6,500 nautical miles. This was only a fraction of the tonnage moved monthly as the war progressed, but for this task it was determined that forty-four 10,000-ton cargo ships would be required, with 3,200 men to man them and 165,000 barrels of fuel oil for their operation.

On the other hand, to move this tonnage by air would have taken ten thousand 4-engined airplanes and 120,000 highly trained specialists to operate and maintain them, 9,000,000 gallons of gasoline would have been required to keep them flying, and a total of 89 tankers would have been necessary to furnish the gasoline, most of which would require hauling to successive island base fueling stops across the Pacific.

In conclusion, then, the United States must, in an emergency, be able to control those waters which are essential to our hemispheric security with whatever weapons are most effective. World War II has made it clear that oceans are not truly effective barriers and that the security of our coasts and country demands a strong, properly balanced Navy as well as an adequate ground Army and Air Force.

History has shown that in the intervals between our wars there is a tendency to forget the need for a strong Navy, but this time the American people must heed the lessons they have learned at so great a cost. They must not forget that history has also shown that the victorious nation is the nation with a sea power capable of insuring mastery of the sea.

I Speak for Democracy

EXTENSION OF REMARKS
OF

HON. J. GLENN BEALL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. BEALL. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include the speech of Donald McCoy, a student at Fort Hill High School, Cumberland, Md., entitled "I Speak for Democracy." I think this young man very ably expresses what a great many of us personally feel, and I am delighted that he won the oratory contest sponsored by the Junior Chamber of Commerce of Cumberland.

I SPEAK FOR DEMOCRACY

I am the youth of America, and I speak for democracy. Why does democracy mean so much to me? Well, maybe it is because I've been brought up under the Constitution and the Bill of Rights. Or, maybe it is because I want to be able to look into the future and see happiness and security. When you say democracy most people think of laws and government, and I suppose they are right, but to me democracy means something more. To me, democracy is reading the books I want to read and thinking the thoughts I want to think. It is a mother's love and ambition for her son; it is a little boy kneeling in church giving thanks for the God-given goodness of the world he sees around him; it is a mind without fear, a faith in fundamental human rights, and the dignity and worth of the human person; it is the equal rights of men and women and of nations, large and small; it is social progress and better standards of life in greater freedom; it is the practice of understanding and living together as good neighbors. Democracy is humanity echoing the words of the inspired Walt Whitman:

"Comrade, I give you my hand,

"I give you my love, more precious than money;

"I give you myself before preaching or law."

I find democracy in many places. I find it in the tune the paper boy whistles as he tosses the paper on the porch. I find it in the little girl on the corner chewing bubble gum and in the clear call of the school bell; in the inquiring mind of youth; in the cheering football stadium; in the roar of the printing press; and the conviction of the radio commentator. I find it in the voice of the ballot, in the factory whistle, in the contribution of the scientist and artist, the dreamer and the scholar. I find democracy in the mingling of all races, in the deliberation of the lawmaker, and at the table of the United Nations. I find democracy in the inspiration I get when I stand and sing the Star Spangled Banner.

Yes, I speak for democracy—that noble heritage won with a sword of courage, stained with the blood of our patriots, and cleansed with the tears of their loved ones. I'd like to pass this heritage on to the next generation not tarnished but made brighter with careful use; not diminished but made even greater by its extension to all people everywhere, for democracy is the hope of the world.

I must be careful how I use my democracy. I must guard against its abuse and be ever alert lest some force try to snatch my democratic way of life from me. My best guarantee is to see always that I preserve for you and me and all men everywhere human rights—that I perform my obligations; that I share and build and understand and live in such a way that brotherhood is a living reality.

Oh, they can try me with other ideologies; they can eulogize communism and glorify fascism, but I'll stand firm. They can have their monarchies and their socialism and all the other isms, but when they say democracy I'll lift up my head and say that's my way of life you're talking about—that's for me.

Always I'll keep alive in my heart that great symbol of democracy, the tall lady who stands in New York Harbor, holds high a torch and proclaims to the world the shining generosity of a democratic Nation with the words:

"Give me your tired, your poor, your huddled masses yearning to breathe free;
The wretched refuse of your teeming shore.
Send these the homeless, tempest tossed to me.
I lift my lamp beside the golden door."

And so I shall, with my countrymen, seek always to "Measure out new liberties so none shall suffer for his father's color or the credo of his choice;

"To post proofs that brotherhood is not so wild a dream as those who profit by postponing it pretend;

"To sit at the treaty table and convoy the hopes of little peoples through unexpected straits;

"And to press into the final seal a sign that peace will come for longer than posterity can see ahead;

"That man unto his fellowman shall be a friend forever."

In this manner shall I speak for democracy—with my words, my heart, and my every action.

DONALD MCCOY,
Fort Hill High School,
Cumberland, Md.

Promise and Performance, the Eightieth Congress

EXTENSION OF REMARKS
OF

HON. CHARLES A. PLUMLEY
OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. PLUMLEY. Mr. Speaker, on the 13th day of August last, I addressed a group of several hundred Vermonters on The Green at Danville, Vt. Under leave heretofore granted, I am inserting in the RECORD a verbatim copy of the speech I then and there delivered. I named it Promise and Performance, and here is what I said:

PROMISE AND PERFORMANCE, THE EIGHTIETH CONGRESS

Having talked with the people of Vermont as their commissioner of taxes for 6 years, as speaker of the Vermont House for 3 years, as president of Norwich University for 14 years, and as their Representative for 14 years in Congress, I submit it is not my fault if they do not know what I think and where I stand.

Seven times my record in Congress has been reviewed and examined by the voters, who, to the tune of some over 80,000, have approved my record. I am humbled by the responsibility incident to such an endorsement.

Obviously, I cannot expect to satisfy all the voters all the time, for I still entertain the opinion so well expressed by Edmund Burke long ago when he said:

"Certainly, gentlemen, it ought to be the happiness and glory of a representative, to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs, and above all, ever, and in all cases, to prefer their interests to his own. But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrific to you; to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the Constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."

THE EIGHTIETH CONGRESS

The first session of the Eightieth Congress has been hectic and historic. As the third ranking member of the Committee on Appropriations I have been forced to devote a considerable portion of my time and attention to the fiscal affairs of the Government. We were unable to attain the savings we sought by reason of Presidential opposition to cuts we tried to make and lack of cooperation on the part of the Executive with the legislative branch of the Government insofar as matters pertaining to our domestic economy were involved.

Yet we made a very good start. The direct savings upon budget estimates from reductions amounted to nearly $3,000,000,000 and the recissions effected totaled over a billion and half more. The Appropriations Committee figures show without any possible successful contradiction that by reason of what the Congress accomplished the country and the Treasury are $4,423,000,000 better off than they would have been had we followed the estimates submitted by the President of the United States. Four billions and a half of dollars saved to the taxpayers is something to talk about when you recall what we were up against.

I should point out the fact that our first task was to put into operation the Reorganization Act, which I helped to draw and which was adopted by the Seventy-ninth Congress. This involved the reorganization of 47 committees and their reduction into 19 major standing committees. Seventy-four Republican Members and 30 Democratic Members were now elected in November 1946. This reorganization was some job and it took us over 6 weeks to get the machine into gear, which was a very short time when you stop to consider the amount of work which was necessitated.

Then we were confronted with the responsibility of transferring from a wartime to a peacetime economy. We avoided the chactic conditions which have followed previous wars. Employment set a reasonably high record, national revenues were increased, reductions in expenditures accomplished. We have commenced to restore the Nation to a proper peacetime economy. We will not be able to finish the job but we will make an increasingly noticeable effort in the second session.

TAFT-HARTLEY LAW

I suppose that the labor legislation attracted as much attention as anything which was enacted. In my judgment the President made a great mistake from the standpoint of the people in vetoing the legislation which veto I was glad to vote to override. Many efforts on the part of those opposed to any labor legislation were made to mislead the rank and file and to misinform the public. The men and women who work should make it their business to understand the purpose of the law in order that they may know what their rights are. A man looking for a job cannot hereafter be denied a job because he does not belong to a particular labor union. A worker cannot be fired on union orders unless he fails to pay his union dues and he can express his views with reference to the leaders of the union, urge other members to get out of it and go set up a rival union if he desires to, and in doing all these things he will have freedom of action and his Government will protect him. Of course, the union has to make a report of its financial affairs and methods of doing business, which provision was very unsatisfactory to some labor racketeers, and it also has to file a copy of its constitution and bylaws and make a report containing complete information as to salaries of its officers. This information is just as valuable to the workers as it is to the public.

No longer may a worker be assessed for political activities, and a worker cannot be fired for failure to participate. So soon as the public and the workers understand the provisions of the law, the quicker it will be recognized that there is nothing in the law which destroys labor unions, is against a responsible labor union, but it does make sure and certain that a clamoring minority may not pull off a strike without consulting the proper authorities. This security will be appreciated by the wives and families of workingmen and by the public generally.

TAXES

Then perhaps the second matter which attracted the attention of the public was the question of reduction of taxes. The Eightieth Congress tried continuously to have a new tax law enacted which would reduce personal income taxes. The House of Representatives and the Senate passed such laws twice, only to have them vetoed. The House overruled the veto on the second tax law, but there were not enough votes in the Senate to override the veto in that body. It is easy enough to criticize a program, but it is not easy to substitute a system which will be any more acceptable. In my judgment, the plan which was submitted was reasonable and should have been carried out. It would have saved a lot of people in all walks of life a lot of money by the saving in taxes which it afforded, and it would have exempted a large number of people from the payment of any tax. Despite what anybody may tell you to the contrary, it is my well-considered judgment that the tax cut was feasible. The estimated revenue for 1948 will be $41,000,000,000 plus. The expenditures as estimated will reach $34,500,000,000, which would leave a budget surplus of better than $6,500,000,000.

Now this tax cut of $4,000,000,000 for the calendar year 1948 would have reduced the revenues by only $2,000,000,000, which would have left $4,000,000,000 with which to retire the debt or to cut taxes, so I do not see how anyone can question the ability of the Government to make such a tax cut nor the feasibility of the law which Congress twice enacted.

POLITICS OR TAXES

Everybody knows that the President played politics with the tax question. He might have known better but he followed poor advice. It is practically certain that he has learned his lesson and it is just as certain he will not continue to adhere to the policy of no tax reduction in 1948. Neither will he try to make any attempt to curtail the budget of expenditures. The man who tries to straddle a fence is liable to get chafed.

The tax bills he killed were for temporary relief of the low-income taxpayers and for the encouragement and stabilization of industry to the end that production might be expedited. The encouragement which would have been afforded business by the enactment of an interim tax-reduction bill this year has been lost, as have also the benefits from increased business volume which usually follow tax reduction.

Having predicated his vetoes upon a concern for the low-bracket taxpayers, the President is committed to a policy of tax reduction by which the personal exemptions will be substantially increased. If this is to be brought about he must realize that the budget demands must be very substantially decreased. It is absolute folly to demand that fifteen to twenty million taxpayers shall be relieved of paying taxes and at the same time demand revenues to cover budget estimates in the thirty billions, despite a continuance of our present inflated national income. Either way you look at it, the President and those who support his position with respect to no tax reduction have "a bear by the tail."

In order that Vermonters may have the situation brought home to them as individual taxpayers in the several counties let me say that failure of enactment of the tax-reduction bill will cost Vermonters some $5,177,000. If the tax-reduction bill sponsored by the Republican majority in the House had passed it would have saved the common, ordinary, small taxpayer of the Nation about one-third of his next tax bill.

About $5,177,000 would have been saved the 138,553 Vermonters who it is expected will be paying a Federal income tax in 1948. Right here in Caledonia County the savings would have amounted to something like $284,000. And it takes a lot of milk checks to make up that amount of money; money which must come right out of the pockets of the small Federal taxpayer.

I received a large number of letters from Vermonters commending me for my vote in favor of this measure both times it was before the House, and for my vote to override the President's veto. Those Vermonters who wrote me not only complained of the heavy tax burden on them as individuals but agreed with me that it was time for substantial tax relief.

I think it will interest Vermonters generally to know just what it would have meant to them in tax savings, by counties, had this measure been enacted. A table based on tentative data indicates there would have been saved to Addison County taxpayers about $125,000; to Bennington County taxpayers a saving of $440,000; to Caledonia County taxpayers a saving of $284,000; to Chittenden County taxpayers a saving of $1,094,000; to Essex County taxpayers a saving of $40,000; to Franklin County taxpayers a saving of some $219,000; to Grand Isle County taxpayers there would have been a saving of some $21,000; to Lamoille County taxpayers a saving of $134,000; to Orange County taxpayers a saving of $58,000; to Orleans County taxpayers a saving of some $241,000; to Rutland County taxpayers a saving of some $747,000; to Washington County taxpayers a saving of about $340,000; to Windsor County taxpayers there would have been a saving of some $523,000; and to Windham County taxpayers a saving of some $410,000; or a total saving in Vermont of some $5,177,000. Moreover, as an individual on the basis of my experiences in tax affairs, I venture the assertion that there could be many more dollars applied to reduction of the debt, and a much larger reduction of taxes in the lower brackets accomplished, if the Administration would not persist in its reckless, wanton spending in order to play politics, pure, simple, and defiled.

AGRICULTURE

My place as second on the Agriculture Subcommittee of Appropriations for Agriculture is unique in that I am the only Representative on that committee east of the Mississippi, north of the Mason and Dixon's line. And again it is understood I represent the small farmers of the Nation as against those who come from areas where a thousand acre farm is small.

The farmers of Vermont ought to realize by this time that the Department of Agriculture is out to socialize and to federalize agriculture, to consolidate farms, and to put the small farmer out of business. The Department is for its own expansion, consolidation of farms, and control of the farmer. I am opposed to such regimentation and against the program of socialization.

We did pretty well by agriculture despite all you have heard to the contrary from the mouths of those who still go along with the New Deal program of socialization "to spend and spend and spend in order to elect and to reelect."

We left the Extension Service intact without a reduction. We made no reductions with respect to Forest Service as to items where there seemed to be justification for the requests for money, such as forest fire and farm forestry cooperation. Nor did we reduce appropriations for many of the field and research functions which the Forestry Service pursues.

Everywhere we could put our finger on duplication we cut it out but only commenced on that program awaiting further reports from our investigators who are now in the field. We cut the Bureau of Agricultural Economics because of the apparent duplication of effort therein, but appropriated a sufficient sum for special research involving all types of agricultural problems here and in Alaska.

We carried and approved the budget estimate for experiment stations, while we gave the Bureau of Dairy Industry and of Plant Industry all they asked, as I remember it. At any rate we gave them all they need.

We approved $38,000,000 for soil-conservation service which probably is more than can be used wisely, while we restored $750,000 for soil-conservation research to develop sound soil-conservation action in the field.

So far as the school-lunch problem is concerned we appropriated around $75,000,000 for it, but our report in that connection deserves to be called to your attention. We said: "The conferees on the part of both the House and the Senate have agreed to direct attention to the fact that in the consideration of funds for the school-lunch program they have emphasized that it is essentially a local program and that the States have not done their full share in complying with the spirit of the matching provisions contained in the National School Lunch Act. The conferees of both Houses have also agreed to direct attention to the fact that it has been repeatedly asserted that many State legislatures have adjourned without taking action to provide funds in the nature of contributions to the school-lunch program. The conferees on the part of both Houses desire to make it abundantly clear, therefore, that in connection with a reexamination of this matter for the fiscal year 1949, they are now placing the respective States on notice with respect to their obligations under this program and that failure of the State legislatures to act in the premises will have no effect in determining the future requirements of this program."

The Congress was satisfied that the Rural Electrification Administration, which despite what anybody says to the contrary, as a matter of record, has always had more money appropriated for it than it could spend because of shortage of copper and other necessary equipment, had been extravagant and unwise in its management, and it said so in very plain language. And that is not all of the story. That this bureau is in for a very thorough investigation of its personnel and of its management of its affairs is very obvious. The necessary funds for the continuation of the REA program were, however, appropriated while strict accountability for the use of the money will be enforced. Vermont has always been fortunate with respect to those administering REA within its borders. Not so in many areas.

I forgot to say, with respect to soil conservation, that we appropriated $150,000,000 for the program, fiscal year 1948, with a maximum limitation of $500 to any one participant.

And so I might go on, did time permit, to cover the subjects on which we spent 70 days in hearings which were decidedly interesting if not always instructive.

The Appropriations Committee is farmer minded while opposed to the exploitation and socialization of the farmer by the Department of Agriculture, its stooges, its socialistic aiders and abettors, which seeks to build itself up into the most powerful octopus among all the bureaus. The Department has "gone hog wild" in its attempts to expand only to duplicate its own efforts at the expense of all the taxpayers, more especially the farmers whose servant, not whose master, it should be.

If I had time I could talk to you about the liberalization of the civil-service legislation; the action taken by the Congress providing for the voluntary cashing of terminal leave bonds which enables the men who need the money to get it now and save the Government $62,000,000 and over in annual interest. I could talk to you about a lot of things which we did, for we worked hard to carry out the wishes of the American people as expressed in the election of '46. We examined every request for appropriation with care, but savings which we effected were made without jeopardizing national security. We treated all requests for money for research with great liberality. We were exceedingly generous in our contribution made for the welfare of less fortunate countries. We are sending to all points of the globe special committees to explore all manner of things to determine for us wherein we can save the people of the United States money and determine policies which shall be followed in the second session of the Eightieth Congress.

Over the opposition of parlor pinks and leftists and fellow travelers, action was taken which resulted in the elimination of disloyal persons from the Government service by the thousands. The extent to which this type of person had infiltrated responsible official positions is only realized when I tell you that over 1,000 civilians, as a result of the activities of the Congress, were released from positions of confidence in the Army, the Navy, and the State Departments. We intend to see to it that all those of questionable loyalty are sought out and that they are prevented from occupying positions in which they could be of harm to the security of the United States.

Fellow travelers, parlor pinks, Communist sympathizers object to the efforts of anybody to ferret out these people. They complain of the Committee on Un-American Activities and the methods it employs to locate the political termites, who, subversively boring from within under cover of quasi respectability, are among the most dangerous groups to be found and dealt with for our own protection. There are too many of them right here in Vermont.

Today America has become the last great nation of the world which puts her complete faith in a philosophy of freedom, a philosophy which recognizes the inherent rights of every citizen—freedom of speech, freedom of religion, freedom of enterprise.

That philosophy in a century and a half made this country the greatest nation on the face of the earth. That philosophy made America strong enough to win the war. I propose to help to keep it strong.

Many proposals have been advanced under the false label of liberalism, designed to assure all the people in this country a high standard of living, regardless of what the individual does for himself, simply by passing a law. All history should prove to us that such a guaranty to individuals will be paid for eventually in a very precious coin indeed—the coin of individual human freedom. Liberty cannot be legislated.

Communists, parlor pinks, and fellow travelers are alike in their devotion to the proposition that the end justifies the means. To a liberal, on the other hand, the means are as important as the end. Neither can be destructive of individual freedom.

That is why liberals must fight communism and those endorsed by Communists as bitterly as they fight fascism, even though it means being called red baiters. That fight is more difficult because liberals must always defend the very freedoms which Communists abuse to achieve their end, which is the destruction of freedom. It is more difficult because conservatives in the past have too frequently cried, "Communist" simply to defeat liberal and not authoritarian proposals, and consequently many people refuse to believe there is really a wolf there this time. There are wolves in sheep's clothing in Vermont. You don't believe it? Well, it is time you did.

Mr. Tom Clark, Attorney General of the United States (a member of the administration who takes his oath of office seriously), delivered a speech before the Chicago Bar Association. He declared:

"One of the greatest dangers, in my opinion, to civil liberties of our fellow citizens, and one which should be taken literally by all the members of our profession, is the method of communism to shackle democracy by indirection."

Declaring that "no one but a complete crackpot can be deluded by what we see going on today," Mr. Clark said:

"We know that there is a national and international conspiracy to divide our people, to discredit our institutions, and to bring about disrespect for our Government.

"Why should we blind ourselves to obvious facts?"

A lot of leftists do not like me because I am opposed to all the hare-brained theories once buried with Athens and Rome and other ancient republics, undertaken to be resurrected again and foisted upon us now. The men who founded this Republic would have

none of these theories which even as of their time were so long dead as to preclude resurrection.

Vermonters who have a drop of the real blood of their Green Mountain ancestors flowing through their veins are not fooled by the new clothes in which the corpses of dead civilizations march out as substitutes for the principles on which this Union of the States has grown into the mightiest Nation the world has ever known.

I prefer to have history record me as one who recognized the dangers and respected the lessons history teaches than to be written down as one so unwise as to respond to pressure groups whose sole aim is selfish but destructive, no matter how good their misinformed intentions may be. Hell is paved with good intentions, and the history and story of government from its beginning proves how wrong these people are.

I will not tolerate as a private citizen, much less as your Representative, the attempts now being made by quasi Socialists, American Communists, fellow-travelers, parlor-pinks living off what their fathers left them by reason of the opportunity the good old United States afforded them—I will not tolerate their attempts to wreck the greatest governmental experiment in all history attacked subversively, by throwing the dead cats of buried philosophies of government into the machinery which has made possible all you enjoy.

If that be treason, make the most of it.

St. Lawrence Waterway

REMARKS
OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. LARCADE. Mr. Speaker, since 1924 the development of the St. Lawrence River for navigation and power has been a public issue. In one form or another, it has been before Congress on several occasions and each time has failed of approval. Perhaps there has never been a more controversial public-works project in the history of our Nation.

It is difficult, therefore, to talk of it without repetition after nearly a quarter century of controversy, since most of the issues involved have been so thoroughly and exhaustively debated in years gone by.

Mr. Speaker, these are the opening statements contained in an article in opposition to the construction of the proposed St. Lawrence waterway, contributed to the November issue of the Nation's Agriculture, official publication of the American Farm Bureau Federation, by Hon. JOHN H. OVERTON, senior United States Senator from Louisiana, and which article I have requested be printed in full in the Appendix to the RECORD following these remarks.

As a member of the former Rivers and Harbors Committee, now the Public Works Committee of the House of Representatives, I have been greatly interested in the proposal for the building of the St. Lawrence waterway, and in order to be fully informed, I have read much about the project, have followed the committee hearings, and have made every effort to obtain all information possible with respect to the proposed project.

Mr. Speaker, my interest in this project has not been only because of the magnitude of the proposal, but also as to how such a gigantic project would affect the economy of the whole Nation, and especially the balance of the waterway and transportation system of the United States, my district and State. I was particularly interested in this project as I represent the city of Lake Charles, La., which has the second port in Louisiana, handling during the past year more than 10,000,000 tons of cargo. I think the discussion of the subject by Senator OVERTON is most illuminating, and the facts and arguments presented in opposition to the proposal are pertinent and sound.

I am particularly impressed with what Senator OVERTON has to say about the ill effects that the development of the St. Lawrence waterway might have on our American merchant marine.

Prior to World War I, it was our policy to let the ships of other nations carry our foreign commerce on the theory that they could do it more cheaply than we could do it ourselves. But when hostilities began, England and other countries upon which we depended commandeered their merchant vessels for war purposes, leaving us stranded high and dry, and striking a crippling blow at our ocean commerce.

Commodities for export piled up on the docks, in elevators, and in warehouses. Agricultural producers were hit harder than any other group. For example, the cost of shipping cotton from Galveston to Liverpool rose from $2.50 to $50 per bale. The cost of carrying other commodities rose in the same proportion.

Under the stress of absolute necessity we then proceeded to build our own merchant marine, which under wartime conditions cost us about $3,000,000,000, or several times as much as it would have cost under normal conditions. It has been estimated by competent authorities that the losses sustained by agriculture alone because of the lack of shipping facilities during the early years of World War I would have built the kind of merchant marine we then needed so desperately. We do not want a repetition of such an experience. An adequate American merchant marine is indispensable both in peace and in war. Anything that would injure our merchant marine should be shunned as being contrary to the national interest.

Senator OVERTON'S article is as follows:

[From the Nation's Agriculture of November 1947]

ST. LAWRENCE WATERWAY?—NO, SAYS SENATOR JOHN H. OVERTON, OF LOUISIANA

Since 1924 the development of the St. Lawrence River for navigation and power has been a public issue. In one form or another it has been before Congress on several occasions, and each time has failed of approval. Perhaps there has never been a more controversial public works project in the history of our Nation. It is difficult, therefore, to write of it without repetition after nearly a quarter century of controversy, since most of the issues involved have been so thoroughly and exhaustively debated in years gone by.

The St. Lawrence waterway has been presented now to the Congress in a new wrapper, decorated with a gaudy tinsel calculated to resolve opposition and foist this gigantic and, from an economic standpoint, highly dubious project upon a gullible public. This lure and enticement is in the form of a so-called "self-liquidating" provision which would impose a toll upon every ton of traffic moving through the waterway.

SERIOUS THREAT

The toll system can, by its very nature, not only defeat the proclaimed desires of the proponents of the St. Lawrence seaway, but it can eventually nullify all of the benefits which have accrued to the Nation through the development of its rivers and harbors for cheap transportation. The advocates of this proposal, I am sure to a large extent unwittingly, are playing into the hands of the bitterest enemies of waterway development.

For many years those who have been opposed to the development of our rivers and harbors for navigation have asked for legislation which would levy tolls on water commerce.

I could never subscribe to their views because I believe that the great rivers of our country should be open to all on equal terms. They are a natural and national resource which, to my mind, should be fully developed and used for the benefit of the people. To levy tolls for their use would largely nullify their benefit to a huge portion of our population.

TOLL IMPOSITION

Once the St. Lawrence is authorized for development on a toll basis, the proponents of toll imposition on all our waterways will have their "foot in the door." In my estimation, the Congress will be almost immediately engulfed with bills calling for placing of tolls on the Ohio River, the Kanawha River, the upper Mississippi River, the Illinois River, the Missouri River, the lower Mississippi River, and all other streams in our great inland waterway system. Should these efforts be successful, those who advocate the St. Lawrence because of their belief that it will mean cheap transportation for the farmers of the great Midwest will, by their support of the toll feature on the St. Lawrence, have defeated their own purpose. Placing of tolls on the Mississippi River Basin waterways will immediately destroy the freight-rate system in much of the great Midwest, for a measurable increase in the cost of water transportation shows an immediate effect on the volume of goods moved.

ECONOMY OF MOVEMENT

Economy of movement is probably the principal factor in water traffic, since it can seldom compete either in convenience or in rapidity of movement. When the difference in cost of shipment by water and other means of transportation becomes negligible, then shippers, as a general rule, prefer the other means of transportation, because it is quicker and more convenient. Tolls will therefore quickly take much tonnage off of our rivers and eventually dry up river traffic. When our waterways are no longer competitive, then we will see rates by other forms of transportation skyrocket.

It follows that the same farmer who might be helped by the St. Lawrence seaway on the one hand can be destroyed on the other because of the toll feature. It will be irony at its worst.

The addition of the toll cost to the ordinary cost of operating a ship will, at least, absorb that much of the alleged saving to the shipper. The more narrow the margin of cost between shipment via the waterway and the cost via other means, the easier for other forms of transportation to compete with the waterway. It would, therefore, be altogether probable that much traffic which would use the waterway without the toll will, with the imposition of this additional cost, find the St. Lawrence no cheaper than other available forms of transportation. There has

always been serious doubt as to the economic justification of the waterway, even without the toll provision.

The St. Lawrence seaway has never been the object of a regular, thoroughgoing engineering and economic study, such as the Congress requires on all waterway projects, the claims of the proponents that such a study has been made to the contrary notwithstanding.

The established method provides for the direction by the Congress of a preliminary examination and survey of the project by the Army engineers. If the report is favorable, a complete survey and examination is undertaken, first by a District Engineer, then by a Division Engineer who reports his conclusions to the Chief of Engineers.

The Chief of Engineers first sends the report to the Board of Engineers for Rivers and Harbors, which then conducts a hearing on the project.

The Board of Engineers for Rivers and Harbors then submits its report to the Chief of Engineers who, in turn, also studies the entire case and drafts a report which is submitted to the governor or governors of the State or States involved for comment. The Chief of Engineers then submits the entire report to the Congress.

If the examination and survey has been favorable, the proper committee in the Senate or House calls a public hearing. These hearings are exhaustive and frequently extend over a considerable period of time. If the congressional committee then decides that the project is meritorious, appropriate authorization legislation is reported. The project then bears the scrutiny of the entire Congress and, if passed, must go to the President for signature, as does all other legislation.

I insist that the St. Lawrence seaway is in no different category than any other waterway project in the country.

I am well aware of the argument which has been advanced by the proponents that the St. Lawrence seaway is different and that it cannot and should not be considered as our other waterway projects because of its international aspects. That argument collapses of its own weight. The St. Lawrence, except for length, is no different from the St. Marys River, which connects Lake Superior and Lake Huron. It, too, is on the international boundary. The improved project falls within both Canada and the United States. The locks, however, are, as in the case of the project now under consideration, within the United States. But the improvements on the St. Marys River were subjected to the same study and authorization process as were the improvements on the Ohio River, as it should have been.

ENGINEERING REPORT

All the Army engineers have ever been asked for on the St. Lawrence seaway is to determine whether the project was feasible from an engineering standpoint. They have never been consulted on the economics angle. My position is that before the St. Lawrence seaway proceeds any further, the Army engineers should be directed forthwith to make a regular examination and survey of the project, both engineeringly and economically, and determine in the regular way, in the established way, in the proper way, if it is economically justified. Such a study would once and for all remove the question of economics from the picture.

A subcommittee of the Senate Foreign Relations Committee last spring heard witnesses testifying to the vital necessity of the waterway for the future defense of the United States.

From this testimony I could not but be impressed with the fact that there was one aspect of our national defense which would be very seriously crippled if and when the St. Lawrence seaway becomes a reality, namely, our merchant marine. The future of American shipping may well be dealt a crippling, if not fatal, blow by construction of the St. Lawrence channel.

Years ago the principal ship operators in the country were asked for their views. All except 1 of the 32 operators who responded to the inquiry opposed the seaway and stated that in the event the seaway is constructed they would not be able to extend operations to the Great Lakes area.

Since the channel would be only 27 feet, ships drawing more than 24 feet could not use it. American ships, practically all of which have been constructed to much greater drafts, could not operate economically on the route, but many foreign ships could.

The St. Lawrence would open our shipping to the tramp steamers of the world, taking from American bottoms American goods which should be transported on American-flag ships. For many, many years our Government has subsidized our merchant marine to make it competitive with the fleets of other nations, who build ships and man them for a fraction of the cost which a United States operator must pay. Even then an inadequate merchant marine always has been a source of anxiety to our military leaders when they were faced with the problem of defending our country.

Certainly the American seamen who transported fighting men to fronts which covered the globe, and then made it possible for them to stick there by the constant flow of ammunition, food, clothing, equipment, played an extremely vital role in the victory. Without our merchant marine we would never have been able to have maintained ourselves in the dark days of 1942 and 1943.

I think it would be just as unwise for us now to scrap our merchant marine as it would be to say that in these days of rockets and atom bombs, the tank no longer is a practical means of warfare, and we will therefore abandon our armored forces. That would be nonsensical and yet the proponents of the St. Lawrence seaway are asking us to do to the American merchant marine what they would not dare propose for our tank and air forces—cripple and destroy it.

OBJECTIONS

Among the objections offered by the shipline operators was that the seaway would be in use only 7 months per year, since ice conditions would prevent operations during five winter months. They explained that port facilities and offices would have to be maintained the year around, even though cargoes could be handled only 7 months. At the same time, they said, similar facilities would have to be continued at Atlantic ports to provide for traffic during the time the seaway was inoperable.

One operator pointed out that Chicago is only 1,500 miles from the ocean via the Mississippi River system to New Orleans, while the route through the Great Lakes and the St. Lawrence to the ocean would be in excess of 2,200 miles. He expressed the opinion that current freight rates, including the cost of transfer from ship to barge at New Orleans, are cheaper than the ship rate would be from Chicago to the Atlantic by way of the St. Lawrence, since the reduced draft and high insurance rates caused by the rocky canal channels and 15 locks through the St. Lawrence would, along with the distance involved, offset any other considerations.

Now we come to an extremely important question. What assurance does the United States now have that if it enters into this agreement and proceeds to construct its portion of the project, Canada will do likewise, and the St. Lawrence seaway will at any time in the foreseeable future become a reality? I raise this question because it is one we must face. The British Empire has never in its long history faced such an economic crisis as that with which it is now confronted. Can Canada—and will it—discharge its financial responsibility within the Empire and build its portion of the St. Lawrence seaway? I do not propose to know the answer, but it is an answer which should be had before this project should be considered further by the Congress.

Liquor Imports

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, while we see campaigns to save grains by not feeding livestock we witness the use of grains by other countries for liquor. Yes; even when our own breweries and distilleries are asked to close shop.

The following official letter indicates the amount of liquor and beer sent by England and Holland to the United States in 1946:

UNITED STATES TARIFF COMMISSION,
October 2, 1947.

Hon. REID F. MURRAY,
Member of Congress,
Ogdensburg, Wis.

DEAR MR. MURRAY: We have your letter of September 24 in which you ask for information concerning importation of distilled spirits from the United Kingdom and beer from Holland.

In the calendar year 1946 imports of whisky and gin from the United Kingdom totaled 4,373,000 proof gallons. Using a rough conversion equivalent of 4½ proof gallons of spirits per bushel of grain, this represented a total equivalent of grain of about 970,000 bushels. In the fiscal year ended June 30, 1947, the total imports of whisky and gin from the United Kingdom amounted to 5,213,000 proof gallons, representing an equivalent of 1,158,000 bushels of grain.

In the calendar year 1946 imports of malt liquor from the Netherlands amounted to 303,000 gallons. Using a rough equivalent of 1 barrel of 31 gallons of beer representing 1 bushel of grain, this importation was equivalent to about 10,000 bushels of grain. In the fiscal year ended June 30, 1947, imports of malt liquor from the Netherlands amounted to 477,000 gallons, representing a grain equivalent of 15,000 bushels.

If we can supply further information, we shall be happy to do so.

Sincerely yours,

OSCAR B. RYDER,
Chairman.

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C.

PRODUCTION OF BEER AND SCOTCH WHISKY IN GREAT BRITAIN

During the year ending March 31, 1939, a normal prewar production year, there were 24,674,092 bulk barrels of beer produced in Great Britain. Production of beer in bulk barrels totaled 25,759,500 in the year ending July 31, 1946, and 24,523,635 bulk barrels in the year ending July 31, 1947.[1]

Production figures for Scotch whisky in Great Britain are available in rounded numbers. Nineteen hundred and thirty-eight to nineteen hundred and thirty-nine was considered a normal prewar production year, and in that year 29,100,000 proof gallons of Scotch whisky were produced. In

[1] An English barrel is equivalent to 1.394 American barrels.

1944–45, production was about 10,000,000; and in 1945–46 it was about 13,000,000 proof gallons. Production for 1947–48 is estimated at about 16,000,000 to 17,000,000 proof gallons from grain allocations to the industry.[1]

According to the Department of Commerce there is no Scotch whisky produced in Holland; and there have been no figures on beer production since the late 1930's.

Source: Bureau of Foreign and Domestic Commerce, United States Department of Commerce.

Foreign-Aid Bill

EXTENSION OF REMARKS
OF
HON. CHARLES J. KERSTEN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. KERSTEN of Wisconsin. Mr. Speaker, as we approach the problem of foreign aid it is of interest to note the comments of veteran commentators like George E. Ready, such as the following given this morning over Station WOL in Washington. The evaluation of legislative action herein made is not necessarily my own but it provokes considerable thought as we come to consider the momentous questions involved.

The administration's $597,000,000 stopgap bill for aiding Europe, has cleared its first hurdle in championship form. It passed the Senate, by the overwhelming majority of 83 to 6 votes—a margin which leaves no doubt as to the support behind the measure.

However, the bill will now face a far stiffer test. It must go before the House, which seems determined to give it less sympathetic treatment. In fact, the House Foreign Affairs Committee has already voted to cut the measure by a good big chunk.

The Senate legislation would grant all of the $597,000,000 to France, Italy, and Austria. The House committee limited the authorization for these three nations to $530,000,000. However, it provided an additional $60,000,000 for China.

The House Republican leadership has decided against any attempt to bind their followers on a vote. So the debate will be a free-for-all in which anything can happen. There are even some prospects that the figure will be increased.

It is, of course, a virtual certainty that the House will pass some kind of a foreign-aid bill. The real question is just what it will contain and what the final outcome will be after the House and Senate compromise their inevitable differences.

It is generally believed that some figure halfway between the Senate amount and the House amount will ultimately prevail. That is the usual outcome of paliamentary procedure. It is unlikely that either Chamber will agree to the legislation written by the other.

When this session began most observers thought it would afford them a clue to the destiny of the Marshall plan. They reasoned that votes on the stopgap bill would bear some resemblance to the votes on the long-range program.

Already it is apparent that they will be disillusioned if they follow this reasoning through. The stopgap bill will afford no yardstick whatever for evaluating the support of future legislation. Even though it passes the Marshall plan may fail.

This is obvious from conversations with many of the men who will support the interim-aid bill. A large percentage of them say they will reverse themselves in voting on the Marshall plan. Their attitude reflects many considerations.

First of all, they are unwilling to permit America to lose face in foreign affairs by rejecting the President's program. The present session, they point out, was called specifically to consider foreign aid, and they believe steps should be taken in that direction.

Secondly, many of them can comprehend the stopgap measure but are staggered by the sheer size of the Marshall plan. They do not think America can stand the draining away of $20,000,000,000 worth of its resources, even over a 4-year period.

Finally, there are some who believe that if Europe can get through this winter, it is saved. They think that the interim program can accomplish the immediate job. After that, they argue, Europe should be able to get along by itself.

It is still probable that something in the form of the Marshall plan will be approved next spring. But it is likely that it will bear little resemblance to the program advanced by our Secretary of State. He may refuse to claim paternity for the child.

Opposition to the program has been mounting rapidly ever since the President hooked it up with price controls. Whether this opposition can go far enough to tie up the plan with crippling amendments is something that only the future can tell.

[1] The British gallon as a measure for distilled spirits is larger than the American gallon and the proof standard is different, so it is necessary to multiply the British gallon by 1.368 to convert it to an American gallon.

The Irrigator Looks at Erosion

EXTENSION OF REMARKS
OF
HON. ERNEST W. McFARLAND
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Thursday, December 4, 1947

Mr. McFARLAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "The Irrigator Looks at Erosion," delivered by Hon. William E. Warne, Asistant Secretary of the Interior, before the National Reclamation Association, at Phoenix, Ariz., on October 29, 1947. The address points up a problem of great concern to the West, where soil erosion is a menace to the future of successful irrigation. I am glad to see the Department of the Interior dealing actively with this problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The irrigationists of today who face reservoirs clogged with silt have much in common with oldtime California farmers who raised justifiable howls over the hydraulic mining debris that inundated their land. For whether the debris comes from hydraulic mining or from eroded land, the result is devastating. To get a better perspective on this modern problem of silt, which is more common and less easy to cure, let us look back at what happened in the Central Valley of California during the heyday of hydraulic mining.

The men who answered the gold call of California in 1848 swarmed over the Sierra Nevadas into the inviting valleys. Here they found soil ripe for plowing and mountain stream beds rich with gold. The new population grew quickly as the products of soil and stream became famous. Competition for the best land and the best placers kept steady pace.

It was soon apparent when local rich deposits were overrun that they needed faster and more efficient methods of mining. So the engineer suggested a way for rapid extraction of small amounts of gold from sand and gravel. He made use of hydraulic mining techniques, directing streams of water under a head of several hundred feet against deep unconsolidated beds of ores. The water-borne gravels and sands were easily run over sluices where pockets of mercury picked out the gold. This was a bonanza for the miner but a tragedy to the farmer.

The miner in his zeal for gold forgot that the clay material would clog the river channels. "Slickens", as this clay debris was called, lodged in the valley or found its way to the tidal waters of San Francisco Bay.

Then came the floods. Sands and gravels borne by spring freshets moved toward the lowlands. The debris increased in volume at such a rate in the lower reaches of tributaries of the Sacramento River that the valley farmers were greatly alarmed.

The heavy material was deposited in the lower mountain valleys and debouched upon the plain; the streams were overloaded, the river bed rose, and lands formerly protected by natural or man-made levees were in great danger. The volumes of sands and gravels excavated were almost beyond comprehension. Between 1849 and 1909, hydraulic mining in the Upper Feather, Yuba, Bear, and American Rivers amounted to more than a billion cubic yards. This debris moved by hydraulic mining operations in the Sierra was nearly eight times as great as the volume moved in constructing the Panama Canal.

As the debris from the mines was allowed to go where it might, it lodged in the narrow canyons, sometimes filling them to a depth of 20 to 50 feet. Each winter's freshet swept larger masses of debris down into the valley and caused overflows during the spring. In many localities, thousands of acres of orchards and farming lands were almost entirely covered by silt and debris.

Now the farmers took this just so long and then they started court actions against the miners. The plaintiff's case was based on the burial of farming lands by debris, obstruction to navigation, and raising of flood levels.

The valley farmers had no trouble proving that hydraulic mining was directly responsible for their troubles. The farmers won their battle with court injunctions restraining the miners from allowing trailings to be dumped into the streams. Since the miners had to bear the expense of restraining works, many of the smaller hydraulic mines were forced to close down.

Today the western farmer is again faced with a similar debris problem. The difficulty is not so obvious; the cure not so easy; the importance much more subtle. Reservoirs on which the future of irrigated farming relies are filling with debris at an alarming rate. Sedimentation of river valleys has in many places resulted in damage even from small and moderate floods. Erosion of the watersheds is depleting the productivity of the land and is directly affecting the flood problem in the irrigated valleys. Since the intensified use of the western range, the process of erosion has been gradual but relentless. The present widespread erosion of western watersheds first became noticeable in the eighties and more marked in the first decade of this century.

Because these changes began during the early days of our grandfathers and in the boyhood of our fathers we cannot clearly realize how radical the transition has been. In certain areas there has been a change from

lush grass to sparse and meager range; from meadows and marshes to barren gullies and arroyos.

Movement of this eroded soil from the whole western range would make the debris of hydraulic mining look like a molehill. The process is slower, but the result is the same. The areas affected are larger and the causes and cures harder to resolve. But this analogy we are drawing between the debris problem and the gold-rush days and the erosion problem of the present-day irrigation farmer is not so far-fetched as it may seem. The major difference lies in this fact: In the case of the hydraulic-mining problem, the persons or activities causing the trouble were obvious; in the case of the widespread soil erosion which is affecting our reservoirs and certain irrigation developments, the causes are not so clearly evident and the activities responsible are much more difficult to name. Let me review these points.

It is clear that the depletion of vegetation which holds the soil will leave the surface vulnerable to washing by rain. The most casual observers note that large areas in the West are now undergoing rapid erosion. It is also clear that erosion is a natural process. In some areas, the rate has changed little since the advent of the plow, the ax, and the cow. It is generally recognized that many areas which once had soil-holding grasses now are depleted and gullied. They are a blot on the landscape.

Range lands over wide areas are not so productive as they used to be. Ground water and wells have been affected in many places by gullying. A gradual transition over wide areas from palatable grasses to less palatable herbs and weeds has been recorded. The density of grass has been reduced as well.

The erosion problem, of course, is not a new one. Engineers have been wrestling with it for many years. They have devised the construction of desilting works such as those at the head of the All-American Canal. All large reservoirs now have a certain amount of dead storage capacity to provide a backlog of years during which sediment can accumulate behind the dam without drawing on the usable capacity allocated to irrigation, flood control and power. The day will come—on many reservoirs it is here now—when sediment will progressively and actively deprive water users of much needed storage capacity. New dams to provide additional and replacement storage are of course under study, and in some instances under construction in the West.

But building new dams will give only temporary relief. New dams, increasingly costly, will never solve the long-range problem of sedimentation. This kind of relief may get us by the present generation and perhaps well into the next, but there is a limit to the number of reservoir sites. And what then? On certain watersheds it is possible that construction of dams on all available, economical, and feasible sites will be completed within a few decades. The United States Government cannot be satisfied with such short-sighted planning. The Department of the Interior and the Bureau of Reclamation, in drawing up comprehensive plans for development of certain watersheds, should recognize these long-range problems and pursue a course accordingly. I think this means that we must broaden our planning to make it include both channel aspects and also the watershed itself, high up out of the stream.

Let us take a look at the way soil erosion and changes in a watershed have affected irrigation economy in the Southwest. I am referring to the Middle Rio Grande area in New Mexico.

The Middle Rio Grande from Whiterock Canyon to Elephant Butte Dam is a fertile valley admirably suited to irrigation agriculture. Although some of the valley floor was naturally too marshy for farming, the larger percentage of the land was right for irrigating. A few decades ago, it was easy to obtain sufficient water supplies by the construction of relatively small diversion dams on the main river.

Floods resulting from spring freshets were of some concern, drainage was necessary, and canals, headgates and diversion structures were needed.

The Middle Rio Grande Conservancy District, organized in 1929, offered a means of financing a program of flood control, drainage, irrigation works and reservoir construction. Levees were built to keep the river in its channel. Drains were dug to reclaim swamp land and to provide adequate subdrainage for irrigated land.

It was hoped that the construction of El Vado Dam would provide stored water for the dry years. It was further hoped that the construction of levees would control floods, and that these measures would guarantee permanent agriculture on a stable base.

As the years passed, however, large volumes of sediment were carried by tributaries to the main channel. The main river could not transport all of this material. As a result, debris accumulated in the main channel and the bed of the river gradually rose in elevation. This decreased the capacity of the channel to transport floodwaters, and the middle valley faced a gradually increasing hazard from floods.

The present capacity of the leveed channel is sufficient to pass only the most modest flows. Each year the spring rise from melting snow brings a potential danger of broken levees and flood damage.

The sediment load of the stream further complicates this flood problem. When the stream swells, its swifter current picks up sediment from the river bed. When the stream falls, the weaker current drops the sediment which forms bars and shoals. The water then strikes these obstructions and rebounds from them forcibly against the banksand levees, undercutting them. This means that the irrigated lands are endangered by undercut levees just as certainly as they are endangered by overtopping of levees. The community, unassisted, cannot be expected to finance and organize any further protection of the banks and levees.

The rising bed of the river has had another serious effect on the economy of the irrigation farmers. The outlets of drainage ditches are plugged by sediment, and resulting inefficiency of drainage works has caused waterlogging of the land. The increased costs of operation and decreased returns from irrigated farms have contributed to a deterioration of the irrigation structures as the farmers were caught in a financial squeeze. Delinquency in taxes and in payments on conservancy bonds naturally followed.

To remedy these evils, the Corps of Engineers and the Bureau of Reclamation have been working on plans for flood control and rehabilitation of the irrigation in the Middle Valley. They have reached recently an agreement on a mutually acceptable coordinated plan.

Though the prominent aspects of the Middle Valley problem are those of flood control and rehabilitation of the irrigation facilities, the problem, in essence, is the basic one of sedimentation. The plans of both the Departments of War and Interior call for the construction of dams across the Rio Grande in its upper reaches and across those tributaries which contribute the most important portions of sediment. These plans would provide for flood and sediment control, irrigation, and future power development.

The dams will hold sediment which would otherwise be deposited in the channel of the main river. In addition, the clear water released from the dams will scour the channel and, in this manner, the river bed will tend to degrade. This action has been observed in the reaches of the rivers below Elephant Butte and Hoover (Boulder) Dams after the building of those structures. Despite the studies by a number of agencies of the sedimentation problem in the Rio Grande, sufficient data are not available to make any more than the roughest guess as to the time required for the lowering of the river bed. The estimates of cost which will be required to maintain the channel and the bank-protection works during the course of channel stabilization are difficult to evaluate except in the most general way.

The rates of sedimentation of these proposed reservoirs are of great interest. Present estimates indicate that, without special erosion control measures, these proposed reservoirs will have a fully useful life of approximately 50 years, the time required for sedimentation of the storage volume reserved for silt, and that thereafter their usefulness will steadily diminish.

Another example is found right here in Arizona on the Navajo Indian reservation. The Navajo Indians have lands and grazing rights totaling about 16,000,000 acres. These lands are being used by 8,700 families and, of these families, fewer than 200 have enough sheep for family subsistence. According to our studies, this requires a flock of at least 250. Parts of the reservation are seriously overgrazed, and certainly the lands are inadequate to the demands of the Navajo people.

Let's look at this problem from the irrigator's point of view. The Navajo Reservation comprises 14 percent of the watershed above Hoover Dam. It contributes about 2½ percent of the water that flows into Lake Mead, which has been created by Hoover Dam, but this 2½ percent of the water carries not less than 20 percent of the silt that is being dumped by the Colorado River into that all-important reservoir. The average annual rate of erosion from a considerable portion of the reservation is estimated between 100 and 150 acre-feet of silt per 100 square miles.

Through this common denominator of erosion and siltation, the Indian problem becomes the irrigator's problem in the far Southwest.

These problems are of major importance, not only in the Rio Grande and Colorado Rivers which have been used as illustrations, but in watersheds throughout the country. None of us thinks of our occupation of these wonderful, beautiful western lands as being limited by five centuries, much less 50 years, but if we are driven out of the valleys and if we have no reservoirs, where will our children's children live?

The sedimentation problem of the middle Rio Grande, which involves both the rising stream bed and the sedimentation of the reservoir created by Elephant Butte Dam, stems from the widespread erosion of watershed lands observed during the past half century. There is no need to argue concerning the degree to which various types of land use have contributed to this problem. Erosion is a fact and the problem of erosion is on the doorstep of the irrigation farmer.

Here in brief are the ways in which erosion affects the irrigation farmer:

1. The deposition of sediment in storage reservoir robs him of storage capacity needed for irrigation. The Guernsey Reservoir on the North Platte lost 21 percent of its capacity in 12 years; Cucharas Reservoir in Colorado lost 35 percent in 26 years.

2. Reservoir sedimentation increases the amount of evaporation, relative to the amount of stored water.

3. Gully erosion makes farm operations more costly, and with sheet erosion it clogs stream channels, thereby increasing the damage to irrigated farms and valleys resulting from floods.

4. Erosion adds suspended silt to irrigation water. Where this suspended silt is excessive, use of the water for irrigation is impaired.

5. Sedimentation of stream valleys often results in less efficient drainage of irrigated lands, as in the case of the clogged drains in the Rio Grande.

When the farmers in California found themselves menaced by the movement of mining debris, they brought legal action to restrain the miners from the continuation of hydraulic mining methods, except in cases where the debris could be controlled or stopped by a dam or other structure. The western irrigation farmer, even if he were to organize in this manner, would not know exactly whom to enjoin to attack his problem today.

Various governmental agencies are concerned with these problems. All agencies in the West dealing with land are involved. But more important, all persons utilizing the land are directly concerned. To a great extent, solution of these problems must rest ultimately with those people affected—the irrigation farmer on the one hand and the users of the watershed on the other.

Between these groups and even within the groups there are divergent points of view. Such differences of opinion will resolve themselves in the face of analyzed facts, and these facts are being collected by the research activities of the Government.

Corrective measures, equal to the task, might temporarily reduce income from grazing and certainly will require initial investments of relatively large sums for conservation works, both structural treatment and land management. The Federal Government, which is the largest landowner of the West, must, I think, provide and prosecute the plan for correction. The States, with their land holdings, must also concern themselves with steps needed to protect their land resources, both public and private. The private landholder as well, if he be alive to his own self-interest, will collaborate in effectuating needed land practices. The tide of erosion must be stemmed through the joint effort of those agencies, both public and private, which are aware of the consequences of erosion and determined, in spite of the ravages already wrought, to conserve the land and the water resources of this Nation for their best use.

An Editorial in the Washington Post Appeasing Communism and My Answer to the Editor

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. McDONOUGH. Mr. Speaker, herewith I submit a copy of an editorial which appeared in the Washington Post on December 1, which is critical of my bill (H. R. 4581) to define communism and to make the practice of communism a treasonable act in the United States.

This editorial is, in my opinion, an unjustifiable appeasement of communism in the United States, which deserves nothing but condemnation.

I have replied to the editor of the Washington Post and submit herewith the editorial and my letter to the editor:

[From the Washington Post of December 1, 1947]

COMMIPHOBIA

Hysteria now and then becomes so extravagant as to result in a revelation of its own absurdity. Congressman McDONOUGH, of California, has supplied this saving reductio in respect of the commiphobia which now so permeates the atmosphere on Capitol Hill. He has introduced a bill intended, in his own terms, "to define communism and to make the practice of communism a treasonable act in the United States."

Mr. McDONOUGH'S proposal may well be considered but the ultimate in a series of circumventions aimed at the Constitution's splendidly clear clause on treason—that "treason against the United States shall consist only in levying war against them or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court." This is, of course, a narrow concept, born of the eighteenth century experience with attempts by the British crown to suppress as treasonable all criticism or dissent. It makes conviction of treason extremely difficult and may even be said to go extravagantly far in risking the security of the state to safeguard the security of the individual. Yet the Nation has survived this risk for more than a century and a half—and, indeed, has prospered from the taking of it.

We have countenanced, however, a progressive debasement of this safeguard. We have allowed men to be stigmatized as disloyal when they could not be convicted of treason and we have charged men with being security risks when we lacked the evidence to call them traitors. Mr. McDONOUGH'S measure goes further. What constitutes the practice of communism we do not profess to know; membership in the Communist Party, we surmise, or adherence to the doctrines of Karl Marx. The offense, in any case, is a matter of political affiliation or belief—a very different thing from an overt act. What the Congressman proposes to do is to take one of the steps that the Communists would take, in the unlikely event of their accession to power in the United States, to deprive us of our liberty.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., December 2, 1947.

HERBERT ELLISTON,
Editor, Washington Post,
Washington, D. C.

DEAR MR. ELLISTON: Referring to your editorial under the title "Commiphobia" in the Washington Post of Monday, December 1, 1947, which you informed me was written by Mr. Barth of your staff, criticizing my bill, H. R. 4581, which is titled "To define communism and to make the practice of communism a treasonable act in the United States," had Mr. Barth telephoned me before writing an editorial with so much personal reference to me, he could have written an editorial containing much more accurate information.

He has completely missed the point, and I am a little surprised that you would permit your editorial writers to be so promiscuous in their interpretation and comments on important legislation of this character.

Mr. Barth (for the Washington Post) admits in his editorial that there is a need for a clear definition of communism when he says, and I quote, "What constitutes the practice of communism we do not profess to know." Does Mr. Barth mean to imply that treason is too light a penalty to pay for the active practice of communism in the United States? Is this editorial an apology for communism?

He opens his editorial by stating "Hysteria now and then becomes so extravagant as to result in a revelation of its own absurdity." I agree. Mr. Barth's editorial in my opinion is an hysterical attempt to appease communism. On the contrary, my bill, H. R. 4581, is a logical approach to abolish communism in the United States and protect this Nation.

It is generally admitted that communism advocates the overthrow of—not the modification of—democratic government established by the free will of the people and especially the overthrow of Christian constitutional democracy as we know it in the United States. Is it not therefore logical to assume that the active practice of communism is treasonable and, therefore, unconstitutional?

I have introduced H. R. 4581 for the purpose of establishing a clear definition of communism that can be easily understood. My bill does not deny the privilege of nor penalize anyone for believing in any "ism" he pleases. In other words, there is no attempt to set up a policy of thought control. No man can be penalized for his thoughts or beliefs in the United States.

It is only when he puts his beliefs into active practice and thereby by precept and example conspires with and influences others to follow him in the active practice of communism that an overt act is committed. This is a fine distinction between other types of legislation against communism, and I do not want it construed or misunderstood—H. R. 4581 condemns and penalizes only the active practice of and not the belief in communism or any other kind of ism.

Americanism and communism cannot mix. Christian democracy and communism are incompatible. Freedom and liberty as we know them cannot tolerate communism. We must be vigilant and alert to the wiles and insidious influences it is attempting to inflict upon us.

We want to expose Communists, reveal them as enemies of the United States and deal with them accordingly. But first we must define communism. Without a legal definition of that term our law enforcement agencies are helpless, in many cases, and even the courts are at a loss to act with conviction.

Recently the United States Circuit Court of Appeals in Illinois was called upon to decide a case in which the defendant was accused of libeling the plaintiff through the use of the term "Communist" applied to the plaintiff in a syndicated column of political commentary written by the defendant. A district court dismissed the suit on the ground that no cause for action had been established since the word "communism" had no definite meaning.

The United States circuit court of appeals reversed the prior ruling, and ordered the case to trial, stating:

"It is libelous per se (of itself) to write of a man or corporation that they are Communists or communistic sympathizers."

It continued:

"The label of Communist today in the minds of many average and respectable persons places the accused beyond the pale of respectability and makes him a symbol of public hatred, contrary to the statutes."

During the arguments before the court of appeals in this case, it was definitely established that the word "Communist" had no definite meaning, but that its appearance as a characterization in a newspaper political editorial is sufficient to destroy a person's presumably good reputation with the public.

There is every facility and opportunity under our constitutional form of government in the Republic of the United States to bring about the most liberal policies in government, if we use them properly.

Communism is restrictive, limited, autocratic, and totalitarian.

Democracy is elastic, adjustable, and subject to the will and needs of the people.

Let us use the freedoms and liberties we now possess in our constitutional democratic form of government in the United States to preserve and protect those liberties and freedoms from the corruptive and destructive influences of communism.

You agreed to publish my reply on your editorial page. I have therefore submitted the facts.

Very truly yours,

GORDON L. McDONOUGH,
Member of Congress,
Fifteenth District, California.

Our Freedoms Are in Danger

EXTENSION OF REMARKS
OF

HON. FRED E. BUSBEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. BUSBEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a very timely and patriotic address which was given by Col. Robert R. McCormick, editor and publisher of the Chicago Tribune, at a Constitution Day luncheon in Chicago, on September 17, 1947:

In order to avoid repetition, I have looked up the talk I made last year and find that its principal theme was that our Constitution was entirely American made and in no way developed from the English and, in particular, not from Magna Carta, the angels of the Freedom Train notwithstanding. Today I will call attention to various continuing efforts to sap the Bill of Rights and destroy our liberties.

The first amendment to the Constitution says:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

For reasons I do not know, freedom of speech was never extended to the stage. There has always been censorship of the theater. How inefficiently it works is shown by the fact that, in England, though Tories used their control of the theater vigorously, they were too stupid to censor George Bernard Shaw, whose plays contributed so heavily to the socialization of England and to the overthrow of the aristocracy. How viciously it can be administered we have recently learned, when the movies were forced to support communism; in particular, to put on that utterly false play Mission to Moscow. As you know, the well-censored New York stage is preponderantly anti-American.

Except for the Jehovah's Witnesses case, properly decided by the Supreme Court, freedom of religion has not been tampered with. Not so freedom of speech.

No one has alleged that freedom of speech, as guaranteed in the first amendment, has been affected by speech over instruments. No one has questioned the right to speak freely over the telephone or into the phonograph.

The interference with freedom of speech over the air is not based upon the large audience reached. Indeed, at the time the first amendment was adopted, speaking trumpets were in use and halls were designed for their acoustical effects.

No; the interference with freedom of speech over the air is based, as one might have expected, on the doctrine of communism, accepted in principle by Congress and administered, as is communism, for the benefit of the single-party system.

When broadcasting became known, far-seeing, speculative, or scientifically minded men bought broadcasting instruments as centuries ago men bought printing presses or, perhaps a better precedent, as men settled on the public domain. Some less far-sighted men bought out the first users. Others, oblivious of the rights of the owners, infringed upon their wave lengths. Confusion resulted.

The matter should have been left to the courts to construe under the common law, but Congress chose communism on the theory that the people who did buy transmitting instruments and devoted their time and money to broadcasting had no right to the airways, and that those who did not devote a cent or a minute to broadcasting had all the rights, and that a commission of commissars should administer them.

It is as though commissars should take and distribute the farmers' grain which, by the way, is also in the wind.

The Communist form of government has not prevented the limitation of program production to four chains, as compared with thousands of newspapers and scores of magazines. As a matter of fact, time has shown that there are more wave lengths than there are organizations able to produce acceptable programs. That political influence is feared by chains and stations alike is attested by the fact that there is no excess to which administration supporters may not go and do go, while chains and stations refuse to accept the most parliamentary of antiadministration speakers, even when they are sponsored and the time paid for, and that free time on the air must be given for administration political speakers and withheld from antiadministration political speeches. This is the price we pay for putting communism into our form of government and denying freedom of speech to the radio.

In 1943 Postmaster Walker saw a chance to extend the domination of the Government excesses to the press by means of another bad law—the second-class postage law—which purports to give him a color of censorship powers. As his opening wedge he withdrew this rate from the magazine Esquire, saying that it was not "originated and published for the dissemination of information of a public character or devoted to literature, the sciences, arts, or some special industry" * * * and "not for the public welfare and public good."

If this ruling had been allowed to stand, its scope would have been gradually extended until it became as bad and pernicious as the radio law.

Freedom of the press refers to every kind of press—religious press, lay press, medical press, legal press, single issues, periodicals, dailies, and, as in the case of speech, it has been extended to all of the mechanical and commercial developments of the press.

It works out this way: Extremely controversial and religious statements only find their way into the religious press and are only read by those who agree with them. Medical and psychopathic stories revolting to laymen are only seen by doctors.

The indecencies of sex crimes are not carried in the paper; the facts that they occur are published as a necessary spur to officials.

Actual censorship is extended to books only in the reactionary State of Massachusetts. Book publishing and book reviewing is largely in the hands of Red sympathizers, but as this fact is being realized, it will be corrected.

Legislative enactments and some court decisions against the freedom of the press have occurred a number of times in the last 25 years. It is to be noticed that they were all aimed at the newspaper press.

I think it will hardly be challenged that the newspapers as a whole are both more accurate and more self-controlled than the periodical press. Why, then, were they selected for attack? The answer would seem to be because they are more influential, hence the more feared.

The consequence of the adjudications in Illinois, in Wyoming, and in the Supreme Court of the United States, with one bad exception, has been to define very clearly the meaning of freedom of the press. We are surprised then to find that men who claim to have devoted much study to the subject should say that freedom of the press has not been defined for 100 or more years. It is strange to find that the Encyclopedia Britannica and the chancellor of the University of Chicago gathered together a large committee of well-known Reds; brought before them some 60 secret so-called witnesses; asked them especially prepared questions to elicit desired answers; allowed no cross-examination; and then brought out a lengthy book full of utter falsehoods for the purpose of inducing Congress or the courts to introduce the radio and Walker second-class postage law to control the press.

The object of the report is to set up some sort of professor supervision of newspapers. What about magazines? Books? The Bible? What about teaching in the colleges? There is no guaranty of academic freedom in any constitution.

What about the Encyclopedia Britannica? I have occasion to read it from time to time and am impressed that, although owned in America, it is still Britannic in its coloring of news. This conspiracy is linked with another one. Professor Chaffee, of Harvard, one of the cabal, was a witness before the committee, which so far has suppressed the bill in Congress to restore to newspapers equality before the law.

A more subtle attack upon the freedom of the press is being attempted. During the war and the cutting off of paper from Europe, a large demand for war purposes and an unnecessary and unwise reduction of the Canadian supply caused a paper shortage in the United States. In consequence Congress passed a law rationing paper and fixing the price thereof. There was some, but not much, political manipulation in the administration of this law.

With the close of the war, the demand for paper increased to a greater extent than did production and imports. The resulting condition has permitted the use of a falsehood technique by calling the overdemand a paper shortage.

Subversive influences have called for paper allocation. Such allocation would put in the hands of the commissars powers similar to those exercised by the radio commissars. Paper would be allocated to administration supporters and withheld from administration opponents.

The situation has been remedied in part by an increase in the price of paper from the newsprint mills and the conversion of other paper mills to the manufacture of newsprint at what are termed "black market prices" which, in turn, are not so high that purchasers at those prices cannot make a profit on them.

It is my guess that the final solution will come with another increase in the price of paper which will bring the demand down to the supply.

You see that efforts to introduce communism by evading the first amendment are continuous and insidious, and clearly indicate a conspiracy.

The first amendment is not the only one under attack. The sixth amendment to the Constitution says:

"In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defense."

Congress evaded this provision by the statute of conspiracy, which provides that where the alleged conspirators live in different States the trial may be held in the State and district in which any of them live.

The first dishonorable use of this statute with which I am familiar was used against the packers, who were haled into districts supposedly hostile to them. As I recall, a conviction was obtained in Wisconsin, but there was an acquittal in Kansas.

The most revolting abuse of the statute was in the so-called sedition case. Here, with the aid of a newspaper, entrapment was practiced upon certain opponents of the adminstration to bring them within the jurisdiction of Washington, where the bar and a large part of the population are under Government domination.

The World War II mass-sedition case was begun in 1942 with a fanfare against administration critics. Admittedly weak indictments were returned July 21, 1942, against 28 persons, who were accused of writing and distributing materials intended to undermine the morale of the military.

New indictments with further details of the alleged conspiracy were returned January 4, 1943, against the 28, 5 others, and 1 corporation. One count was dismissed March 6, 1943, by Federal District Judge Jesse C. Adkins. A third indictment naming 30 persons was returned February 28, 1944. It accused the 30 of conspiring with Nazi officials to unseat the United States Government.

The trial opened in April 1944, before Chief Justice Edward C. Eicher, of the District of Columbia Federal Court, and droned on until the following November, when it ended in a mistrial because of Justice Eicher's death.

In 1946 the case was handed to Justice Bolitha J. Laws, who dismissed the case against the remaining 26 defendants. Of the original 30, one had died and three were granted severances. Many of these innocent defendants had been kept in jail for years. The dismissal was upheld by the United States court of appeals June 30, 1947, the majority opinion being written by Chief Justice D. Lawrence Groner. July 31, 1947, the Justice Department failed to appeal to the Supreme Court and the case ended. If jury trial had not been compulsory, I fear that Judge Eicher would have held the defendants guilty.

The worst feature in this case, as bad as the Nuremberg murders, was that a German diplomat, Baron von Stempel, was coerced to testify against the defendants by John Rogge under threat of judicial murder.

The fact that this trial has completely broken down and has been withdrawn raises the suspicion that where convictions were obtained, they were unjustly obtained. It would seem to be the inescapable duty of Congress to investigate each of these convictions.

The purpose of this persecution was to obtain conviction of penniless, somewhat crackpot individuals, without followers or friends, in order to make a precedent to coerce or terrify dissidents of greater importance. It would seem obvious that impeachment of the guilty Attorneys General should be voted.

The Constitution says: "Congress has power * * * to provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States, respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress."

The militia consists of all able-bodied males. The Constitution is explicit. They are to be trained by the States, according to the rules laid down by Congress, and their officers are to be appointed by the States.

In various wars, Congress has voted to fill the Army by conscription and the Supreme Court has upheld this power, discreetly refusing to write an opinion upholding its decision.

We now have a movement thoroughly organized to take the militia away from the States and to turn them over to the Regular Army.

Aside from the fact that the proposed law is unconstitutional, there is the historical objection to a large standing Army going back to Cromwell's army, to James II's "Lambs," and to the British Army in Boston. There is an additional objection from the changed attitude of the brass to civil power, with generals telling congressional committees that they must not inquire into Army recommendations. There is the wholesale rush toward decorations, far transcending either souvenirs or awards for gallantry.

After the Civil War, the Spanish-American War, the Philippine War, and the Mexican border campaign, campaign ribbons were issued. These were taken as pleasant souvenirs. The Civil War was fought with only the Congressional Medal of Honor and that conferred by Congress itself.

In the First World War GHQ was surprised to find French corps and Army commanders under whom American divisions were serving giving our soldiers the Croix de Guerre and Legion of Honor.

More in self-defense to retain the affection of the troops than from policy, the Distinguished Service Cross and the Distinguished Service Medal were created. Not a great many of them were issued. I received the latter and I believe I was not so much pleased in getting it as I would have been disappointed if I had been held less worthy than a number of other officers of my rank. The receiving of foreign decorations is an evil.

When I was given a foreign decoration I first refused it, and only accepted it when the consul, who was entrusted to present it, said he would be greatly embarrassed if I did. I don't wear it. The receiving of foreign orders conferring knighthood is equal to bribes for divided loyalty.

Today an officer of any considerable rank is covered with ribbons like the officers of an aristocratic country.

When the conferring of the Medal of Honor was turned over to the Executive I do not know, but there has been created in the Army the following decorations for the brass:

Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, Legion of Merit, Silver Star, Distinguished Flying Cross, and in the Navy, Medal of Honor, Navy Cross, Distinguished Service Medal, Legion of Merit, Silver Star Medal, Distinguished Flying Cross, and a total of 46 other medals and badges, and, in addition, decorations for individual battles. Now the President is empowered to issue orders to foreigners and civilians raising them above the status of American citizenship.

The Constitution says:

"No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state."

This provision is flagrantly violated in spirit by our present hierarchy of decorations.

The time has come again where we must fear for our liberties from an oversized aristocratic army.

So you see our freedoms are threatened by the Federal Radio Commission, the Postmaster, a group of crackpot professors, some Members of Congress, the Department of Justice, and the Army.

You will do well to be on guard to save your liberties.

Use of Section 32 Funds

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, section 32 funds are obtained by setting aside 30 percent of the customs receipts. The funds are supposed to be used to dispose of agricultural surpluses. Over the years, the tendency has been to invite more imports of livestock and livestock products, and then use the 30 percent of the customs receipts for disposing of soil-depleting crops and follow up with long and many speeches about soil conservation. The old formula is evidently still in operation. Eggs are the only livestock product purchased up to October 1. Wool imports have accounted for a large percentage of the section 32 funds. As more and more livestock and livestock products are invited as imports, the more funds will be available to subsidize soil-depleting crops.

The following is the report on the allocation up to October 1, 1947:

OCTOBER 2, 1947.

Hon. REID F. MURRAY,
House of Representatives.

DEAR MR. MURRAY: As requested in your letter of September 19, there is furnished an attached list of section 32 (Exportation and Domestic Consumption of Agricultural Commodities) programs, approved from July 1 through September 30, 1947.

The section 32 programs are approved in advance of anticipated needs and the dollar amount set forth for each program is the maximum for use during the fiscal year. Total section 32 obligations through August 31, 1947, are $1,278,527. This obligation represents only 1 month's program operations since the Agriculture Appropriation Act for fiscal year 1948 was not passed by the Congress until late in July.

Further, as requested in your letter, we shall advise you each month of the use of section 32 funds based on programs approved during the preceding month for the remainder of this fiscal year.

Sincerely yours,

JESSE B. GILMER,
Administrator.

Exportation and domestic consumption of agricultural commodities (sec. 32), fiscal year 1948

APPROVED PROGRAMS (AS OF SEPT. 30, 1947)

Purchases for direct distribution:	*Amount*
Irish potato	$3,000,000
Sweetpotato	750,000
General vegetable	500,000
Peach	1,000,000
Dried fruit	4,600,000
Egg	750,000
Total	10,600,000
Exportation: Cotton	1,000,000
Diversion: Cotton insulation	500,000
Total approved programs	12,100,000

NOTE.—General vegetable program includes perishable vegetables such as green beans, peas, onions, beets, carrots, cabbage, and spinach. Dried-fruits program includes apples, peaches, raisins, and prunes. Administrative expenses for fiscal year 1948 (not included above) are limited to 4 percent of total funds available, which is $1,760,000.

New Orleans, La.

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. HÉBERT. Mr. Speaker, once again I ask the indulgence of the House to direct to their attention another splendid column by John Lester, of the New Orleans Item.

It is unnecessary for me to elaborate on Mr. Lester's piece. It speaks for itself and brings many attainments, attributes, and accomplishments of my native city of New Orleans to your notice which perhaps have heretofore escaped your attention.

I commend Mr. Lester's article to you for a fuller and better appreciation of a city which has already established itself in the minds and hearts of the peoples of the world.

LAGNIAPPE
(By John Lester)
ON THE RECORD, IT'S HARD TO BEAT

New Orleans has long been recognized as America's most interesting city, and not without reason. Its fame began with its founding by Bienville in 1718. Today this fame is greater than ever and rests on countless examples of ancient and modern merit. Although the list of New Orleans' firsts and unique features is surprisingly varied and impressive, it might well begin with the fact that this was the first American city to revolt against a foreign power as well as the first to observe and celebrate the Fourth of July, in 1804. New Orleans was also the first American city to establish a school for girls, Ursuline. It boasts America's oldest cathedral, St. Louis. The oldest restaurant of its kind in the entire world, Antoine's. (New Orleans food is the most famous in America.) The oldest building in the Mississippi Valley, Madam John's Legacy. America's oldest saloon, The Old Absinthe House. America's first office buildings, erected here early in the nineteenth century. Likewise, the first department stores, with the first delivery systems in the world. Pralines were first made here. The cocktail first concocted and named. Orleanians introduced the tomato to the American table (it had previously been considered poisonous by the rest of the country), also popcorn and ice cream. Bananas were introduced to America through the port of New Orleans. The first American hotel was built in New Orleans in 1838. Sugar was first grown on the site now occupied by the Jesuit Church and was first refined on the grounds occupied by the Sugar Bowl, the home of America's greatest postseason football game. The Pontalbas were America's first apartment buildings. America's first skyscraper (four stories) was built here in 1814 and still stands. The first artificial ice plant was built in New Orleans. Authorities agree unequivocally that New Orleans street names are the most fascinating in America. New Orleans was the first American city to boast a permanent opera company with its own opera house and is regarded as the cradle of opera in the New World. Its theaters were the first in America to be illuminated by gas.

New Orleans first to elect own city officials

New Orleans was the first American city to elect its own officials. This was provided for in the State constitution of a century ago. Tulane University was the first American school to teach civil (written) law and, today, only two other American schools teach it: Loyola and LSU. (The reason is Louisiana is the only State in the Union to have its law based on the Napoleonic Code. All others adhere to the English or common law.) The first gloved heavyweight championship fight, between Jim Corbett and John L. Sullivan, was staged here in 1892. The longest fight in history, 110 rounds, was held here in 1893. (The last ring battle on the turf was fought here the same year.) The American institution known as "the free lunch" was introduced in New Orleans. Also, the games of poker and dice. The first American saint, Frances Cabrini, was an Orleanian. The railroad freight platform was perfected here. New Orleans' Boston Club, named after a card game, is the oldest social club of its kind in the South. New Orleans was the first city in the South to have building and loan associations, "homesteads." The bowie knife was introduced here as a weapon of both offense and defense. The Texas revolt from Mexico was planned in New Orleans. It was here, also, that Abraham Lincoln became imbued with the ideas that later took the form of the Emancipation Proclamation, one of the greatest of all human documents.

The term "Dixie," by which the South is now known, was coined in New Orleans, and the song by that name, long the South's anthem, was first introduced and published here. The first practical submersible submarine was built in New Orleans. Water hyacinths were introduced to America by New Orleans. The longest litigation suit in the history of the world was carried on here against the city itself by Myra Clark Gaines. New Orleans' famous Mardi Gras is the biggest free show in the world. New Orleans was the first home of Audubon, America's greatest naturalist, and the birthplace of Paul Morphy, probably the greatest chess player in history. The first woman pharmacist was an Orleanian, an Ursuline nun. New Orleans was the focal point of the Louisiana Purchase, the largest real-estate deal in the history of the world, as well as "the Mississippi Bubble," the world's greatest real-estate (unsuccessful) swindle. Concentration of fire power, a sensational new phase of warfare, was introduced at the Battle of New Orleans, the battle that saved America.

Haugherty statue another New Orleans first

The first statue in America to be erected to a woman went up in New Orleans in 1884, honoring one Margaret Haugherty. What we now recognize as the press association system (Associated Press, United Press, International News Service) was born here over 100 years ago. The first dental X-ray was made here. New Orleans is the only city in America that drains away from a river instead of toward one. (It drains about 350,000,000 tons of rainfall annually for another all-American record, and its present drainage system is not only the finest in America but is copied all over the world.) New Orleans is also the only American city completely surrounded by levees. The only American city ever to use hollowed-out cypress logs for its sewerage and water systems. (New Orleans is still the only American city that furnishes free water for sanitation purposes to its citizens.) New Orleans was the first major American city to adopt a commission-council form of government (1912). Present nonpolitical controls (the board of liquidation) over the city's debts are unique in America. New Orleans has the world's largest cotton warehouse. It is the home of the cottonseed products industry. The wash-suit capital of the world. The absinthe capital of the world. The "Celotex" (sugarcane fiber insulating board) capital of the world.

New Orleans is the largest chicken-eating city, per capita, in America. The largest candy-eating city. The largest veal-eating city. The largest "coke-" and coffee-drinking city. Baseball's "rain check" and "ladies' day" innovations were added to the great American pastime here. The Fair Grounds, because it's a civic venture, is the only race track of its kind in the world. (Any smart tout will tell you a New Orleans owner was the first man to put blinkers on a horse.) New Orleans' French Quarter, internationally known, is the finest and most unique tourist attraction of its kind in the world. New Orleans' Little Theater, with its $100,000 plant, is generally regarded as the finest in America. New Orleans' deposits add up to a world supply of salt. The port of New Orleans is the deepest in the United States, its coffee and banana imports lead the country and it has the lowest fire-insurance rates of any other American port. Orleanian Al Gallodoro (his name means "The Golden Rooster") is the world's greatest saxophone player.

Only United States art form, jazz, was born here

Jazz, the only American art form, was born in New Orleans. New Orleans' tombs and cemeteries are acknowledged to be the finest in America. New Orleans' Florida Avenue is the widest street in the world. Doctors say the city's year-around temperature, about a 70-degree average, is the finest in America and is the same as that recommended for hospitals. (The cure for yellow fever, one of the worst scourges known to mankind, was first demonstrated in New Orleans in 1905.) New Orleans is the only American city with an ordinance forbidding shoeshining on Sundays. The only city in Louisiana with streetcars. Its city hall is probably the finest example of pure Ionic architecture in the United States and was modeled after the Temple of Erechtheus in Athens. New Orleans women spend more money on hats and less on other articles of wardrobe than the women of any other American city. New Orleans boasts an ancient fan system (it's in Kolb's Restaurant and looks smack-dab like a Rube Goldberg invention) that is the only one of its kind in America, and its owners have refused museum bids up to $40,000 for it.

Bill Benton—American

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. MANSFIELD. Mr. Speaker, it was with deep regret that I read during the congressional recess of the resignation of the Honorable William Benton as Assistant Secretary of State. In my opinion Bill Benton was one of our country's most outstanding public servants. Under tremendous difficulties and at a great personal sacrifice he undertook and organized a highly important and much needed Office of Cultural Affairs and Information. Despite very strong opposition and with pitifully small appropriations he developed a program which proved its worth and effectiveness and which must be considered, by any standard, a success.

It was no easy task to lay the groundwork for the dissemination of American information abroad; it was no easy task to overcome the congressional opposition which expressed itself so vocally; and it was no easy task to develop and make effective the type of personnel required

to do the job in a capable and patriotic manner. Bill Benton was successful in making the American people and the American Congress understand the importance of having America's story told—factually and truthfully. He brought his great enthusiasm, his magnificent energy, and his undoubted ability into the very controversial job he was asked to take over.

Bill Benton came up in life in the American tradition. He earned everything he received. He gave unselfishly and unstintingly of his time and knowledge because he believed in his country and the need for telling its story. It is to our country's credit that men like Mr. Benton can be found to accept responsible positions in our Government but it is to our shame that we do not give them the cooperation and credit which is their due.

The worth of Bill Benton as an administrator is amply attested by the fact that no successor to his position has, as yet, been named. The worth of the information and cultural program can be attested by the reports brought back from investigating trips all over the world by Members of the Congress. The recognition of Mr. Benton and his program will be accorded in the passage of the permanent authorization bill for the information program now in the Senate, and an increased appropriation for its activities next year.

Bill Benton, whose services at present are being utilized as chairman of the American delegation to UNESCO, now meeting in Mexico City, must have the personal satisfaction of knowing that his job was well done and that his program will go ahead. That it is absolutely necessary there can now be no question, but it is to our sorrow that, in achieving the recognition for this program, we have lost the services of the spark plug who made it work. It is my hope that Mr. Benton will not be lost to Government service but that instead he will be called upon again to undertake, in behalf of the people of the United States, another assignment which he can, with his great ability, fill. He was one man who, in the face of difficulties and opposition, could be depended upon to do a sound job in any position he was asked to assume.

The United States Government has lost, for the time being, a really great public servant. The State Department has lost a truly able administrator. The American people have lost a champion who believed in their program and fought for it down the line and against any and all opposition.

Good luck, Bill, you have done a great job for our country.

[From the Washington Post of September 28, 1947]

AMERICA'S STORY

The odds were all against William Benton when he undertook to organize in the Department of State an effective peacetime Office of Cultural Affairs and Information. The innovation had the superficial appearance of running counter to the traditions of the country. Americans were uneasy at the idea of having their Government operate an acknowledged instrument of propaganda. Conservative news agencies such as the Associated Press opposed the plan. Conservatives on Capitol Hill, the chairman of the powerful House Appropriations Committee in particular, denounced it as newfangled, New Deal extravagance. And to these difficulties, Mr. Benton added personality traits, rooted perhaps in his advertising background, which rubbed certain legislators the wrong way.

Mr. Benton's heroic efforts in the State Department are by no means, however, to be dismissed as a failure. He succeeded in shaping an effective organization out of the heterogeneous elements which came to him from OWI, COI, and other wartime agencies. He made the American people understand the importance of having their voice heard and their story told in a world in which propaganda has become a principal factor in foreign policy. He has even, it appears, begun to overcome the prejudice of the Congressmen who thwarted the program he had planned. Representative MUNDT declared in Warsaw recently that the members of a congressional investigating committee had changed their minds about the importance of an American information program. Thus the way will be greatly smoothed for Mr. Benton's successor. Let us hope that the State Department will be able to enlist a man of the necessary caliber for its big job, and that he will be able to build effectively on the solid foundation that has been laid.

[From the Birmingham (Ala.) News]

BENTON'S DEPARTURE

The State Department's information and cultural affairs program may be reexamined perhaps with benefit with the President's acceptance of the resignation of William Benton, Assistant Secretary of State. Mr. Benton had been in charge of the program to tell the world about America. The Voice of America has been a highly controversial effort. Whether it has succeeded, whether it could succeed in the future, seems a matter of conjecture. Much like the Government's wartime psychological warfare, gaging results is difficult.

William Benton made an earnest effort to produce a useful program. Some foreign correspondents have said that radio programs beamed at Russia, for instance, are being listened to; other correspondents have denied that there is evidence of any general interest in the United States programs.

In leaving, Mr. Benton returns to the post of chairman of the board for Encyclopedia Britannica. His record testifies to devotion to his Department; some say that he endeavored to "oversell" his product. Others have emphasized their belief that Mr. Benton may not have known all that was going on; they charge that "false" pictures of the United States were being given foreigners. The thread of argument consistently ran: Should the good and the bad of America both be presented as news to those abroad, or should only the things which show America in a good light be told? In this debate there is much to be said on both sides.

The President, in accepting the Benton resignation, pledged that the effort to "tell the world" about the United States would continue, no mention has been made, however, of a successor to Mr. Benton, and it may be a difficult post to fill. Congress has been quick to criticize the effort and only reluctantly has granted funds.

[From the New York Herald Tribune of September 21, 1947]

A DIFFICULT POST TO FILL

When Mr. William Benton resigned as Assistant Secretary of State he told reporters that he would have had no trouble with his information and cultural program—including the Voice of America broadcasts—"if Congress could have been sent to Europe for 60 days." Reports from Congressmen now in that confused continent go far to bear out his contention. The experience of wartime agencies such as the Office of War Information has demonstrated that it is easy for stay-at-home Americans to find fault with governmental information services and hard to convince them of the necessity of such services, even under the conditions which existed during the great struggle. In time of peace, though it may be so uneasy a peace as now exists, it requires actual contact with the glut of propaganda, the straitened ration of uncolored fact, that make up the news available to many regions of the world, to make vivid the worth of an official American program of information.

Lacking a Congress acquainted at first hand with the situation abroad, confronted by the traditional American distaste for anything smacking of governmental propaganda, Mr. Benton had an exceptionally difficult task. But with courageous persistence he fought for his program, and now, on his retirement, will have the satisfaction of knowing that something at least of his plans has been salvaged, and that the need for restoring much of what was eliminated by a suspicious Congress has been recognized by many who opposed him. And that is a return not often afforded so speedily to men who, like Mr. Benton, have given unselfishly and unstintingly of their time to the public service in a new and largely experimental field. Moreover, the head shaking in Washington over the problem of replacing Mr. Benton is an additional testimony to the difficulties he encountered. It is to be hoped, however, that no pains will be spared to get the best possible man to continue the work in which Mr. Benton has pioneered. Even the widest recognition of the need for a Government service of information abroad will not insure that the need will be met unless it is accompanied by forceful and intelligent direction.

[From the Baltimore Sun of September 26, 1947]

LET THE VOICE OF AMERICA STICK TO AIMS AND POLICIES

Mr. William Benton, Assistant Secretary of State for Public Affairs, has announced his resignation, to be effective on October 1. As head of the State Department's Office of International Information and Cultural Affairs, he has been responsible for the Voice of America program, broadcast to foreign countries, which led to so much controversy. The House of Representatives, it will be recalled, denied the program funds and then reluctantly appropriated $6,857,000 for its continuation at the urgent request of Secretary of State Marshall.

According to Mr. Benton, a directive from the White House defined his duty as seeing to it "that other peoples receive a full and fair picture of American life and of the aims and policies of the United States Government." Mr. Benton's difficulties could well have been due primarily to a faithful and conscientious effort to carry out the first half of the directive.

When Americans set to work to sell anything, it is their natural characteristic to deal in superlatives, as almost any advertisement illustrates. Other Americans are accustomed to this and instinctively make allowances for it. In selling the idea of American life to other peoples, the temptation is strong to employ the same method. But, foreigners, unaccustomed to that approach, are in danger of getting a distorted picture and dismissing it as idle and unpleasant boasting. Unless such a program is handled with consummate skill, we run the risk of making more enemies than friends and being held up to charges of propaganda.

On the other hand, it is not only legitimate but essential to let other peoples know what our policies are and the reasons for

making them. A foreign-language program based upon these salient facts, with no more entertainment features than are required to attract attention, ought to be all that is necessary to make our position understood. Such a program would offer little ground for the criticisms which have hounded "The Voice of America" here at home or which may have been leveled at it abroad.

Whoever the successor of Mr. Benton may be, he should be provided with a better directive than the one under which Mr. Benton labored.

[From the New York Times of September 26, 1947]

MR. BENTON RESIGNS

An advertising man was a somewhat disturbing innovation in the State Department. So was the Department of Cultural Affairs and Information, organized for peacetime activities out of the Office of War Information. But it needed an advertising man of William Benton's energy and persistence to tune up and get this new organ going and to persuade and browbeat a reluctant Congress not to cut the whole overseas program, including the Voice of America, out of the budget. Mr. Benton and his program were targets of controversy, but as he resigns it is generally recognized that he has performed a service to the Department and the country that required the zeal and drive he manifested. The President and the Secretary of State agree that he has laid the solid foundation for a work that must go forward.

Criticism of the Voice and the program in general, while sometimes deserved, was due in large part to our traditional repugnance to government propaganda in any form in peacetime. To Americans there has always been something suspicious and self-defeating in official information. Unfortunately, we live in a world where large areas are cut off from the ordinary means of communication. To penetrate into those walled compounds, and to counteract as far as we can the spread of doctored news, false testimony and widespread anti-American propaganda—all officially disseminated—the American Government has to use information as an instrument of foreign policy.

The opposition to the Voice was also due to the shortsightedness of Congress. Congressman MUNDT announced a few days ago in Warsaw that his colleagues on the congressional investigating committee had changed their minds during their visit to Europe about the necessity of telling the world the facts about the United States and its policies. Such first-hand observations, together with the course of events, have vindicated Mr. Benton's contention, strongly supported by Mr. Marshall, that the foreign broadcasts should be extended rather than cut.

Mr. Benton will continue as a special consultant to the Secretary on matters connected with the United Nations Educational, Scientific, and Cultural Organization, of which he is the moving spirit, internationally and in promoting popular interest in its aims in this country. Thus his experience will be to some degree available, which is more than can be said for other retired officers of the State Department. Except for William Clayton, Under Secretary of State for Economic Affairs, Mr. Benton, after 2 years' tenure, has served longer than any of the top officials in the Department. This is sadly symptomatic of the lack of continuity which distinguishes all branches of the public service, and weakens it at a time when we need all the knowledge and experience we can muster. A certain amount of turn-over is necessary and even desirable, as conditions change and fresh minds are needed, but it is easy to think of a large panel of ex-officials and diplomats who could bring varying and valuable facets of experience to the problems of their successors as a board of consultants on foreign policy.

[From the San Francisco Chronicle of September 28, 1947]

WELL DONE

William B. Benton, the State Department's big, curly-haired information director who supervised the Voice of America broadcasts to foreign countries, exploded last summer. He stormed that he would "get the hell out of Washington" if Congress refused to give him the $31,000,000 he demanded to continue the broadcasts. Congress, not moved by the threat, handed Benton less than half his request.

Last week, after the Voice of America had been reduced to a whisper, Benton put his resignation on the President's desk and received in return a "well done" note from Mr. Truman. The President said he realized the "difficulties and frustrations" Benton had confronted in the job. The White House made no mention of a replacement for the State Department post, but said Benton would continue as head of the American delegation to the United Nations Educational, Scientific, and Cultural Organization which will meet in Mexico City in November.

[From Broadcasting of September 29, 1947]

BENTON LEAVES STATE DEPARTMENT; LAUDED BY TRUMAN, MARSHALL

William Benton, one of the most controversial figures to hold public office, resigned last week as Assistant Secretary of State for Public Affairs.

President Truman, in accepting the resignation, highly commended Mr. Benton for the job he did during the last 2 years as head of Information and Cultural Affairs, including the Voice of America overseas broadcasts. Mr. Truman said he realized "the difficulties and frustrations" he had encountered in trying "to project throughout the world a genuine picture of American life and the objectives of our democratic system."

"The United States Government," added the President, "has a continuing obligation to make available to the peoples of the world the facts about this country and the policies of our Government * * * particularly in the critical times ahead." Mr. Benton, he said, had succeeded in building a solid foundation upon which the work could go forward.

Secretary of State George C. Marshall, in a letter to Mr. Benton, also expressed his thanks and best wishes and said he was sorry to lose Mr. Benton.

Mr. Benton, who was appointed to his State Department post September 14, 1945, said in his letter of resignation that he had full confidence that the program which he has directed in the State Department "will continue to grow in public understanding and to receive the press and congressional support which it so manifestly deserves."

A suggestion that his successor would have an easier time with Congress was dropped by Mr. Benton to reporters after his resignation was announced. Referring to the 40-percent slash which an economy-minded Congress handed his division, Mr. Benton said, "I would never have had any trouble with my program if Congress could have been sent to Europe for 60 days."

Concern was expressed by some officials that President Truman would have a hard time finding someone to fill Mr. Benton's shoes. In that case, Howland Sargeant, his deputy, would have to take over when Mr. Benton steps out on Tuesday. But other sources said that the President already had a list of names to fill the post.

Mr. Benton will continue in the field in an advisory capacity by serving as consultant to Secretary Marshall and the Department. In November he will go to Mexico City as chairman of the American delegation at the UNESCO conference.

Formerly an advertising executive and university vice president, Mr. Benton plans to become chairman of the board of Encyclopedia Britannica and of Encyclopedia Britannica Films, in which he owns all the common stock. He also owns Muzak Corp., which supplies recorded music to restaurants, industrial plants, and other places, but he is undecided about resuming chairmanship of that concern.

[From the St. Louis Post-Dispatch of September 26, 1947]

EXIT MR. BENTON

Just about the most pinch-penny action of the Eightieth Congress was the slicing of 40 percent from the appropriation requested for the State Department's Division of Information and Cultural Affairs, the agency in charge of broadcasting the Voice of America overseas. So it is not particularly surprising to learn of the resignation of Assistant Secretary of State William Benton, in charge of this department.

As President Truman said in acknowledging his letter of resignation, Benton was subjected to many difficulties and frustrations. Virtually all of them were unreasonable, matters of carping detail. About the fundamental necessity for getting a true picture of America and American policies to the peoples of other nations, especially those behind the iron curtain, there could be no honest dispute. Even Switzerland boasts of such a radio set-up, but Congress begrudged one to the State Department.

Economy certainly has its place in Washington, but it can never excuse short-sightedness. In this instance, Congress not only crippled a strong prop of American diplomacy but also drove out of the administration a man of high caliber, a man of a class not easily brought into the Federal service.

[From the Washington Post of November 19, 1947]

STRONGER VOICE

Almost without exception, Members of Congress who toured Europe this summer have come back convinced of the necessity for expanding our international information program. As Senator H. ALEXANDER SMITH, chairman of the Senate group investigating the program in operation, said in a radio broadcast last week: "We found in every country we visited that we are losing this war of words. Our own Voice of America is pitifully weak compared not only with the efforts of Russia and her Communist satellites but also with the efforts in the same field that are being made by friendly countries such as Great Britain and France."

In other words, if we are to overcome the deadly effect which endless repetition of slander and lies by the Moscow propagandists is bound to have, we must strengthen our facilities for making the truth known and strengthen them immediately with all the tools at our command. We hope that in light of these reports Senator TAFT and others who have opposed a broadened information program will be persuaded to change their minds. Three steps are essential, in our view, to make American efforts more effective. The first is a deficiency appropriation to restore the cuts which limited the program for this fiscal year to $12,000,000. The second is to pass the Mundt bill, which will place our information activities on a permanent, business-like basis. In this context we need to expand not only our radio broadcasts, but also our libraries abroad, our daily overseas press bulletins, and our student exchange program. The third step is for the Administration to appoint a man to direct our information pro-

gram who is both an evangelist and an administrator who can command the confidence of Congress.

There is one danger which we hope Congress will avoid in augmenting the Voice of America. In their zeal to meet the attacks the Communists are making on us, some Members may be tempted to insist that we fight fire with fire. Nothing could do our cause more harm than to have our information program perverted into a mere anti-Communist crusade or a vehicle devoted solely to extolling our virtues as benefactors. Either of these courses would convince the people for whose minds we are contending that we too were merely engaged in propaganda. What our information program needs is facts, not invective or self-adulation. The objective truth can be just as devastating as Moscow's name-calling, and far more effective.

The Forgotten Production

EXTENSION OF REMARKS
OF
HON. HOMER E. CAPEHART
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Thursday, December 4, 1947

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "The Forgotten Production," delivered by Henry J. Kaiser over the American Broadcasting Network on Sunday, November 23, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today, if the fearless voice of F. H. LaGuardia could be heard at this hour, he undoubtedly would give you a searching size-up of the special session of Congress and President Truman's message of the week. I don't profess to tell you what he might say.

But I do know the spirit in which he would face today's problems of inflation and desperate shortages of basic materials and goods. Because, just before his death, the man you called "The Little Flower" asked me to take his place one day on his program. He asked me to answer those we believed were trying to sell America short.

Now that Congress is in emergency session, you can be sure that F. H. LaGuardia would speak out against those who are muffing the chance really to solve the present crisis of shortages and soaring prices. I am sorry that much thinking in Washington is not giving adequate attention to the basic economic problem facing the country. I believe industry is anxious to do the job that's essential, but it must have constructive, speedy Government cooperation, which I'll outline later in this broadcast.

You can directly attack the cause of inflation. The way to fight it can be spelled out in terms simple enough for your child to understand.

If your son hears you complaining about high prices and asks, "Why does everything cost so much?" you can tell him:

"There aren't enough things being produced to go around. People want homes, and all that goes into homes; they want automobiles. They are making good money and they want to eat and live well. Other countries have to buy our machinery in order to revive. People are going to keep right on wanting to buy things at home and abroad—a lot more things than our present factories produce.

"So when folks want to buy more goods than are made, they are bound to bid up prices. That's called inflation."

Your boy likely would reply, "Say, that's awful simple. The way to stop inflation is to build more plants to make more things."

Our number one inflation cause arises from critical shortages—yes, criminal shortages.

Both President Truman and most of his critics have failed to put enough stress on making an immediate frontal attack against the causes of high prices. The President proposes a crisis program, emphasizing possible rationing and fixing of prices and wages. Perhaps there are some nonluxury items that require price controls and allocations. But why? Because the Government should have fostered industrial expansion last year; yes. It should have started 2 years ago.

Now, any necessity for controls can be minimized by striking directly at the causes of scarcities.

The President, in his message to Congress, put his finger lightly on the real trouble. He said, "Our long-range programs must stress ever-increasing production."

How long away can "long-range" be?

Senator CAPEHART, of Indiana, minced no words on a radio forum the other night when he strongly championed the expansion of factories and food production as the immediate solution.

The President, it is important to note, again pried into the very nerve center of today's pressing economic problems, when his message said:

"To expand industrial output, we need a long-range program to overcome basic shortages in capacity and equipment."

Certainly, Mr. President and citizens, we need a "long-range program." Yet how long away can "long-range" be? We need action right now, action tomorrow by administration chiefs in Washington, action by industrialists to obtain and operate idle existing facilities, and immediate measures to expand their plants, action tomorrow and every day to gear up this country to full production and to supplying wants of customers.

When the way to lick shortages and ever-rising prices is to increase manufacturing facilities and production, there can be no excuse for dilly-dallying and ducking this fundamental issue.

There literally are scores, if not hundreds of actions, that can be taken—not on some far-off program—but forthwith. Now I'm sure I'm talking the language of "The Little Flower," because he never could tolerate the evasive, put-it-off, confused boys who beat around the bush and failed to smash right to the heart of the problem.

Here are a few lines of attack:

Steel: Our factories still are being hamstrung by lack of enough steel production. This steel famine can get much worse before it gets better, because we must divide some of our critically needed steel in order to help save people of other lands from ruin. There is no end even in sight to shortages.

As you know, there is a Kaiser Fontana steel plant in California. Not only the west coast but the whole country needs to see this Fontana plant expanded at the earliest possible moment to produce sheet steel and other products needed not only now—but permanently.

Well, I announced a plan to expand Fontana and to produce sheet steel there—the kind used for making refrigerators, stoves, automobile bodies, and scores of products. Only 4 days after we announced the plan to expand Fontana, the United States Steel Corp. said it was planning to build a sheet rolling mill at Los Angeles.

The only way to prevent concentration of economic power is to stimulate competition. The Government has the power and duty to support real competition.

Immediate action is called for on the shortage of steel for pipe lines, because great projected pipe lines are held up by lack of steel. This, in turn, causes shortages of natural gas needed to keep industries running and growing.

The shortage of iron and steel scrap, as you know from your newspapers, is highly critical, thereby forcing high prices. To correct it requires the Maritime Commission, War Assets Administration, Army and Navy to sell to industry all the metal junk and surpluses possible, in order to produce the scrap that's so essential today to make more steel.

I can report from conferences with John Steelman, assistant to the President, that Mr. Steelman is taking determined and extremely effective, direct White House action and is forcing more useless, surplus ships to be made available for the production of desperately needed scrap.

Reports to the magazine Steel assert that the War Assets Administration could pour into industrial production 4,000,000 tons of scrap in a few months. Only day before yesterday, Mr. Steelman and the newly appointed War Assets Administrator, Jess Larson, thrilled me when they declared how vigorously they intend to wage an all-out drive to release Government scrap. I can assure steel users that Mr. Larson will leave no stone unturned, and industrialists now should help him uncover all the potential scrap they can locate in their different areas. This will make millions for the taxpayers from Government stock piles.

One long-standing labor-management deadlock is depriving the country of upward of 3,000,000 tons a year of high-quality metallurgical coal. Three West Virginia mines closed July 1 in a dispute with 2,200 miners. During almost 5 months of shut-down, industry has lost hundreds of thousands of tons of coal. That's tragic. The Government should do all possible to bring about a speedy settlement and to start up production. Think of the immediate possibilities of using hundreds of thousands of tons of coal to make coke—to make pig iron, which is one of our critical shortages today.

Aluminum capacity now is five to six times prewar levels. Yet aluminum is completely oversold. The aluminum shortage hurts nearly every type of industry. Before we can increase output of aluminum, we must develop more hydroelectric power. One-sixth of our aluminum plant at Spokane is shut down now for lack of kilowatt power. Skeptics said the Pacific Northwest would "have power to burn" after the war. But instead, the available hydroelectric power, not only of the Northwest, but of all California, is being overtaxed.

We must produce more kilowatts across the country in order to produce more goods in every field.

Now, take the food situation: The President said: "We need a comprehensive farm program." I trust the word "comprehensive" doesn't mean that action is to be put off into the distant future. Again, there are several measures—just as we found the way during the war—that can be taken at once to raise food production.

This Nation can't forever talk of dividing up the scarcities we have—splitting with this industry and that, and not getting enough to increase production and stabilize prices, splitting up with stricken peoples around the world; and we must do this, even though we don't have enough for ourselves right now.

The advocates of a scarcity economy would keep us on the ragged edge of shortages endlessly. We simply must make more basic materials.

Let's stop talking about more production. Let's get more production.

The administration and Congress will have to reject the let's-wait-and-see boys and the it-shouldn't-be-done crowd.

When we were hit at Pearl Harbor, the people knew we had to do a terrific job in expanding and producing. We went all-out to

do that job. Now we face a Pearl Harbor of peacetime. Once more industry and Government can act—and fast.

The least we can do is to get existing plants into immediate full production.

When there's a steady flow of materials, assembly lines won't constantly be interrupted for lack of one part or another. Then you'll find the record of workers' productivity rising. And that will be tremendously important, because a worker's job and his wage dollar are only safe and valuable when he is producing efficiently. We are being hit below the belt—or I should say smack in the pocketbook—by shortages.

How can the Government stimulate industry to increase production facilities? The same way it did in war. It worked then. A tax-incentive system was set up to encourage companies to expand their plants and equipment for war production. The act allowed management to claim income-tax exemption for depreciation of new plant facilities at the accelerated rate of roughly 20 to 25 percent a year, instead of the peacetime rate of only 4 percent. This brought about a gigantic expansion.

This same stimulation is needed now, in order to encourage and safeguard industries making the expansions that are so necessary. In fact, tax laws should be reformed permanently in such a way as to encourage the small businessman and risk-taker to go ahead into new ventures that will build an ever more flourishing economy. This would mean more and better things for you to buy—and cheaper.

Mr. LaGuardia always was standing up for the forgotten man.

But who now is thinking about the forgotten production? The forgotten, neglected, kicked-around but fundamental problem is to increase production—and without further delay.

Let's not soft-pedal that the real issue is to expand plants.

Instead of spending all the time on dosing up the patient, won't Congress and the administration do something—yes, tomorrow and all week—to tackle the task after task that can be solved at once?

Let's really act in the spirit of that Bible quotation that says: "So we built the wall, for the people had a mind to work."

Prices and Foreign Relief

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES

Thursday, December 4, 1947

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD an able and interesting discussion of prices and foreign relief, delivered November 18 before the South Central Business Association, Kansas City, Mo., by the Honorable Alf M. Landon, of Kansas.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

What is the first duty of government heads today everywhere? It is to bring about peace—normal conditions—lasting peace—not merely a truce.

Two years ago we thought we were triumphantly and proudly facing a peaceful world forevermore. Almost every succeeding month has seen our high hopes diminished. Peace has not had its ups and downs. It had all been down.

Whatever we do for others we must do out of our own savings. Saving at the table—saving in the cost of our Federal Government—if we are to stop soaring prices. We should not allow anyone to delude us into thinking that domestic prices are not directly tied to international relief.

Also, we should not adopt any makeshift stopgap program.

Now the United States is an extraordinarily strong nation. We can stand strains of unbelievable magnitude and continue to move forward. Nonetheless, there is a limit beyond which we cannot go and if there is any one fact which is clear in the international field today it is that world recovery will not be aided by having this country bled white through wasteful and inefficient dissipation of our resources for the perpetuation of fundamentally unsound conditions in Europe.

In my judgment we know so little of the actual European food situation that it is difficult to develop a program which anyone can be certain will fit the situation. Throughout Europe we have such a bad currency situation that the public in each of the countries is unwilling, except under dire necessity, to trade good goods for bad currency. This means that farmers and everyone else have a tremendous urge to hoard and the necessary effect of this is that all food statistics are inaccurate, perhaps in a very major degree.

This does not mean that there is not a food shortage in Europe. Within the cities there is a food shortage beyond any doubt, and this will continue to be the case as long as there is a currency situation which makes those who raise food unwilling to sell their products. In the country districts it is highly doubtful that there is any real danger of serious undernourishment and I suspect, although clearly I cannot prove it, that if it were possible to get a good distribution through free markets in the various European countries we would find that, with few exceptions, the over-all food picture is much less serious than is being painted to the American public.

For the moment, however, I am willing to accept the thesis that aid is necessary and probably fairly substantial aid. But there has to be some realism about it. The know-it-all hallelujah internationalists are once again hurling epithets at anyone trying to approach this question realistically. It seems to me, nonetheless, that it is only a part of elementary common sense to distinguish clearly between what we offer in the way of aid to prevent human suffering and what we provide in the way of funds for rehabilitation. This distinction theoretically is being maintained by the administration, but in practice the two types of aid are so intermingled that, if we are not careful, we will find that all of our money is used for purposes which when it is gone will leave Europe in just as bad shape as it is today.

In other words, we are in grave danger of repeating the error which we made in our so-called loan to Great Britain. When this loan was made it was told to the American public that this would carry Great Britain over 5 years and enable her to get back on a sound basis. The loan now has been used up in a little over 1 year, rather than 5 years, and Britain is no further along the road to recovery than she was when we first granted the loan.

The only possible salvation of Europe is not to keep her on the relief rolls, as we have been doing with the $20,000,000,000 already spent but as an investing partner to require policies as a condition of our participation which will increase production. Government action alone can do that. For government alone can provide good money—free prices, and open markets which give men the incentive to work. Those conditions, however, should be made with full sympathy for the social and political aspirations of European peoples.

My personal opinion is that the place to start being tough in forcing increased production is in Britain. It is almost fantastic that France should be shipping her gold to the United States for the purpose of buying coal while Britain goes ahead on a 5-day week in her coal mines. While Germany is the heart of Europe I suspect that there never will be a sound solution of the European problem until Britain is straightened out. Also, I am convinced that Britain will never dig out under her present policies of short days and long week ends.

It seems to me, therefore, that in offering to become a partner our Government in advancing money should impose conditions of performance which really are tough from the point of view of production. I can see no conceivable reason why we should continue to provide funds for th perpetuation of governments which, by their policies, make it impossible to reestablish sound economic conditions within their countries.

Up to date we have repeated, on a much larger scale, our mistake after World War I when we wasted six and one-half billions in uncontrolled advances to Europe in 1919-20. After the smash we made small loans under strict conditions which European Nations accepted cheerfully and which set them going again.

As a partner in reconstruction of any country I believe we have the right to insist on the adoption of taxing policies that will get at the wealthy classes of Greece and France, for instance, which are hiding their money in this country. We have the right to insist on balanced national budgets which mean stabilized currencies.

Now, how much can the United States afford in the way of relief and rehabilitation, granting sound conditions are imposed in the granting of such help? My personal conviction is that we can afford all that is required for preventing starvation. But that we cannot afford one thin dime for the perpetuation of non-productive policies in the foreign countries. And that is exactly what we have been doing in the postwar years.

What I am saying, in other words, is that the Krug Report and all other such studies of that character are basic eye-wash. In general the things which Europe is asking for are the very things in which we have shortages in this country. It is not a question of taking the total export figure and relating it to our gross national product. What one must do is compare what we are going to ship of a specific commodity in relation to our own situation. And, before we go too far, we had better keep in mind what already has been happening.

For example, one of the greatest shortages that we have had, which has had repercussion throughout our economy, has been a shortage of freight cars. Yet, during the first half of this year we exported 41 percent of our total production of freight cars. During the first half of this year we exported 42½ percent of our total production of machine tools. In the same period we exported 21½ percent of all motortrucks. There are no over-all figures on steel, which is another great shortage in this country, but it is estimated by men who should be able to appraise this problem that when you consider both steel and the products made out of it that not less than one out of every five tons produced was sent abroad.

When we start talking about further grants of aid we need pretty seriously to sit down and ask how much more of the products in these fields we can afford without causing serious economic disturbance here.

Those are some of the facts which the administration prefers to ignore. Nowhere

is this more evident than in the report of the Council of Economic Advisers. That organization, just as the Krug committee, necessarily would come up with the conclusion that this country can well afford any relief program which the administration proposes. To do otherwise would mean a repudiation of administration policy and that certainly was not to be expected. Everyone is familiar in the political field with investigations designed to whitewash the behavior of this or that bad actor. What is not so generally recognized is that you can have exactly the same kind of whitewashing on the ideological level, and that is what these two reports have attempted to do. I do not mean by this that they have used fraudulent statistics. All I mean is that they have made a selection of facts which enable them to draw the conclusions which they wanted. In other words what they don't say is fully as important as what they do say.

There is another point which deserves emphasis. For 18 years the thinking of the Federal administration has been dominated by those who want to spend money. That is still true. If reports are to be believed, President Truman last year passed the word along that every projected budget cut should be fought. At present the story is going around that Mr. Truman's new budget will be in the neighborhood of $40,000,000,000. Since revenues are estimated at about $41,000,000,000 this means there is no margin for reduction of the national debt or reducing taxes. In fact, we get the clear inference, even in the Nourse report, that it will take good management to eliminate the necessity for still higher taxes.

Such a thesis at this time is simply incredible. A decent economy program on the part of the Federal Government could reduce total expenditures, not including foreign aid, to about $3,000,000,000. With revenues of $41,000,000,000 this would mean that there would be about $11,000,000,000 to be distributed between tax relief, payment on the public debt, and foreign aid. If the American public is not given tax relief in the face of this possibility it will mean that the administration is deliberately attempting to hold a high level of expenditures and that it is willing to devise any kind of a program in order to prevent the public from getting tax relief. There is the basic cause of high prices.

It constantly is being said that we cannot afford tax reduction because that would be inflationary. When the Government taxes money away from the public and then turns around and spends that money, which is what the Truman administration is planning, all it means is that the bureaucrats rather than the public spends the money. Certainly it is no more inflationary to let a wage earner spend his money than it is to have some bureaucrat take a part of his wage away and then the bureaucrat spends it. In fact, letting the public spend its money, instead of having it spent by the Government is likely to be less inflationary because the public will spread its spending over a much wider area than the Government may. Certainly it would be less inflationary to leave with the American public an additional two or three billion dollars which they would spread over the entire field of production than it would be for the Government to take this money and spend it on the relatively small list of items which will be purchased for foreign relief.

In the final analysis only the strictest economy—not regulations—on the part of the national administration will solve our problems at home and abroad.

The administration has in its hands the strings that affect America's interests throughout the world. It knows that if you pull one string it affects others. It has known for months that the present situation was developing. Yet, there is no agreement on policies in administration circles.

The Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Treasury, and the Secretary of State have all publicly disagreed. It has kept the ringmaster busy getting them back on their tubs.

Last week the Secretary of State doubled the estimate of other administration spokesmen on the cost of the makeshift 1 year stopgap and hiked their ante considerably on the permanent plan.

We went through a war believing after it was over that all our complexities and difficulties would level off. They have not. That not only applies to our international situation, but to our domestic situation as well.

There is a black market in my business created by exporting material we needed at home. You read in the newspapers of a threatened shortage of oil. There would be more wells drilled and more oil produced if it were possible to get the steel pipe to case those wells. There is a black market in steel pipe, which ranges as high as three times the established market price. The same situation exists in newsprint. A friend of mine—a publisher of one of our small Kansas dailies—said to me last week that he needed an additional amount of newsprint to enable him to increase his circulation, and take additional advertising to offset his increasing cost. He is unable to obtain it in the regular channels. He was offered a carload of newsprint, however, at three times the established price.

There is a subject that calls for a sweeping and thorough congressional investigation or activity by our Justice Department. Some authority with the power of subpena should go into the steel industry and the newsprint industry and find out why it is that they are unable to supply their established customers at established prices when black-market operators are able to get their hands on oil-well casing and newsprint. That is a very real problem. Costs are going up all the time. The only way the small independent oil producer or the small publisher can stay in business is to increase his output.

Today, he is absolutely limited and fenced in. The restriction laid upon him at this time is simply that he cannot obtain enough of the commodity necessary to the conduct of his business to provide a volume that will absorb all of his heavily increased and increasing cost.

It is a proper function of government to throw a sheltering arm around us by giving relief on something we cannot do anything about ourselves. That sheltering arm is to use all the power of government to clear up all this disgraceful and organized black market situation. Government should do that for the businessman of this country rather than continually seek to limit his own activities by Government regulations and rules interpreted by bureaucrats far beyond the intent of Congress.

If the Justice Department does not move promptly and vigorously on that black market situation a congressional committee should forthwith issue subpenas for those offering newsprint and oil well casing at three times their established price, and find out how they got hold of these commodities to sell. They also should subpena the heads of the steel companies, the heads of newsprint manufacturing companies, the jobbers and others guilty of similar practices, to find out how this pipe, how this newsprint and how these other articles get into the hands of black market operators instead of their regular customers. There is only one place these black market operators can get that pipe and that newsprint or any other of the widening black market commodities, that is from the manufacturers. That is true of every other product in America today of which there is a black market, and there are many of them, including all kinds of farm machinery.

We are learning the hard way the lesson of history that the mismanagement of the making of peace can destroy the conqueror as well as the conquered.

The Gambler

EXTENSION OF REMARKS

OF

HON. JOSEPH R. McCARTHY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, December 4, 1947

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "The Gambler," by Frank C. Waldrop, from the Washington Times-Herald of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GAMBLER

(By Frank C. Waldrop)

The world's biggest single gambler in food, money, and property rights as of today is Clinton Anderson, United States Secretary of Agriculture. And what he's doing with the United States taxpayers' dollar should make your hair stand on end.

For instance, consider peanuts. To you, peanuts may be just something that Virginians plant to build nitrogen back into tobacco land or feed hogs on to give Smithfield hams that flavor.

But in the world as a whole peanuts are one of the most important of all sources of fats and oils. And the world is miserably short on fats and oils, as everybody knows.

Why, then, has Anderson started a project to limit United States peanut acreage in 1948 and slap on quota controls? Answer: Because Commodity Credit Corporation, a trading corporation under Agriculture's management, has a tremendous supply of last year's peanuts in warehouse and "doesn't want to lose money on it," so is tinkering with ways to maintain false prices.

There, citizens and taxpayers, is a little gem—or rather a very big gem—and sample of what happens when you put the Government up to trying to control prices, production, and values.

Again, take prunes. For some reason prunes are funny. People make jokes about them. But nevertheless they, too, are an important food in that they don't spoil easily, carry a high sugar content, and are cheap, or used to be.

But not since Commodity Credit Corporation got into prune trading. You may not realize it, but your tax money is forcing up the market price of prunes, raisins, dried peaches and apricots.

If you don't find these items on the counter in your grocery, or if you do find them on the counter at a price out of your reach, then thank Gambling Clint. He has billions of dollars to trade with and he trades on an in-and-out, day-by-day basis to "protect the investment."

Gambling Clint has warehouses full of tax-boughten peanuts, prunes, and apricots that he could let loose on the market to knock down the spiral of inflation.

The release of these foods at open market prices would be extremely influential in pulling down the whole high cost of living. What's Clint gambling for? The 1948 farm

vote, tacked onto false prices for agricultural products and coupled with price and wage control in the city?

We've all lived with these gadgets for enough years now to know them for what they are. Let's call them by their right name—Government gambling with our money.

The biggest demonstration on this line concerns the wheat that we were all rushing around to save last month by not eating Chuck Luckman's chickens on Thursday.

That poultry show was put on in an atmosphere of terrible need for the country to lift Europe from hell and devastation over the week end. Save a slice of bread a day. No meat Tuesday. No chicken Thursday.

Now comes the truth, as revealed in the Senate appropriations committee proceedings of less than 10 days ago:

"Secretary ANDERSON. We have procured the necessary wheat for our export program through the month of March 1948, in wheat. We are using commodity credit money to do that.

"Senator BALL. In other words, you have the grain already to ship to cover the interim (relief) program; all you need is the authorization of the money?"

Then Anderson made the astonishing admission to Senator FERGUSON that as far back as last July while Congress was still in session, the Agriculture Department had known what Mr. Truman's supposed "emergency relief" dust-up would call for in the way of wheat and had begun to buy them with money already in hand.

Think of it! Six months ago, Truman, Anderson and Co., knew what they were going to ship abroad. Did they tell anybody? Not at all. Did they give Congress warning? Not at all. Did they let the country in on the facts? Not at all.

They let Congress adjourn and then put on a fancy fandango performance with full soap opera attachments, to make it appear the country must go back under wartime controls before Christmas.

And what was the hullabaloo all about? The committee records make it astonishingly clear. Simply this: Gambling Clint has spent all the money in his Commodity Credit Corporation account on the foreign relief program Congress is now supposedly just beginning to finance.

He is fresh out of cash and wants more to continue supporting farm prices and restricting farm production contrary to free market operations.

To put it another way, the so-called "emergency relief" appropriations actually are just a shot of inflation for United States farm prices intended to keep Hiram happy in 1948.

And, of course, the other half of the deal, price control, is supposed to keep the city suckers happy, too, for a few months.

Until, as before, the whole thing blows up in another OPA-black market, wage-price war as in 1945-46. But by then the elections will be over and it will be time for something else.

The Lawyer's Version of the Twenty-third Psalm

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, December 4, 1947

Mr. MURRAY. Mr. President, in the October 1947 issue of Case and Comment, a lawyers' publication, there appears what is entitled "The Lawyer's Version of the Twenty-third Psalm," written by Louis Lande, of Washington, D. C.

In view of the fact that the legal profession is often regarded in the public mind as a cold, relentless, and calculating group in our American economy, it might be well to call attention to this fine profession of faith which Mr. Lande indicates truly charts the course of members of the American legal fraternity. I ask unanimcus consent that it be printed in the Appendix of the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE LAWYER'S VERSION OF THE TWENTY-THIRD PSALM

The Lord is my judge; I shall not fail.
He guideth me to a safe shore.
He charteth my course.
He keepeth my record straight.
He ruleth my conduct to the court and to litigants.
Yea, though I live midst strife and dissension, I counsel peace and forbearance.
For Thou art ever in my thoughts.
Thy law and Thy commandments are with me always.
Thou givest me courage in adversity and consolation in defeat.
Thou art my court of first resort, my tribunal of last appeal.
Surely the approval of my brethren shall be my reward during my life.
And I shall live in the memory of my friends forever.

—*Louis Lande.*

WASHINGTON, D. C.

Special Session Is Too Important for Congressional Partisan Politics

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. TOLLEFSON. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include the following editorial from the Tacoma (Wash.) Times:

SPECIAL SESSION IS TOO IMPORTANT FOR CONGRESSIONAL PARTISAN POLITICS

A battle in Congress is at hand.

This grows increasingly clear as opposing groups close their ranks for Monday's opening-day special session on the cost of living and European aid.

We believe the chief issue in the Marshall plan is clear:

Does this Nation intend to continue "Operation Rathole" and continue to dole out barely enough food and funds to keep Europeans alive?

Such a course would inevitably lead to the economic collapse of Europe with a disastrous effect on our own economy. It can scarcely be doubted that communism would make new advances.

Yet this, in effect, is the course recommended by Senator ROBERT A. TAFT and his cohorts such as Representative GEORGE H. BENDER, also an Ohio Republican.

Senator TAFT proposes European aid next year of about half the amount the Harriman committee recommended as adequate to help Europe revive.

And the Harriman committee was heavily weighted with such conservative thinkers as W. Randolph Burgess, vice chairman of New York's National City Bank, and Chester C. Davis, St. Louis banker.

Representative BENDER, leader of a subcommittee of Senator TAFT'S Joint Economic Committee, submitted a report Friday recommending that Government-financed export, meaning food for Europe, be pared to the bone in order to halt inflationary pressures.

Meanwhile, Communist-led riots in Italy and France are as advance gusts in the gathering European storm.

It seems scarcely possible that a man with Senator TAFT'S acknowledged intelligence could fail to see the effect this storm would have on this Nation if it were allowed to break.

Yet we would hesitate to accuse any Senator or Representative of playing politics with an issue of such great importance to the United States as the Marshall plan.

The only other likely answer is that Senator TAFT and his followers are so much opposed to the return of Government controls in any form that to avoid them they are willing to undermine the Marshall plan.

Senator TAFT has, in fact, vigorously opposed restoring any of these controls he took such an active role in ending.

It seems obvious to us that revival of Europe, as conceived in the Marshall plan and recommended in the Harriman report, is essential to the future of this Nation as well as of Europe

We believe that if some Government controls in the United States are essential to carrying out the Marshall plan, then, despite our distaste for such controls, they should be imposed.

The cost of living has continued to increase. According to a report Friday by the Labor Department it rose another 2 percent between mid-August and mid-September, to a new all-time high.

Soaring prices are having a disastrous effect on millions of Americans. The Federal Security Agency says inflation has forced nearly 1,000,000 more Americans on public relief rolls since the war's end.

Millions of other families are going deeper and deeper into debt as they futilely attempt to balance steady incomes with rising costs.

Not only is an end to the current inflation essential to the future of the United States, it is equally essential to carrying out an effective program of European aid. For the cost estimated under the Marshall plan would have to be boosted considerable to have any effect if United States prices continue to soar.

Congress is confronted with a problem demanding the utmost statesmanship. Nothing less will suffice.

Preconceived ideas and partisan politics must be put aside if Congress is to serve the best interests of their own and other freedom-loving nations.

Is Our Financial and Economic Policy With Reference to European Countries Irrational and Contrary to Natural Laws and Forces?

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, it is so refreshing to have the opportunity to read and study the reactions of some of our best students on financial and economic problems, espe-

cially pertaining to our relations with the European countries.

It does not require much ability, and only the minimum exercise of energy and mental effort, to follow blindly and credulously the fantastic and idealistic conceptions of the administration on these subjects. I maintain that the Members of Congress owe it to their constituents, and to the country as a whole, even to world-wide civilization, to study seriously both sides of the question.

In an effort to know the reasoning and thinking of the people who do not have any ulterior motives, and who do not always agree with the New Deal program of planned economy, one can enjoy a realistic conception of what it all means. The historical background, the present indelible facts and reasoning from such premises to a logical conclusion should make it possible to determine more accurately our plain duty in the controversial issue now before us.

One of the greatest economists of the country has sent me a transcript of his views on the so-called Marshall plan. This economist sent me this speech September 19, 1947, a month before Congress was reassembled to consider the administration's program of foreign relief, and it is a pleasure to be able to present for the consideration of my colleagues, and the public, the following views of this great economist:

SOME FACTS AND PROBABILITIES REGARDING THE FOREIGN SITUATION, WITH PARTICULAR REFERENCE TO THE UNITED STATES AND EUROPE

1. We are now commercially exporting, or in many cases actually giving away, annually many billions of dollars worth of our essential products. The ratio of the value of our exports of goods and services to our national income is now around 10 percent, as compared with around 5 percent in normal prewar times. In many industries the proportion of exports is substantially higher than the above average. At any rate, we are now exporting enough of many products to raise their prices in our domestic markets to record high levels and to hold them there. In the meantime, the high cost of living sets in motion an apparently ceaseless wage-price spiral.

2. Although the United States customarily has from 35 percent to 40 percent of the world's income and wealth (undoubtedly substantially more at the present time), yet we produce not more than 10 percent or 12 percent of the world's food supply. We cannot possibly fill even a small proportion of the hungry bellies of the world without seriously undermining our own situation and without greatly boosting our own cost of living, thus reducing our purchasing power and our standard of living.

As shown in the attached report, which I believe is as true today as it was when written some 5 years ago, even though the rest of the people of the world should continue to work as hard as before—which they would not—and even though we should give them approximately five-sixths of our income, evenly distributed, and even though in this process we would raise the income of the rest of the world by approximately 50 percent, yet in actual dollars and in actual command over the good things of life, the increase per capita would be negligible—certainly not more than $30 per year at prewar levels. At the same time, even though there were no economic loss in the process, our own standard of living would have been reduced to a level only one-sixth as high as we have customarily enjoyed. In other words, we would all be in the soup together.

As Speaker MARTIN said the other day, "I never heard of a man saving another from drowning by going down to the bottom with him."

3. It seems to me, further, that all we are accomplishing by our generous "gifts" to European countries, is to "cushion" for them the impact of socialism and communism. We are, I believe, weakening their moral fiber and encouraging acquiescence in "things as they are", instead of stimulating resistance to the spread of communism. I believe that unprejudiced records will show that France, for example, has been flirting with communism and radicalism for a long time—she is obviously decaying at the top. The same might well be said of Italy. Germany is, as one of my refugee friends put it, now little more than a "stinking corpse", which can probably never be resurrected into anything but a second- or third-rate nation. The middle European countries have already been almost completely absorbed by Russia, and they, as well as others, will naturally tend to affiliate themselves with the strongest power which lies closest to them, i. e., Russia.

4. It seems to me, also, that our American businessmen have been sold one more false and misleading slogan, i. e., that if we do not throw substantial and continuing aid into the various European countries, then they will all go communistic, but that they can be saved from this fate by the extension of such aid. This line of chatter seems to me almost an insult to real intelligence in view of the well-known long-time trends to the left in most of these countries.

More particularly, however, I would call attention to the case of our mutual mother country, England. Although for the second time in a generation we helped her win a World War which initially was of no major concern to us and our domestic economic welfare; although we extended her between $25,000,000,000 and $30,000,000,000 of lend-lease goods, services, and munitions, on balance; although we have forgiven all the debts of the previous war, and on the very eve of our making her an additional loan approaching $4,000,000,000; yet the good people of England saw fit to kick out the conservative Churchill government and to vote in by an overwhelming majority the most radical government in her history, sworn to nationalize all the leading industries of Great Britain.

Furthermore, I would call attention to the fact that many of the leaders of the church in England, even before the Second World War began, had affiliated themselves closely with the Soviet philosophy, and passed resolutions, made statements, and wrote books in favor of Moscow. In fact, the best selling book ever written defending the Soviet philosophy of government and economics was written by the dean of Canterbury.

In view of all these things, why should any sane man believe that a few more millions or billions of dollars scattered around the fringes of Europe will save those countries from communism?

5. May I call your attention further to some cold and brutal facts which seem to me more significant than a flock of beautiful but half-baked theories:

(1) For the United States in normal times, our export trade has been not more than 5 or 6 percent of our estimated national income, whereas in most other important countries of the world it has constituted any place from 15 or 20 percent to as much as 30 or 40 percent of the national income. The loss of most of our export business, while it would seriously curtail a few of our domestic industries, would normally have no very far-reaching and serious effect in our entire national economy. On the other hand, a substantial loss of their foreign trade by those countries depending largely upon foreign trade for their income, would be a very serious matter.

(2) Further, we might as well admit that after every great war the tendency is for all substantial countries to become more nearly self-sustained in their economies, in order to avoid the dangers and privations of future wars. This is a normal and unavoidable human tendency. After the period of reconstruction, therefore, there is likely to be relatively less rather than more foreign trade, as compared with the total business or national income of the leading countries of the world.

(3) It logically follows, therefore, that if Great Britain, for example, should be able to double her export trade, in physical quantity, as undoubtedly she would have to do in order to recoup her losses and regain her position of leadership in the world, she would simply have to take a great portion of that additional trade away from other countries, including the United States. Just where would such a program leave us and other countries? Why should we and others be impoverished for an indefinite period of time for the benefit of England or any other country? Why should we admit British or any other goods to our market to the disadvantage or destruction of many of our own manufacturers?

(4) In this connection, it is probably not generally known or realized that in the fiscal year ending on March 31, 1947, Great Britain collected approximately $2,500,000,000 of tariff on her imports, indicating an average rate of duty between 45 and 50 percent ad valorem on all her imports. During the identical period the United States collected approximately $500,000,000 in duties on an amount of imports substantially the same as those of Great Britain, or at an average rate of rather less than 10 percent ad valorem.

In other words, despite all the pious protests of our own politicians who would like to do away with our tariff protection, and despite the broad statements which are continually made by our British friends and others, the United States at the present time has about the lowest tariffs of any important country in the world, for its average rate of tariff is little more than one-fifth of the average British rate, while our tariff burden per capita is only one-fifteenth that of Great Britain.

6. Before the Bretton Woods banks were created, i. e., the International Bank for Reconstruction and Development, and the International Monetary Fund, we were told that the future peace and prosperity of the world depended on these banks, and that once we would go into them in a big way, international economic conditions would be stabilized, etc., etc. Of course, any careful student who would study the history and logic of the situation and not be carried away by slogans, knew that this idea was almost 100 percent bunk, as has already been demonstrated by the developments of the past year or two. Any country which is on a sound monetary basis needs no international bank to assist in stabilizing its currency. Only the bankrupt nations, the shyster nations, and those headed by political adventurers have any need for such institutions. The real purpose is, of course, to bail out poor and busted countries with American funds.

Furthermore, there isn't, in fact, the remotest need for the bank for reconstruction and development. It isn't the proper function of any free government to make commercial loans to any other government. Furthermore, any loan which is so precarious as to be unfit to be handled by the various private banking institutions which are so plentiful in the United States and in Great Britain, is not fit to be made by any government-financed intermediary bank. It is all eyewash and economic, financial, and political chicanery.

The have-not nations, which can outvote the United States, have hoped to use these organizations as a clever way of evading interest rates sufficiently high to compensate for the risks of making private loans

to them. Everybody is trying to bail himself out at the expense of Uncle Sam and, if you will, of Canada. Relatively sound countries like Switzerland and Sweden have no need for this kind of artificial stimulus.

Notwithstanding all the hullabaloo for these spurious financial organizations, we are now told that events are marching so swiftly that the United States must directly pour untold billions into these various foreign countries to fill up bottomless rat holes.

7. We are told in this connection that there is a shortage of dollar exchange throughout the world. This is the new semantics for saying that the rest of the world is trying to live at the expense of the United States workman. They are trying to eat their cake and have it too.

While they loaf and strike and sabotage and fight and destroy and produce virtually nothing for export, they expect us to give them not only sufficient goods and credits for their current living but also enough in addition to reconstruct and replenish their fund of capital goods, which it has taken hundreds of years of sacrifice and saving for them to build up, until virtually everything was destroyed by the recent war.

This is a fantastic concept. Those countries can never really recover except under their own steam, which means the process of recovery will take generations—not years—and if the United States or Canada expects to underwrite European recovery then all of us will be in a condition of self-imposed slavery as far ahead as the human mind can forecast.

8. All of the above boils down, wittingly or unwittingly, to a diabolically clever plan and program, that is, the New Deal in the United States having failed miserably at home and having been overwhelmingly repudiated at the polls in November 1946, is now trying to sell to the people of the United States a very old brand of international socialism under new names and new slogans. Our cost of living has been pushed to the highest level in modern history as a result of Government buying for European aid. Workers have been encouraged to strike by the Government in order to secure higher and higher wages. The approved doctrines, methods, and policies of Karl Marx are being carried out day after day by the officials of the United States Government, and the American businessman is being sold indirectly the Soviet doctrine under the slogan that the steps being taken will protect him from communism because such steps will prevent European countries from going communistic.

9. The conclusion of the matter, as I see it, is that, if we continue to "relieve" Europe at anything like the present rate, we shall within a short time have a return of allocation and rationing in the United States, and probably many new drastic controls of industry and prices. Such moves are already being carefully considered and examined by various high officials in Washington.

Our present strangely illogical and financially unsound policy can, in my judgment, lead to only one end—an undermining of the social and economic structure of the United States and, relatively, a progressive strengthening of the Russian system. Russia has already taken over and expects to hold virtually all of the surplus producing territory of central Europe, including the agricultural territory of Germany. She can afford to be stubborn and to wait, knowing that her population is increasing very rapidly and that she can make full preparations for war behind the "iron curtain," while we western peoples have no unanimity of policy or action and are floundering about in a bottomless sea of impractical "idealism," which we still futilely believe can be imposed on an ancient world which has never understood any policy but the rule of force, or the Machiavellian duplicity of diplomats.

Incidentally, it is estimated by careful actuaries that within the next short generation the Soviet Republic will have more men of military age within her prewar boundaries than will the United States, Great Britian, France, and other small northwestern European countries put together. With the addition of territories in central Europe normally having between 125,000,000 and 150,000,000 population, Russia will have many additional millions of male adults who will serve her purposes in a condition of semi-slavery, unless the entire picture is suddenly changed by an external force, which the United States only could conceivably exert. It is no wild dream to envisage a Russian-controlled white population approaching at least 500,000,000 people within the next 25 years or so; and it is quite possible that, in addition, she may control 500,000,000 Chinese, Koreans, and Manchurians, more than 50,000,000 of whom are already in her hands, plus another half billion people in India and other parts of southern Asia. In fact, Russia, if not checked, might easily dominate three-fourths of the population of the world within the next few years.

10. Perhaps I can best sum up some of the more or less obvious economic conclusions of the various foregoing suggestions by saying that loans or gifts from grandchildren to grandparents are neither normal nor sound; nor can they possibly buy goodwill or aid for the grandchildren.

On the contrary, grandparents who need help from their grandchildren are economically through—they can never repay. They can never effectively assist their grandchildren if they themselves are already impecunious, and they can never build up anew financial independence in their old age. If in old age grandparents become mendicants, they will so remain. If they love their grandchildren, they will continue so to do. If they dislike their grandchildren, they will dislike them the more because they have had to accept charity, and they will be jealous of the better status of their grandchildren.

In my judgment, our financial and economic policy with respect to old and decadent European countries is completely irrational and completely contrary to the working of natural laws and forces. We are now trying to support and restore various policies and practices in European countries which our forefathers well knew were not only unsound, but wholly detrimental to the good life. If we do not all make the foregoing errors, then we seem to jump to the conclusion that human nature can be made over in a day, and that our system of free republican government—which we ourselves are not yet intelligent enough to operate—can be immediately, or at best within a few short years, imposed on the more backward peoples of the world.

I have written plainly because it seems to me that, looking toward the future, very grave issues are involved. Nature abhors weakness in animal life, in plant life, and in national life. Famine and disease and natural disasters have frequently destroyed what war has left. Every nation has its day and passes out of the world theater. Babylon, Assyria, Egypt, Greece, Rome, the Empire of Mohammed, Spain, Germany, and Japan—all rose and fell. Britain and France have already persisted longer than most of these, but their sun now seems to be setting. The clock of history turns not back. Only two apparently strong powers now remain—one a great idealist, the other decidedly a realist. Which will weaken first?

While the British Empire is disintegrating in India and probably in other parts of the world, while Europe is in chaos and her civilization is in all probability decaying, it is quite possible and rather probable that Russia may grow proportionately stronger. Russia needs practically no foreign trade; she enslaves, or buys at a great price, the know-how from Germany and from other countries. She has no commercial costs of production; she cares little or nothing for money as such; she has no serious foreign-exchange problems. To all intents and purposes, she is almost completely self-contained and seems likely to grow more so. Few are now alive of Russia's 200,000,000 who remember any but the Soviet form of government. Will she fall apart soon of her own weight?

Probably the future of civilization in the world rests squarely upon the shoulders of the United States and of Canada, which at the present time have well over half the wealth and income of the world.

I cannot for a moment, however, believe that we shall ever help the world back to a higher state of civilization and progress by taxing our own people to death in order to rehabilitate far-away foreign countries which have had their day in the sun and which, through either political or economic incompetence, have lost out in the race of mankind. At any rate, history records no example of a come-back under such conditions.

RELATIVE ECONOMIC POSITION OF THE UNITED STATES AND THE REMAINDER OF THE WORLD

As nearly as we can estimate on the basis of very detailed calculations first made by us in 1930, the wealth and income of the United States before the outbreak of the present war compared substantially as follows, in round numbers, with the wealth and income of the remainder of the world:

1. Population: World total, latest estimates (1938–39), around 2,145,000,000. United States, corresponding date), around 130,000,000 (present, around 134,000,000). Percent of world total, around 6.

2. Wealth: World total, around $1,100,000,000,000. United States, around $330,000,000,000. Percent of world total, around 30. (Around 1930 the wealth of the United States was estimated to be from 33 to 35 percent of the world total.)

3. Income: World total, around $210,000,000,000. United States (1940), $72,000,000,000 to $75,000,000,000. Percent of world total, 34 to 36. In 1929 the United States income was estimated at 41 to 42 percent of the world total.)

It is significant that the relative position of the United States gradually deteriorated during the decade of the thirties, due to the fact that recovery in other leading countries was much more rapid than in the United States.

To make the problem as simple as possible, the United States, with 36 percent of the world's income and 6 percent of the population, has a living standard per capita equivalent to 6 units of income (36 divided by 6). The rest of the world, with 64 percent of the income and 94 percent of the population, has a per capita standard equal to two-thirds unit of income, or on the average one-ninth of that of the United States.

In order to establish equality throughout the world, the United States must retain only her per capita share of the total world income, i. e., she must reduce her income to 6 percent of the total, and must give away the remaining 30 percent of the world income which she now holds, so that 94 percent of the population outside the United States will also receive 94 percent of the world income. This operation would theoretically raise the rest of the world to an average per capita income of 1 unit—which is a theoretical gain of 50 percent from the present average. But the average citizen of the United States would, in the process, lose five-sixths of his income.

In other words, if there were no economic loss in this process of redistribution, and if the rest of the people of the world who receive our gifts would continue to work as hard as they do now to produce their own sustenance, we would reach a theoretical equilibrium with all people in the world (including the United States) having a standard of living one-sixth as high as that now prevailing in the United States.

In actual dollars this would mean roughly a distribution of a little more than $60,000,000,000 to something over 2,000,000,000 people. The average man outside the United States would have his income increased by a little more than $30 per year. This might be a fortune for a Chinaman or a heathen dweller in the tropics—but purchased at a price which would mean the utter degradation of the people of the United States.

Further, in view of our well-known experience with the Negro in the South, and the observed reactions of the most backward people throughout the world, it is probable that, if this country should redistribute its income in the manner indicated, the great bulk of the recipients thereof, who are already existing on two-thirds of a unit of income, would merely work half as hard as before in order to support themselves, and would thus maintain their income at the old two-third-unit level by earning only one-third themselves, and bringing up the balance with the one-third unit which we contribute. Also, under the conditions outlined, productivity in the United States would rapidly decline.

That the foregoing is no idle analysis is shown by the following quotation from the Bulletin of the United States State Department, under date of December 27, 1941, page 589:

"Lend-lease countries cover two-thirds of the earth's surface and contain nearly two-thirds of the population of the world. Up to the present time, the defense of 33 countries, including the British Empire, has been declared vital to the defense of the United States, and steps are being taken to strengthen the defenses of these countries."

Already most of the world outside the United States and the countries dominated by Germany, Italy, and Japan, are covered by a plan which commits the United States to the indefinite extension of credit, and shipment of all kinds of commodities, without any hope of repayment. It is further the announced policy of our Government to supply our resources in order to rehabilitate even the Axis countries after they shall have been defeated. That completes the present program for world redistribution of our wealth and income.

Correction of Inflationary Forces

REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 2, 1947

Mr. CRAWFORD. Mr. Speaker, the chairman of the Federal Reserve Board of Governors before a Senate committee the other day had this to say:

In the monetary field and credit field inflationary forces have already gone so far as to cause very serious maladjustments within the economy. A correction is overdue, and the longer it is postponed the more severe will be the inevitable reaction.

He stated:

We are already in the advance stages of this disease.

He further commented:

The question we must ask is whether any further expansion in the aggregate amount of credit is desirable or dangerous. If it in fact calls for more production it would be desirable. If it only permits one borrower to bid against another for scarce goods and thus adds to upward pressures on prices, it is dangerous. It is our best judgment that over-all expansion of the money supply at this time is inflationary and dangerous.

We should keep that in mind in connection with the financing of the relief which is to be voted next week.

Prior to the opening of the special session I sent each Member of the House a letter with respect to a resolution I expected to introduce on this particular subject. This resolution is being introduced today. I think this Congress needs to be better informed on what is taking place in connection with destroying the buying power of the accumulated savings, the current wages, and the future credit of the people of this country. I agree with Chairman Eccles that the hour for correction is overdue. A thorough understanding of what has already occurred would assist the Congress in deciding how far it will go in assisting the Board of Governors of the Federal Reserve System to bring the inflationary forces under control.

Birthday Felicitations to Judge Oscar E. Bland by Hon. Alexander Wiley, of Wisconsin

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, December 4, 1947

Mr. WILEY. Mr. President, last evening at the Hotel Raleigh about ninety friends of Judge Oscar E. Bland gathered at the festive board to celebrate his seventieth birthday.

For 25 years Judge Bland has graced the bench here in Washington, and now he has laid aside the ermine.

It was my privilege to be one of the guests at the dinner, and on that occasion I paid my respects to him in the language which I now ask be incorporated in the Appendix of the RECORD.

Among those present were the Chief Justice of the Supreme Court of the United States, and other justices and judges, as well as Senators, Representatives, doctors, and members of the bar.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, Judge Bland, and friends, as I listened to the sonorous, Shakespeareanlike fluidity of expression of my dear friend, Senator Ashurst, our toastmaster, this evening, the hands of the clock were turned back, and it seemed to me that I was listeninf to him again speaking in the Senate.

It made no difference what the subject was. He was always adequate for the occasion. If the subject was bees, you could almost hear the bees hum; or if it was the Constitution—well, he made it a thing of inspiration and vitality. No matter whether the subject was protective tariff, politics, Arizona copper, democracy, Indian claims, or courts—he did the job well and inspired us with his learning, his faultless diction, and what I have called his fluidity of expression. And although he has now retired from the Senate, the melody lingers on.

As a result, when he retired, there was a void in the Senate which has not been filled.

And so, Judge Oscar E. Bland, your retiring will leave a void on the United States Court of Customs and Patent Appeals. Ever since 1923, when you were elevated to the bench, you have distinguished yourself and the court.

And now that you are retiring from the bench, you do so with honor and distinction. Life to you is still a thing of zest, and you will carry on like our distinguished toastmaster. He has a philosophy that never acknowledges defeat or permits himself to "let down." There is every evidence that he is not a retiring sort, and I say God bless him for that quality.

The years have been good to you, Judge, because you have been good to the years. You have known how to grow along with the years, and this is one of the master works of wisdom.

Now, with old friends, and with the consciousness that your work in the law has been well done, you can renew your youth, taking time to reread Dickens and Thackeray, Dumas and Hugo. Yes, you may even reread the Leather Stocking Tales, by Fenimore Cooper, and all the old masters in literature. Then perhaps you will delve into philosophy and seek to find through it and through the teachings of the prophets and seers and saviors of the world the meaning of life, and thus fulfill the ambitions for which time was inadequate heretofore. And if I sense the situation correctly, you have a lot of aspirations and dreams which may now come to fruition. With your fine trained mind, who knows what bigger things are yet to be for you.

We who are gathered here—some having been retired, some, like yourself, having retired voluntarily, and others who time will see retired—all of us wish for you a life packed full of good things—a life of health, happiness, and high adventure in this wonderful age of new things.

Paraphrasing Browning, in part, we might say:

"Grow young, friend, with me,
The best is yet to be.
Man's spirit at noontide stands,
Reflecting the intelligence of that hand
That shaped the spheres.
So man, through the years
In mind, whole, complete,
Remains immortal, with powers replete.
And though mortal anchors slip away,
Man lives forever and a day."

Report to the People—Part 2

EXTENSION OF REMARKS
OF
HON. W. LEE O'DANIEL
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Thursday, December 4, 1947

Mr. O'DANIEL. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD, under the order made last Monday, my second report to the people, broadcast on September 11 last from radio station WBAP.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REPORT TO THE PEOPLE—PART 2

(Radio address by United States Senator W. LEE O'DANIEL, of Texas, over radio station WBAP, Fort Worth, Tex., September 11, 1947)

How do you do, ladies and gentlemen, and hello there, boys and girls. This is your United States Senator W. LEE O'DANIEL,

speaking from the studios of WBAP 820, at Fort Worth, Texas. This is the second in a series of four radio broadcasts I am making in a Report to the People regarding the serious conditions confronting this Nation on both the domestic and foreign front.

I am endeavoring to point out that these serious conditions are not brought on by natural forces, but are brought on by the activities of the gang of big-headed professional politicians who have lived in Washington so long at taxpayers' expense that they actually feel they must dictate to every citizen of this Nation just how he must run his own private business, and how other nations on this earth should conduct their affairs.

At this time I want to ask the citizens of this State how they would like for Joe Stalin to come over here and organize a citizens' army of twenty-five or thirty million people, put them on his pay roll so they would obey his orders, and then tax you folks for the entire cost of the proposition. Well, I believe that you would resent such a move on the part of Joe Stalin, or the ruler of any other foreign nation. But let me tell you that, in effect, this is about what has been done, and let me tell you further that your pussyfooting Congress and executive branch of your Government in Washington have aided and abetted this movement by enacting communistic legislation, and issuing communistic edicts. Now, of course, the deceptive gang of professional politicians which infest the National Capital do not come out frankly and tell you what they are actually planning, when they enact destructive and communistic legislation, but they generally dress the legislation up in labels that read just exactly opposite to what they mean. For instance, they call the Wagner Act, the National Labor Relations Act. I believe it should be labeled the Communists' Recruiting Act. They call FEPC the Fair Employment Practices Committee. I believe a more descriptive name would be Unfair Employment Practices Committee. Now, if you were going to set up an army of Communists or communistic sympathizers in this Nation, you would first realize the necessity of raising money with which to finance such an organization. Well, here is the way the Congress and the President of the United States set up this money-raising organization. They first had to kick the Constitution of the United States out the window because the Constitution plainly states in article I, section 8, as follows: "The Congress shall have power to lay and collect taxes." Our wise forefathers put that provision in our Constitution so that no organization except Congress could ever be set up in this Nation that would have the power to lay and collect taxes. They thought that would be protection for the citizens of this Nation, because the citizens themselves elect the Members of Congress. But here is what Congress did. Congress abdicated its throne by transferring to the communistic labor leaders of this Nation, the right to lay and collect taxes. They did it by enactment of the Wagner Act and the establishment of the National Labor Relations Board, which process placed the working men and women of this Nation in the slave camp, and prohibited them from getting jobs without paying a work-permit tax to these communistic labor-leader racketeers or slaveholders. During the war those labor czars, acting in their capacity as officers of duly organized labor unions in conformity with the laws set up by your duly elected representatives, charged a tax as high as $5 per day, or as high as $100 to $200 or more for a work permit for American citizens to work for their own Government to produce arms and ammunition for our fighting boys to use in battle to save our Nation.

Billions of dollars were thus taxed and collected from the citizens of this Nation and placed in the coffers of the labor unions, for the purpose of spending to elect their stooges to Congress, or to defeat good candidates or for any purpose they desired. The money came right out of the pockets of you folks when you bought a ton of coal, a pair of shoes, a suit of clothes, a dress, an automobile, or a dozen eggs. I want to substantiate my statement that Congress has given to the labor union bosses the power to lay and collect taxes. I want to quote to you a statement made on the floor of the United States Senate by a Senator who was considered to be one of the most conservative members, a man who was considered to be one of the greatest authorities on constitutional law, and a Member who was highly respected by all students of government in this Nation. I refer to the great Democrat and statesman, the late Josiah W. Bailey, of North Carolina. Here are his exact words as contained in the CONGRESSIONAL RECORD:

"The time has come when it is the clear duty of the Federal Government to face the issue and obtain information from the labor organizations. Hear me about that for a moment. We have given the labor organizations of America the power to tax, and we all know it. We may call it what we please, but the labor unions have the power to tax. They can tax the workers and indirectly tax the American people. They not only fix the dues of their organizations but we put the workers in their hands. We collect their dues, in a great many instances, by what is called the check-off. We do not limit the dues; we do not know what the dues are; we just give them ad lib opportunity to charge the workers all that the traffic will bear, and we raise no question."

Now, friends, there is a sound statement of fact, and I would not care to have better authority to prove to you the statement I have often made, that your lawmakers in Washington have abandoned the Constitution of the United States. Here is a brand new form of taxation, under disguise, which has fleeced the American taxpayers of billions of dollars, and this is a form of taxation which catches the little fellow that you hear so much about. It is nothing more or less than a sales tax, because it is added into the price of everything you buy to eat, wear, or use. I have the statistics from the United States Treasury on part of the amount of these deceit taxes levied on the people of this Nation by the labor leader racketeers for 1943 and it amounts to the stupendous sum of $390,000,000. Now some of my listeners may be thinking that I am hollering "thief" after the barn door has been locked by the passage of the Taft-Hartley bill. But let me cite to you just one illustration to prove that the system is still working, at an increased pace, even since the Taft-Hartley bill was enacted. I refer to the new contract imposed upon the coal operators of the Nation by John L. Lewis, who himself stated it was the best contract he ever negotiated in his life. The tax which that one labor czar imposed upon the people of this Nation, by and with the permission of your lawmakers in Washington, will amount to millions, if not billions, of dollars. It amounts to from $2 to $10 per ton on coal. The tax on coal is passed on to steel, and from steel to automobiles, refrigerators, incubators, bathtubs, frying pans, farm machinery, and everything manufactured by the use of fuel, whether that fuel be coal, oil, or gas. The oil corporations have announced that they were forced to increase the price of fuel oil simply to stop the rush of consumers changing to oil from coal on account of the increase in the price of coal. So while I am glad that the Taft-Hartley bill was enacted, and I believe it is a step in the right direction, yet it is not the cure for the evil that is ruining our democratic form of government, and our American system of private enterprise.

There are plenty of Members of Congress who know it was not the cure, but it was better than any other labor legislation enacted by Congress during the past 14 years. This labor legislation is intended to protect the laboring people of this Nation, and most of the laboring people know this is true. A few of the communistic labor leader racketeers recognize the fact that it curtails their power to control the men and women who work, and to profit from their labor.

Everybody who knows my record knows that I have always been a true friend of men and women who actually work. I have been a member of the laboring class most of my life. I was born in poverty and know what it means to work. I have always fought for the rights of laboring people. Of course, the labor bosses and the communistic labor press always have tried to make it appear that I was unfriendly to laboring people, but they knew that is not true. They knew I was fighting the labor leader racketeers, and they were hiding behind the skirts of the laboring people when they attacked me. But the working people know I am their friend, and most of them have supported me in every election.

I think my friendship for the working people was proven when the President of the United States, and his gang of so-called friends of labor, sent a bill to Congress that would have put men into the Army if they went on strike. I think that is one of the most un-American bills ever introduced in Congress, and it only shows what this New Deal gang will do to the laboring people of this Nation when the time comes, providing they stay in power long enough. They will do to them just like Hitler did and just like Stalin did. I voted against that asinine bill that threatened to put men in the Army if they exercised their constitutional right to quit their job or lay off or strike.

You cannot tell me that you are doing anything for the laboring man when you make him plunk down his hard-earned cash to some labor leader racketeer to pay a tax for his God-given right to work, and you cannot tell me that the skilled workmen of this Nation are happy when they work side by side with unskilled men who produce less than one-half as much work as they do, yet draw the same wages. A laboring man who has talent and skill and ability should have the opportunity to receive wages commensurate with his skill, just the same as a businessman has the opportunity to earn more money when he has more talent and ability. The whole idea of the Wagner Act, and the plan of Washington demagogues and bureaucrats to control the working men and women of this Nation, is a rotten racket, and besides destroying the liberties and freedom of the working people themselves, it is leading this Nation headlong into communism, socialism, and destruction. Your pussyfooting lawmakers were not content with transferring to the labor czars the right to tax you, even though that was taking from your pockets billions of dollars and placing it in the treasuries of the labor czars, but they aided and abetted these labor czars further by following their demands and enacting legislation to bleed the United States Treasury of millions, or billions, of dollars in the form of subsidies to help pay the grocery bills and fuel bills and other bills of the members of these communistic labor-racket organizations.

The first step in communizing any nation is to control production, and destroy accumulated savings of the people and their government. Our Federal Government has been practicing those two destructive tactics headlong for many years. You may ask me what I am going to do about it, or what I propose to do about it. Well, I will tell you that I am not just now starting to do something about it. I have been working at this job for many years. And while I cannot claim to have stopped the destruction altogether. I do want to remind you that I have been shouting this alarm during all these years when it was extremely unpopular to say anything about it. And I think it might be well

to call your attention to the fierce and determined fight which has been waged against me during all these years just because I do go to the people and expose all this skulduggery. Whenever you see these big-shot professional politicians who have made millions out of their connections with the administration, and some of these foot-kissing newspapers who are making millions cut of their Government-granted radio licenses and other subsidies they get from the Government, go around shouting and printing every little personal thing they can trump up about my buying a home, or selling a home, or mowing my lawn, or making a profit, or getting my hose supporters on backward, or anything just so it is insulting or insinuating; you know they are not interested in those things at all. They are simply trying by insidious propaganda to poison the minds of the voters to try to get me cut of the United States Senate. Oh, yes, they also start their paid stooges around over the country to tell the people that O'DANIEL can't get anything done in Washington. Well, they are not worried about O'DANIEL not getting anything done. They are scared nearly to death because O'DANIEL has gotten too much done, and because O'DANIEL is going to keep on telling the people the truth, until we do get a whole lot more done. For instance, the gang that kept the President in power for four terms didn't like the way I was shouting all over the Nation on 125 radio stations that we should limit the tenure of the President to one term of 6 years or two terms of 4 years each. But while they were shouting criticism about O'DANIEL buying a home for his family, the people were listening to O'DANIEL explain the evils of long tenure in office, and we get enough support to pass through Congress during this last session a constitutional amendment to limit the tenure of the President to two terms of 4 years each. Isn't that getting something done? Did that make them mad? The answer is yes. They are now scared to death because they fear that O'DANIEL may keep telling the people the truth about the evils caused by long tenure in public office so long and so loud that some day the people may limit the tenure of all Federal-elected officials—and, oh! What a calamity that would be to some of those old fossils who have been sucking a Government sugar teat in Washington, ever since or soon after they got dry behind their ears.

Oh, yes; these two-bit politicians here in Texas have a great time worrying about who in the world they can get to replace O'DANIEL in the United States Senate. Yes, my friends, they are nearly worried to death, but I am not worrying at all because I know what I am going to do about running for the place next summer, and they don't know what they are going to do because they don't know what I am going to do. Aren't they in a terrible fix?

And another thing that is worrying them is not that I have not gotten anything done about this labor-czar racket, but because I have already gotten too much done to suit them. I have told you that I am glad we got the Taft-Hartley bill passed, but that it will not cure all the trouble. Do you know what I did to help get the Taft-Hartley bill passed? Well, those politicians know. It is what I have done that worries them—not what I have not done. You know in almost every county seat here in Texas somebody shows up every few days who says, "I think O'DANIEL is a pretty good man and he has generally voted right, but he can't get anything done." Now when you begin to trace these stories down to their origin, it is easy to find they are pure political propaganda being peddled all over Texas with the idea of fooling some people who are my sincere friends and who do endorse the work which I have done in the United States Senate. I am not going to talk long on this particular subject, but I want to ask you this question: Won't you all agree that the biggest question that has been before this Nation in the last 3 or 4 years has been the question of how we might regain control of government in this country from the hands of the Communist labor leaders and the labor racketeers? Won't you agree with me that under the provisions of the Wagner Act and under the provisions of the Norris-LaGuardia Anti-Injunction Act and under the protection which was granted to labor unions under our antitrust laws, we were fast moving to a position where they were making themselves the absolute masters of the Federal Government, of State governments, of employers and employees? The whole future of this Nation depended upon someone having the courage to fight this combination and to point the way out so this situation could be corrected. Now I believe all of you, or at least most of you, whether you are now or ever have been a supporter of mine, will agree that the statement I have made is a fair statement of the situation which faced this Nation.

Now, then, let's go back a little. Don't take my word for it, because what I am going to say to you comes from the RECORD—go to the RECORD of the Congress of the United States and see what I have advocated to correct this situation and when I advocated it. You will find that in the first year I served in the United States Senate I introduced a constitutional amendment and I also introduced a bill which would outlaw the closed shop in America. Please bear in mind that that was done at a time when it was not popular to stand out on the firing line and face this issue—that was done when the Democratic high command branded any man as a dangerous demagogue who opposed these Red labor agitators. Well, did O'DANIEL get anything done about that? I ask that you read the Taft-Hartley Labor Act and you will find in that bill that the closed shop, which I condemned, has been made illegal in industry throughout this Nation. Isn't that getting something done?

I also introduced legislation which would stop the use of force and violence in labor disputes Now I will admit that the Taft-Hartley bill does not go as far as I think it should on that issue, but, on the other hand, it does outlaw force and coercion on the part of labor unions, but the penalty is not as severe as I think it should be—nevertheless, this thing I advocated has been made the law of the land. Isn't that getting something done?

I urged in legislation that I introduced in Congress that labor unions be made responsible for their contracts. I urged that the secondary boycott be outlawed and that labor unions be made responsible for prosecution under the terms of our antitrust laws the same as all other citizens. Read the Taft-Hartley bill and you will find that today these things which I advocated have been made the law of the land. Isn't that getting something done?

I introduced legislation to amend the Wagner labor law by making it unlawful not only for employers to coerce their employees, but I also advocated that it be made unlawful for anybody, including labor unions, to use force and coercion to drive people either into labor unions or to keep them out of labor unions. Read the Taft-Hartley labor bill and you will find that that feature which I advocated is now the law of the land. Isn't that getting something done?

I also introduced a bill in Congress the purpose of which was to grant to the employer the right of freedom of speech in discussing matters pertaining to labor relations with his employees. I called attention to the fact that, under the provisions of the Wagner Labor Act, the employers were hog-tied and were not permitted to correct false statements which were circulated about their business establishments by these labor racketeers. If you will read the provisions of the Taft-Hartley labor bill, you will find that, too, is now the law of the land. Isn't that getting something done?

I also urged on the floor of the United States Senate that it was absolutely essential for our labor laws to be so amended as to protect the rights of owners of business establishments. Under the Wagner labor law, the employer was made responsible for any statement made by any supervisor or any foreman and the excuse which the National Labor Relations Board used was this: They stated that foremen and supervisors were a part of management, and therefore the employer was responsible for their acts. I stated in a speech I made down here in Texas and in other places that I was willing to accept this theory, but if the foremen and if the supervisors were a part of management, and if the employer was responsible for everything they said and did, then the employer should not be called upon to deal with these representatives of management through labor unions that represented his other employees. If they were called upon to do this, then you were asking one division of management to engage in collective bargaining with another division of management. Obviously the loyalty of the supervisors and foremen should be first to the employer and they could not have first loyalty to the employer and first loyalty to a labor union both at the same time. If you will read the provisions of the Taft-Hartley labor bill which Congress just enacted, you will find that this principle which I advocated is now written into the law and today is the law of the land. Isn't that getting something done?

The record shows that on many occasions I urged that if we were going to permit vast organizations of labor to grow up in this country which were in fact bigger and more powerful and better financed than even our biggest corporations, then when these unions sought to misuse this power they should be subject to prosecution under the provisions of our antitrust laws for their misuse of power. If you will read the Taft-Hartley bill, you will find that, too, is now the law of the land. Isn't that getting something done?

Not one time, but many times in speeches made by me, I have pointed out the inequity and the injustice of the provisions of the Norris-LaGuardia Act, which prevented the employer from going to our courts for protection where such protection was essential to the welfare of his business conducted along legal lines. I urged the theory that that was what our courts were established for and the doors of the courts should never be barred to either the employer or the employee. You will find, if you will read the Taft-Hartley labor bill, that this principle which I advocated is written into this law. Isn't that getting something done?

If you will refer to the RECORD, you will see that the very things I forecasted would happen under the then existing provisions of the wage-and-hour law did happen, and you will further see that in order to protect the people of this country it became necessary for Congress to pass what is generally referred to as the portal-to-portal pay bill, which had the effect of relieving employers from blackmail suits that were being held over them for millions upon millions of dollars on the technical charge of having failed to comply with all provisions of the wage-and-hour law.

Now, my friends, we get back to that propaganda being distributed by the politicians around over Texas that "O'DANIEL is a fine man, but he musn't be continued in the Senate because he can't get anything done." I have an answer to that—it seems that all of the legislation which I advocated on this most important subject of controlling labor-leader racketeers is now in the classification of "things done."

Now I did not carry the flag while this legislation was being passed. I had sense

enough to know the work which I could do to secure this legislation had already been accomplished through the efforts I had put forth, together with the efforts of thousands of other people in this country, and brought to the attention of the American people the absolute necessity for some sound constructive labor legislation. I contented myself to vote for this legislation on two separate occasions—when the bill was first passed and the second time when we passed it over the veto of the President of the United States.

Now let me give you a little side story, and it is this: What these worried politicians are disturbed about is not the fact that W. LEE O'DANIEL, as your Senator, cannot get anything done; that doesn't bother them. What they are worrying about is that I can get too much done, and the things I get done do not suit them.

I am perfectly willing to admit that there is much important legislation which the Congress of the United States should pass, but has thus far not passed. There is important legislation which I have advocated that has not been written into law; however, within the field of legislation to break up this labor-union monopoly, I have cause to be gratified. I have seen most of the program which I have advocated enacted into law, not only in the National Government, but down here in the State government. These labor racketeers who tell you that W. LEE O'DANIEL can't get anything done are not nearly so much bothered about that down here in Texas as they are about a few things I got done while I was Governor. They remember our antiviolence bill which we wrote on the statute books of Texas while I was your Governor, and they also remember that a large number of other States have picked up this Texas law and have now put it on their statute books. They remember that I traveled over this Nation and made speeches before certain State legislatures, and in one instance the labor racketeers picketed the State legislature while I was delivering an address to that body. But as a result of my fight and the fight of others for the adoption of this kind of legislation, the following States have adopted legislation similar to the laws enacted by Texas while I was your Governor, to include the right to work and an antiviolence strike law. Here is a list of States that have adopted by statute or constitutional amendment the right-to-work law: Nevada, Arizona, New Mexico, Texas, Nebraska, South and North Dakota, Iowa, Arkansas, Tennessee, Georgia, Florida, North Carolina, Virginia, Ohio, Delaware, Maine, and Vermont.

I am simply discussing this question for the purpose of uncovering the method and making clear to the people the means by which this political machine is constantly seeking to destroy the confidence of the people in the man whom the citizens of this State have elected to serve them in the United States Senate. So the next time you hear someone say that O'DANIEL can't get anything done, just ask him this question: Is the trouble "O'DANIEL can't get anything done," or is the trouble "he has been getting too much done"?

Now, folks, I am slugging right at the very heart of the things that are destroying America. The spending spree habit—the public-debt habit—the labor communistic racket. And the record shows that more and more people are joining my crusade every day. I expect to keep on leading the fight for the recovery and preservation of our American form of government, and our American system of private enterprise.

This is your United States Senator W. LEE O'DANIEL, Democrat of Texas, speaking. I will be on these same stations at this same time next Thursday night, when I will address you from the studio of WOAI, San Antonio.

Good night.

The Registered Nurse and Cancer

EXTENSION OF REMARKS
OF
HON. CHAPMAN REVERCOMB
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, December 4, 1947

Mr. REVERCOMB. Mr. President, the fight is still going on against the terrible affliction of cancer. The medical profession, both in practice and in research, has made great contributions. I also want to call the attention of the Senate this morning to the great contributions made by laymen. An outstanding lay leader is Mr. George E. Stringfellow, of New Jersey, who has so unselfishly given of his great ability to this vital work. On November 14, 1947, he delivered an address over Station WAAT, Newark, N. J., entitled "The Registered Nurse and Cancer." I ask unanimous consent that the address by Mr. Stringfellow be made a part of the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Cancer is killing at least 170,000 Americans annually. Seven thousand three hundred and twenty-six deaths from this dread disease were reported in our State last year. The rate is increasing.

The fight against cancer is the most challenging—the most important health problem of today. The lives of thousands of our citizens depend upon what we do, and when and how we do it.

Control of cancer is not the sole responsibility of the medical profession, the laymen or the health agencies. It is the responsibility of everyone. In the State of New Jersey, the medical men, the registered nurses, the laymen, and the health agencies, are accepting this responsibility and are putting forth a united effort to—

1. Reduce the number of deaths from cancer;
2. Find the cause; and
3. Develop control.

The nursing profession is playing an important role in the American Cancer Society's control program. The profession is discharging its responsibility in an admirable manner. We laymen realize that doctors are the first line of defense against this disease. At their sides, aiding them in this struggle to save human lives and reduce suffering from the dread disease—stand the nurses.

Because the American Cancer Society represents an organized effort to control cancer, the activities of our Society are of vital interest not only to the nursing and to the medical profession, but to the sufferers from this horrible disease and to the public at large.

The New Jersey Division of the American Cancer Society was organized in 1945. Since that time its cooperative efforts among all segments of our human family have brought forth understanding and good results, but much is yet to be done. We have only started in an organized way. Since August 1946, about 15 months ago, the New Jersey Division of the American Cancer Society has allocated $324,630 for 52 service and education projects in 17 of our 21 countries. These funds were allocated from money contributed to the Cancer Society in 1945 and in 1946.

In our fund-raising campaign last April, the people of New Jersey contributed $713,148. Forty percent of this sum was sent to the American Cancer Society headquarters in New York to support the National Research program, which is guided by the National Research Council, the group of scientists who directed the atomic research for the Government. The balance will be spent for service and education within the State, and allocations now are being made.

Faced as we were a year ago with the need for improvement of services in cancer clinics of general hospitals, the medical profession decided that our money would best be spent for X-ray machines, radium, other equipment, and for the payment of nurses and follow-up workers for these clinics.

Therefore, we allocated $106,413 for deep X-ray therapy units; $59,125 for radium and radon; $83,754 for bedside nursing, services in cancer clinics, and improvement of secretarial and follow-up in cancer clinics.

Another important phase of our cancer program is education. We are told by the doctors that 50 percent of those who die of cancer need not die. Think of it. Fifty percent need not die. Early diagnosis would save many lives. Our education program is designed to inform the people that many cases of cancer can be cured if detected in time. Complete physical examinations will often result in early diagnosis and therefore save lives.

The public has responded enthusiastically to our program. Many thousands of our citizens have received physical examinations by their family doctors. The march to the doctor to avoid death from cancer is on.

To be of maximum service, nurses must be familiar with the early symptoms of cancer. They must be able to translate scientific knowledge of cancer and its treatment into simple nontechnical language that will be understood by nontechnical minds. The registered nurse is helping the American Cancer Society to convince the public that cancer is not a disgrace—it is a misfortune—one that can be overcome if caught in time. Timing is one of the most important things in life. Timing—where cancer is involved often means life or death. Catch it in time and you save lives.

The nurses can do much toward counteracting the general pessimistic attitude and dispelling the fear and horror of cancer.

The care of cancer cases in the home is recognized more and more as a desirable possibility, not only during the terminal stages but also during periods of convalescence or of temporary discharge from the hospital between intervals of treatment. The Cancer Society of New Jersey is meeting this particular problem by giving financial aid to visiting nurses associations. Through agreements between our county chapters and the visiting nurses associations, arrangements have been made to pay the nurses who attend cancer patients who are unable to pay for such services. In several counties of the State this program—which started only a few months ago—is bringing hope and comfort to many cancer patients. It is hoped that other counties will follow this program at an early date.

In these cases, the visiting nurse can render a most welcome service both to the patient and to the family. If dressings are needed more than once a day she can instruct the patient or some member of the family how to do them. Incidentally, dressings can be secured without charge from the Field Army Division of the Society which is conducting an education program in every county of the State. Last year, the 275 units of the Field Army Division made 330,000 dressings. These women are crusaders in the true spirit and are making a great contribution to this cause.

Registered nurses throughout the State are now working with hospital clinics made possible by funds raised by the Cancer Society. The scientists who are directing the research to discover the cause and develop control of cancer have high hopes of success. They do not know when success will be attained.

However, the outlook for control of cancer is brighter now than ever before.

Many lives will be saved when all the people realize that cancer is curable if caught in time. Annual physical examinations by their family physicians will often discover cancer before it is too late. There are people who still mistakenly believe that cancer is "catching" and too many who do not realize the danger signals.

The nursing profession can be of tremendous help in attaining the goal of the American Cancer Society, to—

1. Reduce the number of deaths from cancer;
2. Find the cause; and
3. Develop control.

The registered nurse has a dual role in the cancer-control program—that of education and of service.

She can help to educate the people that cancer can be cured if caught in time.

She can inform them of the danger signals.

She can help to convince them that cancer is not a disgrace.

She can serve by fulfilling the traditions of her profession in bedside care by familiarizing herself with early symptoms of cancer and translating scientific knowledge into laymen's language; by follow-up of clinic and hospital cases to make sure they continue to receive treatment.

She can serve in the clinics of the general hospitals of the State.

Cancer, of all diseases, offers the nurses the greatest opportunity to exercise the qualifications of good nursing; especially the true and tender sympathy shown by the gentle touch, the cheering smile, and the encouraging word, of which these patients are sadly in need.

A great challenge confronts us. A challenge that can only be met by the cooperation of the medical and scientific men, the registered nurses, the laymen, and the health agencies.

All combined are a great team that is fighting a dread disease—cancer. When victory comes it will be the result of such cooperation.

Inflation: Its Causes and Cures

EXTENSION OF REMARKS

OF

HON. HOMER E. CAPEHART

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, December 4, 1947

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a discussion of the subject, Inflation: Its Causes and Cures, held on the American Forum of the Air, November 18, 1947.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

ANNOUNCER. Pilot Radio Corp. proudly presents America's oldest radio forum, now in its nineteenth year of public service—The American Forum of the Air. [Applause.]

Inflation: Its Causes and Cures! Once again from the Shoreham Hotel, Washington, D. C., we present the vital issue of the week discussed on your American Forum of the Air, founded in 1928 by Theodore Granik, attorney and moderator.

Tonight our four authorities are: Senator Homer E. Capehart, Republican, of Indiana; Senator W. Lee O'Daniel, Democrat, of Texas; Leon Henderson, former Administrator, OPA; and Richard Gilbert, former chief economist, OPA.

And now here is your moderator, Theodore Granik.

Chairman GRANIK. Good evening. Inflation is the top subject on every tongue today. What is the cause of it? How can we cure it? Yesterday when the President appeared before Congress he presented a 10-point program for stopping inflation. He asked for a renewal of rationing of goods in short supply, and selective price and wage controls.

Within hours after the message was presented, there was a sharp division of opinion in Congress—some for the plan, some against. It has been called everything from a courageous and positive program, to an attempt at economic dictatorship.

On one point nearly everyone is in agreement. Something must be done about inflation. The question is, should we attack it in the way the President has suggested, or should we follow the advice of men like Senator ROBERT TAFT of Ohio, Senate GOP policy boss, who says inflation can be stopped by a reduction in Government spending, by lower taxes, and limited exports?

Tonight the American Forum brings you a discussion of this vital question. We are now ready for our first speaker in tonight's discussion: Inflation, its causes and cures. Senator HOMER E. CAPEHART, Republican of Indiana, one of the ranking members of the Senate Banking and Currency Committee, which will shortly consider the President's plan. Senator CAPEHART.

Senator CAPEHART. The program offered by our President yesterday is the same old philosophy of scarcity. A return to wartime controls will not produce a single additional pork chop, ear of corn, bushel of wheat, pair of shoes, or automobile.

I wish to propose a program based on a plan of plenty—a program based on increased production. Briefly, the plan is as follows:

1. Increased grain production by 20 percent next year
2. Allocate scarce materials to farm machinery manufacturers and provide funds to enable the farmer to purchase farm machinery.
3. Make funds available to farmers to purchase fertilizers, seeds, and breeding stock.
4. Provide and allocate funds and raw materials for increased production of fertilizer.
5. Increase legal work week from 40 to 44 hours for 2 years and provide tax relief to compensate workers for loss of overtime pay.
6. Appropriate for increased domestic production of metals, study the possibilities of lowering tariffs for importation of scarce metals, and provide for control of raw material inventories.
7. Immediate requirement that the Federal Government release its enormous stock piles of food and materials for relieving world food shortages.

Chairman GRANIK. Thank you, Senator CAPEHART. And now Leon Henderson, former Administrator, the OPA. Mr. Henderson.

Mr. HENDERSON. There is no mystery as to why we have inflation now. Congress destroyed the controls which held inflation in check. During the war we stabilized the cost of living. From mid-1943 until VJ-day, the cost of food, for example, did not rise 2 percent, and yet we produced enough to feed 12,000,000 men in the armed forces, to help feed our allies, and to feed the folks at home.

Then price control was killed. Look what happened. The cost of living went up 25 percent; food prices went up 40 percent. Unless this spiral is halted soon, we face a paralyzing smashup.

Everyone recognizes how serious the situation has become—even the executioners of price control. Now they are coming out with programs. A year and a half ago these same false prophets told the country that if we would just let prices go free, everything would be all right. Why should we believe them now? Why should we take their fancy schemes when there are tried and tested methods which we know will work?

I hate controls—but I hate inflation more. The people of this country are looking to their Government, as they have every right to do, to stop inflation immediately.

Why not try price and other tested controls wherever they are needed?

Chairman GRANIK. Thank you, gentlemen.

And now for our spontaneous discussion. Mr. Gilbert, do you agree with Senator CAPEHART that a return to price control will not increase production?

Mr. GILBERT. Emphatically, I do not. All across this country there are billions of dollars of goods being hoarded for speculative profits; while the country desperately needs those goods, while the country desperately needs production, businessmen are speculating instead of producing. Put price control back into effect, stabilize the cost of living, and it will mean not only prices you can afford to pay; it will mean more production just as it did during the war.

Chairman GRANIK. Senator O'DANIEL, how do you feel about returning price control?

Senator O'DANIEL. Senator CAPEHART said OPA would not produce pork chops or another bushel of wheat. I might add that OPA might lay another egg, like they did during the time they were in existence; and I might also say that OPA will not only lay eggs but it sits on its own eggs and hatches out fatistics like Leon Henderson passed out tonight that are entirely untrue and false, because he said the price of food only rose 2 percent while OPA was in existence, and everybody knows that the price of food went up out in the black market, the only place that you could get food or clothing at that time.

Chairman GRANIK. Will you answer that, Mr. Henderson?

Mr. HENDERSON. That is not true that it was the only place you could get food; there were some articles black-marketed mainly because Congress would not appropriate enough to keep it in check, but the actual cost of food, as I said, went up about 2 percent, and that still allows something for the black-market cost.

Senator O'DANIEL. Those are OPA statistics, and they are unreliable and untrue. All those who bought any meat or any food know they are untrue; prices went up; the only place you could get food you wanted was in the black market; and it has not gone up as much since OPA went off as before.

Mr. GILBERT. I should like to ask this audience whether in their memory the OPA ever laid an egg compared with the egg laid by the Congress when it killed price control and got an increase in the cost of living of 25 percent in less than a year and a half.

Senator CAPEHART. There is one thing we can do tonight, and that is be honest and keep the record straight.

Chairman GRANIK. What is the record?

Senator CAPEHART. The record proves the decontrols were done—the controls were taken off by President Truman and not by Congress.

Mr. GILBERT. Very interesting.

Chairman GRANIK. Mr. Gilbert, opponents of price control contend that price control was a failure. What is the record?

Mr. GILBERT. The record is just as clear as a bell. Between 1941 and 1945 when the war ended, we had in this country the most remarkable expansion of production in all history, and that increase of production was achieved under price control, and the people of this country could afford to buy the goods that were being produced and one-third of the people in this country cannot afford to do it today.

Senator O'DANIEL. Tell me why or how OPA increased any production.

Mr. HENDERSON. I think the Army and Navy will both tell you that the OPA made it possible for them to get increased production on account of stable prices and keeping down the cost of Government goods, running up between seventy-eight and eighty billion dollars in an entire year.

Senator CAPEHART. I would like for you to tell me how OPA or any other lawmaker or Congressman or Senator or bureaucrat can produce one single item, lay one egg or produce one bushel of wheat.

Mr. HENDERSON. I thought we were talking about holding inflation down.

Senator CAPEHART. There is another thing I want to ask, Mr. Gilbert.

Mr. HENDERSON. I subscribe to a lot of the proposal which you have made, and I wish you had brought it out when you were killing the OPA; but the OPA itself kept prices from going up. That was the job that was assigned to it by Congress under full legal debate and authorization.

Senator CAPEHART. May I ask you this question, Mr. Henderson: Why the need today for price control? The need is because of a scarcity of merchandise; isn't that correct?

Mr. HENDERSON. Yes.

Senator CAPEHART. Lack of production, isn't it?

Mr. HENDERSON. You could have the same amount of increase of production under price control and still not have a 25-percent increase in cost of living.

Senator CAPEHART. Mr. Gilbert always falls back on the old worn-out phrase that businessmen are hoarding merchandise. I would like to have him prove that point. I hold in my hand a list of what the Government is holding, which is the biggest hoarder in America. They are hoarding today $500,000,000 worth of food, and if I had the time to read the articles that they are holding here, it would astound the American people. They are holding 100,000,000 pounds of eggs—100,000,000 pounds of eggs. That is almost a pound for every American.

Mr. GILBERT. That is right; they are holding it for the period of short supply when we will need it more desperately than we need it today. . .

Senator CAPEHART. Why don't you throw it on the market today?

Mr. GILBERT. Just one moment, Senator. From Biblical times, as I recall, it made good sense not to eat everything you had as soon as you got your hands on it.

Senator CAPEHART. Why do you complain that the manufacturers and businessmen hold back some merchandise?

Mr. GILBERT. I did not think it was even open to question that businessmen—and this is no criticism of businessmen; they are out to make a profit; that is what this system is for.

Senator CAPEHART. You condemn them for hoarding.

Mr. GILBERT. Quite the contrary.

Senator CAPEHART. You say it is all right for the Government to hoard.

Mr. GILBERT. Quite the contrary. I am condemning the Congress for setting up the conditions in which it would be profitable for businessmen to hoard. Businessmen are sitting on goods, and it is just human nature for them to sit on goods.

Senator CAPEHART. You haven't any proof of that statement.

Mr. GILBERT. Of course I have; the Department of Commerce gets those figures out every month—billions of increased inventories over the past year and a half. Raw materials that are desperately needed, finished merchandise that consumers ought to be getting, are being held because men expect prices to go up every month.

Senator CAPEHART. Is that true of food?

Mr. GILBERT. Certainly it is true of food. The poultrymen just the other day, in objecting to the voluntary program, pointed out the millions of chickens that were in cold storage today, waiting for price increases.

Chairman GRANIK. Senator O'DANIEL wants a word here.

Senator O'DANIEL. Yes; a little while ago Mr. Henderson laid the blame on the Congress for killing OPA. I wish it were possible for me to be given credit for killing OPA myself. I talked over 8 hours on the Senate floor trying to kill it, and in all of my conversation and talk I never at any time said that killing OPA would give us lower prices. I was trying to get back the freedom and the liberty of the American citizens to buy what they wanted to buy and to sell what they wanted to sell.

Mr. HENDERSON. There are about 15,000,000 families today that cannot buy all they want to buy. Is that your idea of freedom?

Senator O'DANIEL. My idea of freedom is if a woman on the farm wants to milk a cow and churn the butter and if she can go to town and sell that pound of butter for $1, or $1.50, or $5, it is no business of the Federal Government what price she gets for that pound of butter, and whenever she has to sell her butter at a price set by somebody else, she has lost her freedom and her American liberty is gone, and we are in a sea of communism just like they are in that communistic New Deal outfit that thrust OPA onto the American people.

I see some of them are here in the audience tonight.

Mr. HENDERSON. Fifteen million families that have had their cost of living increased 25 percent and their cost of food increased 40 percent might have a different idea of what liberty is and what the responsibility of Government is.

Senator O'DANIEL. You check it up with the American people. They won't sell their liberty to have some dictator set up in Washington to tell them what price they can pay for a bushel of wheat or a loaf of bread.

Mr. HENDERSON. Do you mean that if Congress debates and passes under the same terms that it passes any other legislation, price control under standards, that you have created a dictatorship?

Senator O'DANIEL. Yes, sir. I want to hand you a copy of the Constitution of the United States, Mr. Henderson.

Mr. HENDERSON. You hand that to the Congress.

Senator O'DANIEL. I hand it right here to you. I don't know whether you ever read it or not.

Chairman GRANIK. Senator, let's go back to the question of prices.

Senator O'DANIEL. I want to say in Amendment X of the Constitution of the United States it says that powers not delegated in the United States by the Constitution are reserved to the people. And you show me one word, syllable, or sentence in that Constitution that gives the delegates to the Federal Government the right to set the price on a dozen eggs.

Mr. GILBERT. Is this a monologue?

Chairman GRANIK. Let me ask you: If price ceilings are imposed as President Truman recommends, at what level would prices be frozen as of today, or do you favor rolling back prices at a lower level?

Mr. HENDERSON. I favor, as soon as we can, rolling back the extraordinarily high prices, and I think a lot of businessmen would support that. Most business people are scared today as to what is going to happen when the crash comes. You pay off on inflation in deflation, bankruptcy, and loss of capital through inventory losses.

Senator CAPEHART. I would like to ask you gentlemen why it is that prices in America today, as high as they are, are still much lower than they are in almost all other countries of the world? For example, Argentina is selling wheat throughout the world at $1.50 a bushel, and Canada is selling wheat and barley at a higher price than we are in this country, and the French farmers, for whom we expect to appropriate a lot of money in this Congress to help feed them, are getting $4.50 per bushel for wheat. In communistic Russia, God only knows how much they are getting for wheat and corn. We know they are getting as high as $20 to $30 for a pair of shoes. They have controls over there, 100 percent controls, in communistic Russia. Why is it that prices, high as they are in this country, are still lower than they are in the countries that we are asked now to appropriate billions of dollars to help?

Mr. GILBERT. They have the disease worse than we have, Senator.

Senator O'DANIEL. We will catch up with them at the rate the New Dealers are proposing.

Mr. GILBERT. We will catch up with them if men of your ilk have their way. History shows what happens to nations that help inflation along its course. Do you forget what happened to German inflation after the last war? Do you not know what is happening in China today? In the name of freedom—in the name of license, I might say—are you willing to see this proud country of ours dragged into the dust, smashed in an economic smash-up? Is that the sort of thing you are asking for?

Senator O'DANIEL. Mr. Gilbert, let me tell you that setting prices is not the answer to this problem. It is definitely not a Government problem. If we are to operate under the Constitution of the United States, the price of ham and eggs and other commodities in this Nation is not a problem to be handled by the Federal Government or any branch or department of our Federal Government. The pages of history are dotted with instances all down through the ages where powerful nations attempted to control prices, but each and every attempt, without a single exception, has ended in catastrophe and ruin. The unwavering and unfailing law of supply and demand has always prevailed against those who are fickle enough to believe they can control the ebb and flow of prices, Mr. Gilbert.

Chairman GRANIK. Mr. Henderson, do you want to answer that?

Mr. HENDERSON. I have heard that thing, that you couldn't do anything about the law of supply and demand, and yet during the war when $90,000,000,000 were going to war in goods and services, prices were controlled. As far as the constitutional question is concerned, it certainly has been passed on several times by the Supreme Court, and I will take their word for it.

Senator O'DANIEL. The New Deal Supreme Court.

Mr. HENDERSON. I don't see anything wrong with a New Deal Supreme Court.

Senator O'DANIEL. I shouldn't think you would, but a whole lot of people who believe in our Constitution see something wrong with the New Deal Supreme Court.

Mr. HENDERSON. Not the majority of people.

Chairman GRANIK. Senator CAPEHART, did you have a question?

Senator CAPEHART. Gentlemen, there is no war today. The war is over, and it has been over for two and a half years.

Mr. HENDERSON. How about the effects of the war?

Senator CAPEHART. You can talk, as Mr. Gilbert did a moment ago, about this proud Nation, but let me say to you that the greatest thing this Nation enjoys and has enjoyed for 165 years has been freedom and liberty and the private enterprise system. If you ruin that, if you ruin our form of government through returning to wartime controls, where you tell the people what to sow and when to sow and how to sow it, and what price they shall sell this at, you will ruin the only form of government on this earth today where you have free men.

Mr. HENDERSON. You are just completely wrong.

Senator CAPEHART. Wait a minute. Let me talk a minute. You are talking about con-

trols here, and you are patterning it after Russia; you are patterning it after the foreign countries. They have controls over there. Communistic Russia has controls. They had controls in Germany, and they had them in Italy.

Mr. HENDERSON. So did all the democratic countries, Senator. I would like to say something on this.

Senator CAPEHART. They had controls over there, and what has it gotten them? Where are they today? They are looking to us and begging us to send them food. We in this country can do it because we have——

Chairman GRANIK. Will you let him answer, please?

Mr. HENDERSON. I say to you that in a free country that keeps all its institutions open, that passes things by majority control, even if it is under a control of price schemes, and makes it possible for every citizen to speak and every citizen to appeal to the courts, as long as those things are kept an integral part of our democratic system, you can depend on people taking those steps which are necessary to protect themselves. I am not afraid of my Government. There is evidently somebody here who is afraid of his Government. As long as you keep the democratic processes open and as long as you do not impose a lot of things on labor and go to all kinds of property schemes, as the last Republican majority did, I will never worry about protecting the people, the people's right to vote, the people's right to pick their Congress; the courts will take care of things.

Chairman GRANIK. Go ahead, Senator CAPEHART.

Senator CAPEHART. Why can't we get out of our Government and our leadership and you people who had charge of OPA and who want charge of it again——

Mr. HENDERSON. That is not true.

Senator CAPEHART. Why can't we get a philosophy out of you of increased production? Any 10-year-old child knows that the only way in the world that you are going to break inflation and maintain our high standard of living is by growing more food, more grain, more pigs, more cattle, by producing more automobiles, more steel, more of everything. Why can't we adopt a policy and have leadership in this Nation to encourage the people to grow more? Why don't we say to the farmers of America, "Let's grow 20 percent more acres in grain next year"? Why don't we do these things? Why do we have to control?

Chairman GRANIK. Senator, please let him answer that.

Mr. HENDERSON. Senator, the cost to the American public for the same living is about $33,000,000,000 more than it was a year ago, and you don't seem to want to advert to that. The reason for control is that this grandiose scheme of going to the free market didn't succeed.

Senator CAPEHART. Do you want to give up the free market forever in America?

Mr. HENDERSON. No.

Senator CAPEHART. When do you want to go to it?

Mr. HENDERSON. My record is clear on that from the NRA right on down through the Monopoly Committee, which you will remember.

Senator CAPEHART. Will you answer this question: When will you recommend that controls be taken off?

Mr. HENDERSON. I recommend that controls be put on only where they are needed to prevent inflation, and taken off when the inflation is over.

Senator CAPEHART. When production has been increased on those particular items. Is that right?

Mr. HENDERSON. When production has been increased.

Senator CAPEHART. On those particular items. Why don't we set about to increase that production?

Chairman GRANIK. Gentlemen, we pause now for a summation of the arguments advanced this evening.

I see our speakers are ready to sum up tonight's arguments. First, we will hear from Senator O'DANIEL.

Senator O'DANIEL. Mr. Granik, I think that the debate tonight has been a complete flop, because we have been discussing whether we should revert to a police state, using the words of President Truman, because he said a police state is where you control prices.

I think we ought to continue with our American system of government, our constitutional system. There is not one word, syllable, or sentence in the Constitution wherein the people delegated to their Federal Government the right to set prices on commodities or services. Those rights and privileges and powers were retained by the people of this Nation. Therefore, I stand squarely on the Constitution of the United States and say that the one and only way to solve the price problem in this country is for the Communistic New Deal government in control in Washington to take its filthy fingers out of the price pie and let the producers and consumers, the citizens of this great Nation, buy and sell articles at prices upon which they both agree. It is their problem, and not the problem of their public servants.

Chairman GRANIK. I am sorry, Senator O'DANIEL, your time has expired. Mr. Gilbert, will you sum up, please?

Mr. GILBERT. Ladies and gentlemen, the issues before us are very simple. Are we going to control the cost of living now, or are we going to sit on our hands and wait for a boom and a bust that will put this country flat on its back?

Already the cost of living has gone up 25 percent since OPA was killed. Millions of American families have seen their standard of living cut sharply and their savings melt away. And the cost of living right now is rising more rapidly than it has at any time during the past year and a half. Unless something is done, and done soon, it will be too late.

The American people, in my judgment, have had enough of inflation. The American people want the cost of living stabilized, and they want it stabilized now. In spite of all the double talk, the American people know that the cost of living can be stabilized because during the war it was stabilized. That is not a theory; it is a fact—and we remained a democratic nation as we are today.

Chairman GRANIK. I am sorry, gentlemen, our time is up. [Applause.]

You have been listening to the American Forum of the Air discussion—Inflation: Its Causes and Cures.

Our speakers have been: Senator Homer E. Capehart, of Indiana; Senator W. Lee O'Daniel, of Texas; Leon Henderson, former Administrator, OPA; Richard Gilbert, former Chief Economist, OPA.

Now for a word about the exciting program for next week from our announcer, Steve McCormack.

ANNOUNCER. Thank you, Mr. Granik.

In view of the President's statement that he will shortly submit to the Congress his recommendations concerning the aid-to-Europe program, the American Forum of the Air will present a discussion of this vital issue next Tuesday night. This program will again originate from our home studio in the Shoreham Hotel, Washington, D. C.

Our four top authorities include Beardsley Ruml, noted economist, industrialist, and financial authority; Paul Porter, former Administrator, OPA, and former special envoy to Greece; Louis Bromfield, noted author and lecturer; and Congressman George Bender, Republican, Ohio, chairman of the House War Investigating Committee. You are invited to attend the broadcast at the Shoreham. No tickets are required.

It promises to be another stirring debate.

Silver for China

REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. JUDD. Mr. Speaker, most Americans have the common sense to realize that it is short-sighted, if not almost criminal, to have spent tens of billions of dollars and sacrificed tens of thousands of American lives to keep one totalitarian militaristic nation—Japan—from getting control of the manpower, resources, and markets of China; and then to abandon China to the control of another totalitarian, militaristic nation—Russia.

Furthermore, they know that if the Chinese Communists, through our failure since VJ-day to give vigorous help and support to the government of China, succeed in getting control of that country or even of the northern part of it, so that Russia will have nothing to worry about on her Asiatic front, then she will be able to turn all her attention to western Europe with a far better chance of succeeding in her announced determination to defeat the economic rehabilitation of the free nations there—the so-called Marshall plan.

To prevent all the help we have given and will give to Europe, and all the money we have put and will put into Japan and Korea from being just another Operation Rathole, it is important that we do everything possible to keep China from being subjugated by the armed Communist minority there.

Many Americans who agree thoroughly with the above are understandably confused as to how best the United States can render effective assistance at this tragically late date. Some very able men, both American and Chinese, have been considering the possible role some of our silver stocks might play in dealing with the problem of stabilizing the Chinese currency. Under leave to extend my remarks I include a letter just received, along with an article, on this subject:

THE C. C. ISELY LUMBER CO.,
Dodge City, Kans., November 26, 1947.

DEAR CONGRESSMAN JUDD: Since aid to China has been included as part of the world recovery program, I want to urge the most effective way to achieve that end.

Monetary help must be first. Anybody should see that there must be an immediate termination of China's monetary chaos, part of which is our fault. Suppose you have to pay your office help with worthless paper money, money more worthless every day. As I have suggested before, a gift of our surplus silver is the easiest and quickest way. I am attaching a short paper.

I had three sons in the Pacific area, but only two came home.

Yours sincerely,

C. C. ISELY.

FIRST AID

(By C. C. Isely)

SILVER FOR CHINA

Now that our world recovery program includes China, it is well to examine what we

can do speedily to help that long-suffering nation.

Inflation has hit China more severely than any country. This was true before VJ-day and we have been sending, every few days, a plane load of printed money from New York.

The Bullitt report on China put monetary and economic health first. The same week that report was published, Kansas Methodists, in conference at Wichita, proposed that a portion of our surplus silver seigniorage be made available to China.

It has become fashionable among "economists"(?) to consider gold, or any metal, outmoded as a money base. Yet gold hunger is so acute in many parts of the world that our leading financial journal recently reported that despite Treasury opposition there was still a black market in gold and that quantities of it were going to China.

Bishop Lacy, of Foochow, reported months ago that all large commercial transactions in China were in gold. Inevitably the small producer resorts to barter which chokes normal trade channels. Why should a farmer sell a bag of wheat, or rice, or kaoliang for depreciating money? He will hoard it or hide it, if necessary, so that China's own supplies of essential food are not available. Germany had the same experience 24 years ago before the Dawes plan was effectuated, but in China a gold-based paper money would probably not be acceptable among her illiterate millions after their current unhappy experience. Americans should not be surprised, nor should they be critical, because Chinese soldiers and civil servants, paid in worthless paper money, are inefficient and dishonest. An American contemporary of our Revolution said of our depreciated Continental currency: "It corrupted public administration, enervated trade and husbandry, and went far to destroy the morality of our people." Bishop Lacy reports that teachers paid in paper are hardest hit, and on these teachers we depend to lead in achieving western ideals and democracy.

We could spare silver with the least disturbance to our economy. It would not be like shipping gold or wheat or meat. As of April, the Treasury reported $1,071,000,000 in seigniorage. This only indirectly supports our vast issue of silver certificates. For 60 years silver certificates have been exchanged by the Treasury for gold-based currency.

Once China has an acceptable monetary medium it should bring out vast stores of food and other goods now hidden or hoarded and reduce the call on us. Today, $15 for a pure bristle paint brush and paint manufacturers' inability to purchase tung oil are both the direct result of China's internal monetary disorder

Our moral obligation is accentuated when we remember that our silver buying spree, in the thirties, drained the silver out of China, locked up her banks, economically softened her for the Japanese invasion, and, as pointed out by Mr. Soong last March, was the beginning of her inflation difficulties.

The writer, in April 1933, witnessed from the Senate gallery the opening salvo in this silver barrage which helped wreck China. Senator (Cotton Ed) Smith had grudgingly introduced the administration's farm-relief bill, and Huey Long was needling the old man for his lack of enthusiasm. Smith rose and "blew off," as he expressed it, suggesting inflation, printing-press money, as the cure for our farm distress. Senator ELMER THOMAS, Oklahoma, listening, was remembering how, as a young man of 20, in Indiana, he had been entranced by the silvery rhetoric of the silver-tongued Bryan. Now, he knew, was the time to make good on what Bryan dreamed. It wasn't the silver Senators or the Guggenheims who proposed the silver-purchase clause amendment to the Farm Act. Press reports at the time indicated that they feared there might be a bad reaction. But the Oklahoma disciple of the orator of the Platte triumphed.

We still have the silver. Probably 400 million silver dollars, worth about half that much, would suffice for China. The silver bloc is no longer potent. The total mined silver output in the United States, in 1946, was not equal to the 1947 wheat product of a single Kansas, Oklahoma, or Texas county. To be certain that our gift is understood, the coinage might bear a message from the United States of America to China.

It may be much more important and much easier to create an independent China as a going concern than to snatch Europe from the encroachments of the Russian bear. Thousands of years of experience have shown that the Chinese are fundamentally individualists, not naturally communistic, and on the township level, democratic. Their basic philosophy taught by Confucius and Lao-tsze is a good foundation on which to erect a state on the western model, a strong, bastion of Christian civilization. This achievement has been the objective of Chiang Kai-shek as he effectively asserted at the opening conference with General Marshall. Our naive expectation that democracy might be set up by negotiation or by a constitution, in a year or 5 years, is our fault, not Chiang's. If we can read the tragic lesson from India, we should readily see that it is impossible to deal with a vacuum, as Churchill once pointed out. Chiang is our best hope.

If he is guilty of errors, consider our own blunders; our silver-buying policies, our shameful sell-out to Russia, violating our pledged word to Chiang, our dawdling with the idea that an accommodation could be reached with the Yenan government, thus precipitating the dismissal of Stilwell, and finally, the disastrous delays in the later negotiations. Our public errors have been matched by our private columnists and superficial observers who undermined our faith in China. Our soldiers, observing inflation and the accompanying disorder, reported unfavorably. Only rarely was there a discerning military man, like Colonel Loren Thompson, for 4 years on Stilwell's staff, whom the writer met at table at Payne Field, Egypt, who sharply asserted that no one had done so much with so little as China.

This is the time to make valid the sacrifices of our sons in the Pacific war, and the Pacific is the ocean of the future. Now is the time to set the capstone on our hundred years support of Christian missions, colleges and hospitals in China. With Russia so intransigent, public support will rally to a realistic Chinese policy. We too can accomplish much with little.

Communism's Challenge to American Education

REMARKS
OF
HON. FRANK B. KEEFE
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. KEEFE. Mr. Speaker, on the 28th of November last the Honorable John W. Studebaker, United States Commissioner of Education, delivered a remarkable and inspiring address at the annual meeting of the National Council for the Social Studies at St. Louis, Mo., on the subject Communism's Challenge to American Education.

This address should be read by every Member of Congress and it should be in every institution of learning in America. Because of its outstanding contribution to current thinking on this most vital subject, I ask unanimous consent that it may be included as part of these remarks, for printing in the RECORD.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

(The address is as follows:)

In a very liberal sense education is the great conserving influence in our civilization. As trustee for posterity, American education serves to preserve, protect, develop, and transmit to each succeeding generation the glorious heritage of freedom and democracy that is ours as a people. Today, even more than in the past, the faithful discharge of that responsibility is imperative.

THE CHALLENGE OF COMMUNISM

We live in epic times. We are participants in a dramatic clash between two opposing sets of ideas, two contrasting philosophies of life and of social organization—those of democracy versus dictatorship, of free enterprise versus communism, of individualism versus collectivism. The conflict is where it always has been since man began to grope for realization of his God-given potentialities; it is the never-ending clash between democracy and totalitarianism, between the aspirations of the human heart to be free and the schemes by which relatively few men contrive through centralization of power in the State to suppress those aspirations. So it is totalitarianism in any form that is abhorrent to those of us who now enjoy the hard-won blessings of our American democratic way of life.

Having at great cost in lives and in treasure recently put an end, at least temporarily, to dictatorships of the Nazi and Fascist varieties, America is presently challenged by the menace of Communist aggression abroad and of Communist infiltration at home. It is for this reason that emphasis is here given to the Communist species of totalitarianism.

In view of all the portents, he is a blind optimist, indeed, who can regard with complacency the trend of events; who can fail to be stirred by the threat to our American democratic way of life inherent in the very character and tactics of communism. No amount of wishful thinking, no temptation to seek peace for our generation by appeasement or by retiring into a new isolationism, should obscure the precarious world situation in which America today finds itself. The issue must be faced. Democracy and Communist dictatorship represent two antithetical systems of belief and of government. We cannot have both. The differences are too wide to be bridged.

DEMOCRACY AND COMMUNISM COMPARED

Let us briefly review some of these differences. Democracy is devoted to the enhancement of the individual. Communism relegates the individual to the anonymity of the mass, the proletariat, the State. Although the Communists have loudly professed devotion to democracy and human freedom, their actions belie their words.

Democracy encourages tolerance and permits, even nourishes, heterodoxy. Communism insists upon conformity and party regularity. Under communism the monolithic State encompasses all interests and institutions of society. All the instrumentalities of communication and control are brought under its rigorous direction. Concentration camps, imprisonment or exile are employed against political dissenters. Education is corrupted and centrally controlled. Religion is first ridiculed and stifled, then made captive by the State.

Not content with despotic power at home, the dictator reaches out for power and con-

trol abroad. Communism becomes a creed for foreign propagation. The party establishes its own revolutionary international organization by which it supports and directs the various national Communist parties acting as its agents for revolution; for the propagation of its evil doctrines in every country; for the radical or revolutionary overthrow of all democratic, political, economic, and social institutions in favor of an ostensible dictatorship of the proletariat which in reality proves to be the dictatorship of a party clique. By the promotion of class strife; by the enforcement of strict and unquestioning obedience of party members; by teaching and practicing the evil arts of conspiracy and dissimulation; and by utilizing lies and organized violence and hate as means which it fully justifies by its ends, communism seeks to achieve its ultimate objectives.

WORLD-WIDE REVOLUTION AS A COMMUNIST OBJECTIVE

What are these ultimate objectives? Let me refresh your memory on this score by quoting briefly from part of a statement adopted at the forty-sixth session of the Sixth World Congress of the Communist International, meeting in Moscow in September 1928. This statement, in essence, has been frequently reiterated in recent years by Communist leaders. I quote:

"The conquest of power by the proletariat does not mean peacefully capturing the ready-made bourgeois state machinery by means of a parliamentary majority. The conquest of power by the proletariat is the violent overthrow of bourgeois power, the destruction of the capitalist state apparatus (bourgeois armies, police, bureaucratic hierarchy, the judiciary, parliaments, etc.) and substituting in its place new organs of proletarian power."

This ultimate objective of international communism, that is world-wide proletarian revolution and control of society, is shared by the various national branches of the Communist Party, including the Communist Party in the United States. Here, as elsewhere, the party has sought to win over for its purposes the naive and unwary. It has set up a variety of front organizations which, concealed behind high-sounding names, serve but to advance its cause. It has endeavored with some success to place its agents in key positions in labor, in youth groups, and in various educational and religious organizations, to control their policies and bring their influence to bear on public issues in ways which serve to promote the ultimate attainment of Communist objectives.

RUSSIAN PEOPLE DISTINGUISHED FROM THE COMMUNIST SYSTEM

I would not overemphasize, neither would I minimize, the potential domestic threat which is posed by the presence in our midst of many thousands of Communist Party members, pledged to follow the international party line and dedicated to the violent overthrow of our form of government and the destruction of the American way of life.

Neither have I any desire to arouse bitterness and resentment toward the Russian people themselves. With respect to the human impulse to be free, the teeming millions of Russia, aside from the relatively small percentage who are members of the ruling dictatorial party are, I am convinced, not very different from the people of the United States, representing as we do a melting pot of the nations of Europe and the whole world. While we were winning our freedom the struggling masses of Russia yearned for theirs.

American traditions are deeply embedded in the aspirations of our forefathers. You will remember Thomas Jefferson said, "I have sworn upon the altar of God eternal hostility against any form of tyranny over the mind of man." Thus it is that by inheritance our generation detests tyranny in any form or time or place. Consequently, we are bitterly opposed to the revolutionary objectives of international communism, which seeks by means of its fifth columns to destroy the free democracies of the world.

We, therefore, must be realistically aware of the potential domestic threat which communism holds for our American way of life, as well as being disposed to assist in the rehabilitation of the European democracies struggling to retain their freedom against the very present threat of Communist engulfment. And our millions of youth as well as our adults must be prepared to meet that threat. It is still true that eternal vigilance is the price of liberty.

WHAT CAN EDUCATION DO TO MEET THE CHALLENGE OF COMMUNISM?

Now what can American education do to meet the growing menace and the challenge of communism?

First and foremost, education can help to strengthen democracy at home. This is no new idea. It's almost bromidic, platitudinous. Yet it is basic, fundamental. This need has emerged again and again in the context of various pronouncements by government officials and others in recent months.

For one example, the President's Advisory Commission on Universal Training put this point first in outlining the elements in an integrated program for the national defense. Said the Commission:

"A strong, united nation is our No. 1 security requirement. * * * We must concentrate our attention on keeping democracy vibrant and alive to expanding social and economic needs. In particular we must be concerned with the following things:

"1. A healthy economy reflected in full production, full employment, industrial peace and the avoidance of recurring economic crises or inflation. * * *

"2. A high general level of education throughout the country with advanced schooling made the privilege of all who can qualify for it by their own merit. * * *

"3. Improved physical and mental health, not only for the happiness they would bring, but also to make available to the country, in peace or war, its full potential manpower resources. * * *

"4. An understanding of democracy and an increased sense of personal responsibility on the part of every individual for making democracy work."

As another example, J. Edgar Hoover, Director of the FBI, in a magazine article on how to fight communism in America, ends a list of "don't's" with these:

"Don't label anyone as a Communist unless you have the facts.

"Don't confuse liberals and progressives with Communists.

"Don't be a party to the violation of the civil rights of anyone.

"Don't fail to make democracy work, with equal opportunity and the fullest enjoyment of every American's right to life, liberty, and the pursuit of happiness." (Newsweek magazine, June 9, 1947.)

SOME CATEGORICAL IMPERATIVES

May I add to Mr. Hoover's excellent list of "don'ts" some suggestions of a more positive character addressed particularly to the educational profession. They are:

Do give young people a clear understanding of the essential elements of the American democratic way of life.

Do develop a true appreciation on the part of American youth of their glorious American heritage of freedom wrung from the bitter struggle of centuries.

Do contrast very concretely the philosophy and practice of democracy with those of dictatorship.

Do help young people to recognize the elements of Communist strategy and to be intelligent and skillful in thwarting that strategy.

Do give them a vision of the possibilities of a future world of freedom, justice, peace, and plenty.

Do give them an understanding and appreciation of the ethical and spiritual values, as well as the material benefits, of the American way of life.

Do inspire them with the resolve and with the zeal to do their full part in helping to improve the working of democracy.

To suggest that the working of American democracy can be improved is not a confession of failure; nor is it to belittle our accomplishments, as some people would erroneously suppose. Our American democratic ideals of government and society have produced the highest material standards of living for our people of any ever recorded on the face of the earth. Of our other accomplishments, in cultural as well as material affairs, we can rightfully be proud. We need make no apologies for the American way of life, for the ideals toward which we strive. While less than perfect, while in need of many improvements, our way of life has within itself the means for its peaceful and lawful fulfillment. No system involving fallible human beings will ever attain perfection. But measured against any rival system of society, American democracy is so far superior as to warrant our staunchest support against all enemies and traducers, either foreign or domestic.

The time is here when in the interest of national strength and security we must make a more determined and successful effort than ever before to inculcate in the minds and hearts of our American youth the basic principles and the fundamental ideals of our American way of life, to create zeal for American democracy. This is not to depreciate the work of our schools and colleges in the past. No one who knows what has been transpiring in the thousands of classrooms of America over the years can doubt the claim that the schools and colleges have been the greatest single force making for our integration as a liberty-loving people.

But educational agencies can and must serve more effectively than ever before in developing a zealous dedication to democracy. They can and must, in addition, make clear by contrast the threat involved in the Communist ideology, with its overt and covert effort to undermine and to subvert our western democratic civilization.

If in their universities of revolution the Communists can train men of other people's countries to be specialists in sabotage and destruction, democratic men ought to be able to counter the attack with concentrated training of specialists in resistance. If the Communists can graduate skilled disturbers to send into other men's countries to prepare democracies for slavery, surely American educational leadership and teachers can prepare wise and skilled defenders of the free society.

I have said that the schools and colleges of America have the responsibility of inculcating our democratic ideals and modes of conduct in every youth approaching the obligation of adulthood. Successfully to do so demands that we ourselves as teachers, all of us, must believe in democracy, believe in it with a flaming faith based on the clearest intellectual and moral conviction and that we unswervingly communicate our faith to the pupils in our charge.

RESPONSIBILITY OF TEACHERS OF THE SOCIAL STUDIES

All teachers at all levels and in all subjects and activities make or can make vitally important contributions to American citizenship. The elements of democratic faith and habits cannot be bottled up completely in any one subject matter field. But there is no other single group in America with so heavy a responsibility or so great an opportunity for the progressive realization of the

American democratic ideal as the social studies teachers. I am not implying that any of you have been derelict in meeting your professional responsibilities. You have done and are doing a good job in the main. But I believe all of you will agree that there is need for and possibility of very great improvement. If you and I didn't think such improvement possible, we would not be attending this meeting.

How can the social studies teachers help in the development of a more effective program of civic education which will result in a greater zeal for American democracy among the youth of the land? In addressing myself to that question, although what I shall say has mainly to do with the high schools and, to some extent, with the colleges, I do not overlook the basic contribution the elementary schools have made and can make to civic education, especially in the development of democratic attitudes in the field of human relations. Because the problems of civic education in the secondary schools and colleges are more complicated at the moment at least, than in the elementary schools, and because adequate solutions to these problems in the higher levels will require something resembling a major operation, I shall not at this time deal specifically with the needs in the elementary schools.

Unfortunately, there is some reason to believe that many pupils leave our high schools with very hazy notions about democracy. A few years ago the Educational Policies Commission published an excellent case book under the title, "Learning the Ways of Democracy." In preparing the book the commission asked some 2,000 pupils in 68 different classes in about 40 high schools to write brief statements explaining what "democracy" meant to them. Most of them thought of democracy in terms of rights and privileges—and these democratic human and political rights are important. But fewer than one-third of the high-school pupils questioned had any seeming sense of democratic responsibilities, any apparent concern about what they might do to make democracy more successful—particularly as to economic opportunities and matters of human relations.

Let me hasten to add that since the study referred to was made, many schools have greatly improved their emphasis on the various elements in civic education. Thus I understand that in the city of Tulsa, Okla., for example, the senior high-school course in American history now includes a unit called The American Dream dealing primarily with the American ideal of equal opportunity and all that it implies. I am informed that twelfth-grade pupils in the Roosevelt High School in my old home city of Des Moines, Iowa, study a unit of work dealing with Democracy and Its Competitors, which contrasts the principles of democracy with those of communism and fascism, and includes a consideration of ways of preserving and improving democracy in the United States.

Yet, in spite of these and other examples of innovating practices and new emphases in the social studies program of the high schools, I think you will agree that in too many high schools grave handicaps and deficiencies continue to exist. These extend not alone to the materials and methods of instruction in the social studies, but also to the limited time allotments and the general failure to focus instruction on problems of the contemporary national and international scene.

HOW MUCH AND WHAT KIND OF SOCIAL STUDIES SHALL WE TEACH?

More specifically, I refer to the fact that in the 26,000 high schools of this country there is little agreement as to how much or what kind of social studies shall be taught.

To be sure, a year of American history in effect is required of all pupils; and pupils on the average elect an additional year of social studies. But this elective course is one thing for some pupils—quite another thing for others. For example, some pupils take world geography; others, world history. Many pupils take problems of democracy, and smaller numbers elect courses in economics, sociology, social problems, and government.

Frankly, I do not believe that a year of world geography can be equated with a year of world history, or either of these courses with a year of problems of democracy. Nor do I believe that it makes no difference whether or not a pupil has had a chance to learn about the long struggle by which the rights of American democracy were secured. I believe that every pupil should have a chance to learn how difficult it was to establish freedom of speech and of the press, freedom of religion, the right of habeas corpus, and the other American freedoms. I believe that all American boys and girls need a year of world history to understand how precious is our heritage of freedom and to appreciate the role of the United States in today's world.

I don't believe that we can leave it to chance whether pupils in our schools learn about how modern man is influenced by his geographic environment, and how he in turn shapes this environment to his needs. Every pupil needs to understand the facts about natural resources and the need for conservation; about trade and manufacture, transportation and communication, and the interdependence of nations. I believe that every pupil needs to study the geography of the British Commonwealth, the Soviet Union, Latin America, the Far East, Europe, and the United States and its neighbors. The geographic treatment I have in mind is not the geography of the elementary grades. It is a course in world geography appropriate for high school pupils.

In the same way, I do not believe that we can leave to chance whether or not pupils learn about supply and demand, inflation and recession, taxation and governmental expenditures, how the great industries of this Nation have developed, the relation of economic freedom to civil liberties, and what stake each of us has in the economic well-being of all of us. All pupils need to know about how our social institutions have developed, that institutions exist for man and not man for institutions, and that serious social problems arise only when institutions break down. Finally, I believe that all pupils need to know much more about our government—Federal, State, and local, and of the responsibilities each of us must assume for making these governments function efficiently and democratically.

Obviously all of this necessary social studies instruction adds up to more than 2 years of course work. We shall do well if it is satisfactorily compassed in 4 years.

REVISION OF TIME ALLOTMENTS FOR THE SOCIAL STUDIES

What I am really advocating therefore is that we in education must take a step which is long overdue. I propose that we make a thoroughgoing reexamination of what the high schools ought to teach. When we do that I believe we will be convinced of the imperative need to bring up young citizens who really understand and cherish American democracy, who are well informed and skillful in thwarting the purposes of totalitarians, and who understand and accept their responsibilities in today's rapidly shrinking and increasingly interdependent world. I do not see how these needs can be met in less time than 4 years of required work in social studies in grades 9–12. I am thinking of a requirement for all pupils, and I have in mind courses which consist of five periods per week. And I would argue that all college students, also, should take a sequence of required social science courses, and that every effort should be made to provide for articulation between the secondary and college levels and to insure the development of a well-planned program which is challenging at each level.

I make the suggestion on time allotment for the serious consideration of all educational administrators, supervisors, and teachers. Just how to provide the suggested amount of time for the social studies will have to be determined. No doubt, a revamping of the entire program schedule as well as the curriculum is in order. Perhaps the customary number of periods of study per day or per week for all pupils will have to be increased, thus lengthening somewhat the pupils' school day or week. Possibly other subject fields may have to give way to some extent. In any event, I know the time has come when we can take no chances on the soundness of our methods of preparing youth for American democratic citizenship. We must now be certain that we know what product in citizenship our educational process is turning out. We must know this by using periodically, throughout the years young people are in school, ingeniously devised and dependable measurements of the developing adequacy of our products. No industrial manufacturing establishment—an automobile factory, for instance—could survive if it produced too many seconds. It will be equally fatal to American democratic life if we produce too many "seconds" in the quality of citizenship of American youth. I know too much about education to believe that our problem in measuring output is as easy as the manufacturer's; but, nevertheless, I emphasize the necessity for carrying further than ever before our techniques of measurement of our citizenship products and the improvement of our policies for preparing youth and for applying necessary remedial methods.

The days are gone when a combination of fortunate circumstances made it possible for us in this country to succeed with the evolution and progress of American democracy, even though our schools were not adequately supported and staffed; when we as citizens in general and as educators could tolerate some carelessness, so to speak, in preparing youth for citizenship. Now we face stern realities. Now when our pupils come off the education assembly line we must be sure that no one of them lacks anything essential to high quality performance on the highway of American citizenship. The public and all of us engaged professionally in educational work must be satisfied with no lesser achievement.

BETTER INSTRUCTIONAL MATERIAL NECESSARY

It goes without saying that a program of this kind cannot achieve the desired results if only presently available instructional materials are used throughout. I do not have time to develop in detail what I feel must be done to improve instructional materials, but I would like to make three general suggestions. (1) We need materials which are much more concrete and specific, detailed and up to date; less abstract, less generalized and less antiquated. Perhaps this goal can be achieved in large part by producing supplementary materials in pamphlet or magazine form. (2) We need materials geared to the abilities of all pupils who will attend our high schools. At the present time the needs of so-called non-academic pupils simply are not being met. (3) We need materials which are sharply focused on the important concepts to be developed and which do more than merely provide an encyclopedic and necessarily superficial knowledge of a subject field.

TEACHING PROCEDURES

With reference to teaching procedures, I will only hazard the point of view, which I believe all of you will accept, that social studies teaching must go far beyond the mere rote assignment of lessons, and the quizzing of pupils. Pupils must become proficient in the skills of inquiry and of discussion, and they must develop habits

of discriminating radio listening and reading. They must be afforded learning experiences geared to their maturity level; and these experiences must call for more than passive learning or absorption. The schools must help American youth to identify democratic values and to act cooperatively and efficiently in a wide variety of real life situations.

If a program of civic education is to be effective pupils must become expert, as I have said, in the techniques of inquiry and of group discussion. In the high school of Eugene, Oreg., for example, general classes are organized as "democracies" and run according to standard rules of procedure in handling group affairs. In Friends' Central School, Philadelphia, pupils take part in discussions at the student round tables of the Foreign Policy Association of Philadelphia and broadcast unrehearsed discussions of topics considered as an integral part of their class work. In New York City, Cleveland, Pittsburgh, Los Angeles, and elsewhere, high-school pupils have taken part in round-table discussions based on Nation-wide educational broadcasts sponsored by the major networks.

Pupils need instruction on how public opinion is formed, how it becomes effective, and how the individual citizen can help to shape sound opinion. There is a place also for teaching pupils how to use official reports and Government documents, how to fill in tax forms and other statements, and how to mark ballots or use voting machines. In some communities pupils have initiated and carried out successful campaigns to get out the vote in municipal and general elections.

Classroom discussions of the civil liberties need to be stimulated by using current affairs publications, the radio scripts in the Let Freedom Ring series of the United States Office of Education, and a variety of radio broadcasts and moving pictures. Pupils in Cleveland, Ohio, high schools, for example, study a unit, The Struggle for Personal and Political Liberty. In this unit they consider the following questions:

Are the liberties provided in the Constitution threatened today?

Are the constitutional guaranties of certain liberties ever used to secure unfair advantages?

Are laws relating to slander and libel consistent with ideals of liberty? Why?

Can you show that every liberty imposes a duty?

Are the people who demand personal liberties for themselves always willing to extend the same liberties to others?

IMPLICATIONS FOR TEACHER EDUCATION

The implications of all this for teacher education are far-reaching. Every teacher in every field should have a well-grounded understanding of American democracy and, during the period of preservice training, should become proficient in the use of democratic classroom practices. Furthermore, all teachers must keep reasonably well informed about the major issues of contemporary society. Greater attention must be given to the development by all teachers of skill in using the techniques of inquiry and of discussion—involving the use not alone of textbooks and library references but of the radio, classroom periodicals, newspapers, news magazines, and pamphlet literature as well.

UNITED STATES OFFICE OF EDUCATION WILL ASSIST

So much for some of the problems and possible lines of improvement that confront us in the social-studies field if we are to make our full contribution to the improvement of American democracy in the face of the emergent challenge of communism. It was because of a growing conviction of the urgent desirability of strengthening the teaching of democratic principles, of kindling a brighter-burning zeal for democracy in our American youth that the Eightieth Congress appropriated funds to enable the United States Office of Education to provide additional leadership to schools and colleges desirous of strengthening their work in this all-important field of education. It is too early to announce in detail just what assistance we shall be able to make available. We are now engaged in the important task of recruiting additional staff in the social-science fields at the elementary, secondary, and higher education levels. When the staff has been secured we propose, in cooperation with educational groups, such as the National Council for the Social Studies and others, and with the advice and counsel of lay groups and organizations, to plan in some detail the development and promotion of a program of action having certain immediate and long-term objectives in the improvement of education for democratic citizenship in the schools and colleges of America.

The effectuation of any program of action in this field will not be easy. As you well know—better than I—the problems are numerous and difficult. Much that is vital in this field is also highly controversial.

I shall not be surprised if, from certain quarters, perhaps anonymous, an effort is made to raise suspicion in the minds of educators and others and to stir up discord in their ranks respecting the propriety of any concerted program of this sort.

But in spite of the possibility of these and other difficulties, some of which we cannot now anticipate, we propose that the United States Office of Education should do its best to provide assistance to the schools and colleges to the fullest extent of its resources. I am convinced that a great majority of the American people, as well as of the educational profession, are desirous of forthright patriotic emphasis and of improved results in this field of instruction, and that with the cooperation of such groups as your own the effort can be of lasting value.

You know that as I speak I know that the United States Commissioner of Education has no authority to tell you to do anything. I am proud of the existing arrangement of Federal-State relations in education under which the State systems and institutions of education are entirely free of dominion by the Federal Government. Any ideas we have in the United States Office of Education must therefore, win acceptance in the States only on the basis of their merit and their adaptability to the needs of the respective schools and colleges and through voluntary acceptance by the appropriate officials and teachers in the local schools and institutions throughout the country. This is indeed democracy at work between the Federal Government and the States.

I have always done everything I could do as Commissioner of Education to insure the maintenance of the policy of Federal-State relations in education referred to. I hope the day will never come when any United States Commissioner of Education or any other person in the Federal Government will have the authority to tell you what you must do.

Note that I am not suggesting that we educators, much less the United States Office of Education, should undertake to provide children and youth with ready-made solutions of our current pressing domestic or international problems. That would be absurd. Each generation must, in the main, stand on its own feet, solve its own problems. It is to the present generation of adults, rather than to our youth, that society must look for solutions of today's vexing problems.

But upon us as educators, as I said at the outset, does devolve the largest share of responsibility for the development in the oncoming generation of youth of those understandings, skills, attitudes, and ideals which will make for effective and very active American citizenship and world cooperation for peace. These we educators can teach with assurance and enthusiasm, convinced that the understandings and competencies we develop in young people today will enable them to carry forward with unflinching determination the torch of freedom, justice, and humanity tomorrow.

IN CONCLUSION

The strong will prevail. And the free must be strong. A nation cannot be strong unless it is united in support of a common civic and social creed. The American creed is that of democracy and human liberty. That creed cannot be viewed with apathy and indifference. It must be propagated and supported with an individual and collective passion by all good Americans. The propagation of that creed is a fundamental objective of American education, the improvement and successful working of democracy our continuing goal and determination. Both as patriotic citizens and as teachers we shall rededicate our efforts to that end. This must be and is education's answer to the challenge of communism and to any other form of totalitarianism.

Grass Roots Reaction to Foreign Aid

EXTENSION OF REMARKS
OF
HON. P. W. GRIFFITHS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. GRIFFITHS. Mr. Speaker, under leave to extend my remarks, I include a letter from Wilbur D. Matson, of McConnelsville, Ohio, to the editor of the Wall Street Journal under date of November 17, 1947. A perusal of Mr. Matson's letter certainly ought to clear much of the fog from our muddled thinking in regard to aid to Europe.

GRASS-ROOTS REACTION TO FOREIGN AID

EDITOR, THE WALL STREET JOURNAL:

There is much skepticism among people of this rural community over the efficacy or the wisdom of the Marshall plan to save Europe from communism. There is a general agreement that as compassionate human beings we should give the starving what we can afford, and to help Europe save itself. But few there are who believe that pouring additional billions of good money on top of many, many billions of bad money, will save the less fortunate nations of the earth. We have fought two wars to that end and we have poured some $20,000,000,000 more since the end of the last war down the same rat hole. The skeptical may be pardoned if they believe that if Europe wants communism our dollars will not change their opinion.

During the past 33 years the American people have been told just about everything concerning foreign affairs that isn't so. For instance, we were told that the Rhine Valley was our first line of defense. Now we have moved the line into the Balkans, the powder keg of Europe, and the source of most of Europe's endless struggles. And lend-lease was to keep us out of war and instead of sending our boys to die on foreign soil, our dollars would turn the trick for us.

World War I was to make the world safe for democracy, and the Atlantic Charter was to be greater than the Beatitudes, the Bill of Rights, Magna Charta, and Wilson's Fourteen Points. The internationalists shrieked that because of our purblind adherence to isolationism and our refusal to join the League of Nations we were really responsible for World War II. When the UN was being fabricated at San Francisco, any doubting Thomas was silenced by being dubbed a "perfectionist" and a hide-bound isolationist who couldn't see beyond his own doorstep.

With the aims and ideals of all liberty-loving, peace-loving peoples of the earth, we are in wholehearted sympathy. God knows that above everything, this old world needs peace. But if the past 35 years have taught us anything, we should have learned the self-evident truth that wishful thinking and muddle-headed thinking do not keep you out of war; they get you into war and that no matter how badly you may wish for peace the world is farther from that goal today than at any time within the lives of any of us.

After all of our sacrifice in blood and billions, the Marshall plan is now offered the American taxpayers as a panacea for a clouded foreign situation. But what leads anyone to believe that loans other than those essential to stave off immediate hunger and deprivation, and such as help prostrate Europe to rebuild its shattered economy and thus enable it to help itself, will accomplish any permanent good to either borrower or lender?

Vide the British loan, and regardless of what we may or may not wish to do in the premises, how long can this Nation heap Ossa upon Pelion, billions upon billions, of debt? Is not the time long past when further expenditure of billions should be scrutinized in the light of further inflation, an already greatly impaired currency and a future made dubious by the necessity of unbearable taxation to maintain the national credit? Who will carry the tax load when, following a return to normal business conditions, corporate profits vanish beneath the crushing burden of high wages and unconscionable taxation? With war talk rife throughout the world, should not our national defense be built upon the rock of financial stability?

If the American taxpayer, now loaded to the guards with Federal, State, and local exactions, must save the wretched and the suffering of a world in travail (and whose heart does not bleed at the general misery with which much of the earth is afflicted), may he not be in the same case of the swimmer, who in seeking to rescue a friend from drowning, himself becomes drawn into the vortex?

WILBUR D. MATSON.

MCCONNELSVILLE, OHIO.

Antilynching Legislation

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. KEATING. Mr. Speaker, the burning of two Negro churches and a school building in the same county where in July 1946 two veterans of World War II and their wives were brutally murdered, serves to emphasize the imperative need for Federal legislation to enforce the provisions of the fourteenth amendment to the Constitution of the United States.

I hope that my bill, H. R. 4528, or similar legislation, to put an end to such vicious practices, punish the offenders and furnish at least monetary recompense to the victims or their next of kin out of the treasuries of those States or communities which permit such atrocities to continue, may have early and favorable consideration by the Committee on the Judiciary and the Members of this body.

Under leave to extend my remarks, I include a letter just received from Mr. Edgar G. Brown, director of the National Negro Council, and the telegram recently dispatched by that organization to the President of the United States:

NATIONAL NEGRO COUNCIL,
Washington, D. C., December 1, 1947.

Congressman KENNETH B. KEATING,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN KEATING: It has been most gratifying to note your introduction of H. R. 4528, to provide for the application and enforcement of provisions of the fourteenth amendment to the Constitution of the United States and article 55 of the Charter of the United Nations and to assure the protection of citizens of the United States and other persons within the several States from mob violence and lynching, and for other purposes, including denial of their civil rights.

The introduction of this legislation 4 days after the presentation to the Speaker on the Capitol steps of an antilynch petition by the National Negro Council bearing the signatures of more than 5,000,000 Americans from every State of the Union demanding immediate enactment of such a measure by Congress is most timely and heartening.

The most recent outbreaks of arson, terrorism and failure of local and State law enforcement officials in Walton County, Ga., the scene of the tragic multiple lynchings of two colored women and their veteran husbands, July 25, 1946, the Nation's day of infamy, demonstrated the inevitable vicious circle where heinous crimes go unpunished.

Certainly the burning down of the two Negro churches and a school building in Walton County, Ga., must be horrifying news. It must needs be as the night follows the day when criminals are winked at by those sworn to uphold the law and order and peace in high places. Two Governors of Georgia and every local official of Walton County have failed to ferret out, arrest, or convict a single one of the unmasked mob of 30 well-known members who lynched these four innocent persons in broad daylight more than a year ago. No semblance of justice appears possible.

The Governor of Georgia advised me yesterday of his conviction that all was well. No affirmative action was contemplated officially or otherwise than that so ineffectively pursued during the past year, which amounts to adding insult to injury.

No word has come from the President to whom we appealed (note enclosed telegram) in our extremity to assure the welfare of innocent and law-abiding citizens threatened by this wave of lawlessness and criminal assault.

We therefore urge you to use your good offices to have the present Constitutional Congress presided over by a Speaker from the State of Sumner, Garrison, and Shaw authorize an immediate congressional investigation of the bloody reign of terror, lynching, and arson in Walton County, Ga., in accordance with the fourteenth amendment.

We are grateful for your leadership and inspiring statesmanship.

Very sincerely yours,

EDGAR G. BROWN, *Director.*

THE PRESIDENT:

It is tragically apparent from the Associated Press release, published in the Sunday papers of Washington, that a reign of unbridled mob violence, terrorism, arson, burning down two Negro churches and a school building has followed in the wake of the unpunished multiple lynchings of the two Negro women and their veteran husbands in Walton County, Ga., more than a year ago.

The National Negro Council, in the name of 13,000,000 loyal and patriotic Negro Americans, joined by Bishop William A. Fountain, Atlanta, Ga., senior bishop of the African Methodist Episcopal Church, and Dr. D. V. Jemison, Selma, Ala., president of the National Baptist Convention, call upon the President to send United States troops to Walton County, Ga., to immediately restore law and order and to guarantee under the Constitution protection to Negro Americans their legal and God-given rights to worship unmolested in the churches of their choice and also safety to themselves and their children in their homes and school.

The National Negro Council further urges the President to call upon all citizens to wipe out this blot on the escutcheon of democracy, in a voluntary contribution to a racial good-will fund to rebuild the two Negro Methodist and Baptist churches and the school building in Walton County, Ga., in a true American and spontaneous Christian spirit as has always followed in the wake of a national disaster to helpless and innocent people.

EDGAR G. BROWN,
Director, National Negro Council.

A Sound Soil Conservation Program

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. BRYSON. Mr. Speaker, some months ago I was honored by being invited to speak at the Greenville County (S. C.) Soil Conservation District annual meeting to be held at Mauldin High School on the evening of December 5, 1947. Since accepting the invitation the President has called the Congress into an extraordinary session. In anticipation of the meeting, I have prepared a speech for the occasion. Since the Congress is now debating the question of foreign relief, I feel that I should not leave Washington; hence I am compelled to forego the privilege of meeting with my many friends of soil conservation in my district tomorrow night. Under unanimous consent to extend my remarks in the Appendix of the RECORD, I include a copy of the speech I have prepared:

It's a pleasure to attend this annual meeting of the Greenville County Soil Conservation District. I have been watching your efforts to build a permanent, paying agriculture. And I like what I have seen.

Some of the finest examples in the Nation of farmers working together to conserve and improve their land can be found right here in the Greenville County district. I am thinking of Fork Shoals road community, in which your district chairman, Mr. Huff, lives; of Sandy Springs, Jordan, Five Forks, Pleasant Grove, and Travelers Rest.

I'll have more to say later about the soil conservation work in Greenville County and how this fits into the national soil conservation program.

First, however, I want to congratulate the 10 farmers who have just received cash prizes in the pasture improvement contest sponsored by the district supervisors. Green-

ville County needs more hay and grazing crops. So do South Carolina and the entire South. My observation is that soil conservation, better pastures, and good livestock go hand in hand.

The farmers who tonight received certificates of merit from the South Carolina Bankers' Association also are to be congratulated. Each of these men has done an outstanding job in planning, applying, and maintaining a soil and water conservation program on his entire farm. Any farmer who saves and improves his land deserves the highest recognition his fellowmen can give him.

I want also to pay tribute to the farsightedness of the bankers in Greenville and Greer and the merchants and other businessmen in Greenville, Greer, Fountain Inn, and Simpsonville who provided the $600 for the prizes of the pasture contest. They know, as you and I know, that soil conservation is good business for everyone, not just for the farmers.

And our South Carolina Bankers Association, through its presentation of the certificates of merit, is adding to its already commendable record of supporting your conservation program with essay contests and the publication of a booklet for study by school children.

I think of the beautiful certificates presented tonight as decorations for heroic soldiers in the war we must fight and win here at home—the war against erosion and land wastage.

Right here I'd like to bring you another thought:

How quickly we win the war against erosion may determine whether we must face the unknown horrors of atomic war.

Our democracy was founded and grew strong on productive land. Our strongest bulwark against the isms which already have enslaved millions in Europe—and which are a constant threat to us—is productive land. Hungry people have less resistance to communism. That's why we have made, and are still making, such a sacrifice to send food to Europe.

We can't afford to waste any more land. Because of erosion, we already are short of good land—and we are losing more of it every year.

Unless we continue, strengthen, and speed our national soil and water conservation program, a day can come when even here in America we'll not have enough good land to feed our own people.

Dr. H. H. Bennett, Chief of the Soil Conservation Service, tells me that we have left in the United States today only about 450,000,000 or 460,000,000 acres of good cropland. And that includes between 80,000,000 and 100,000,000 acres which need clearing, drainage, irrigation, or other improvements to get the highest production from it.

And only about 100,000,000 acres of this cropland is not subject to erosion damage.

Around 110,000,000 acres of this good cropland is being damaged so rapidly by erosion that it must be protected within the next 10 to 15 years to prevent serious or irreparable damage to much of it.

About another 100,000,000 acres is being damaged at a rate that calls for treatment by 1970, in order to prevent much of it from being seriously cut into by erosion.

We in the United States actually are allowing a half million acres a year to be lost to practical cultivation as a result of erosion running wild. On unprotected land, the rate of depletion through soil erosion generally increases with every year of use. Subsoil erodes faster than topsoil.

That, in brief, is the picture of what is happening to the cropland on which we depend for food and clothing.

While our remaining good cropland is being moved toward the ocean, our population is increasing. I have seen estimates which say we will have 170,000,000 people in the United States by 1970.

Moreover, there's a shortage of good land throughout the world. Today, the world has left only about 4,000,000,000 acres of immediately arable land, as well as can be determined. The productivity of a great deal of this land is only fair to medium, and some of it is poor. Yet, we must count on that 4,000,000,000 acres to feed a population in excess of 2,000,000,000, and still increasing by 20,000,000 a year.

Nutritionists tell us that it takes at least 2½ acres of reasonably productive land per person to supply an adequate nutritional diet. With soil erosion continuing at the rate it has been going, here and throughout the world, it is not difficult to see where we are heading if we do not change our course sharply.

Fortunately there is a brighter side to the picture. That is the work now under way by farmers and ranchmen in the approximately 1,950 soil-conservation districts that cover more than a billion acres throughout the Nation. Your Greenville County district is one of them.

I am amazed how fast farmers and ranchmen have formed soil-conservation districts. Why, it was only 10 years ago that the Nation's first district was organized. Some States, including South Carolina, are solidly covered by these districts which landowners organized through the democratic processes of petition and referendum.

Farmers in these soil-conservation districts already have been assisted by the Soil Conservation Service to plan and begin applying complete soil- and water-conservation programs on more than 516,000 farms and ranches—more than half a million—covering almost 142,000,000 acres. These figures do not include the Service's assistance under other programs in which it has taken part.

During the last fiscal year alone the Soil Conservation Service through districts assisted farmers to plan and begin soil-conservation programs on more than 36,000,000 acres. This all adds up to healthy and normal progress in this important undertaking. It shows we are moving ahead with gratifying speed, and I hope that we may continue to do so in the coming year.

I have given you a summary of our national conservation progress to remind you in the Greenville County district that you are not fighting a lone battle against erosion and land wastage. You have friends and allies on your side throughout the United States, fighting with you to keep this the strongest Nation in the world.

Moreover, the soil conservation movement is spreading to other countries. Several of them have soil conservation services modeled after our own Soil Conservation Service. And they are working through soil conservation districts like your Greenville District. Many representatives of foreign countries, in America to study our way of controlling erosion and improving land, have visited Fork Shoals Road Community and have been inspired by what they found there.

What you are doing here in the Greenville County Soil Conservation District exemplifies the kind of soil conservation program we in Congress have in mind when we vote Federal appropriations for this work.

In recent months I have heard charges of duplication and overlapping in soil conservation work. We in Congress who approve the money for soil conservation certainly want no overlapping of agencies in this field. We are just as interested as you are in getting a dollar's worth of soil conservation on the land for every dollar spent. Therefore, I have looked into the charges of duplication of agencies in soil conservation.

I found no evidence of duplication or overlapping in the soil conservation districts of the Fourth Congressional District. But I did find plenty of evidence of dovetailing of agency work in soil conservation. This is good, and the way we in Congress want Federal money to be spent for soil conservation.

Soil conservation is so important that we can afford no confusion about it. Many of you, perhaps all of you, know the services performed by your soil conservation district, the Soil Conservation Service, and the Production and Marketing Administration. Yet I should like briefly to outline these services for you.

Your Greenville County Soil Conservation District is a governmental subdivision of the State of South Carolina, just as is a school district. Your district was organized by vote of landowners under authority of a State law. Your district is directed by a board of supervisors, all landowners. Your district is not responsible to or under the direction of any agency. You make your own program of work, with whatever assistance you require from agencies and others. Your district may make and carry out your own programs without the aid of any agency, if you so desired. Nothing in the whole framework of American life is more democratic.

And as long as the soil-conservation program is kept in the hands of men like your district supervisors—S. B. Huff, G. B. Williams, W. J. Verdin, W. A. McKelvey, and J. L. Lindsey—we can be certain that it is a program of, by, and for farmers. We've heard a lot about grassroot control of farm programs, but we find it to be a reality in soil conservation districts.

The Soil Conservation Service is a Federal agency, in the United States Department of Agriculture. This agency has a program of assistance to soil conservation districts, but it does not direct the affairs of any district.

The principal contribution of the Soil Conservation Service is technical assistance to individual farmers in planning and applying complete farm soil and water-conservation programs in districts. This is on-the-ground assistance, in your fields, woods, pastures—help like you get from Hermas Granade and his co-workers.

Everywhere I go in Greenville County I hear good things about Mr. Granade's work as a Soil Conservation Service technician. I think he exemplifies the type of skilled technician we need to help farmers with their erosion-control, water-conservation, and land-use problems. I think that the highest praise you can give Mr. Granade is to say that he is a "land doctor." He helps farmers diagnose the ills of their land, and then helps them to make complete plans for using each farm acre according to its capabilities and treating each acre according to its needs.

One time a farm magazine editor was visiting Fork Shoals Road community. "How," the editor asked, "did all this soil conservation happen to be on the land?" A farmer answered, "A 'Granade' burst in this community."

The soil- and water-conservation plans the Soil Conservation Service helps farmers to make, are incorporated in cooperative agreements between individual farmers and their local soil-conservation district. There is no form of agreement between the Soil Conservation Service and individual farmers.

In addition to technical assistance, the Soil Conservation Service also furnishes a limited amount of plants and seeds produced in its regional nurseries. These might be called incentive materials to get new plants usful for erosion control in areas where they were not grown previously. That's the way, for example, that kudzu and sericea were started on many farms, or the way in which the promising new grass, Kentucky 31 fescue, is being spread.

The Soil Conservation Service may also lend or grant equipment to soil conservation districts, but this assistance is extremely limited.

The plants and seeds from the nurseries and the equipment loaned or granted go to districts rather than to individual farmers. The Soil Conservation Service makes no payments or grants-in-aid to individual farmers.

I assure you that I will oppose any effort to weaken the Soil Conservation Service. I will vote to strengthen this agency and to increase its appropriations so that it can meet the demands of farmers for on-the-ground technical assistance in solving their soil- and water-conservation problems.

The Production and Marketing Administration is another Federal agency in the United States Department of Agriculture. This agency makes payments for application of soil-conservation practices on the land and also makes grants-in-aid of certain conservation materials. This agency extends aid to farmers who are cooperating with the districts and to others.

I have supported and will continue to support adequate appropriations for PMA.

Assistance rendered by PMA and the SCS is often on the same farm.

Where the Soil Conservation Service working in cooperation with a district helps a farmer with the planning of a soil-and-water program on his farm, Production and Marketing Administration may extend material aid to help pay for the application of certain of the practices provided for in the farm soil and water conservation plan.

Thus the Production and Marketing Administration contributes directly to the success of the work of the Soil Conservation Service in its assistance to the soil-conservation district.

The Soil Conservation Service and the soil-conservation district aid the Production and Marketing Administration by assisting farmers with the preparation of plans that use to best advantage the aid furnished by PMA.

This is not duplication. Nor is it overlapping. Instead it is a dovetailing of the soil conservation technical assistance of one agency and the soil conservation benefit payments of another agency.

And the best and most successful pattern of soil conservation results when both work together as I've outlined to you.

A careful study of an individual farm on which a complete plan of soil and water conservation is well along toward completion will illustrate the value of detailed planning in getting the most for the money PMA spends for soil conservation. Compare one of these farms having a district plan with an unplanned farm, which also has had the benefit of all grants from PMA. Study a community like Fork Shoals Road or Sandy Springs where a large block of farms have soil- and water-conservation plans well along toward application on the ground, and then compare one of these communities with another in the same county where no farm plans have been developed in cooperation with a soil-conservation district.

On-the-ground studies of what is happening on the land will show that the Soil Conservation Service is helping Production and Marketing Administration to get more conservation for the money spent, and that PMA is helping farmers in soil-conservation districts to get soil- and water-conservation practices applied faster after they are planned, by extending material aid to these farmers.

Fork Shoals Road community is a good example of the way these agencies help each other. About 60 farms in a solid block in this community have soil conservation district plans, and more than three-fourths of the planned practices are now on the land. In 1946, Fork Shoals Road community farmers earned approximately 92 percent of their PMA payments as compared with the county average of approximately 56 percent.

I do not need to remind you that soil conservation farming pays—almost from the very beginning. And the more nearly the soil conservation program is complete the greater are the benefits.

This fact was proved conclusively right here in Greenville County district last year in a study made by the Soil Conservation Service.

The Service obtained, from 56 cooperators with your district, detailed reports on their 1945 crop yields, livestock production, and income. The farms were similar in size and in other ways, with one exception. On 40 of these farms, 96 percent of all the necessary soil-conservation practices had been applied. On the other 16 farms, only 46 percent of the necessary practices had been applied.

Farms with the most soil-conservation work completed had the highest yields, produced the most livestock, and had the highest income.

Gross income per acre was $36.62 for the farms with 96 percent of the conservation program completed, as compared with $23.07 an acre for the farms with 46 percent of the conservation work finished. That's a difference of $13.55 in favor of more soil conservation.

Let me give you one or two examples which have come to my attention, of what this means to the individual farmer.

Drayton Hopkins is president of the Fork Shoals Road Soil Conservation Club and one of the first farmers in that community to work with the Greenville County district. This club now has 60 members whose farm-conservation programs are more than 75 percent completed.

When Mr. Hopkins began a soil-conservation program, his cotton yields were around 290 pounds an acre. He was harvesting about 74 bales from 134 acres. Now he averages 100 bales from 100 acres. The corn yields on his farm have jumped from 10 to 30 bushels an acre. Where he formerly averaged 20 bushels an acre from oats, the production now is 75 bushels an acre. Wheat yields have risen from 10 to 25 bushels an acres.

There are four new crop on this farm, where every acre of land is used according to its capabilities. One of the new crops is barley, which produces about 40 bushels an acre. Another is annual lespedeza, valuable for soil conservation as well as for its yield of 500 pounds of seed an acre.

Thirty acres of steep and eroded land are growing sericea lespedeza, which produces a ton of hay and 300 pounds of seed an acre, or which is used for grazing.

Fourteen of the 25 acres of eroded land in kudzu produce 2 tons of hay an acre, and the remaining 11 acres are used for grazing.

W. M. Kellett, who has a store out at Fork Shoals Road, can tell you about the same story of increased yields on his farm. So can his son, J. P. Kellett. And your district supervisor, Mr. Huff, has had remarkable success in increasing the productivity of his own farm through soil-conservation farming.

Yes, soil conservation is good business. It's good for the farmer himself, good for his merchant and his banker, good for the Nation, and good for the world.

I want to congratulate the Greenville County soil-conservation district on the completion of another year's successful work in saving and building the soil. Hold to the gains you have made. Speed up the work wherever possible, because the biggest part of the conservation job is still to do. Our remaining good land must be saved for the future prosperity, peace, and security, and general welfare of our Nation. You have my full support and cooperation.

The Legislative Outlook

EXTENSION OF REMARKS
OF
HON. ROBERT TRIPP ROSS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. ROSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address entitled "The Legislative Outlook," delivered by the Honorable JOSEPH W. MARTIN, JR., Speaker of the House of Representatives, before the fifty-second annual Congress of American Industry on December 3, 1947.

This is a great speech. It is a complete answer to some of the confused thinking which is now being projected. I urge every Member of the House to read and study this clear exposition of the problems confronting the Nation, and the sound course which we must pursue.

The address follows:

Mr. Chairman and fellow citizens, a grave situation has been brought about in this Nation. We are asked to assume, because of no fault of our own, peacetime restrictions, controls, and regimentation as stringent as wartime controls were. We are asked to continue on under a staggering burden of taxation in order to pay reparations, as it were, to allies and enemies alike, following a war we won. To be added to the immeasurable sacrifices we made in blood and treasure during the fighting, we are asked to add more money.

Meantime, one of the arguments being made by those who propose these dangerous and staggering burdens is that there is too much money in the hands of the people. On the one hand, we see high wages. On the other, we see an effort to take those high-wage dollars out of the hands of the people who earn them by excessive taxation. On the one hand, we hear talk about preserving democracy here in America coming from the same lips which argue that we should, to some degree, abandon democracy in favor of stringent peacetime regimentation and controls. The same speakers who argue that prices are too high—and they are—contend that the only way to cure the trouble is to take away from the people more money in taxes so they will have less with which to meet living costs.

We must not allow economic freedom and self-reliance to be destroyed. If they are, the powers standing for liberty will be so weakened they will not be able to offer any effective resistance to the progressive extension of such destruction to constitutional government and the people's liberties generally.

If this resistance is gradually given up—the people might not even realize what is actually happening. Personal liberty, freedom of thought and speech, and the independence of business and of science would be exposed to a very great danger. We could lose the whole essence of the civilization we have inherited from generations which fought hard to lay its foundations, and for which many men even gave their lives.

It is proposed we increase Government spending when we should be curtailing it. Reports are being allowed to go out of the governmental circles that the next year's budget will be $40,000,000,000 or more.

Wild Government spending simply must be reduced, not increased. And the reductions which must be made cannot be accom-

plished unless we have the wholehearted support of the people who want to save the Nation from economic collapse.

One of the most acute problems given scant attention by the administration is keeping this country solvent. We all like to spend money; every human appeal finds in us a responsive chord. But the cold facts are there is only so much money available.

The only money the Government has to spend is money taken from the people in taxes.

The more the Government spends, the more it is obliged to tax the people. This fact must be brought home to the people.

That is why it is imperative that President Truman at the earliest possible moment shall tell Congress how much money he wants to spend abroad next year. And, how much he wants for spending at home.

With the total demands known, Congress can determine the proper distribution of the tax money.

The more money we send abroad, the less we will have to spend at home. And if the spending demands are excessive, then, of course, we cannot reduce taxes. We must be fully aware as to what the alternatives are.

There is one thing we must do, and that is to keep the budget balanced. With a national debt of more than $8,000 for every family in America, we cannot continue to go into debt.

American horse sense demands that the Government shall join with the Republican Congress in keeping this country solvent. It is high time the people demanded this brand of cooperation.

The great heart of America, as has been demonstrated in the last two years, will always respond to the call of the hungry. But we must guard ourselves against any who would fill their own pockets with American funds.

Feeding the world is an enormous task and it cannot be accomplished without the fullest cooperation of the people of every land. Waste and dishonesty must be reduced to the minimum.

American dollars alone cannot do this job. These dollars must be prudently spent. And we must have full cooperation from the nations which seek our aid. They must be ready and willing to go to work, to help themselves.

After all, American money is not inexhaustible. Our people will not go on indefinitely paying high taxes to help other peoples without evidence they are doing their best to help themselves. For the sake of those peoples themselves, they must thus cooperate while the money is available—and they have their chance.

This enormous job of rebuilding Europe cannot be financed entirely from the United States Treasury. We must enlist and encourage the aid of private sources willing to risk venture capital in rebuilding industries abroad.

There must be improved methods for the distribution of relief abroad. Good business executives should be selected to supervise the expenditures if we are ever to finish successfully the job we have started. The job should not be given to theorists and chairwarmers whose chief aim is to remain on the Government pay roll. Congress hopes to evolve a plan to meet these requirements.

And in all this, we must consider America, too.

All real Americans are united in wanting to preserve this grand, glorious, free, rich land of ours. You want your children's children to have the fair chance you have had. You want the young veterans and the rest of America's youth to know and make stronger the freedom and the richness of life in the America you love.

The administration wants a return of price controls and rationing.

Do you remember when the people were begging for bacon and butter and sugar? Do you remember the fruits and berries which were allowed to spoil for lack of sugar, because governmental price fixers and rationers appeared to be ignorant that they were deliberately wasting food by that sort of thing?

Do you remember those days when you stood in line and adopted a mighty meek attitude when the clerks in the rationing boards barked at you and acted as though you were some kind of a criminal because you wanted ration coupons for food?

Do you recall how the store clerks—if they liked you—would go down under the counter for scarce items while they blandly told other customers they were out of the commodities?

You will recall that before the OPA was abolished by Executive order of the President during the Seventy-ninth Congress, black markets were sprung up everywhere. Meat butchered under the trees with flies swarming on it was being sold to the helpless public. Everything from sugar to nylon stockings, from coffee to automobile tires, was going into the black market faster and faster. And prices were skyrocketing. And the OPA had been proved a dismal failure. Prices were high and the food difficult to secure.

The administration seeks the power to return to all that.

Now, fellow citizens, helping the rest of the world is commendable. But it must not be made the excuse for taking the brakes off governmental spending at home.

We started to cut reckless, wasteful governmental spending in the first session of the Eightieth Congress, and we are going to do it again in the second regular session of this Congress.

We saved $3,000,000,000 for the taxpayers by cuts where cuts could safely be made, but the bureaucrats don't like to talk about that.

Just while I am on this subject, I want to recall the record on the national defense. There is a growing propaganda emanating from officials high in the executive branch that the Eightieth Congress refused to appropriate sufficient money and wrecked our national defense. Several times within the past few weeks the charge has been made that our defense in the air is a hollow shell because Congress was too tight-fisted.

Now let's look at the facts.

The budget requests for the Army and Navy air forces were $1,379,000,000 cash and $553,000,000 contractual authority, a total of $1,932,000,000. Public Laws 202 and 267 containing the final action on these requests, show that Congress gave the air forces in cash and contractual authority an aggregate of $76,000,000 more with which to function than was originally requested in the President's budget.

The total effective reduction of defense budgetary requests, all items considered, was a net reduction of only $120,000,000 or 1.3 percent of the President's request. Significant factors to consider include the fact that funds for personnel both civilian and military were predicated on the Department's estimates of their ability to recruit. Reliable information is that the recruiting is behind schedule. They may not be able to spend all the money they have.

Since the national defense has been treated so generously one begins to wonder how it can be that a net cut of $120,000,000 or 1.3 percent, can wreck the national defense. What are they doing with all the billions which were appropriated? Certainly with proper supervision, the nine billion, five hundred and thirty-nine million should have provided adequate defense.

The revelations in the Ferguson Senate Committee are timely. The Michigan Senator should go even deeper into these questions. But the facts and figures which stand in the record prove the absolute falsity of the charges and insinuations that the Congress has embarrassed the national defense, much less weakened it, by reduced appropriations. The services may be embarrassed but if so it is not by being denied funds by the Congress.

Let me say to you, we had better keep uppermost in our thinking one very pertinent fact. It is easy enough to shackle the people of this country under governmental controls; price fixing; wage regulations, and regimentation by a bare majority of both Houses of Congress. But it will take a two-thirds vote of both Houses to strike off those shackles and recapture those delegated powers over the lives and activities of our people.

Of course, all the assurances these rationing powers and regimenting restrictions will not be used unless necessary are pure twaddle. They are like the lion saying to the lamb: "Come and lie down between my paws; I won't eat you unless I get hungry." Did you ever see a bureaucrat who wasn't hungry for power? You can bet your last dollar if those powers are granted to the executive department of the Government they will promptly be invoked and used. And when the people get tired of them and want to be freed, those bureaucrats will do exactly as they have done all along. They will fight to the last ditch to resist losing their powers. They will try to hold onto their fat jobs. It will require a two-thirds majority of both Houses of the Congress to break their hold.

It has not been so long ago that American business was struggling along trying to operate and help to win a war under 76,000 administrative regulations which had the force and effect of law. In many cases even recourse to the courts was denied. They were so contradictory, so inconsistent, and, in some cases, displayed such ignorance of business, of agriculture, as to astound the country. Do you recall the advice given by the New Deal bureaucrats to farmers to take the shoes off their horses at night to save wear? Can you remember when a solemn order was sent out that there should be no more butchering of "female steers"? Do we want any more of that sort of thing?

Controls throttle production. We know the salvation of America lies in a constantly expanding economy. For the sake of the wage earners, as well as of everybody else, we have got to produce more goods and services at lower prices. That cannot be done by raising wages, and then raising prices, and then raising wages and prices all over again. That, of course, is an inflationary spiral. The wage earners see that as plainly as other people do. We must employ our most skillful engineers to produce new techniques for us. We must increase the per man hour output. Lower prices and improved quality would give every wage earner, every farmer—every man, woman, and child in this Nation—an increased real income.

Deficit spending, currency inflation, and the inflationary effects of war production are responsible for high prices. War activities left the wages and salaries at home. The goods and services went overseas and were lost to us. Now the inflationary condition is being aggravated by the drain on our supplies—the billions of dollars worth of goods we have sent and are sending abroad since the war ended. Droughts and unusual winters have added to the burdens of the world. The law of supply and demand has coincided with and further aggravated inflation.

In the face of the stark fact that more of everything is needed by a suffering world, in many foreign countries. Communist strikes are now under way to produce less. Chaos is their objective, of course.

This whole issue is not a partisan problem, nor is it a partisan question. The demand of the President for a restoration of his wartime powers to ration supplies, regiment, prorate and fix prices and wages, is the gravest demand ever made upon the American people in peacetime.

It could easily mark the end of our American system of free government, free economy, and free society. It could start our slide into the abyss of the police state.

No man, no bureau, no clique—no party—is to be trusted with such power in peacetime, except as a very last, very desperate resort. No clique in Washington can run America as well as the people themselves can run it. Give them the truth, let them know the facts, and they will do a good job of governing themselves. Our danger is that citizens may be misled by clever, cunning, skillfully managed and well-financed propaganda aimed to bring the American people into subjection to a centralized power at Washington.

You may be assured the Congress is going to examine every one of those proposals most carefully. We are facing fateful decisions. We do not intend to make those decisions on snap judgment or insufficient information. Congress is determined to do its part to solve the problem of high prices—the American way. It is a problem we recognize. It must be solved the right way. That will take teamplay between the people, the administration, and the Congress.

America must be kept American. Our incomparable system must be perpetuated. We must stamp out the fifth column of communism in this country and look to our liberties. We owe it not only to ourselves but to the world and to posterity.

If the torch of freedom is ever allowed to go out in America the world will be in spiritual darkness.

God forbid that.

America will stand.

America will lead the world.

America will continue to be the torch of hope and the beacon of progress for all the people of the world.

May God give us the strength and the wisdom to lead all other countries of this world to adopt and work under a world-wide slogan—"Pull Together for Peace and Progress."

Increased Compensation for Postal Workers

EXTENSION OF REMARKS

OF

HON. JOHN C. BUTLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. BUTLER. Mr. Speaker, I have introduced today a bill to provide for additional compensation for employees in the field service of the Post Office Department. Under the terms of the bill those employees whose rates of compensation are fixed at an annual rate would receive an upward adjustment of $800 per annum; employees paid on an hourly or part time basis would receive an adjustment in the amount of 40 cents per hour.

Mr. Speaker, in the light of today's unprecedented high cost of living, the postal worker finds his present wage scale inadequate. There is an utter sense of frustration prevalent among postal employees in all grades in their almost hopeless task of coping with present-day high living costs. This pinch is felt particularly by those postal employees in the low salary grades.

It may come as a surprise to some to learn that the starting wage for a regular letter carrier and postal clerk is $2,100 per annum—the take-home pay is considerably less, due to a 5-percent deduction for retirement purposes, in addition to the authorized withholding tax. I have been advised that the average gross salary for all employees in the field service of the postal service is approximately $2,708 per annum.

Unfortunately, the vast majority of postal employees in the low-salary grades are veterans of World War II. These soldiers, sailors and marines—many of them combat veterans, many of them decorated for unusual gallantry in action, and a sizeable number of them with service-connected disabilities—are disillusioned with their jobs in the postal service. These boys returned to civil life with promises of handsome treatment ringing in their ears. It was sweet music compared to the roar and din of the battlefield. But the handsome promises that sounded such sweet music have turned out to be almost empty gestures—gestures that now give off a hollow sound.

Several laws were enacted by Congress in previous sessions which provided for preferential treatment for veterans seeking Federal employment. I am now of the firm opinion that in everyday practice those well-meant laws are but futile gestures insofar as veterans in the postal service are concerned.

Unless these low-paid veterans are provided for in a more practical manner, along with their coworkers in the postal service, there will be every legitimate reason for the American people to think that we have forgotten these faithful public servants. Certainly, in the case of the veteran, it will be a case of out of sight, out of mind, as the saying goes.

Our First Responsibility Is To Protect Our Own People

EXTENSION OF REMARKS

OF

HON. CHARLES W. VURSELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. VURSELL. Mr. Speaker, today I want to speak briefly with reference to European aid and the Marshall plan. This Congress is faced with grave decisions. We are being asked to take from the American people in money and supplies at a critical time of shortages on every hand, $597,000,000 for immediate emergency relief. Later we are being asked by the administration to enter into a 4-year contract to furnish some $20,000,000,000 or more in money and supplies to implement the Marshall plan. In the interest of our own people and Nation, we must not approach them in an atmosphere of hysteria and emotion; we must think as realists.

Mr. Speaker, we all want to stop or retard communism if we can. The State Department and the administration thinks we can stop it with emergency relief and with $20,000,000,000 or more to follow. Before this Congress follows their suggestions, in the interest of the American people the record of their past judgment, recommendations and results, should be studied and reviewed to determine if we can safely follow their recommendations now. Trial and error is still the best yardstick with which to judge the future.

In fact, most of our European problems today are due to the past mistakes of our State Department and the administration. The question is, Can we trust them to be right today in this expensive new plan they suggest?

MISTAKE NO. 1

Here is their past record:

Our State Department and Chief Executive, the late President Roosevelt, at Yalta agreed to allow Russia and Poland to move their boundaries west taking 25,600,000 acres of the best agricultural land away from Germany. This agreement put Russia in the driver's seat in Europe and placed her in a position to starve the rest of Germany which has cost the United States over a billion dollars to date in supplying food for western Germany. They further agreed that Russia should have reparations in Germany and Europe totaling about $15,000,000,000. Under this agreement Russia has dismantled and moved out manufacturing plants by the hundreds needed for the rebuilding of the economy of Germany and Austria. I believe it was General Eisenhower who once said "When Germany was divided at Potsdam for administrative purposes, Russia got the bread basket of Germany, England the industrial section, and the United States the scenery."

MISTAKE NO. 2

At the Quebec Conference, Secretary of the Treasury Morgenthau, with President Roosevelt, persuaded Mr. Churchill to agree that in the future Germany could not become a manufacturing nation as in the past, but would have to exist as an agricultural nation. Western Germany, with the great Ruhr coal mines is not adapted to agriculture and only produces about 50 percent of the food necessary to feed her 45,000,000 people. Because of this mistake since we occupied Germany it has cost us a billion dollars to supply them with food and other materials.

MISTAKE NO. 3

This was the failure to allow the American and British troops during the last weeks of the war to move right on in and capture the capital city of Berlin, rather than to hold them back to give Russia this honor. Had we done this we would have been in possession of so much of the territory of Germany that Russia would not now be in the driver's seat in a position to prevent the writing of a peace treaty in London, where they are meeting for the second time at this very moment. We would be the boss of the situation in Germany today had it not been for these three mistakes. These three mistakes have probably put Russia in a position to thwart and prevent the peace of the world. Those favoring the Marshall plan will argue that we must spend

$20,000,000,000 or more in western Europe to stop communism and to save the peace.

Mr. Speaker, let me suggest in all seriousness, if we lose the peace in Europe, it was lost at the Yalta Conference over 2 years ago because of the bungling of the State Department and the administration, who apparently now seek to balance off those mistakes and make a new try with $20,000,000,000. History now records the tragedy to America, Europe, and the World due to these three colossal blunders. In fact, the Yalta agreement went much further and by the power given Russia in Manchuria, she is about to overthrow the Chinese Government. Can we trust their judgment now?

All western Europe and our Nation admitting the mistake of the Morgenthau plan recently agreed to reindustrialize Germany with controls that will prevent her from waging war in the future. They now agree that western Europe cannot be rehabilitated unless Germany is allowed to produce the coal and steel so much needed in western Europe.

Mr. Speaker, we have lost 2 years at the cost of billions of dollars in preventing Germany from reviving her industry with the result that we will ship 38,000,000 tons of coal to England and western Europe by the end of this year, most of which could have, and should have been produced in the Ruhr district of Germany. We have shipped so much coal to the seaboards for export, that miners of southern Illinois and the Nation can only work part time because there are not sufficient cars to take the coal away from the pits.

Mr. Speaker, by holding up the false specter of starvation, the administration and the thousands of bureau propagandists and friendly commentators, over the air, seek to influence the American people and the Congress by the biggest barrage of propaganda ever turned loose on the public, to support the $20,000,000,000 Marshall plan.

As a member of the Herter congressional committee I spent 30 days in Germany with the subcommittee conferring with top United States generals and their civilian forces in the Army of Occupation, and conferring with the heads of the German state legislatures, making an extensive study of conditions. Nowhere in Europe did I hear of anyone starving or anyone who expected to starve. That propaganda is used here in the United States. I visited a number of schools and took pictures of the German school children. If you were not told otherwise you would think they were pictures of American children in our schools. It is true that Germany has suffered great destruction and that the people do not have all the food they need or want, but it is also true that through the efforts of the German farmers and those directing government we never saw or heard of anyone who was starving or about to starve for lack of food in Germany. The same is true elsewhere in Europe.

We are in a different position in Germany than in any other country in Europe. We are the victors and occupy a part of that nation. So long as our flag floats over a part of Germany as a symbol of our authority and their control, the call of humanity, and international law, places the responsibility on us, a victor nation, to see that no one starves and the people have a chance to establish and rebuild their own government with such aid as we see fit to render them. Given reasonable help, the German people who have not lost their will to work will do it.

Mr. Speaker, those who favor the Marshall plan will tell you that we must rebuild western Europe to stop communism. We all want to retard or stop communism if we can, but we must be honest with ourselves and honest with the American people we represent. We cannot stop communism taking western Europe unless we have the power to stop Russia and her armies. We held a serious conference with a group of high-ranking military men while in Europe whose duty it is to know what Russia can and may do. We asked the question as follows: "Suppose, under the Marshall plan or some other plan, we spend from $10,000,000,000 to $20,000,000,000 rebuilding western Europe and get those countries going in good shape in 4 or 5 years, is there anything then to stop Russia from moving in and taking a much richer prize after we have spent our money to build it up. The answer was "No." I do not believe any top military man in the Nation will make the statement that we can land and maintain in western Europe sufficient military forces to prevent Russia, if she so desires, from taking over western Europe. Germany will have no army. Italy, France, Belgium, and Holland will have no military strength capable of putting up any serious resistance if Russia should make such a move. You just as well quit trying to deceive the American people by telling them you can stop communism if you put over the Marshall plan.

If Congress sees fit to send immediate emergency aid to France, Italy, and Austria it may help these governments to prevent the Communists taking over now, and it may help if we aid other countries to prevent them from going Communist, but it is no insurance whatsoever that it will stop communism in western Europe because you cannot stop the expanse of communism in western Europe unless you have the power to stop Russia.

France has been given in loans and grants by our Government, none of which will probably ever be repaid, $2,100,000,000 since VJ-day. This is a lot of money that has already come out of the pockets of the American taxpayers.

If those officials directing the Government of France had been worth their salt France would need no coal, no wheat or food from the United States Government today. The new leaders of the French Government, it appears, are now trying to correct past mistakes which have brought about a serious condition in France. The American people, who have always been generous, might be willing to give some further emergency aid to prevent hunger which may occur in France and Italy between now and the next harvest. If some aid is provided by the Congress, it should be only for food to prevent hunger, and should be the minimum amount that will encourage the French and Italian people and their governments to prevent Communist elements from taking over those governments. About the same picture presents itself in Italy.

WHAT SHOULD WE DO?

First. We should kill the Marshall plan which provides that we enter into a 4-year contract with 16 nations to shore up their financial difficulties to the extent of some $20,000,000,000. We should kill this plan because we cannot supply the food, oil, steel, and hundreds of other products that would be required.

We should reject it because such a drain on the resources of this Nation would bring about such an inflation as might destroy the financial solvency of our Government. We are short of steel everywhere in the Nation today and millions of veterans, who at great sacrifice, won the war in the Pacific and helped to win the war in Europe, cannot get a roof over their heads because of the shortage of steel and the inflation that is upon us because we have shipped so much of our resources out of the country.

Mr. Speaker, we have a short corn crop and because of droughts at planting time in the great western Wheat Belt we will probably not have any surplus of wheat we could ship to Europe next year if we agreed to do so under the Marshall plan. We shipped out last year 611,000,000 bushels of grain and food. This action with the shipment of everything else is the cause of the high cost of living today even though Mr. Truman tries to tell the American people that such shipments have very little effect on increasing the cost of living. Everyone from the big businessman to the little merchant and the laboring man knows that statement is wrong. The administration policy of shipping out and giving away our wheat and supplies has increased the high cost of living by over 40 percent. The President should deal in facts instead of dodging the issue.

Second. Stop shipments to Russia. The administration sent millions in lend-lease to Russia after all lend-lease was supposed to be stopped. President Truman last week said, and I quote: "I see no reason to stop the sale of heavy machinery and farm machinery to Russia at this time." Well, I disagree with the President, and I believe you do. The Russians have purchased, in addition to what the administration gave them, $115,000,000 in goods from this country during the first 9 months of this year, including 216 freight cars and 145 locomotives, at a time when we are short of steel and freight cars in this country. We could and should stop shipping supplies to Russia when we are short of such supplies here. We should not forget so soon that we kept shipping scrap iron and supplies to Japan up to within a few months before she attacked us at Pearl Harbor. We should not repeat such fatal and tragic mistakes.

Mr. Speaker, when we were in Germany we found that the Marshall plan provided that 800 new locomotives be built in the United States and shipped

to Germany. We conferred with those in charge of railroad transportation and were told that they did not need any new locomotives, that they had 1,800 bad-order locomotives which they could repair with some extra steel and spare parts and that they were repairing locomotives and freight cars faster now than they were going bad order. They suggested we furnish some steel and that they would repair them at a fraction of the cost. That is just one sample of some of the things provided for in the Marshall plan.

Third. The President and the State Department could and should call upon Russia and England to stop the dismantling and tearing down of 682 manufacturing plants in western Germany which, under the new reindustrialization plan, should be put into operation for the manufacture of goods the Continent of Europe needs and which Germany could exchange with them for the wheat, flour, and foodstuffs that our Nation is giving to them today. This dismantling of these plants further proves the great mistake our representatives made at Yalta and Potsdam when they agreed with Russia that this should be done.

Fourth. Since Russia has broken practically all agreements made at Potsdam, if she prevents the reuniting of the four sections of Germany at the London Conference now in session so that Germany can be run as one economic unit as agreed to, then we should demand that Russia evacuate her zone and move out, so that Germany can be operated as one economic unit and a government in Germany established for the whole nation.

Fifth. Instead of writing a 4-year contract with 16 nations the Congress should develop a plan to give only such aid to a few nations in western Europe that need it as will compel them to put forth the maximum effort to rebuild their own countries. No plan should be entered into for more than 1 year and each nation should be considered separately. With such a plan, it would require only a fraction of the money visualized in the fantastic Marshall plan.

Sixth. Now, if you want to exert the strongest influence possible by the United States to retard, or stop the encroachment of communism on western Europe, take some of these $20,000,000,000 that you would waste in the Marshall plan, and spend them here at home in building the strongest air force with the greatest striking power of any air force in the world. Give more attention to cooperation in hemispheric defense with South America, strengthen our military departments where necessary to enable us in any emergency to strike promptly with power and effect. Mr. Stalin and his warlords, if they knew we were making such moves, would probably hesitate to move further into western Europe for fear they might precipitate a war with a powerful Nation that is prepared.

I would rather risk this course for the long pull future, and for the immediate effect it would have on Russia, than to tempt them by setting before them a $20,000,000,000 banquet table through the Marshall plan of rebuilding western Europe. Force is the only thing Russia understands.

Mr. Speaker, if we weaken ourselves by shipping away our resources, causing the cost of living to go higher and higher, and spending our Nation into bankruptcy, such action will bring smiles and great satisfaction to Stalin, Molotov, and Russia. Twenty billion dollars spent on our part in western Europe now, plus the efforts of the European nations should be worth $50,000,000,000 in a few years. It is too great a temptation to place before the Russian warlords.

Mr. Speaker, we can help these nations in a limited way and they will rebuild their own countries.

If we attempt to finance and supply the world we will bring destruction to our own Nation. We are $300,000,000,000 poorer than we were prior to the last war by shipping out and shooting away our natural resources, plus the sacrifice of the lives of 300,000 of our fine young men, with a million wounded, with many billions of dollars required in the future for hospitalization and care of our veterans.

Mr. Speaker, we are short of oil today and many materials so vital to national defense. The first responsibility of the Members of this Congress is to protect the interest of our own people and preserve the financial solvency of our own Nation. The greatest contribution we can make for the future peace of the world, is to keep America strong.

A Marshall Plan for Americans

EXTENSION OF REMARKS

OF

HON. WILLIAM A. DAWSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. DAWSON of Utah. Mr. Speaker, while we are discussing the Marshall plan and aid to starving Europeans, is it not about time we devoted a little attention to some of the starving in our own country? I refer to our first Americans, the Navajo Indians, who find themselves in dire circumstances in the western part of the United States.

We must not overlook the fact that these Indians are wards of the United States Government and entitled to our first consideration. At the present time the Latter-Day Saints Church and other charitable organizations are supplying these people with food and clothing to prolong their unhappy existence. It is indeed a reflection upon the integrity of this Government when we allow charitable institutions to supply the needs of those whom we are under obligation to support. Is it not about time we diverted our thoughts from assisting the rest of the world long enough to look after our own?

Under leave to extend my remarks, I include the following editorial from the Deseret News, of Salt Lake City, of November 25, 1947:

A MARSHALL PLAN FOR AMERICANS

While all America is urged to go wheatless and meatless to save starving Europeans, many of the Indian wards of our own Government face dire famine conditions and no one seems to be particularly concerned about their plight.

From a recent press hand-out of the Office of Indian Affairs of the Interior Department we cull this information: "Thousands of Navajo Indians in Arizona and New Mexico face hunger and privation during the coming winter months unless prompt and adequate relief can be provided, according to information released today by Secretary of the Interior Julius A. Krug. The information is based on a report just received from J. M. Stewart, superintendent of the 16,000,000-acre reservation." This Navajo Reservation includes a substantial area in southernmost Utah.

Mr. Krug says also that present attempts at relief are limited to two carloads of potatoes a month obtained from the Department of Agriculture—which bought them incidentally to support the price for potato growers, and not because they are a food that might keep some Indian from a journey to the happy hunting ground. He adds that some surplus canned foods acquired by the War Assets Administration may be obtained, but it is necessary to pay for them.

Now this is that Mr. Krug who devoted 30,000 words recently to showing President Truman that the United States could easily afford to give $20,000,000,000 in aid to western Europe without seriously impairing our resources or causing injury to our people.

This is also that Mr. Krug who by virtue of his appointment in that same Mr. Truman's Cabinet has under his control these very Indians whose resources are already seriously impaired, and who as a people are now suffering serious injury.

We are not suggesting that the Navajos seek citizenship with the French, the British, or the Italians in order to fall heir to some of the relief that Congress is being urged to authorize. That relief will go to aid those whose conditions of extremity have been imposed by others than us Americans.

But it does seem that where our own Indian population is concerned, a population driven from their native inheritance by us Americans ourselves, a population now confined by us to some of our most arid areas, a population of desert shepherds whose sheep-raising was sharply reduced by a recent Federal fiat, it does seem that we ought to be able to find more than a couple of carloads of potatoes a month to keep them from starving.

When, Mr. Krug, will the Navajos get a Marshall plan?

If anyone doubts the need of it, let him read the story and look at the pictures, taken within the past few days, that appear on pages 1 and 11 of this issue of the Deseret News.

Air Strength

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. LARCADE. Mr. Speaker, following unanimous consent for the extension of my remarks in the RECORD with authority to include a newspaper article, I find a most interesting editorial published in the Washington Post, of even date, entitled "Air Strength" and which I offer in further support of my H. R. 4565 providing for appropriations for the United States Air Forces, which bill was introduced by me on November 24, 1947.

The editorial mentioned is presented for publication:

AIR STRENGTH

The President's Air Policy Commission has heard a great deal of testimony from industrial leaders regarding the deterioration of aircraft production since the war. This testimony indicates that the country is woefully unprepared for the aircraft expansion that a world emergency would force upon it.

The virtual drying up of military orders, plus the cancellation of contracts for some civilian transport planes, has led to general retrenchment among manufacturers. Some subcontractors have withdrawn from the field, and the aircraft plants that remain in business have lost many of their engineers and skilled workers. Military aircraft production this year will total some 1,700 units. Air Secretary Symington has testified that we need an annual procurement of 3,200 planes for adequate security, and this is exclusive of the requirements of naval aviation. The problem has two sides: We must have a production rate that will supply the military forces with modern striking power and at the same time will be sufficient to keep the aircraft industry active.

General Spaatz's statement the other day that the Russians are believed to have 14,000 combat planes is not necessarily indicative of our own security requirements. The criterion is not numbers, but types and quality. We cannot be unconcerned, however, over the continuation of Soviet production while ours has slowed to a trickle. Nor do we have a reliable trump card in our fleets of stored B-29's. The B-29's are obsolescent. To be strong, our air power must be dynamic and progressive. Secretary Symington and General Spaatz both have called for a Regular Air Force of 70 groups and 6,869 first-line planes, plus 3,212 planes in the National Guard and an Air Reserve of 2,360 second-line planes, or a total of 12,441 combat planes. And even when this total is attained, planes will have to be constantly replaced.

In aircraft as well as in shipbuilding and other allied elements of our security, we are still relying on a cushion of time and distance which, as Secretary Symington has taken pains to point out, no longer exists. If we want an air force that is ready, then we must see to it that we keep the necessary minimum of aircraft production at all times. Our productive capacity is assuredly the greatest in the world, but ultimate capacity is no defense against attack. For the first time in our history we are living in the front line opposite any aggressor. We shall be living in a fool's paradise if we let our aircraft industry go to pot on the assumption that we shall have time to expanded it after the need for fighting aircraft has become acute.

Federal Expenditures

EXTENSION OF REMARKS
OF
HON. CLIFF CLEVENGER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. CLEVENGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cleveland Plain Dealer of December 1, 1947:

NOT HEALTHY

According to the Associated Press "authoritative sources" place the 1949 Federal budget at forty billions and expenditures in excess of those for the present fiscal year by approximately two and one-half billions.

If these estimates are in any sense authoritative, they are bad news for the American people and the American economy. Neither the people—that is, the taxpayers—nor the economy as a whole can afford in the third full year of peace expenditures at the rate of forty billions, and a tax structure which was set up to meet the fiscal necessities, not of peace, but of war.

It is dangerous in a high degree for us to be lulled into a sense of security as regards the soundness of our national economy by the fact that tax receipts are at a record peacetime level and a balanced budget is in prospect even in the face of an anticipated increase in Federal expenditures.

The tax receipts which seem to create a sound budgetary situation are in large part product of the very inflation the administration is anxious to bring under control.

If it succeeds, revenues almost inevitably will drop well below expectations and, on the basis of budgeted expenditures, the Nation again will be unable to live within its income. On the other hand, if the anti-inflation effort fails—and it is more likely to fail than to succeed—higher costs and prices will be reflected almost inevitably in very high Government costs and we shall be caught up in a vicious circle from which escape will become increasingly difficult.

If there is any justification for keeping virtually intact a tax structure that was created to finance the extraordinary expenditures of war it is that as long as the national income remains at a high level every reasonable effort should be made to reduce the war-incurred debt as much and as rapidly as possible. To maintain wartime tax rates, however, to finance Government costs which are rising and threaten to get out of control is to be guilty of the gravest fiscal imprudence.

It will be argued, of course, by those who defend the upward course of expenditures that it is the cost of foreign aid that keeps the budget at its present high level and points to even higher Government costs in the years ahead. There may be merit in such a contention, but nevertheless, it would be wrong, we believe, for the executive department to budget expenditures of five millions, for example, for the Marshall plan before major policy in the matter of foreign aid has been determined by Congress.

The Senate is expected today to approve expenditures just under $600,000,000 for stopgap aid, particularly to France and Italy. Expenditures in this amount over the next few months ought to be sufficient to feed the hungry and to liquidate our obligation as a humanitarian nation to prevent suffering from cold and undernourishment.

This stopgap aid will not much affect the total cost of Government. Certainly it will not lift expenditures to a substantially higher level than now prevails. It is, thus, the long-term aid to Europe that threatens to increase expenditures in the early future to a point where the budget will again be unbalanced and where in an effort to help others we shall be in grave danger of undermining our own strength and of being unable to maintain our own sound position.

This editorial is in no sense a statement of Plain Dealer philosophy with respect to the Marshall plan. It is, however, a warning that we must be aware of the implications for our own economic stability of expenditures of forty billions a year and probably more for whatever purpose they may be incurred and of the maintenance of a system of taxation which has no place in a sound peacetime economy.

We are in danger of making the error the government of England fell into at the end of the war; of undertaking more in the way of public activity and expenditures than the economy can afford.

What Export Drop Means to Business

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the magazine World Report of November 25, 1947:

WHAT EXPORT DROP MEANS TO BUSINESS

(Reported from New York and Washington)

(Even with a full-scale program of aid for Europe, shipments of American goods abroad in 1948 will be less than in 1947. The Marshall plan is to slow the decline of United States exports, but will not stop it. Top men in American business and Government are not alarmed by the down-turn in overseas sales, however. It means a bigger supply of goods for Americans next year.)

Monthly exports of United States goods have gone down by 22 percent since May of this year. September shipments were the lowest since February.

Manufactured goods are especially hard hit. Exports of machinery, trucks, textiles and chemicals are down sharply. They may be headed lower still.

Here is what is happening to overseas sales of certain important products:

Electrical appliances are running into strong sales resistance abroad. This has been caused by import restrictions to save dollars in many countries and by satisfaction of demand in others. Exporters of radios, refrigerators, irons, and many other appliances are feeling the pinch.

Textile shipments from America to other countries are off sharply. The flood of cotton goods from the United States earlier this year seems to have filled the demand temporarily in some countries.

Cotton manufacturers abroad, especially in Brazil, are getting ready to take over a larger share of Latin-American markets. Textile firms in Japan are seeking the aid of American traders to find markets for their product, normally one of the cheapest in the world.

All this is making it hard for American makers of cotton goods to find buyers abroad.

Automobiles shipped out in the peak month of May 1947 totaled nearly 28,000. In September exports of passenger cars were down to a little more than 21,000. That's a drop of one-fourth in 4 months.

Trucks and busses sold to other countries slumped from 31,000 in May to 19,400 in September.

Tires sold abroad dropped from 474,000 in May to 280,000 in September.

Machine tools have fallen off more than a third since May, and manufacturers are pessimistic about the future.

Heaviest cutbacks, in general, are in lines in which the supply is plentiful.

Scarcer commodities, such as steel, grain, and fertilizer, on the other hand, are expected to continue moving overseas in large quantities since they are in heavy demand for European recovery.

Effect of export trade in 1948 will be to prolong domestic scarcities in some lines, such as steel, and add to the already abundant supply in others, such as radios.

What's ahead for United States trade with other countries next year can be estimated pretty closely.

Without the Marshall plan, American exports in the next 12 months would drop an estimated $5,000,000,000. Shipments in the latter part of 1948 would be running at an

annual rate of about $13,000,000,000. Present rate is $18,000,000,000.

With the Marshall plan operating on a large scale, shipments to other countries next year still will fall considerably short of the level they reached in the first half of 1947. The decline might amount to as much as 10 to 20 percent.

In 1948, despite the European recovery program the United States will export less than in 1947 by any standard.

Value of American shipments abroad next year is likely to be substantially less. Even with maximum aid to Europe, exports in 1948 will be around $17,100,000,000, which is $2,000,000,000 less than the amount likely in 1947.

Volume will decline even more, however, if prices go higher in 1948, as now seems probable.

Impact of exports on the American economy thus may be less than it was this year. A moderate increase in total production in the United States is considered probable.

Downward trend of sales abroad may continue for several years. Trade experts in Washington and New York see plenty of signs that American shipments to other countries won't return to the peak reached last spring for a long, long time. Here are some of the reasons:

Emergency financing of Europe's imports by the sale of dollar assets and gold can't go on much longer. By the second quarter of this year, European countries were obliged to finance almost one-third of their trade deficit with America in this way.

There is a limit to such expenditures. Most of the European countries are rapidly reaching that limit. They are simply running out of things they can turn quickly into cash, such as American securities and gold. When these last-ditch savings are gone their former owners will have to cut down on imports from the United States.

United States aid in 1948 is not to make possible any huge new exports to Europe. In many cases, interim aid and the longer-range European recovery program simply finance shipments already planned and orders already placed.

Much of the Europeans' estimates of requirements under the Marshall plan represent orders already on the books. For instance, nearly 60 percent of the figure for steel and an even higher portion for mining machinery are already on order.

The interim aid for Italy, Austria, and France also is aimed at maintaining shipments, not expanding them. The $597,000,000 President Truman requested of Congress for the short-term program is not intended to increase food shipments, for example, but rather to make it possible for Austria, Italy, and France to get their share of the supply available.

Although 37 percent of the money for interim aid would be for coal, it would not pay for as much coal as the three countries have been receiving from American mines in recent months.

Bulk of United States trade is with non-European areas. The Marshall plan will not stimulate declining exports to other areas to any great extent. Europe's share of American exports actually fell from 45 percent in 1946 to 38 percent in this year's second quarter, when shipments were at their peak.

The largest proportionate increase in exports has been to South America. That area now takes 16.2 percent of all American shipments abroad, compared to about 10 percent in the period 1936–40. Well over 40 percent of United States exports are going to Western Hemisphere countries.

Thus, aid to Europe affects only one sector of the world market for American products. The European recovery program will not do much for trade with Latin America, for instance.

Latin America's contribution to the Marshall plan, on the contrary, may ease the drain on United States exports considerably. Under present plans, a substantial percentage of Europe's Marshall plan dollars are to be spent outside the United States.

Meat and grain from Argentina, coffee from Brazil, copper from Chile, oil from Venezuela, sugar from Cuba—all are expected to be thrown into the struggle for European recovery.

Lower tariffs on American goods, promised by 15 countries at the recent International Trade Conference at Geneva, Switzerland, normally would stimulate American exports. Under the present abnormal circumstances, however, tariff cuts are virtually meaningless. For it is the dollar shortage, not high tariffs, that is keeping American goods out of many world markets today. Most of the countries that have granted tariff concessions counteract the effect of lower tariffs by severely restricting imports of American goods.

Effect of the new tariff schedules on United States exports is expected to be negligible in 1948, although United States imports may be increased. That would tend to correct the present lopsided situation in which America is exporting about twice as much as it imports.

Effect on American consumers of lower exports in 1948 is that they will have a little more of the things they want. Supplies of many important items will continue to be tight. But the over-all supply situation will be easier.

Steel available for domestic use will be somewhat more plentiful in 1948, but there still won't be enough to make all the automobiles, freight cars, and other steel equipment the country needs.

Freight-car supply probably will be somewhat larger in 1948. The supply of railway passenger cars will not be affected by exports.

Farm machinery and tractors are to be more plentiful, despite heavy exports. A substantial increase in production of such equipment is planned.

Food supply will continue to be tight. Prices of food may go still higher. The Government's food-conservation campaign may have to be intensified next year, especially if crop prospects are poor.

Beyond 1948, if the European recovery program is successful, the outlook is for some additional decline of exports to a level more nearly in balance with imports. Unless the world's economy once again gets completely out of kilter, American exports may never again go as high as in the spring of 1947.

Last Chance in China

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. JUDD. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following excerpts from an article by George Sokolsky in the Washington Times-Herald of December 4, 1947:

THESE DAYS
(By George E. Sokolsky)

I recently came across a review of Freda Utley's Last Chance in China, by Harold R. Isaacs. Apparently the editor of the New York Times book review operates like a town hall debate, getting someone who dislikes a book and its author to give the other side.

Differing from the town hall, however, he permits no rebuttal, making it possible for an antagonistic reviewer to kill a book.

Now Freda Utley is a well-informed lady, an ex-Communist who has lived in Russia and China and knows what she is talking about. Long before the present converts to the "Russian menace," who are hopping on the bandwagon of anticommunism fast, Freda Utley recognized the danger and said it out loud.

In those days that was a daring thing to do, because if one risked telling the truth, the galleons of propaganda roared upon the truthteller with hatred.

So, Isaacs says that Utley's point of view is:

"She believes that no present evil in the world, like the Greek monarchy, the Turkish dictatorship, or a corrupt Chinese officialdom, is comparable to the Russian evil; that nothing was more naive than the notions that led President Roosevelt at Yalta to sign an agreement that launched Russia on its new drive for power in Asia."

With that he disagrees. His view is:

"We can share Miss Utley's urgent fear of Russian totalitarianism. But it is more difficult to see how we are going to exorcise the menace by joining hands with the Chiang Kai-sheks and Chen Li-fus of China or of any country. If these are only possible allies of democracy, then Miss Utley's too is a program for darkness."

In other words, he holds that the United States can afford to pick and choose its allies and not use what is at hand. He makes the further point that Freda Utley says that it might cost us $15,000,000,000 to support Chiang. She actually said that $3,000,000,000 or $4,000,000,000 would probably suffice. She does make the point, however, that China's importance to us is so great that $10,000,000,000 or $15,000,000,000 would not be too great a cost.

I have my own doubts about all these billions just as I have my doubts about the billions for Europe, but Isaacs clearly misquotes and misrepresents Miss Utley's position which he has no right to do. I found another such misrepresentation but do not choose to give it space.

What Has Happened to the Dollar?

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, November 28, 1947

Mr. MACKINNON. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the East Minneapolis Argus, published on Friday, August 29, 1947, which quite appropriately points out that the real interest of labor lies in job security and in the purchasing power of the dollar:

WHAT HAS HAPPENED TO THE DOLLAR?

Labor's drive for ever-increasing wages, without compensatory increases in production, is a tragic example of economic futility.

A pictogram in the United States News vividly demonstrates what has happened to the American dollar. In terms of purchasing power, an income that had a net worth of $2,500 in 1939 is worth only $1,535 now. An income that was worth $4,952, after taxes, in 1939, is worth only $2,815 now. So it goes, up and down the income scale.

This is not, of course, entirely the result of increased wages. Many other factors, notably taxation and prodigal Government spending, must bear their share of responsibility. But it is an obvious fact that the cost of labor represents a very large proportion of almost everything produced in this country.

In the past, we raised wages and lowered prices. We accomplished that because output per man increased along with pay. Since the war, the exact opposite has occurred. Most basic industries report that, while wages are much higher than before, production per man-hour is lower. The consequence of that can be expressed in a single word—inflation.

The real interest of labor lies in job security—and in the purchasing power of the dollar. In self-defense, if for no other motive, labor must cooperate with management to get the goods out, to increase production, and to so control prices. Endless wage demands coupled with decreased production per man spell ruin for the American economy. That is the hard truth of the matter.

Revision of Tax Laws

EXTENSION OF REMARKS
OF
HON. HAMILTON C. JONES
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. JONES of North Carolina. Mr. Speaker, under leave to extend my remarks in the Appendix of the CONGRESSIONAL RECORD on the subject of revision of the tax laws, I include herein an editorial by J. A. Daly, financial editor of the Charlotte News, Charlotte, N. C., which appeared in the November 29, 1947, issue of that newspaper. The editorial contains much sound thought and is worthy of careful consideration by the membership of the House of Representatives:

Equity capital is the essence of dynamic economy. Only Government capital does not require an equity behind its debts.

Currently, venture capital seems lost sight of and languishes, whereas private debt mounts—bank loans, consumers' debts, mortgage debts—creating a heavy superstructure of obligation, whereas what is required is a broadening of the base on which our economic society rests—venture capital.

To enable the capital markets to perform their economic function properly is not to invite a repetition of the practices of the 1920's. Effective controls preclude this possibility.

It is most desirable, however, to reverse the trend of the dormant and stagnant 1930's and to resume the path of economic progress which characterized the American economy.

MUST ACCUMULATE FUNDS

Funds for business expansion cannot be met entirely through generation of funds through corporate internal sources. Tax laws must be revised to make it possible for the groups which are the traditional source of venture capital to accumulate funds and to provide incentive for them to invest such funds profitably.

The only other course is to have the Government provide the funds. Nowhere has this policy been compatible with the maintenance of initiative and incentive and, in the end, freedom.

Ample data emphasize that the capital markets are not functioning properly and support the conclusion that this malfunctioning is due mainly to tax inequities discussed previously.

There is evidence of a continued flow of stocks which have to be absorbed by the securities market although they do not represent company financing or new ventures. Because of difficulties in accumulating capital in the last decade or more, capital has aged, and, in order to pay estate taxes, assets have to be turned into cash. The assets to be liquidated are likely to be the most marketable, that is, securities having good markets.

The effect is that funds are diverted to purchase securities in well-established companies that might otherwise have been used in venture capital enterprises—nor do the funds raised by such necessitous selling add to capital available for business expansion.

The current price level and the expansion of industry required to meet our domestic requirements and position as the world's chief supplier of goods seem to assure the continued appearance of the "capital wanted" sign. Almost every important industry has indicated that large plans for capital expansion are under way. It remains to provide equal assurance that such financing can be done soundly. This will be true only if a sound condition prevails in the market for equity securities.

Any number of common stocks or sound companies are available at prices where the indicated yield is 6 percent or more. A continuation of this condition may well cause corporate executives to hesitate about carrying out their expansion plans. Such hesitation, if it develops into cancellation, would jeopardize the continuance of high employment.

Unfortunately we have been lulled into complacency by the size of liquid resources, the reported profits remaining after dividends, and the accumulated savings of individuals. Nevertheless, because of the need of carrying larger inventories at inflated valuations and the continued rise in commodity prices, the relative cash position of industry is deteriorating.

Underdepreciation of fixed assets is resulting in fictitious profits. Replacement costs at the new price level are not recovered by depreciation charges based on historical cost, so that net income is really overstated. Savings of individuals have been declining rapidly; business savings are much smaller than available data disclose on the surface; and personal savings are concentrated in groups where their contribution to venture capital is small.

Inflation

EXTENSION OF REMARKS
OF
HON. CLIFF CLEVENGER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. CLEVENGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Russell Weisman from the Cleveland Plain Dealer of December 1, 1947:

AN ECONOMIST'S POINT OF VIEW—THERE WAS NOTHING IN PRESIDENT'S ANTI-INFLATION MESSAGE STRIKING AT SOURCE OF OUR INFLATION

(By Russell Weisman)

Probably the most important economic development on the domestic front in the weeks that have elapsed since this column was suspended on October 21 has been the change which has come over the money market.

All too tardily the easy credit policy which prevailed over the entire war period and before has been sharply modified. To be sure rates remain and will remain under the thumb of the Federal banking authorities, but fortunately their first concern is no longer the cost of Government borrowing and the price of Treasury obligations. At long last they have taken cognizance of the implications of official credit policy for the processes of inflation and, consistent with tradition, are moving to lock the stable door after the horse has been stolen.

ARGUED AGAINST EASY CREDIT

Before the war, during the war, and since the war I have, in my own weak way, inveighed against the easy credit policy which was adopted, first, for the purpose of promoting inflation and then adhered to because it was the policy of the Government to keep down the cost of servicing a public debt which expanded moderately throughout the 1930's and very rapidly after we entered the war in 1941.

I am not given much to I-told-you-so techniques. I want, however, to recall to the minds of regular readers of this column, and to groups before which I have spoken for a decade and longer, that I have said, and said repeatedly, that the time would come when the easy credit policy of the 1930's would go down and sometime be recognized as the gravest error of that unsound and unhappy era.

CRITICAL OF TREASURY POLICY

Again throughout the war when the Government was stressing the importance of preventing inflation with various kinds of controls, on the one hand, and, on the other, was making an inflation of grave proportions certain and inevitable by financing a very substantial portion of the war's costs through the sale of short-term Treasury obligations bearing negligible rates of interest to the commercial banks, I was so critical of Treasury policy that I was on a few occasions charged with obstructing the war effort.

What I was doing, of course, was merely putting two and two together and adding to four. That inflation was inevitable in the face of a rapid and enormous expansion of the medium of exchange was apparent to everyone who knew the first principles of money and price. The surprising fact, then, is not that we are confronted today with an inflation that is advanced and of dangerous proportions but that we seem to be surprised at the product of our own handiwork and even now are unwilling, generally, to recognize it as such.

NOTHING STRUCK AT SOURCE

There was nothing, for example, in the President's message of 2 weeks ago which was designed to strike at the root source of inflation. There was a bit of patter about the importance of saving at this juncture and of holding down loans and of restricting credits from this time forth, but there was no forthright declaration of an obvious fact that the inflation we have is product of the greatest fiscal imprudence in financing the war, and that it can be curbed only as we reverse the processes that were responsible for a threefold expansion of money and credit over a relatively short period.

Reading the President's anti-inflation program of 2 weeks ago one is forced to conclude either that he has no comprehension of the processes by which inflation is generated, or he is more fearful of the consequences of deflation and of the resulting reaction from it, than he is of continuing on to a probably more serious inflation. There were intimations of this latter value as far back as 2 years ago when maintenance of the wartime rate of take-home pay became a primary must of top administration policy.

More Pay for Less Work, the Way to Depression

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by David Lawrence from the United States News of December 5, 1947:

MORE PAY FOR LESS WORK, THE WAY TO DEPRESSION—ECONOMIC SYSTEM HEADED FOR COLLAPSE AND DEPRESSION UNLESS LEGISLATIVE ACTION TAKEN IMMEDIATELY—LABOR UNION REGULATION OF MAN-HOUR OUTPUT CAUSING BOOM-BUST INFLATION—INCREASED PRODUCTION ONLY ANSWER

(By David Lawrence)

We are in a period of inflation and boom now.

But it will not last indefinitely.

The crash will come as certainly as day follows night unless—

What is the "unless" that can save us from the miseries of closed factories and unemployment?

The answer is: Unless there is an effective enforcement by law of the principle that no man or group of men in any industry shall fix prices or regulate output.

Today output is regulated and the American people are being asked to pay for the things they buy at high prices. Imbedded in these prices are high costs due to an extortion unparalleled in our history.

Everybody, for example, is familiar with the fact that veterans and others cannot build houses at low cost today. But the reasons have not been emphasized. Building costs are high because there is a conspiracy in the building trades to do less work and insist on more money. It is true of other trades, too.

In the November 21 issue of the United States News there was disclosed a table based on a survey among contractors in 60 cities. It shows that the average worker employed in home building is turning out about 38 percent less work than in 1940. The average worker on the basis of United States Bureau of Labor Statistics figures is being paid 76 percent more for each hour of work than he was paid in 1940.

LESS BRICKS, MORE WAGES

Take the case of bricklayers. A man who was paid $13.68 per day to lay bricks before the war on an 8-hour-day basis laid 1,000 bricks a day. Now he lays 540 bricks a day and gets $18.96 for an 8-hour day.

Tile setters are doing 50 percent less work per day than they did before the war.

Plumbers are doing 44 percent less per day.

Carpenters are doing 43 percent less per day.

Lathers are doing 43 percent less per day.

Electricians are doing 41 percent less per day.

Painters are doing 40 percent less per day.

Plasterers are doing 37 percent less per day.

Cement finishers are doing 36 percent less per day.

Note the virtual uniformity. All those workers in the building trades seem somehow by coincidence or otherwise to have struck somewhere near 38 percent as an average of less work done per day than before the war.

Yet the pay increases for these same workers amount to about 76 percent more for each hour of work. That is why building costs are 184 percent higher than in 1940.

America cannot lick inflation by a formula of "more pay for less work."

Inflation has been defined as the existence of a large enough purchasing power that brings a greater demand for goods than can be fulfilled by what is being produced.

INFLATION CURE—PRODUCTION

To cure inflation it is necessary to increase the available supply of goods.

But if a small group of dictators say the supply shall not be increased and if it is apparent that this is concerted action, then the Government must move in on such a group whether they are employers or unions.

Sixty years ago when Congress passed the Sherman antitrust law, the American people set their legal hand on monopoly, namely, "restraint of trade."

The term was not easy to define but gradually the courts declared it to mean any substantial restriction on the free flow of goods from producer to consumer—any concerted action to restrict output or fix prices by collusive steps among sellers.

It came also to mean a substantial domination of the total volume of goods in a given industry by a single producer.

But somehow along the line as political pressure came into the picture, not all monopolies were restrained by law. Labor unions lobbied for and obtained legal exemption.

A group of citizens calling themselves a union can assume the right to dictate how much goods shall be produced by the workers. One dictator recently ordered a whole industry to close down unless a labor-saving device was eliminated or a royalty paid his union for work not done by the union members.

By fixing the number of hours that shall be worked at straight time, the labor unions have managed to limit the amount of work that may be performed. All overtime work is penalized at payments ranging from time and a half to double and even triple time. Then Congress by law in 1937 legalized the overtime penalty idea.

By reducing the workweek from 44 hours to 40 hours and then in many instances down to 35 and even 30, various union groups under the guise of a spread-the-work movement have actually extracted a higher and higher total earning for less and less work.

Another device has been to secure the "closed shop" which is an exclusive monopoly on manpower hiring. The union says who shall or shall not be hired. This means that the worker owes a continuance of his job or the getting of a new job to the union. Here is a power that transcends that of government itself.

The Taft-Hartley law, to be sure, forbade a union to strike for, or an employer to grant a closed shop. The employer is left free to hire whom he pleases and at the end of 30 days the worker must join a union. This is called a union shop and can be voted by a majority of the workers in a plant or unit.

This, however, has not deterred certain unions from using their economic power to threaten employers who want to obey the law. This is a situation which requires immediate attention by the National Labor Relations Board.

SLOW-DOWNS DEFRAUD EMPLOYER

But of what avail is it even to comply with the union shop requirement if the union discipline and codes of behavior can limit the amount of work that is to be done by each worker?

Control of output even on piecework is notoriously a labor-union strategy. It restricts not only the work done but the freedom of the individual worker who may wish to give for each day's pay an honest day's work.

The present system makes of the worker a conspirator to defraud his employer. He knows he is paid to work faithfully and steadily, but the union tells him he must not work up to standard—he must loaf on the job or slow down to conform to a pattern set by the union.

Likewise wherever labor-saving devices are introduced, unions usually insist either on standby workers or on slowing down the machine. Here is a blatant exercise of monopoly power—a regulation of output per man-hour.

CONSPIRACY TO RESTRAIN TRADE

The closed shop has been used as a means of promoting a scarcity of manpower. By specifying who shall or shall not be admitted to membership in unions, the number of apprentices available for replacement or to meet increased demand is determined by a union formula.

It is a crime against society for any group of citizens deliberately to create scarcity in order to promote either a price rise or wage-cost rise or a monopoly of employment.

It will be too late to lock the door after the horse is stolen.

It will be too late to correct by legislation these abuses once the economic system has been forced into collapse and depression.

The time to take preventive action is now and it is the duty of the Eightieth Congress to emancipate the American people and the workers, too, from the small group of dictators who have promoted the idea of more pay for less work. This is a brazen conspiracy to restrain trade.

The antitrust and antimonopoly laws should be amended so that no group by concerted action may restrict output.

The individual has the right to regulate his own output—he cannot, of course, be required to work against his will.

But no organization has the moral right nor should it have the legal right to influence individuals to withhold their best efforts from the job.

Resolution of the Pacific Coast Association of Port Authorities

EXTENSION OF REMARKS
OF
HON. WILLIS W. BRADLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. BRADLEY. Mr. Speaker, in connection with legislation quit-claiming the marginal sea areas of the United States, the lands under rivers and harbors, and so forth, which I hope will be considered by the Congress within the reasonably near future, I submit herewith resolutions covering this subject adopted by the Pacific Coast Association of Port Authorities ,the National Institute of Municipal Law Officers, and the National Association of Attorneys General:

Resolution by the Pacific Coast Association of Port Authorities urging adoption of legislation by Congress quitclaiming to all the States of the Union lands beneath tidewaters and navigable waters.

Whereas on June 23, 1947, the Supreme Court of the United States rendered its decision in the case of *United States* v. *California*, Original No. 12, and in said decision it was determined, among other things, that California is not the owner of the 3-mile marginal belt along its coast, and that the Federal Government rather than the State has paramount rights in and power over that belt, and incident to which is full dominion over the resources of the soil under that

water area, including oil, and in said decision the court stated, "we cannot say that the Thirteen Original Colonies separately acquired ownership to the 3-mile belt or the soil under it, even if they did acquire elements of the sovereignty of the English Crown by their revolution against it," and "this court has followed and reasserted the basic doctrine of the Pollard case many times. And in doing so it has used language strong enough to indicate that the court then believed that States not only owned tidelands and soil under navigable inland waters, but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not"; and

Whereas the Supreme Court of the United States, in approximately 54 prior decisions rendered over a period exceeding 100 years, held that such lands belong to the States or to their successors or grantees and that they have full and complete title and ownership thereto; and

Whereas municipal harbor developments and port authorities throughout the Nation, in reliance upon said decisions, have invested untold millions of dollars of public funds in the construction of ports, harbors, and other public improvements on lands reclaimed from the sea and from inland navigable waters; and

Whereas the decision of the Supreme Court of the United States is of extremely far-reaching importance, not only to the State of California, its cities, ports, and harbors located upon said navigable waters, but to all coastal States, cities, ports, and harbors in the Nation similarly situated, and is detrimental to the best interests of these municipalities and port authorities throughout the Nation which have invested vast amounts of public funds in the construction of said improvements; and

Whereas House Joint Resolution 225 was adopted by the Seventy-ninth Congress, but subsequently vetoed by the President, to quiet the title of the States, their successors, and grantees, to all lands beneath tidewaters and navigable waters, whether along the sea coast or inland, within the boundaries of the respective States, in order to remove the cloud on said titles created by the attack made by the Department of Interior upon the rule of property law settled by said decisions of the Supreme Court of the United States; and

Whereas it is imperative to protect the title and interests of the States, municipalities, and port authorities so adversely affected by said decision that corrective Federal legislation be enacted similar to House Joint Resolution 225, introduced in the Seventy-ninth Congress, to rectify the injustices and damage to port authorities, municipalities, and States by reason of said decision and in order that there may be restored to the States, their successors and grantees, title to their rightful property; and

Whereas such legislation would not interfere with the constitutional paramount power of the United States to control navigation or to provide for the common defense: Now, therefore, be it

Resolved, That the Pacific Coast Association of Port Authorities urges the Congress of the United States, during its next session, to adopt legislation similar in substance to House Joint Resolution 225, to correct the injustices which would follow from the Supreme Court's decision and restore to the States, their successors and grantees, their property rights and titles in accordance with the law of property established by the Supreme Court of the United States in a long line of decisions handed down throughout 100 years, to the effect that the States and their grantees hold complete title and ownership to all lands lying beneath tidewaters and navigable waters within their respective boundaries; and that this organization lend its cooperation and full support to securing the enactment of such legislation.

That a copy of this resolution be sent to the President of the United States, the Secretary of Interior, each Senator representing the States of Washington, Oregon, and California, and each Member of Congress representing said States.

Resolution No. 3, title to tidelands, by the National Institute of Municipal Law Officers

Whereas the Supreme Court decision in the case of *United States* v. *State of California* held that the rights of the Federal Government to the land underlying the 3-mile ocean belt are paramount to those of the State of California; and

Whereas this decision has created multiple conflicts of opinion as to the validity of the title to these lands in the States and their several grantees: Now, therefore be it

Resolved, That the National Institute of Municipal Law Officers urge the Congress of the United States, during its next session, to adopt legislation to correct the injustices which would follow from the Supreme Court's decision and restore to the States and their municipalities their property rights and titles in accordance with the law of property established by the Supreme Court of the United States in a long line of decisions handed down throughout 100 years, to the effect that the States and their grantees hold complete title and ownership to all lands lying beneath tidewaters and navigable waters within their respective boundaries; and that this organization lend its cooperation and full support to securing the enactment of such legislation.

Resolution on tidelands by the National Association of Attorneys General

Whereas after over 100 years of undisputed possession and ownership by the sovereign States of the lands beneath navigable waters within their respective boundaries, executive agencies of the Federal Government have made attacks upon and attempts to take such lands from certain States, asserting Federal ownership in addition to the well-recognized Federal powers of navigation, commerce and national defense; and

Whereas to recognize and affirm such State ownership and protect the States against endless attacks, litigation, loss of revenues and investments, the Seventy-ninth Congress passed House Joint Resolution 225, which was vetoed by the Chief Executive on the ground that the Supreme Court should decide the question of ownership of said lands in the then pending case of *United States* v. *California*; and

Whereas the Supreme Court of the United States, in *United States* v. *California*, refused to find ownership of such lands in the Federal Government, and limited its decision strictly to the declaration of paramount Federal powers over the submerged lands for national defense, commerce, and international affairs; specifically refusing to include proprietorship or ownership in its decree in favor of the Government; thereby leaving the entire question of ownership of such lands for future litigation or action by the Congress; and

Whereas the Supreme Court specifically recognizes that this whole question of ownership and division of State and Federal powers on the disputed lands is a legislative matter, in the following words of the Court: "We have said the constitutional power of Congress in this respect is without limitation. * * * Thus neither the courts nor the executive agencies could proceed contrary to an act of Congress in this congressional area of national powers"; and

Whereas the Court recognizes that many former Supreme Court decisions have uniformly indicated "that the Court then believed that States not only owned the tidelands and soil under navigable inland waters, but also owned soils underneath all navigable waters within their territorial jurisdiction, whether inland or not," citing *Pollard* v. *Hagen*, 3 How. 212, a Supreme Court decision which has been followed with approval by 52 Supreme Court decisions and 244 Federal and State court decisions; under which the States and their grantees have made improvements totaling billions of dollars in good faith; and

Whereas the theory of State ownership of lands under inland navigable waters is the same as that relating to coastal waters and the extent of State control over all submerged lands is left uncertain by the Supreme Court's failure to define the extent of the paramount Federal powers thereover; and

Whereas to avoid endless litigation and future attempts of the Federal agencies to usurp all powers of the States in navigable waters and submerged lands, it is necessary for Congress clearly to define such rights and powers and recognize State ownership, subject only to constitutionally delegated Federal powers; and

Whereas such legislative action has been supported continuously for several years by the National Association of Attorneys General, the Governors Conference, the Council of State Governments, Association of Port Authorities, National Water Conservation Association, and American Bar Association: Now, therefore, be it

Resolved by the National Association of Attorneys General in conference assembled at Boston, Mass., on this the 28th day of October 1947, as follows:

1. That we continue to urge the adoption by the Congress of an act recognizing that ownership of lands beneath navigable waters within the several States is and shall continue to be vested in the respective States, subject only to the paramount rights of the Federal Government in a national emergency in commerce and national defense, the exercise of which shall never of itself vest any proprietary interest in such lands in the Federal Government; but recognizing the right of the Federal Government to take any of such property necessary for national defense by priority purchase or due process of law.

2. That the President of the United States be urged to give his personal consideration to this matter of such grave importance to the States to the end that he will support the States, directly, or by indirection, through leaving the matter to Congress rather than to continue the fight being made by the Attorney General of the United States against the States.

3. That we resent the efforts being made by certain Federal departments to divide the States by offers of compromise to the inland States and other offers which invade the legislative functions of the Congress, and agree that we shall stand united against all compromises which offer less than full recognition of State ownership of submerged lands and their resources.

4. That we vigorously oppose the announced agreement between California oil interests and the Departments of Justice and Interior under which these interests would be relieved of accounting for past oil runs and have present State leases converted to Federal leases; and oppose any proposed legislation which will permit the Department of Interior or any other Federal agency to lease lands beneath navigable waters.

5. That the president of this association immediately appoint a committee large enough properly to plan and accomplish the association's part of the above purposes, with an executive group of five members to handle the details of such work; and that the association offer its cooperation to the Governors' Conference in this fight and urge the Council of State Governments to continue full use of its facilities for the accomplishment of the purposes of this resolution.

Moscow's Aims in France

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following two articles by Edgar Ansel Mowrer:

MOSCOW'S AIMS IN FRANCE—PART I

LONDON.—The fate of Europe is being decided not at the Four Power Conference on Germany here but in the streets of Paris. What Molotov plans to accomplish in London pales besides what he is planning for France.

During the last 3 days the delegates and newsmen gathered here have been asking themselves and each other just what the French Communists believe they can accomplish by their legal insurrection.

Few believe they can make a revolution and install a Soviet regime. They still look too puny. But why then should they go all out with the sort of an uprising, which if pushed too far, will mean their obliteration for 10 years as a party?

Moscow has always considered individual Communists, particularly non-Russian Communists as expendable but what can the French comrades have promised their Soviet masters that would justify the suppression of the French Communist Party? Outside of Russia, the French branch is the strongest in the world.

An exceptionally important figure in French political life offers the following explanation: The French Communists, he believed, have indeed small hope of overturning the French Government. Their present offensive has two goals. The strategical goal is thwarting the Marshall plan and bringing about the withdrawal of disgusted or impotent America from Europe. Then the way to the conquest of the entire Continent would be open to Russia. Britain, as the Communists see it, would have to join with the Soviets or become a United States dependency. The loss of the strong French Communist group counts for nothing beside such glorious stakes.

The tactical and immediate aim is the destruction of the French Socialists. If this can be accomplished, any labor come-back—believed inevitable by Moscow—must be staged under the Communist banner. The French plan to destroy French socialism by forcing the French Socialists to stain their hands with the blood of French workers. The French people accept violence in politics. Street manifestations and fights with the police are traditional and accepted weapons.

But though the police may ride down or club demonstrators, it may not shoot them down. When, under Premier Daladier, the police on February 6, 1934, shot down rioters on the Place de la Concorde, it was finished. Daladier practically slunk from office 2 days later.

The present Minister of the Interior in charge of maintaining order is a Socialist. Whatever measures the police take can be ascribed to him. He and his party can be made the targets for popular hatred.

Therefore, the Communists aim, according to this opinion, at increasing the number and violence of the strikes, disorders and rioting to the point where the French police are provoked into firing on the crowd. That volley, as the Communists believe, will doom the French Socialist Party. People who stain their hands with the blood of the workers are social traitors who can never again be trusted. They will become tabu. But the Communist tradition, if not the party, will remain with increased popularity. Since it alone will incorporate the aspirations of the French working class, communism will sooner or later revive.

Therefore, the Communists hope this time, or at a second uprising within the near future, to force the Socialists either to resign and make common cause with the Communists, or to shoot into the mob.

That the fall of the present French Cabinent will bring the Government under Charles de Gaulle, the Communists are convinced. Ever since the French municipal elections, the Communists have taken the general's coming as virtually certain. They know that his coming will mean virtual suppression of French communism.

But, this very distinguished Frenchman believes, the manner of De Gaulle's coming is more important than his arrival. If big Charley becomes Premier in the way he desires, then he will so transform France as to postpone a French Communist revolution indefinitely. France will cooperate fully in the Marshall plan for European recovery and the formation of the western European bloc.

But if the lanky general can be forced to take command within the setting prepared by the Communists, his reign will be quickly over and he will vanish, leaving nothing permanent behind. Therefore, the French Communists are feverishly plotting to create the setting that will leave them new opportunity within the foreseeable future.

What this setting is I shall describe in the following column.

MOSCOW'S AIMS IN FRANCE—PART II

LONDON.—The suicidal plan of the French Communists to upset the Marshall plan even at cost of their own political existence demands that General De Gaulle shall either take charge or that he shall do so under conditions that will condemn his efforts to failure. This, according to our exceptionally distinguished Frenchman, is the second half of the tactical scheme behind the present legal insurrection. His argument runs as follows:

Charles de Gaulle has sworn never to come to power or govern except by legal means. What the general promises, he keeps. This is his great handicap in the struggle with Communists for whom legality is a mere convention to be observed until violence promises success. Therefore, the Communists desire his advent to coincide with a crisis so intense that it will prevent an accomplishment of fundamental reforms such as a new constitution, a new electoral law, etc.

Let us suppose that the French crisis came gradually. The fiscal paralysis, the inability of party-bound men to balance the budget or restore faith in France or produce adequate merchandise for farmers to buy, will—according to this view—lead a mounting demand for General De Gaulle. One day—probably after the new Communist Party provocation—this demand will become irresistible. The question is how can it be legally met?

Under the present French constitution, the only method is by utilizing one brief phrase in article 6, which says that the Assembly can establish its own duration. According to the Socialists and Communists, this means only that the Chamber of Deputies will decide how long it will meet each year. According to the growing band of Gaullists, it means that the Chamber can dissolve itself by simple majority when the members wish. Under this interpretation, the present body could first vote a new electoral law abolishing proportional representation and returning to something like the American system that diminishes the number of parties and assures a more stable majority. Then the Chamber would dissolve itself. President Auriol would hold a new election. The Gaullists would get a solid majority. This majority would enable De Gaulle to suppress the Communists, drop any number of allegedly disruptive social experiments, release controls on the movement of goods, restore confidence in the French franc, get the Marshall plan started, and finally, when France had stabilized, obtain the adoption of a new constitution creating the strong executive De Gaulle believes is necessary to keep France afloat.

Such a procedure is perhaps difficult, but if accomplished, would doom the Communists, prevent a revolution, and bring semirupture with Russia. The present Communist troubles are calculated to disturb such a relatively calm development.

They aim either at preventing De Gaulle from ever becoming Premier or forcing him to take power with the present badly divided and unconvinced Chamber of Deputies with the present electoral law that splits majorities and with the present constitution that leaves the power in hands of the Chamber—facing, perhaps, the gravest social uprising that has occurred in France since 1789.

Under these circumstances—the Communist strategists are believed to figure—the general might, indeed, suppress strikes with the army; he might even outlaw the Communist Party and purge the administration, the army, and the police of Communist sympathizers and agents. But before he got very far, his insistence on a new electoral law and new constitution would bring him into conflict with the Chamber of Deputies, whose members would probably lose seats in a new election and whose three major parties—Communist, Socialist, and MRP—owe their prominence to this electoral law and their power to this constitution.

The outcome of this conflict would be either De Gaulle's resignation in disgust, his elimination from French politics, or his becoming a dictator like Napoleon III—something most French people abhor. Therefore, the Communist disorders must be prolonged until the general accepts power with the present Chamber.

This explanation is merely that of one exceptional Frenchman. But it would explain the apparent suicidal urge of the French Communist Party and present French crisis.

It is always possible the present French Government will cope with this crisis, gradually restore order, and checkmate the Communists. In which case both Communist ambitions and De Gaulle's coming to power would be indefinitely postponed.

Relief for Whom?

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. DAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include excerpts from an editorial which appeared recently in the Bristol (Pa.) Courier. The editorial follows:

SECRETS IN CONGRESS

Can a matter which is set forth clearly in a bill laid on the desk of every Congressman, and printed in full in a number of large newspapers, be considered in any sense a secret?

Under ordinary circumstances, of course not.

But these are not ordinary times, nor are the methods of the United States Government in this period the ordinary methods of free and democratic government.

For all practical purposes, it may be said that, fantastic as it may sound, a great deal

of the stopgap relief program is being kept a well-guarded secret from the American people.

How many take the trouble to read a law and try to understand what it means? Not so many as you might think—even in a legislative body, which is about to pass it; and of course far fewer among the general public.

The tendency is to accept what leaders and statesmen say about the law, and then plead surprise when, as has happened so often after the law is passed, it turns out to be quite different from what everyone had expected.

In the case of European relief, there has been a tremendous build-up. Practically every national spokesman, including President Truman and Secretary of State Marshall, as well as a host of commentators, analysts, interpreters, and subjective reports has given his version of what is in the proposed statute.

In the case of President Truman, Secretary Marshall, and the rest of those who are trying to sell a bill of goods as part of the campaign for reelecting Truman next year, it is not surprising that they should put the best possible face on the questionable features of the measure.

What is the big secret?

It is that the American goods and money are to be turned over to the weak, incompetent, and largely socialistic governments of certain European countries. These tottering governments are to be strengthened by allowing them to sell the American goods to their starving citizens.

This is no program of giving food and fuel to the destitute. Such an idea is merely an illusion which the backers of the plan are trying to build up in the minds of the American people, those who are going to have to foot the bills.

The food and fuel are to go to those who have money enough to pay for them.

The reason they can't buy the food and fuel elsewhere is that their money is bogus money, inflated, fiat money ground out by these European governments.

This is no relief program, it is a scheme to bolster up foreign currencies at the expense of the American people.

And it is a scheme to support and keep in power the very socialistic European governments which adulterated their currencies in the first place, and which ought to be thrown out for having done so.

The simplest proof that this is the true nature of this stopgap version of the Marshall plan lies in the fact that resentment is so bitter over any effort to accomplish the relief itself without the tricky, political refinancing included in the program.

Millions of Americans visualize the Marshall-Truman plan as a sort of angel-of-mercy program whereby the American goods they are to provide by their own sacrifice (and higher prices) are to be laid down on the doorstep of starving, shivering families, while gaunt children dance with joy, and Uncle Sam is hailed around the world as a generous, unselfish, and noble cross between Santa Claus and the good fairies.

Direct relief was the basis of the Hoover food program in Europe after the first war. It has been the basis of Red Cross work and Friends' Service activities, and of virtually all other emergency relief since the time of the good samaritan—who, according to the Bible, is not recorded to have looked into the purse of "him that fell among thieves" before deciding to help him.

All these thoughts are most important, because one of these days, as the stage is now being set, thousands of women's aid societies, church groups, and a host of other associations, will be writing tons of letters to their Congressmen demanding quick action on the Marshall program—letters from millions of persons who have never read the act, who know nothing whatever of what it provides, who assume it to be a charitable program of direct food and fuel relief, and who have no faint conception that the recipients of the American generosity can, under the plan, be required to pay someone else for every cent of the commodities the Americans send them.

Mail Charges for Overseas Aid

EXTENSION OF REMARKS
OF
HON. CECIL R. KING
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. KING. Mr. Speaker, I have today introduced a resolution authorizing and instructing the House Committee on Post Office and Civil Service to formulate legislation to reduce postal rates for the mailing of private relief packages sent by individuals, churches, or welfare agencies of the United States to individuals, churches, or welfare agencies in the various foreign countries of the world. In this connection, I desire to set forth an article appearing in the Southwest Topics Wave for November 2, 1947, as follows:

MAIL CHARGES FOR OVERSEAS AID SCORED

Need for easing of the burdensome cost of mailing private relief packages overseas, highlighted in recent news articles and letters from readers of Wave Publications, has been carried to the President of the United States.

Voters Council of Faith Lutheran Church, South Broadway at Ninety-fifth Street, formally petitioned the President and the Postmaster General "to direct the reduction of postage on overseas packages containing food and clothing for war victims."

The council resolution pointed out the feeding and clothing of war victims has been fully endorsed by the President; that American citizens have been called upon to conserve food in the interest of helping the starving people of the war-devastated world; and that the humanitarian program of private relief is in harmony with the political welfare the United States favors for conquered nations and the entire world.

Sending of packages of food and clothing by individuals, churches, and welfare agencies is discouraged, however, the council declared, through excessive postal rates on overseas packages.

The resolution will be sent to all Lutheran churches in southern California and if feasible throughout the entire Nation so that "the sentiment made vocal throughout the land may direct a course in keeping with the expressed will of the churches and the public in general."

The Reverend Carl Walter Berner, pastor, pointed out members of his local church, through the World Friendship Guild, had taken the lead in packaging food and clothing for war victims. Shipments this year included 3,624 units of clothing, 489 pairs of shoes, 286 pairs of hose and socks, 1,137 packages of food, 474 cans of food, 86 bars of soap, 22 towels, 21 hats, 8 blankets, and 66 pieces of household equipment.

The church maintains a food and gift counter for war victims for the convenience of churchgoers who are encouraged to buy extra articles for overseas relief while shopping for their own families.

Substantial extent of food and clothing shipments overseas from Southwest sources was revealed a few months ago in an article in this newspaper.

Based on an interview with Stanley Winninghoff, superintendent at post office Station H, 1041 West Manchester Avenue, and local residents appearing at the station to send their package to friends and relatives overseas, the article disclosed not only the high cost of such shipments but the considerable amount of red tape involved.

Local post office officials operate, of course, under instructions from the Postmaster General and other high officials in the Department headquarters at Washington, D. C.

Report on Europe

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John Cowles, from the Minneapolis Sunday Tribune of November 30, 1947:

AID PLUS FACTS CAN BEAT RUSS IN "COLD WAR"

(By John Cowles)

After looking at conditions in England and France, and talking with scores of European and American newspapermen, government officials, businessmen, and economists, many of them intimately familiar with the situation in all parts of Europe, these are my conclusions as to what the United States should do:

1. We should give to France and Italy at the earliest possible moment (provided they have not gone Communist in the meantime) food, fuel, and fertilizer as emergency stopgap aid. Unless we do this there will be real suffering this winter. In addition, the slowing down of production and employment as a result of the lack of food and fuel might result in such social and political disintegration as to make probable a successful seizure of power by the Communist minority.

2. Congress should appropriate immediately at least $50,000,000 additional for the United States Information Service. The Voice of America should be enormously expanded. It is now little more than the Whisper of America. We should tell the people of Europe what we have given and are giving in food, fuel, and fertilizer. Wherever possible, our products should be marked with the American flag. Russia has claimed credit for much of the aid that we have sent, either directly or through UNRRA, to Europe. Almost no Europeans have the slightest idea of the volume of aid America has furnished and is furnishing.

NEED HARD-BOILED PROPAGANDA

Since we are obviously engaged in fighting a cold war with Russia to win men's minds in Europe, there is little point in feeding their stomachs if they think that Russia is their benefactor.

Much of the press of continental Europe is now, as it always has been, venal and corrupt. Many editors or owners are now on the Russian pay roll.

We need a competent, hard-boiled propaganda organization in Europe, to get to the people with the facts about the United States and about Russia. The present personnel of the State Department is not doing—or even attempting—the kind of a job that needs to be done.

Our Government also should have ample funds to support and protect those political leaders and their families, now living inside the iron curtain, who would rejoice at a chance to escape to a place of refuge where they could tell the world of the Moscow terrorism, without endangering their lives.

An American like Col. "Wild Bill" Donovan, who successfully organized and conducted OSS during the war, would be invaluable in the American set-up in Europe.

WE SHOULD TELL STORY OF RUSSIA

We not only should inform the people of Europe of the aid the United States is giving them. We should tell them, day after day, of the millions of slave workers in Russian concentration camps. We should tell them the fact that Russian workers are only a fraction as well off, in terms of what their wages will buy, as are the poorest people in America. We should tell them how the Russians have looted the countries that have gone Communist.

3. We should do everything possible to unify the American, British, and French zones of Germany and to get western Germany to producing again. Before the war, the Ruhr was second only to Britain as the source of coal for Europe. Recovery in western Europe is impossible until German coal and steel production is greatly increased.

4. We should disabuse our minds of the amazing number of fallacies and misconceptions that are currently held in regard to proposals for our aiding Europe. We should then have a thorough national discussion and congressional debate as to what we should do, and how, in connection with the long-range Marshall aid plan.

WHAT AMERICANS MUST KNOW

Here are some of the things Americans need to understand: A. Terrible as the war destruction in Europe was, the problems confronting Europe today stem less from the physical ravages of the war than from the ideological consequences of the war years.

The economic policies which almost all the European governments are following today are actually retarding recovery. These policies are based in part upon the sincere but mistaken views of the governments currently in power. They are based in part upon the fact that the governments are too weak politically to do anything other than continue on their present course, even though they may privately recognize its unwisdom. The Communists, moreover, in their determination to prevent western Europe's recovery, seize every opportunity to throw sand into the gears.

B. We should realize that it is naive to assume that we will necessarily stop the spread of communism permanently in western Europe simply by pouring in our dollars for a few years. Too many Americans suppose that our financial aid will achieve that greatly to be desired result. Loans or gifts may help greatly, but most people are inclined to oversimplify the problem.

C. We should rid our minds of the idea that there is anything even remotely scientific in the report of the Paris 16-nation conference that western Europe needs $25,440,000,000 to cover its prospective dollar deficiency and to provide currency stabilization in the next 4 years.

No one can have the slightest accurate information as to what the cost would be. It depends upon the future economic policies of the different governments, the weather and crops in the next 4 years, the world price level, what actions the Communists may take, and many other unknown factors.

D. We should abandon the widely held idea that we ought not to attach conditions or stipulations to our aid. It is senseless even to consider large-scale aid unless we do attach conditions, and thus give ourselves a chance, at least, to accomplish our purpose. Aid from the United States will have only a temporary value, if that, unless the country aided changes the policies that are retarding or preventing its economic recovery.

E. We should rid our minds of any idea that the proposed Marshall plan loans will be repaid. They won't be.

F. We must not think that most Europeans understand our motives in connection with aid to western Europe—they do not. Many officials and businessmen in Europe regard the Marshall plan as a clever scheme whereby the United States, under the guise of altruism, can export unmanageable surpluses, and in that way, postpone a serious price recession and business slump in America. Europe has not the slightest understanding of the fact that the commodities which we are sending abroad are contributing to our price inflation here at home.

After we have clarified our thinking in this way, we must concentrate on deciding in what ways we can help European recovery most effectively and with the minimum harm to the United States own economy.

The more one sees of Europe, the more one realizes that preserving a strong and sound United States is the single most important contribution we can make toward world recovery.

SHOULD SPEND DOLLARS ABROAD

We can, however, materially help world recovery under the Marshall plan if we are intelligent in what we do and in how we do it.

For example, Congress ought to stipulate that, insofar as possible, we should spend the American dollars abroad, and not within the United States, to buy the commodities which we propose to give to Europe. If we can buy grain in Argentina, for example, instead of in the United States, it will reduce the serious inflationary situation that confronts us here at home.

Congress should set up an independent agency, responsible to it, but working under the general direction of the State Department, to procure all the commodities we intend to give to Europe. By following a unified procurement program, we can avoid the inflationary effect which would follow competitive bidding for American supplies by various foreign nations.

The agreement made by the 16 countries at Paris should be an integral part of any arrangements we make with the separate nations.

In the Paris agreement each nation, at least in general terms, undertook to do certain things and to cooperate in certain ways for the recovery of western Europe. If a nation is not doing what it promised to do, and if it is not meeting its production targets, we should be in position to turn off the spigot and stop further aid.

Great tact and diplomacy, in addition to basic economic intelligence, will be required of the individual who has charge of our European aid program. Lewis Douglas, the American Ambassador in London, could probably perform this function better than any other individual.

The basic European problem is lack of production.

Governmental economic and fiscal policies are retarding production in almost every country in western Europe.

CURRENCY RATES ARE UNREALISTIC

Perhaps the single most important thing that western European nations could do to stimulate production and trade would be to make their currencies freely convertible into other currencies. All of these currencies are now overvalued in relation to the dollar. All have fixed rates, for conversion into the dollar and into each other, that are completely unrealistic. International trade and production both would be enormously stimulated if the currencies were allowed to find their true levels.

Inflation is growing rapidly throughout Europe. We ought to insist that governments receiving American aid adopt policies that will stop or at least slow down the rate of further inflation. We ought to insist, within reason, that the European nations meet the production targets set up at the Paris conference.

There are strong reasons for believing that the amount of American aid which has been suggested is excessive. It is entirely possible that more good could be accomplished if the amount were reduced by one-quarter or one-third from the totals suggested by Secretary of State Marshall and Secretary of Commerce Harriman.

Only a detailed analysis would disclose how much this reduction should be. It would be most unfortunate, however, for the public to assume that it is unpatriotic or an act of isolationism to suggest that the administration's proposals should be carefully scrutinized and probably reduced.

American aid can be extremely helpful in getting western Europe back on its feet if the aid is wisely given and if it is used as an incentive to encourage European nations to do those things which are essential for recovery.

Every American should understand, however, that simply pouring goods and dollars into western Europe, unless the program is administered with great wisdom and ability, will neither insure economic recovery nor stop permanently the spread of communism.

Community Life in a Small Town

EXTENSION OF REMARKS

OF

HON. HADWEN C. FULLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. FULLER. Mr. Speaker, there are approximately 70,000,000 Americans living in small towns today and to my way of thinking they are experiencing a richer life than many of their fellows crowded in metropolitan communities.

The big cities are glamorous, I admit, and are a powerful magnet for our young people, but after age and experience have tempered the impetuousness of youth, reason tells us that the happiest place to live for most people in this great democracy is in a small town.

Recently it was my pleasure to hear an address by Oren G. Hunter, postmaster of Parish, N. Y., and president of the Parish Businessmen's Club. In it he paid tribute to the people of this typical small town and pointed out the advantages of living in his community.

As his very able remarks apply also to thousands of other communities in America, I am pleased to bring them to the attention of the House and country as follows:

RUNNING AWAY FROM HAPPINESS

Many Americans live in small towns, and I am sure there are times when some of us feel we would like to leave and go to larger places or the cities to live.

There is usually a trend for young people to go to the city for employment with an idea they can enjoy life more and also have more excitement and happiness than they can get in their home town. The fact is they are really running away from the happiness they are seeking.

Of course, the glamorous city life, theaters, recreation centers, etc., lure them for a while. But when they have chased rainbows and have lived high for a time, they usually are ready to settle down in almost any good town. They realize the arrow they shot in the air dropped right down in the town they left.

Personally, I do not think we value the importance of all the various jobs in the small town, or the people who take care of

these positions. Most people take for granted all the services that help make up the American way of life.

For instance, the man at the depot, waiting for a late train, which is his job, always has in mind that he is doing something worthwhile in the community. At times he is asked to mail a letter essential to his friends which must go out on the late train. He is very courteous in doing this.

Down the street we glance in a window and see the telephone operator and her various employees at work, bringing messages and voices together from all parts of the world, and also giving out other information such as the correct time, the weather, etc.

JOBS ARE BIG IN IMPORTANCE FOR PUBLIC GOOD

If we think seriously about small-town life, we will discover many jobs that are not big in salary, yet are big in importance to our safety and comfort.

It would be impossible to get along without the police telling us that the center of the street is a poor place to park when we run into the stores for a minute. The devotion to duty of the volunteer firemen who undertake any risk to save our lives and property is a matter of pride to all of us.

The plumber or tinsmith is a very handy man when we have trouble with a leaky roof or faucet. The town mayor, with the village trustees, holding weekly meetings; the justice of peace holding court; the attorneys, bankers, insurance men; the friendly merchants and courteous clerks who serve us faithfully with pride each day; the local ministers who give us spiritual advice and consolation when we are troubled; the principal of our school and his faculty with whom we trust the education of our children; our good family doctor who knows almost everyone's life history and who is ready to come at a moment's notice when we call him, regardless of the time of night or day, to give us pain-killing drugs—all are ready and willing to serve.

On one of the side streets, near the edge of town, works the genial blacksmith. No one can value his worth to the nearby farmers or the townspeople. Various garages are busy repairing cars, trucks, and so forth, the electrician and radio repairmen are always busy working for the comfort of all.

THE AMERICAN FLAG FLIES EVERY DAY

On our main streets we see the United States flag waving each day and a sign on this building reads "U. S. Post Office." Here we find the rural carriers, clerks, and postmaster working at all hours, early and late, through rain, heat, sleet, or snow, efficiently and courteously bringing news from people in all parts of the world, keeping business and pleasure on a normal scale, seeing that all mail is dispatched and delivered promptly.

Then there is the town-news editor who follows us all through life, recording our record of birth, marriage, various undertakings, and finally death. How often we take him for granted. He is usually present at all local happenings, and gives an interesting account of our local events.

There are also other morale builders, the librarian, who adds tremendously to our local culture; the village barbers, beauticians, drycleaners, shoe repairmen, public stenographers, the dressmaker and the people who work long, late hours in hotels and restaurants.

But, friends, wait a minute. Do you think that all this cannot be bought in a large city? Of course it can, but there are things we have in a small town that cannot be bought anywhere else, and these are the friendly deeds and personal touch we enjoy and feel when we obtain these services.

When our friends and neighbors come to us, open-hearted, helping us to share our sorrows and joys, nothing can take their place. The touch of neighbors and friends, which brings a small town together, exists to a superlative degree in any small town.

They come to us individually without hesitation or invitation to help lighten our burdens and share our joys and sorrows.

Yes, friends and neighbors, there are a few things we have in all small towns that a mint of money cannot buy in a big city.

An Editor Looks at a Hungry World

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. MACKINNON. Mr. Speaker, under leave to extend my remarks, I include the following speech given by Gardner Cowles, president and editor of Look magazine, to the Grocery Manufacturers Association in New York City on November 12, 1947:

Most of you have been sitting through three solid days of speeches at this GMA convention. You must be about fed up with words. I'll be brief, but I want to talk very seriously for a few minutes about the world food shortage and our foreign policy.

At the height of the war, I had the good fortune to fly around the world with Wendell Willkie, which included talks with Stalin in Moscow, with General de Gaulle in Syria, and with Chiang Kai-shek in China. Last year I visited Germany, Austria, and Italy, as the guest of the War Department, to study our governments of occupation. And this last June I flew around the world again on the inaugural flight of the new Pan American service, talking with top officials in England, Turkey, India, Siam, the Philippines, China, and Japan.

The basic fact in the world today is that, although the fighting has stopped (except in China), there is no real peace anywhere. I frequently think of the old Will Rogers cliché: "America never lost a war and never won a peace." Certainly we haven't won this peace yet, and the mistakes made at Yalta and Teheran and Potsdam are making the winning of the peace much harder.

Unless you have actually seen it personally, it is hard for an American to appreciate the extent of the economic dislocations and physical destruction which the war has left in every part of Europe and Asia. The result is a world short of everything. It lacks food. It lacks fuel. It lacks clothing. It lacks housing. And it lacks the machinery to produce these essentials.

The people are tired and discouraged just trying to stay alive. They have lost all optimism about the future. They feel they were promised during the war a higher standard of living as soon as the fighting ended, and now that they don't have it—but rather a much lower standard of living—they feel cheated and frustrated.

The wonder is that under these conditions communism has not made more progress—particularly with the specter of the Red army looming over the horizon. Yet in no country in Europe unoccupied by the Red army has a majority of the people voted for communism. Its highest total in any election was 38 percent in Czechoslovakia. And recent events indicate clearly that the Communists are losing—not winning—in western Europe.

It is well to remember that 20,000,000 have fled from east to west in Europe to get away from the Soviet regime. Several million have fled from Manchuria to China for the same reason. No one flees toward Russia.

The people in Europe and Asia realize even better than we do that the United States is the No. 1 power in the world today. They want to be our friends. They like the United States. But they want to be reassured on five points:

1. That we will remain militarily strong—particularly with an adequate Air Force—so long as Russia threatens further territorial expansion in all directions. And that we will have the will to use our military might, if necessary, to prevent any further invasion of western Europe.

2. That our economic system isn't going into a terrible "bust" which will further depress the world.

3. That we will assist with the reconstruction of the war-torn countries.

4. That we will adopt a permanent, nonpolitical foreign policy which offers the protective arm of Uncle Sam to freedom-loving people everywhere. Memory of prewar isolationism in the United States still makes friendly nations hesitant to rely on us as an ally.

5. And finally, they want to be assured by us that, as their production is restored, we will not adopt such prohibitive tariffs and trade barriers as to cut them off from the American market.

Now, that we are the No. 1 power in the world and a great creditor nation, I think we can give the world affirmative assurance on all five of these points. Such a foreign policy for the United States is in our interest and necessary for world stability.

But our immediate problem is how to help western Europe get her production restored quickly without exporting such a vast quantity of our goods as to cause a disastrous upward spiraling of prices here in the United States. Continued stability in the American economy is just as important to world peace as speed in restoring production in Europe. That is why I hope the businessmen of the country—and particularly the food industry—will participate dominantly in the debate just starting on the size and character of the Marshall plan.

It isn't dollars but production which the world needs. Anything which helps production here at home or among our friends is good. Any policy which retards production is bad.

The needs of the world are so gigantic that any adequate program is going to entail sacrifice here in the United States. I think Americans should know that, and not be kidded into thinking it can be done on our "fat" or out of our so-called surpluses.

The more that production can be stepped up in the United States, the more goods we can give or lend Europe without causing calamitous inflation here at home. During the depression, in order to spread work and reduce unemployment, we cut the standard workweek in the United States to 40 hours and instituted penalty hourly rates for work beyond 40 hours. Months ago that wise statesman, Bernard Baruch, suggested that the United States go back to a 48-hour week at straight-time wages for a few years as one sensible way to increase production and still prevent inflation. But Washington was deaf to the idea. The suggestion, however, still makes great sense.

Recently Dave Lawrence offered a variation of the Baruch proposal. Lawrence suggested that American workers be encouraged to lengthen their hours—and that they be given the incentive to do so by having the Government make tax-free all their income earned at straight-time wages beyond 40 hours.

No proposal in this area seems to interest the Truman administration; yet the only cure for inflation and the world's problems is greater production. Our Government admits there are not enough goods available to supply the world demand, but nevertheless it fails to offer any plan to stimulate still greater production of goods here at home. Instead, it is about to propose a new set of "allocations" and "controls" and possibly

ceiling prices on wheat and steel. These, in my judgment, will dislocate the economy and retard production.

Coal is critically short the world over. It is one of the big items in the Marshall plan. Yet, ironically, the coal miners of the United States, of England, and of Japan are each working shorter hours than they worked before the war.

We cannot put all the blame on Russia for lack of production in Europe. Our policy in Germany, adopted at the Potsdam Conference, of wanting to turn that industrial nation into a virtual goat pasture, should make us blush with shame. And this mistaken policy, launched then, has been only partially rectified.

We have deliberately held down production in Germany—although every expert on European conditions admits there can be no real recovery in western Europe unless German nonmilitary production is substantially restored. Certainly that patient beast of burden—the American taxpayer—should not be asked to shoulder the Marshall plan unless Germany is permitted and encouraged to produce peacetime goods to the maximum. In the present world product famine, there is not the slightest justification for any artificial restriction of production anywhere. And the quicker German industry gets to producing, the quicker the American taxpayer will be relieved of the German occupation cost. This cost, incidentally, will be $1,000,000,000 in 1948 if we assume the deficit in the British zone in addition to our own.

The leaders of the great American food industry, you men in this room tonight, have a more direct stake in seeing that the Marshall plan is sound than does any other group in the country, because nearly half of the contemplated Marshall-plan exports from the United States consists of food. Unless this tonnage of food is available for export, there is not much hope of success for the rest of the Marshall plan. Also, if such vast exporting of American food causes a sharp further rise in food costs to the American housewife, you leaders of the food industry will be blamed even when you don't deserve it.

I feel the Truman administration should be doing more to expand food production. I do not think it has an adequate program to persuade farmers to change their feeding practices to save grain, nor an adequate continuing program to persuade the public to eat more of foods in plentiful supply and less of foods on which the supply is certain to be short.

Few people realize that, contrary to general opinion, the world's population is increasing more rapidly today than ever before in history. By next year, there will be 200,000,000 more people on the earth than prewar. That increase is equivalent to the population in the North American Continent. Yet food production world-wide for next year is estimated at 7 percent less than prewar. This means that per capita the world will have in 1948 from 10 to 12 percent less food than prewar. The experts predict a great many thousands of people will die of starvation next year around the world even if harvests are up to average.

In the United States our basic capacity to produce food has increased only slightly faster than our population. We have 13,500,000 more mouths to feed here than we had in 1939.

Last year Truman appointed a Famine Emergency Committee. After a few months the administration said the emergency in Europe was over and that there would no longer be a food shortage.

As early as July this year it became obvious that grains for export this fall from the United States would be desperately short. But for some reason the administration waited until October to appoint the Luckman committee and to attempt to conserve grain. This committee is temporary and just has the assignment of trying to save 100,000,000 bushels this fall. Chuck Luckman has announced he hopes to complete the assignment by January 1.

I felt the confusion about the world's food supply was so great that, 2 months ago, I asked Look's Washington bureau to prepare a comprehensive article on how much food we had exported during the war and what we would probably be able to export in the years immediately ahead. To my amazement, we found the Government has no record of over-all food exports. After fruitlessly searching the Department of Agriculture, we finally got the Brookings Institution to find us an independent expert to help us put together, for the first time, the food export records of the Army, the Navy, lend-lease, UNRRA, and various other agencies so that the American people might read the record and have a true picture from which to draw conclusions about the future.

The United States was able to export a fantastic quantity of food during the war, and since, because (1) we started with a large carry-over grain surplus, (2) we put 17 percent more acreage into wheat, and (3) we had 7 years of fantastically good crop weather. This last point is really the most significant one to remember—because the chances are we have used up our luck. Agricultural records—running as far back as Civil War days—suggest the recurring truth of that Biblical adage that after seven fat years must come seven lean ones. This could make a fatal difference to the world.

If our analysis of the Marshall plan is correct, the United States will be called on to export next year 11,000,000 tons of grain to Germany and western Europe. We also have commitments to the occupied areas of Japan and an established Latin-American market for flour which will boost our total exports to 15,000,000 tons. And this does not include any emergency food for China or India, although their needs will be great.

One of the basic reasons in the Marshall plan for such large shipments to Europe is to build up livestock production over there. But if we in the United States get only an average crop next year, or a short crop, and are exporting in accordance with the Marshall plan suggested schedule, there will have to be a substantial cut in livestock production here.

It seems to me reasonable to contend that a limit should be set on the extent to which the United States decreases its production of livestock products so that western Europe can increase its production of livestock products. If this isn't done, the American food industry is likely to find itself disrupted by a series of emergencies that will be rough on the food industry, rough on the American consumer, and rough on American land.

My fear is that next year we will have a succession of emergency food committees parading through Washington, and with the appointment of each committee the President will tell the American people that a new crisis has just arisen—each time a crisis which he will claim could not have been foreseen. Washington seems to like crises.

If Washington were completely frank, we would be told today that the Marshall plan, in its present size, means less meat and less bread on the tables of American families for a long time ahead. The Look survey concludes that it may well be as much as 15 percent less next year.

That doesn't mean that Americans cannot continue to eat well, but I think the public is entitled to know all the facts as they debate and decide the size of our foreign promises.

Undeniably the need in Europe is great. Every European country today is rationing bread, fats, sugar and milk. Most are rationing meat and some even potatoes. In France each person is now rationed down to two-fifths of his average pre-war consumption of bread.

But I want to stress the fact that the world food crisis is not temporary. Those who have studied it most thoroughly think the export demands on the United States will probably be severe through 1952.

That is why I hope you leaders of the food industry will tell the country and the Congress how large a Marshall plan commitment on food we can wisely make, and the extent to which the large export program will impinge on the cost of food to the American consumer. And I hope you will insist the administration adopt an adequate program to stimulate production and to conserve the use of grain.

It is easy to find fault with the other fellow. It is easy, for example, to say we shouldn't help England because more people in Britain today are selling dog and horse racing betting tickets than are working in the coal mines.

But we in the United States have our faults, too. We seem unable to get the cost of Government down to sensible size. Despite the widespread rise in food prices, it still costs more in the United States today for Government than for food. We are actually paying more to be governed than we pay to eat.

When we are told that we can't have both the Marshall plan and tax reduction without unbalancing the budget and causing inflation, I think it's about time to cut down the size of our domestic Government spending, so that we can pay for the Marshall plan and have tax reduction and have a balanced budget so as to avoid inflation. A tax cut within a balanced budget would be much less inflationary and much more sensible than another round of wage increases.

We Americans are having difficulty learning our new role of taking leadership in the world. With leadership go both opportunity and responsibility. We must remember we control 50 percent of the world's production. We are the only major country not physically damaged by the war. We have become the one great creditor nation.

In our position, a wisely conceived and executed Marshall plan would make sense even if the Russian threat did not exist. Helping to restore western Europe is humanitarian, it is "good business" for long-term trade reasons, and it helps to preserve western culture which is the great heritage on which our civilization is founded.

A Marshall plan of the right size is essential. This is no longer debatable. And it must be unpartisan. Wisely, Speaker JOE MARTIN sent a special committee to Europe this summer under the able chairmanship of Congressman CHRIS HERTER. Both Republicans and Democrats are now agreed a comprehensive, continuing plan is the answer.

Food is the heart of the plan. You leaders of the food industry are best equipped wisely to outline just the size and character of the food program to Congress and the American people. How much can we export and still hold the price line here at home?

I hope you speak out. As an editor, I can predict America will listen to you eagerly. The Nation and the Congress need your guidance.

Our First Generation of World Politics

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. BENDER. Mr. Speaker, under permission granted me earlier, I should like to have inserted in the RECORD a copy of an address by Mr. Robert R.

Young, chairman, Chesapeake & Ohio Railway Co., before the annual governors' luncheon conference of the New England Council, Boston, Mass., on November 20, 1947:

The Spanish white man had established his culture in Texas long before the time of Plymouth, so the cow country in which I grew up regarded the New Englander as a newcomer and a tenderfoot.

Little we knew of New England, except from our school books and required reading, Snow-Bound, The Scarlet Letter, The Essays of Emerson. Stories we heard of your elms and rose gardens were credible, but those autumn leaves we were told to paint in our kindergarten we never quite came to believe.

The first war came, and, shoulder to shoulder in the mud of France, the Texan found the quiet New Englander to be just as tough-footed as he; while his comrade learned that, secretly, the Texan dreamed of Walden Pond. Again, in another war, on the spume-blown and shell-torn beaches of the Pacific, the same sandpiper whistled for them both just as plaintively as he did back home at Gay Head or Rock Port.

Now, if a Texan's allegiance can ever die, I come before this distinguished gathering of New Englanders as a supplicant—not to pretend to the birthright of a Yankee—but to say, here, in this so green land by the storm-bound coast, is my adopted home. Here let me end my days in peace.

My prospects of doing that, however, are not particularly bright.

We were all cruelly shocked even in this last week by reading: "Britain to draft non-workers—women as well as men. Peers and poor. Conscripts to go into coal mines or other essential industries. Shirkers to be imprisoned."

I wonder if a hairdresser or a caddy is to be called a shirker.

If that law were not British, it would be Fascist.

The State of New York in withering contrast rewards people for not working. Headlines that same day uncovered: "Gross negligence in New York State relief policies. Vice condoned. Community degraded."

That exposure was of conditions under an administrator who, on his record, seeks elevation not only to national but to world relief.

When I read that last headline, I was sure that the scandal related only to some corrupt municipal political machine. Imagine my surprise when I found that 60 percent of this waste was chargeable to the State of New York, 20 percent to the Nation, and only 20 percent to the city, and that when the relief bill was passed in 1946 at the request of the Governor, he stated, "This is a humane and efficient plan." That, in substance, was exactly his recent description of the Marshall plan. You will note the identity of words in both cases—a humane and efficient plan, when home relief is referred to, and Marshall plan for overseas. I had hoped that we had seen an end to that kind of planning.

This same State of New York is the leading proponent of rent controls. It is too bad that some of these people who are paid by New York State not to work are not put to work building houses. Certainly we will not get houses built by rent controls—by taking the incentive out of building and owning one. As long as one can live in someone else's house for less than it would cost him to own his own, who on earth is going to be foolish enough to build?

Looking ahead a few years in America and presuming oneself to be the archeologist clambering about the heap of rubbish situated at the mouth of the Hudson River, one would conclude that the most notable feature of this extinct atomic people had been its wondrous ability to produce—and that the decline in its culture began with the advent of controls.

I can see this pitiable, unkempt being scratch his atom-addled head, and hear him ask the $300,000,000,000 question: "How could this great national genius which brought forth such an infinity of material things have fallen in those last agonizing days into an economy of scarcity?"

Yes, business, farmer, labor, and all of us have retreated into a dangerous state of complacency about alarmingly portentous things. We assure ourselves it will all work out in the end; we muddle through. But the trouble is, on the record, things work out more and more badly—requiring more and more risky remedies.

Relief brings inefficient labor, confiscatory taxation, and high prices; and high prices bring controls. Controls bring further shortages and still higher prices, occasioning the necessity of more relief and more controls.

If we are to believe our headlines, England, the originator of the dole, and the world's champion exponent of controls, has not muddled through. The common man, there, has never been more hungry and miserable than he now is—not in a thousand years of British history. Certainly, never before has he been dropped down a coal mine. I wonder how you and I would like that. As one views the rapidity of England's descent from the day of Kipling's "Tumult and the shouting," one is constrained to pray with him, "Lord God of Hosts, be with us yet—lest we forget."

If the same forces make futile anything we can do to halt our own collapse, then complacency well becomes us; there is not need to veil our last days in tears, to trouble our ears with moans; indeed, we may, like Thoreau, withdraw into our own Walden. But, that is not the way of life. We must continue our divinely inspired struggle on up from the dust.

I come to you today with the portfolio of business. It is a noble calling, numbering its unsung heroes by the millions. Dynasties and dictators may rise and fall; history books may be written, burned, and rewritten, but the marts of trade grind on, in fair weather and foul, providing as best they may for man's needs. Those who play this game of business find it more fascinating than cards or dice, for fate is not a test of any man. Here a man is what he is; some make the grade and some do not. Certain qualities assure success—admirable qualities such as your own Ben Franklin's: industry, integrity, and economy. Careless promises and padded pay rolls bring ruin, not re-election, in business.

As I look back on the history of this realm of ours, and the 10,000 vainglorious empires which preceded it, a pattern is inescapable. Republic or tyranny, their periods of rise were marked by businesslike methods, their periods of fall by loose ones. Some were rich and powerful enough to endure abuses for long periods but eventualy the termites got them. There comes a time in the affairs of nations, once the principles of good business are abandoned, when their demise becomes clearly predictable.

Now, when I burn this incense at the altar of business I come not like Miles Standish wooing Priscilla by proxy. I am not nominating a businessman for President, but I am advocating businesslike principles. A soldier, a lawyer, yes, a haberdasher can make as fine a President as Solomon made a wise king. The question is one of integrity, not of trades. Give me a woman, a Catholic, a Jew, a Protestant, or a Negro and a bootblack, and give me integrity, and I will hurry to the polls; but give me two men who yield to party pressures, who outbid each other for selfish votes, and I will retire to Walden, or the Texas Panhandle, as bare of hope as September on election morn.

Time is running out with dizzy speed. What was scoffed at as a crackpot bottle-of-milk-on-every-doorstep Wallace plan just a year ago has become conservative United States Treasury policy. Last week I stood on the ocean's edge and watched a jet plane pass overhead. For a split second, as the distance that separated it from the horizon diminished, I thought it was speeding into, not over, the sea, but hardly had that rocket-like sigh died in my ears when it merged into the far rim of the sky on its straight course, swift as sound. So is it with today's events. Terror and regicide trod fast upon the heels of the Czars, the hangman's noose cut short the strident voice of the German conqueror, collaboration mocked the glory of France, and the sun was once said never to set on the British Empire—only two costly victories ago. Let us beware of our third victory.

There was a time when war was a profitable pursuit; but that was before the last frontier and democracy's mass conscription. No aristocracy of birth or business, no system save anarchy, can survive that keeps flying back into the flame of war.

The conflict of our own time was foreshadowed in the Intimate Papers of Colonel House, the Hopkins of that era, published in 1926. Colonel House and the German Kaiser met on June 1, 1914, just a few weeks before the invasion of Belgium, and agreed that Russia was England's greatest menace and that it was to England's advantage that Germany should hold Russia in check. Yet it was not long before this same House had us dismembering Germany.

In 1945, 1946, and 1947 our own latter-day Houses despite British and other warnings have with equal ambidexterity been busy dismantling what little was left of Germany's manufacturing plants and delivering them to Russia, along with her richest farms, her ablest scientific minds, and some million prisoners of war (God help them), in violation of international law, common sense, and human decency—all for not so much as a thank you. The American military government in its most recent bulletin, lists for dismantling no less than 82 nonmilitary plants.

Will we be told after this orgy of destruction has been completed that our steel must be diverted from housing to Germany to hold the Reds in check?

Once upon a time we could call our children to us and say, "Prudence shall one day have this of my possessions, and Jonathan that." That was the time that the good clippers manned by Yankee traders sailed the seven seas—always a little heavier laden in-bound. Our new-style subsidized merchant marine deals only in cargoes outbound. Since 1916 our vital resources, reduced now to less than 25 years' supply, were exchanged first, for war debts, and after 1920 for German, Italian, Japanese, and Peruvian bonds. It was default of these bonds which helped along the banking panic of the thirties. Our enemies got our wheat, oil, and steel; we were done out of our labor, our deposits, and our investments; and a small group of New York international syndicateers profited twice, first on the sale of the goods, and next on the misrepresentation and sale of the bonds.

Public indignation was such that for a period we took nothing but gold. Then, by cornering all the gold in the world and thus destroying any basis for exchange, we made fertile the soil which sprouted the growths—Hitler and Mussolini. Now, in our third stage of degeneration, we shrink even from taking paper.

How can anything but communism be expected from maritime nations dependent for centuries upon world trade for as much as 40 percent of their national income, when, neutral or belligerent alike, their ports were bottled up by Anglo-Saxon fleets for 11 out of the past 33 years, and boycotted by our preferential tariffs all the rest of the time? It will take peace and two-way trade, not just a smattering of butter and eggs, to rid these people of the taint of communism.

The only intelligent charity is to give our neighbors a market, not the smug hand-out of a meal. Until we take back the goods of others, the things they are best able to give even now, in exchange for our goods, we are not only being unbusinesslike, we are not even being kind. Such an enlightened policy of common sense, accompanied by tax reform, would forever put to death the fear of inflation and controls in this country.

Only yesterday I read in the paper that our Export-Import Bank is lending Canada $300,000,000 because she is short of dollars. Well, so are we taxpayers short of dollars. If Canada is a subject of relief, we had better start the congressional investigation now.

To domestic prices already beyond the means of many we are urged to apply the pressure of new and bigger exports even to Canada, as if war taxes were not already pressure enough. Then to quiet the pangs of our own hunger, price controls are to come goose-stepping and footpadding back—the thing free enterprise most fears and abhors, the thing Russia most hopes to see. In a profitless economy, all incentive to production crushed, we will then indeed be comrades—in poverty.

The most significant and worth-preserving street in the world today, perhaps, is the one made up of those few historic blocks between Trinity Church and the East River called Wall Street. There is the last citadel of private enterprise. Wall Street, with its environs, is a large and honorable community that renders the Nation, in return for an inadequate reward, a sound, though sadly diminishing, economic service. This honorable and diligent Wall Street, like the Nation, has suffered from the excesses of a few. It was this few who brought down upon us the great panic, the indignation-born New Deal, the Securities Act, the Wagner Act, and other legislative restraints which more conscientious businessmen impose voluntarily upon themselves.

It was members and lawyers of the Morgan syndicates loaned to the War, Navy, and State Departments of all administrations, who have steered the ship of state into the rocks and shoals of our first generation of foreign politics.

It was they who were responsible for the amazing inconsistencies in Republican strategy which have cost the party four, and perhaps five, elections, organizing or condoning as they did on the one hand, depression, high tariffs, lend-lease, hot war, Marshall plan, high prices, and now cold war; but who on the other hand, doggedly opposed their inevitable corollaries: the depression's unemployment relief, taxes, wage increases, debt, and controls.

Democrats can at least say that when they go out on a jag, they are ready to reach for the check.

The small group I refer to traditionally turns coat on the Republican Party by joining up with the Democrats in legitimizing its foreign economic atrocities in the public mind by an infusion of prominent but pliable businessmen as accessories to the unbusinesslike facts, just as their joint diplomatic and military outrages—Yalta, Hiroshima, and Potsdam—were foisted upon a shocked public by a ringing round of pseudo-Republican "Yeas!"

There is no more profit to the people in deals to gag all opposition in foreign policy, than there is in noncompetitive agreements in any other line of business. If error of the magnitude so monotonously made since 1914 is the price of unity, give me disunity.

Until Colonel House gave the witches' cauldron an extra stir in 1914 by his meddling, the four war-born horsemen astride their nightmares, taxation, inflation, depression, and communism, were virtually unknown in Europe. If they plagued us at all, they were light attacks, as of measles, not the cancer that today eats at our own vitals, having already gutted Russia, Europe, and now England.

If peace through war was really our objective, we have already twice made and frittered away an investment big enough to finish the job. The genius of business, the sweat of labor, and the tragic sacrifice of youth, have twice laid the resources on the line. Twice, our policymakers have bungled their part of the job.

The capital attracts to its crisis-welcoming corridors a motley crew of political adventurers, more numerous now even than in wartime. Deep though the love of the President for his country may be, his party loyalties to his bureau chiefs, mushroomed across the Potomac, require that they come first. Policies thus become designed not to preserve the people but the policymakers.

Does some new House or Hopkins now know that the war tempo is to rise to a still higher crescendo just before the 1948 ballots are cast? Will we again be plunged into the stream and advised not to change horses?

It is as unbusinesslike for us to permit reelection to place a premium upon crisis as it has been folly to allow the public treasury to be suborned. Even free enterprise is not potent enough to go on subsidizing its own subversion. Reelection to the Presidency must be barred by law. His term of office should be longer. There should be no second term.

That would be one step forward and this would be another:

Conclude now that the cure for the world ills is not a world WPA, call it Wallace plan or Marshall plan, or what you will.

Neither Republican endorsement nor a uniform make the Wallace plan any more palatable.

It may be necessary to help our European friends with temporary and emergency aid. But if they have a farthing's worth of goods to exchange for our foods and machinery—even a token—let us take it, establish the principle of payment in kind, and save our neighbor's self-respect. Europeans are praying not for a meeting of an international charity committee—led by an American political social worker now able to practice on a world scale—but of a businesslike committee of the highest integrity, and completely disassociated from either politics or the New York international banketeers, that would, by freeing up raw materials and opening up the world's markets, provide the means of making Europe a going business concern. Then, and then only, would we lay the red specter of communism.

We certainly cannot do it by imitating them, by hamstringing incentive, hence production, by controls, or by increasing debt and taxation which are already at the explosion point.

As matters stand now we will be either hated or cheated by every capital of the world. Unless there is an immediate return of sanity and integrity, the most one can see is one more chance; but, another war, one more depression, and then—?

The vast margin of safety left to us by our fathers has been squandered. Coin by coin it must be replaced, or the American eagle, like the American bison, may vanish in the gloom of some near November day.

We Must Think Things Through

EXTENSION OF REMARKS

OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. ROBERTSON. Mr. Speaker, there has never been a time since the inception of the American Government when there rested upon the body politic a greater responsibility than today. Surely it is the time to think seriously and wisely. It could be disastrous to follow dangerous thinking processes.

Recently the Department of Agriculture has asked of the Congress complete authority to be the sole buyer of any agricultural crop which they deemed was in short supply. This is a very serious demand, and while it may have a political significance it is dangerous to the great Nation we have built. We can never submit to the principle of a general control over the lives of people by any department of government.

Under unanimous consent, I include herewith an editorial from the Fargo Forum which touches in a most intellectual manner on this important question, the title of which is Dangerous Thinking Still Crops Up:

DANGEROUS THINKING STILL CROPS UP

In the day-to-day life of America, criticism directed at the national administration in Washington is discounted to a large extent by the average citizen as just politics. But here's a little comment on the dangerous kind of thinking indulged in by administration higher-ups, which should be discounted by no one, especially North Dakotans.

The Agriculture Department asked Congress the other day for authority to be the sole buyer of any agricultural crop which it deemed was in short supply to the extent that it might disrupt the national economy or upset the administration's export program. Presumably, after the Government had bought the entire crop, it would then parcel it out wherever it saw fit, and, also presumably, at whatever price it saw fit because with complete control over an entire crop, the Government could establish a monopoly price.

It, for instance, could do as Argentina is now reputed to be doing. Argentina, you know, is the sole buyer of wheat raised in that country; it is paying the farmer $1.75 a bushel and is known to be selling it for $4 or $5 a bushel on the world market with the Government keeping all the profit.

If Congress should approve the Department of Agriculture request and if drought should wither the 1948 wheat crop, as is expected by some crop forecasters in some areas, then the Government could declare itself the sole buyer of wheat.

By the scratch of some bureaucrat's pen, the entire economy of the State of North Dakota would be made dependent upon the whims and fantasies of the superplanners in Washington. The North Dakota wheat farmer could sell to the Government at the Government's price, or perhaps go to jail for dealing with the wheat black market which would be as certain to bob up as bootleggers under prohibition.

Talk about your collective farms in Russia and feeling sorry for those peasants because everything they raise belongs to the Government even before they feed their own families. Things would be no different here if this particular piece of the administration's planning is enacted into law.

We have no fear that Congress will grant this request, but by all that is holy in this land of America, how can these Washington planners ever dream of strapping such fantastic controls on our farmers and our whole economy?

Food and World Peace

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. JOHNSON of California. Mr. Speaker, under permission granted to me, I include in my remarks a speech which I made in Modesto, Calif., on Armistice Day 1947 to a group interested in the study of international problems:

Armistice Day has always had a sort of sacred meaning to many of us. On that day some of us listened to the last gun fired in the World War. We knew a new day had dawned. Never again would the nations of the world be so foolish as to get into another war. Around us was devastation and ruin. The sacred ground of the Argonne was a sort of informal cemetery, as there were hundreds of places where battlefield burials were mute testimony to the savage fighting. What did these men die for? What did these men want, as a result of their sacrifice? I think I can truthfully say that what they most wanted was world peace.

Little did any of us who had gone through the fury and fire believe that we would ever live through another war. The Air Forces, of which I was an inconspicuous part, laid the pattern that in 1943, 1944, and 1945 made that war in 1917–18 seem like a mere popgun war. It has been my experience to see the war devastation of every large city except Warsaw. You cannot realize how terrible it is unless you have seen it.

We are to some extent following the pattern we did after the First World War. In some respects it is different. Here is one difference: Following the first war most of the belligerents were internationally minded. They wanted the League of Nations to succeed. We were nationalistic. We decided to return to normalcy, which was to mind our own business and keep out of foreign entanglements and foreign activities that might get us into commitments. It was a natural relapse from the terrible strain and suffering of war. We had licked the Kaiser and the German will to war had been crushed. Why should we be worried about Europe's troubles or the conflict over imperial ambitions of European states in Africa and Asia. We would stay home, act as a friend to all and be neutral in the event of trouble.

It was the custom in the 1920's and 1930's to point out how terrible war was. The inference was that the nations simply would not make war, because it was too terrible and too costly. That thesis had been advanced in 1910 in a book entitled "The Great Illusion." The author, Norman Angell, a Stanford man, convinced me, as a college student, that war was so costly, so economically unsound that no nation would even contemplate it, unless it wished to commit financial suicide. The history of the last 35 years shows how wrong this writer was. If nations had common sense, and if they really acted like prudent and intelligent citizens do, his thesis would have been correct.

But nations do not act that way, at least the large ones. They act upon the proposition that whatever they can take and hold that they are entitled to take. Might and power is the basis for their action. The cost in men and money is immaterial providing the aggressive nation believes it can win. As incidents to what such a nation does, take the course pursued by Germany in the last war. She rode roughshod over poor Poland, Finland, Norway, Denmark, Holland, and Belgium. Why? Not because she has any special quarrel with them. But to accomplish her mission, which was to crush and conquer England and France, she felt it was militarily necessary to take and hold these small countries as an assurance that she would win against her real enemy.

There are well informed men who today feel that if another war should befall the earth it would result in financial, moral, and physical bankruptcy for all the belligerents. The reason is that the tremendous increase in the destructive power of weapons has made is possible for the people of the world to practically commit murder and suicide. The increase in the economic cost of war has made it financially impossible to conduct a war of the future without resulting in financial bankruptcy. Let us illustrate the point: The Spanish-American War cost practically nothing, at least in debt. The World War cost about $25,000,000,000 and in the twenties we were worrying about the terrible national debt. The war 25 years later cost over $270,000,000,000; over 10 times as much as the earlier one.

With these vast changes in the cost of war, time and space have been compressed, so that now we have no cushion of time, space, climate, or geography. Remembering that the trouble spots of the earth are practically all north of the 30° N. latitude an examination of a globe will demonstrate the point. Another commonly known physical fact, not generally recognized, is that the world is round, especially to the airman. We can make a trip from Denver to Moscow across the North Pole, that is about 1,800 miles shorter than the orthodox route across the continent, then the Atlantic, and then overland to Moscow. Another practice in war that was developed in the last one is that nations do not go to the trouble of declaring war, they simply strike and strike to kill. Pearl Harbor was an amateur exhibition of what we may expect in the future. To accentuate the awful possibilities of war in the future remember that planes are getting greater and greater fuel capacities and speeds. Today we can leave California late at night and have breakfast in Hawaii; 10 years from now the trip will be made in less than half that time.

This means that the old problem of our security, where we rely on armaments is out of date, ineffective, and futile from both the financial and military standpoint. I've talked to most of the military and naval leaders of the United States, both military and civilian. They all admit that the only real security system that will result in peace is one based on collective security—one based on the adjudication of disputes by law. But they all say it may be impractical as of today and perhaps unattainable in the near future.

Thus the most important problem of this generation is to work out a system of collective security that will be effective; if not 100 percent then as near that as possible and which can work up to that perfection. This cannot be done by wishing, or praying, or talking about the brutality and prohibitive cost of war.

I believe it can be accomplished or a substantial start made by looking realistically at the world, as it is today and making plans and policies to meet the situation. Agreements—especially bilateral ones—are worthless, unless there is the power to compel obedience or punishment for a violation of the agreement. The Kellogg-Briand Pact was a noble statement of principles—but it had no method to compel compliance, was ignored by the nations who signed it (except us) and was really only a scrap of paper.

I believe at the present moment food is the most important commodity in our struggle for world peace. At the present moment it is not so much of a strugle for permanent peace as for any kind of a peace. In order to illustrate what I mean about the importance of food, I will comment on a trip which I have recently made with some of my colleagues on the Armed Services Committee. We made an extensive trip and visited Germany, Austria, Trieste, Greece, Turkey, Iran, Saudi Arabia, Egypt, Italy, Switzerland, France and England.

With the world very small and still shrinking we must all realize that the problems of the world are the problems of America. We are economically the strongest and militarily the most powerful nation in the world. Whether we want it or not we have emerged from the recent war as the world's twentieth century colossus whose mission, I believe, is to lead the nations of the world into an era of continuing peace. In 1945 I made a similar trip. This is mentioned as I want to briefly compare the situation as I found it in 1947 with my impressions of 1945. There are several very striking differences which give one a feeling of despair and hopelessness. In 1945 there seemed to be much more optimism in France and Belgium and Italy. In Germany all the people looked pleased and happy and they were physically well because they have been living off the fat of Europe for 4 years. In 1947 things seemed to be more chaotic, confused, and uncertain than they were in 1945. Although we were out of the war for 2½ years, many situations looked very hopeless. This was largely due to the fact that one of our allies has refused to cooperate in trying to develop a peace formula to be written into the treaty. Also, all the way from the Baltic to the Caspian Sea we found that, wherever the ideology of the Soviets met the general political ideology of the western European countries and our own, there was pressure and conflict. The hottest spot that we found was Trieste. Here the Yugoslavs, who are only today an independent nation because of the help that we gave them and the military success of our forces, are massing armies along the border of Trieste and Italy. Our soldiers are not permitted to enter the country just as they are not permitted to enter any part of the Russian zone. To see this conflict with our allies is a tragedy that none of us will forget. It is a repetition of the seething conflict that some of us saw in Korea in 1946.

To add to the discouraging picture, Europe has had two of the worst crop years within the history of any living person. The result is that just when they should have increased production in order that they may take care of themselves, they are producing less than ever before. Nature gave us great a wallop to our hopes of peace and stability as man did by the military conquest.

That is why I believe that, at least for the immediate present, food is the one key that may unlock the door to peace. How much we should give or the mechanism of giving it I shall only discuss very briefly. I came away with the distinct impression that America had to and should do something about this situation. In the first place I do not believe that our country would, from the humanitarian standpoint, turn its back on a starving people. You simply can't walk away from one hundred and fifty to two hundred million people and permit them to starve themselves into chaos and revolution. Secondly, and more practical from the standpoint of enlightened selfishness, we should not do it.

Our first concern is for our allies and the liberated countries such as Austria. Next we must consider the conquered country, Germany, the one that planted the seed and spread the ruin and death over Europe which is unmatched in the history of the world. The ruin which we wrought was merely the necessary ruin to conquer the world murderer that ran riot in Europe from September 1939 to April 1945. However, in addition to feeding millions of displaced persons, which now has been reduced to about half a million, we have had to partly feed the conquered Germans.

There are three things that will play an important part in the stabilization of Europe. They are food, fuel, and fertilizer. Ther are intertwined and interdependent. As you know, the Germans have been getting approximately 1,500 calories per day for several years. That is too small an amount to sustain an adult and keep him in condition to do a normal day's work. The result has been that the production of Germany has fallen very badly. I am thinking primarily of coal, manufactured goods, and agricultural products. The unit production and the total production is way down. Previous to the war the coal mines in Germany produced roughly 470,000 tons per day. At the present time the amount produced is only 240,000 tons per day, which will climb, we are told, to 300,000 tons and over within 6 months, and perhaps in a year it might attain 400,000 tons. We found that, by raising the caloric content of the German diet for the miners, we had a rapid increase in production. Without going into detail I believe I can say that the economic recovery of Europe depends to a very large extent upon the production of German coal. German coal goes to France and Italy for use in their steel and allied industries. If the production of coal continues upward and Italy and France obtain the necessary amount, it will have a marked stimulus upon their manufacturing activities. This is also true in some of the smaller countries of Europe and primarily for Germany. Her manufactured goods got her the money to buy the food she did not raise. Her manufactures today are nil.

The food situation in Italy and France also is very bad. This reflects itself in low production in these countries. The whole effect has been to stagnate these countries.

I need not tell you that all this produces chaotic, pessimistic, and confusing conditions. Therefore, if we can find a way to furnish food to these people I believe it will reflect itself in a marked uptrend in the production. It is obvious that, with all the uncertainty and pessimism as to the future, these countries are fertile fields for communism. There are militant and active groups in Italy and France and some in Germany who are trying to spread that doctrine. They feed on distress, hunger, and misery, and the more these characteristics are intensified the greater opportunity the Communists have for gaining control. Just think of the situation in Rome as an illustration of what is going on. Rome, the eternal city, is the capital of the Catholic world. The one great group that is fighting communism every day and everywhere is the Catholic Church. At the very moment we were in Rome the Communists were pounding on the gates of Rome and came within a hairsbreadth of capturing the government of that city. Since then we have seen how militant, vicious, and annoying these people are. They insulted the elected officials of Rome and caused riots intended to humiliate and discredit them. Therefore, I say to you that for our own selfish interest we must find a way, if possible, to alleviate the distressing food situation in Europe. I say this because it is my firm conviction that the Soviets are determined to dominate every country in Europe if they can. If France should fall into their lap, then undoubtedly Italy, Greece, and Turkey would soon be theirs and the Mediterranean would be a Soviet lake.

But I think we should recognize that we cannot wean America so dry that our own economy becomes seriously affected. We must try to handle this matter so as not to permanently impair our own economy, which is now badly strained. We must find a way to do this or do it within such limits that we will retain our relative economic strength.

Up to now we have shipped goods to Europe to take care of the displaced persons, the Germans and others, on a caloric formula. In other words, we simply figure out how many calories an individual must have and we buy the food that will give us the most calories per dollar. However, this year corn has been very short at home. The result is that there are domestic demands for wheat, so the shortage of corn has produced a shortage in two main crops with the resultant increased prices for these two crops. Inflation is a dangerous thing and is running riot in Europe and China, and we certainly hope it does not get out of control in America.

I believe that we should not give European countries dollars. We should give them credit. If we give them dollars we should have some control over the manner in which they are spent in our country. It seems to me, to illustrate with our California crops, that it would be futile to allow Europe to buy food products with a total disregard for our situation. They might, as in the past, buy the very things that are scarce and thus accentuate the inflationary spiral that we must stop. If we give them credit we should have some agency handling this credit in this country. We should also have the right to make a check at our discretion to determine whether what France or Italy might request was something that was scarce in our country. If they do attempt this, they should be told that they could not have any of that product or a limited amount and we should suggest that they take what articles of food there are in surplus. To illustrate—prunes and citrus fruits are in surplus. We have provisions for supporting prices for various agricultural products. It certainly would be silly to permit those benefited by our generosity to take the things that are scarce and to let the United States Government take off the hands of our farmers surplus crops that could be used in feeding the people of Europe. What happened with potatoes last year is a good example. By sending them articles which are surplus we could help the starving people and at the same time keep firm the American market in those products. This would reduce the payments the Government by law is required to make to support these surplus commodities.

Another illustration is that of pears and emperor grapes. Before the war some 23 percent to 30 percent of the crops of certain types of pears were exported. In order to have a healthy market in emperor grapes and pears, fair to producer and consumer alike, a foreign market was essential and had been developed by the pear and emperor growers. We might utilize a part of our relief program to stimulate the foreign trade which we will require to keep our markets firm and which we did require before the war. These are merely illustrations of what I mean by meshing our foreign-relief program with our own agricultural economy for the benefit of both the recipient of our aid and ourselves.

Another thing which I think that we should emphasize and which very few foreigners seem to understand is to let it be known that the relief to them is temporary and only given to help develop their production so that they can take care of themselves. Our resources are limited. We are not a modern Midas that has unlimited resources, as many foreigners believe. Perhaps a specific date cannot be set for the termination of this help, due to the unpredictable conditions of weather, plague, etc. But we should make it known in no uncertain terms that there is a distinct limit to what we can give and we propose not to exceed it.

Another matter that impressed itself on our minds as we talked to people in the countries we visited, including Iran and Egypt is that the battle against the desperate economic plight of the future cannot be won by austerity, by merely tightening the belts of the people of these various countries. We emphasized to the people in Italy, France, and England this fact. We said to them, in effect, that we admire the stringent steps you are endeavoring to take and have taken, but we think it is more important that you use your efforts and ingenuity to step production up. The only way to stop starvation, inflation, and misery is by increasing production. You should put more stress on increasing production than you do on saving and reducing what people get to eat and wear.

For this reason, and, of course, in the time that I have I can only give you a sketchy view of the matter based on the observations and the conversations we had, you can see how important the matter of food is.

Also, I believe that if requests are made for machinery and other such goods we should endeavor to make them on a bankable basis. If the buying agency gets machinery to help production and makes profits, we should recover a part or all of the cost for these. If the foreign government gets heavy machinery to rebuild public utilities, highways, and things of that kind we should endeavor, as far as practical, to obtain recovery for that kind of help. That can be done without making us look like a Shylock and to me if it is administered with firmness and fairness could bring us more good will than being merely a Santa Claus.

We must not overlook the main purpose of our sacrifice. To me and to many of my colleagues it is quite obvious that if Europe should relapse into chaos and revolution the Russians would take over. Perhaps they could not handle the situation but they would probably, by strict dictator methods, control it like Mussolini developed and controlled Italy. If they should happen to do this there is little doubt in my mind that Russia might strike.

I shall illustrate this by the testimony of two witnesses before our committee during the hearings on the universal military training bill. Father Walsh of Georgetown University, who is the head of the international department of that university, has devoted his life to teaching international problems and to the spread of religion. In advocating universal military training as one of the steps which he believed would help us build a world peace organization he made some very telling points. He has been a long and thorough student of communism; has traveled widely, has met and knows men in almost every country of the world. He stated to us in substance in response to questions by members of the committee: I wish to say as emphatically as I can that you need not have any doubt about Russia striking us provided she feels she could give us a devastating and fatal blow. If she thinks she can, she will strike.

This brings me to a point that is tied tightly to the problem of furnishing food to distressed Europe. What card is the best one we can play to help accentuate the utility of our contribution in food and other products to Europe? In my mind it is to retain and build up our military strength. It is sad to contemplate, but I think we all must realize that it is true that the great nations of the world are still motivated by brutal force. They look at a potential competitor with these thoughts in mind: Does he have the will to fight? Does he have a large air force, a large navy, and a powerful army? Does he have a strong scientific research development program? Does he have the production line to accentuate the power of his military might? If he does have that strength, these nations will respect that force or that potential force. It is that road that we must travel, contradictory as it may seem, to enter the highway to world peace. If we maintain our patience, continue to bargain, perhaps even accept insults without losing our temper and poise, it is possible and even probable that those who are now obstructing the pathway to peace will change their tactics. They may finally agree among

themselves that they might better find a way to compromise for their own benefit. That is what I hope we can and will do. Another war, considering the development of devastating weapons to date and what is being planned for the future might result in the suicide of the civilized people of the world. It is possible to do this, according to our scientists, by our development of these lethal weapons. We have heard these witnesses in our committees.

Some of this information is known to the public and some of it which is more powerful for the future devastation of any future enemy is not known to the public. The overpowering problem of this day and the future is to find a way to turn these scientific developments to peaceful purposes. It is to find the mechanism through international organization and collaboration to make it impossible for any country to use these lethal and destructive weapons in trying to adjudicate these disputes. I personally think it is possible to do this. I believe that in the broad program on which we are embarked that we are on the road to accomplish that purpose.

The matter of giving relief is one of the steps that will put us in a position to start the accomplishment of that program. Retaining our military strength will be another stone in that edifice. If we can do this the next two or three decades could very well be the most important period in the history of the human race. Failing, the decades could be the darkest page in human history.

As long as I remain in Congress I wish to work toward that end. Without its accomplishment there will be a perpetual cloud hanging over our national life and over the life and business of every institution in our country. We must rely on the collaboration of other countries to accomplish this. We can and, in our position, must be the leader. But without the collaboration of others, so that we may have collective action through which the group will subdue any international murderer who may arise, we will fail.

This has not been a very optimistic discussion. My main purpose is to try to stimulate your thinking and perhaps to get you to understand the broad outlines of the major problem which faces us. We can do the expedient thing. We can do the easy thing by washing our hands of the problems of the rest of the world by merely saying they do not concern us. But if we do, as sure as the sun rises tomorrow, our children and their children will face the disappointment and the tragedy in much larger and terrible proportions than we faced tragedy and possible destruction from 1941 to 1945.

Where, Oh Where, Is the Steagall Amendment?

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, many prominent persons in Government, like Secretary of Commerce Harriman, Mr. Eccles, of the Federal Reserve, and even Secretary of Agriculture Anderson, advocate a rejuvenated OPA to be placed on the farmers of America. Some advocate a meat-price fixation, as if that was a cure-all.

Do you suppose they need a ceiling on chicken prices in the Midwest, where chickens are selling at 50 to 60 percent of parity when the law clearly states 90 percent of parity? Ninety percent of parity is 24.8 cents per pound. The following are chicken prices in the Midwest:

Poultry markets

	Cents
Dickinson, N. Dak., Nov. 27, 1947:	
Heavy hens	16
Light hens	10
Heavy springers	18
Light springers	15
Cocks	7
Eggs	45
Wahpeton, N. Dak., Nov. 25, 1947:	
Heavy hens, 4½ pounds and up	19
Light hens, under 4½ pounds	12
Cocks	8
Spring, 4½ pounds and over	19
Springs, 2½ to 4 pounds	17
Leghorn springs	13
Eggs	36
Huron, S. Dak., Dec. 1, 1947:	
Heavy breed springs	17
Leghorn springs	14
Heavy hens, 4½ pounds	17
Cocks	8
Light and Leghorn hens	12
Eggs, extra grade A, large	50
No. 1 eggs	37
No. 2 eggs	25
Aberdeen, S. Dak., Nov. 17, 1947:	
No. 1 heavy hens, 4½ pounds and up	19
No. 1 hens, under 4½ pounds	13
No. 1 Leghorn hens	13
Old roosters	8
Heavy breed springs	20
Leghorns	16
Eggs, extras	46
No. 1 eggs	36
No. 2 eggs	27
Oelwein, Iowa, Dec. 1, 1947:	
Leghorn hens	13
Heavy hens	18
Leghorn cocks	8
Heavy cocks	8
Springs, over 5 pounds	18
Springs, under 5 pounds	13
Leghorn springs	13
Eggs, hennery	50
No. 1 eggs	34
No. 2 eggs	29
Muscatine, Iowa, Dec. 1, 1947:	
Heavy breed hens	19
Leghorn hens	15
Heavy breed springs	23
Leghorn springs	16
Cocks	12
Eggs, grade A, large	50
Eggs, grade B	40
Eggs, grade C	28
Northfield, Minn., Nov. 13, 1947:	
Light hens	12
Heavy hens	19
Light springs, under 4½ pounds	20
Heavy springs, over 4½ pounds	22
Stags	10
Cocks	10
Eggs, No. 1	45
Eggs, medium	34
Eggs, undergrades	28
Wadena, Minn., Nov. 13, 1947:	
No. 1 hens, 4½ pounds and up	20
No. 1 hens, under 4½ pounds	13
Roosters	8
Springs, colored	21
Leghorn springs	14
Eggs, grade A, large	46
Eggs, grade A, medium	35

There is not one example in this list of markets where chickens, or eggs either, are bringing the legal lawful price. The present administration has the power, authority, and money to control prices and the above is the responsibility of this administration.

Sales Prices of Commodities for Relief Purposes

EXTENSION OF REMARKS
OF
HON. JACK Z. ANDERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. ANDERSON of California. Mr. Speaker, considerable discussion took place on the Senate floor last week regarding the sales price at which commodities acquired under the price-support program by the Commodity Credit Corporation will be sold for relief purposes. An amendment, introduced by Senator KNOWLAND, was passed by the Senate and reads as follows:

Notwithstanding any other provision of law, any commodity heretofore or hereafter acquired by the Commodity Credit Corporation under any price-support program may be disposed of by the Corporation, for use in carrying out this or any other act providing for assistance and relief to foreign countries at such price as may be determined by the Corporation, which price may be the equivalent of the domestic market price of a quantity of wheat having a caloric value equal to that of the quantity of the commodity so disposed of.

The effect of this language on the Commodity Credit Corporation has been discussed with officials of that Corporation. This amendment could result in a tremendous drain on the financial resources of the Commodity Credit Corporation. Unanimous consent is asked to insert a table showing the effect of this amendment on the sales price of various price-support commodities in the raw-material form as well as in the processed form. Illustrating its effect, Commodity Credit Corporation paid $1.26 per pound for dried eggs purchased under its price-support program, and could sell them for 32.5 cents per pound, consisting of 9½ cents representing the wheat-equivalent basis of the raw eggs and 23 cents representing the processing costs.

If the minimum prices authorized by the Knowland amendment were followed in the disposition of all price-support food inventories now in the hands of Commodity Credit Corporation, it would incur a loss of about $50,000,000. The Commodity Credit Corporation should not be expected to absorb costs of processing raw foods into a form suitable for export. Even without absorbing these costs, however, the financial position of Commodity Credit Corporation will be seriously affected.

Although the language of the Knowland amendment is authorizing only, and Commodity Credit Corporation is not directed to sell its commodities at a price which may be the equivalent of the domestic market price of a quantity of wheat having the same caloric value, it will be a temptation on the part of State Department, Department of Army, and others to bargain with Commodity Credit Corporation and defer its agreement to use such commodities until such time as Commodity Credit Corporation agrees to the lowest price authorized by

this amendment. It should be made clear that the Commodity Credit Corporation is not expected to sell all its surplus commodities at this price, nor will it be expected to absorb any processing or other costs necessary to convert an item purchased under its price-support program to a form suitable for use in one of the relief programs.

It is believed that most Congressmen favor the main purpose of the Knowland amendment, namely, relieving some of the pressure on bread grains and increasing the utilization of certain less scarce substitute foods. The point should be made, however, that the losses of Commodity Credit Corporation under this program will not be a true measure of the cost of price-support programs. Funds appropriated for farm programs should be distinguished from funds appropriated for foreign aid. The farmers should not be saddled with huge costs of programs where they are not responsible. The Commoity Credit Corporation should be reimbursed for any losses incurred as a result of selling commodities in line with the price equivalent to the domestic market price of a quantity of wheat having an equal caloric value or for any price less than it could obtain otherwise.

Estimated quantities of selected commodities available for export through June 30, 1948, with cost comparisons based upon their calorie equivalents in wheat [1]

Commodity	Unit	Quantity available for export			Cost per "processed" pound		Estimated price per pound (cents), WEB [6]	Estimated net sales loss per pound based upon—	
		From CCC stocks [5]	From commercial sources [2]	Total (3)+(4)	At point of farm production (cents) [4]	After processing (cents) [3]		Columns (6-8) (cents)	Columns (7-8) (cents)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Eggs:									
Dried	Tons	14,580		14,580	103.00	[7] 126.12	9.45	93.55	116.67
Frozen	do	30,627		30,627	27.50	32.34	2.50	25.00	29.84
Fruit juices, citrus:									
Orange, concentrate, 65-percent soluble	1,000 gallons		2,500	2,500		25.00	3.56		21.44
Lemon, concentrate, 40-percent soluble	do		2,000	2,000		22.50	2.52		19.98
Grapefruit concentrate, 65-percent soluble	do		1,000	1,000		20.45	3.53		16.92
Orange, single strength	1,000 cases 24/2's		2,000	2,000		6.08	.58		5.50
Grapefruit, single strength	do		6,000	6,000		5.07	.57		4.50
Dried fruits:									
Prunes	Tons	60,000	30,000	90,000	7.26	9.06	4.15	3.11	4.91
Raisins	do	72,301	40,459	112,760	6.14	8.14	4.47	1.67	3.67
Apples	do		5,000	5,000		16.00	4.28		11.72
Peaches	do		7,500	7,500		13.75	4.10		9.65
Figs, white	do		4,000	4,000		13.75	4.17		9.58
Potatoes, raw, white	Hundredweight	1,250,000		1,250,000	1.90	3.30	1.08	.82	2.22
Sweetpotatoes, raw	Bushels	[8] 153,603		153,603	2.65	3.00	1.64	1.01	1.36
Canned vegetables:									
Beans, green and wax	1,000 cases 24/2's		500	500		7.37	.25		7.12
Peas, green, standard quality	do		3,000	3,000		7.00	.83		6.17
Sweetpotatoes	do		1,000	1,000		8.42	2.01		6.41
Juice, tomato	do		2,500	2,500		8.33	.32		8.01
Onions, dehydrated	1,000 pounds		2,500	2,500		40.00	5.03		34.97

[1] The total number of calories contained in quantities listed in column 5 is approximately 870,542 million, which would cost in processed form an estimated $142,988,000 or an average cost of 16.43 cents per 1,000 calories. The same number of calories would be contained in 9,884,000 bushels of wheat (whole grain basis, 90 percent or over extraction) which if purchased at an average price of $3 per bushel would be equal to 3.4 cents per 1,000 calories. In other words, the cost ratio of the above commodities when compared to the calorie equivalent for wheat is 4.83 to 1.

[2] Includes CCC stocks on hand or under negotiation to purchase.

[3] Additional quantities of commodities which are estimated to be available from regular commercial outlets.

[4] Estimated farm price for a pound of "processed" product. Entries are shown in this column and column 9 only for those commodities with respect to which CCC now has stocks on hand. The per-pound differences between columns 6 and 7 represent costs of processing including packaging, storage, etc.

[5] Actual per-pound cost to CCC, including transportation, packaging, storage, etc., for commodities either on hand or under negotiation to purchase as shown in column 5, plus estimated cost of additional, available quantities shown in column 4.

[6] "Wheat-equivalent basis": Estimated sales price per pound based on the calorie equivalent in wheat, assuming a $3-per-bushel price for wheat and the calorie content based upon whole grain at 90-percent-or-over extraction.

[7] Additional costs would be incurred in drying the frozen eggs for export. The frozen eggs are currently being offered for sale domestically at not less than cost. The dried eggs are being offered for export at a price of 65 cents per pound.

[8] CCC stocks as of Nov. 15, 1947.

No Need To Give Up Ships

EXTENSION OF REMARKS
OF
HON. HENRY J. LATHAM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. LATHAM. Mr. Speaker, under leave to extend my remarks, I wish to bring to the attention of the Congress the following very meritorious editorial which appeared in the New York Sun on Monday, November 24, 1947:

NO NEED TO GIVE UP SHIPS

In drawing up their lists of wants and how these might be met, the European participants in the Marshall plan estimated that moving supplies to Europe would impose a dollar drain of $1,214,000,000 in shipping costs and suggested this might be offset by the transfer of surplus American vessels to foreign owners. The National Federation of American Shipping promptly questioned these figures and observes now that its position has been sustained by the report of the President's Committee on Foreign Aid—the Harriman report—which says the drain will be nearer $300,000,000. This is only about 2 percent of the anticipated aggregate cost of the Marshall plan, and the Harriman committee concluded that the limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

In this connection the National Federation of American Shipping also notes that Europe's greatest maritime needs are not of the type which could be filled from America's pool of war-built ships. What the European participants most need are smaller vessels for coastal trade. In vessels of the Liberty and Victory types, those of 5,000 gross tons and over, the European maritime nations now have 1,400,000,000 tons more than they had in 1938. Furthermore, they possess 75 percent of the world's capacity for shipbuilding, which is now engaged in the construction of cargo and passenger ships at a time when American operators do not feel that they can afford to build similar passenger vessels for American operation. The Harriman report observed that "the United States needs an active merchant marine for national defense and we must not create conditions in which that merchant marine cannot survive." To this, the federation adds a postscript: "We need American ships to carry a substantial part of our own commerce, to maintain transportation facilities to important world areas, and as a leader among the United Nations we must keep a reasonably strong position upon the seas." In the light of this it seems obvious that we should not be in any rush either to sell or give away what ships we still own.

Price and Allocation Controls Will Defeat Grain Conservation

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, the public generally does not appreciate the contribution that is being made by the feed industry of this coun-

try during the present crisis in our economy. The organization known as the American Feed Manufacturers Association has had under consideration for some time the problem of meeting demand and also the public's reaction to scarcity of goods and high prices. It has gone on record in opposition of a return of price and allocation controls and is emphatic in stating that any return to that program will ultimately defeat United States grain conservation. This organization speaks with authority, and the administration and Members of this House should give heed to its counsel. Under leave to extend my remarks, I am including the arguments against a return to price and allocation controls submitted by that group. In addition, Mr. Speaker, I am also extending my remarks to include information on the function of the feed-manufacturing industry. I am certain this will be helpful information for all Members.

WHY THE RETURN OF PRICE AND ALLOCATION CONTROLS WILL DEFEAT UNITED STATES GRAIN CONSERVATION

1. We recognize the amount of grain and feed we export is a problem of high political and military importance on which Congress must make the final decision. However, we do feel that, when a decision is made to export a given volume of material, we should not expect to escape the consequences of such action in terms of its effect on our domestic price structure.

2. The feed industry feels very strongly that the United States must go as far as possible in helping to relieve the desperately short food situation facing many countries in the world today. However, we are even stronger in our conviction that this country must take stock of its available grain supplies to see just how much can safely be moved out of this country without seriously disrupting our own economy.

3. The American public must realize that the heavy exports of grain and feed will mean a smaller available supply of the protective foods; meat, milk, and eggs, in the second and third quarters of 1948, in comparison to the same period in 1947.

4. Present price trends of the protective foods are doing the job that must be done in order to adjust the consumer demand for these products to the available feed supply. Rationing and price controls will hinder rather than aid this adjustment.

5. Price control on feed and livestock is economically unsound, and might well be disastrous to this Nation. It was proven in the 9 months that we attempted to continue price and allocation controls after VJ-day, that price control and usage or allocation controls merely cause maldistribution of feed supplies. These controls did not save 1 pound of feed.

6. During the period of price control and rationing after VJ-day it was definitely proven that these types of orders and regulations cannot be enforced in peacetime in this Nation. Any attempt to enforce such regulations will ultimately lead to complete regimentation, including control of wages and salaries.

CONCLUSION

Restrictions which would limit the available supply of balanced rations to the livestock and poultry producers of this Nation would defeat the purposes of the grain-conservation program by forcing the feeding of greater quantities of grain in inefficient rations, as examples:

United States Department of Agriculture reports show that on the average it required 900 pounds of feed to produce 100 dozen eggs. Through efficient use of balanced rations it requires only 600 pounds of feed to produce 100 dozen eggs, or a saving of 300 pounds of feed per 100 dozen eggs, of which two-thirds is grain. Thus, a net saving through efficient feeding of 200 pounds of grain per 100 dozen eggs produced.

In the production of pork in dry lots it requires 12 bushels of corn to produce 100 pounds of pork. Six bushels of corn fed with 50 pounds of properly balanced supplement will produce 100 pounds of pork. Thus, a net saving through efficient feeding of six bushels of corn per 100 pounds of pork produced.

NOVEMBER 5, 1947.

INFORMATION ON THE FUNCTION OF THE FEED-MANUFACTURING INDUSTRY

The feed-manufacturing industry is a service industry filling a very definite and important need in our national economy. It is estimated that there will be produced in this Nation nineteen to twenty million tons of byproducts feed this crop year. The chief byproduct feeds are mill feeds, corn gluten feed and meal, cottonseed-oil meal, soybean-oil meal, brewers' grains, distillers' grain and solubles, packinghouse byproducts, dried milk and whey, fish meal and oil, etc.

These byproducts are obtained from the manufacture of products for human consumption, such as oils, starches, flour, alcohol spirits, meat, fish, and dairy products. These byproduct feeds all have available certain nutritional values and in order for the Nation to get the maximum amount of good out of all of these ingredients the feed industry ascertains the value of the variable nutritional elements in each byproduct and blends them together so that the maximum production ability of the total supply of byproduct feeds is obtained.

The economic function that the feed-manufacturing industry performs is that of blending this vast volume of byproduct feeds together so that the livestock and poultry feeders of this Nation get the maximum amount of good out of the available byproduct feeds when fed with basic feed grains—corn, oats, barley, sorghum grains. By doing this, feed manufacturers are extending grain supplies.

ADDITIONAL ECONOMIC AND STATISTICAL INFORMATION

The level of prices is determined by the amount of money people have to spend and the volume of goods that is offered for sale. Since prewar, we have tripled our money supply. Factory wage earnings have jumped from 63 cents per hour in 1939 to about $1.25 per hour. Total wage and salary incomes have jumped from $50,000,000,000 in 1939 to $125,000,000,000 this year. Is it not reasonable then, to expect a general price level of two to two and one-half times the prewar normal if the volume of goods available for purchase is about the same?

To illustrate the maldistribution which took place under usage control limitations placed upon the feed industry on March 1, 1946, the following information is submitted from four responsible feed manufacturing companies which represent general conditions in the deficit areas:

Percentage of tonnage produced in the indicated months of 1946 as compared to 1945 (usage limitations were in effect in 1946)

Company	No. 1	No. 2	No. 3	No. 4
	Percent	*Percent*	*Percent*	*Percent*
March	86	100	62	84
April	84	90	95	75
May	64	79	52	57
June	73	68	41	44
Average: 4 months	76	84	62	65

When feed supplies became available through normal channels after lifting of price and usage controls, the following table shows the production of these same companies for the same months of 1947, as compared with 1946:

Percentage of tonnage produced in the indicated months of 1947 as compared to 1946

Company	No. 1	No. 2	No. 3	No. 4
	Percent	*Percent*	*Percent*	*Percent*
March	124	110	119	101
April	154	118	128	128
May	187	130	164	180
June	174	144	168	134
Average: 4 months	159	125	144	136

The following example illustrates that price and usage controls on the feed manufacturer do not save any grain or feed but merely cause maldistribution, with the result of higher cost to the livestock and poultry producers in the deficit grain areas. Two firms in deficit grain areas have submitted evidence that they were forced to purchase a total of 14,000 tons of manufactured feeds of unknown quality to supplement their reduced production in order to take care of the livestock and poultry producers who were depending on them for feed supplies. The average cost of these feeds of unknown quality averaged $12.29 above the list price on their own feeds of known quality to feed the same type of livestock or poultry.

Under a free-enterprise system prices have effectively performed the function of balancing the available supply with the demand. When the supply of feed has been short the resultant increase in prices has quickly forced the inefficient, wasteful feeder out of business. As a result of this inefficient feeder being forced out of business, the feed supply, through the operation of free prices, was made available to the efficient producer who could afford to pay the high prices and still make a profit.

This is what must happen if livestock and poultry production is to be brought into line with feed supply and the output of food per pound of feed maximized.

The feed industry, through its extensive service organizations, has already placed in operation special concrete programs designed to conserve grains.

NOVEMBER 5, 1947.

National Legislative and Administrative Law

EXTENSION OF REMARKS

OF

HON. JOHN W. GWYNNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. GWYNNE of Iowa. Mr. Speaker, under leave to extend my remarks, I include an address delivered by me on September 24 before the administrative law section of the American Bar Association at its annual meeting in Cleveland, Ohio:

Senator PAT MCCARRAN, while chairman of the Senate Judiciary Committee, made the following statement:

"The Administrative Procedure Act is a strongly marked, long-sought, and widely heralded advance in democratic government. It embarks upon a new field of legislation of broad application in the administrative area of government lying between the traditional legislative and fundamental judicial processes, on the one hand, and authorized executive functions, on the other. Although it is brief, it is a comprehensive charter of

private liberty and a solemn undertaking of official fairness. It is intended as a guide to him who seeks fair play and equal rights under law, as well as to those invested with executive authority. It upholds law and yet lightens the burden of those on whom the law may impinge. It enunciates and emphasizes the tripartite form of our democracy and brings into relief the ever-essential declaration that this is a government of law rather than of men."

The adoption of this act crowned with success the efforts of many persons over a period of years. The American Bar Association is particularly entitled to great credit for the final result. The members of your committee who worked so long and so faithfully deserve the gratitude of the American people.

I desire at this time to present a few observations concerning our future relations to this law. In that field, the Congress and the bar of the Nation have important responsibilities.

Many of us have long been concerned about the tremendous centralization of power in the Federal Government. There has been a great rise in the number and in the power of agencies exercising legislative and judicial authority. Serious inroads have been made in the rights of States and local communities. Private enterprise and individual responsibility have suffered from increasing, and often unwarranted, governmental interference.

In my opinion, the time has come for a reversal of this trend. Constitutionally created legislative and judicial bodies must be restored to their rightful place. The attempt to regulate governmental agencies must not divert us from the duty of eliminating those not needed and restoring their functions to the source from whence they came.

The Administrative Procedure Act was, of course, not designed to attain that objective. It should, however, be a wholesome influence in checking unnecessary growth and in preventing further usurpation of power. Bureaucracy will not flourish so dangerously when kept in check by a vigilant Congress and when required to operate in accordance with established principles of justice and fair play.

Nevertheless, it must be recognized that many of these agencies cannot be eliminated. They came into existence to render services that purely legislative and judicial bodies could not render. The development of commerce in England created problems that the common-law courts of the day seemed unable to handle. And so there grew up the law merchant—administered in separate informal tribunals. Equity law had a somewhat similar history. It is to the credit of the judges and lawyers of that day that they were able to recognize the need of these new principles of jurisprudence, and to eventually bring them within the orbit of the common law, as then being administered. Thus the needs of a progressing civilization were met; the law was enriched; and the fundamental principles of due process retained and developed.

In similar fashion, the economic development of America, the complexity of our relationships has brought us constantly new and difficult problems. The increasing importance of transportation indicated a need for the Interstate Commerce Commission. Concentration of economic power resulted in the Federal Trade Commission. Difficulties between management and labor introduced the National Labor Relations Board. A rising tide of social consciousness created the Social Security Board. And so the expansion of administrative government and the growth of administrative law has been a major phenomenon of our time.

Just how much this expansion and growth will inure to the eventual welfare of our people has often been debated. The size of our Federal establishment in the future will be a matter for Congress and the people to decide. But whether there be many agencies, or relatively few, we must see to it that all operate according to the pattern laid down in the Administrative Procedures Act. That, I believe, is the first responsibility of the bar of the country.

Secondly, you and I must be ever vigilant in seeing that the act is administered in accordance with its true intent and spirit. In certain quarters, this law was not greeted with shouts of welcome. Some agencies admitted that the proposed legislation was good for the other fellow.

The act lays down requirements as to the issuance, publication, and availability of information concerning administrative organization, procedure, and policies. It establishes methods for rule making and gives the citizen some right of participation therein. It provides for hearings and adjudication under conditions favorable to fair and impartial treatment. It contains comprehensive provisions for judicial review. It requires nothing of the agency that it cannot give; it guarantees to the citizen nothing to which he is not entitled. Those who administer the law must keep that constantly in mind. In fact, much of the success of the law will depend upon its enforcement. So, adequate and competent personnel should be made available to carry out the purposes of the act.

Third, care must be taken that subsequent legislation shall not repeal or whittle down the provisions of the law. During the last session, one bill expressly exempting a certain agency from the act was rejected by the House Committee on the Judiciary. A number of other bills are pending which purport to operate in the field covered by the existing law. These bills fall into the following categories:

1. Those which expressly amend the act by sections, etc.;
2. Those which do not specifically amend the act but modify the procedures for a single agency and refer to the act; and
3. Those which do not specifically refer to the act but which provide for methods of procedure, etc. and appear to be modifications thereof.

All of these bills should be carefully scrutinized before they are allowed to become law.

The fourth suggestion is directed particularly to Members of Congress, and others interested in drafting legislation. The Administrative Procedure Act necessarily modified certain laws existing on the date it became effective. But it does more than that. Its provisions are applicable not only to then existing agencies but to those which may be created in the future. If that is kept in mind, much work will be saved and better results secured.

For example, in future legislation there is no general necessity for express reference to the act. As pointed out, it automatically applies to agency operations within its terms. There will, however, be occasions when references may be made in order to make applicable provisions which, under the act itself, would not be operative. Section 2 contains the necessary general definitions. So long as judicial interpretation applies them according to their intent, there should be little occasion for either amendment or reference to them in the future. In any event, it will be helpful if the same terminology is maintained. Section 3 (a) sets out what rules shall be made or published and the consequence for failure to do so. In future drafting, it should not be necessary to refer to this section unless it is desired that something be published in the Federal Register not included in subsection 3 (a). Many other illustrations could be given.

To state the matter briefly, those responsible for drafting future legislation should keep in mind the following general propositions:

1. Since the act is generally applicable to agencies and actions within its terms, there is no necessity to make general or specific references to it except for special purposes. If that course is followed, it will greatly simplify legislative drafting because it will no longer be necessary to retrace the ground, if the application of the general provisions of the act is deemed adequate in a given situation.

2. Care should be taken not to write provisions which duplicate, conflict with, or appear to minimize existing provisions of the act which would otherwise and in any event be applicable to the subject matter.

Although the Administrative Procedure Act regulates procedure in Government agencies, it does not undertake to determine who shall practice there. This omission was not, however, due to any feeling that such regulation was not needed. Every State prescribes who may practice before its tribunals. On the other hand, Congress, with few exceptions, has left the practice before agencies largely to the control of the agency itself.

The American Bar Association, through its committees, has made an extensive study of this subject and made certain recommendations. A bill embodying these suggestions, H. R. 2657, was introduced in the present Congress and is pending before the House Committee on the Judiciary. The subject is also being considered by the Senate Judiciary Committee. Hearings have been held on H. R. 2657 and will be resumed when Congress reconvenes. It is our intention to afford ample opportunity for all interested parties to appear and explain their views concerning this important matter. The enactment of a proper law on the general subject of practicing before Federal agencies will make much easier the administration of the law already passed concerning the procedure itself.

It is very gratifying to note the continuing interest of the bar in administrative procedure and practice. It is an answer to the charge of the demagogue that our Constitution is out of date—that our form of government is not equal to the problems confronting it. It is notice to discouraged people everywhere that in America we have confidence in those eternal principles of liberty and justice, for which we have fought and which have ever been enshrined in our hearts.

World Monetary Reform

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. HORAN. Mr. Speaker, on a number of occasions it has been pointed out both within this body and in the public press that whatever measures we take, aimed at the reconstruction of European nations, must inevitably fail unless the United States at the same time will take the lead in demanding world monetary reform.

In my opinion this subject has nowhere been as clearly discussed as in a recent book by Mr. Henry Hazlitt entitled "Will Dollars Save the World?" which I recommend to any person who may be deluded by the theory that the mere sending of more credits to Europe will solve our present crisis. It is to me encouraging that at least some European countries are making the first hesitant attempts at currency reform and that we may yet find a way to force an end to the

fiscal insanity which has been an underlying cause of the failure of the world to get back on a sound financial basis.

In further extending my remarks, I should like to include an editorial from the Washington Times-Herald, December 1, 1947, discussing the first move of the Italian Government in the proper direction.

It is my intention in the near future to offer some specific suggestions as to how the United States may take the leadership in demanding a revision of world fiscal policy which will make safe our investments in the foreign countries to be aided under the so-called Marshall plan.

The editorial follows:

ITALY FREES LIRA

The lira is the Italian unit of money, as the dollar is the American and the pound the British. Its prewar value was about 5 cents, or 20 to the dollar.

Those good old days ended after Italy got into the war. We wouldn't know what, if anything, the lira was worth when the Germans were running Italy with Mussolini as their Charlie McCarthy.

From the liberation of the country by the Allies until 1946, the lira's value was pegged at 100 to the dollar, or one-fifth of prewar.

The Italian currency has been devalued three times in the last 2 years, finally skidding to a rate of 350 to the dollar.

That rate was official and legal—meaning the Italian Government insisted that this was what the lira was worth in terms of buying power, whereas everybody, including the Government, knew that such was not the case. Result: Black markets in Italian money, and a general financial discombobulation.

Last Thursday, Premier Alcide de Gasperi's administration decided that all this was going to stop. It further cut the lira's valuation to 589.47 to the dollar, which was slightly lower than what the money had been selling for on the black market.

Further, the lira is to be revalued every month, and these adjustments are to be based on what importers will offer for the dollar on Italian stock exchanges at the time each revaluation is made.

Thus, Italy becomes the first country which has been controlling its currency to cut that currency loose from controls and let it find its true level in terms of what the money actually will buy. What it will buy is determined by such things as the country's productivity and production, the state of its foreign trade, and the confidence that its own people and others have in the country's Government.

Those things determine any currency's buying power and its strength on world exchanges. Currency controls are maintained by countries which know darn well their money units are none too strong.

CONTROLLING MONEY AND FREEZING TRADE

The well-known economist and writer, Henry Hazlitt, says that these currency controls are to blame for most of the postwar world's financial miseries, and that the bulk of those miseries would dry up and blow away if all these countries would do as Italy has just done.

Mr. Hazlitt's thesis is worked out in detail in his new book, Will Dollars Save the World?, D. Appleton-Century Co., New York and London, 1947, 95 pages, $1.50.

Hazlitt is for the dropping of all price controls in other countries, as well as of money controls—and he is against restoration of price ceilings in the United States.

His reasoning is that such things are artificial and arbitrary interferences with the law of supply and demand; that they make black markets, discourage people from producing in hope of reasonable profits, and generally paralyze both home and foreign trade.

If they were all thrown overboard, he claims, the situation would right itself in a hurry, there would be no more dollar famines in Europe, and virtually the whole Marshall plan would become unnecessary.

That may be somewhat on the overoptimistic side. The fact remains that war-devastated Europe has very little as yet to export, while the United States production is at record levels. Until Europe gets more of its factories going, it is hard to see how trade in and out of Europe can be balanced.

But in the Hazlitt theory's favor there is this fact: Italy for many months now has been well known to be just one big black market—meaning its people have gaily ignored the multitude of price controls, and have bought and sold their labor and their goods for what they were worth in reality. And Italy, for all the tumult kicked up by its Communists, has been staging a remarkable economic comeback.

We note, too, that General MacArthur, over in Japan, has been able to stabilize Japanese economy to such an extent that Jap chinaware is creeping back into the United States market—good stuff, we're told, and at virtually prewar prices. MacArthur, so far as we've ever heard, is no believer in price controls, restrictions on individual effort, and other great brain gadgets.

It seems just possible that Italy, in taking the plunge into free-moving money, has given a strong boost to its own economy, and may have started something which will eventually lead all of western Europe out of the economic swamps. Here's hoping, anyway.

The Late Hon. James J. Davis

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I join the other members of the Pennsylvania delegation in expressing the loss to our State and Nation in the passing of former United States Senator James J. Davis.

Mr. Davis was truly representative of the American way of life. From a humble beginning as a son of Welsh immigrants poor in dollars, he rose to be Secretary of Labor and United States Senator. Deprived of a regular education, he educated himself. Forced to go to work in the steel mills in his early teens, his will to succeed brought about a rapid climb to positions of honor and responsibility.

He was always proudest of his nickname, "Puddler Jim," for it symbolized his place as a working American. It was in keeping with such sentiments that he successfully served as Secretary of Labor under three Presidents.

His leadership was recognized in many other ways. He was elected director general of the Loyal Order of Moose in 1906 and held that position until his death. He was keenly interested in the unfortunate, and during the past several years devoted most of his time to raising an endowment of $10,000,000 for the children's home and school at Mooseheart, Ill.

I was privileged to make many trips with Mr. Davis through Pennsylvania, particularly in the Seventeenth Congressional District. It was on these visits with him to the grass roots of our State that I learned to appreciate the bond between Mr. Davis and the average American.

When he spoke to the workingman and the farmer he talked their language. His concern for the welfare of the average man was not based on synthetic humanitarianism derived from the study of academic theories, but was founded upon a first-hand knowledge of what it meant to work hard. No man in recent years has been a truer champion of the common man than was James J. Davis.

Throughout his career he succeeded in drawing supporters about him from all walks of life, for innumerable fine causes. His personal magnetism, founded upon an imposing physical appearance and a simple, honest directness of manner, made him a man in whom people could have faith.

It is such men as James J. Davis who have been the builders of America. He has gone on, but the spirit he symbolized remains as a vital part of our great Nation.

Congress' Power To Tax People for Aid to Europe Questioned

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Prof. Curtis P. Nettels, of Cornell University, in the Rochester Times-Union of November 4, 1947:

CONGRESS' POWER TO TAX PEOPLE FOR AID TO EUROPE QUESTIONED

(By Curtis P. Nettels, professor of history, Cornell University)

Upon what grounds may grants from the Treasury of the United States to foreign countries be justified?

May Congress lawfully make such grants for the sake of charity? From what clause in the Constitution does Congress derive such power? The only clause which might remotely justify such grants is section 8 of article I:

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

Clearly, this clause does not authorize charitable grants to foreign countries. The Government of the United States is not an agency for dispensing charity abroad.

If Congress offers charity to one state, should it not be offered to all that may be in need? Will not favoritism antagonize all states that are slighted and deemed unworthy of our official assistance:

Is charity likely to gain us the good will even of the recipients, since they are likely to feel that they ought to receive more than is given? When a Government undertakes

to dispense charity to foreign states, it will get only enmity and ill will for its pains.

May the proposed foreign aids be justified on the ground that they will "provide for the common defense and general welfare of the United States"?

Yet such foreign aids have increased the cost of living in a most unfair manner. Gifts to foreign states have made certain articles scarce and have increased their price. Some of the producers of such scarce articles have benefited, and many purchasers of them have been impoverished. Unhappily, millions of Americans have been levied upon to pay, by inflation, the cost of foreign aids. This is utterly indefensible.

By and large, the poorest people in the country—the least able to pay—have been impoverished by the high price of goods caused by excessive exports. Other favored Americans have profited, through high prices, at the expense of their less fortunate fellow citizens. Wealthy foreign nationals have been exempted from using their hoarded wealth for the succor of their own nationals, while the poorest people in the United States have been forced to make the required sacrifices.

The President's call for a special session has made clear the connection between foreign aids and inflation. Are we to continue to finance foreign aids by inflation, and thereby to impose the burden upon the people who are least able to bear it?

If Congress is to grant immense funds to foreign states, effective action should be taken to see to it that the sacrifices required by such gifts are borne suitably by all Americans. This is imperative, since Congressional grants may be justified only on the ground that they are necessary to the security and welfare of the United States; and uniformity of sacrifice is the rule to be applied when the Nation's security and welfare are at stake.

How, then, may Congress assure that sacrifices will be evenly distributed? Obviously, by adopting measures to prevent such foreign aids from adding to the cost of living, thereby enriching some Americans and impoverishing many others. And how is this to be done, unles the country is to be subjected to a rigid set of economic controls?

In order to avoid the inflationary effect of foreign aids, are we to impose upon our economy a set of stifling curbs and restraints that may spell the end of free enterprise in America?

The notion that the proposed foreign aids are essential to the security of the United States is fantastic. The only presumed enemy that is cited by the sponsors of such aids is Russia. It is proposed to offer immense sums to France and Britain. But neither France nor Britain is a long-term ally of the United States against Russia. On the contrary, both those states are the long-term allies of the Soviet Union. Both are bound by 20-year treaties not to enter into any alliance or to take part in any coalition against the Soviet Union.

Both are bound not to give any effective assistance to the United States in the event of an American-Russian war. Such are the states for which the United States is asked to impoverish itself, in the name of national security.

The proposal that the United States should destroy its basic institutions in order to succor the long-term allies of the Soviet Union is rational only on the assumption that our institutions have failed. But if they have failed, why are we called upon to give aid to others? How may our institutions provide assistance to others if they are so defective that they need to be abandoned, in the name of foreign aids.

Neither the President nor Congress is authorized by the Constitution to dispense charity to foreign states. Foreign aids may not properly be financed by inflation, since high prices here impoverish those Americans who are least able to pay costs of foreign relief. It is infamous when the poorer people in this country are levied upon for the benefit of foreign states, while the wealthy citizens of those states continue to hoard money that might be used for the relief of their distressed countrymen.

And it will be equally infamous if foreign aids are used as a pretext for fastening upon the United States a set of economic controls that will destroy the American system of production and business.

Around the World With Sixty-six Billion American Dollars

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am including a table presented by the office of the Coordinator of Information of the House of Representatives, which shows the distribution of American dollars around the world. It is a very important table to consider in view of the constant demands upon the Treasury of the United States for more and more dollars.

The table is as follows:

Around the world with $66,000,000,000—how United States dollars were spent

Lend lease	$48,601,365,000
Surplus property	4,686,071,360
Direct loans	4,200,000,000
Export-Import Bank loans	2,960,636,460
UNRRA, United States share	2,279,102,264
War Department civilian supplies	1,365,046,000
Aid to Philippines	695,000,000
Occupation lira credit	258,000,000
International Bank loans	485,000,000
Fixed war installations	146,985,693
Foreign Economic Administration relief	140,000,000
Alcan Highway	138,312,166
RFC loans	30,000,000
Air bases	22,000,000
Cultural and technical projects	3,963,000
Inter-American Highway	3,317,700
U. S. Commercial Co	2,085,664
Office of Defense Supplies	460,944
State Department credit	248,064
Educational aid	196,000
Total	66,017,790,335
Reverse lend-lease:	
Great Britain	6,752,073,000
France	867,781,000
Belgium	182,942,000
China	3,672,000
Netherlands	2,368,000
U. S. S. R	2,213,000
Total	7,811,049,000

Since the start of World War II, the United States has given or lent the rest of the world the staggering sum of $66,017,790,335. Relief funds, goods, and other economic aid have been doled out in various ways which are itemized above. The largest single item went to England, a $3,750,000,000 loan which is almost used up, due to worsening economic conditions. On the other side of the ledger—in the form of reverse lend-lease—is a grand total of $7,811,049,000, making a net outlay of $58,206,741,335. Belgium is the only country whose reverse lend-lease exceeded (by $24,344,000) our lend-lease to it. These latest available figures obtained from Government agencies, are approximate and by no means final or complete.

San Francisco To Get Rough Deal if Lobbyist Plan Is Carried Out

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. MILLER of California. Mr. Speaker, Miss Ruth Finney, a staff correspondent for the San Francisco News, has written a story that appeared in that paper for November 29, 1947, in which she has pointed out the favorable situation in which the city of San Francisco finds itself with respect to its congressional representation. Her article follows:

CONGRESS MAY GIVE SAN FRANCISCO ROUGH DEAL IF LOBBYISTS PLAN CARRIED OUT

(By Ruth Finney)

WASHINGTON, November 25.—San Francisco may be in for a rough ride in the coming session of Congress. If the city's new mayor goes through with his plan for sending a lobbyist back to Washington, and if the supervisors appropriate money to make this possible, the results may be anything except those anticipated.

For Washington, practically as a unit, resents that sort of thing.

In the legislative branch the resentment has two grounds. In the first place, there are already some 900 registered lobbyists pulling at the coattails of the Congressmen and trying by every means which human ingenuity can device, to influence them. Senators and Representatives have built up a resistance and are annoyed when more lobbyists are added to the list.

In the second place, men who come here as lobbyists for any public body meet a special sort of resistance, for they are widely recognized in Congress as usurpers, men who are trying to undermine, take the place of, or openly oppose the duly elected Members of Congress. A Congressman from Houston or Philadelphia is just as apt to resent a lobbyist from San Francisco as are the two gentlemen who represent the city. For he knows that it may be his turn to be undercut tomorrow.

In general the special lobbyist from a city is apt to meet a blank wall of resistance from other Congressmen unless he has the active support and cooperation of the men from his home town. And if he has that he's apt to be looked on as unnecessary, and pretty much of a nuisance. It can be laid down as a safe rule that no Member of Congress is going to push legislation affecting a city unless the elected Congressmen from that city are for it. To do so would be a violation of the rules of the club—to say nothing of the rules of democratic government, which presume that sections of the country shall be represented in Washington by men and women elected by the people.

In the Government departments the feeling against treading on the toes of elected representatives is just as strong, for departments are dependent on Congress for the funds with which they operate, and they know from bitter experience that to snub or offend an individual who helps hold the purse strings may have sad consequences.

At the present time, San Francisco is exceptionally well situated so far as representation is concerned. Representative RICHARD J. WELCH, who has seniority enough to be a power in the Republic Congress, is chairman of one of the 13 powerful committees of the House. As such, members of both parties defer to him and so do members of the executive branch. He is better able to get any favors he may desire for San Francisco at the present time than any Conressman from San Francisco has been for the past 25 years.

San Francisco's other Congressman, Representative FRANCK R. HAVENNER, is a member of the powerful Armed Services Committee, which carries a little extra prestige, both on the Hill and in downtown Washington.

In addition, the city has Frank McKee of the San Francisco Chamber of Commerce here working industriously—but working with and through the Congressmen.

Members of the California delegation were at a loss to understand a Robinson reference to instances in which San Francisco had been "outbid and outjockeyed" by other cities, and could not, offhand, recall any such instance. In addition, there was considerable alarm here, from all si es of political thought, about a reference to reopening the Hetch Hetchy controversy.

The Hetch Hetchy matter was given the quietus, with considerable difficulty, by Representative WELCH, when it appeared likely, last year, that the Comptroller General and Congress would demand the city pay back some $50,000,000 it collected from the P. G. & E. under an arrangement held illegal by the United States Supreme Court. Only WELCH's personal influence has kept that matter from being pressed. If it is reopened San Francisco's lobbyist may cost the city considerably more than his annual salary. WELCH chose to head the House public lands committee instead of either of two others in which he was senior, largely because of this issue, and he is probably the only man alive who can protect the city from having a ruinous claim brought against it.

Is It a Conspiracy?

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, this morning Commentator George E. Reedy, over radio station WOL, Washington, made some pertinent comments regarding the American Federation of Labor and its decision to get into politics for the purpose of defeating Members of Congress who voted for the Taft-Hartley bill. I commend this radio talk to every Member of the House who voted for that bill because it may affect his future status as a Member of Congress. Mr. Reedy has rendered a real service in presenting his ideas on this subject:

The American Federation of Labor has taken a long step away from the advice of Samuel Gompers, its cigar-making founder. His attitude toward labor on election day was summed up in the phrase: "Reward your friends and punish your enemies."

For several decades the AFL followed this advice to the letter. It refused to endorse any party and it engaged in no campaign activities. On election day it published lists of public officials it didn't like and let its followers make up their own minds.

Furthermore, it resolutely refused to endorse any candidate for the Presidency of the United States. Only once in its entire history did it budge from this position. That was in 1924 when it went all out for the elder La Follette, running as an independent.

Of course, individual unions did not feel themselves bound so tightly. During the New-Deal era, Daniel Tobin, head of the teamsters, was a strong supporter of the late President Roosevelt. The same was true, for a limited period only, of John L. Lewis.

The parent organization, however, would have nothing to do with such things. Its interest was centered in the individual Congressman and his voting record. If the AFL chieftains like it—fine. If they didn't like it—they'd do something about it.

Now, the period when the federation stayed as far out of politics as it could seems about over. The top leaders are working out a new organization, to be called Labor's Educational and Political League. It looks like much more than a debating society.

Federation heads insist they are not abandoning their traditional policy in the least. They claim that it is just being expanded. But it is obvious that much more than that is intended, and will be attained.

Labor leaders are really disturbed about their relationship with the present Congress. The passage of the Taft-Hartley Act at the last session convinced them that they are in bad repute. They want to do something about it.

The first objective, of course, is to defeat all Members of the House and Senate who voted for the law. Today that is the major test applied by union organizations to politicians who are courting their favor.

If organization can carry out this end, the unions should be able to do it. Practically every major labor group now has some sort of political arm. When it comes to the Taft-Hartley Act, those arms will all pull in the same direction.

The CIO has its Political Action Committee, and the International Association of Machinists has set up a Nonpartisan Political League. John L. Lewis has another so-called nonpartisan league, and now the AFL has entered the picture.

If these various associations accomplish nothing else, they should give the public its first real look at labor's strength in the United States. For once, all the top unions have entered the political arena, and there is no doubt of where they stand.

Many Republicans hailed the 1946 elections as proof that union men do not follow the politics of their leaders. But in their heart of hearts they knew it was no real test. There were just too many things involved in that election.

This coming year will see the real thing. The unions will be organized all along the line, and their leaders will be fighting desperately. They feel that this is the crucial battle in their struggle to maintain their strength and power.

Consumer Protection Against Fraudulent Advertising

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. EVINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include an address by Hon. R. E. Freer, member of the Federal Trade Commission, recently delivered before the American Marketing Association at New York, entitled "The Federal Trade Commission Views Questionable Advertising Copy."

The address is as follows:

THE FTC VIEWS QUESTIONABLE ADVERTISING COPY

Advertising long has been an engrossing subject to students of business and to writers of articles for law reviews, as well as to those paying for and engaging in its preparation and dissemination. One nineteenth-century pioneer proponent who testified to his "most complete faith" in it as "the royal road to business" was P. T. Barnum. Later, in the first decade of the present century, was born today's slogan, "It pays to advertise." Members of the advertising profession itself from time to time have joined in decrying advertising's alleged excesses and shortcomings. Some "outside" critics of advertising have gone so far as to challenge the economic and social justifications for its existence. Countercharges have been made to the effect that such critics harbor either an emotional grudge or an intellectual spite against advertising.

In making these remarks today, I shall just assume, without undertaking to prove such assumption, that advertising has lived so long in conjugal bliss with selling as to cast the burden of proof upon those who question either the legitimacy or the permanency of their union. I shall also assume, without being put to proof, that the advertising fraternity is constantly engaged in self-improvement as a result of constructive criticism from whatever source. It shall be my purpose to relate factually some of the high lights of the Commission's work as it relates to the elimination of false and misleading advertising and thus to develop my subject, The Federal Trade Commission Views Questionable Advertising Copy.

The lead sentence of the lead article recently published in a leading law journal reads as follows:

"Advertising copy generative of demand is a natural concomitant of the distributive process in a competitive economy, and therein lies an inducement to hyperbole that has had its effect on the life, health, and pocketbook of the credulous consumer."

We see eye to eye on that and on the proposition, too, that false advertisements, that is, those containing outright falsity as to a material fact, are harmful both to consumers and to business.

Agreed as we are on the intellectual level of forthright condemnation of outright falsity, differences of opinion sometimes arise on the level of practical application to border-line situations. Words and sentences, literally true, may be framed in a confusing setting capable of—if not artfully designed to be—misleading. It is just our hard luck—yours, the Commission's, and the courts'—that no magic formula can resolve the implications of such ambiguous advertising copy. There is just no guide to whether calculated insertion of a restrictive weasel word here and a contradicting and subtractive phrase there will prove sufficient in a given case to remedy the deceptive ambiguity.

The Federal Trade Commission Act broadly prohibits unfair methods of competition and unfair and deceptive acts and practices in interstate commerce and directs the Commission to prevent their use. Congress refrained from attempting to catalogue the practices it deemed unfair and deceptive, fearing that precise definition might result in evasion. The failure to enumerate and expressly define has been criticized by some

on the ground that no guide is given to businessmen as to what conduct is rendered unlawful. This much is conceded, the statutory test of unfairness is an elastic one under which it is the Commission's duty to keep pace with new promotional inventions.

Court decisions and Commission opinions: Decisions of the courts in unfair competition cases furnish some guidance as to distinguishing unlawful and lawful advertising. Many of the Commission's decisions as printed in some 39 volumes of Commission reports deal directly with the distinction. Some critics have said that judges are too prone to offer vague generalities about honesty and fairness as substitutes for tangible guidance. The courts, it must be conceded, sometimes do premise their decisions determining rights and duties of private litigants in unfair competition cases on the proposition that each case is "a law unto itself." Substantially the same criticism has been directed to Commission findings and orders. Without conceding the substantiality of the criticism against either, except in isolated instances, the Commission in recent years is giving greater attention to reasoned opinions as a supplement to the general guidance afforded by its orders—particularly order of dismissal.

The statutory language: Despite the breadth of language, it is arguable with at least equal persuasiveness that section 5 of the Federal Trade Commission Act, as amended by the Wheeler-Lea Act, does furnish a concrete guide in outlawing unfair or deceptive acts or practices. Furthermore, section 15 provides concrete standards for the advertising of foods, drugs, cosmetics, and therapeutic devices, as follows:

"The term 'false advertisements' means an advertisement * * * which is misleading in a material respect; and in determining whether any advertisement is misleading, there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, sound, or any combination thereof, but also the extent to which the advertisement fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the commodity to which the advertisement relates under the conditions prescribed in said advertisement, or under such conditions as are customary or usual."

I submit that this language is both definite and succinct and I feel the Commission's interpretation of it has been realistic.

As our highest Court expressed it, the public is entitled to get what it chooses even though such choice "be dictated by caprice or by fashion or perhaps by ignorance." Of further relevancy on the question of whether the statutory proscriptions are obscure is the hard economic truth that when a seller publishes statements respecting a product's composition, origin, efficacy, principle of operation, method of manufacture, or terms and conditions of his offer, he is deep in the realm of material fact. The same holds true when he makes statements of like tenor to agents in soliciting their services or to retailers in persuading them to put the product on their shelves. Obviously, these claims pertain to matters peculiarly within the seller's knowledge. The practicalities of the public interest require that he who purports to be informed respecting product efficacy and attributes must answer for the veracity of the claims he has asserted.

Mr. Justice Holmes once wrote:

"It is not enough for the knight of romance that his lady is a very nice girl. If you do not admit that she is the best that God ever made, or will make, you must fight."

Unquestionably, there is a legal privilege attaching under ordinary conditions to use of honest expressions of opinion when so characterized even though ultimately they prove erroneous. Some call this puffing. However, if the circumstances are such that they may mislead consumers or unfairly injure a competitor, they fail of justification. Admittedly, the Commission must give very careful study and close consideration to each of the relatively few cases falling in this realm when rendering decision.

As I view it, the mandate of the statute as it applies to false advertising is plain and direct. It lacks, of course, a blueprint showing how to use deceptive, ambiguous, or misleading statements without apprehension that such use may lead to a request from the Commission for their discontinuance and the execution of an agreement to forego them in the future.

Trade practice conference rules: Numerous useful guides to advertisers are found in the trade practice rules promulgated under the Commission's trade practice conference procedure. This procedure was adopted 20 years ago to enable all members of an industry voluntarily to catalog and abandon unfair trade practices simultaneously.

The rules promulgated after a trade practice conference are divided into two groups. The group I rules paraphrase the law in terms applicable to conditions in a particular industry, specifying as unfair those practices which fall within the scope of decisions dealing with the statutory inhibitions. The group II rules express further and higher standards of ethical business conduct which are proposed by the industry and accepted by the Commission as desirable. Many are designed to develop a greater degree of useful information for the consumer than that which the law clearly requires. Concerns engaged in unfair practices in violation of the rules in the first group are subject to formal proceedings by the Commission. The effectiveness of rules in the second group usually depends upon voluntary compliance, but under certain circumstances their violation may lead to action.

The conferences have proved particularly useful in preventing unfair representations by developing an understanding of the meaning of trade terms and of the circumstances under which a seller has a duty to avoid deception by disclosing the facts concerning his product.

Trade practice conference rules designed to aid the consumer may be illustrated by those promulgated for and accepted by the fur industry. Group I rules require that the seller disclose the true name of furs which have been dyed to resemble other fur peltries, together with information as to whether the furs have been tipped, blended, or pointed, if such be the case. They require disclosure also of the fact that a garment is made of pieces, tails, paws, or scraps rather than of full skins. Such rules clearly inform both consumer and dealer as to the meanings of terms which they use in their dealings with each other and by dispelling the former's ignorance, lessen his chance of self-deception while at the same time freeing scrupulous dealers of an unfair competition based on consumer ignorance.

Rules are in effect for more than 150 industries, including among the more recent wood-cased pencils, razor and razor blades, water heaters, hearing aids, musical instruments, household fabric dyes, masonry waterproofing, vertical turbine pumps, watches, piston rings, and dolls and stuffed toys.

In leaving the topic of guides to advertisers, I call attention to the further fact that trade practice conferences are becoming increasingly useful instruments by which the public and businessmen may jointly reach an understanding as to the quantity and quality of useful information needed in the market place.

FACTUALLY INFORMATIVE ADVERTISING

Like other consumers I keep looking for signs that the trend observed today in many industries toward more informative advertising is a general one. Advertising cannot be considered as a substitute for honest market information. I imply no blanket condemnation of advertisements or commercials solely because they stress the subjective or emotional values; but as the scope of these values is enlarged in a particular advertisement, the greater becomes the need for relevant truth as a competent guide to use of the products. As packaging becomes more general, for example, consumers are less and less able to confirm their impressions by presale use of their senses of touch, taste, or sight.

The popularity of some private bureaus, institutes, and consumer reports suggests some degree of public approval of proposals for an authoritative or official source of consumer information. Advertising and advertisers both should concern themselves with supplying such information. If they turn a deaf ear who knows but that this polite consumer agitation may become a roar for establishment of governmental machinery bypassing the advertisers.

Advertising and Selling, for December 1946, contains results of a study by Dr. Daniel Starch, New York business consultant and member of your association, of 583 advertisements from which he found that advertisements above average in information had nearly twice the sales power of advertisements below average in information, both being average in reader interest, while advertisements above average in both respects had sales power three times as great as those below average on both counts.

So much for the art of writing nondeceptive factually informative copy. I turn now to how the Commission surveys advertising and how it proceeds to aid in the voluntary correction of unfairness found to exist therein.

THE COMMISSION'S SURVEY OF RADIO AND PERIODICAL ADVERTISING

The Commission feels keenly its statutory responsibility to eliminate false and deceptive advertising. Not all of the questionable advertising considered by it comes to its attention through complaints registered by a competitor or a dissatisfied consumer. The Commission's Division of Radio and Periodical Advertising maintains a continuous survey of advertisements appearing in magazines, newspapers, radio broadcasts, and mail-order catalogs. This results in earlier investigation of advertisements questionable on their face, whether or not the commodity or claims had been previously the subject of Commission action, as well as in answering the question whether advertisers as to whose representations corrective action has been taken are living up to Commission orders to cease and desist therefrom or to their own voluntary stipulations or agreements to discontinue or modify them.

During the fiscal year ended June 30, last, there were procured for examination 1,733 editions of representative newspapers of general circulation and 1,309 editions of magazines and farm and trade journals. Included in the last were 236 issues of farm journals, 179 issues of trade and specialty publications, and 10 issues of domestic foreign-language publications. Eighteen thousand two hundred and fifty-six advertisements were noted as containing representations that appeared to warrant inquiry as to their factual basis. The catalogs or circulars of 102 mail-order concerns were examined and 238 advertisements marked for further consideration as possibly misleading. Marked for further study were 9,573 of the 641,402 radio broadcast continuities examined.

Much credit is due to Nation-wide network chains, regional network groups, transcription producers engaged in preparing commercial radio recordings, radio stations and publishers who cooperate with the Commission by furnishing the grist ground in its mill.

In instances where advertising agencies or radio-station personnel have prepared or participated in the preparation of advertisements questioned as being false or misleading, the agency or station is included with the advertiser as a party to any resulting corrective action. To date the Commission has not joined as parties agencies, radio stations, or publications which have done no more than serve as dissemination media. Pertinent to this policy is the fact that section 12 of the Federal Trade Commission Act, as amended by the Wheeler-Lea Act makes it unlawful merely to disseminate, or cause to be disseminated, any false advertisement of a food, drug, curative device, or cosmetic. Under certain conditions specified in section 14, such mere disseminators are exempt from criminal liability, but not from civil proceedings.

THE COMMISSION'S PROCEDURES FOR VOLUNTARY CORRECTION

The Commission recently reexamined its own procedures and the methods of handling its work, resulting in an expanded use of industry-wide investigations coupled with increased emphasis upon correction by cooperative procedures as well as in a revision of the rules of practice in formal cases. One criticism of the traditional case-by-case procedure, viz., investigation, complaint, hearing, and order, was that competitors of the party so proceeded against were left free to follow the identical illegal practice until such time as the Commission issued orders to cease and desist against each separate offender in turn. Where appropriate, simultaneous uniform corrective measures on an industry-wide basis are now proposed rather than directing action solely against the concern to which the complaining finger first pointed. I say where appropriate, because, application of such simultaneous uniform corrective action must appear not only to be warranted in the public interest, but also to be practicable of execution.

Not only is the Commission expanding its work in establishing trade-practice conference rules but also it is giving greater emphasis to the elimination of false and misleading advertising and other unfair trade practices through voluntary stipulations to cease and desist.

The time and money saved by use of the cooperative methods of handling false advertising and other matters involving excesses of competition, will be used to implement a broader program of formal proceedings to prevent restraints on competition itself and those tending to monopoly. I hope the results will inspire further confidence on the part of the public in the Commission's effectiveness in both fields.

America's Old Folks—The Forgotten Ones

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. ANGELL. Mr. Speaker, I pose the question, Should America's old folks be permitted to suffer for the lack of the bare necessities of life? We are called here in special session to consider the proposal of sending $597,000,000 overseas to help the harassed peoples of Europe during the coming winter. The big heart of America may be depended upon to give such aid where needed within the limits of our ability to do so. America has never been found wanting when the cry of distress from Europe has reached her.

However, is it not proper to urge that we also give immediate attention to the distress of the old people of our own country? Hundreds of thousands of elderly men and women of America, who made America what it is, and whose loyalty and industry have placed our country at the forefront of the nations of the world, are now in dire need of the bare necessities of life, food, clothing, shelter, and medicines. This one group of our citizenship has suffered more than any other during this period of high cost of food and other necessities of life, due to the fact that their income is restricted to such an extent that it was insufficient in ordinary times to provide them with the frugal necessities of life. Now, with the dollar shrinking to half its buying power, their distress is more pronounced than ever.

The Congress has been dilatory and has failed to bring up for consideration any of the measures pending before it for the relief of those old folks. At the beginning of the first session of the Eightieth Congress I introduced H. R. 16 which has for its purpose giving aid to the old people of America. It has never been brought up for consideration and therefore I filed petition No. 7 to discharge the committee and bring the bill on the floor for action. Over half the required number of our colleagues have signed the petition and I urge every Member of the House who is interested in the welfare of our own country and particularly in doing justice to these elderly citizens of America, to sign this petition before we adjourn. No better Christmas present could be given to the old men and women of America than signing this petition and making clear to them that America does care and that our Congress is willing to consider legislation which will provide sufficient funds to permit them to live in decency and health during their declining years.

I include as part of my remarks a discussion of this important legislation by Dr. Francis E. Townsend, who has done more to advance the cause of old-age security than any other living American. This discussion is a forthright and thought-provoking recital of the needs of this great segment of our population and the soundness of the program for their relief he proposes:

DOCTOR SHOWS HOW PLAN CAN BE A COMPLETE PHILOSOPHY OF LIFE—ANALYZES FUNDAMENTAL AIMS OF NATIONAL INSURANCE PROGRAM

(Dr. Francis E. Townsend)

With passage of the Full Employment Act last year, President Truman appointed a board of economists to advise with him on needs of the American people. This board has so far made two reports. Although neither showed the vision or statesmanship the people have a right to expect from such a group of high Presidential advisers, it may be that the economists are just now getting their feet wet and will soon come forward with more important utterances.

We feel that the economist of vision will never ask, as a basis for his deliberations, "How little can the people live on?" but rather, "How much can the Nation afford?" Some years ago, Stuart Chase asked that question and came up with the answer: "A nation can afford whatever it can produce."

Even before Congress acts on the Marshall plan for Europe and the little Marshall plans for Asia and Latin America, our United States has proved itself able to produce more than $200,000,000,000 worth of goods annually. We say even before the Marshall plan because it is obvious that when other nations begin bidding, with American taxpayers' money against citizens of this country for already scarce goods here, inflation will send the value of annual production up to three hundred billions or more each year.

DISTRIBUTE PURCHASING POWER TO ALL CITIZENS

But we can see now that it is possible for normal production, 2 years after the end of the war, to approximate two hundred billions' worth of goods each year. Buying power to the tune of two hundred billions each year must be distributed to citizens within our own shores if our Nation is to consume this normal production and achieve economic stabilization at a high-productive level.

It is time we Americans quit selling ourselves short. All of us, from humblest citizen to Presidential advisers, have too long suffered under a national feeling of inferiority. We have felt inferior to many of the older nations of Europe in culture, inferior in virtually every direction except in production and salesmanship.

We have felt like a robust youngster in a family of older and wiser nations. It is time we overcame this national feeling and realized that we have proved ourselves in the years of our maturity, can now speak up and lead our brother nations to peace for the world and prosperity for the humblest.

AMERICA MUST REALIZE HOW BIG IT REALLY IS

Let us begin to think big, talk big, act big—and before we know it we will wake up to the fact that we are big.

Let us realize that what man can imagine, man can do; and then let us go on to imagining the lowest and humblest citizen within our shores enjoying products which could only be bought with an income of $5,000 a year or more.

I believe our Townsend plan embraces, within its philosophy, virtually everything required to lay the groundwork for such American progress. But I am willing to listen to the ideas of any other citizens, in the Halls of Congress or anywhere else, so long as they represent dynamic, constructive thinking toward a better world starting here at home.

Spiritual peace and prosperity is something which each individual must find for himself but I am of the opinion that spiritual values can grow and thrive best in an atmosphere of material plenty; thus my insistence on the abolition of poverty and the extension of democracy here at home.

With this preface, it seems to me the Townsend plan can become a complete practical philosophy of life.

TOWNSEND PLAN ALLOWS NO DISCRIMINATION

The Townsend plan makes no discrimination in its payments between Jews, gentiles, Negroes, and whites. It follows that we are committed to a program of promoting harmony between races and creeds within our national shores, and actively fighting discrimination.

The Townsend plan makes no differentiation between citizens in the North, South, East, or West. In this respect it is unlike our

interstate commerce freight rates and unlike poll taxes.

The Townsend plan, unlike the present Social Security Act, does not treat women as second-class citizens, as mere legal appendages of their husbands. We are committed to a program which would treat women equally in the economic as well as the political sphere, with equal pay for equal work.

Since the Townsend plan, unlike the Social Security Act and unlike the present Federal tax laws, would be financed by a levy on the amount of business done by individuals and corporations—and would use revenue under this levy to increase buying power among consumers—it seems to me we are committed to fight any form of taxation which cuts buying power at the source.

This puts us in the camp of those against pay-roll and sales (or buyers') taxes.

LITTLE BUSINESS WILL BENEFIT UNDER PLAN

Since the Townsend plan is a program which presumes to stabilize and improve the condition of ordinary neighborhood merchants with whom consumer buying power will primarily be spent, our philosophy favors the improvement and extension of little business. We are committed to an active fight against monopolies, trusts, and cartels which are organized principally to prevent neighborhood businessmen being able to compete on an equal basis in the American market.

Since the Townsend plan, by compelling monthly circulation of at least 3 percent of the national gross income each 30 days, hinders the power of banks to issue or withhold credit at will, it follows that we are committed to fight for bringing control over credit and currency back to Congress as representative of the people.

This means we oppose ownership of the Federal Reserve System by private bankers and actively campaign for purchase of its capital stock by the United States Treasury to the end that the functions of the Federal Reserve banks may be administered by our Congress.

Since the Townsend plan is an economic path to a full-production economy under our traditional free-market system, we oppose not merely the trusts and cartels so beloved by big business, but we oppose as well the feather-bedding practices and import duties so favored by some segments of organized labor.

In other words, we fight scarcity of goods available to the American people, no matter who is responsible for such scarcity; whether such scarcity be maintained to bring about high prices or wages.

FAVOR TECHNOLOGICAL CHANGES IN INDUSTRY

However, there is one commodity we should like to see used in ever-lessening abundance; that is man labor.

We want to see our scientists invent machines capable of performing virtually every job now performed by man in the sweat of his brow.

We want to see youngsters continue to study under a free public educational system so long as they individually show the desire and capacity to absorb learning.

We stand for immediate retirement, on excellent pensions, of men and women at age 60 instead of the 65-year age set by the Social Security Act. As quickly as more of the work of mankind can be done by machines, we want the retirement age reduced to 55 and then to 50 so that American citizens can spend the twilight period of their lives in the dignity of individual travel and personal occupation.

Everyone knows that the Townsend plan proposes immediate removal from the labor market of some 16,000,000 men and women who would be retired on splendid monthly annuities. That such retirement would result in an immediate scarcity of labor and consequently a temporarily higher wage level, until technology had introduced machines to fill the gap, we are well aware.

PLAN WILL REDUCE THE COST OF LIVING

Despite the effects of our program in bringing about higher pension levels and higher wage levels for those who remain in the labor market, we believe it will reduce the cost of living for all. This result will be brought about by the brains and creative ability of American industry, which, faced for the first time with a limitless market for all, it can produce, will install machinery vastly to increase its output, and thus inevitably lower the unit cost of production. This lowered unit cost will be passed on to consumers.

We were happy when Congress adopted, as high national policy, the goal of full employment. We believe that goal should have been more clearly defined as jobs at good wages for the young and middle-aged, but retirement on excellent annuities for the aged, the blind, the incapacitated, and mothers with dependent minor children.

We believe the only road to lower prices and a higher standard of living for all citizens in our present industrial economy lies in the fullest extension of mass production. But we believe that mass production can only be maintained and extended if our Government works toward the end of assuring regular and immediate mass consumption.

We say that it is possible for our America to achieve these goals under our traditional free market, free enterprise system.

But we call upon the American people, our Members of Congress, and the economic advisers to our President to raise their sights at once to focus on these goals.

AMERICA CAN AFFORD WHAT IT CAN PRODUCE

Someone once asked the question, "Is plenty too much for the American people?" The men and women of this Nation do not think so. And as long as it is possible to imagine an economic way of life under which every family can enjoy the equivalent in goods of $5,000 per year income, the American people will not long remain satisfied without seeking such a way of life.

It is a goal worth dreaming about, worth working for and worth fighting for, is it not? Let's cease thinking of ourselves as little fellows. Let's think of ourselves as what we are—one big fellow composed of 140,000,000 individual parts. Let's think big, talk big, act big—and wake up to the realization that we are the biggest phenomenon in history, a self-governing people able to solve its own problems without help from outsiders.

What Europeans Think of Us

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. EVINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include an article which appeared in the New York Times November 30, 1947, by Raymond Daniell, entitled "What the Europeans Think of Us."

Mr. Speaker, we have recently heard numerous able speeches by Members of the House who have visited Europe during the recess of the Congress and who have reported on conditions as they found them existing in Europe. These speeches by our colleagues have been most informing and illuminating. This article written by an American presently in Europe should provide another point of view regarding conditions in Europe as seen by a representative of the press.

The article is as follows:

WHAT THE EUROPEANS THINK OF US—THEIR IDEAS ABOUT US ARE DISTORTED, BUT WE HAVE FUMBLED THE JOB OF EXPLAINING OUR AIMS TO THEM

(By Raymond Daniell)

LONDON.—While Congress is discussing aid to Europe it is important to try to see ourselves as Europeans see us. Therefore, as I have traveled through a dozen or more countries in Europe in the last few months I have been making a survey of opinion about the United States. In brief, the picture is this:

First, there is universal agreement that the United States is the richest and just about the most powerful nation on earth. Second, opinion is divided on whether America is a nation of sentimental altruists or of sinister predatory imperialists. Third, even our friends are afraid to put their trust completely in us, for they say we are an emotional, mercurial people who have no consistent foreign policy but work by a series of ad hoc improvisations. Fourth, Europe dislikes, as everyone does, being dependent upon someone else, and it tends to shift that dislike to the nation it is dependent on. Fifth, a good deal of thinking about America is colored by fear of war, for, to many, America is the only force left in the world capable of challenging the Soviet Union, and they fear that Europe will be the battleground of a coming conflict.

It must be remembered that the people of Europe are going through a very difficult, nerve-wracking time. That explains, in part, why the picture they draw of us is not always a recognizable one. In addition, we have ourselves to blame for some of the distorted notions Europeans hold about us; we have not done a very effective job of explaining ourselves and our motives to Europe, and the Communists have taken advantage of that fact. Probably the best thing to do is not to let misunderstandings worry us too much but to leave matters to time to correct. A good many of the causes of envy and distrust would disappear if the Marshall plan helps Europe to restore its economy and to achieve a degree of security which it has never had since the First World War.

Such, in short, is the idea of America one finds reflected in European opinion. Let's look at the details.

Wherever you travel in Europe, you discover that America's wealth has its disadvantages. No matter how much we do to help Europe, the feeling is that we could and should do more. A British friend remarked one day that he thought it shameful of a nation as rich as the United States not to share some of the good things of life, such as butter, eggs, meat, and grain with its wartime allies. To him, the termination of lend-lease after the war was an act of narrow selfishness, and there are many of his countrymen who feel the same way, even to the point of resenting the idea of conditions being imposed on postwar loans.

An Italian, better informed and more pro-American than the average, told me recently in Venice that, even if the funds appropriated for European rehabilitation under the Marshall program were on the scale proposed by the Paris Conference, the cost to the individual American would only amount to about one good-sized beefsteak per year. He remained skeptical and unconvinced when I assured him that the cost to the taxpayers would be close to $400 apiece, which would buy quite a large number of steaks and a reasonable amount of Chianti, even in Italy's most expensive black-market restaurants.

A German burgomeister in the Ruhr declared that the United States must provide

more food before there could be any hope of increased production for export. This incidentally is the theme of most interviews with German officials who have ceased to ask and are now demanding on the theory that German rehabilitation is the key to the success of the Marshall plan. This burgomeister was quite truculent:

"If you haven't got the wheat yourselves, why don't you go and buy it from the Argentine? Your country has plenty of money, hasn't it?" Visible evidence of America's material wealth is to be seen everywhere on the Continent. There are the big sleek American cars and, in occupied countries, there are the GI's with cartons of cigarettes, boxes of chocolate bars, soap, and even jars of caviar to give away or trade for cameras and jewelry. Hollywood films give a glamorous picture of a glittering, opulent American way of life, which stirs a nostalgic envy in European hearts and sometimes brings forth disparaging comments on our jukebox, push-button civilization.

Three years ago an American in any country of western Europe was hailed as a liberator. Today he is more apt to find himself defending his country from charges of dollar imperialism, jingoism, and warmongering. To a certain extent, though not entirely, this is the result of intensive Communist propaganda.

The party line also undertakes to prove that while the United States is wealthy, its prosperity cannot continue long under free enterprise. Thus, in a world too cynical to believe in altruism, the Marshall plan is presented as a self-serving device for postponing the inevitable depression. The disfranchisement of Negroes in Southern States is cited as evidence of American hypocrisy when it comes to human freedom, and figures from John Gunther's Inside U. S. A. are used to show that, despite the great wealth of America, millions of underpriviliged citizens are worse off than workers in states with planned economies.

Even Europeans untouched by Communist propaganda are fond of expatiating on the superiority of their culture and civilization to that of the New World. They are appalled by the ignorance of some of our visiting statesmen regarding historical and geographical facts which they absorb almost with the air they breathe. And they think there is something wrong with a country, the majority of whose citizens seem to prefer swing music to Beethoven and Bach, don't know the difference between the uses of burgundy and port, but on the whole prefer whiskey with their meals.

So far has the pendulum swung in 3 years that we are now being attacked in many countries for what is called indiscriminate bombing of their cities. There are grumblings about it in Normandy and Brittany and in Italy. In Czechoslovakia, while I was there, Lawrence E. Steinhardt, our Ambassador, made a formal protest to the Foreign Office regarding charges in a left-wing newspaper that the United States Air Force had wantonly bombed industrial cities in Bohemia and Moravia after all military necessity was ended, solely to cripple Czech industry as a competitor in world markets.

There can be no doubt but that raising the level of industry for Germany has cost us friends in many of the countries which are her neighbors and were her victims. Feeling is very strong in France that, as a barrier to Russia, the United States is prepared to strengthen Germany rather than France, and against this Frenchmen tirelessly protest.

On the other side of Germany, the Poles distrust Russia but fear Germany more. The same is true of Czechoslovakia, where there is a common saying, "Ani Pruska provincie, ani Ruski gubernie," which means "Neither Prussian province nor Russian Government."

However, the Czechs are a Slavic people, and there are strong cultural ties between them and Russia. Jan Masaryk once said that he learned to read Pushkin before he learned to read Shakespeare, and as one Czech statesman, friendly to the West, put it to me, the Marshall plan, with its implicit necessity for restoring German industry to prewar levels, probably did more than the Cominform can ever do, to drive his country into the Russian orbit.

Many of the fears, suspicions, and misconceptions that exist in Europe about America spring from the fact that we are new there. We are an unknown quantity. For many Europeans it would be easier to accept the leadership of Britain, whose aims are better known, whose people and policies are less mercurial than ours. There is still a suspicion that our whole foreign policy may undergo a revolution one election day, 1948, notwithstanding the efforts toward a bipartisan agreement inaugurated by President Roosevelt and continued by President Truman.

"I think that for most of us the United States is not a western nation at all," a Belgian intellectual explained. "We cannot think of Americans as being part of our life here as the French and English have been for so long. To us the United States is not of the east or the west, but a part of another world."

It must be left to time and contact among individuals to correct some of the misconceptions about us. In the meantime it may be that closer contact with an older culture and civilization will remove some of the causes of irritation which now disturb personal relations and understanding. For while we have much to contribute toward material progress, it would be folly to close our minds to the fact that we have not yet created the perfect state or the perfect society.

At this stage of history we cannot afford to be too sensitive. We must make up our minds to be criticized, suspected of ulterior motives and to be faced with ingratitude—even enmity. We will make blunders and we will be attacked as mercenary schemers against freedom and liberty.

That has happened already in Greece. Last spring when the Truman doctrine was promulgated, our only enemies in Greece were Communists and fellow-travelers. Since then we have brought about reforms there. We have been instrumental in broadening the Greek Government, weeding out superfluous civil servants and instituting new taxes designed to bring the budget into balance. In consequence we have made enemies among disgruntled former officeholders, politicians, and rich merchants whose purses have been injured.

It would be a tragic blunder if, when we vote billions to help Europe to her feet again, we did not at least appropriate a few millions to tell the people of Europe what we are doing, why we are doing it, what it is costing Americans in labor and in dollars, and what kind of people we really are. They don't know now.

We can tell our side of the case far more effectively than we have been doing. In Czechoslovakia, for instance, we are spending $31,000 annually for the United States Information Service. The Czech Ministry of Information, which is headed by one of the country's most violent Communists, has the equivalent of $5,000,000 at its disposal, and most of it is being used to sell Russia's cause.

We are fighting what has been called a cold war with Russia. It is a war of propaganda, of ideas, of ideology. The weapons are radio, press, motion picture. We have developed their use to a science in the United States, and we used them effectively during the war. It is time we brought them into play on our side again.

Recommendations of National Foreign Trade Council Convention

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. CRAWFORD. Mr. Speaker, I desire to call the attention of the House to further observations of the National Foreign Trade Council convention in connection with present world economy and submit that organization's recommendations.

Continuing the council's views as I submitted them yesterday, they follow:

7. Participation in the continuing efforts to create an international trade organization designed to effectuate, over the longer term, the principles inherent in the multilateral, nondiscriminatory concept of international trade; and aggressive prosecution meanwhile of the reciprocal trade agreements program as a means for securing every feasible reduction of the barriers to world trade and the removal of discriminations.

Realization of the stated objectives of the projected international trade organization is essential to the development of the greatly expanded volume of world trade requisite to the attainment of the goals of maximum production and higher living standards.

General adherence to the American concept of international trade cannot be forthcoming until those nations requiring economic assistance are convinced that their rehabilitation is reasonably well assured. It is vital, nevertheless, to seek acceptance by other nations of the trading and investment principles to which we hold, and to secure, by international agreement, commitments looking toward their later implementation and fulfillment.

Every effort should be made to improve and strengthen the charter of the projected international trade organization to the end of achieving this result. Meanwhile, full advantage should be taken of the opportunities afforded by the negotiation of reciprocal trade agreements, by the conclusion of treaties of friendship and commerce, and by other means available, to seek an immediate stimulation of economic recovery through the reduction of barriers to world trade.

8. Stimulation of the flow of imports into the United States, to the ends of enriching our consumer economy, closing the gap between exports and imports, and validating a continuing high level of exports of both goods and capital.

Imports increase a nation's wealth and substance; exports provide a means for paying for these imports, and for contributing to the development and enrichment of foreign lands.

The United States cannot derive optimum benefit from its foreign trade until productivity abroad is increased to the point where surpluses beyond domestic needs become available for export, and until free exchange rates are established which will enable these surpluses to be sold competitively in the world market. Underproduction abroad is at the bottom of the existing imbalance in America's foreign trade: Our imports are drastically reduced in consequence of the unavailability of foreign goods, and the needs of other countries for our exports are proportionately enhanced. Increased foreign production, with a resultant increase in America's imports, is the first requisite to a continuing high level of American foreign trade.

In the stimulation of imports, due consideration must be given to the safeguarding of American industries producing strategic materials or other products essential to the national defense, and to the avoidance of a too rapid displacement of any of our productive facilities. Emphasis should also be put upon the need for alleviating the drains to which our natural resources are being subjected, and upon the desirability, as circumstances may require, of stock-piling critical or strategic materials.

The inability to obtain needed imports from foreign lands has made it necessary for us to accept large quantities of gold in part settlement of our international trade balance. Acceptance of gold for this purpose can only be regarded as a temporary expedient looking toward the eventual acquisition of things the American people can consume and enjoy.

9. Development of a modus operandi between our private-enterprise system of international trade and the trading systems of other countries, which will avoid compromise of our own system and protect our traders against discrimination by reason of their private status.

The security and economic interests of the United States require a particularly close economic association among all free nations: it is of great importance, therefore, to preserve an effective basis for the reciprocal flow of trade between these nations and ourselves.

Any modus operandi established between our system and the differing economic systems of these or other nations should provide, among other things, that American traders have the opportunity to compete on equal terms, insofar as state trading enterprises are concerned, for participation in the buying and selling operations conducted by such enterprises. Where such enterprises constitute a product monopoly in their own country, efforts should be made by negotiation to limit the protection the monopoly affords against imported products, and to assure that exports are not promoted by subsidies or dumping.

10. Acceptance and active promotion by the United States of closer economic ties among the nations of western Europe, including western Germany, without prejudice, in consequence, to the reciprocal application of unconditional most-favored-nation treatment.

Maximum utilization of the regional resources and facilities available in western Europe, and reduction in proportion of the need for outside aid, demand that existing European barriers to the interchange of goods and services be eliminated or minimized.

The materials and labor out of which higher European living standards can be built are available on the ground in preponderant measure: Financial aid is needed only for the acquisition, from the United States or elsewhere, of the critical materials and equipment the European economy lacks, and for provision of the marginal subsistence required to enable production to be carried forward. Closer economic cooperation within western Europe, looking toward the establishment of sectional or regional customs unions, is essential to realization of this economic potential, and to effective utilization of the American aid provided.

The benefits granted under our trade agreements with other nations should be extended to those western European countries entering into arrangements designed to minimize or eliminate the barriers to trade among themselves, provided the treatment accorded our trade under such arrangements is no less favorable, on the whole, than the treatment heretofore accorded by the participating countries.

It should not be overlooked, in our concern with the problems of western Europe, that any contribution made by eastern European nations to the rehabilitation of Europe as a whole will give added impetus to accomplishment of the purposes we have in view.

11. Recognition of the importance of cooperation with the peoples of the East, within the limitations imposed by our foreign policy and by the dictates of normal commercial prudence, in the development of their resources and trade; with a view of promoting their well-being and contributing to the building of a healthy world economy.

More than half of the world's population, and vast quantities of the world's natural resources, are concentrated in southern and eastern Asia and the adjacent islands. The progressive betterment of the standard of living of these peoples, and their contribution to the stability and well-being of the world, depend upon the increased productivity of this area and upon its doors being held open to the flow of multilateral trade.

12. Preservation and strengthening of the ties of mutual interest, friendship, and good-neighborliness which unite the American Republics.

These ties had their origin in a common love of justice, peace, and freedom; they have been drawn closer through fellowship in the Pan-American Union, and reinforced and made fast by the Declaration of Chapultepec and the Treaty of Rio de Janeiro.

The nations of the Western Hemisphere, including Canada, are free from the physical devastation of war; the course before them is one not of painful recovery but of healthy growth—growth in the interest not only of the Western Hemisphere but of all the world.

Realization of the economic benefits of hemispheric solidarity will come only when the nations of the Americas find the way at last to make full use of their human and material resources under a regional arrangement designed to facilitate, within the hemisphere, the interchange of goods and services and the free flow of capital and earnings.

The convention holds that the action called for in this program is essential to the creation of an international environment in which free institutions can take root and flourish. It holds that the existence of such an environment is essential to world prosperity and world peace, and to our very existence as a free nation. But it holds, too, that the goal is one which will elude us unless we and the other free peoples of the world stand united in working for its attainment.

America's stake in the world economy is manifest in the value we place upon the freedoms we enjoy, upon the liberties we cherish, and upon the opportunities we hope to preserve for ourselves and for posterity.

RECOMMENDATIONS

In support of the program for action set forth in this final declaration, and in furtherance of the interests of American traders and investors in the whole broad field of their international endeavor, the convention puts forward the following recommendations, and calls upon the National Foreign Trade Council, as the authoritative voice of American foreign trade, to seek their fulfillment:

I

Promotion of foreign trade: The convention commends the Government of the United States for the consistent and constructive efforts it is making, both within the framework of the United Nations and by the other means at its disposal, to seek the expansion of America's foreign commerce by reduction of the barriers that stand in its way.

The convention urges continuing and aggressive pursuit of this purpose, with particular emphasis upon the need for a vastly increased flow of imports into the United States. It recommends intensification, specifically, of the efforts being made under the reciprocal-trade-agreements program and through the medium of treaties of friendship and commerce, to achieve a broader and more vigorous interchange of goods and services among nations, thereby enabling the realization, on an international scale, of the mutual benefits inherent in the concept of all trade.

The convention commends the Government for the wisdom it has displayed not only in attacking the barriers that stand in the way of world trade, but also, and even more importantly, in seeking to remedy the underlying conditions—insufficient production and monetary instability—which restrict world trade at its source.

II

Encouragement of private investment abroad: The convention looks upon the encouragement of American private investment in productive enterprise abroad, supported by the necessary management and techniques, as an essential element in any effective program for action designed to stimulate production and trade throughout the world.

The investment of private funds abroad, like the promotion of international trade, finds its only justification in the concept of mutual benefit. The benefit derived by recipient nations, as well as by investors, will depend upon the economic soundness of the investment itself and upon its continuing productivity. The Convention recommends, therefore, that particular encouragement be given to private investment in industries which are based upon and which will support the basic economies of the recipient nations—upon industries with the inherent strength to survive without subsidies, substantial tariff barriers, or other artificial protective devices. The Convention also recommends to recipient nations that they facilitate the continuing productivity of these investments by fair treatment, avoidance of discriminatory practices, and recognition of the right of the investor to earn and receive a reasonable return in the currency in which the investment was originally made.

III

International trade organization: The convention welcomes the prospect of participation by the United States in an international trade organization within the framework of the United Nations, and commends the Government for the efforts it is making to achieve this end. It approves the stated objectives and the general structure of the organization, as outlined in the proposed charter developed at Geneva; and cites the urgent need of finding a common formula for the conduct of international trade along multilateral, nondiscriminatory lines.

The convention recommends that the Geneva draft of the charter be used as the basis for the negotiations to be conducted at Havana in November, but urges that attention be given by the American delegation to the correction of those provisions which do violence to the American concept of international trade and investment relations.

IV

International investment code: The need for encouragement and protection of American private investment in other lands was recognized by the thirty-third convention, which called for the development of an international code of fair practices and business ethics under the aegis of the proposed international trade organization. This thirty-fourth convention is gratified to note that the encouragement of the international flow of investment capital is now listed as one of the objectives of the organization, and that the charter drafted at Geneva calls for the elaboration and adoption of a statement of principles as to the conduct, practices, and treatment of foreign investment.

The convention is also gratified to note that the Subcommittee on Economic Development of the United Nations Economic and Social Council has been instructed by the Council to consider the advisability of drawing up an international investment code.

The convention endorses the excellent statement of the principle of nondiscrimination in the treatment of foreign investment which appears in chapter XII of the Geneva draft of the proposed charter, but is deeply disturbed by the exceptions listed therein permitting the perpetuation of discriminatory practices in effect at the time charter is signed, and giving encouragement to enforced nationalization of private foreign investments. The convention urges that final decision as to whether or not local capital should participate in American enterprises abroad be determined solely on the merits of the case as the owners of the enterprise may appraise them; and it calls again for insistence that governments which nationalize the properties of foreign investors provide full and prompt compensation in a form satisfactory to the owners.

V

Imports: The convention calls for a greatly increased importation of goods and services into the United States to fortify and enrich our domestic economy, and to validate the loans and credits extended to foreign nations.

The convention asserts its belief that imports into the United States, both of raw materials and of the goods available for the use and enjoyment of the American consumer, can be greatly increased without detriment to the interests of efficient industrial or agricultural producers, and with a resultant net increase in employment in the fields of both production and distribution.

The convention renews the recommendations made last year that scarce metals, minerals, and other materials essential to the national defense or required to maintain a high level of productivity in the domestic economy, be conserved by increased reliance upon importation. The convention urges, particularly, that the stock-piling program provided for under the Strategic and Critical Materials Stockpiling Act of 1946 be expanded, and that Congress appropriate adequate funds for this purpose. It is recommended, however, that the act be amended to eliminate its "Buy American" restrictions.

VI

Exports: The convention recognizes the part that exports play in contributing to the high volume of production essential to the welfare of our domestic economy and in providing the means of payment for the imports the American people require. But the convention flatly rejects the proposition that Government loans and credits should be extended abroad for the sole purpose of maintaining a high volume of exports to stimulate domestic production and employment. Unless exports are compensated by imports and service transactions, or unless they serve, beyond this, a useful purpose in support of the aims of our foreign policy, they constitute an unwarranted drain on our own patrimony and substance. The convention holds that if goods are to be produced and given away with a view merely to supporting production and employment in the United States, it would be better that they be given to those of our own citizens who are in need.

The convention urges that no opportunity be lost to impress these realities upon any foreign governments or peoples who may be deluded into thinking that American financial assistance will inevitably be forthcoming, and who may be lulled, in consequence, into a complacent failure to undertake the hard work and the essential economic reforms upon which their salvation actually depends.

VII

Foreign-trade controls: The convention recognizes that the maintenance of certain export controls may be essential to fulfillment of the purposes of the foreign policy of the United States in consequence of the need for determining the direction and flow of goods destined for foreign relief or rehabilitation. It urges, however, that such controls be held to an absolute minimum; that, where they are applied, they be adequately policed to insure their just and effective application; and that any licenses required be issued promptly in order to eliminate or minimize delays in shipment.

The convention opposes the imposition by the United States of import controls in any form, as being unnecessary in serving the needs of our foreign policy and as constituting an intolerable threat to the freedom of enterprise in the domestic economy.

The convention reiterates the stand taken by previous conventions that the actual entry of the Government into foreign trade activity is contrary to the basic concept of the private enterprise system, and inimical to the welfare of the American people.

VIII

Foreign import and exchange controls. So long as disruption in the economies of foreign lands may require the imposition of import and exchange controls, it is important that any changes in existing controls, or any imposition of new controls, be deferred for a period sufficient to assure that such controls do not apply to goods in transit or to commitments for purchases made prior to their adoption. The convention recommends that our Government use its best efforts to this end; and it recommends further that our Government endeavor to induce foreign countries to coordinate and unify their import and exchange controls in order to ensure that licenses issued for the importation of goods will be accompanied by allocation of the exchange necessary for payment.

IX

The convention urges that the National Foreign Trade Council give forthright and vigorous support to the program for action advanced in this declaration and to the recommendations deriving therefrom, to the end of seeking bipartisan support throughout the United States of a foreign economic policy dedicated to these ends.

Atoms in Industry

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following discussion by Ivan Bloch, formerly Chief of Division of Industrial and Resources Development, United States Bonneville Power Administration, before the Portland, Oreg., Rotary Club, December 2, 1947:

It is customary for a speaker to indicate his pleasure to address so distinguished an audience. I must confess to a feeling of utter inadequacy in discussing today's subject. In large measure, the layman, and I profess to be one, in considering the fabulous problems and promise of the atomic age, feels somewhat like that primordial ancestor of ours, *Pithecanthropus erectus*, would have felt had a P–80 suddenly whizzed overhead. The great drama of the atom seems unfathomable to the lay mind, and one cannot escape a profound realization that here, at last, man is at grips with the infinite: infinite in the promise of its control, infinite in the finality which might result from lack of control.

I shall not, because I could not, discuss the vast theory of atomic manipulation. Although a great deal of the concept underlying its utilization is clearly understandable, most of it is beyond the ken of the average man and even the average engineer. The mathematical tools which must be employed to understand the necessary principles are highly specialized and at the command of a select few mathematicians and physicists. However, just as most of us know something of the principles of the automobile engine without too great knowledge of the subtleties of thermodynamic principles which make modern internal-combustion engines possible, so we must accustom ourselves to recognize—even imperfectly—some of the general principles associated with the release of energy from the atom.

Basically, the principles of atomic energy can best be understood if compared with the more commonplace release of energy by combustion. When a piece of wood or coal is burned, heat, light, smoke, and gases are produced, and ash is left. If weighed, the ash, the smoke, and gases would be very closely equivalent to the original weight of the wood or coal. That is to say, a chemical reaction but no atomic change has taken place. But when an atom is completely disintegrated, it is completely transformed into energy—energy of all kinds: heat, light, radioactive, electromagnetic—and absolutely nothing remains. Einstein stated this fact: mass is energy. E equals Mc^2.

It is possible to disintegrate an atom partially, to produce in general two new atoms, quite dissimilar to the former one and also to each other, and during this transmutation process, to produce all types of energy and radioactive particles. This is the kind of mass-change and hence energy production when its rate is controlled which has beneficial applications in industry and medicine. When atoms are partially disintegrated in an uncontrolled fashion this may occur instantly, in practically zero time. And if enough atoms are so caused to disintegrate, to change a major part of their total mass to zero and thus release fabulous amounts of energy, we obtain the catastrophic explosion of the atomic bomb. Obviously, this violent type of mass change is decidedly not suited for beneficial purposes.

There is not the time, nor am I qualified, to discuss how atoms can be so handled as to provide mass change and hence enormous quantities of energy which can be controlled and utilized in medicine and industry. The fact remains that man has obtained a rudimentary knowledge of atomic disintegration and can begin to foresee some beneficial possibilities. Although the imagination and awe have been captured by the atomic bomb, it would be ridiculous to limit one's approach to this phase of atomics. As one scientist put it: "This would be comparable to looking upon electricity merely in terms of its use in the electric chair." Of course, at this state of the art, we are probably no more advanced by comparison than the first man who got up enough nerve to use fire. Let us hope our wisdom is sufficient to keep us from burning ourselves out of existence.

Although "heat" is only a fraction of the great variety of forms of energy, it is that form which we are accustomed to associate most readily with our daily life. Heat produces the steam of our power plant boilers and for that matter, warms the water of our

morning shower. Heat drives the motor of our automobile, of the airplane, of the sleek streamliner. Heat translated into high temperature steam and high pressures drives the steam turbine which in turn rotates the electrical generator which provides the energy which lights our homes and factories, cooks our food and melts the metal of industry, turns the egg beater in the kitchen and the lathes of our machine shops. Our entire life is patterned by the use of energy of all kinds but the most familiar of which is heat. We have learned to juggle energy from one kind to another: falling water into hydroelectric power, heat into mechanical motion, mechanical motion into electricity, and so on.

Therefore, if the breaking down of an atom by the fission or splitting of its nucleus provides energy, it would seem logical that some use can be made of it. But energy as such doesn't provide the answer. No one would suggest cooking the breakfast egg by the energy of an exploding stick of dynamite. Nor would we care to grill a steak over a burning match stick. To be of benefit, the energy we wish to use must be controlled in intensity, both as to quantity and time of availability.

In terms of common, beneficial uses, the energy released by one atom undergoing even complete disintegration would be insignificant and of too short duration. It takes many atoms, but not too many at that. Thus, the problem is first to allow for atomic disintegration; and second, to make sure it is entirely controlled in rate and quantity. But there is another consideration of prime importance. The heat energy which we wish to use from atomic disintegration is only a portion of all the energy released, and most of which is deadly to life. In a very minor comparative sense, we do not burn fuel to heat our homes without making ample provisions to carry out into the outside air such products of combustion as poisonous carbon monoxide gas. The difference is that some of the products of atomic fission are far more deadly and far more difficult to waste or dissipate so as not to endanger human and animal life. You all recall that the effects of the atomic bomb explosions at Hiroshima, Nagasaki, Bikini were not purely those of an explosion as we commonly think of it. The radioactive effects were awesome and of long duration. As a matter of fact, the famous Nobel Prize geneticist Muller has recently indicated that exposure to radioactivity may have such subtle but nonetheless eventually disastrous effects as to escape notice for several generations.

Up to this time of our experience in atomics, scientists have devised methods, apparatus, and equipment which permit a safe degree of control of nuclear fission. One such device is the atomic pile—a huge, massive structure of graphite blocks. With it the atomic scientist can set off controlled atomic fission reactions of uranium and perhaps other fissionable materials. With it the scientist can produce energy in the form of heat, in the form of radioactive and other types of particles and can provide for the transmutation of various substances. For instance, certain amounts of an isotope of uranium—which is one of several different atoms of uranium—is placed in the Hanford piles. Its principal fission product is plutonium—an element hitherto unknown—and which can be further split to produce other elements. As the uranium disintegrates, much heat energy is also released which is not of primary use to the production of plutonium and which must be dissipated by cooling water so as to insure the safe and proper operation of the pile.

These atomic piles—which it appears are the principal devices known today for the control of atomic fission—are reported to be physically very large. Not only is their structure of massive proportions, but because of the extremely dangerous radiations and emission of radioactive particles which accompany atomic fission, must be carefully shielded by lead and concrete walls. Every part of the entire operation must be shielded, screened, and controlled to prevent the uncontrolled escape of these radiations and particles. Such waste gases as may be generated in this procedure must be disposed of with the utmost of care. It is not merely a matter of taking care of such amounts of radioactive waste substances as may be generated for an hour or a day. The problem is made greater by the cumulative effects of even very small quantities of such substances. Thus, protection from nefarious radiations and particles becomes almost as great a problem in the potential use of atomic energy as the problem of keeping atomic fission within safe bounds of intensity and quantity.

In other words, the basic problem involved in atomic energy utilization is a two-part one: to maintain atomic fission of such quantity and intensity and on such a basis as to keep it under control at all times and yet to provide enough utilizable energy; and to assure the utmost and most constant protection possible from that part of the total released energy which is highly dangerous to all life. The task seems superhuman, and in large measure, it is. After all, we are dealing with the alpha and the omega of the universe.

If we are able to control atomic fission to the extent indicated, what are its industrial applications? Aside from the extremely important tool which it provides for research into the very make-up of matter, the principal fields of industrial interest are in the use of the energy and special particles liberated by fission, and in the production of so-called radioisotopes.

In the consideration of energy use, let me state here that it seems to be the overwhelming present opinion of those qualified that there is little likelihood of our being able to use the energy portion of atomic disintegration except through more or less conventional heat-transfer devices. That is to say, in simplest though perhaps not technically accurate terms, that we shall have to use the heat part of the energy released in some kind of atomic firebox. With such an atomic firebox, the heat or nuclear fission can be made to do its work either to warm buildings or to produce the steam necessary to drive the turbo-generators of our steam-electric power plants. Putting it in still other words, we shall use the disintegrating atom as a nuclear fuel on somewhat the same basis that we use the coal, oil or wood which we feed under the boilers of our heating and power plants. Perhaps we might therefore substitute an atomic pile or a similar device for controlled atomic fission for the firebox and grate of our conventional boiler plant.

Now I would like to repeat that these atomic piles are large and bulky, require extremely complicated control and protective equipment, and that whatever by-products are generated which must be wasted, cannot be merely disposed of as one would the smoke and the gases of normal combustion through a stack into the atmosphere, or the ash into an ashpile. There again, the concensus of available literature is that these characteristics of volume, weight, and complexity of this atomic firebox or heat energy generator rule out, at least for the immediately forseeable future, the possibilities of automotive uses, with perhaps the exception of large ocean vessels, and of such domestic uses as for the heating of individual homes or buildings. Where there are undeniable technical potentials is in the field of fixed, large heating and power plants.

I have used the words "technical potentials" advisedly. Before a technical potential becomes a commercial reality, its economics must approach either a competitive level or must be weighted in the light of extraordinary circumstances where dollars and cents have secondary importance. In plain words, atomic energy might become commercially important only when its use becomes competitive with other sources of now available energy such as from coal, oil, or falling water. This will take years—as in the case of less revolutionary developments such as radar and television, for example. Even in those areas of the world where there are not readily available sources of coal, oil, or hydrcelectricity, there are evident economic limits to the commercial utilization of atomic energy.

Although our knowledge of atomic energy potentials is most elementary, there have been numerous attempts to determine what the economics of this type of energy utilization may be at some time in the future. All the estimates made by reliable engineers and scientists are heavily laden with qualifying statements as to assumptions made. Quite apparently the science is so new that there is no simple ground for the prediction of cost levels. It is an interesting commentary on the state of the art that early appraisals were far more optimistic than those which have become available since. In other words, speculation is gradually giving way to more realistic appraisal.

Although there have been numerous technical discussions of the industrial potentials of atomic energy, some of the clearest and most realistic—to my way of thinking—have appeared in the Bulletin of Atomic Scientists last April and May. The experts of the University of Chicago, reporting in this publication, state that if nuclear fuels were free and were capable of replacing coal in all of its uses, the saving would be 2 percent of the national income. Inasmuch as a very small quantity of fissionable material—perhaps on the order of a few ounces—could be substituted for the many thousands of tons of coal or barrels of oil per year in a power plant, it is obvious that the principal advantage would be gained in transportation savings. That is, with nuclear fuel weighing so very little, there would be no need for the transportation of millions of tons of coal or millions of barrels of oil from mine or well to consuming power plants. But the experts call attention to the fact that the total cost of transporting fuel from mines and wells to power stations is a very small fraction of the entire national effort. This might amount perhaps to an average total saving of about one-eighth of a cent per kilowatt-hour at the Nation's fuel electric power generating stations. As I shall point out, however, other necessary expenditures entailed in the possible use of atomic energy would quickly wipe out this minor advantage.

Of course, it does not appear conceivable at this juncture that nuclear fuels will be free. Furthermore, the cost of equipment for control, utilization and protection is likely to be many times greater than for the already intricate and costly firebox systems of modern power plants. In spite of the fact that there is perhaps no reliable basis for cost estimating, certain levels have been indicated in the technical press. A common comparison utilized by certain experts is that probably nuclear fuels might become competitive with coal when coal reaches $10 to $15 per ton. This contingency—in terms of the large power plants under consideration—is somewhat remote.

Recent analyses of costs for modern coal-fired steam electric generating plants, indicate a range of from between 5¾ mills per kilowatt-hour to 9½ mills per kilowatt-hour at the bus bars. A similar cost of power at Bonneville and Grand Coulee dams' bus bars is 1 mill per kilowatt-hour. The most optimistic present estimates for electric-power

production from nuclear fuels range from between 4 and 15 mills per kilowatt-hour. In all cases of comparison, hypothetical plants on the order of 75,000 to 500,000 kilowatt capacity have been used, with the higher resulting cost figure corresponding to the smaller plants. In other words, on the basis of these admittedly vague estimates, atomic energy-utilization for electric-power production might ultimately become competitive with some coal-fired plants, but it is quite doubtful they could compete—in the strict sense of the word—with comparatively sized hydroelectric-power plants. On the other hand, it is my personal opinion—which is by no means that of the expert—that it may be within the realm of possibilities in the not-too-distant future to make use of byproduct energy from plutonium manufacturing plants such as at Hanford for the production of electrical energy at cost levels which may fit into the present rate pattern of the Federal power system on the Columbia River and supplement hydroelectric power flowing into the power grid. However, this power cost would be based on an allocation between the cost of producing plutonium and disposing of energy which otherwise is wasted. And, I must add, there is nothing in the literature which I have been able to examine which would indicate that the difficult problems of pile temperatures and in the development of materials resistant to the disintegrating action of radicactivity, have reached a point of solution which would indicate the practicability of this method of energy production.

Although I hesitate to reach any conclusions, it seems doubtful that the costs of electric-power production from nuclear fuels would approach anywhere the levels attained at such large multipurpose hydroelectric installations as those which now exist and are planned for the Pacific Northwest. On the other hand, there are areas in the world, and for that matter in the United States, where energy resources—such as hydro, coal, oil, and gas—are lacking. It is in these regions where future nuclear-fuel power plants might have economic importance. But in any event, such atomic-energy plants, if ultimately feasible, should only be considered as supplementary sources of energy to the national production capacity. It does not seem probable that they will displace existing fuels such as coal.

I share the view of some experts that underground gasification of our truly enormous coal reserves—which involves burning of the coal seams in the ground and recovering the coal gases—will provide a clearer answer to the national energy problem than will atomic energy, at least insofar as electric-power production is concerned. In addition, the amount of uranium in the world is somewhat limited, extremely costly to refine, and it seems clearly evident that conservation of uranium resources will be necessary.

As one examines various reports on atomic research, one is immediately struck with the great weight given to benefits to be derived from products other than heat energy resulting from nuclear fission. By proper manipulation of materials undergoing atomic fission, it is possible to produce what are called radioactive substances, principally radioisotopes. The disintegration of these radioactive materials continues at a relatively slow rate and provides the emission of particles with extraordinary properties. These particles and emanations, for example, will affect a photographic plate or a fluorescent screen much as will the more familiar X-ray. They can also be detected in minute quantities by certain equipment such as Geiger counters and other even more sensitive recording devices. In other words, they are valuable as sources of radiation of moderate but penetrating intensity and as tracers. Let me explore rapidly, in simple terms, what this means industrially. As sources of radiation, these radioisotopes could be used for all kinds of inspection jobs now requiring extremely complicated and expensive industrial X-ray machinery. They also may have a stupendous effect in chemistry by acting as an entirely new variety of catalyst. They may have potentials for the sterilization of noxious materials such as sewage. It is already reported that the petroleum industry is investigating the use of radioisotopes for oil cracking.

As tracers these radioisotopes provide an entirely new tool in industrial research. Medical science has already benefited substantially. Inasmuch as a few atoms of radioisotopes will emit particles, the existence of which can be detected rather accurately, they can be used to track down innumerable industrial phenomena. As a crude analogy, they can be used as one might a very discreet quantity of a penetrating dye which by its color would reveal its extent of distribution in a liquid or material. An excellent example was quoted in the Electrical World of May 1947 in which it is suggested that "a bit of radioactive copper included in the bronze of some inaccessible bearing (of some machinery) would disclose wear in the bearing by a radiation check of the lubricating oil." Other possibilities which are being diligently pursued include the use of radioisotopes in exploration of the earth's substrata, particularly in oil-bearing structures. The examples can be multiplied substantially. The use of radioisotopes therefore provides both new and sensitive tools for industrial research as it does for medicine, biology, and geology.

There is another emerging field of industrial importance. The tremendous quantity of radioactive and other particles such as neutrons which are released in an atomic pile can be used to bombard materials and to obtain changes in their crystaline structure. The technical press has reported several possibilities in the bombardment by neutrons of ceramic refractories and various metals to produce new surface properties hitherto not available. In this, the possibilities seem almost limitless.

In as elementary a discussion as this, it is only possible to dabble in the subject. I hope that in some measure I've been able to indicate some of the potentials and some of the limitations. However, I would feel derelict in the responsibility thrust upon me in this discussion if I were to disregard the problem of the control of this fantastic new field of human endeavor. My concluding remarks can only touch on the bare outline of the problem which faces mankind right now.

The very ancient philosophers—to whom we are more than directly indebted for our present discoveries in the structure of matter—were aware of the puniness of man in the face of the universe in which he may be but a passing incident. Greek mythology gave us the legend of Prometheus the god, chained for eternity to a barren rock for unspeakable torture, because he had given the use of fire to lowly man. In this profound legend we are in fact warned that the possible bounties in the use of atomic energy are part and parcel of a responsibility which is sublime in its magnitude. We are not dealing with the horror of the forest fire which can burn itself out, or of the quick burst of cataclysm which obtains from a blast of dynamite or TNT. We are dealing with forces which can blast us or mutate us out of existence either in an instant or slowly in generations to come.

To my way of thinking, our dilemma was profoundly exemplified in the anguished observation of one of the Senators of the Special Committee on Atomic Energy during hearings on November 30, 1945. As scientist after scientist testified somberly about the tremendously destructive potentials of atomic energy and the problem of national and world control this Senator exclaimed in despair: "You scientists have made the world extremely insecure, and now you are coming to the politicians and asking us to go about and make the world secure again by some sort of political agreement." He was reminded by Dr. Irving Langmuir that it was not the scientists who had made the world insecure.

To most of us, busy in the complications of ordinary life, the UN debates seem remote and complex and perhaps even futile. We pay little or no attention to the work of our own Atomic Energy Commission. We form quick reactions as to the righteousness of our cause, the fact that we possess the atomic bomb, or the possibility that other nations possess them. And no doubt the citizens of other nations share the unfortunate shallowness of our consideration. We do not seem conscious yet that it is not the fate of the United States, or the fate of Soviet Russia, or even the fate of the present population of the planet which is at stake. What we must realize, not by casual acceptance but by passionate interest, is that this little planet of ours once had no living organisms upon its surface, that in the infinite scale of the universe's time, it was not so long ago, and that it can happen again. I realize that a statement such as this appears to be emotionally exaggerated, but I don't believe it is. And most scientists feel the same way.

The principles so far enunciated by the United States, as in the Lilienthal-Acheson report, for world control of atomic energy are sound and inescapable. The only alternative, which is palpably impractical, is the abandonment of further work on atomic energy in the entire world and the precise and complete destruction of all the knowledge we have painfully accumulated on the subject. Thus, the only way out of our dilemma is discipline for the world—just as we insist on discipline in our daily society. There must be control—on a world-wide basis—of the production of fissionable materials—from discovery and mining to the refinement and utilization of these materials. Any deviation from this basic principle—however it may be implemented—vitiates the very safety of our existence wherever and however we live on this planet. Because of the very and sheer simplicity of the principle, its attainment will be enormously difficult. There are no demagogic or oratorical tricks out of the situation; there are no compromises.

In this desperate struggle with the world's conscience—and not for domination by one over the other—the determination and establishment of control mechanisms are in the hands of a few, who may or may not speak for the huge population of the world. At least, in these democratic United States, we have an opportunity to hold up the hands of those who truly speak for us—in Congress, in the United Nations. Theirs is a lonely, perhaps frustrating, task in large measure unless we take enough time and energy to consider deeply the principles involved, and help them share the talk. As a first step, each of us must gain a conscious sense of the enormous drama of the situation in which we find ourselves. We must devote more time than I fear most of us have given in the past to a study and understanding of the various control plans which have been proposed. To their simplest denominator, they nearly all reduce to action which should lead to a future of greater opportunity for the pursuit of happiness amidst security, or to eventual and inescapable destruction. We should insist upon more frequent discussion of what this problem involves in our homes, with our daily associates. At least, by so doing, we will develop a sense of informed responsibility, and we can then begin to help our representatives in our legislative halls, in the Atomic Energy Commission, in the United Nations, and in our dealings with the

ministries of the nations of the world. Our personal and direct stakes have never been greater, more challenging or urgent. As the clock of the universe ticks its seconds, we should consciously remember that atomic disintegration occurs in "time—zero."

Let us hope we are up to it—that each and every one of us can take a share in the responsibility of using the fire which ancient and yet present Prometheus has passed on to us.

Dutch Elm Disease

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. CLASON. Mr. Speaker, the people of more and more communities are becoming worried at the spread of the Dutch elm disease in several States. It has entered Massachusetts from Connecticut and has probably cost the lives of 1,052 elm trees. In recent years Congress has appropriated funds for the control of this disease. Congressman CHARLES A. EATON, of New Jersey, has been particularly active in securing a remedy for this evil since New Jersey has suffered greatly from it. I believe that the Department of Agriculture should give further consideration to the proper use of Federal funds in the suppression of this disease before it spreads even more widely than at the present time. The damage in loss of trees has now gone into millions of dollars. However, the great loss is not the value of the trees in money, but in the disappearance of one of the most beautiful trees known to America from communities which have been fortunate enough to enjoy their beauty and shade.

I hope that the Eightieth Congress will provide additional funds for the purpose of eradicating the Dutch elm disease. I am including with these remarks an article furnished by the University of Massachusetts agricultural experiment station, Amherst, Mass., which shows the rapid spread of this disease even when local and State officials are doing their best to combat it. Federal aid is greatly needed.

The article follows:

The Dutch elm disease is caused by a fungus, *Ceratostomella ulmi*, which is spread by elm-bark beetles. Since 1941, 1,052 elms of 68 Massachusetts towns in 11 counties extending from the Berkshire Hills to the Quincy coast have been affected. The disease is most insidious in its encroachment on elms in a new location. One or two elms in a city may die without attracting particular attention unless some alert tree warden investigates the cause. There is nothing spectacular until later, when a dozen or more nearby trees wilt and die. Symptoms of the disease include wilting, curling, yellowing, and early falling of leaves, and brown streaking of fungus-infected wood. Diseased trees may become a staggering burden to a community. A New York newspaper reported recently that $400,000 is necessary now to remove dead elms from a New Jersey municipality. All things considered, prompt removal of diseased trees is the most economical program for any community. Diseased trees deteriorate rapidly and immediate removal is important for reasons of safety. Also, the community benefits by gradual replacement of unsightly ghost elms with other species.

CONTROL MEASURES

1. Remove and burn promptly all elm trees killed by the Dutch elm disease.
2. Remove and burn promptly all cut elm wood. (Under certain conditions oil sprays may be used on cut elm wood for control of bark beetles from April to September, but particular directions should be obtained and followed carefully.)
3. Before May 1, prune and burn all dead material from elms.
4. Do not pile elm wood in the open.
5. Do not permit dumping of elm wood with bark attached in city dumps. (Woodpiles and elm wood in dumps are common sources of disease outbreaks.)
6. Don't transport elm wood with bark attached.
7. In all contracts involving elm trees (new road construction, road rebuilding, street widening, line clearance, new line utility construction, etc.) require the burning or other satisfactory disposal of all elm wood removed.
8. Spray elms to control leaf-eating insects.
9. Enlist support of all municipal departments as well as civic groups and public utilities in the detection and removal of diseased and dead elms.
10. Keep elms as healthy as possible.

DDT kills elm-bark beetles, carriers of the Dutch elm disease fungus.

DDT for logs. Freshly cut wood or broken elm material should be sprayed as soon as possible if cutting or breakage occurs after April 1 and prior to September 1. All other freshly cut or broken elm should be sprayed about April 1. Elm wood sprayed in late summer may require an additional application the following spring. It is important that the bark of the cut or broken elm material be covered thoroughly with spray. Soaking the bark with a 2-percent solution of DDT in fuel oil as indicated here has given favorable results in the protection of bark from beetle infestation as well as in the control of beetles in bark already infested.

DDT for elms in dormant condition may be applied as an emulsion to control bark beetles. Application on dormant trees may be made in spring before buds burst. The dormant application may control emerging early broods of bark beetles. A 2-percent emulsion may be used in ordinary high-pressure spray apparatus. The application of solutions of concentrated DDT usually requires blower apparatus.

DDT for trees in leaf may be applied as emulsions with ordinary high pressure spray apparatus. Application of a 2-percent emulsion about July 15, properly applied, may control bark beetles emerging during the summer. The use of solutions of concentrated DDT usually requires blower apparatus. Considerable care must be exercised in all applications in order to avoid burning of foliage on elms, and especially damage to nearby plants from drifting and dripping.

Caution: DDT is a poison, and it should be stored and handled with precautions usual with all poisonous insecticides. Do not spray DDT over streams, ponds, or grazing areas. DDT is available in a variety of formulations. Directions of manufacturers should be followed for particular DDT products with special reference to mixing, dosage, length of time lapse between mixing and using, etc. Since liquids used as carriers for DDT represent a marked departure from the experience of most handlers of insecticides, it would be well for operators to make sure by means of tests that the materials or the manner of applications will not cause injury to operators or plants.

The present known distribution of the Dutch elm disease in Massachusetts is as follows:

	1941	1942	1943	1944	1945	1946	1947
Agawam					1	7	26
Alford	1			2		10	2
Andover							1
Ashfield						1	1
Becket							1
Belchertown						2	4
Boston							16
Braintree						1	5
Brimfield [1]							2
Buckland							2
Charlton [1]							1
Cheshire							1
Chicopee						5	4
Clarksburg							1
Dalton					1		1
Deerfield							1
Duxbury							1
Easthampton							8
East Longmeadow					1	3	9
Egremont		3	2	3		13	14
Framingham							4
Granby						2	3
Great Barrington		1	1	6	6	32	50
Hadley							5
Hampden						4	3
Hancock					1	1	4
Hardwick						1	1
Hingham						1	33
Holyoke				2	1	2	6
Huntington						1	1
Lanesboro						2	
Lee						1	1
Lenox					2	1	
Longmeadow				1	5	16	30
Ludlow						2	4
Middlefield					1		2
Milton							73
Monson						5	5
Mount Washington				1			1
Needham							1
New Ashford							1
New Marlborough						29	26
Northampton						2	5
Palmer						6	2
Pittsfield				3	5	4	2
Quincy						10	100
Raynham						3	1
Richmond					9	9	9
Sandisfield				1			
Sheffield		1		5	2	37	25
Southbridge						1	
South Hadley					1	1	9
Southampton							1
Southwick				2		1	3
Springfield				2	3	31	41
Stockbridge				2		14	5
Swampscott							2
Ware						1	2
Washington						1	1
West Brookfield [1]							1
Westfield		1			1	4	48
West Springfield				2		2	7
West Stockbridge			1		1	23	9
Weymouth						2	11
Whately							2
Wilbraham						2	2
Williamstown					1		25
Worthington [1]							2
Total	1	6	4	32	42	296	671

[1] First record.

COUNTIES	
65 towns:	
Berkshire (22 towns)	418
Bristol (1 town)	4
Essex (2 towns)	3
Franklin (4 towns)	7
Hampden (15 towns)	304
Hampshire (11 towns)	53
Middlesex (1 town)	4
Norfolk (5 towns)	203
Plymouth (2 towns)	35
Suffolk (1 town)	16
Worcester (4 towns)	5
Total trees	1,052

A Story of Hens, Hired Help, and High Prices

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. DAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a release by Samuel B. Pettengill entitled "A Farmer and His Hired Man." The release follows:

A FARMER AND HIS HIRED MAN

Once there was a farmer who raised corn, and a man who raised hens but no corn. The hens said, "No corn, no eggs." So the man agreed to work for the farmer 1 day a week for $5 a day, and the farmer agreed to sell corn to the man for $1 a bushel. They paid each other off every time with the long green. The farmer paid the man $5, and the man paid the $5 back to the farmer for 5 bushels of corn, which he wheeled home to his hens in a barrow.

After a while, the man said to the farmer, "Everything's going up, and I regret intensely to inform you that I can't work for less than $6 a day."

The farmer said, "I understand. But you understand that everything is going up with me, too, and I regret intensely to inform you that I can't sell you my corn for less than $1.20 a bushel."

The man said, "I understand." So he got $6 a day, and at $1.20 a bushel, paid the farmer the $6 for 5 bushels of corn.

And both of them said, "Happy days are here again."

By and by, the man said to the farmer, "Things have gone up still more, and I can't work for less than $7.50 a day." The farmer agreed that that was fair, but told the man that things had gone up still higher with him, too, and he'd have to get $1.50 a bushel for the corn. The man agreed that that was fair, also. And both of them said, "Prosperity is here. Gosh, now we are getting ahead." The man was getting $7.50 a day—the farmer was getting $1.50 a bushel—and the hens were getting 5 bushels of corn same as always.

And so things went on until the man got $10 a day, and the farmer got $2 a bushel. And the man gave the farmer the $10 for 5 bushels of corn just the same as before. And the hens kept right on laying—even on Thursdays!

And the man told his wife, "Ain't it wonderful—$10 a day?"

And the farmer told his wife, "Ain't it wonderful—$2 a bushel?"

And the hens kept clucking away on 5 bushels of corn.

And the statisticians down Washington way said, "Ain't it wonderful? National income at record levels."

And the politicians said, "Ain't it wonderful?" and bragged that they had done it, and everybody felt so good and prosperous that the man and the farmer voted for the politicians.

And that is how it was, "eggsactly." The man got three times as much for the eggs, but paid three times as much for his shoes, and the music went round and round.

This raises the question whether commodities and labor have really risen at all. In the above case, isn't it true that 1 day's work still buys 5 bushels of wheat, and the farmer can still hire a man for 5 bushels of wheat? The wheat is worth no more in labor, and the labor is worth no more in wheat.

So what has happened? The value of the dollar has gone down, both in terms of wheat and labor. Men sweat and farmers grow wheat, but neither make dollars. Who manufactures dollars? The Government. So if dollars, or francs, or marks, are cheap, is it the fault of the farmer, the laborer, or the Government?

Inflation is the overproduction of money. Prices are the result of inflation, not the cause. Prices are the penalty for the cowardice of politicians.

Yet in every inflationary period, as in Germany in 1922, the people always think that groceries, etc., are rising in value, whereas money is simply getting cheap. So they blame business, or labor, or the farmer as the value of their bonds, or insurance, or savings melts away. They never blame the real culprit, the government, until it has ruined them.

High Prices—The American Farmer Is Not a Profiteer

EXTENSION OF REMARKS
OF
HON. CHARLES R. ROBERTSON
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. ROBERTSON. Mr. Speaker, in discussing the matter of high prices and foreign relief, I would like to get down to fundamentals. Let us cease our witch hunt for scapegoats and make a fair and impartial examination of the primary factors involved in the problem of high prices.

Today on every hand the American farmer is being condemned for profiteering at the expense of his fellow citizens and the starving people of the world. I very much regret this unfortunate slander. While I do not attribute this to the administration, we are all familiar with the tactics of the New Deal to create class dissension for the sole purpose of political achievement. Likewise there is a smear campaign in effect attempting to attribute high prices to the National Association of Manufacturers, the real-estate lobby, and just recently to grain speculators.

While I do not deny that there are many contributing factors, I think that the core of the problem is being deliberately side-stepped by the administration. While I cannot accuse it of fostering this falsity against farmers, who represent a 19-percent minority group, I do think it is the duty of the administration to make clear to the people of the Nation the reasons why food prices are high, should free the farmer from this condemnation by innuendo. Likewise, instead of looking for scapegoats in industry, in certain minority groups, then attempting to tie these scapegoats to the Republican Party, the administration should issue public pronouncements pointing out to, and educating the people to, the basic reasons for high prices of food, and, for that matter, all materials.

Secretary of Agriculture Anderson, President Truman, and the so-called Harriman committee, headed by Secretary of Commerce Harriman, cannot seem to agree on things. President Truman last month was reported as stating that the high cost of living is not the result of the export program but has as its chief cause inflationary gambling in the futures markets. He was quoted as saying that we always exported one-third of our wheat crop. Statistics of the Department of Agriculture show that exports of wheat averaged 7½ percent of our crop from 1924 through 1944, less than one-tenth, and not one-third. The report of the Harriman committee, which I feel is an excellent piece of work, disproved the President's contention and very definitely showed the relation between exports and prevailing high prices.

Secretary Anderson, who prior to President Truman had pointed an accusing finger at speculators, recently admitted that the Commodity Credit Corporation of the Department of Agriculture was the greatest speculator of them all, and that "we have tilted and dropped the market by our operations."

Here then has been a perfect example of how the administration tried to mislead the people into believing that a certain small group was responsible for the high prices of food. While I do not speak in defense of grain speculators, I do wish to point out the unfairness and inaccuracy of the charges leveled by the administration.

Look around the world today and see how our farmer profiteer stacks up against farmers of other nations. Argentine wheat is bringing $5 to $6 per bushel on the world market—double the price paid American farmers. French wheat producers are paid $4.50 per bushel for their grain, half again as much as American farmers. Canadian wheat sold for export is about 30 cents per bushel above our domestic price. Canadian rye growers receive approximately $1.30 per bushel more for this grain than do American farmers.

Secretary Anderson, recently in New Mexico, said we will have to "eat less and export less." Two days later in Chicago he said if the people really knew how much wheat was available, prices would tumble.

The administration is either deliberately clouding the issue and confusing the people, or it is wantonly negligent in its failure to present true facts.

During the war the farmer, with inadequate machinery replacement, and with his sons at war, short-handed as far as labor was concerned, achieved record production, at the request of his government. Since the war, with favorable weather in most areas, the farmer has continued to exceed his past records of production, still with a shortage of farm labor and without adequate new machinery. The farmer has not asked for a minimum wage, nor a 40-hour week, he has never gone on strike against anyone—he has worked, and worked hard, to produce.

Because the farmer is consciously or unconsciously striving toward the only solution to the problem of high food prices, that of increased production, he is being accused by many of profiteering.

I should like to ask these questions: Did the farmer know that one-third of the grain he produced would be shipped to foreign countries 3 years after the war? Was he responsible for the drought in Europe? Could he foresee what economists failed to foresee? Is he responsible for the general increase in prices throughout the Nation and the world?

The farmers' costs of production are a factor in high food prices over which the farmers have no control, and for which they cannot be blamed. Wages are three and one-half times prewar wages, seed has increased 140 percent, land 83 percent, and so on down the line.

Are food prices really high compared to other prices? Many people unfortunately compare food prices with prewar prices. They fail to consider that all prices have advanced. From 1930 to 1939 the American people spent about 25 percent of their income for food. In 1946 the percentage spent was slightly lower. Yet Bureau of Labor Statistics show the average factory earner has 30 percent more purchasing power than he had in 1939. Last year farm people netted $620 per capita, compared to $1,326 for nonfarm people. Even after deducting cost of food, nonfarm people had one-half again as much as the farmer—the greedy profiteer. Though farm prices have increased again over the past 12 months, the index increase of nonfarm products made an equal increase.

It is the high production of our farmers that has provided food for our table and has armed the United States with its strongest weapon for preserving the peace—food. We have him to thank for his production. Yet some will call the farmer a profiteer.

Now that I have disposed of this falsity, let us briefly review the basic causes for high prices, and remember that the same economic laws apply to farm products as apply to shoes, automobiles, steel and every other item produced in our economy.

The problem of high prices, inflation, or whatever you might wish to term it, is basically an economic problem. While I do not hold myself as an authority on economics, I am heartily convinced that the soundest and most basic system of economy has been achieved in this country under free enterprise and competition. Therefore, any solution I seek for this problem will be closely related to this system which has provided the greatest material good, the highest living standard in the world, for our citizens.

Let me present the matter of high prices to you in two very cogent manners: Present inflationary trends are attributable to currency inflation. By borrowing from the banks, by pump priming and excessive cost of government; yes, by the actual printing of more money, our Federal Government increased our supply of money and deposit currency from $37,000,000,000 in June 1939 to $110,000,000,000 in April 1947. Thus there is three times as much money in circulation today as there was 8 years ago. Since there is three times as much money, one would conclude that prices should be three times as high as prewar. The fact that prices have increased only about 87 percent is remarkable, but can be explained by noting that we have more goods produced to compete for this money. Production is up 60 percent. Thus dollar production has been partially offset by the increase of consumer goods.

Who should be blamed for currency inflation? We cannot lay the blame entirely at the door of the White House, or of the Democratic Congresses which preceded the present Congress, for the simple reason that a war intervened during these years, and wars disrupt any economy. However, the Democrats were in power during these years, and until the Republican Congress entered the scene, we were living in and under a Democratic government of deficit spending, a condition which antedated the war and was the policy of Government.

Then let us examine but briefly the problem of high prices from the aspect of supply and demand. This is one of the basic laws of our economy and cannot be disproved or changed, try as Government will. When goods are in abundance those goods compete against each other for purchasers, and we have a downward trend in prices. When goods are in short supply we have people competing against people for the opportunity to purchase these goods, and we have an upward trend in prices.

Today, there is not scarcity, but money has been cheapened, and supply is below demand, because with currency inflation demand has increased, dollarwise. We are exporting food and machinery, necessities and luxuries at record high rates, taking these from the free market. Approaching the problem from this viewpoint, we can see that even with dollar inflation we can have a reduction in prices, but only if there is an abundance of consumer goods. It looks very simple to me. The answer to high prices is production, and then, more production.

Price control is not the answer to high prices. We cannot close the door after the horse has been stolen and still have the horse. Price control will not encourage greater production, which is the answer to high prices, in fact it will have the opposite effect.

During the war the Government felt the need to curtail the consumption of goods to support the war effort. We all recall the days of ration coupons and the black market. Patriotism was at a high level then, and the majority of the people did not resent being placed under a regimented economy. But today the possibilities of an OPA, along the lines practiced during the war, operating effectively and providing a solution to the problem of prices, is absurd. Setting ceiling prices on goods takes incentive away from producers, for income is the motive behind all production.

That may sound like a tough statement, but it is nevertheless true. We who believe in the American way of life believe in the soundness of the free-enterprise system. It has proved that it can produce goods, and goods are wealth and strength and happiness. Price control will not only thwart production; it will lead to the black market, where, in addition to paying the price set by supply and demand, you must add the price of the risk the illegal operator takes.

One of the fundamental errors in OPA as it existed before, and as the Administration would have it exist again, under selected controls, is that it neglects to see that price control must be absolute to be effective. By that, I mean to point out the simple proposition that you cannot place a ceiling price on butter without placing a ceiling price on cream and milk, which are price factors in the production of butter. Creameries will not make butter for sale at the ceiling price, for they can sell the cream for more as cream, unless both prices are regulated. That is an exact situation which occurred during the existence of the now-defunct OPA. That was the reason we could not purchase butter at the corner grocery.

Now carrying this proposition to its logical and inevitable conclusion, price control must reach down into every facet of life to be effective—it must cover wages of workers, the costs of every portion of production, or price control will not work on the finished product. Unless price control is exerted on every item and thing in our lives it will promote scarcity, when abundance, not scarcity, is the true answer to the problem of high prices. The President may recognize this in asking for absolute power to install price ceilings on selected industries, but will his administration follow through or be governed by the usual political expediency?

For sake of argument, let me point out how a program of selected controls would work. Assume that the President determined that there should be a ceiling price on meat. He would have to put a ceiling price on corn and feed; he would have to put a ceiling price on truckers' rates; he would have to put a ceiling price on wages paid in canneries and stockyards and slaughterhouses. When he does this he finds that the farmer refuses to produce, the trucker refuses to haul, and the workers who prepare the meat for market seek other more remunerative employment. Where will this power to regulate end? How will this program put more meat on the market, which is the only answer to high prices of meat?

Look at the history of the old OPA and the administration. The people demanded that these wartime measures be revoked. The Republican Congress recognized that this was what the people wanted, but it also recognized that decontrol would have to be orderly to be effective. So Congress passed an act providing for orderly decontrol. President Truman vetoed that act. The President then thought he felt the pulse of the Nation and on his own initiative ended the OPA.

He would have you forget this history now, and desires to place the blame for high prices on the Congress. He feels that the program of providing scapegoats for high prices, and of linking these scapegoats to the Republican Congress, has succeeded in changing the desires of the people to be rid of OPA. I do not think the people have changed in their abhorrence of regimentation, despite the high-pressured propaganda of the administration. OPA is still repulsive to freedom-loving Americans and to the basic fundamentals of economics.

Let us stick to fundamentals. Let us not single out minority groups as scapegoats. I do not point to striking workers, to industries which refuse to expand

their production, to labor unions, or to farmers or grain speculators and claim that each or any of them is responsible for high prices. The answer is much more basic. We have currency inflation, and an inadequate supply under this inflation to meet the demand of our people, and yes, for that matter, the people of the entire world who are making demands upon this country for goods of every description.

The administration over a period of 15 years has been the primary cause of high prices, starting with their philosophy of the 1930's that our Nation has reached the limit of industrial and economic development, and nothing remained to be done except to divide up the national wealth; from this developed its theory that we should have an "economy of scarcity." We heard for year after year about the problem of surpluses. May I submit the thought to you that there are no surpluses when there are millions starving in the world.

Year after year the administration advocated and practiced pump priming and creating of additional billions of dollars. It instituted and managed a poorly conceived OPA. It has followed policies of increasing taxes to the point where they are confiscatory. It has drawn men, women, and youth of the Nation from the farm and factory to work in the political machine in Washington and branch offices throughout the Nation, when we need many of these Government employees in jobs producing goods and wealth. The administration has fought every attempt of the Eightieth Congress to set the economic status of the Nation right. It has done nothing to keep prices down.

What, then, is the solution? Congress should maintain its active program to increase production. It should take every step possible to assure the farmers that their high production will be amply rewarded. It should encourage production in all fields. It should insist upon a tax reduction which will restore incentive to all—the employee as well as the employer. Congress must continue its efforts to cut the expense of Government which is not producing the things we need for home consumption or for shipment abroad. There can be no compromise. The administration will, as in the past, exert every pressure and influence, including the veto power of the President, to thwart a forward-looking, economically sound Republican program, but we must prevail by the strength of our reasoning and sound planning over an administration still greedy for power.

Where Did It Come From?

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. DONDERO. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I wish to state that there appears, in a statement made to the Committee on Public Works by Mr. Heye H. Meyer, president of the Board of Commissioners of Clark County Public Utility District No. 1, of Vancouver, Wash., printed on pages 25 and 26 of hearings No. 11 of the Committee on Public Works, H. R. 3036, amending section 5 of the Flood Control Act of 1944, the following:

It might be interesting to note that the sponsor, Mr. DONDERO, the honorable Representative from Michigan, was a former employee of the Pacific Power & Light Co., in the Portland, Oreg., area, and while his past experience might well qualify him for the needs of the private power companies, we doubt very much if he can know the problems of the publicly owned bodies, such as public-utility districts, cooperatives, and municipalities.

I am not in the least concerned about the statement made by Mr. Meyer because it is utterly false, but I am very much interested in knowing who gave such information to Mr. Meyer and who caused him to make such a false accusation. Just who is the man behind Mr. Meyer?

In conclusion, I add my letter to Mr. Meyer asking him to retract his false statement and his reply admitting that his statement was not correct:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Royal Oak, Mich., October 22, 1947.

Mr. HEYE H. MEYER,
President, Board of Commissioners,
Clark County Public Utility
District No. 1,
Central Building,
Vancouver, Wash.

DEAR MR. MEYER: My attention has been called to your statement on pages 24, 25, and 26 of the hearings before the Committee on Public Works of the House of Representatives relative to my bill, H. R. 3036.

Your statement includes the following:

"It might be interesting to note that the sponsor, Mr. DONDERO, the honorable Representative from Michigan, was a former employee of the Pacific Power & Light Co., in the Portland, Oreg., area. * * *"

This statement is a complete falsehood. The truth is that I have never been in the employ of any power and light company and neither have I ever visited the Pacific Northwest until less than a month ago.

In justice to yourself and to me, you should immediately issue a public retraction of that statement. In addition, I request that you send a statement to me to be included in the record of the hearings of our committee.

Yours truly,

GEORGE A. DONDERO,
Member of Congress.

PUBLIC UTILITY DISTRICT NO. 1,
CLARK COUNTY, WASH.,
Vancouver, November 14, 1947.

The Honorable GEORGE A. DONDERO,
Representative from Michigan,
Washington, D. C.

DEAR MR. DONDERO: I quote, as follows, from my statement entered on pages 24, 25, and 26 of the hearings before the Committee on Public Works of the House of Representatives relative to your bill, H. R. 3036:

"It might be interesting to note that the sponsor, Mr. DONDERO, the honorable Representative from Michigan, was a former employee of the Pacific Power and Light Co., in the Portland, Oreg., area."

I accept your contradiction of this statement to the effect that you have never worked for any power company and I would like to have you know it was made through unintentional error.

I trust this letter can be used to correct the record in accordance with your request and in accordance with my desires to be accurate and fair.

Yours very truly,

HEYE H. MEYER,
President, Clark County Public Utility District No. 1.

The Air Force

EXTENSION OF REMARKS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. MICHENER. Mr. Speaker, the entire country is intensely interested at the moment in the type of air force maintained, provided and contemplated by the Congress. Personally, I feel that we cannot do too much research along this line and, by the same token, am thoroughly convinced that we must strengthen our air force immediately. Not being an expert, my views are consequently general. Not even the experts are all agreed. Therefore no one can speak with finality.

I am convinced that we must have more and more, long range, faster and better airplanes in the military service at the earliest possible moment. Our national safety demands this.

This morning I received a letter from Mr. Cass S. Hough, of Plymouth, Mich., who is a practical flyer, an outstanding businessman, with long and distinguished service in World War II as a flyer, and for whose judgment in matters of this kind I have great respect. I am, therefore, including in these remarks that letter which reads as follows:

I would like to call your attention to a matter which I believe greatly affects our national defense picture, both from a standpoint of our ability to defend ourselves in the event of a national emergency, as well as the cost of same.

Prior to World War II the "nonregular" air forces were the Air Reserve and the National Guard. As you know, these two organizations are entirely separate, their administration is handled by two different groups, they operate entirely different matériel, are based at different airports in almost every case—in other words, every item of expense for equipping and training of these units is duplicated.

In the old days this could be partially justified by the fact that the ground division had its own air units attached to it. This meant then that State troops had to have their own air units and that any State division had its air units represented by the then air part of the National Guard. During World War II the only part of our Air Force that was used in direct cooperation with the ground forces were the liaison units, for observation purposes only. All of the strategical and tactical employment of air force was handled as an Air Force function and not as a division or Army function. Now, with the creation of the separate and autonomous Air Force, the necessity of the separate maintenance of Air National Guard and Air Reserve has disappeared completely. However, the old bureaucracy still holds forth, to the detriment of the training and equipping of both

the Air Reserve and the Air National Guard. With billions going for foreign relief, a great many of these dollars at the expense of our own preparedness program, and with the great need for money to be expended in research and development for the Air Force, it seems to be logical that this tremendous duplication and overlapping of effort and expense should be stopped immediately.

It is my opinion that the Congress of the United States should immediately create a joint Board of Air Reserve and Air National Guard, and charge them with the responsibility of integrating these activities immediately under a Department of United States Air Force Reserve. Without going into all of the logistics of the situation, it is my opinion that a saving of approximately 50 percent of our present-day cost for nonregular air units would be had. This saving might run even greater upon a close study of the situation. And what is equally, if not more important, is the fact that having all of these nonregular forces in one group and under one administration, their employment in time of national emergency would be much more easily accomplished and much more in keeping with the dictates of modern warfare, where long periods of time to accomplish this employment will not be available.

I believe this is a matter of extreme importance and urgency. I know that if it is accomplished it will be one of the greatest strides in our peacetime military program. I know, too, that many obstacles will be thrown in its way, particularly by the people who for years have enjoyed a good living at the expense of the taxpayer, while duplicating function after function, airplane after airplane, airport after airport. If any better proof is needed that this should be accomplished one has but to look at the fact that all of the nonregular naval air units are organized under the Naval Reserve. As a result of this organization the Navy, ever since VJ-day, has been able to keep its reserve units up to strength, fully equipped with airplanes and the funds to operate them. By the same token the Air Reserve is in a deplorable condition, both personnel wise and material wise, and getting no better fast. The National Guard has been able to hold its own because of the National Guard Bureau, a bureaucracy of long standing in Washington whose sole purpose in life is to perpetuate themselves.

Believe me, millions and millions of dollars are being wasted—dollars which should be put to work, either in the pocket of the taxpayer or in the more efficient training and equipping of our nonregular air units. Won't you please help accomplish this badly needed reorganization?

Mr. Speaker, I am calling the attention of the Committee on Armed Services to this letter.

Air Force Called Best Insurance

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD and include a newspaper article, I wish to submit a copy of Associated Press dispatch, dated Washington, D. C., on December 2, 1947, quoting Under Secretary of State Robert A. Lovett, and Alexander P. de Seversky, noted flier, aircraft designer, and proponent of air power, under the title "Air Power Called Best Insurance," as follows:

AIR POWER CALLED BEST INSURANCE

WASHINGTON, December 2.—Air power is "about as cheap a way of buying national security insurance as there is," Robert A. Lovett, Under Secretary of State, told the President's Air Policy Commission.

But Lovett, former Assistant Secretary of War for Air, called a second-rate air force "nothing more than useless because it doesn't have the punch when needed." And this country, he said, must make up its mind whether it's going to be a leading air power or not.

Another witness, Alexander P. de Seversky, noted flier, aircraft designer, and proponent of air power, urged against investing in "all conceivable weapons for all conceivable strategies" because the Nation might become "bankrupt and exhausted by the time we decide on a clear-cut logical procedure."

De Seversky advocated a United States air force capable of striking effective blows from the continental United States.

The Commission is expected to recommend considerable reshuffling of civil aviation administration and a larger air force maintained in readiness.

A Warning From a Friendly Neighbor

EXTENSION OF REMARKS

OF

HON. WALT HORAN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. HORAN. Mr. Speaker, under leave to extend my own remarks in the Appendix of the RECORD, I am pleased to include the statement by H. G. L. Strange, research director, Department Searle Grain Co., Ltd., Winnipeg, Canada, before the Joint Committee on the Economic Report on December 3.

All over America this summer we have been hearing comparisons of living costs between this country and Canada. I do feel that Mr. Strange's statement will serve further to inform those of the basic injustices and inequalities that have made these Canadian comparisons possible.

I call particular attention to the fact that the Canadian wheat farmer has actually subsidized the Canadian market to the tune of hundreds of millions of dollars. Mr. Strange's statement—particularly the concluding paragraph—should be read by all thoughtful Americans.

During questioning, following Mr. Strange's statement, he said that America was the last country in the world which had a free agriculture producing wheat and that the world should be thankful that our freedom had resulted, this past year, in the greatest wheat crop in the history of America. We produced about 300,000,000 bushels more than ever before in our history. This is important, for as everyone knows, it is production and more production that will defeat inflation and win the peace.

In Canada, under controls, even in a land with a people similar to our own, production has gone down 2,000,000 acres under controls. Mr. Strange's testimony indicated that this reduction had been from a total of 25,000,000 acres to a total of 23,000,000 acres producing wheat. Truly there is a lesson here for us for, even at 15 bushels to the acre, that is 30,000,000 bushels. Actually their average, like ours, has or at least could have been much higher in the years 1943–47. How we could use Canada's control-lost wheat today.

STATEMENT BY H. G. L. STRANGE BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. STRANGE. I am H. G. L. Strange, director, research department, Searle Grain Co., Ltd., Winnipeg, Canada.

In 1929 our Canadian wheat pools suffered a loss of $23,000,000 which they owed to the banks and could not pay. They lost this money because they had adopted a policy of marketing their wheat straight to the millers of the world without using the facilities of the Winnipeg open futures market. They did not hedge their wheat.

Fearing political and economic repercussions if the pools went bankrupt, their losses were guaranteed to the banks by the Provincial and Dominion Governments of Canada. But the Dominion appointed an administrator over their affairs, Mr. John I. MacFarland, to dispose gradually of their unhedged, unsold wheat, using the full facilities of the futures market to sell the wheat. Mr. MacFarland was later superseded by a practical grain man, Mr. James Murray who, by 1937, succeeded in reducing the unsold wheat to a normal carry-over.

From such a small beginning started the Canadian Wheat Board which, from 1937 to September 27, 1943, functioned primarily as an agency to implement a guaranteed moderate floor price for wheat, the wheat, however, being sold through the facilities of the futures market.

This went along quietly until September 27, 1943, when the Government decided that wheat was a munition of war that should be sold to certain countries only and withheld from certain other countries, much of the distribution being a state secret.

The Government then, on September 27, 1943, closed the Winnipeg wheat futures market, with the full expectation that it would be reopened as soon as the war was over. The market, however, has remained closed to this day and is still closed.

From 1943, therefore, the sole marketing agency for all Canadian wheat has been the Government itself through its wheat board headed by three commissioners. Since 1943, Canadian wheat has become a complete state monopoly.

Canada normally has to sell abroad 80 percent of all the wheat offered for sale by prairie farmers (from an average crop of around 400,000,000 bushels a year).

For the crop year 1943–44, the government set the price of wheat to Canadian farmers at a considerably lower figure than the price reflected by the Chicago futures market. For that year our farmers received $136,000,000 less for their wheat than they would have received had they enjoyed the same price that American farmers were being paid through the Chicago and other United States of America open futures markets. For the year 1944–45, our farmers received $147,000,000 less, and for the year 1945–46 $126,000,000 less than American farmers received.

Canadian farmers showed little discontent at these losses during the war years, feeling that this was their contribution toward the winning of the war. When the war ended, however, discontent began to grow, until today the majority of farmers are extremely dissatisfied with the low prices set by the government to farmers.

Since the futures market was closed in 1943, the government alone has had to sell year by year all the Canadian wheat crop. The government became somewhat frightened, apparently, at the possibility of unsold surpluses, so in July 1946, the Canadian Government accepted an invitation from the British Government to engage in a bilateral wheat agreement. The terms were that Canada would sell to Britain 160,000,000 bushels for each of 2 years at $1.55 a bushel basis No. 1 Northern Fort William (equal to Terminal Market, Chicago), and 140,000,000 bushels a year for the last 2 years at a minimum price of $1.25 for the third year and a minimum of $1 for the fourth year, with actual prices for the third and fourth years to be arranged at later periods. (The actual price for the third year was recently agreed upon. It was $2 a bushel basis No. 1 Northern Fort William. Unless wheat prices fall drastically by August 1 next—as does not seem likely—then this $2 price will further increase our farmers' losses.)

The Canadian Minister of Agriculture, the Right Honorable Mr. Gardiner, who signed the agreement, was, it seems, advised by leaders of certain Canadian farm organizations that the price of wheat was likely, after 1946, to fall below the $1.55 price.

As we all know, prices rose steadily after August 1, 1946, the start of the agreement. The Canadian Government and their advisers guessed wrong.

The Government of Canada announced some time ago in the House of Commons that our prairie farmers had lost $123,000,000 (equal to 77 cents a bushel) during the first year of the agreement compared to what they would have received had they been paid the much higher price at which Canadian wheat had actually been sold by the Government's own wheat board to some 65 countries of the world other than Britain.

(It is to be noted here that the Canadian Government's instructions to their wheat board, as contained in bill No. 23, were to the effect that the board should sell any surplus wheat it had over and above quantities required for Britain and for domestic consumption "for such prices as it (the board) considers reasonable.")

In spite of the fact that Britain paid $1.55, basis No. 1 Northern Fort William, for the wheat she bought, the board paid farmers only on the basis of $1.35 for wheat, holding back 20 cents a bushel in case of possible future losses.

The $123,000,000 lost on the first year was, however, not all, for it became apparent that the Canadian Government had seized on this comparatively low price of $1.55 that Britain was paying, to oblige our farmers to sell wheat for Canadian consumption, as flour and bread to 12,000,000 Canadian people, also at $1.55. The loss to our Canadian farmers on wheat for domestic consumption, i. e., approximately 70,000,000 bushels per year, came to an additional $77,000,000, making the total loss for the first year of the agreement $200,000,000.

I have calculated that if anything like present prices of wheat, as set by the Canadian Wheat Board or as registered by the Chicago open market, prevail until December 31, this year, that the total loss to our prairie wheat growers, approximately 250,000 farmers, will amount to $419,000,000, or about $1,600 on the average to each farmer. And the losses are going on today at the rate of around $1.90 a bushel, a most serious loss to our prairie farmers, who are receiving much less, too, than American farmers for their coarse grains and for their livestock.

Our prairie farmers are daily becoming more and more discontented. A recent survey made shows that 79 percent are demanding that the Government shall pay prairie farmers the full world-market price for their wheat and coarse grains, particularly as our farmers note the much higher prices for the same wheat and coarse grains that are being received by American farmers just across the international border line. A few weeks ago, a farmer, Mr. J. Hume Lee, who has a farm at Gretna, Manitoba, and an adjoining farm immediately across the border line at Neche, N. Dak., informed me that last year he sewed his adjoining farms at Gretna and Neche with Thatcher wheat and O. A. C. 21 barley. He harvested both crops together with the same implements. He sold his wheat at the American elevator for $2.56 a bushel and at the Canadian elevator for $1.20½. He sold his barley at the American elevator for $2.10 and at the Canadian elevator for 85½ cents. Since then, the quotations for wheat on November 19 at these same elevators were $2.94 for wheat at the American elevator and the same price as formerly—$1.20½—at the Canadian elevator. It is to be noted that, while Britain is buying wheat from Canada under Government agreement at $1.55, she is paying for American wheat, and has been paying all these years, the much higher price as reflected by the Chicago futures market.

A new farmers organization has been started in western Canada—the Farmers Protective Association. Its objects are to demand that the Government shall pay farmers the full market price for their wheat, coarse grains and livestock, and that if Canada wishes to subsidize Britain, and the people of Canada, with cheap bread, that these subsidies shall be paid by the Government and not by our prairie wheat growers alone. The Association draws attention to the simple fact that Canadians who are supplying Britain with lumber, pulpwood, paper, nickle, asbestos, copper, zinc, lead, automobiles and farm machinery, are selling these things to Britain at full world market prices, and that moreover, the goods that Britain is selling to Canada, much of them purchased by Canadian prairie farmers, are also sold by Britain at the full world market price. Why, asks this Association, should our farmers be the only people required to subsidize Britain with a cheap product?

To implement the government sale of wheat to Britain, the government found it necessary to bring down bill No. 23, passed by the House of Commons on March 13, 1947. This bill completely nationalizes or socializes our wheat industry. The bill gives the Government complete control over the production, the authorized acreage from which farmers can deliver, the amount farmers can deliver to elevators from each acre, and the handling and marketing of all wheat. Wheat, therefore, in Canada, is now a complete State monopoly, just as are the socialized industries in Britain. The new act imposes extremely heavy penalties on farmers and others for any infraction of the multitudinous rules and regulations that are now set, and which even may be in the future set by the Wheat Board without any further legislation.

One reason given by the government for taking over complete control of the whole wheat industry was, as they put it, to prevent speculation in wheat and to prevent speculators from making profits at the expense of farmers. The fact is, however, that those who signed the agreement for Canada, themselves engaged in the greatest wheat speculation of all time. They actually sold "short" 600,000,000 bushels of unproduced wheat over a term of four years, and for prices they could not foresee. They sold short, not with their own money nor with the government's money, but with the future income of our prairie farmers.

These good people forgot, or did not realize, that speculation has no real effect on the price of wheat, either up or down. They forgot also that because wheat in Canada is harvested and threshed and a good part of it delivered to market within 90 days, and because the millers of the world only require and buy their supplies in a steady daily stream throughout the year, that wheat cannot be marketed without the aid of speculators, for whoever buys wheat from the farmer in the fall, so that the farmer can be paid for it, and holds that wheat for months until millers require it later, is a speculator. When the Government buys and holds the wheat, therefore, as it is doing in Canada today, then the Government, hence all the taxpayers, become speculators.

These people forgot, too, that speculators as a group lose money, and that their losses go to the benefit of both producers and consumers. So that speculators, besides performing the important service of holding the farmer's wheat for months until buyers require it, not only do this at their own expense, but indeed pay a little for the privilege of performing this important and essential economic function. All, as shown in the study entitled "Financial Results of Speculative Holding of Wheat" published in "Wheat Studies" for July 1931 by the Food Research Institute of California.

My own observation is that whenever a Government handles wheat and sets a price for it, the price set is never in accordance with economic considerations, but is greatly influenced and sometimes entirely governed by political pressure. Because of this, such Government-set prices are quite unable to fill their natural economic function.

I have compiled records of many attempts to fix prices by the State on wheat and many other commodities during the past 5,000 years—every attempt failed—not one succeeded—usually they merely made conditions much worse.

Free prices, as reflected through a futures market in accordance with the multitudinous factors of supply and demand throughout the world, not only of wheat, but of every foodstuff with which wheat has to compete, besides rewarding producers and making foodstuffs available to the people of the world, have additional work to do. They must perform the function of maintaining an equilibrium between supply and demand and when, for any reason, certain causes bring about a disequilibrium between supply and demand, free prices if left alone under the influence of competition tend to restore the balance, but they must be free competitive prices to do the work. When a scarcity occurs, higher prices are registered which induce farmers to produce more and induce consumers to waste less and to be more thrifty with the product—in short, to buy less. Conversely, when supplies are overabundant, free prices, if left alone, fall, inducing farmers to produce less and the people to consume more. When prices are unsatisfactory, it is not the market that is wrong, but the causes that affect the market that are out of adjustment.

Personally, I regard the open futures market as one of the great economic achievements of men, as tending to distribute foodstuffs quickly and at an extremely low cost and to insure at all times that as the population of the world increases—as it is at the rate of 22,000,000 additional mouths to be fed each year, or at the rate of 1 percent per annum—producers will be induced to put forth extra efforts to fill these additional demands for foods as they come along year by year.

No Government bureau, no matter how able its members may be, can sell as much wheat, I am sure, as can hundreds of merchants, each with his own money invested in his own business, probing every market of the world for possible extra sales, with the hope of making a profit, and working even harder for the fear of making a loss.

It is to a great extent because the United States has enjoyed an open-futures market with its reflected high prices to producers that the United States of America last year increased wheat acreage. It is because of the Government-set price, of necessity a low price to producers, that Canada last year, in spite of the world's great hunger, actually

reduced its wheat acreage, for there was no incentive to Canadian farmers to increase it.

Since the Government closed the futures market in Canada in 1943, our farmers have received much less for their wheat and coarse grains than they should have done. This, I am convinced, is no accident. It must, I am convinced, almost always happen under Government monopoly. I confidently make the prediction that if the "futures" markets in the United States were to be closed, or even were they to be unduly hampered by unnecessary governmental regulation, that much the same great losses that have been incurred by each of our Canadian wheat producers would most certainly fall upon your American grain producers.

There is always much talk about the evils of speculation, for the reason that the important economic functions filled by speculators are not understood. It is often forgotten that should the speculator who operates through futures markets be done away with, the farmers themselves would become speculators by withholding their wheat from the market or even from the Government, hoping for higher prices in the future, and that if prices are set at a low figure for a considerable period, then farmers would reduce acreage and so reduce production, and that nothing could be done about it. Higher prices are the only inducement of which I know that will ever persuade farmers to do extra work to bring forth greater production.

It will have been noticed that the present absolutely complete State control over Canadian farmers and over the Canadian wheat industry all, as set out in bill No. 23, actually started in a very small and mild way in the year 1930, but that it has gone along with a number of quiet, successive, gradual steps, until we have arrived today at complete State monopoly, which illustrates, I suggest, how insidiously Government control, little by little, creeps upon the people once it is permitted to start. Illustrating, too, the truth of the old French proverb which tells us: "It is the first step that counts." I venture to recommend to our good friend, the United States, not to take that first step of control over your wheat industry, for, if it is taken, it will inevitably lead to still further steps until United States farmers would end up in the same bad position in which our Canadian prairie farmers find themselves.

I have heard it stated by some that wheat prices as reflected by the Chicago open market are what some call speculative, meaning, perhaps, they think prices are too high. I venture to draw attention to the simple fact that the price of wheat as set by the Canadian Wheat Board itself has always been higher than prices reflected by the Chicago futures market. Now our Canadian prices for class 2 wheat as set by the wheat board are set under a definite instruction or order to the board by the Government, which says that the board "will sell grain at such prices as it considers reasonable." If, therefore, our Canadian prices for class 2 wheat are reasonable, how much more reasonable must be the Chicago futures prices, which are consistently lower.

During the course of its 60 years of activity no less than 18 royal commissions have thoroughly investigated the Winnipeg futures market. Not one of them ever recommended that the market should be closed, not one even recommended any curtailment or hampering of its operations.

These commissions decided the futures market was in the interest of producers, and that the market performed important services to both producers and consumers.

FINAL COMMENTS

The forefathers of our Canadian people made great sacrifices long ago to win their liberty and freedom from kings, princes, emperors, and from the state. They often sacrificed their very lives for that purpose.

Today, in Canada, our farmers have unwittingly become merely humble servants of the state. The state is their master. Thousands of us in Canada look longingly to the United States, where farmers still enjoy the liberty and freedom fought for and won by their ancestors against kings and governments. Many of us in Canada today believe fervently that the United States is an oasis of liberty in a gradually extending world desert of human servitude.

It was not to have their every action policed and dictated by bureaucrats, with a constant fear of fine and imprisonment for the breaking of minor regulations, that Canadian farmers made very great sacrifices in order to assist in winning two great wars for human freedom. We in Canada are hoping, therefore, that some day we may again be blessed with that same individual liberty and freedom which is still fortunately enjoyed and cherished by our brother farmers in the United States.

Representative HORAN, I am very much interested, having previously read your statement, in knowing if, under control, production of wheat has increased in Canada.

Mr. STRANGE. It has decreased, sir. The production of wheat under these low prices to farmers has decreased.

Representative HORAN. Wheat has decreased. You attribute that to controls and to false prices which do not reflect the true supply-and-demand pressure on wheat.

Mr. STRANGE. Right, sir. We went down from 25,000,000 acres to 23,000,000 acres, because of the low price the farmers are getting. The present price they are getting is not an incentive that enables and that encourages them to increase acreage as you increased it in the United States.

Representative HORAN. Do you know how many countries in the world today are raising wheat under what might be called a free agrarian economy?

Mr. STRANGE. Yes. In the Argentine and in Australia they are selling their wheat for extremely high prices, even higher than Chicago, incidentally; that is the Argentine, and Australia approximately the same as the Chicago price.

Representative HORAN. Is that the individual grower?

Mr. STRANGE. No; that is the government monopoly selling the wheat at world prices; in the Argentine much higher, since it is up to $5 a bushel. But they adopt the same principle that they do in Canada, both in Argentina and Australia. They only pay the farmers a fraction of what they sell the wheat for, so that the farmer receives such a small amount of money and has had no inducement to increase his acreage.

In the Argentine it has has gone down 13 percent since last year, and that 13 percent in itself is about 10 percent lower than the prewar average.

In Australia, they have not decreased acreage, because the farmers there are promised dividends at the end of the year, between the price they are receiving and the price at which their wheat is sold, but they have not in Australia decreased wheat acreage; they have the same acreage on a hundred thousand bushels, 12.4 and 12.3 are the two figures; they have not increased or decreased in Australia.

Representative HORAN. Is it true that the United States is the only country in the world that is raising wheat under what might be termed an approximation of a free economy?

Mr. STRANGE. Yes.

Representative HORAN. We are the last.

Mr. STRANGE. I would say that, yes, sir. In Britain they have increased acreage because they are paying their farmers a large sum of money; they are desperate in Britain to get more wheat.

The land will only feed 20,000,000 people, and they have a population of 27,000,000, and they are paying their farmers for this next year, next harvest, $4.88 for the first 300 bushels, and $4.44 after that on the farm; those are the prices.

Senator KEM. That is out of the proceeds of the so-called British loan?

Mr. STRANGE. Yes, sir. Well, if you like to put it that way, sir. Your loan and our loan.

Representative HORAN. Do you look with favor upon any action on the part of this country toward the emulation of the experience in Canada?

Mr. STRANGE. I beg your pardon, sir?

Representative HORAN. Do you look with favor, sir, upon any action in this country to follow the steps that Canada is now following?

Mr. STRANGE. I did not quite catch that.

Representative HORAN. I do not know whether it is a fair question. I say, do you look with favor as a friendly neighbor toward this country's following in the steps that Canada has taken to create allocations and controls that would eventually result in a government monopoly?

Mr. STRANGE. I am afraid, sir, that if you were to follow in our steps and decided on it, all the troubles that we have there, the great disturbances, the discontent of farmers, the political turmoil that has go into politics now, and the low prices to farmers and a severe reduction of acreage, would inevitably, without any question follow in this country.

Representative HORAN. In other words, it is the incentive that naturally flows from a free economy that has resulted in our raising a record crop 300,000,000 bushels above anything ever experienced in this country before?

Mr. STRANGE. Yes. It had much to do with the high prices the farmers were privileged to have.

Representative HORAN. If we had not produced as much wheat as that, though, the price could be enormously higher, could it not?

Mr. STRANGE. Yes.

Representative HORAN. Supply and demand being still a factor.

Mr. STRANGE. Yes.

Representative HORAN. So we are to be thankful that we did have a record wheat crop——

Mr. STRANGE. Yes.

Representative HORAN. Which came from the ability of our farmers to raise in a free atmosphere.

Mr. STRANGE. Yes.

Representative HORAN. Thank you.

Mr. STRANGE. It is a great blessing for the whole world that the United States has got this large amount of wheat.

Representative HORAN. A little louder on that, Mr. Strange.

That Navajo Problem

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 25, 1947

Mr. MURDOCK. Mr. Speaker, a letter I have just received starts out with these words, "Since the recent publicity of the plight of the Navajo Indians has received national recognition, and so forth," the writer then goes ahead to make certain suggestions. Now I have received numerous other communications from various parts of the country and many inquiries from fellow Congressmen concerning the plight of the Navajo Indians, evidently growing out of what is called

the national publicity which the subject has had in recent weeks. Therefore I feel that I as one of the Members of Congress from Arizona, which State has the largest portion of the Navajo Reservation within it, should make some statement in partial reply to these numerous inquiries. I say in partial reply, for it is impossible for me to make a brief and complete reply to this long-time critical problem of the Navajo Indians. It is a complex problem involving the most numerous tribe of Indians in our country and occupying an area as large as West Virginia and touching four States. Therefore, only a part of the problem comes within the borders of the State of Arizona.

What is the situation with regard to the Navajo Indians? It is true that it is critical indeed, but for a better understanding it should be made clear that it has not altogether suddenly become so. Rather, it has gradually grown worse for more than a quarter of a century. Who is to blame for this critical condition? I cannot fairly specify, as there are numerous causes making it difficult to assess the blame properly. Certainly our Government, including Congress, the Interior Department, and especially the Indian Service, must bear a large share. Perhaps there has been too much indifference and neglect on the part of officials and some indifference on the part of the white people living near this reservation. However, it must be said that various religious groups have done some good work among the Navajos. They have not been able to do entirely what the Government should have done, except only in a very small way, and they have not adequately done what the missionary spirit usually prompts to do because of the magnitude of the task.

While I am discussing the general situation, I must call attention to the fact that the Hopi Indians are in as bad, if not worse, plight as the Navajo Indians. The Hopi Indians number only about four thousand, whereas the Navajos outnumber them 15 to 1. The Navajos are stockmen and move about as nomadic tribesmen, depending mostly upon sheep and goats. As they have sought pasture lands, they have encroached upon the Hopis who are also stockmen, and the Navajos have taken over by far the largest part of the Hopi Reservation. This has gone on to such an extent that the Hopis have today only one-sixth as much land to use as was set aside for them about 60 years ago by Presidential proclamation.

In the case of both tribes, their rather poor lands have been so overgrazed that the Government has found it necessary to reduce their flocks and herds until both the Navajos and the Hopis find it increasingly difficult to make any sort of living at all. Now the Government has had valid reason for limiting their grazing permits. This has not been done in a cruel or inhuman way to plague the Indians or punish them or to threaten them with starvation. This stock-reduction program has not been the sole and only action taken by the Government but rather it has been accompanied by some effort on the part of the Indian service, although I think inadequate, to enable the Indians to get as much animal production and economic value out of their smaller but improved herds and flocks. Therefore, I am not condemning governmental action in regard to stock reduction, in general, other than to point out the inadequacy of the treatment.

It may be that a great number of Navajos are nearer a critical condition today than ever before, but such is not an unusual thing for them in recent years. What has caused the situation to be worse now? One cause is the inevitable result of a growing population pressing against the seeming limits of subsistence. These are a primitive people, and the philosophy of Malthus operates among them so that the natural increase in numbers press hard upon the limits of subsistence on the reservation as they have known it. Another reason why the Navajo situation is more critical at this time is an aftermath of World War II. This is due to the return of Indian veterans to an increasingly impoverished land and a cessation of pay checks to veterans and to the older members of the tribe who had been war workers and even to the young women who had served during the war off the reservation. During the war many older Navajos worked along the Santa Fe Railroad and in munition depots nearby, and a large number of Navajo girls were employed in Fred Harvey's eating houses throughout the Southwest. Therefore, the Navajos got along quite well during the war period even though their stock-reduction program did hit the reservation hard during those same years.

We cannot avoid the fact that the Government has been sadly negligent and inadequate with regard to schools for the Navajos. It has been said that the States containing the Navajo Reservation have also been negligent, but I deny the charge applied to Arizona which contains the larger portion of the reservation. Of course, the public schools of Arizona are not available to the Navajo Indian children, nor can they be made available, because that portion of Arizona having public schools near the reservation is sparsely settled and has inadequate school facilities even for a fraction of the Navajo children, assuming that they could be brought to such schools. The area itself is so vast and lacking in good roads that it is impossible at the present time to bring Navajo children to the nearest white schools on the fringes of the reservation, even if the Federal Government paid adequately on a per capita basis. Of course, Arizona is interested in the educational progress of all children within her borders. The State educational association meeting in Phoenix early in November announced their attitude in an emphatic resolution concerning education for the Navajos. However, the Indians are wards of the Government, and the general care of Indians is such a herculean task that the State of Arizona could not possibly carry the burden, even if it were just and fair to impose it upon the State. Certainly, it would not be right to impose that burden now.

As a schoolman and as a humanitarian, I personally am very much concerned about the education of Navajo and Hopi children and about the health of all our Indians. However, I am giving much thought to their economic rehabilitation and stability since that is the thing that will count in the long run because it is basic. Of course, we must take care of any immediate need due to a food crisis. Dictates of humanity require that we do that, and we have frequently done just that on the Navajo Reservation. Several times within recent years emergency measures have had to be taken to relieve some of these Indians. The whole reservation is situated on a high plateau, but on this plateau are also mountain areas which are dangerous in the wintertime. In late autumn large numbers of Navajos go to gather pinon nuts, hoping to lay in a supply for the winter. Occasionally, large numbers of Indians are endangered in this work. Recently, several hundred Navajos were marooned by snow, and food had to be furnished them by airplane. Of course, we must hold ourselves in readiness to do the humane thing in any or all such emergencies, but this is good Samaritan work and should not be confused with the more permanent obligation for their future. The really important part of our governmental obligation is a long-range program.

Twenty-five years ago, and for several years prior to that, the Navajo Indians were fairly stable economically. They had large flocks of sheep and goats and produced great quantities of wool which they wove into Navajo rugs. They disposed of their production at fair prices. The Navajos are good workers in several different lines, and if given some aid and much encouragement in an economic way they can make their own living and prosper. The Government has done some things to aid them in an economic way, but I think not nearly enough. The Navajos are essentially stockmen, and they ought to be encouraged to produce livestock and its products to the very limit of the carrying capacity of their ranges. I favor increasing the carrying capacity of their ranges and enlarging in every possible way their economic base. I am not suggesting adding any more land to their reservation, but I am suggesting making their reservation more productive. How can this be done?

Something has already been done by improving their stock. The Government has furnished better breeding stock and also dipping vats and, to a certain extent, water holes and water wells, and recently reseeding of their overgrazed land. Now this is a program that I think can be enlarged upon, especially in reseeding to restore their pasturage, but one great addition would be to furnish irrigation facilities to as great an extent as possible. Many thousand acres of land on the Navajo Reservation could be made highly productive through irrigation, and the Indians have one of the very best water rights. Of course, it would be expensive, for the very nature of that region challenges to the utmost the hydraulic engineer, but certainly money spent in such a wealth-producing way is far better than the same amount spent

in mere charity. Therefore, I heartily favor the 10-year program calling for $80,000,000 which has recently been announced by the Office of Indian Affairs for the Navajos. Let us do the Good Samaritan work of a temporary character as is required, but let us also do the basic remedial work which is but our solemn obligation to these Indians and required of us by our own self-interest as well as the dictates of humanity.

It has been my feeling that the wisest course of action for Congress to take now with regard to the Navajo and Hopi Indians other than present care, is to inaugurate a long-range plan for their rehabilitation. I do not want to minimize the need for action in the present emergency, for I think both emergency action and long-range development should be carried on concurrently. One reason for emergency action now is that we have not begun earlier to inaugurate a long-range program for these Indians. Charity work is important, but good samaritan efforts should not stand in the way of constructive remedial work. In the case of the Navajo and Hopi Indians with their real needs and claim upon the Nation's fair dealing, we must not, like the dumb servant, be so busy mopping up the water that we fail to turn off the faucet.

What long-range provisions would I suggest? First, I would suggest a Marshall plan for the Navajos—that is, I would help them to help themselves. If it is possible, and I think it is, for the Navajo reservation to become a national asset rather than a national liability, that is the Marshall plan for these Indians, or any other Indians, which I would favor. How can that be done within the framework of the physical limitations of the area within the reservation? This is a peculiar area as well as a vast one. It presents a challenge to the ingenuity of civilized man as well as primitive man. It can be made suitable for a part of its Indian population as stockmen.

What of the remaining population? Perhaps industries established on the reservation and employment off the reservation will both have to be developed and encouraged for these Indians. I believe that industry on the reservation can be encouraged and become highly profitable, which would be a partial answer. Also, I believe that those Indians can become good farmers if tillable land with a water right can be furnished them. There are a few small plots of good land being farmed by them, but the land is not sufficient at the present time. The Navajos who are farming, and there are many who would like to farm and cannot have the land to farm now, are permitted only 10 acres as a maximum, and that, of course, is not in private ownership but allotted as tribal land by the tribal council.

Scarce as water is in the Colorado River Basin, I feel that the Indian's water right is of high priority, though relatively small. I think there should be no question but that the Navajo Reservation ought to be entitled to not less than a hundred thousand acre-feet of water out of the Colorado River system in addition to that which falls upon the reservation. Of course, the Navajo Reservation has more land in spite of its almost universal rough terrain that could be tilled if there were available water supply. This reservation, like all other parts of the Colorado River Basin, contains more tillable acres than there is water supply for such acres. Any long-range plan, whether it be the 10-year plan now offered by the Interior Department or some other long-range plan, must consider bringing Colorado River water or waters of the San Juan River onto the Navajo Reservation. Any plan lacking this provision will be inadequate and to a certain extent unwise.

In conclusion, I recommend two types of action, authorized and provided by law for the Navajo and Hopi Indians. First, an emergency appropriation adequate to take care of the immediate needs, and second, the initiation of a program calling for, perhaps a hundred million dollars over the next dozen years, to fulfill the Government's obligation to these Indians and to make these tribes an economic asset instead of an economic and social liability to the Nation. It is difficult for most of us to understand how great an economic asset they may be or how heavy a liability they may increasingly become, depending upon our course of action.

This Is Freedom, Mr. Vishinsky

EXTENSION OF REMARKS

OF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 2, 1947

Mr. TEAGUE. Mr. Speaker, I sincerely hope that everyone will read the following article which has been published in the public interest by many newspapers, as many of us do not realize all the liberties and freedoms which are made available to us by our form of government. This message would serve an even greater purpose if it could be published in Russian newspapers.

Under leave to extend my remarks in the RECORD, I wish to include the following message which was published by the K. Wolens department store in the Corsicana (Tex.) Sun on November 29, 1947:

MR. VISHINSKY, WHEN YOU GO HOME, YOU CAN TELL YOUR PEOPLE THESE TRUTHS ABOUT THE UNITED STATES OF AMERICA

You could do it in Pravda, which means truth. You could use radio Moscow to tell them. You could tell it to your people who are not members of your Communist party but who are owned, body and soul, by your party.

You could tell your people that we Americans are not seeking war and are not warmongers. We hate war. We want peace. We want the whole world to have the opportunities and freedom upon which lasting peace can be brought to all nations. You know that.

You could explain that we are not a capitalistic monopoly. Tell your people that our railroads, telephones, radios, airlines, shipping lines, factories, stores, mines and forests are not owned by government but that they are owned by the people as private citizens. You could tell them that millions—and many more millions—of the people's dollars are invested in our railroad, automobile and our steel industries—and all other industries—all of which come out of the savings of the people.

You could tell your people that we are not a capitalistic Nation—but that your Russia today is the only complete capitalistic nation on earth. It owns everything, including the people and the profits the people could make on their own labor.

In America, the people own everything—including the government. In the U. S. S. R. the government owns everything—including the people.

Tell the Russian people that in America, through the industrial know how, we have turned luxuries into mass production within the reach of everybody. Explain that telephones, bathtubs, gas stoves, radios, refrigerators, electric light, vacuum cleaners, and automobiles are not luxuries in America. Tell them we have over 80 percent of all the automobiles in the world—and they are owned—not by the rich—they are owned by the people. They are the capitalists. Every bit of property our people own is owned because they have saved money out of the greatest earnings ever earned by any people. All because of the free competitive system, made possible by liberty.

Tell your people about our courts of justice. Explain our jury system by which 12 of our equals decide on the guilt or innocence of anyone charged and brought to the bar. We do not have judges who decide on our guilt or innocence. We, the people, decide. The judge pronounces sentence. We elect the judges.

Also tell your people that we sent to your country $11,500,000,000 of lend-lease war material to win your war over Nazi Germany, your former ally, who turned on you. Marshal Stalin said that the war would have been lost without the productivity of America. You might tell your people that all the material and food sent to you was produced by America in addition to what we needed to win our own war and help England win hers.

Explain how much greater American production is than that of Soviet Russia. Why? The secret is that United States production is free and every producer is free. Explain how every family in America is self-regulated and runs itself better than you in the inner circle run all of the Russians from the Kremlin.

Explain, Mr. Vishinsky, that in the United States of America every man, woman, and child has the right to progress—is automatically given liberty and freedom—can pick out any educational opportunity they want, the job they want, and decide, personally, what they want to be.

Tell them about our Constitution and how—if some people want something which is not constitutional—there must be submitted a proposed amendment so that all may vote, and only by two-thirds vote of the legislatures of the States can such an amendment become law. No person, in or out of Government, can issue an order in defiance of the Constitution. Tell them America believes in the rights of man and that we make the State a servant of the people. That is just the opposite of the Russian Soviet Communistic system where man is nothing and the state is everything, the sole possessor of liberty and freedom.

Tell your people the United States of America is a republic. That the same legal rules which enable us to continue as a re-

public also enable our businesses to continue with constant change and modification. Would you tell them that America has achieved the highest living standard—the greatest tolerance, the truest charity—all because of giving liberty and freedom to all people, and that we in America regard the police state as a horror, as a crime against the body and soul of man.

Tell your people that we resent the charges that we are a warmongering people. It is not only unkind and uncalled for—but a malicious statement.

Mr. Vishinsky, if you were a citizen of the United States of America and returned from visiting Russia, you could state publicly what you discovered. You could say it in print, by radio—even in moving pictures. You would have that right as an American citizen. You are one of the big men of the U. S. S. R. Can you go home and tell the truth?

As an American citizen of the United States of America I have freedom to make this statement in public print as often as I please. Recently, I was invited to make a radio broadcast. I will be glad to send it to you. It is something about our country and the freedom of every individual in it. Would you like to read it? I can send it through the United States mail. Any citizen can have it.

That is freedom, Mr. Vishinsky. That is the byproduct—just one of the byproducts—of the most priceless secret that you could carry back to Russia. The secret is the system by which the United States of America has made progress. A system of liberty and freedom for the individual. If you would see your own country move fast into a great, productive nation of happy people, set your people free. Take capitalism out of the hands of your government and put it in the hands of your people—where it belongs. Capitalism then ceases to be what you have called it, and becomes the secret by which common wealth is created for all the people.

Not a single word of this message has a double meaning. We owe a debt of gratitude to those who established our way of life and only by observing and spreading the dignity of man—the rights of freedom—can we pay that debt.

You can answer this message, Mr. Vishinsky, in this same newspaper. You have unlimited funds at your command. Why, you are the agent of the greatest capitalistic power on earth. I am just an American citizen, one of the millions you have referred to as capitalists.

We in America believe in the spiritual as well as the material side of life. They must go hand-in-hand. No country, no government, can abolish nature, the handmaiden of God. Nor can they control the flood and ebb tides, the changes of seasons, nor did any country or government place in the earth minerals, oils, fish in the waters, fowl in the air. No scientist can make the seed which creates the harvest to feed the people. Only God can do that. Nature insists that man be free in order that he may reach his highest possible position and be of service to his fellow man, not to any state.

When you return to your country, Mr. Vishinsky, why don't you tell your people about our way of life in America? "When peace shall once more be acclaimed, the work of the world will have begun."

E. F. HUTTON.

WESTBURY, LONG ISLAND.

Any individual or group may reprint this message. People in other cities are now doing this. Liberty is not private property. It is a public asset. It is the property of all. Treat it as such—wisely, well, and immediately.

Limited Service Corps

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. FOOTE. Mr. Speaker, I have today introduced a measure to authorize the establishment of a Limited Service Corps in the United States Army, trained and capable of performing thousands of noncombat jobs. I believe such a bill will not only bolster Army strength but will enable limited-service veterans to take up jobs for which they are already trained. This measure will also do away with the stated Army policy of hiring civilians to do noncombat work and will automatically, therefore, save the Government millions of dollars annually. Time would not have to be taken to train these veterans for they already know the work to which they might be assigned. I feel that such an authorization will enable the more physically fit and younger men to continue combat training. This is a practical point for it will do away with having combat-qualified soldiers drive staff cars and sit behind desks or count quartermaster supplies. The Army needs young, alert men for field training. My program will open the way for others to take their places. I believe there are thousands of ex-servicemen throughout the country who would gladly return to limited-service jobs in the Army if Congress would authorize such a step. The bill I have introduced, I believe, is the answer to one of the most pressing questions with which the Army has to deal at the moment, namely, the dwindling enlistment problem and the problem of who will handle the so-called desk jobs.

The bill, which would establish a Limited Service Corps, reads as follows:

A bill to provide for the establishment of a Limited Service Corps

Be it enacted, etc., That—

(a) The Limited Service Corps shall consist of officers, warrant officers, and enlisted men of all grades, who have been discharged from the Army of the United States or any component thereof, for physical disability received in line of duty, or whose physical disabilities are rated by the Veterans' Administration as service-connected, but who at time of discharge was recommended for limited service, or who has now become able to perform limited service duty as set forth in paragraph b.

(b) The term "limited service" shall mean unfit for combat duty or combat training, but able to perform the daily supply, administrative, inspection, and kindred duties in all permanent posts, camps, stations, or bases.

(c) The duty of the Limited Service Corps is to furnish personnel who will replace, wherever possible, officers, warrant officers, and enlisted personnel in administration, supply, classification, correctional, postal, accounting, transportation, laundry, finance, post exchange, public relations, and personnel work, and to replace all civilians in the post exchanges, Corps of Engineers, Ordnance Department, Signal Corps, Transportation Corps, and Quartermaster Corps, except laborers and technical specialists.

(d) To further enable physically fit personnel to better their training and to enable troop movements on the shortest possible notice, all posts, camps, stations, and bases will establish a permanent post, camp, station, or base section of Limited Service personnel to handle all post, camp, station, or base, administration, supply, transportation, classification, postal, laundry, finance, post exchange, public relations, personnel, and all kindred work, as well as any other kinds of duties the commanding officer shall set forth.

(e) As all types of duty now performed by the members of the Women's Army Corps can be performed by Limited Service personnel, and believing that the proper place for women is in hospitals or the Medical Corps, it is hereby ordered that 90 days after passage of this act, that all members of the Women's Army Corps, be transferred to the Medical Corps for duty in hospitals and administrative work, until such time as their enlistments run out; further, that from passage of this act, no women be enlisted in the Women's Army Corps, and that the Women's Army Corps be abolished as soon as the transfer of personnel be accomplished, and that enlistments of women be accepted only in the Women's Medical Specialist Corps or a subdivision thereof, hereafter established by law or the Secretary of National Defense.

(f) This act shall be in effect at passage, and the Secretary of National Defense shall be responsible that the Limited Service Corps is established and begins functioning within 60 days from date of passage.

(g) Any laws which are inconsistent or in conflict with this act are hereby repealed or abolished as far as they affect this act, or any part thereof.

SEC. 2. (a) All commissioned and warrant officers discharged for physical disability from the Army of the United States or any component thereof, and recommended for limited service at time of discharge, or who are now fit for limited service are eligible for commission in the Limited Service Corps, and any officer who has drawn longevity pay for 6 years service or over shall be commissioned if his past and expected service before his sixtieth birthday shall equal 10 or more years, regardless of his present age.

(b) Any physically discharged officer who has at his own expense gone to an Army screening center and has been processed in accordance with War Department Circular 289 of September 24, 1946, Public Law 670, Seventy-ninth Congress, and has passed the general survey test and completed his screening, shall not be required to submit to any further tests or examinations, and shall be commissioned in the grade he was eligible for at time of screening, disregarding paragraph 1 (b) and paragraph 2 (b and c) of War Department Circular 289 of September 24, 1946, or any other law or regulation regarding age or rank, and shall be commissioned, based on age, experience and length of service as shown on his pay card for longevity pay.

(c) If in the opinion of the Surgeon General, limited service would be harmful to the general health of the applicant, the Surgeon General will request a new physical examination of the applicant, to be given at the nearest Army post, camp, station or base to applicant's present address, and if this physical examination shows that limited service would be harmful to the applicant, the Surgeon General shall so inform the applicant, fully setting forth his reasons for his decision and the applicant shall be placed on permanent disability by the Veterans' Administration, subject to increase if the veteran becomes further disabled.

(d) Any former officer of the Army of the United States not willing to be commissioned for limited service in the Regular Army, who so desires, shall be commissioned for limited service in the Officers' Reserve Corps, in his discharged grade, or if he has completed 2 years' service from appointment to discharge and has drawn longevity pay for over 6 years' service, he shall be commissioned in the next higher grade.

(e) This abolishes any laws which are inconsistent or in conflict with this act insofar as they relate to the appointment or commissioning of physically discharged officers of the Army of the United States, for duty in the Limited Service Corps.

(f) After appointment as a commissioned officer in the Limited Service Corps, all officers shall be subject to the Officer Personnel Act of 1947 and shall be carried on a limited-service promotion list.

(g) The Secretary of National Defense shall establish regulations under which physically discharged personnel may enlist in the Limited Service Corps, for duty under limited-service officers as set forth in section 1 (b).

(h) Wherever possible, enlistment of physically discharged veterans shall be in the same grade as held at time of discharge.

(i) The provisions of (c) above shall apply to all enlisted men as well as officers.

(j) The Secretary of National Defense is authorized to accept physically disabled recruits for duty in the Limited Service Corps, when the number of veterans applying does not fill the corps to the necessary strength of personnel to carry out the intents of this act.

Home-Buying Veterans Charge Lax Appraisals

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. DAVIS of Georgia. Mr. Speaker, on last Tuesday night the Georgia Department of AMVETS held a meeting in the Fulton County courthouse, in Atlanta, in behalf of veterans' housing.

The AMVETS, under leadership of State Commander Crespi, and Housing Chairman Bowden, are making vigorous efforts to relieve the critical housing situation.

I insert herewith a newspaper report of action taken at this meeting which appeared in the Atlanta Constitution under date of December 3, 1947:

HOME-BUYING VETERANS CHARGE LAX APPRAISALS

Veterans, desperate for any kind of shelter, Tuesday night painted a not-too-pretty picture of the Atlanta housing situation in terms of buckling walls, falling plaster, and roofs that leak.

The evidence was presented at an open meeting sponsored by the Georgia Department of AMVETS at the Fulton County Courthouse for the purpose of spotlighting what the organization termed underhanded methods used to gouge the home-seeking veteran.

Appraisers for the Veterans' Administration were accused by Bill Bowden, AMVET housing committee chairman, of the "worst kind of negligence and inefficiency" in protecting the veteran.

One veteran who bought a house in the Georgian Hills development cited how a VA appraiser had approved a loan in excess of $6,000 for a 4-room house.

Edward Judge, an official of Georgian Hills development, said houses at Georgian Hills had cost about $690 when bought from the Navy in Virginia before being transported to Atlanta.

VETERAN'S COMPLAINT

The veteran told how the wallboard had begun to show cracks, how the floor was so thin his toy terrier shook it when walking over it, and how the caulking had begun falling out of cracks in less than the year he had occupied it.

"An engineer told me that if I turned off the heat and went away for a couple of weeks, the cracks would close up," the veteran said, bringing laughter from an audience of about 50 veterans and their wives present with various officials of building associations and veterans' groups.

Judge defended the Georgian Hills development, saying his firm had repaired much of the damage occurring after erection of the homes and asserting it never had misrepresented facts about the homes.

ANOTHER VET'S STORY

Another veteran, claiming to represent a group of 15 other ex-GI's, cited cases where homes costing $10,000 had begun to fall apart. Roofs leaked, boilers were set in mud holes and had rusted through, kitchen fixtures were coming off the walls, plaster was crumbling and no responsible real estate man in the city would handle the houses for resale, he said.

Once again, the VA appraiser was accused of not having protected the GI from such a bargain.

Judge James R. Parham, a witness to proceedings, suggested such appraisers should be impeached and put in the Federal Penitentiary for breaking their oaths of office. His recommendation brought a loud round of applause.

Bowden, the Housing Committee Chairman, suggested a five-point program: (1) Investigate VA appraisers; (2) place building contractors under surety bonds before building; (3) ask Congress to previde direct loans to veterans at the same rates money is being loaned to countries overseas; (4) encourage private enterprise to build low cost rental housing, and (5) amend Federal Housing Administration regulations on rental housing requirements.

Our Merchant Fleet

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 5, 1947

Mr. WEICHEL. Mr. Speaker, as chairman of the House Committee on Merchant Marine and Fisheries, I believe that there exists no doubt in the Congress that the American merchant marine should be the best in the world, and to be effective it must be active and a going concern. In maintaining such an American-flag fleet, I want to include a viewpoint as expressed by the National Federation of Shipping:

The federation has examined the shipping sections of the report by the President's committee on foreign aid (the Harriman committee of 19). The report shows that a thorough and careful examination has been made by this committee of the proposals contained in the Paris report of the Marshall plan nations, and in subsequent discussions with representatives of these participating nations at the Government level as referred to in the Harriman report.

The federation finds agreement with many of the conclusions of the Harriman committee, whose report confirms the federation findings that savings in dollar freight costs which could be effected by the sale or other disposal of American war-built tonnage to the participating nations are but a small fraction of the total of such costs. The Harriman committee has shown that the $1,214,000,000 freight costs attributed to shipping under the 16-nation proposal should really be reduced to the neighborhood of $300,000,000, as recently projected by the federation. This latter figure is only about 2 percent of the estimated aggregate costs of the Marshall plan. The Harriman report reaches the conclusion that the limited financial savings are not sufficient to justify the drain on United States resources for national defense which such transfers would involve.

Such savings are also not sufficient to justify the long-range damage which would be done to the American merchant marine in the future by transferring a substantial number of war-built vessels to nations whose fleets already exceed their 1938 capacities in vessels of this character, and whose competition would have to be met in the postwar manned with low-wage foreign crews. When it is proposed that funds are to be supplied from the United States to buy these ships from us, the resemblance to a gift is brought into bold relief, and the question of capital costs in a competitive situation is obvious.

The Harriman report recommends the sale of further war-built vessels to the participating nations contingent upon a commensurate reduction in European shipbuilding. It must be realized, however, that:

(a) Before the war 75 percent of the shipbuilding facilities of the world were located in these 16 nations;

(b) Shipbuilding is one of their primary industries, recovery of which is a substantial factor in the Marshall plan;

(c) Whatever contingencies are now arranged, it is not reasonable to expect these nations to cease building in the immediate future or for any protracted time dry-cargo vessels to meet their requirements;

(d) Their present fleets of such vessels of 5,000 gross tons and over (suitable for international trading) are now 1,400,000 tons in excess of their capacities in 1938; and

(e) Their shortage really exists in the smaller vessels required for coastal and nearby European trades which are not available in American war-built ships and must of necessity be constructed of special design to meet particular trade requirements, including shallow-draft vessels for small harbors, etc.

Even as to the large dry-cargo vessels which are included in the current European shipbuilding program, it appears that the vast majority of these are Diesel-propelled, obviously for particular trading conditions, and are not available in the American surplus fleet. This is stated in the Harriman report as the contention of the representatives of these participating nations.

We feel that the Harriman report reference to the European passenger-ship construction program may be misleading to the general public. It states that only one strictly passenger-type ship of more than 20,000 gross tons is now under construction; namely, the Cunard's *Caronia*. It goes on to say that there are other so-called combination vessels with passenger capacities varying from 250 to as high as 1,800 passengers. This

turns on a matter of definition. The report states that the latter such vessels in the American fleet would be classified as among our best luxury liners. Princess Elizabeth christened the *Caronia*, but Princess Margaret Rose also christened the *Edinburgh Castle*, a vessel of over 23,000 tons which is building for the Union Castle Line, as is also the sister ship *Pretoria Castle*. These will give the Union Castle the second largest passenger fleet in the world—the Cunard White Star being first. Even with these we must not overlook two other new Cunard liners, the *Mauretania* and *Parthia*, which have gone into service recently, and the Rotterdam Lloyd Line's *Willem Ruys*, of 21,500 tons, with accommodations for 842 passengers. Meanwhile the United States fleet is sadly deficient. No comparable vessels are building in American shipyards. It is not the shortage of strategic materials, as stated in the Harriman report, which causes this condition, but rather economic circumstances under which United States shipowners have so far found it impossible to contract for the building of similar passenger vessels for United States flag operation. Meanwhile we are endeavoring to restore economic conditions in Europe.

The federation agrees with the Harriman report:

"The United States needs an active merchant marine for national defense, and we must not create conditions in which that merchant marine cannot survive."

And we might add—we need American ships to carry a substantial part of our own commerce, to maintain transportation facilities to important world areas, and as a leader among the United Nations we must keep a reasonably strong position upon the seas.

Patents and Progress

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. WILEY. Mr. President, on Friday, December 5, it was my pleasure to address the patent and research section of the congress of industry held by the National Association of Manufacturers. I ask unanimous consent that the text of my address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PATENTS AND PROGRESS

THE CONTEMPLATED PROGRAM FOR PATENT LEGISLATION IN 1948

Mr. Toastmaster, distinguished guests, my friends, I am happy to address this distinguished group of manufacturers, industrialists, research experts, technicians, engineers, lawyers, and patent specialists.

I consider it a real honor to appear before a group of men who have achieved distinction and prominence in so many specialized lines of endeavor.

It is a privilege to address you because you as individuals, with varying specialized interests, have demonstrated the ability to work together as a team in furtherance of a mutual interest and a mutual cause.

That in itself could well supply the theme of our discussion today. Probably the greatest single need in the world today is the imperative need for the people of many lands with many interests to band together in the common interest and the common ideal of world peace.

That is a need shared by all men. It is a need shared by all nations.

Within each land and within each nation there are also many conflicting needs and conflicting interests which must be bonded together in a common objective.

NEED FOR WORK AND PRODUCTION

In the United States we have a great common need for work and production. We have a great common need for builders. We are engaged in a mutual crusade to build homes and industries and jobs. We are engaged in a great crusade to stave off a disastrous inflation. We are engaged in building a nation so strong that it may serve as a potent force for world peace and for the peace of our land. This is one of the great trial periods of American democracy.

We have individual interests in patents but we also have a mutual interest which transcends our own particular interests.

Patents are the recognition in the public interest of a property right in a technological creation. Patents might almost be considered as contracts between the inventors and the American public. In my judgment, the paramount interest is the public interest.

In our brief discussion today I would like to stress the element of public interest as it has been involved in the engrossing story of patents as an economic and social force in the development and progress of our land. It will also be my purpose to discuss briefly the patent legislation of the first session of the Eightieth Congress and the avenues of exploration for possible patent legislation in the second session of the Eightieth Congress.

ORIGIN OF PATENT GRANT

Over a century and a half ago the founding fathers wrote in article I, section 8, of the Constitution that—

"Congress shall have the power to pass laws to promote the progress of science and the useful arts by securing for a limited time to the authors and inventors the exclusive rights to their respective discoveries."

We have come a long way as a people and as a Nation in the century and a half since George Washington gave his approval to the first Patent Act on April 10, 1790.

INVENTIONS AND PATENTS BROUGHT HIGHER LIVING STANDARD

We have grown from a population of less than 4,000,000 to over 144,000,000. Throughout that span of one century and a half our land has been richly blessed by inventions which have contributed much to make ours the highest standard of living the world has ever known.

Agriculture, industry, and plain, ordinary, day-to-day living have been simplified and enlarged as a result of American ingenuity and American inventive genius utilized for the public welfare.

Throughout the years our patent laws, as you know, have in part been changed and improved. They were radically changed in 1836, and in 1870 they were extensively recodified. Numerous amending acts have been enacted since that date. As we know also, there are innumerable proposals for further changes at the present time.

Patent law is an involved and specialized field, and I do not feel competent to express any hard and fast conclusion on future patent legislation.

At the outset, however, it is probably desirable that we recognize that in its basic purpose and its fundamentals, our patent system appears to have proven its worth in accelerating the American march of progress.

We are all familiar with the fact that about 6 years ago, a committee of Congress was charging that patents had become a "device to control whole industries, to suppress competition, to restrict output, to enhance prices, to suppress invention, and to discourage inventiveness."

Since that time, the studies and reports which were made have apparently vindicated the validity of the basic concept of the patent system itself.

The charges against the patent system have, however, had a very constructive result.

PATENTS AN INTEGRAL PART OF NATIONAL ECONOMY

The charges about international patent cartels, the charges of patent suppression, and other abuses, the charges of technological unemployment resulting from patents, and even charges that patents were used treasonably, all of these charges brought home to the national consciousness the fact that patents were an integral part of our national economy and were an integral part of our national social engineering.

TYPICAL STORIES OF PATENT DISCOVERIES

Of course, we have always been aware of this fact to some extent. Back in my State of Wisconsin, an 18-year-old farm boy, tired from the back-bending labor of binding grain in a 250-acre harvest field in southern Minnesota, whittled a bird-bill knotter of apple-tree wood, and 19 years afterward that contraption was wrought into steel and installed on a remodeled reaping machine where it automatically bound sheaves.

That original device is almost identical in design with the one used at the present time on millions of grain binders all over the world. That farm boy was John F. Appleby and he developed the first twine-binding harvester ever sold. He gave William Deering, the farm-machinery manufacturer, the right to use his patents and Deering sold 3,000 twine harvesters in a single year. Eventually, Appleby and his partners sold his company with its patents to the Milwaukee Harvester Co., which, in turn, became the foundation of the International Harvester Co.

The point of all this is, that a single invention made possible the growing and cutting of vast grain acreages. That single invention, in part at least, partially banished the threat of starvation because of the scarcity of flour.

Today, when you and I and all of the world are concerned with the menacing spectre of famine which hovers over a substantial portion of the civilized world—today we can be grateful to that 18-year-old farm boy in southern Wisconsin because his labor-saving device became an agency of incalculable value for increasing the Nation's food supply.

Another Wisconsinite, a Milwaukee man named C. Latham Sholes, early in 1867, with the help of a skilled Milwaukee German clockmaker, made a single invention which, in many respects, made modern business possible. It opened the door of opportunity for women to participate in the economic life of the Nation. It emancipated millions of women who might otherwise have been dependents.

If that single invention were to be withdrawn from civilization, the withdrawal would result in chaos for business and industry throughout the entire civilized world. Latham Sholes, tall, frail, Wisconsin citizen, invented the typewriter, and in so doing, changed the social and economic history of America and of the world.

In a little more than the span of a single century—American ingenuity and inventiveness and American industry have emerged from a wilderness as the greatest productive force ever known to mankind.

QUOTES FOR HUMOR BOOK

To be sure, now and then, a little bit of humor enters into patent discussion. For example, as I relate in my book, "Laughing With (not at) Congress," which was

recently released by Crown Publishers here in New York, a patent-minded constituent wrote one Congressman for a list of all the things that had never been invented! If I may be permitted a further brief aside while I am on the subject of humor, let me say this: all of us, I believe, businessmen and Congressmen and others, during these tense and critical times amidst all the trying pressures of the day, need a laugh or two "to help roll the clouds away"—to help make us more adequate to our grim problems, which is the reason I wrote this book on the human side of Congress. As just a final word on this light matter, I might refer to the legendary constituent who wrote another Congressman for a copy of the Declaration of Independence "with all the latest amendments added to it!"

PATENTS A STOREHOUSE OF KNOWLEDGE AND A FORCE FOR PROGRESS

To return to the more serious side of things, it is very obvious that the patent system of a nation can either become a tremendous driving force which jet-propels American initiative and ingenuity into actuality, greater accomplishment, and growth, or it can become a death trap for the hopes and dreams of inventors to such an extent that inventors will keep their ideas to themselves and build their own secret monopolies so that the widespread benefits of their ideas would be lost to society.

Abraham Lincoln said: "The patent system added the fuel of interest to the fire of genius."

There have been about two and one-half million patents granted by the Patent Office in Washington. Over 20,000 patents are now issued every year. They are classified in the Patent Office in some 300 classes with innumerable subclassifications.

Here is a tremendous, unbelievable storehouse of technical knowledge and ideas.

It has been charged that there have been no major changes in the patent system since 1836. This, of course, is not completely accurate, because there have been changes. Some of the changes have been by law and some of the changes have been by judicial decision.

The Federal courts have constantly raised higher standards for patentable inventions. As a result, there have been an appallingly high number of patents invalidated by the courts.

UNIFORM STANDARD OF INVENTION SHOULD BE EXPLORED

1. That brings us to one of the basic factors which must be considered in any possible patent legislation; namely, the feasibility of a uniform objective standard of invention which will be followed by both the Patent Office and the courts.

The Supreme Court has used language which was at that time generally construed to mean that a patent, if it was to be valid, should involve a flash of genius.

Thurman Arnold, acting as a judge of the court of appeals in the District of Columbia, added still another factor when he said:

"Patents are not intended as a reward for a highly-skilled scientist who completes the final step in a technique, standing on the shoulders of others who have gone before him. By the same token they are not intended as a reward for the collective achievement of a corporation research organization."

It is evident that the courts during the past decade or two have set higher and higher standards for invention.

Now the question is: How many companies will spend money in costly research if the results of their work may be copied freely and immediately by competitors?

The problem here is perhaps to balance the short-term view of private patent rights with the long-term view of patent rights and benefits to the public. Future patent legislation must explore the possibility of the uniform "results obtained" standard for invention which has been proposed for both the courts and the Patent Office.

The need for a uniform objective standard of invention seems to be apparent.

Such a standard could prevent the issuance of countless worthless grants. It could insure a continuance of the incentives offered by the patent system because it could give reasonable assurance that the inventor has received a legally enforceable right.

The prima facie presumption of validity on its issuance has carried very little weight in the courts and should be strengthened.

DESIRABILITY OF FILING LICENSE AGREEMENTS SHOULD BE STUDIED

2. There appears to be a necessity for legislation to provide for the filing with the Government of all license agreements in the protection of the public interest. Probably these agreements ought to be recorded in the Patent Office where the general public might inspect them.

We know that there is evidence of industrial control and stabilization through license agreements which can be regarded as restrictive.

It is reasonable to assume that filing with the Government of all patent license agreements could bring abuses to light for proper legal treatment and give the public assurance that its interests are not being ravaged. At the same time, it would give the Government authorities notice of any improper use of license restrictions.

It is difficult to believe that it is desirable to eliminate all license restrictions in production, price, use, or geographic area.

We know that there are economically sound restrictions. We know also that there are antisocial restrictions. We know that there are trade restrictions, which encourage inventions and we know that there are trade restrictions which injure the pubic interest.

Even the courts have recognized this distinction. In the courts, there has been enunciated the principle that conspiracies and combinations which establish price structures under the guise of patent license are illegal. The courts have also recognized the common sense of permitting limited waivers of the patent monopoly to encourage the entry of others into the productive market. Incidentally, the Supreme Court's recent decisions make it quite clear that the latter rule is intended to protect only the proper utilization of restrictive covenants in license agreements.

It appears desirable, accordingly, to consider legislation requiring the filing with the Government of all patent-license agreements.

ELIMINATE UNDESIRABLE NONSTATUTORY LAW

3. Over the years, more than a century of court and Patent Office decisions and rulings and practice have built up a substantial network of nonstatutory law. Some of that nonstatutory law has undoubtedly provided a happy hunting ground for some of the ingenious practitioners who may have been looking for devices to further their own interests. Consequently, it is probably desirable that a complete survey of this nonstatutory law be made and that appropriate legislation be drafted to enact into law desirable portions of these nonstatutory decisions and to sweep away permanently the undesirable portions.

STUDY OF 20-YEAR LIMITATION DESIRABLE

4. In considering possible patent legislation for the second session of the Eightieth Congress, we must also consider a proposal which has been made a number of times—the proposal to establish a 20-year limitation from the filing date.

We are all familiar with the practice of prolonging the statutory monopoly. We are all familiar with the devious methods by which the 17-year life for the patent grant has been virtually extended over periods of unwarranted length since the inventor during the pendency of his application had the common-law right to market the products embodying his invention. We are also familiar with the fact that even though this pending application had no legal efficacy, it served as an effective barrier to anyone who contemplated investment in a competing enterprise.

In the judgment of many observers, the Congress should consider legislation to limit the over-all span of the statutory monopoly for patents to 20 years after the application has been filed, regardless of how long the patent has been waylaid in the Patent Office.

LEGISLATURE SHOULD DETERMINE PENALTIES

5. The Supreme Court has ruled that a patentee must grant licenses to all applicants, as a penalty for violating the antitrust laws.

I am not endeavoring to argue the merits or demerits of such a penalty, but again I believe that this should be the subject for legislative study and should perhaps be established either as a penalty by statutory law or not established.

SIMPLIFICATION APPELLATE PROCEDURE NEEDED

6. Probably there should be a simplification of appellate procedure. That may involve having all appeals from a Patent Office decision go to a single court.

TECHNICAL ASSISTANCE REQUIRED BY COURTS

7. Study must be given to the possibility of supplying unbiased technical assistance to the courts in connection with highly involved technical patent cases—particularly those involving engineering or chemistry.

The courts need authoritative assistance in these technical matters. It is absurd to expect even the best Federal jurist to be completely adequate to a complicated technical patent case involving chemistry, for example. I am not certain what the answer is, but it is possible that there may be some merit in the suggestion that roving technical experts be supplied to the Federal courts.

PATENT OFFICE PROCEDURES NEED REVISION

8. The Patent Office itself needs revision, and I believe that all of the Patent Office Commissioners in recent years have recognized this basic need. I don't know whether it is necessary to legislate on this point, but undoubtedly the Patent Office must accelerate its consideration of patents. There appears to be a need for additional qualified assistants in the Patent Office to the end that patents will be issued only for things that are in fact new inventions.

It has been charged that patents frequently do not conform to the law and that they fail to clearly point out and to distinctly claim the precise improvement of the invention. It has been said also that mistakes are frequently made where the multiplicity of claims contributes to obscurity. That, of course, presents a challenge to both the Patent Office and to the patent lawyer. We must be certain that the personnel for the examining of patent applications is of the highest quality.

We must be certain that the patent conforms to the law and distinctly claims the precise improvement invented. We must be certain that the shotgun multiplicity of claims is eliminated as far as possible.

TECHNICAL PATENT LEGISLATION TO BE CONSIDERED

9. In the next session of the Eightieth Congress our committee will endeavor to consider S. 1340, introduced by Senator GURNEY, to permit the United States to defend patent-infringement suits by using certain written

disclosures in the files of the War and Navy Departments and other defense agencies, etc., not obtained directly or indirectly from the patentee.

One of the House bills which was considered by the Senate in the first session of the Eightieth Congress was H. R. 3958 (Public Law 220), which extended through December 1, 1947, the priority rights and the time for filing applications for patents and for payment of fees, etc., under Public Law 690 of the Seventy-ninth Congress.

As we all know, during the war American inventors who filed applications for patents in this country found it impossible to file corresponding applications in foreign countries within the prescribed periods. This was, of course, the result of conditions over which the inventors had no control. The same thing is equally true with reference to foreigners who apply for patents in the United States.

In order to enable American citizens to secure the benefit of laws extending various periods which have been or may be established by foreign countries, and accordingly preserve the patent rights in this country, it was considered necessary for this country to enact reciprocal legislation creating corresponding extensions to the citizens of foreign countries.

10. Another bill which probably will be considered will be S. 1726, which is a patent national security bill sponsored by the Navy. Its purpose is to prevent in time of peace, as well as in time of war, the publication or disclosure of patents or inventions which are vital to the United States from the standpoint of national security. This bill would make permanent the temporary inhibitory law now in force.

11. In the second session of the Eightieth Congress, the House will undoubtedly consider—and probably the Senate will also—bills which will extend patents (general) for hardship grounds generally based on the war.

House hearings have already been held on this question and no recommendation, as yet, has been made to the House itself, though I understand that the subcommittee has decided to limit the benefits of such an extension of patents to servicemen. Similar legislation was passed after the last war. My own offhand reaction is that we must also consider the possibility of enlarging this possible relief so that it would not be confined to servicemen, but to industries which were denied the use of the patent for the war period due to circumstances over which they had, of course, no control whatever.

12. The House will also consider legislation, which is currently pending, to increase patent fees, to provide protection for the designs of textile fabrics, to provide for maintenance fees, to regulate the United States Court of Claims' and the United States district courts' suits for infringement by or for the Government.

The House will consider bills relating specifically to servicemen, who, during the war, created inventions which, because of their service status, became the property of the United States, so that, consequently, they never were the subject of an assignment of the rights to the inventor. The House will also consider a great many statutory amendments.

I might add that in the first session of the Eightieth Congress, I introduced S. 1707, which, along with the companion bill, H. R. 4074, ultimately became Public Law 380 of the Eightieth Congress. This bill carried into effect certain portions of the treaties of peace with Italy, Bulgaria, Hungary, and Rumania. These portions of the treaties related to patents.

Under the law, citizens of countries which were at war with the United States were excluded from the provisions of Public Law 690 of the Seventy-ninth Congress. This law was enacted for the purpose of extending various times for performing certain acts in connection with patent applications. Because of the war period, these rights lapsed. Now the treaties of peace are signed for the above countries and additional statute is required to permit their citizens (and United States citizens under reciprocity) to qualify. In addition to the independent merits of this legislation it was necessary to fulfill the provisions of the treaties.

I might also mention that during the first session of the Eightieth Congress, the committee, of which I am chairman, received private bills for the routine extension of patents beyond the statutory period. The departmental reports on such bills have been negative and the historical precedents are that Congress has uniformly refused to pass such bills. From time to time, Congress has also had various private resolutions which would force the Court of Claims to rehear infringement claims by inventors against the Army or other Government agencies.

OUR TASK IS TO STRENGTHEN PATENT SYSTEM

Basically, our task is to strengthen the patent system and to make it a vigorous, potent force for encouraging progress in the technical sciences.

Basically, it is necessary for us to improve our international standing by utilizing the patent system to encourage disclosure of inventions made in foreign countries and, in so doing, to protect ourselves against ignorance of foreign technology in the event of war.

Under the terms of Public Law 601, Seventy-ninth Congress, patents are now within the jurisidiction of the Judiciary Committees of both Houses.

The Senate Judiciary Committee, of which I am chairman, approaches the entire problem of patent legislation with an open mind. We have no hard and fast preconceived ideas as to precisely what form patent legislation should take. I would not presume to speak for the entire committee, but I do believe that most of the proposals I have outlined here today will be considered by our committee—probably in the second session of the Eightieth Congress. Some of them, particularly those resulting from studies by the various Presidential committees, will have strong support and some of them represent legislation which is already long overdue.

PATENT LEGISLATION A PART OF OVER-ALL PATTERN

In the Judiciary Committee we are, of course, concerned not solely with patent legislation as patent legislation. Our concern is with making patent legislation an integral part of an over-all pattern. We know that law adjusts and limits and defines the various complicating and overlapping demands of different elements of our system and our economy.

We are concerned with the interrelationship of patent rights and public rights, though it is probably true that this interrelationship as it affects a given case, must continue to remain a function of the judicial process rather than the legislative. It is our obligation, however, to establish a legislative framework within which our traditional patent objectives may function to the betterment of the American people—where they may serve to stimulate new ideas, where they may serve as a force for better living, where they may serve to accelerate the progress of a nation of freemen, working together in a common cause.

CONCLUSION

We are living in a world of cataclysmic changes. It is for us—each of us—to be alert and ever on guard to keep intact our system of checks and balances in government, and our American way of life with its great freedoms. This calls for dedication by each of us of "our lives, our fortunes, and our sacred honor" to preserve these values.

We need vision without which the people perish—the vision which gave us our Constitution, our great inventions, our industrial expansion, and our freedoms, political, economic, and spiritual.

Eternal vigilance is not only the price of liberty, but the price of everything else worth while.

Alaska Undefended

EXTENSION OF REMARKS
OF
HON. E. L. BARTLETT
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. BARTLETT. Mr. Speaker, under leave granted to extend my remarks, I desire to include the second and third parts of a series of three articles on Alaska, written by Mr. Wilbur Forrest, assistant editor of the New York Herald Tribune:

ANCHORAGE, Alaska.—Here at the headquarters of the Alaska command under Lt. Gen. Nathan D. Twining and the Alaskan Air Command under Maj. Gen. J. H. Atkinson, the statement of former Secretary of War Robert P. Patterson, that the "feeble" condition of American air power involves a grave national security risk in current world conditions must be applied immediately to Alaska.

Mr. Patterson's statement was made before President Truman's Air Policy Commission in Washington. He emphasized that expense should not be the determining factor in building our air strength, the availability of which may prove the difference between peace and war.

The former Secretary's views apply directly to Alaska because insufficient budget allotments, amounting almost to a congressional dole, are hamstringing the defense of this frontier against an invasion of North America.

Alaska may seem remote to most Americans. However, San Francisco, Seattle, and Portland are but brief air jaunts from Anchorage in propeller-driven bombers. What of jet-driven aircraft? What of planes which carry great bomb loads incredible distances?

STRAIT A NO-MAN'S LAND

Since our national policy is defense, not offense, no one in Alaska wants war. The Bering Strait, however, is today a no-man's land and the route across the top of the world is shrouded in mystery.

Russia, the only potential enemy which might attack us successfully, is glowering across the frozen wastes. Less than 3 years ago Russian cooperation for peace was a fair wager. But in the face of overwhelming evidence of Russian hostility, Alaskans believe that a prompt and adequate defense of Alaska is vital and mandatory because Alaska is the outer defense bastion of the United States and Canada.

By failure to appropriate sufficient funds so that our joint command may build facilities for Alaskan defense expeditiously, most people here believe that Congress is again gambling high, wide, and handsome with national security.

Alaska's defense is nine-tenths air, together with the appurtenances and paraphernalia with which to maintain strong in a winter climate capable of dropping to 50 or more degrees below zero. Hangars and nose docks must be built for planes. Housing must be constructed for pilots, crews, and maintenance personnel. Airfields must be policed, repaired, and kept clear of snow.

Many other services are mandatory, including weather observation and air reconnaissance, constant vigilance by radar and radio and alert rescue operations.

An Eskimo quits at 40 below zero and crawls into his igloo. The American air and service personnel in Alaska do not dare relax at 60 or more below.

THREAT NOT A FANTASY

If history repeats itself with several Pearl Harbors or Custer's Last Stands in Alaska because of a swooping paratroop enemy, it will be because Congress and the American taxpayer do not understand that the threat of invasion from over the top of the world is not a fantasy.

Instead of a budget dole from Congress which has virtually left Alaska thus far undefended Alaska needs a drawing account of at least $450,000,000 in the next budget. Only with such an appropriation may construction contracts be let with some guaranty that the work can be completed. As matters stand today only a figurative handful of men can be maintained or trained to fight under Arctic conditions in any 12-month period.

Operations in Alaska at present is the work of the Three-hundred and Seventy-fifth Weather Reconnaissance Squadron and the Seventy-second Squadron, the latter doing amazing things in long-range weather and photographic work. Operating on radio signals, which have superseded an almost impossible celestial navigation when the sun is barely over the horizon, this squadron has surveyed an air route from Fairbanks, Alaska, across Greenland to Iceland, and photographed all the islands of the Canadian Archipelago both by radioscope and visual photography.

These surveys have picked up much data of basic scientific interest. The fact that there are three magnetic poles, neighbors of the northernmost one in Bathurstland, has already been reported. There is scientific reason to believe that we may be on the verge of information beyond the reach of previous earthbound expeditions and that a scientific survey of the facts by an agency independent of the United States Air Force becomes important.

In any event, it is definitely true that the real North Pole is open water in summer, and that melting ice during summer months drifts northward instead of southward as previously believed. If such is true, then Richard Byrd, who flew over the pole in May 1926 in the airplane *Josephine Ford*, dropped an American flag on melting ice, but not on land as some supposed.

WEATHER SQUADRON MISSION

The primary mission of our Arctic weather squadrons is to proceed on routine, nonstop flights from Ladd Field (Fairbanks) to Point Barrow on the Arctic Ocean, to the North Pole and the area northeast of the Canadian archipelago and return to Ladd Field; from Fairfield, Calif. (near San Francisco), over a route in the Pacific Ocean and to Alaska and Ladd Field. These flights require as much as 18 hours in the air and the men making them are pioneers of science.

Ladd Field, which is the central point of weather observations and geographic surveys, was instituted in 1940. Its original complement of service troops was 500 men. It now houses 4,300 personnel in flimsy structures which must be replaced with permanent construction if men raised in milder climes are to live and work consistently in the subzero winter of the Alaskan interior. Ladd's runways are adequate for the B-29 bomber which devastated Japan, and a satellite field with longer runways is now building. It will be capable of serving the newer and larger B-36 bomber.

To house this craft the Alaskan Command is now building great nose docks which are well heated and will cover the wings and engines of these huge flying crafts. Mechanics find it impossible to work on airplane engines in temperatures as low as 55 degrees below zero.

Some 90 miles east of Fairbanks is a region called Big Delta, where other bomber and fighter squadrons may eventually be accommodated. Big Delta is at present the scene of Exercise Yukon. This exercise is being carried out by a company of 250 men of the Twenty-third Infantry Regiment of the famous Second Division quartered at Fort Lewis, Wash. (In World War I, the Second fought at Belleau Wood and was composed of the Ninth and Twenty-third Infantry Regiments and the Fifth and Sixth Marines. In World War II it fought in France and Germany minus the Marines.)

Maj. Gen. Paul W. Kendall, who believes that the infantry is still the queen of the battle, and his men came to Alaska in some 30 "flying boxcars," a 2-motored troop carrier designated in Army lingo as C–82's.

The assignment of Exercise Yukon is to test equipment under Arctic conditions and maneuver for the purpose of holding, reinforcing, or retaking airfields. The Fort Lewis soldiers did their pre-Alaska training on the slopes of Mount Rainier.

Actually Ladd Field (Fairbanks) and neighboring air stations were built to assist our Russian allies in ferrying lend-lease planes to Siberia and on into Russia. The Russians did not permit Americans to ferry these planes to Russian territory. So it is obvious today why the Russians know our Alaskan installations well, and we know less about theirs across the Bering Strait.

The Russians are reckless flyers and are particularly unimpressed with safety precautions. The story is told of a Russian flyer coming into Ladd Field one murky afternoon during the war with smoke issuing densely from his tail section. Investigation proved that he had a wood stove installed in the plane for warmth and a good supply of wood to stoke it.

Some of General Kendall's troubles at Great Delta this winter have involved the incursion of buffalo and black bears into his training quarters. Both are pestiferous, but the buffalo are of especial interest since there are thousands of them in the district. They thrive on the Arctic herbage even in winter and are increasing rapidly in numbers.

ANCHORAGE, ALASKA.—If the American Congress decides upon funds in the forthcoming budget to finance military construction necessary to a real and expeditious defense of Alaska, then Alaskan statehood falls directly in line, according to students of the situation here.

Under moss-grown rules of the Department of the Interior, Alaska's two principal industries, salmon fishing and gold dredging, have languished for many years. If the American taxpayer is willing now to make the investment in Alaska's defense and United States security, then Alaska's immediate industry will become a construction industry bringing tens of thousands of civilians here to work at wage scales which at present give the poorest Eskimo $1.25 an hour. With statehood Alaska will grow, and a wedge of the earned dollar will go for taxes which will build the country for the future.

It is perhaps safe to say that 99 out of 100 Alaskans desire statehood. One is told everywhere here that statehood is opposed only by the vested interests, and notably interests which take their earnings out of Alaska. Fearing taxation, they desire the status quo. They are said to dominate the territorial legislature, which, in turn, withholds funds for local improvement, the erection of schools, and municipal facilities for communal growth.

Alaskans are confused not only about the future of Alaska and statehood but as to the dilly-dallying of our Federal authorities in Washington in setting up a real defense of Alaska, which everyone knows means the defense of the United States. Alaska dominates the Great Circle route from North America to Asia and the air routes connecting these continents. The guided missile form of warfare, if it comes, will follow the Great Circle route.

A LOGISTICS PROBLEM

Robert B. Atwood, editor and publisher of the Anchorage Times, a splendid newspaper circulating over most of Alaska, is a foremost proponent of statehood. Mr. Atwood sums up the situation perhaps more calmly than does Bob Reeve, the famous Alaskan bush flyer who knows how to cuss.

"There are some basic circumstances in the national and international picture which seem to be indisputable," said Mr. Atwood in a recent editorial. "Put together in sequence, they seem to form a picture that reflects the prevailing thoughts among men in high places."

Mr. Atwood lists four premises on which he bases his line of thought. First, there are only two nations presently in a position to stage a war. Second, the chief weapon in any immediate war would be the long-range bomber and, in a not too distant war, the guided missile. Thirdly, World War III, if it comes, will burst forth suddenly not from us but from none other than Russia over the shortest and most direct route from Russia to the United States, over Alaska, and will be directed at some great city or cities such as Chicago, New York, Detroit, San Francisco or Seattle.

Mr. Atwood thinks that Alaska would be about the safest place in the world at first with these first attacks going overhead. But he adds that the best and easiest place to stop these missiles is in Alaska and a billion dollars would be a small investment should it be effective in stopping them. This editor believes that statehood will afford the proper jurisdiction to take advantage of an era of military construction devoted to stopping an over-Alaska invasion and that State and military could coordinate their efforts for Alaska's future.

A LOGISTICS PROBLEM

Among our military authorities in Alaska there is the belief that a serious logistics problem weighs before we will be capable of an adequate defense of Alaska. Roads and railroads must be built and pipe lines laid. Housing is another problem due to the short building season, the dearth of labor, and the high costs.

There is no unity of thought that an enemy from over the top of the world would be content to overpass Alaska. Many would rather prepare to defend physically the airfields and installations which could be of incalculable value to an enemy intent on invasion of the continent.

Many Alaskans believe that the American Congress will not fail in the nearest future to create a new defense construction industry in Alaska and that local governments and citizens may plan for the future. Says Mr. Atwood:

"This is common sense, not war talk. The Nation must provide insurance against unexpected contingencies even though the United Nations may be successful in avoiding another war. The program in Alaska is nothing but insurance for the Nation—like fire insurance on a house which nobody expects to burn."

Bob Reeve, the veteran bush pilot, as well known perhaps as anybody in Alaska, indulges in no polite language on the issue of statehood.

"The people of Alaska want state government and they have a right to work out their own problems," says Mr. Reeve. "The people who oppose it are simply afraid to pay taxes which they have always avoided. We know what statehood means. It means heavy taxes for everybody and some hellish hard sledding for the first few years. We will be glad to take it the hard way and we've got the guts to do it."

HEADS THRIVING AIR LINE

Bob Reeve is today the head of a thriving air line which flies two DC-3's, the standard two-motor type of the American Airways. In addition, he has several smaller planes which he has landed on glaciers, the gravel bars of rivers, and various other unorthodox localities.

Being in the airplane business, Mr. Reeve does not like to contemplate an Alaska of broad highways and railroads. He avers, however, that Alaska's future is not salmon canning, or gold mining, or the boom of military construction. There are many who agree with him that Alaska's future is the tourist business because it is one of the most picturesque spots on the entire earth.

The vast mountains, among them Mount Elias and Mount McKinley, rise in the neighborhood of 18,000 and 20,000 feet. There are smoking volcanoes along the Aleutian chain and on the mainland. There are parts of Alaska which, due to the Japan Current, are never very cold in winter when other sections are huddling under temperatures of 50 to 60 below zero. There are sections of Alaska never yet visited by man.

The airplane trip from Fairbanks to Point Barrow on the Arctic Ocean crosses the wide Brooks Range of mountains, which in their winter garb of snow are of indescribable beauty. The slanting rays of the Arctic sun at times paint these snow piles in delicate pink. Once across the Yukon River and beyond the Arctic Circle, the sharp peaks and the deep valleys, snow covered and fantastic in sun and shadow as far as the eye can reach, form a picture perhaps more awesome and fascinating than anywhere in the world. Little is known of the tortuous terrain deep in the Brooks Range.

ALASKA'S FUTURE IS IN TOURISM

To Americans and Canadians who know the scenic wonders of Europe, there is an even more fascinating continent right at home. Alaska not only affords the finest of scenery but remarkable hunting and fishing.

With the advent of statehood the real conservation of Alaskan resources will begin. Under the rule of a single government department in Washington, conservation is virtually impossible, for laws must be enforced, and this is not the case in Alaska today.

Address of Hon. Claude Pepper at the Dedication of Everglades Park

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. PEPPER. Mr. President, I ask unanimous consent to have incorporated in the Appendix of the RECORD my remarks made on the occasion of the dedication of the Everglades National Park, at Everglades, Fla., December 6, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Amid these scenes of enchanting interest today the President of the United States and the Governor of Florida rededicate to nature and to the people, this vast area of half a million acres which has ever been nature's majestic own.

Hereafter and for all time it belongs only to nature, to nature's God, and to the American people. For today this primeval expanse, containing vast areas where white man has never set foot, becomes the twenty-eighth national park—the Everglades National Park.

It will be the only such tropical park in all the land. Here more than 1,000,000 visitors soon will come each year to enjoy this marvelous museum of nature.

They will see the crocodile, the giant manatee, the alligator, the white tail deer, and 700 varieties of aquatic creatures. They will see the white egret and the roseate spoonbill, the wood ibis, the flamingo, the heron.

Too, they will see the world's tallest mangrove trees and 14 miles of virgin beaches; a constellation of sparkling lakes, streams, bays, and inaccessible swamps in this river of grass—the Everglades.

We wish to express our thanks and gratitude to the President of the United States, not only for his great and strong interest in the success of this project but for the immeasurable compliment of his personal appearance here today; to the Secretary of the Interior, to the National Park Service, and to the Governor and his cabinet and Legislature of Florida; to others too numerous to mention whose determined and untiring services have brought at long last to the people of this State and this country, this tropical monument of nature.

And now to the people's Federal Government and to the National Park Service we happily commit the protection and care of this rare and beauteous treasure for the health and happiness of all the American people.

May it long be a comforting refuge to those who seek inspiration and satisfaction at the shrines of nature.

Place of Trade-Unions in a Democracy

EXTENSION OF REMARKS
OF
HON. HARLEY M. KILGORE
OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a prize-winning composition entitled, "What Is the Place of Trade Unions in Our Democratic Way of Life?" submitted by John Dean, age 16, junior student, Stonewall Jackson High School, Charleston, W. Va., in a contest sponsored by the West Virginia State Federation of Labor in December 1947.

There being no objection, the composition was ordered to be printed in the RECORD, as follows:

WHAT IS THE PLACE OF TRADE-UNIONS IN OUR DEMOCRATIC WAY OF LIFE?

(Prize-winning composition submitted by John Dean, age 16, junior student, Stonewall Jackson High School, Charleston, W. Va., in a contest sponsored by the West Virginia State Federation of Labor, December 1947)

Trade-unions do have a definite place in American democracy. Their place is determined by definite needs. These needs are predicated upon the following:

1. Wages in their relation to the static cost of our standard of living and the rise and fall of it.

2. Wages in their relation to hours of effort necessary to maintain a normal economy.

3. Wages in relation to a common adjustment of wide differences which may exist in agriculture and industry.

4. Insurance of safe, adequate, and satisfactory working conditions, including plant and equipment.

5. Health, including medical care and hospitalization.

6. Adequate recreation, vacations, and recreational facilities.

7. Education: Opportunity to learn while you work.

It is a condition of democracy as against totalitarian governments that within a democracy almost any type of business may govern itself as it sees fit. Since businesses are conducted under some sort of organization for the insurance of its continuance, it stands to reason that the worker who is responsible for the success of a given business must have an organization for the insurance that they, too, will receive benefits such as above noted in articles 1 to 7, inclusive. Such protection for such benefits is not guaranteed in the business organization itself, trade-unions have emerged.

The success of present trade-unions is definitely establishing for the worker a high degree. The benefits above outlined firmly indicate their necessity as a part of our economic system as licensed in our democratic form of government. So great a part is played by the union in our democracy that some type of trade-union exists today for almost every type of business and number of employees ranging from a small employer to those employing thousands of workers and wherein certain workers do not have a particular union they are permitted affiliations.

It may be said that trade-unions have a long way yet to go for a well-rounded program of aid and protection which is rightfully due the worker. In order to become even more firmly fixed in our democracy every trade-union should seek to conduct its business in a democratic way based upon our constitutional Government with its checks and balances of the legislative, executive, and judicial departments, seeing to it that its officers be recruited from the ranks of labor and insisting that better benefits be returned to the worker from the dues paid in.

It is an axiom that the worker in our modern economic system has only his labor to sell. Individually he is helpless when facing an employer with a grievance to redress. Should the employer decide to reduce his wages or speed his work or fire him, he is helpless without some sort of protection, hence the need of trade-unions. Our economic system grew so rapidly that businessmen generally overlooked the worker's side other than to hire him for as many hours as possible with as little pay as the worker would consent to. Panics, depressions, and other economic disturbances tended to drive labor to some measure of protection and imposed continued responsibility upon trade-unions for the protections previously outlined. If trade-unions did not exist today some other form of organization would necessarily arise. No matter what angle one views, with our present economic set-up trade-unions definitely play an important part in our American democracy.

The American Railroads

EXTENSION OF REMARKS
OF
HON. CLYDE R. HOEY
OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. HOEY. Mr. President, I ask unanimous consent to have inserted in the

Appendix to the RECORD an article entitled "United States Railroads," written by Mrs. Eleanor Roosevelt from Geneva, Switzerland, and published in the New York World-Telegram on December 2, 1947.

The facts presented in this article are very revealing and demonstrate the success and efficiency of private ownership and operation of railroads in the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES RAILROADS

(By Eleanor Roosevelt)

GENEVA, SWITZERLAND.—Here are the facts in favor of private ownership of American railroads, as presented to me by the head of one of our railroads.

American railroads directly serve 60,000 communities. They employ about 1,360,000 persons with an annual pay roll of about $4,200,000,000. In 1921, the average annual wage per employee was $1,820; today it is almost $3,100. The railroads purchased annually about $1,500,000,000 worth of goods, and their aggregate taxes amount to about $500,000,000 per year.

Today they are only one of a number of types of transportation in the United States, but they did much of the pioneering work in the development of unity between different sections of our country. Railroads have helped to build communities, to develop new industries, to improve farming. They are still interested in such development, because the general traffic and operating policies of the many companies originate with and are mainly directed by local management, which is familiar with the existing and prospective needs of the communities that the railroads serve.

Railroads handle 60 percent of all our inland freight. During World War II, almost two-thirds of all United States traffic and more than 90 percent of Army and Navy freight was moved by rail.

In World War I the railroads were taken over by the Government. The average revenue per passenger-mile increased 51 percent, and the average revenue per ton-mile increased about 80 percent. But during the period from January 1, 1918, to March 1, 1920, in spite of the increase in both freight rates and passenger fares, there was a deficit of $1,616,000,000, which had to be borne by the taxpayers.

In World War II, when the railroads were not taken over by the Government, freight rates remained at approximately prewar levels and passenger rates increased only slightly, but the taxpayers sustained no loss.

Under private operation, with fewer employees, fewer locomotives, and fewer freight cars and passenger cars, the railroads moved on the average each month about twice as many troops, twice as many passengers, more than five times as much Army freight, 20 times as much Navy freight, and nearly twice as much other freight as had been carried during World War I.

In proportion, of course, the taxes paid to the Government were very much higher during World War II, so this would seem to have been an outstanding record for private enterprise.

The railroads and switching companies of the United States are owned and operated by almost 700 separate corporations, and there are almost 1,000,000 stockholders, who are located in every State of the Union. It is estimated that about 1,000,000 people own railroad bonds, and many others are interested through the holdings of trust companies, insurance companies, etc. The railroads contribute in taxes about half a billion dollars annually under present traffic volume. They are given no subsidy, which is not the case with some other methods of transportation.

Housing Problems in Pittsburgh and Allegheny County

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. MYERS. Mr. President, I recently received a copy of a letter which was sent to the members of the Joint Congressional Committee on Housing by the public affairs committee of the Federation of Social Agencies of Pittsburgh and Allegheny County. The letter indicates the gravity of the housing situation in that locality of Pennsylvania. I therefore ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 1, 1947.

Representative RALPH GAMBLE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN GAMBLE: The Public Affairs Committee of the Federation of Social Agencies wishes to call your attention to the urgency of the housing problems in this area and of the importance of Federal leadership and aid in resolving a situation which has reached critical proportions. Though a subcommittee of the Joint Congressional Committee on Housing held a hearing in this city on October 20, little time was available for the presentation of evidence concerning the effects of the situation on the people of this community.

Our committee, which speaks for 155 health and welfare agencies in Pittsburgh and Allegheny County has already endorsed the Taft-Ellender-Wagner bill for a National Housing Commission Act to stimulate the construction of public and private housing and research in the housing field. We feel that this measure is the most realistic proposal that has been offered to Congress to meet a situation that is now extremely grave and is rapidly growing worse. Surveys have shown that in the city of Pittsburgh today only 56.5 percent of the dwellings are structurally sound with all modern sanitary facilities. At least 22 percent of the housing is seriously substandard. Yet many of these houses, as well as those which come up to standard, are overcrowded beyond the limits of human endurance. The vacancy ratio among Pittsburgh's dwelling units is now less than 1 percent.

What this situation means to the many people who are caught without adequate living space can only be appreciated by the victims themselves. We know, however, from health and welfare agencies that a large proportion of the families they serve live in buildings already condemned by the city authorities as unfit for habitation, but from which they cannot be moved because there are no other places for them to go.

The situation is having a serious effect upon family life. Innumerable families are being broken for the simple reason that they cannot find space enough to live together. Our children's agencies report increasing requests for child placement, many of them made for no other reason than the fact that the parents have been unable to find proper shelter for them. The result is that many children are being sent to institutions, including the juvenile court detention home, although they have parents eager and otherwise able to make a home for them. On the other hand, many families which have managed to stay together have been able to do so only by doubling up with relatives in deplorable conditions of overcrowding.

Prompt action must be taken to alleviate these conditions if the nervous tensions which they produce are not to do irremediable harm, both to the individuals concerned and to our community. Such action can be put into motion with a stimulus from the Federal Government to promote building of rental housing for low-income and middle-income groups. The urgency of the situation requires that all housing resources, both public and private, be effectively used.

We earnestly trust that the Joint Senate-House Committee on Housing will take this testimony into consideration in preparing its report for the Congress.

Sincerely,

HARBAUGH MILLER,
Chairman, Public Affairs Committee,
Federation of Social Agencies of Pittsburgh and Allegheny County.

The Displaced Persons Problem

EXTENSION OF REMARKS

OF

HON. H. ALEXANDER SMITH

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. SMITH. Mr. President, last Sunday night at Calvary Church in New York City, I made an address on the subject of the Marshall plan and its implications in the present war situation. In the course of my address I stressed the importance and significance of the displaced-persons problem as an essential part of any program for over-all European recovery.

I ask unanimous consent to have my remarks on the displaced-persons problem inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The matter of the displaced persons of Europe is so widely misunderstood that a few facts with regard to it are relevant. It is a startling fact that during World War II over 8,000,000 people were uprooted from their homes either because of invading armies or because of persecutions. Of these 8,000,000 people, 7,000,000 have today been repatriated. The problem facing the world through the United Nations involves approximately 930,000 people. These unfortunate people are located in the American, British, and French zones of Germany and Austria, and in Italy, with a relatively small number in the Middle East and in China.

Of these 930,000 people, the IRO estimates that approximately 134,000 more can be repatriated, so the net resettlement problem is about 800,000. Of these, approximately 530,000 are in the United States zones of Germany and Austria.

Taking the displaced persons as a whole, it is estimated that 65 percent of them are

Catholics, 20 percent Jews, and 15 percent Protestants. Children under the age of 18 comprise 21 percent, while 66 percent are between the ages of 18 and 44.

In my trip to Europe I visited these people in their camps and had an opportunity to talk to them and learn about their problems first-hand. Practically all of them are self-reliant and self-respecting people determined to make their own living through their own work if only given the opportunity to do so. Many of them were the first fighters against tyranny, first of nazism and now of communism. They are eager to become useful citizens in a free country. They have skills which would enrich any country. They are farmers, doctors, nurses, needleworkers, chemists, mechanics, architects, bricklayers, and tailors; in fact, practically all trades and professions are represented.

The United States is challenged to act and act immediately. Three courses are open:

(1) Leave these people where they are—which is impossible because the German economy cannot support them and of course the United States Army cannot support them indefinitely.

(2) Repatriate them. This is being done by the IRO on a voluntary basis, but it would obviously be impossible to compel all of them to return to persecution and ultimate liquidation.

(3) Resettle them. This is the immediate problem facing not only the IRO, but also and especially the United States. We have the problem on our hands and we must act. It is my considered judgment that—

(a) We should immediately open our doors to admission of a reasonable number of these people outside the immigration quota system, but subject of course to our regular immigration requirements.

(b) We should then lead in the effort being made by the IRO to organize all the members of the United Nations in a program for a percentage assumption of the responsibility for the remaining problem.

The United States must be willing to take its reasonable share of the responsibility with similar action by other nations in restoring these people to hope and to the opportunity to start anew in fresh environments.

I am confident they would become useful and worthy citizens.

Do Controls Mean a Police State?

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr SPARKMAN. Mr. President, a few nights ago the Senator from Washington [Mr. CAIN], the Senator from Pennsylvania [Mr. MYERS], Representative CLARENCE J. BROWN, of Ohio, and I took part in a discussion of the question, "Do Controls Mean a Police State?" on Theodore Granik's American Forum of the Air Program, over the Mutual network. So many of my colleagues have asked about the broadcast that I ask unanimous consent that the entire transcript of the discussion be printed in the Appendix of the RECORD.

I should also like to take the opportunity here of paying tribute to Pilot Radio Corp. and its president, Mr. I. Goldberg, for making these great public service programs available. Mr. Goldberg was one of the earliest pioneers in radio, and he is now keeping up the good work by sponsoring the pioneer radio forum of them all, Ted Granik's American Forum, which is now in its nineteenth year on the air.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

DO CONTROLS MEAN A POLICE STATE?

Speakers: Senator HARRY P. CAIN, Republican, of Washington; Senator JOHN J. SPARKMAN, Democrat, of Alabama; Senator FRANCIS J. MYERS, Democrat, of Pennsylvania; Congressman CLARENCE J. BROWN, Republican, of Ohio.

Chairman: Theodore Granik.

ANNOUNCER. Pilot Radio Corp. makers of fine radio equipment for over a quarter of a century, proudly presents America's oldest radio forum, now in its nineteenth year of public service, the American Forum of the Air. [Applause.]

"Do controls mean a police state?" Once again from the Shoreham Hotel, Washington, D. C., we present the vital issue of the week discussed on your American Forum of the Air, founded in 1928 by Theodore Granik, attorney and moderator.

Tonight our four authorities are: Senator JOHN J. SPARKMAN, Democrat, of Alabama; Senator FRANCIS J. MYERS, Democrat, of Pennsylvania; Senator HARRY P. CAIN, Republican, of Washington; and Congressman CLARENCE J. BROWN, Republican, of Ohio.

Senator CAIN was kind enough to substitute for Senator JOSEPH BALL, of Minnesota, who was taken ill.

And now, here is your moderator, Theodore Granik.

Chairman GRANIK. Good evening.

The President's proposal to establish price controls and rationing has met with enthusiastic support as well as bitter opposition. Opponents quote President Truman himself as saying that to enforce such controls "police state methods" are necessary.

The opposition contends that a system of controls could put our whole economy in a strait-jacket.

Those who support the President's proposal point out that he asked for only selective controls; that is, rationing and regulation of prices only for those commodities which are scarce and which bear directly on the cost of living.

This rising cost of living affects us all. The situation has become critical. Any plan that promises to stop the price spiral deserves consideration. But we Americans prize our liberty and we do not want to see a totalitarian state imposed upon us.

Could controls lead us to a police state here?

We are now ready for our first speaker in the discussion, Do Controls Mean a Police State?

Congressman CLARENCE J. BROWN, Republican of Ohio. Congressman BROWN.

Representative BROWN. The subject of this debate is, Do Controls Mean a Police State?

I believe the answer depends entirely upon what sort of controls you are talking about. If you mean Government controls which regulate the ordinary everyday activities of individual citizens and the different business enterprises of the countries, such as price controls and rationing in peacetime, then, of course, such controls mean a police state.

I call as my witness to substantiate my statement a very well-known student of economics and governmental affairs by the name of Harry S. Truman, who in a press conference on October 16, in answer to a direct question, made the flat statement that all consumer controls were, in his estimation, police state methods.

The New York Times, a Democratic newspaper, in discussing the President's press interview, stated that he, the President, classed all forms of price controls and rationing as essentially police state methods.

Where can I turn for a higher authority to answer your question?

Chairman GRANIK. Thank you.

Now, Senator FRANCIS J. MYERS, Democrat of Pennsylvania. Senator MYERS.

Senator MYERS. Mr. Granik, if by controls you mean complete control by Government over our entire economy and over our very lives and even over our thoughts, then certainly Government controls mean a police state. But no one seriously proposes such controls for the United States.

What has happened here is that certain partisans have seized upon an academic expression by President Truman of an inherent aversion to peacetime controls and have distorted some words he used about a police state into a hysteria over any and all controls of any kind whatsoever.

America will never have any police state so long as American democracy operates. Our problem comes down to the simple necessity of halting this outrageous inflation, of curbing dog-eat-dog economics at a time of national and international crisis, and of putting some reasonable and some sane restrictions on human greed at a time when such greed cannot only disrupt our foreign policy, but can throw this whole Nation into an economic tailspin.

The President's point at that press conference was that in a police state the Government just imposes its will upon the people, but that in a democracy the people through their representatives impose restraints on themselves.

Chairman GRANIK. Thank you, gentlemen.

And now for our spontaneous discussion: Senator CAIN, on October 16 the President said that price control is a police-state method. Now, what happened between October 16 and November 17 to make him recommend price control for the American people?

Senator CAIN. Mr. Granik, I wish I knew.

The President's statement and his actions appeared to be fundamentally in contradiction, and, being out of the country on October 16, I can't be certain what the President meant, but perhaps Senator SPARKMAN, of Alabama, will explore the question for me and for Americans generally.

Chairman GRANIK. Senator Sparkman.

Senator SPARKMAN. Well, Mr. Granik, I have not seen a quotation of the exact words that the President used, but I think I know what he meant.

Chairman GRANIK. Does anybody know what he really did say?

Senator SPARKMAN. I don't know. His thought, I think, was the same as mine and the same as that of most people; that is, that controls are to be avoided where possible, that they are not to be used in peacetime except as a last resort.

Most Americans would like to avoid them, but I believe that most Americans, just like President Truman, are willing to take them in a time of great economic emergency such as now prevails.

Representative BROWN. Mr. Granik.

Chairman GRANIK. Go ahead, Congressman.

Representative BROWN. Of course, at the time the President gave his interview to the press in which he called price control and rationing a part of a police state he was also telling the newspapers and the American public that he was opposed to these controls and rationing being placed back on the American people. Thirty days, or 31 days, later he appeared before the Congress of the United States and asked for the authority to impose all of those controls, and they weren't just a few hit-or-miss, little

controls. There were a number of controls—10, I believe—which would have given to the President of the United States autocratic power over the entire economy of this country. Which time was he right?

Senator MYERS. Rather than discussing what President Truman may have said and whether he was properly quoted and accurately quoted, we should really devote our time to the emergency with which we are confronted, the danger of inflation, and determine what should be done about it and what might be done about it, rather than merely discussing simply, academically, whether or not controls are a police-state method.

We have many controls today. We know they are not police-state methods. Even Senator TAFT favors the continuance of rent controls and credit controls and export controls and bank credit controls, and others favor other kinds of controls. So, whether all controls are a police-state method, whether any controls are a police-state method is something that seems to me rather academic.

What should be done today about this inflation that confronts us and the great danger that confronts all of us?

Representative BROWN. Mr. Granik.

Chairman GRANIK. Go ahead, Congressman.

Representative BROWN. As the only Member of the House of Representatives, I feel rather lonely in this group of United States Senators. I want to say to you, Senator MYERS, that you are attempting to get away from the subject, as is typical of the Senate. I have listened to a great many debates in that body (the rules of comedy do not apply here), and I know that quite often they get off the subject over there.

And, of course, the subject of this debate is whether or not these controls do constitute a police state. That is what I thought we were discussing.

Chairman GRANIK. Senator MYERS asked about rent controls, whether rent-control enforcement constitutes a police state.

Representative BROWN. I thought so. That was why I voted against it.

Chairman GRANIK. Senator SPARKMAN, do you have a comment?

Senator SPARKMAN. I was going to ask my friend, CLARENCE BROWN, if he is in favor of any controls.

Representative BROWN. I am certainly not in favor of all-out controls that have been given here.

What controls you have had you haven't used wisely or well.

Senator SPARKMAN. Are you in favor of export controls?

Representative BROWN. I am in favor of certain export controls at any time. That is not a control of the activities of the individuals of this country.

Senator SPARKMAN. You can't sell your products where you want to.

Representative BROWN. Yes; you can sell all the products you want to in this country, young man. Go out and try.

Senator SPARKMAN. There are lots of business people who are asking for the right to ship to all the countries of the world.

Representative BROWN. And a lot of other people are asking for better control of exports in this country for which you have authority now, but which you have failed to do, miserably.

Senator SPARKMAN. Simply due to the fact that the Republican Congress failed to give those responsible for export controls an appropriation in the first session of Congress so that they had to cut their staff.

Representative BROWN. You fellows, I feel sorry for you. You only had $37,500,000,000 to operate with this year, four times as much as Mr. Roosevelt ever spent in any peacetime year. And he wasn't such a slouch as a spender, either.

Senator CAIN. I don't think any of us want to duck a question which is fundamental in character: What are we going to do about inflation? How are we going to reasonably carry out our international commitments while decreasing prices for the consumer at home?

JOHN, I should like to ask, in that connection, with reference to your premise: Isn't it true that in 1940 and 1941 we had what was known as selective rationing and we found it did not work and is it any more conceivable that we can start with a meager return to controls today without an assumption that they will soon become all-inclusive, as they were before?

My only chief concern about that is that a control is restrictive by its very nature and how in heaven's name, when we need an economy of abundance, can we get what we need through the imposition of what the President has asked for?

Senator SPARKMAN. You have a pretty big question there, HARRY. I don't believe you are right that in 1940 and in 1941 we had selective rationing. I don't think that was ever true. I do know that in 1946 when such a tremendous drive was made by the Republicans in Congress to repeal OPA, they used the very argument then that we ought to use selective rationing.

Senator CAIN. I don't happen to agree with that.

Senator SPARKMAN. You weren't there, so you can't be blamed.

Representative BROWN. I was in Congress at that time; may I answer?

Chairman GRANIK. Go ahead, Congressman.

Representative BROWN. I know the gentleman has a good memory and I am sure he does not forget that in 1946 the Democrats, or the New Dealers, whatever you want to call them, had 57 members in the Senate to 28 Republicans, and 243 in the House to 190 Republicans, and the poor old Republicans just did it all; didn't they?

Why, you Democrats were voting for it.

Senator SPARKMAN. The Republicans took the lead in advocating it.

Representative BROWN. Let me tell you how it worked. I want to quote what Paul Porter said. He is one of you. He was then the OPA Administrator.

Chairman GRANIK. You missed him by a week. He was here last week.

Representative BROWN. He said on June 5, 1946, while appearing before a congressional committee, that 79 percent of the American communities were short of bread and that it wasn't working. And the President, when he took off these price controls, said that they weren't working.

Senator SPARKMAN. I wonder why it is, Clarence, that you Republicans are anxious to make it appear that the President took off controls, when you know that the whole campaign last year was fought by the Republican Party on the idea of removing all controls. [Applause.]

Chairman GRANIK. Gentlemen, let's go back for a moment.

Senator CAIN. Perhaps, JOHN, it would be more proper if we did not refer to the past as much as we talk about the imposition proposed of controls today.

Senator SPARKMAN. Let me say that I am in agreement with you. Let's talk about today.

Senator CAIN. What do you find in the President's proposal, as proposed, re-creation of controls, which will add to the consumer goods and the productivity of this great Nation?

Senator SPARKMAN. Let me approach it in this way. The thing that impressed me about the President's program when he delivered it was those 10 items which he outlined, 9 of which had been recommended in a report of a subcommittee of Senator TAFT's Committee on the Economic Report, headed by Senator FLANDERS. Senator BALDWIN was on that subcommittee and Congressman RICH, of Pennsylvania, and Congressman KILBURN, of New York, Republicans all, and that subcommittee recommended every single one of those that the President recommended except one.

Senator MYERS. Price control.

Senator SPARKMAN. I thought the President must have read that report.

Senator CAIN. Perhaps he did. I can only say in response to that that all people in the Congress today, be they Democrats or Republicans, are seriously and tremendously worried about this whole program. It simply won't work.

Senator MYERS. Everybody talks about inflation, everybody is worried about it, but nobody on your side seems to desire to do anything about it.

Senator CAIN. I think we are trying to do something about it but our opinion, or at least my opinion, is that the President's program intends to deal with the symptoms of inflation without attacking the causes of inflation, which is the only thing that makes any difference.

Senator MYERS. The Secretary of Agriculture has predicted less meat and higher prices next year. Steers today hit $38.50, an all-record high. Wheat just a few days ago hit an all-record high. It is there. What do you propose to do about it?

Senator CAIN. I am trying to do something about it in connection with No. 5, where the proposal has been made to do something that will induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grains. I think those are words which in themselves mean nothing.

Representative BROWN. May I say one thing here? I am from the House, you know. I am one against three. I would just like to call to your attention, when you talk about this meat shortage, that on June 27th of 1946, we had 58,000 meat shops or butcher shops closed in the United States under price control.

Senator MYERS. When was that?

Representative BROWN. June 27, 1946, when we had a Democratic President and Democratic Congress.

I just want to say to Senator SPARKMAN that I do not recall just what the President may or may not have read, but I read with a great deal of interest the comment that Senator BYRD, one of your colleagues over in the Senate—I think he is a Democrat—made following the President's speech, in which he said that the President, in order to free Europe, was asking that the American people be made the slaves of a bureaucracy.

Senator SPARKMAN. I wonder if you saw in the press just a couple of days ago a statement in which Senator BYRD said that he was going to support a substantial part of the President's program, and by the way, let me say that Senator BYRD is not alone—neither are the Democrats alone. I take issue with my friend and colleague, Senator MYERS here, when he says nobody on the Republican side is trying to do anything, because this eastern subcommittee——

Senator MYERS (interposing). I should have said the Republican leadership.

Senator SPARKMAN. I agree with you there, except for the fact that Senator TAFT has advocated 4 of these 10 controls himself. Senator WHERRY just the last day or two advocated the control of petroleum products. Oh, he wanted voluntary controls first, but when the petroleum people told him they could not control it voluntarily, then he threatened Government action. Senator CAPEHART came out with a program. Read it and see how much control is in it. Senator TOBEY has a program; Congressman WOLCOTT wants rent control.

Senator CAIN. Senator CAPEHART, of Indiana, will embrace any control which in itself adds to and stimulates production. He is violently and obviously in opposition to a number of the President's proposals—I can take the first one, to restore consumer-credit controls and to restrain the creation of inflationary bank credit. He is in violent opposition to both because they are not going to carry out a production quota or goal.

Chairman GRANIK. Senator MYERS, should wages as well as prices be controlled?

Senator MYERS. I think so, if necessary, if we have complete controls.

Senator CAIN. What do you mean, if necessary? Can you control one without controlling the other?

Senator MYERS. Of course you can, because in every instance prices have gone up before wages.

Senator CAIN. Exactly.

Senator MYERS. Prices have gone up and then wages will go up.

Senator CAIN. But one will follow the other.

Senator MYERS Not necessarily. When wages in the steel industry were increased about 50 cents, steel went up $1. It does not follow at all.

Senator SPARKMAN. One dollar a ton? Ten dollars a ton?

Senator MYERS. Twice as much as the wage increase—so I say if wage controls are necessary, of course I would advocate them. I do not believe, in selective rationing or selective price control, that you need wage controls.

Senator CAIN. Could you explore that just a little bit further? You used the term "selective rationing." Where do you go with selectivity when we have a right to assume that it will be in the future as in the past, that if an article is placed under restrictive control, the producer will quit making that article, if he conceivably can, in favor of making a compromise article which is not half so good, which is ersatz, in fact, at half the price?

Senator SPARKMAN. Let me answer that with the argument of one of your Republican Senators. Senator WATKINS placed a statement in the CONGRESSIONAL RECORD just yesterday in which I think he gave a 10-point program, 6 of which were controls, and the most prominent one of which was to buy up the entire wheat crop. That is his recommendation.

Senator CAIN. Which gets back to my point, JOHN.

Senator SPARKMAN. You are certainly controlling that commodity when you buy it up.

Senator CAIN. That is exactly what Senator WATKINS would do, but the seriousness of this demands from each of us a conviction on our own part, and when you refer to something in a dead piece of paper, called the CONGRESSIONAL RECORD, you are not in fact talking among the live people who are endeavoring to express their opinions today.

Chairman GRANIK. I am not in Congress, but doesn't the CONGRESSIONAL RECORD represent live statements?

Representative BROWN. I just want to rise here for a moment and say to you that I have been sitting back here quietly in awe, and I can understand now more about the Senate than I have ever understood before. No two of them can agree on anything, and perhaps that is part of our trouble.

Senator CAIN. CLARENCE BROWN, I think we could agree on this. Not very long ago, now that you have mentioned the Senate—and I happen to be a part of that Senate, and a very proud one, too—95 of us, all that were in the Senate at that time, voted, and we did not take 5 minutes to do it, to pass a veterans' bonus. It was from our point of view a proper thing to do, but, in heaven's name, it was inflationary by its very character.

My contention on that is that we as a Congress and we as an American people are not realistic about the sacrifices we must make to reduce inflation. We spend our time talking about endeavoring to restrict the extension of bank credit, which, being productive in character, adds to the productivity of this country. I think it is just nonsense.

Senator MYERS. HARRY, you believe that prices are spiraling and continuing to go upward?

Senator CAIN. Indeed I do.

Senator MYERS. The Washington Post says butter will be $1 tomorrow here in Washington. We know we are going to have higher prices for meat next year. What are we going to do, just let it continue, let it spiral, forget it?

Senator CAIN. I would just make one comment. I wish I knew what to do about it. I don't, except I think there are basic premises headed in the direction of curtailing inflation that we as a Nation are absolutely ducking.

Senator MYERS. We have a program here. The President has suggested controls. You disagree as far as those controls are concerned, but you should have a program. I think the majority party in the Congress should have a program. I think you should advocate something definite and positive.

Representative BROWN. I would like to enlighten and inform the Senator.

Senator MYERS. I have been waiting for that enlightenment for a long time.

Representative BROWN. Keep quiet and relax and I will tell you. There are a lot of things you can do. First of all, if you want to stop rising prices you have to increase production, and you have to stop shipping out of this country more than your surplus production.

Senator MYERS. CLARENCE, we didn't ship, we didn't export more than 2 percent of our meat during the year 1946.

Representative BROWN. Wait just a minute; just listen a minute. Whenever you export more than a surplus of any commodity that you have in this country, whether it is 2 percent or 80 percent of your production, you immediately create a scarcity, and with it a high price; and of course you know and I know that you are exporting some fifteen to eighteen billion dollars' worth a year. You are exporting about a billion dollars more than you are importing in this country, and the sad part about it is that most of those exports have not been going to the countries where they need the food and the help.

Chairman GRANIK. I am sorry, gentlemen; we pause now for a summation of the arguments advanced this evening.

Now I see our speakers are ready to sum up tonight's arguments. First we will hear from Senator CAIN.

Senator CAIN. Mr. Granik, our wartime experience clearly demonstrated, to me at least, that once you travel with compulsion you must in time find yourself completely enmeshed in the completely nonproductive futility of regimentation. You cannot establish and maintain retail price ceilings without enforcing ceilings on wholesalers and manufacturers; you cannot enforce ceilings on the manufacturer unless you establish ceilings on the raw materials he uses in his plant. That means controls on the farmer and miner, too, but you cannot stop there. You must also control freight rates in the movement of materials and products.

We have learned the hard way that it is impossible to maintain price control without wage control. We have learned you cannot keep wages down unless you prevent a rise in the cost of living. It is a wild chase around a vicious circle. Every link in that chain is important. That is why price controls, in my opinion, in a free economy must wind up by Government control all along the line in due time. In a word, you cannot tamper with any part of the function of our complicated economic system without controlling the whole machine.

Chairman GRANIK. I am sorry, Senator CAIN, your time has expired. Senator SPARKMAN, will you sum up?

Senator SPARKMAN. As I see it, we have enough food, feed, and materials to go around if properly managed. Unfortunately, the margin is not great and in the event of short crops next year, the world, or a great part of it, might go hungry.

Prices have responded to the scarcities and to the fears of future scarcities to such extent that we have dangerous inflation. To make certain that there is an equitable distribution at a fair price, we need controls. Nearly everyone admits the need of some controls. About the only point of difference is the extent of the controls.

President Truman has recommended a 10-point selective control program. Whatever controls may be needed, they can be imposed upon us in only one way: through the vote of the people's representatives in the Congress of the United States. Such democratic action is not the action of a police state.

Chairman GRANIK. I am sorry, Senator, our time is up. [Applause.]

You have been listening to the American Forum of the Air discussion: "Do Controls Mean a Police State?" Our speakers have been Senator JOHN J. SPARKMAN, Democrat of Alabama; Senator HARRY P. CAIN, Republican of Washington; Senator FRANCIS J. MYERS, Democrat of Pennsylvania; and Congressman CLARENCE J. BROWN, Republican of Ohio.

World Trade

EXTENSION OF REMARKS
OF
HON. TOM CONNALLY
OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. CONNALLY. Mr. President, the Honorable James A. Farley, former Postmaster General and a very distinguished American, sometime ago delivered a notable address on world trade. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WORLD TRADE—ON IT DEPENDS PROSPERITY AT HOME

(By James A. Farley, chairman of the board, the Coca-Cola Export Corp.)

The American objective of constantly providing more things for more people cannot be reached without doing business with the other nations of the world. If we are to have prosperity at home, we must have paying customers abroad. In turn, we must buy the goods the other nations produce.

At the moment there is an acute shortage of dollars abroad, and many of the emergency measures to tide over nations hurt by war have ended. These current worries have obscured the longer range vision of countries working together as buyers and sellers. This vision must become a reality if we are to have a steadily rising standard of living.

Though much of the world is still suffering from the shock of war, our export-import planning should be based on the premise that effort and industry in other nations will return to normal. Only when those nations are back on the job can foreign exchange of goods be carried out on a realistic, businesslike basis. Certainly our experience since the end of the war has demonstrated that we cannot continue to export without importing at a reasonable ratio.

GOOD BUSINESS TO DO BUSINESS ABROAD

The United Statets has shifted from a nation that had to be developed by capital from abroad to one that develops foreign areas with capital it exports. The Government, through loans, lend-lease, and relief grants has borne this burden during the past few years. It may do so for some time, but eventually private business will take over this task where it is permitted. The other areas may still be markets for our goods though dealings are carried out on a governmental level.

The warning that by rebuilding foreign industry we are putting competitors for overseas markets back into business is not valid. The history of world trade shows that the best customers are those who are able to sell abroad, generally in direct competition with each other. Their industry makes them better customers for their own products as well as the goods of others.

Because we are a highly industrialized nation, the bulk of our imports will be in the form of raw materials. It may be wise for us to build up our stock piles of raw materials now to hasten recovery abroad. When other nations are back on their feet, they will, as they did before the war, produce many manufactured products that we need in this country.

Another factor that will help bring foreign trade into balance is resumption of travel abroad. Millions of Americans, armed with the accumulated desire and savings of the period in which travel was impossible, will be voyaging to South America, Europe, Africa, Australia, and Asia. The money they spend in other lands will come back to us as payment for goods we export.

It is difficult to say just how much of our national output will have to go into foreign trade to maintain full production and full employment at home. It will be at least as much as the one-tenth of production figure that was the rule before the war. In dollar value it should be much higher than that 10-percent quota.

One thing that will help us maintain this volume of foreign trade is the reputation for quality gained by American products in the years before and during the war. In every land where American forces were stationed they did a tremendous missionary job for American business. The French, British, Italians, Chinese, and others know first-hand that American products are the best in the world. Enemy commanders in World War II frequently admitted that they had lost campaigns because they underestimated the quality of American equipment. In the Near East the word "nylon" has become synonymous with first grade.

Business must continue to build this reputation for excellence if we are to capture our share of the world markets. The old idea of using foreign lands as dumping grounds for merchandise that couldn't be sold at home does not fit into the new scheme of things. If foreign buyers want second-rate merchandise, and if we send it to them, it should be frankly labeled as such so that we may maintain our reputation for fine quality.

ADVERTISING ABROAD IS EFFICIENT

In our trade with other nations of the world advertising can play the same role it has in this country, though advertising abroad is a much more complicated operation than in this Nation, where habits and customs are uniform. Advertising abroad can build the knowledge of American products and the desire for them if each campaign is custom tailored. Our export advertisers must learn the habits and peculiarities of each market if advertising is to be the powerful marketing force abroad that it is at home.

* * * * *

The need for doing a better job of advertising abroad in the future than we have in the past has already produced many changes. Agencies are setting up foreign branches to learn more about the people they wish to reach through advertising. Advertisers generally have abandoned the idea that advertising in other languages is merely a matter of translation. They have learned that some ideas and expressions acceptable here are in poor taste abroad. Their messages now are fashioned in the working language of the people they wish to reach.

This revolution in export advertising stems from industry's broader interest in markets outside the United States. The war sent millions of Americans overseas. Transportation has speeded up; the airplane has brought inaccessible places close to our shores. We have come into possession of established enemy trade-marks and markets. These and other factors combine to whet industry's interest in the vast markets that exist in other parts of the world.

Large American companies have built the framework for our foreign-trade structure. In many cases, they opened new markets alone. In the past 10 years they have been helped by an interested and industrious Government. The State and Commerce Departments have done much to clear out the red tape and to arrange pacts and trade agreements with other nations.

In my recent trip around the world I found our consular service willing and able to help businessmen, large and small. Its members provided facts and figures unobtainable from other sources. These State Department workers, stationed in hundreds of cities throughout the world, are doing a fine service for American business. Their studies, observations, and opinions can serve to cut the cost and time of setting up in foreign trade.

OPPORTUNITY FOR SMALL BUSINESS

The opportunity for building foreign trade is not limited to the giant corporations. In fact, most of our hopes, of the future of our trade with other nations are pinned to the smaller companies. The little fellow, like the big companies, can get information and help from the Government. In many cases the small producer is better equipped to take over a segment of a market than the large companies. American production is uniform, but foreign demand varies from country to country and often from region to region within a country. The smaller manufacturer, being more flexible, can suit his production to meet those peculiar demands.

One of our errors before the war was to assume that everybody would buy the same products that we used. Other countries were better prepared to fulfill the peculiar wants that we did not recognize. If a relatively small segment of the population wanted unusual products, salesmen for other countries could fill the order. Our representatives frequently went orderless because a big production line could not be interrupted to make a few thousand items to suit a special regional taste.

INFORMATION AND RESEARCH NEEDED

I can think of no better illustration of this than the story about the people in the Dominican Republic who wanted buttoned shoes when the rest of the world seemed to prefer laces. Shoe buttons were considered a mark of social distinction there. The brighter and more varied they were, the higher the wearer's social standing. Representatives of both German and American export firms were on hand for the business, but the German salesman got the order because he always agreed to give them anything they wanted. The American salesman had insisted on selling laced shoes because "that's what they wear on Broadway," a selling point that had little effect on the native buyer who very rightly preferred to set his own style rather than follow another's.

Before the war the export-minded people were those in the seaports. Back in the interior, few companies even considered foreign trade, not being equipped to find overseas markets for their goods, or having experience in the complicated mechanics of foreign commerce. Even in some of the larger cities a businessman could not obtain the information and advice on basic export practice.

Since the war smaller companies everywhere have become foreign-trade conscious. They realize now that export represents the difference between full and partial production. They have mastered the paper work and the principles of trading with other countries. In this, they have been helped by the Government, foreign-trade groups, and many fine foreign-trade journals. They will play a major role in the foreign-trade picture of the future.

The airplane has been an important factor in making all of us world trade conscious. American businessmen now journey to countries they had encountered only in travel books before the war. Our knowledge of the world and our desire to trade with other nations have increased. But we must make every effort to increase our understanding of foreign people and their wants if our export-import effort is to be a success.

The need for market research abroad has already brought about some progress, especially in Mexico and South America. These studies should be extended to all areas in which we plan to do business to guide our marketing. We have abandoned hit-or-miss selling at home, and we must eliminate guesswork abroad. New techniques of market analysis suited to foreign countries are being developed; before many years, a wealth of this information should be available to the exporter.

A BRIGHT PICTURE

The improvement of communications facilities and of transportation, both air and sea, will have a tremendous effect on future foreign trade. Some of the delay in getting goods from our factories to customers abroad will be eliminated. Better methods of packing and shipping, many developed during the war, will trim the cost of shipment. Speeded delivery will make possible exchange of seasonable or perishable products that could not be handled before the war.

Of course, political differences and social unrest in many parts of the world will affect foreign trade. But with so many factors pointing to our success, even these seemingly overwhelming political blocks can be passed. We are already well under way in Latin America, South Africa and Scandinavia. Though the dollar supply there is falling low, we can feel certain that equitable arrangements for foreign trade will be made.

In war-blasted northern Italy, industry is coming back, perhaps faster than in other parts of Europe. France is beginning to get a grip on itself again. England, still in a crisis, is sure to emerge again as our best paying customer. India and China, as soon as they settle their political troubles, should be great markets for our products. Our success in foreign trade is certain if we plan right and work to make foreign trade a major factor in reaching a high level of economy and in staying there.

Labor and Informed Public Opinion

EXTENSION OF REMARKS
OF
HON. MILLARD E. TYDINGS
OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an interesting address, entitled "Labor and Informed Public Opinion" delivered by the senior Senator from Rhode Island [Mr. GREEN] at the tenth annual convention of the Rhode Island State Industrial Union Council, CIO, December 7, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Officers, members, and guests of the Tenth Annual Convention of the Rhode Island State Industrial Union Council, CIO, it is a real gratification to me to come before you today. That branch of the great American labor movement you represent has made steady, and remarkable progress here in Rhode Island in recent years, and I am glad to have this opportunity to express my pleasure at your accomplishments and to wish you further success in the days and years ahead. Your movement has grown in numbers, but the expanding influence of labor organizations in this State is based on much more than numbers and even economic skill in collective bargaining. It is constantly building itself a more important place in the community, because it has demonstrated a greater sense of responsibility and leadership in relation to public issues. The fact that your unions have increased wage rate and improved conditions of work is, of course, of fundamental importance. It is even more important that you have made these advances by making genuine contributions to the success and well-being of the economic and social life of our society as a whole. Then too your movement is in a constant state of development. You do not stand still, but by a process of deliberate self-education and training you improve your methods, increase your competence, and widen your point of view.

I am particularly impressed by what I have learned about your educational programs. The work this council and other branches of the labor movement has been doing to train your local officers and rank and file in cooperation with the extension division of our State college and other educational bodies, has impressed me most favorably. It should impress also those elements in our State which continue to keep their fingers crossed in all matters relating to organized labor. The Rhode Island experiment in the field of workers' education is something we have reason to be proud of. It is one which I feel should be carefully studied by the committees of the United States Congress, which I hope will shortly conduct hearings on what is now known as the labor extension bill, S. 1390, which my distinguished colleagues, Senators THOMAS of Utah and MORSE of Oregon, are sponsoring. I am told by those who have made a study of adult education, and of workers' education in particular, that here in Rhode Island we have achieved a sound working relationship between trade unionists and college authorities which is peculiarly valuable and encouraging.

It is not my purpose today to more than mention this particular question but I must congratulate both the leaders of labor and the university officials who are conducting this important project in the field of education and self-development. Let me volunteer to do what I can to help in this inspiring undertaking. So when hearings do take place in the Congress on the labor extension bill, I would like to present to the committee a comprehensive and analytical description of the Rhode Island workers' education program. I would like to prepare this statement in cooperation with a group representing the State college authorities and the various labor organizations who have shared in the planning and operation of this program. The concrete experience and achievements in Rhode Island will be of peculiar value in helping to frame suitable legislation which will make it possible to broaden and strengthen the workers' education program both locally and nationally.

As to the larger problems which now face a representative of the people in our National Congress, the field is so large and the issues so complex that it is literally impossible to undertake any comprehensive discussion of public issues in a single address. The special session of Congress now in progress is presumably concerned with the vital questions of foreign aid and the curbing of economic inflation here at home. The administration, I feel, has wisely urged that these matters be considered together for the very sound reason that the extent and amount of the practical assistance the United States can give to war-torn countries depends in great measure on the volume of production and the range of prices here at home. At a hearing before the Senate Appropriations Committee the other day, I stated I was interested both in interim aid for Italy, France, and Austria for the next 4 months but also in interim aid for Rhode Island and the other New England States for the same period.

The party now in control of Congress has, I feel made a grave error in attempting to separate these questions, and indeed, in taking the position that the matter of inflation is irrelevant at this time. It is true that the Republicans have been split on the foreign-aid issue. Some of them do see the urgency of the need and have disregarded partisanship in pushing for prompt and adequate action. Some others, however, have given comfort to the extremists, both of the left and the right in the European countries, by delaying the assistance program. Let me call your attention to one basic fact in this whole discussion which has not been stressed and which is tied right in with our domestic economic and political situation. The Harriman Committee which has given this whole question of European recovery the most careful and expert consideration, and on which, let me remind you, top representatives of labor have served, has tried to drive home the need for restoring the economies of these allied or ex-enemy nations so that they may contribute again to world prosperity. Relief of the starving is imperative and essential, but still more important is the task of providing the means to enable these countries not merely to feed and clothe themselves, but to become partners in the immense task of world reconstruction. If this objective is to become American policy in fact, we cannot ignore or sidetrack the question of inflation here at home. Nor, dare we neglect the even more fundamental question of the development and conservation of our productive facilities and natural resources right here in the United States. This latter problem was emphasized in the so-called Krug report, which all Members of Congress have had available to them.

The people of America, I believe, will finally judge the Members of the present Congress not on the fine speeches that they make about the threat of world communism (which I, as you well know, abhor and condemn), or about the wretched condition of Europe's millions, but on their votes on implementing the foreign-aid program by adopting the measures aimed at checking inflation here at home, which were outlined in the recent recommendations of the President. I think that the people of Rhode Island, and you, in particular, understand what I mean when I urge and plead with you never to let anyone confuse you by attempting to separate the question of our own domestic prosperity and spiritual well-being from the question of world economic reconstruction and the maintenance of the democratic way of life. You will never go far wrong in your domestic political judgments, or your obligations as a citizen of the world, if you insist at all times that we must insure the well-being of the majority of the American people if we are to do our full duty to our fellowmen in other countries.

Let me, quite briefly, touch on one or two of the major questions which will come before the Congress in the regular session next year. Reprints of a speech I made on the Taft-Hartley bill during the debate on that measure have been circulated quite widely in Rhode Island and elsewhere. Citizens from all walks of life have written to my office in Washington for reprints of that talk, and I regard this fact not as a personal compliment, although, naturally, I am happy about it, but as evidence of the serious concern that more and more people are showing about this whole problem of labor relations. I believe that the Congress will in time either repeal or drastically amend this so-called Taft-Hartley law. I would be less than honest with you, however, if I were to say that there is any immediate prospect of such action. Not only must there be political changes in this country before that can happen, but also the public must become much better informed than it is today about the actual workings of this new law. This task of informing the people of the country is one which will have to rest largely with labor itself. It is my hope that many industrialists will, in the course of time, come to realize that improved labor relations cannot be permanently achieved as long as there are laws on the statute books which operate in such fashion as to deprive one group in our society of that equality of opportunity which is at the very root of our American democracy.

We, the people of New England, have special problems in addition to those which we share with all citizens of this country. We have in New England a greater concentration of population and industry per square mile than any other section of the United States. At one time New England industries faced quite serious competition from industries located in other parts of the country where lower wage scales prevailed. This particular factor is not quite as important as it once was, I am happy to say, because wage scales generally have been improved. Also, it is now a fact, and this is frequently overlooked, that as a result of the shifts in American industry during the past 20 years or so, New England is no longer the highest wage area in this country. There are other industrial areas in the northern part of the United States where higher rates of pay are found than obtain in New England. I bring out this point to show that New England is not seeking to maintain a privileged position, but is actually prepared to prove its ability to meet conditions as they exist today.

I must also go on to point out that New England labor and industry cannot face the future without some apprehension unless steps are taken to wipe out by law and by proper social policy certain types of unfair economic competition which still persist in this country. I refer particularly to the

failure of the Congress to act on the long-overdue amendments to the Fair Labor Standards Act. Need I remind you that the statutory wage rate in this country is still set at the ridiculously low figure of 40 cents an hour? Equally important, and perhaps even more reprehensible, is the fact that there are still important groups of wage earners in this country who are deprived of any protection at all under the Fair Labor Standards Act. As most of you know, I was a cosponsor in the Seventy-ninth Congress of legislation to raise the statutory minimum to 65 cents an hour and to broaden the scope of the wage-and-hour law. The 65-cent minimum is now too low, and it should be fixed at a higher figure, probably 75 cents an hour. Recent hearings before a committee of Congress brought out the fact that there are still 2,000,000 people in this country earning less than 65 cents an hour.

An area such as New England cannot feel economically secure, nor dare we in good conscience rest, until all such sweatshop wages are eliminated by proper governmental action. It has been demonstrated beyond all question that the higher minimum wage is a positive aid toward the maintenance of stable employment and profitable operations in industry and in business. Yet in the face of incontrovertible evidence of the human and economic need for raising minimum wages and extending the coverage of the FLSA, we find an element in Congress giving ear and comfort to short-sighted interests which seek either to wipe out this law altogether, or to weaken seriously its provisions. Let me say to those who encourage this sort of talk, that they are playing with economic and political dynamite. Both as a New Englander, and as a representative of a highly developed and long established industrial State, I call upon all my fellow legislators from other New England States, irrespective of their party affiliation, to move at once to enact the long-delayed amendments to the Fair Labor Standards Act. This law must be revised to bring it into line with the needs and realities of present-day conditions. I particularly call upon all fair-minded people of Rhode Island and of other New England States to endorse and actively support this move, both in the name of enlightened regional self-interest and in the name of good and sensible citizenship.

There are two final points I wish to touch on quite briefly. One is the need for the immediate extension of rent-control legislation, and the other is the matter of a sound national-housing program.

The present inadequate rent control law expires on February 29, 1948. One of the very first actions of the Eightieth Congress in its regular session beginning next January should be to extend this law for at least another 2 years, and at the same time restore those sections of the law which afforded the individual tenant real protection against eviction. Should rent control be permitted to lapse, we will witness a vicious acceleration of the present inflationary spiral. Such a condition would be as harmful to business itself as it would be to the individuals who would suffer if rent ceilings were removed during the present period of acute housing shortages. No doubt some individual property holders will feel discriminated against by the maintenance of controls at a time when others are reaping sensational profits. This is a situation which can be met, however, by a process of individual adjustment. That can be assured if the Congress is not pound-foolish and penny-wise in the matter of funds for adequate administration of laws which affect millions of ordinary citizens.

Another problem, that of housing in our modern society, is exceedingly complex and only the most irresponsible person would suggest that an easy or simple solution is possible. Let me add, however, that those who insist that nothing be done about this problem because it presents many difficulties, should be severely criticized. The pending legislation S. 866, known as the Taft-Ellender-Wagner housing bill, deals with virtually all phases of the housing problem, but is primarily aimed at enabling private industry to serve the largest possible market. The so-called public housing features of the bill have been ridiculously and scandalously misrepresented. Public assistance or subsidies are only provided for one section of our population; that is the group now living in slums or under substandard conditions, and whose income makes it impossible to pay what is technically known as an economic rent.

As I said to you in opening this talk, it is not possible to do more than barely skim over a very few of the tremendous issues that now face this Nation and the world at large. The best one can do is to indicate one's general approach to these problems and keep abreast of the rush of events. As a public servant talking matters over with his constituents, I should perhaps point out to you that the job of the conscientious legislator is much more demanding than it has ever been before. The difficulties of reaching sound decisions are much greater, not merely because of partisanship, but because of the very complexity of the issues that confront us. These new stresses could endanger our whole democratic process.

I say to you that under these conditions people such as yourselves, who are in touch with great numbers of rank and file citizens, have a special responsibility. Men and women today cannot qualify as good citizens if they merely cast their ballots on election day and conduct themselves with decency and propriety. Nowadays they have to inform themselves to an extent never before considered essential on these broad public questions. We need what is called a better informed public opinion. This is not something that can be safely left to chance. Organizations such as yours should deliberately and energetically play a large role in interpreting public issues to the men in the street, and in that way shoulder more and more of the burden which all of us must bear if the true American principles of personal freedom, majority rule, and equality of opportunity are to survive in a world where hostile ideologies are threatening to lead us toward new and more terrible conflicts. I know from what you have done in the past that you may be counted upon to do your full share in this great work in the future.

Aid to Europe

EXTENSION OF REMARKS

OF

HON. HERBERT R. O'CONOR

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. O'CONOR. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD the radio address made by me over Station WBAL in Baltimore, Sunday, December 7, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure and a privilege to substitute today for Senator TYDINGS, who usually reports on the week's developments in Washington at this time each Sunday. The senior Senator must forego his talk today because of enforced absence from Maryland. His weekly reports of important developments have been intelligent and statesmanlike, which qualities he manifests in debate on the floor of the Senate.

The Washington scene this week end is but a reflection of history in the making throughout the world. In one of his masterful speeches to rally the English people during the dark stages of the war Winston Churchill, in epigrammatic fashion, tersely declared that "we live from crisis to crisis." The same might truly be said of the world today. By reason of America's leadership in the fight against communism and in the economic efforts to prevent world catastrophe, Washington has become the focal point of each succeeding crisis. At the moment the immediate critical problem, that of interim aid to France, Italy, and Austria, is heading toward satisfactory solution.

To all those who appreciate the difficulties and disadvantages under which a democracy functions, in attempting to counter offensive moves by a dictator-ruled Government, the almost complete unanimity with which the Senate passed the $597,000,000 interim-aid bill was most reassuring. After a minimum of debate and opposition, the recommendation of President Truman, ably sponsored and furthered on the Senate floor by Senator VANDENBERG, chairman of the Foreign Relations Committee, was passed with only sight change and with only six dissenting votes. While the discussions on the floor of the House indicate sharper opposition there, proponents of the bill are most hopeful that passage will come this week, without substantial change or reduction.

While there naturally will be some question in the minds and hearts of Americans generally as to why this country must go on and on, giving of its substance, sacrificing its own needs in food and other essentials, it doesn't require much study of present-day world conditions to justify the American course in this respect. Five hundred and ninety-seven million dollars is unquestionably a lot of money. When to this is added the billions—whether it be 15 or 20 or whatever the number—which will be asked to implement this European-aid program on the necessary long-term basis, one has only to consider the alternate possibility to be able to decide for oneself whether the proposed expenditures now, like the well-known stitch in time, can save infinitely greater expenditures in the years ahead.

America spent undreamed-of billions between the attack on Pearl Harbor in 1941 and the end of the war to save world freedom from destruction. If we were willing during those years to pour out more than $200,000,000,000 for the purposes of war, is it prudent to be uncooperative now when such a small portion of the wartime outlay may well insure the world-wide peace and security which, despite the cost in blood and wealth of World War II, have not yet been achieved?

This is a time in the world's history when the ideals we all regard so highly must be tempered with a realism which perceives world events in their true perspective. Every true American citizen desires above all else today the attainment of that degree of peace and international good will that would permit all peoples of the world to live in harmony and under conditions of their own choosing. Every thoughtful American at the same time is impressed with the fact that desiring such an ideal is not sufficient to achieve it.

Further, it can be said in all sincerity that the great heart of America throbs in sympathy with the distressed of every nation.

and seeks no selfish gain in helping other peoples to return to normalcy. No one, however, can review the record of the postwar years, and note the checks and road blocks thrown up in the path along which the peace-loving nations are journeying in their effort for peace, without being deeply impressed with the meaning of the old biblical parable about the strong man who keepeth his court.

Look at the unfortunate countries behind the iron curtain which the Soviet Union has established across the heart of Europe. The peoples of good will in these countries lacked the strength to maintain their ideals, and were overwhelmed by the might of Russian Communist forces. The starvation and misery rampant in those countries, and to some lesser degree throughout most of the other nations of Europe, have been aggravated tremendously by the refusal of Russia to join in the efforts for peace. Those who oppose the American policy of helping these free nations to an economic standard that will make it possible for them to retain their freedom, are indulging in the most dangerous type of wishful thinking when they contend that Russia will join in the movement for peace if we lead the way by decreasing America's armed forces to a peacetime basis.

I agree with the statement made the other day by Secretary of National Defense Forrestal that the surest way to invite destruction of our Government is to permit American armed forces to deteriorate to a point where we would be unable to defend ourselves vigorously and successfully against any attacks that might be made upon us.

No move is foreseen today which would result in the removal of the Red Army from central Europe. There the forces of Stalin stand at this moment, holding one-half of Europe in their grasp while they menace the other half. While this continues we must maintain our defense on a basis capable of meeting any threat.

Under the leadership of our President and of Secretary of State Marshall, America has made every possible honorable concession to Russia in an effort to secure her cooperation toward reestablishment of world-wide peace. Not only have these efforts been refused almost without exception, but when America, realizing the danger of imminent chaos in the stricken European countries, devised a humanitarian plan by which each nation's efforts to reestablish itself would be supported and strengthened by American financial and economic aids, we have seen Russia set out with determination, and announced intentions to prevent the Marshall plan from being effectuated.

Molotov's pronouncement at the London Conference only a few days ago makes crystal clear that Russia is not willing to pledge her aid in the European-recovery program. Communism does not desire the restoration of orderly government to liberty-loving people. Rather communism can thrive and flourish best where disorder, discontent, and disaster prevail. If western Europe falls within its power and influence, the next move for its spread would be this hemisphere.

Not only is it a humanitarian obligation on our part to feed and clothe and otherwise assist the people of the war-devastated countries until they can stand, even shakily, on their own feet, it is actually a necessary part of our defenses against the tide of communism which has swept over so much of Europe and Asia, and which, we must admit, is asserting itself even in this land of free opportunity.

How any American parents could see their own children thrive and grow healthy on an abundance of food without being willing to share that abundance with the hungry, pitiful children of Europe is beyond understanding. It may well happen that the American program of relief for Europe may cause some of us here at home to do without some of things we would like to have, might make it necessary for us to wait longer than we would like to wait for new automobiles or other conveniences. Nevertheless, can we turn our backs on the misery of these peoples who, only a few years ago, were as proud of their culture and their economic well-being as we are here in America?

It was with this in mind that I joined this week with other Senators, and personally supervised the redrafting of a bill, reducing mail rates for gift packages to the devastated countries abroad. Under the bill, parcel-post charges would be reduced 75 percent. The stimulation that would thus be given to American generosity to the suffering peoples of other lands would supplement tremendously the official aid supplied by the American people.

What all Americans must never forget is that a revived Europe will be a strengthened outpost for the defense of America against the hatred and the evil designs which Communist strategists harbor against us. After we already have spent more than $200,000,000,000 to defeat one threat against world security, the cost of the program for interim relief is not enormous in comparison to the possible cost of neglecting our opportunity today.

If each of us could spend even a day in Rumania, Albania, Yugoslavia, the Baltic countries, Poland, or eastern Germany, if just one instance of the oppression which daily and without ceasing bears oppressively upon the people of those lands could be seen in its full horror, I am sure there would be a mass appeal to the Congress to act promptly and generously in the interest of humanity. I repeat, we cannot forget that this is not merely a question of helping Europe. It is also, and even more importantly, a matter of defending America and of preserving the last great outpost of free civilization now left upon the globe.

The most desirable method by which our European program could be financed, either in the whole or in part, would be through reduction in Federal spending for other purposes. How timely would it be when we are incurring this extraordinary expense, if our governmental leaders would take decisive action to offset these expenses, at least in large part, by reduced outlays for domestic purposes.

At a time when our citizens are expected to forego luxuries and even much needed foodstuffs it would certainly be in order for government to tighten its belt in foregoing the need of new outlays as well as for certain operational cost.

The total costs of national government for the present year is appalling. Contrary to general belief, the sum total will be shown to be over 40 billions. If America could get along some years ago on much less than this total, it most assuredly could do so now when the United States money is being sent abroad for emergency relief.

Coincident with the discussions of relief for Europe, and as an integral part of any long-range program, is the question as to how much financial aid America can afford to give. And this, of course, presents the question of how sound are our American economy and our financial policy for the future.

In all the concern about the needs of Europe there is one aspect of our country's economy which, to my mind, is not being given nearly the consideration that it rightly merits. I refer to the constantly increasing cost of government throughout America. In making this statement I include the cost of government in Washington and in the States and localities throughout the land. To judge from the budgets that are presented for each succeeding year, and the costly services that are being introduced and expanded unceasingly, one might be led to think that there was no limit to America's financial resources. With a $258,000,000,000 debt of the Federal Government, and with some $16,000,000,000 of State and local debts, we should realize the absolute danger that faces the American system of government unless our people awaken to what is happening and take steps to alter this alarming trend.

Many of our citizens will remember the shocked amazement with which our country greeted the news of the first billion-dollar Federal budget. That any government could ask the expenditure of such a huge amount was unthinkable to the people of those days. And yet, only this year, the largest city in our country had its own $1,000,000,000 budget. And now come reports that the budget of one of the larger States most likely will approach or pass the $300,000,000 mark. Many other illustrations could be cited.

Is it any wonder that living costs are high today when about 30 percent of the Nation's total income must go to defray the cost of government? Is it surprising that many of our people have difficulty living on their incomes when we find that this year's interest alone on the Federal public debt is almost double the entire cost of government in 1913?

Looking at it another way, how can we expect moderation in prices of foods or other necessities when the cost of government today exceeds by more than 25 percent the total national income just 15 years ago. Or again, looking back to 1917, we find that the per capita debt was slightly over $12 per person. During the height of the war it went to almost $2,000 per person and now is just below $1,800.

With 60,000,000 persons employed, it is not too difficult to understand why some of them cannot enjoy the standard of living they desire when we find that nearly 6,000,000, or 10 percent of all these workers, are working for Government alone.

Back in 1913 Government costs represented only 7½ percent of the total national income. Today it is almost four times that percentage, and still rising. And it will continue to rise until it overwhelms our American system of free enterprise, unless somewhere along the line we take stock of our plight, and realize that Government funds do not spring from an inexhaustible source but actually come out of your own pockets.

We can talk all we will about the humanitarian aspects of aid to Europe, and boast of the record-breaking production of American industry, but unless we control the cost of our own Government here, we will find ourselves, some of these fine days, unable to finance not only economic recovery of Europe but even our own swollen and expanded governmental services.

I had the privilege Friday of participating in a committee meeting on the matter of inter-governmental fiscal relationships. Real progress can be made, I am convinced, toward the goal of coordinating and simplifying Federal, State, and local tax systems, looking toward the goal of over-all tax reduction. Desirable as that objective is, however, its ultimate achievement is entirely in the hands of our citizens, in the matter of their demands upon Government.

There is an old saying that we cannot have our cake and eat it. That applies to our fiscal resources, and to the services which we expect Government to render us. We can have an orderly, reasonable tax and fiscal system, or we can demand unlimited governmental services. We cannot, however, have both. It is time our people began to realize

this. Particularly is this necessary when we are engaged in international activities which involve the question of world peace. These are the considerations engaging attention in Washington today and we trust our citizens will give them thoughtful and deserved attention.

The President's Everglades National Park Dedication Speech

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. PEPPER. Mr. President, on Saturday, at Everglades, Fla., occurred a very significant event. It was the opening and dedication of the Everglades National Forest. On that occasion the State of Florida was honored by the presence of the President of the United States. On that occasion the President delivered a very significant address not only in commemoration of that important occasion, but upon the subject of the conservation of our national and natural resources which are of the most vital interest to all the land. I therefore ask unanimous consent to insert in the Appendix of the RECORD the address of the President on Saturday dedicating the Everglades National Park.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Not often in these demanding days are we able to lay aside the problems of the times, and turn to a project whose great value lies in the enrichment of the human spirit. Today we make the achievement of another great conservation victory. We have permanently safeguarded an irreplaceable primitive area. We have assembled to dedicate to the use of all the people for all time, the Everglades National Park.

Here in Everglades City we can savor the atmosphere of this beautiful tropical area. Southeast of us lies the coast of the Everglades Park, cut by islands and estuaries of the Gulf of Mexico. Here are deep rivers, giant groves of colorful mangrove trees, prairie marshes and inumerable lakes and streams.

In this park we shall preserve tarpon, trout, and pompano, bear, deer, and crocodiles—and rare birds of great beauty. We shall protect hundreds of kinds of wildlife which might otherwise soon be extinct.

The benefits our Nation will derive from this dedication will outlast the youngest of us. They will increase with the passage of the years. Few actions could make a more lasting contribution to the enjoyment of the American people than the establishment of the Everglades National Park.

Our national park system is a clear expression of the idealism of the American people. Without regard for sectional rivalries or for party politics, the Nation has advanced constantly in the last 75 years in the protection of its natural beauties and wonders.

The success of our efforts to conserve the scenery and wildlife of the country can be measured in popular use. The national park system covers but a fraction of 1 percent of the area of the United States, but over 25,000,000 of our fellow countrymen have visited our national parks within the past year. Each citizen returned to his home with a refreshed spirit and a greater appreciation of the majesty and beauty of our country.

These are the people's parks, owned by young and old, by those in the cities and those on the farms. Most of them are ours today because there were Americans many years ago who exercised vision, patience, and unselfish devotion in the battle for conservation.

EVERGLADES DIFFERENT FROM ALL OTHER PARKS

Each national park possesses qualities distinctive enough to make its preservation a matter of concern to the whole Nation. Certainly, this Everglades area has more than its share of features unique to these United States. Here are no lofty peaks seeking the sky, no mighty glaciers or rushing streams wearing away the uplifted land. Here is land, tranquil in its quiet beauty, serving not as the source of water but as the last receiver of it. To its natural abundance we owe the spectacular plant and animal life that distinguishes this place from all others in our country.

Our park system also embraces such national shrines as Jamestown Island, the Statue of Liberty, and the battlefields of Yorktown and Gettysburg. These historic places—as much as the scenic areas—also need to be protected with all the devotion at our command in these days when we are learning again the importance of an understanding loyalty to our national heritage.

Our parks are but one part of the national effort to conserve our natural resources. Upon these resources our life as a Nation depends. Our high level of employment and our extraordinary production are being limited by scarcities in some items of our natural wealth. This is the time to develop and replenish our basic resources.

Conservation has been practiced for many decades and preached for many more, yet only in recent years has it become plain that we cannot afford to conserve in a haphazard or piecemeal manner. No part of our conservation program can be slighted if we want to make full use of our resources and have full protection against future emergencies.

If we waste our minerals by careless mining and processing, we shall not be able to build the machinery to till the land. If we waste the forests by careless lumbering we shall lack housing and construction materials for factory, farm, and mine. If we waste the water through failure to build hydroelectric plants, we shall burn our reserves of coal and oil needlessly. If we waste our soil through erosion and failure to replenish our fields, we shall destroy the source of our people's food.

Each conservation need is dependent on the others. A lashed and burned forest brings erosion of uplands and fills downstream reservoirs with silt so that water power is lessened and irrigated farms lose their water supplies. Eroded farm lands contribute to devastating floods. Uncontrolled rivers mean lost electricity, farms without water, and perennial and increasing flood danger.

To maintain our natural wealth we must engage in full and complete conservation of all our resources.

Full conservation of our energy resources can be accomplished by continued construction of dams, hydroelectric plants and transmission lines; by greater use of natural gas, by research for more efficient mehods of extraction of coal and oil, and by exploration for new resources.

CONSERVATION SEEN AS VITAL NECESSITY

In forests, conservation can be achieved by adhering to the principle of sustained yield and forest management so that timber is harvested each year just as other crops are. This should be true for both privately owned and publicly owned forest lands.

In farm land, conservation can be achieved by expanding and intensifying the many soil-conservation practices developed by our agricultural technicians to sustain productivity. The area of irrigated land can be expanded materially with new reclamation projects. Range lands in the West can be protected by the control of erosion and by the enforcement of safe limits on the number of grazing stock.

In minerals, we can come closer to the proper balance with increased efficiency in extraction and with scientific exploration for new reserves. When ores contain several minerals, we should extract all the useful products and waste none. Despite a bounteous nature, this country has never been self-sufficient in all minerals. We have always imported minerals to meet these deficiencies and we must continue to do so.

In water, we need to prevent further dropping of the water table, which in many areas is dangerously low. Surface water must be stored, and ground water used in such a way as to cause the least depletion. Although the water level is high now here in the Everglades, there has been damage from a lowered fresh-water table, and during the war, fires raged through the Glades—fires fed by dry grass which should have been covered by water.

The battle for conservation cannot be limited to the winning of new conquests. Like liberty itself, conservation must be fought for unceasingly to protect earlier victories.

Public lands and parks, our forests, and our mineral reserves, are subject to many destructive influences. We have to remain constantly vigilant to prevent raids by those who would selfishly exploit our common heritage for their private gain. Such raids on our natural resources are not examples of enterprise and initiative. They are attempts to take from all the people for the benefit of a few.

As always in the past when the people's property has been threatened, men and women whose primary concern has been their country's welfare have risen to oppose these selfish attacks. We can be thankful for their efforts, as we can be grateful for the efforts of citizens, private groups, local governments, and the State of Florida which, joined in common purpose, have made possible the establishment of the Everglades National Park.

The establishment of this park is an object lesson and an example to the entire Nation that sound conservation depends upon the joint endeavors of the people and their several governments. Responsibility is shared by the town, the State, and the Federal Government; by societies and legislatures and all lovers of nature.

WISDOM ESSENTIAL TO NATION'S FUTURE

No man can know every element that makes a nation great, what the psalmist meant when people, the daily cooperation, the helpfulness of one citizen to another are elements. A nation's ability to provide a good living for its people in industry, business, and on the farm is another. The intelligent recognition by its citizens of a nation's responsibility for world order, world peace, and world recovery is still another.

The wise use of our natural resources is the foundation of our effectiveness in all these efforts.

The problems of peace, like those of war, require courage and sustained effort. If we wish this Nation to remain prosperous, if we wish it still to be "the home of the free," we can have it so. But, if we fail to heed the lesson of other nations which have per-

mitted their natural resources to be wasted and destroyed, then we shall reap a sorry harvest.

And for conservation of the human spirit, we need places such as Everglades National Park, where we may be more keenly aware of our Creator's infinitely varied, infinitely beautiful, and infinitely bountiful handiwork. Here we may draw strength and peace of mind from our surroundings.

Here we can truly understand what the psalmist meant when he sang: "He maketh me to lie down in green pastures. He leadeth me beside the still waters; He restoreth my soul."

Control of Living Costs

EXTENSION OF REMARKS
OF
HON. HERBERT R. O'CONOR
OF MARYLAND
IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. O'CONOR. Mr. President, because it is a forceful exposition of the problems involved in any program to control living costs, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD an editorial from the Baltimore Morning Sun of Sunday, December 7, entitled "No Miracle in Sight."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO MIRACLE IN SIGHT

The Sun does not believe that any legislative magic, whether evolved in Democratic brains or in Republican brains, is going to alter in any fundamental fashion the situation which produces high prices in this country today.

The reason for high prices is simple. We have created more billions of dollars in purchasing power than we ever dreamed of before. We have not produced goods at any equivalent rate.

More dollars for less goods is just another way of saying higher prices.

Moreover, we are now in the very act of creating even more dollars. For the best possible reasons, for reasons which are overwhelming, we are about to hand over to the countries of western Europe the dollars which will give them the right to take even more of our goods.

This means still more dollars for them and still fewer goods for us.

Whatever the legerdemain in the field of law, of regulation, of controls, of allocations, of rationing, the essential situation will remain. The goods are not there, and won't be there for a long while, in the amount in which we should like to have them. We shall all have to go without many things we should like to have and some things that habit has made us believe are essential.

Thus it behooves wise and prudent men not to expect too much from any of the programs for the control of inflation.

It is all very well to say that we must increase production. Of course we must, to the limit of our ability. But the truth is that there are not many practical measures which we can take right now.

How can we go about producing more iron ore in a hurry? Or more coal, or more automobiles, or more wheat, more corn, or more meat?

Suppose it were in fact possible suddenly to make available more of these raw materials. Where should we find the steel workers to man the furnaces or the auto workers to put the cars together?

Is it possible to persuade Mr. Lewis' miners to remain for longer hours in the pits or Mr. Reuther's auto workers to assemble more cars per hour than they now assemble?

Will any union give up the "working conditions" (i. e., the schemes for doing less work) for which they have bargained and fought for so many years?

To ask such questions is to answer them.

On the contrary, each union is almost certain to demand—indeed, some of them have already demanded—still higher wages and still more lenient working conditions, so that its members at least may get a larger share than others out of the pool of available goods. For itself each union wants to create still more purchasing power and thus intensify the demand for goods.

Some of the necromancers, in politics and out of politics, shout for price controls. A few of these also whisper, a bit uncertainly, in favor of wage controls.

Such magic has little positive value and may do great damage. Obviously, one is impossible without the other. But experience has taught us—and has taught other countries which have gone even further along the lines of planned economy than we have ever gone—that wage controls are never enforced. Every case somehow becomes a hardship case, an exception to the rule. Or, in the particular industry involved, "incentives" (how useful a word) are needed. And so the controls become a farce.

Price controls are equally fallacious in theory and almost as ineffective in practice. Even in Russia, where the state assumes control of everything, the black market grew to such proportions that the authorities had to legalize it. During the war, when most of us were under every high compulsion to obey the rules, the OPA found itself saddled with an almost impossible assignment, no matter how many jobholders were hired. When the compulsions of the war ended, the OPA simply collapsed and had to be abandoned.

Only the naïve can believe that, in these times of uncertain peace, it would be possible to put effective control on prices. The whole idea is in collision with our fundamental practices. Even with an army to back it, it could only disrupt economy.

As to what price control would do to production, which must be our primary aim, ask any manufacturer.

Rationing of a few essentials, as a device to insure a fairer distribution of the available goods, might produce some good results if we could evolve the elaborate machinery for effecting it. Some of our people would accept it willingly. But we have to remember that others would oppose it. Of the opponents, some would be vehement and perhaps even violent.

The only effective argument for rationing is Europe's need, and there are enough surviving isolationists among us to give the appearance of Nation-wide opposition. Politically speaking, consumer rationing is an impossible solution.

In short, there is no cure for the difficulty which we now face save greater production. Greater production is something which cannot be accomplished overnight or over many nights. We must therefore accept the fact of continuing shortages and adjust ourselves to them.

Does this harsh conclusion mean that there are no steps we can take to mitigate the force of the inflationary pressures which the shortage of goods produces?

There are some steps we can take without turning our country into a police state. But we should remember that they are not cures for the trouble. They are, rather, salves and poultices.

One source of our trouble is the increased purchasing power which is the natural result of easy credit. Easy credit in its turn is the result of the vast national debt which gives the banks lending power in almost unlimited quantities.

To some small extent, we can control credit.

We can control it first by doing our utmost to reduce the national debt. That is a long and slow process. But we can make a start on it and establish it as fixed national policy.

We can control credit also by the voluntary cooperation of the bankers. Bankers, as merchants of credit, wield a tremendous influence on manufacturers and merchants. They can use that influence, in cooperation with the Treasury and the Federal Reserve banks, to discourage overenthusiastic use of funds. To some extent, they can discourage a too easy acceptance of higher wages and the ensuing higher prices for manufactured goods.

A second poultice might be what is called allocation. This means control, by voluntary or governmental action, of some of the basic commodities, such as coal, steel, and grain. This step would be hard on many manufacturers of household appliances and other products. We have already seen how heavily it weighs, even in its voluntary form, on bakers, brewers, distillers, poultry raisers, and people in similar lines. But it can be done, provided—it is a big proviso—the men who administer it know what they are about.

But the best poultice, the best mitigating remedy, for our trouble is individual and organized self-discipline.

We call ourselves freemen. Freedom implies that its possessors are capable of acting in the general good demands self-control, even self-sacrifice.

If enough of us restrain our appetites, if enough of us forebear to grab, if enough of us understand the need for restraint and act in accordance with our understanding, we shall get through the period of shortages without too much difficulty.

The issue is self-control against police control; domestic freedom against domestic authoritarianism.

Since miracles are unlikely, we should give freedom a trial.

Admission of Displaced Persons

EXTENSION OF REMARKS
OF
HON. HARLEY M. KILGORE
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "We Need the DP's," published in the St. Louis Post-Dispatch of November 28, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE NEED THE DP'S

It is high time people in the United States began to think of admitting displaced persons from Europe, not so much as a favor to these homeless unfortunates, but as a great favor to this country. The blunt fact is that there are parts of the United States

which are sorely in need of the DP's as new population to replace crippling losses.

As everyone knows, the North Central States comprise the national breakbasket. They are the granary of this country—to a large extent they are the granary of the world. In the 7 years since 1940, these States have lost population, according to official current census computations, as follows:

State:	Loss
North Dakota	148,417
South Dakota	131,272
Wisconsin	99,528
Minnesota	97,022
Nebraska	92,586
Iowa	83,546

To come closer to home, Missouri and Kansas also have lost population, the former 119,912 and the latter 20,659. Add the Missouri and Kansas losses to those of the six States in the table and we have a total of more than 800,000. And if we add in the 229,416 out-State migration from the Mountain States, such as Colorado and Wyoming, the figure goes above 1,000,000.

Americans who have served with the occupation in Germany are impressed at the advanced years of the men and women who labor in the fields, often in the role of beast of burden as well as plowman and mower. Do these Americans know what the average age of a farmer is in North Dakota? Well, it is 60 years. In the other States of the great wheat growing area the average age mounts close to this obviously dangerous figure. In Colorado, for example, it is 57.

How has this come about? Have all the farmers suddenly grown much older? The answer is as simple as it is tragic for the affected regions. The young men and women have walked out. They went away as boys and girls to the war, either to the armed services or wartime work, and they have not come back. What is more, most of them are not coming back. Technological changes in agricultural methods are a factor, but they do not in themselves account for the migration.

This is something which could be foreseen—which, in fact, was foreseen. Four years ago Joseph Kinsey Howard, in Montana: High, Wide, and Handsome, declared that World War I had left his State "bankrupt in land, money, and men," and that the effects of World War II "may be worse." By 1942 war-plant migration had brought many Montana towns and some cities to "the verge of collapse."

The openings which are thus left on farms, milk routes and dairies, in blacksmith shops, farm-machinery agencies, and small-town businesses are waiting today to be filled by many thousands of Europe's displaced persons. Men and women and children of Europe will be immediately at home on this land. They will be at home just as years ago many of their people came to the States of the Missouri and upper Mississippi valleys and were at home on the virgin plains.

Estonians, Latvians, Lithuanians, Poles, Yugoslavs, Hungarians—these are the chief groups from which displaced persons for the United States would be selected. All of them are used to hardship. Most of them know the rigors of winter and how to take care of themselves if given half a chance. Those from the Baltic countries, in particular, are ideally suited to take over as farm hands and other agricultural workers in the area whose population is smaller with each passing day.

The Stratton bill for admission of 100,000 displaced persons a year for 4 years died in the regular session of Congress. When the issue comes up again, the argument should be more than humane treatment of the DP's. It should be downright need for them in stricken portions of the United States.

Governor Youngdahl's commission of agricultural, labor, religious, and welfare representatives in Minnesota, Governor Aandahl's similar commission in North Dakota are signs that the area is beginning to wake up. Facts and figures are needed. Let these commissions go to Congress with enough evidence of what population losses are doing and the number of DP's who can be accommodated, and the next handling of the Stratton bill will be a different story.

The DP's need America, but no more than America needs the DP's. The National Citizens Committee on Displaced Persons could not have a sounder appeal for action.

Report to the People—Part III

EXTENSION OF REMARKS

OF

HON. W. LEE O'DANIEL

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. O'DANIEL. Mr. President, I ask consent that there be printed in the Appendix of the RECORD my third report to the people, broadcast on September 18, last, from Station WOAI in San Antonio, Tex.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REPORT TO THE PEOPLE—PART 3

(Radio address by United States Senator W. LEE O'DANIEL, of Texas, over radio station WOAI—TQN, San Antonio, Tex., September 18, 1947)

How do you do, ladies and gentlemen, and hello there, boys and girls. This is your United States Senator W. LEE O'DANIEL, Democrat of Texas, speaking to you from San Antonio, Tex. This is the third in a series of reports to the people regarding the conditions of our Nation, both at home and abroad. This broadcast will deal with foreign affairs.

There are many things in connection with the general problem of the foreign policy of this Nation which I do not know and apparently there are many things which no one knows. I do not expect to go into a detailed discussion of this subject of foreign policy; I only expect to go far enough to give a report to the people of this great State of Texas as to what my action within this field has been since becoming a Member of the United States Senate and at the same time to give my reasons for the course I have followed. I expect to be very careful in what I say so as to not make any statement that is not backed up by the record.

There is one statement upon which I think everybody will now agree; I think even the old-line New Dealers who have for many years posed as great experts on foreign relations, will admit now that the foreign policy of this Nation which was outlined during the war period and consummated under the direction of the then ruling dynasty of the Democratic Party, has been a complete failure and a flop. In this connection, I want to call the attention of the people to the fact that when the campaign was in high gear in this Nation to elect the then President of the United States for the third term and later for the fourth term, all the propaganda agencies which they had set up in the various departments in Washington were spending millions upon millions of the taxpayers' dollars and working day and night telling the American people that the Nation could not afford to change faces in the White House or to change the Membership of the House of Representatives or to change the Membership of the Senate because of the fact that the whole fate of the world depended on having men in Washington who were wise enough to direct the foreign policy of this country to the end that when we won the Second World War we would at the same time win a lasting peace for the people of this and of all other nations.

I expressed the opinion then in speeches which I made all over Texas and in speeches which I made in the United States Senate, and on Nation-wide radio networks, that so far as the record was available, I did not see any evidence of outstanding wisdom on the part of the leaders in Washington in dealing with foreign affairs which would cause me to believe they were indispensable in directing the foreign affairs of this country. I did not then, and I do not now, criticize the decisions made and the policies adopted. What I criticized then, and what I criticize now, was the obvious hyprocrisy of those who would play on the patriotism of the American people and who would mislead our American people to the point of making them believe they would find through the operation of the New Deal gang, accumulated in the State and in other departments of the Government, so much wisdom that if it was just allowed to remain on the job all the world's problems would be solved. What I criticized then, and what I criticize now, was the very carefully worked out plan to deceive the American people, to mislead the American people, and not let the American people have and know the facts. But during those days when I was making these criticisms I was accused by the smear bund in Washington, which for so many years has operated persistently and consistently to question the motives and smear the reputation of every man who dared to oppose the New Deal and its overstuffed stooges—they said I was an isolationist and that I did not know anything about foreign policy, and generally that I belonged to a class of nitwits whose opinion did not amount to anything, and then they would end their criticism with a long statement to prove conclusively that the Atlantic Charter, which later we learned was but a scrap of paper, would hereafter be the foundation of the guaranties of freedom throughout the world, and that we had then in Washington in charge of our foreign affairs men who were building the foundation for world peace in such a manner that the welfare of the world demanded that they be not disturbed. I stated in speeches made then, and I refer you to the record, that I thought this Government was being carried for a ride on the band wagon of the Communists and that just as soon as we quit furnishing the wagon and paying the band, we would wake up to the fact that instead of the policy we were then following leading us to a great era of world peace, it would more likely lead us to the third world war. I pointed out then, and I now refer you again to the record, that the State Department in Washington and other departments of the Federal Government were absolutely saturated with Communists and New Dealers and that they were wielding the power in determining the policy of this Nation, which was not only dangerous for us, but dangerous to the people throughout the world.

These warnings which I issued to the American people back in 1944 and 1945 were not heeded. The only answer which came from the citadel in Washington, where the well-fed bureaucrats and the slimy Red Communists control, was to use every arm of the national administration to smear me, to brand me as an isolationist and a crackpot. They exalted the New Dealers, who by long years of feeding out of the public feed trough and by willingly following the dictates of the master politician, were labeled as great statesmen and I was branded as a demagog.

Today the papers are full of the dirty tricks and betrayals of our Nation by these big shots in the War and State Departments. The papers tell us that about 15 top-drawer officials of these Departments are now being investigated and indictments are expected to follow. These birds, some of them high Army officers, are charged with giving Russia the secrets regarding the construction of the famous bomber, B–29. They carted the records out of Washington to a nearby spot in Maryland, where they were photographed and then rushed to New York and delivered to NKVD and thence on to Moscow. As time goes on we will see the uncovering of more and more of such skulduggery. This is only a sample.

My friends, I am doing just one thing—I am giving a report to the people of Texas and I am citing the record.

Now let's see what has happened to that great document, the Atlantic Charter. It is no answer for this smear brigade to in any sense charge that the failure of this foreign policy to work has been the fault of the Republicans. Unfortunately, the Republicans apparently fell suckers and have been taken for a ride on this foreign policy bandwagon along with willing Democrats. The answer to what happened to the Atlantic Charter is simply a story of how the President of the United States and the leaders of our State Department, not only under the administration of President Roosevelt, but also under the administration of President Truman, were totally fooled and completely outtraded by Marshal Stalin and Mr. Molotov at Teheran, Yalta, and at Potsdam. Go back and get the record that has now been revealed and you will find that our representatives made agreements which planted Russia firmly in Europe. They made agreements which turned over to Russia and made Russia the master of about 125,000,000 people in the Balkans. They double-crossed Poland. They forgot our obligation to Finland. They allowed Russia to set up puppet governments throughout all eastern Europe—and just what did we get for all this? What did we get when we sacrificed Mikhailovitch and allowed Dictator Tito to shoot him as a common criminal? What did we get for the surrender and persecution of churchmen? What did we get for giving Russia absolute freedom throughout all eastern Europe? We have gotten the promise that Russia would see to it that these countries had free democratic government.

Well, now, I ask you in all seriousness, if these great statesmen we had in Washington who were conducting our foreign affairs were so smart they were absolutely indispensable to the affairs of this Nation, why were they taken in by the promise that Russia would guarantee free democratic government to these countries which we cooperated with her to take over? Why did they believe that Russia or any other nation which denies free government to its own people at home would become so magnanimous and provide free government for the people of other nations in their areas? But that is what we did, and where are we today? I will tell you where we are. We are in a position where, after giving Russia about half of Europe, we now face a situation whereby we are called on to say to Russia, "You must stop. Thus far you can go and no further." It may take force to effect that stop order. Now, I ask you this question: What has happened to the great wisdom which we were told was directing our foreign affairs during all these years? Has it led us to an era where we may rightfully expect world peace and democracy and free government? No—certainly not.

Here is another thing. When the soldier boys of this Nation landed on the coast of Normandy, marched across Europe, across the Rhine, encircled the Ruhr, and destroyed the military power of Germany, why did these wise diplomats in Washington hold the American troops out of Berlin and wait for Russia to come in and occupy the city and tell us the particular zone we could control? If the tables had been turned, would Russia have done this? The answer is "No," emphatically "No." The Russian Army would have moved into Berlin, they would have taken over the control of that city, and it would all have been a Russian zone. But what is the situation now?

Month after month we have been negotiating with Russia to try to work out some plan whereby a peace treaty can be signed with Germany which will permit the people to go back to work to earn their own living and thereby take them off the backs of the American taxpayers. Russia is playing the same smart, selfish, unprincipled game which has controlled her every action since the end of the war. Russia is smart enough to know that every day and every year she delays the economic recovery of Europe she is thereby increasing the opportunity for the people through desperation to embrace communism and join with Russia in her desire of complete conquest of all Europe. Not one case can be cited where Russia has in good faith kept her promise to aid in bringing peace to the world. Russia wants only one kind of peace, and that is a peace dictated by Moscow. Such a peace will result in a dictatorship by Communist Russia and her satellites throughout the world.

Ever since I have been in the United States Senate, and this can be proved by the RECORD, I have from day to day called the attention of the people of this country to the fact that there is a well-organized plan by the American Communist Party, and this means Russia, to take over the Government of the United States, and to take it over from within, not from without. Not only have I pointed this out on the floor of the United States Senate, but I have pointed it out in speeches made all over the State of Texas. I did this at a time when the New Deal, with its satellites and henchmen, was driving at high speed. I did it at a time when they were using the whole political machine and all the propaganda agencies of that machine, paid for by the taxpayers of this country, to discredit me personally and to leave the impression in the minds of the Members of the United States Senate and in the minds of the citizens of Texas that O'DANIEL was a crackpot, an isolationist, a Red baiter, and generally an enemy of good government. You people down here in Texas heard me when I told you that the State Department in Washington, which actually handled our foreign affairs, was absolutely saturated from bottom to top with this communistic element. You heard me when I told you that in all other departments of the Government in Washington key places were filled by Reds who owed their first allegiance to Moscow. Well, now, let's see was O'DANIEL a crackpot back in those days when he was making those statements or was he a prophet? Was he a crackpot back in 1944 when he said he thought we should deal with Russia with a firm hand and not give her anything until we knew beyond any question of doubt what her attitude would be? Was he a dumb politician then or a statesman? Well, let's get the evidence, not based on what I say, but let's see how the picture has unfolded, what those who have inherited the New Deal have been forced to say about their own regime—a regime created by themselves. What is the record?

Well, here it is. The President of the United States, Mr. Truman, and our Secretary of State, and some of our United States Senators who have posed as great foreign-policy experts, and who have specialized in shaking their mangy locks in criticizing O'DANIEL, have awakened at long last to the fact that Uncle Joe over in Russia has traded them out of their pants. They have awakened to the fact that Joe has his agents sitting in the key spots in every department of Government in Washington. We see the President of the United States, Mr. Truman, issuing his famous order to the different departments in Washington for them to start on a still hunt to find out and drive out of public office the Communists. His order included other spies who during the war period had made a home on the pay roll of the United States Government. We saw this group admit what I charged on the stump down here in Texas while the war was in progress. We saw them admit what I had charged in the United States Senate while the war was in progress when I proclaimed that the Reds had infiltrated the departments of Government, that they were planning to take over the American Government, and to take it over from within. Then the great spy hunt started.

Well, they found about eight or nine hundred of them over in your State Department. There has been one thing rather amusing to me about this hunt for Communists in Washington and that is ever since this bunch was blasted by the statement made by J. Edgar Hoover, the head of the FBI, and ever since President Truman became thoroughly convinced that the executive departments of Government were saturated with these enemies of our Government and ordered the hunt to isolate and rid the Government of them, almost every day you see an interview in some newspaper where the head of one department of Government has discovered a lot of Reds in the other fellow's department. I never saw such a scrambling around of politicians in my life as we have had in Washington since these New Dealers went on a hunt for the Red Communists. You know, the thing that makes this hunt rather difficult to conduct is that there is so little difference in the color of the two groups, it is hard to distinguish one from the other. But, anyhow, the one point I wanted to bring out is that these master-minding New Dealers, these great foreign policy experts have now admitted that my conclusions about the matter expressed to the people of Texas at a time when it was very unpopular to tell the truth, were correct. They admit now by their own actions that we did have in our Government in key places men who loved Russia better than they love America.

Now, as a part of my report to you people here at home, I want to remind you of something else. I openly stated in public speeches in Texas that I thought the welfare of this Nation would be in jeopardy if with the then condition of the health of the President of the United States we permitted this left-wing element, which then controlled the Democratic Party, to nominate Henry Wallace as the Vice President. I did not then and I do not now mean to be critical of Mr. Wallace personally—he has a right to his views on governmental affairs—but I simply did not want to see a situation develop where a man who had the fundamental ideas, which I know Mr. Wallace had and still has about government, to be in a position where he might become the President of this Nation. There was another thing that made me fearful of Mr. Wallace and that is his constantly expressed views of just how good the government was in Russia and just how bad the Government was in this country. My friends, I think you will agree that I was the torch bearer against Mr. Wallace and the Communists at a time when it was extremely unpopular to warn the people of this State and the people of many other Southern States where I spoke of the dangers involved in that situation. But again I will say the question arises as to whether or not back in those days O'DANIEL was simply a dumb demagog or was he a statesman?

Well, if you will go up to Washington now and ask the boys who are presiding over the Democratic Party what they think of Brother

Wallace you will find that they are all far more critical of Mr. Wallace than I am, or ever was. And, friends, while we are discussing Henry Wallace, I feel sure you have noted that here of late some of our cute little Texas boys, who but a few short years ago were tripping over the Nation arm in arm with Henry, are now denouncing him from every stump, newspaper, and radio they can muster. They were Henry's pals when the New Deal was all powerful and Henry was its crown prince. But now that Henry has been reduced by us Jefferson Democrats to his real stature, these cute little New Deal page boys have clenched their fists against him and would drive him from the temple. But they cannot turn Henry out. He will be with them and they will take him and his crowd back with open arms. He will be sweet in 1948. Right now they think Senator O'DANIEL was right.

The latest step in our foreign policy is based on the theory that if the American people and the American taxpayers will put up the money to feed Europe and to rehabilitate all the nations of Europe, the result will be that they will like us better than they like Russia and the world will be safe for democracy. Well, I want to tell you frankly that I do not believe this is so. I think the American Government is being played for a sucker and most of the evidence now indicates that we are going to take the bait. If we don't mind what we are doing, we are going to wreck our economy and impoverish America, while we rebuild Europe, and then Uncle Joe is going to take over Europe from without and the wrecked economy in America will enable the Communists to take over America from within.

I think the dumb policy which has been followed in handling our foreign affairs has created a situation where we are going to be forced to use the power and the prestige of this Government to stop the march of communism throughout Europe. But we must first purge our own Government of all Communists, fellow travelers, communistic sympathizers, and do-gooders. I want to tell you something more; I also believe wherever the American dollar goes, American control of that dollar should also go. Think about making a loan of hundreds of millions of dollars to Greece and then sending an ex-official of communistic OPA over there to determine what you are going to do with it. No matter how many dollars the American taxpayer puts up to try to save the people of the world, if these dollars are handled by socialistic, communistic planners, and do-gooders who believe in the philosophy of the planned economy and world socialism, then I tell you that democracy will not be established in Europe. I tell you furthermore that all we will be doing will be to fatten up Europe to get it ready for Uncle Joe's slaughterhouse.

I am definitely of the opinion that the foreign policy of this Nation will never be a sound policy until we eradicate from Washington and this Government the last evidence and the last vestige of the old red bureaucratic power that was built up in Washington during the war. That gang has simply got to be run out and while you are in the running-out process, it would be a mighty good idea to look over in the United States Senate, which is by the Constitution a power in ratifying treaties with foreign nations, and lift out of the Senate some of these life-termers, who during the years gone by became so accustomed to working under the brass collar of the New Deal dynasty that their ability to think intelligently has most seriously deteriorated. Again and again I have said to the people and I say it now, that what we need in Washington is new blood. What we need in Washington is a complete break-up of the political machine which has ruled this Nation for the past 15 years. And we are never going to get that until the American voters realize this necessity and vote accordingly.

Think about how foolish it is to have our Government operated by men who believe that the American people should put up fifteen or twenty billion dollars to be handed out on a silver platter to foreign nations with the only hope of reward being that possibly by this process they may be bribed not to join up with Uncle Joe's band wagon of Red Communists. Think about making that investment of the taxpayers' money in Europe and then refusing at the same time to give the American citizens 1 cent of tax relief from the war taxes which these citizens have borne now for many many years. England has had two tax reductions and is hollering for more of our money probably so she can further reduce her tax bill. I say to you that that kind of statesmanship is going to prove by experience to be just as asinine as the statesmanship of these would-be foreign-policy experts has proved to be in the years gone by.

Now as I report to you good citizens of Texas I wish I could offer you more hope for the future peace of the world than is apparent at this time. I believe firmly if the executive department of this country, including the State Department, had handled our foreign affairs as wisely and as efficiently as the generals directed, and the boys fought, the war, that world peace at least would have been assured for several more generations. However, it was but natural when every department of our National Government was infiltrated with smart Communists and their fellow travelers, all of whom were acting under the direction of and for the benefit of Red Russia, that our foreign policy would have been modified as it was modified to meet the desires of Mr. Molotov and Marshal Stalin. Now America and the American people must pay the price for these costly mistakes. We must pay the price for this ride on the Communist band wagon which we have taken along with the New Deal politicians who were willing to trade the welfare of this Nation for the votes of left-wing minorities.

Regardless of who is to blame, today we face the situation where 2 years after the end of the war the world is in chaos, the Red brigades of Russia are marching over Europe and out in the southeast Pacific. They have taken control already of the largest part of the European Continent. They are using their spies and fellow travelers and a few of our dumb politicians to entrench themselves, if possible, in this Government to the point that America may be taken over from within. If they can just get us to be dumb enough to fatten up the enemies of Europe for Uncle Joe's slaughterhouse and in the process of doing so, wreck our own economy and thereby open the way for them to march at the head of the procession of unemployed in America, they will have achieved their objective.

I am not now nor have I ever been an isolationist. I want to see America take its rightful place in the councils of the world, but I would like to see America represented at these council tables by someone who has the courage and the knowledge to protect the interest of America first, last, and all the time. It will require sound-thinking men instead of day-dreamers to save us because we have been completely traded out of our pants and Russia has won by the simple process of negotiating control of a vast sector of Europe and has our Nation almost cornered—diplomatically at least. We can do absolutely nothing until we first put our own house in order by cleaning the enemies of this Government out of every department. But this cannot be done, it will not be done, it never has been done, except as such policies are executed and carried out by able, intelligent men who by years of experience know what they are doing. This job cannot be done if our agents in Europe are to be a bunch of half-baked Socialists, world-planners, "do-gooders," and welfare experts. We need to apply some hard-headed business commonsense. It must be done by patriotic God-fearing honest men and women. It cannot be done by weak-kneed politicians who are willing to kick God out of the United Nations in order to let Stalin in. Yes, my friends, if our Nation is to survive the present crises, the people of our Nation, and especially our public servants, must return to God and the Constitution. What this Nation needs right now is a Nation-wide old-fashioned religious revival. God bless the preachers of our Nation who are conscious of the let down in religion and who are working so hard in their battle against sin and Godlessness. For such a policy I am committed unreservedly.

This is the third in a series of four radio broadcasts. Anybody desiring copies of this or all four of these broadcasts should drop me a line to 314 Federal Building, Fort Worth, Tex. I will be back on the air 1 week from tonight on WBAP and KPRC at 7:30 p. m., and on WOAI at 10:30 p. m. Tomorrow, Friday, I will visit the following towns: Floresville, Karnes City, Kenedy, Runge, Yorktown, Cuero, and Victoria for the night. Saturday, I will visit Goliad, Beeville, George West, Alice, Robstown, and Corpus for the night. Monday: Kingsville, Raymondville, Harlingen, Brownsville, and McAllen. Tuesday: Edinburg, Falfurrias, Hebbronville, and Laredo. Wednesday: Cotulla, Dilley, Carrizo Springs, Crystal City, and Uvalde: Thursday: Sabinal, Hondo, and San Antonio.

This is Senator W. LEE O'DANIEL, Democrat of Texas, wishing you all a very pleasant good night.

Conditions in England

EXTENSION OF REMARKS
OF

HON. ALBERT W. HAWKES

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. HAWKES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address regarding conditions in England, broadcast over the radio in the United States and Canada by Sir William Y. Darling, a member of the Parliament of Great Britain, and vice president of the Society of Individualists.

Mr. Darling has stated frankly some important fundamentals which he believes have contributed to the present unfortunate and pathetic situation in which the British people find themselves.

There is an old saying that few people in the world can learn anything except from experience.

Possibly if Americans could properly appreciate the calamities which have befallen the people of Great Britain, they could find a way to learn something from their experience without having to pass through a similar ordeal.

It is with this thought I express the hope that every Member of the Congress and many outside of the Congress will read these important words of Sir William Y. Darling.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

(Copy of transcription made by Sir William Y. Darling, member of British Parliament and vice president of the Society of Individualists; a Scottish businessman interested in banking, merchandising, publishing, and manufacture; introductory and concluding remarks by Hon. Samuel B. Pettengill, former Congressman from Indiana, 1930–38)

This is Sam Pettengill, former Congressman from Indiana. I am about to present to this radio audience a member of the British House of Commons. Certainly, very few questions are of more interest to us Americans today than what is going on in England, her present plight, and the conditions and the reasons which have brought it about.

Sir William Darling, a Conservative member of Parliament from Edinburgh, Scotland, is a member of the Society of Individualists, a group in England that is attempting to prevent the onrush of socialism sweeping over that great country. He is a very distinguished member of the House of Commons and, as a former Member of Congress, I have great pleasure in presenting to this audience the Honorable William Y. Darling, member of Parliament from Edinburgh, Scotland.

Sir WILLIAM Y. DARLING. I came a few weeks ago from a collectivist society, for that is what Britain is to some extent today. I came to observe and to learn. Some of the nostrums of my home country have been freely discussed, and some have been practiced in the United States here, and in Canada, and elsewhere. They are to the effect that the state can do something better for you than you can do it for yourself.

Before I go back to my country with its shilling's worth of meat a week, its declining standard of life, its business desperately entangled, please let me tell you, my friends in the United States and in Canada, that the road Great Britain is traveling is the road you should not travel. The experience is not worth while. It is a road which has led to the degradation and lowering of our human standards in which you and we believe.

How, you may ask, did this crisis in Britain arise?

I think it is fair to say that the crisis arose because the British people have fought two wars; they lost a great deal of their overseas investments; they sacrificed their industrial potential for a war potential; they were obliged to eat up their interior capital which might have been used for rehabilitation, and high taxation rules every class in the community. It has done so, I may say in parentheses, for 50 years, retarding the proper tooling of industry.

If we have fallen on difficult days—I do not say evil days, but difficult days—it has been because of no greater fault than having attempted to do more than perhaps was within our grasp. We have always tried to do big and sometimes we have failed.

Any government which came into power after this last war would have been in trouble. Our Socialist government, inheriting trouble, sought for further trouble. And they have got it.

During our election which brought the Socialist government to power, I suggested that what the country needed was a period of 2 or 3 years of rest. Our Socialists did not take that view. They added to their inherited troubles several troubles of their own making.

In place of realizing that a country is infinitely poorer after a great war, our Socialists sedulously spread the idea that we were somehow a much richer nation, and we could afford shorter hours, higher pay, and less work. Their election campaign was crowded with the most reckless and foolish promises. And enough of our people believed the promises to give the Socialist government a majority of more than 200 over all other parties in the House of Commons.

I think the Socialists have failed in these 2 years—failed in many ways. Nobody would have wanted them to fail but they have failed, and it is historically proper to mention it. They have been maladroit, they have been unlucky, and they have been ill-advised. But their major fault was the fault of 2 years ago. They leapt with both hands and feet at the possibility of an American loan. They thought that with the loan they could perpetuate, or at any rate sweeten, the policies to which they were committed—nationalization of the banks, nationalization of railroads, nationalization of the haulage business, and nationalization of coal, steel, and all the essential industries.

I voted against the acceptance of the American loan. I believed that then was the time to face economic realities; that then was the time for the British people to say: "This is our decision. Whatever the Americans may want to do affecting us, we cannot afford to take a loan with all the difficulties which are inherent in such a step."

I say to you that a loan between one nation and another—and I say this with deep conviction—is almost certain to be the cause of international quarrel, certainly of international difficulties. The first of the difficulties is that the man who makes the loan on behalf of his people is not the man who receives the payment. Mr. Truman makes a loan to Mr. Attlee, but the Trumans and the Attlees are gone when the difficulty is actually faced if the loan is not repaid—as it may not be. And there are many difficulties arising in the world. Tariffs may be raised or lowered—and these are inevitable difficulties to those who have borrowed from one another. They all arouse bad feelings between one nation and another.

Now, there are alternatives. There is no use in voting against an American loan unless one has an alternative. We have had—and this seems to be forgotten—countless loans between individual citizens and private groups in our respective countries. Many have been successful; some defaulted. But the point I am making is that no international complications arise from them.

Another disadvantage of a State loan is that every taxpayer of the government making the loan—you in America—feels, quite naturally, that it is his loan. But this is what happens: The cotton exporters want their share, the tobacco people their share, the film people their share—endless claims, endless annoyances leading to misunderstandings, if not to war; but almost certainly to internal disquietudes which no nation should willingly have imposed upon them.

Now let me come to the point which I think most concerns all of us. It is what some of you in America refer to as "big government." I believe that the organization of communities on a large scale is the greatest danger with which the world is faced.

Government is a piece of machinery. It was invented by men for their convenience; and I am sorry to say politicians, sometimes, and I am a politician, exploit it for their own good. By and large, the record of government, throughout the world, is not good.

What can governments do that we as individuals cannot do? Let me give you an example. I look at government as having one supreme unique function—a function which private enterprise cannot handle; it is the defense of the country. National defense is the supreme duty of government. That, surely, will be conceded. Yet most of you have lived through two wars; some, three. In no war has your country, or my country, or indeed any country, been ready to start. Government has had to rely upon private persons to fill its ranks, develop its army, make its munitions, and its fighting machines.

Why should we imagine then that government, which fails to be ready for its supreme and unique task, should be entrusted with tasks which private citizens have done better for themselves?

Still there is a widespread belief among those who are Socialists, a deep-rooted conviction that, somehow, government can do things better than the people can do it for themselves. So our Socialist government in Britain is attempting it. I can tell you the result very simply by quoting the remark made by one of my electors. She is a woman, and this is what she said to me:

"This nationalization," she said, "is a very queer thing. The more you own, it seems the less you have. We own now the Bank of England in Britain, but I am no better off. We own the coal mines, and I have less coal. We own the railroads, but I can't get a train for my holiday. This is socialism. The more we own, apparently, the less we get."

All that my woman constituent said is true—and more. We discover that we are approaching a real dictatorship, because the British citizens have no choice but to accept what is offered to them; and even then, they have less of the satisfactions which they formerly enjoyed. Under nationalization we have less coal than even during the war. We have a worse and more costly railway service. We have restrictions on power to such an extent that in my own business I am invited to work a night shift permanently in order to lighten the load upon other factories working day shifts.

All of these things, in my opinion, have arisen out of the application of this theory that ownership by the State, or by the community, carries with it some unique advantages to the individual. One of the complications arises from the Socialists' failure to realize in my country that Britain is a handicraft country. It is not tooled for the economies of mass production, and therefore it cannot produce on a competitive basis what machine-using communities can produce working only 5 days a week. The Socialists' introduction of the 5-day week has been, quite frankly, disastrous. It may turn out better in the future but it is disastrous today. Production has fallen substantially in almost every industry to which it has been applied.

Our housing is another example of governmental maladroitness. No houses have been built except under the direction of the government. There are hundreds, and probably more than hundreds of houses in the United Kingdom which stand roofless because the planning went wrong. And I would like to know if it is fallacy for I have submitted it to hundreds or thousands of persons without being challenged.

All that I have told you makes a sad picture. It is no pleasure for me to describe it. These evils are due to the fact that for over half a century now, in the United Kingdom and elsewhere, men of affairs, businessmen with experience and "the know-how" have been decried until they have been distrusted. Politicians—and I am speaking again as a politician—do not seem to realize that when they deal in promises, if these promises are to be fulfilled, they must be fulfilled not by the politicians but by the citizens themselves. The politicians go on telling the people that businessmen cannot be trusted to handle the affairs of the Nation. That policy has become a god which bureaucrats ignorantly worship.

They speak of social security. Where does does it come from? Not from the government. It comes from taxing the people. So does the public housing which politicians like to promise.

I have said in the House of Commons, I have said before chambers of commerce, that

the businessman is actually the choice of the people. He cannot exist unless the people vote for him every day—by purchasing from him what it is he has to sell every day. I submit that no man can be even moderately well off in business except by the economic vote of his constituents—his customers. They choose him. If they choose him in large numbers they make him a success. If they pass him by or choose him in small numbers, he is a failure.

Yet businessmen, almost everywhere, have been frightened off from public service because the politicians tell them they are not vote-getters. But men of affairs have defaulted in their duty—their duty to themselves, to their country, to civilization—by failing to defend their system of private enterprise and by not taking their part in community and in national affairs.

I have said to groups of men of affairs whom I have had the privilege of addressing in the United States and in Canada, that Britain's difficulties are largely due to the failure of men who lead in the fields of production but shrank from their responsibilities in politics. They left that field to the theorists—and the Socialists, in Britain, moved in.

I want to put it to you that the people who supply you with the goods and services which you freely choose or freely reject—these are the persons who are warranted and entitled to manage your affairs.

May you, on this side of the Atlantic, profit by our mistakes and our blunders, and we have made many. For us it may be a long, rough road back again, but Britain, that ancient civilization, will come back. In that faith let me thank you and say Godspeed.

Joe Gets His Lumps Again

EXTENSION OF REMARKS
OF
HON. FREDERICK C. SMITH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. SMITH of Ohio. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include a bit of pertinent and first-class literature entitled "Joe Gets His Lumps Again," written by Mr. Syd J. Hughes, vice president, Industrial Bank of Commerce, New York:

The process has been laborious, the conclusions circuitously and ponderously arrived at, but "with truth and virtue inevitably triumphant," we now know who was responsible for the great depression of the early thirties—and the same culprit is driving us inexorably to the great depression to come.

Who is he? None other than "the little guy"—the common average "Joe."

And how does the Joe wield this tremendous, unbridled power of holocaust proportions?

Why, by "buying for a dollar down."

And who says so? Why, a number of fad-regulators, and through them into the propaganda mills and out across the Nation through the usual channels.

Perhaps this new thorn of guilt pressed upon the brows of the country's Joes by their intellectual superiors will come as a revelation to everybody but the Joe himself.

After all, who always filters out of the small end of the prodigious funnel of official and professorial siftings and investigations and clinical diagnoses, but Joe?

After the engulfing tide of graphs and charts and pie-plate visuals has swept its mountainous seas of verbiage and digits across the entire global complexities of astronomical economics, there is good, old, ever-present Joe, lying gasping on the beach, naked and shamefully exposed in all of his conspiratorial guilt and evil.

He's the Joe who buys on the installment plan maybe a washing machine for his luxury-soaked wife and kids, or even maybe an electric ice box, or a vacuum cleaner—or, may providence weep over his most abysmal iniquity, a vintage jalopy.

The death warrant passed by the last Congress on regulation W, one of the few remaining wartime emergency controls and reluctantly signed by President Truman, who couldn't veto everything without spurring Gromyko on to still greater heights, was the signal for blowing the whistle on Joe.

Regulation W was a 1941 emergency Presidential decree authorized under the 1917 Trading With the Enemy Act—a curious bit of skulduggery on Joe's part because if he kept up his "dollar down" practices he might be committing treason or something equally horrendous. At the very least he was subject to $10,000 fine and 10 years in jail because regulation W indelicately and bluntly said so.

The purposes or designs of regulation W were unheard or unthought of when the Trading With the Enemy Act was passed in 1917. But by 1941 it was decided that unless Joe bought his merchandise on terms and conditions to Government specifications, he was running the risk of doing just that.

No matter that during the war years Joe could buy very little anyway, even if he had the cash to spend or the credit to employ. What was being manufactured at all, was either rationed or subject to rigid priorities and controls.

But by an evolution of Washington events that had a high aroma of questionable motives (another subject in itself) Joe was told how much he "had to pay down" and "how quick he had to pay it"—he was, as a high Government official described him, "one of those dollar down guys." If some Joes had lush war wages to buy in the "cash" markets, there were a few gadgets to be had. If he was one of the millions of white-collar Joes and plain-working Joes unblessed by swollen wage envelopes, he had to scuffle the best he could and drag a pointless regulation W after him.

Naturally it took a lot of expensive "experts" on the Government pay roll to keep Joe from losing the war, either by his deliberate and calculated machinations of, "buying for a dollar down" or through his congenital and incurable frailties that were being regulated and regimented in so many other phases of his corruption or adolescent ignorance.

Most of the professional payrollers of "enforcement" have heaved and puffed mightily in defense of their meal ticket since regulation W began to wobble.

With the passage of its congressional repeal effective November 1 of this year (1947), their anguish echoed clear to the White House, climaxed with the President's signing "with reluctance" message and reverberating off many a paternalistic editorial typewriter.

It is a curious fact that probably most of those so spiritually and sympathetically concerned with Joe's "dollar down" antics have availed themselves of the same device at sometime or another, but just as they would curtail or deny Joe many of his other inalienable rights of trade or contract "for his own good," they now would again reserve for themselves the privileges and prerogatives of superiority in this particular respect.

Of course, nothing of consequence or in influential quantities is ever bought "for a dollar down." That's just sort of a figure of speech.

The implication in the use of the term "dollar down" is the supposedly sinister plot to enslave the American millions and to destroy both individually and collectively their connubial bliss—as well as the Nation's economy.

But never mind that Joe's recourse to mass consumer credit (postgraduate euphemism for dollar down) created and sustained mass production and mass distribution to the envy of the rest of the world.

Ignore the postwar national and international maladjustments of 1919 through 1922; forget the opium-like halucinations of fry cooks on the way to fabulous fortunes in the roaring twenties, their racing forms moldering beside the fresh, crisp piles of ticker tape.

Think nothing of the billions upon billions wiped out in that black Friday of October 1929 when more wealth went down the stock-market drain in any given 4 minutes than all of Joe's dollar-downs since the day he began indulging in the habit.

Of what significance were the crashing Insull empires, the collapse of finance and industry and agriculture, the millions of jobless, the soup kitchens, the apple sellers, the dust bowls, the frenzied devaluation of foreign investments and the repudiation of foreign loans?

Who were Hitler and Mussolini and Tojo and the Stalin of 1939? What did they ever do? What of that new national debt of $265,000,000,000, the current Federal budget of $37,000,000,000, much of it earmarked to keep democracy afloat wherever a bailing or caulking job will help.

All so much gibberish. All fantasy. All naive and irrelevant. Joe did it. Joe with his "dollar down." And after November 1 Joe is going to do it again.

"Joe, some of them are on to you." They want high on the agenda of the next Congress that $10,000 fine and 10 years in jail restored as a penalty for your wanton venality.

Joe, there are some other statistics which say that during two wars and two depressions your "dollar down" business came through less sullied than any other form of commerce or finance. And through its priming of mass production and mass consumption, mass credit was to an important degree responsible for our unequaled possession of comforts and conveniences and an all around better standard of living.

But don't let them kid you. You're guilty, Joe. Stand up like you always do and take your lumps.

Noble Foundation

EXTENSION OF REMARKS
OF
HON. CARL ALBERT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. ALBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I am proud to advise the membership of the House of Representatives of the existence of an institution in my congressional district, the activities of which may well be emulated throughout the United States. I refer to the Samuel Roberts Noble Foundation established by the Honorable Lloyd Noble of Ardmore, Okla. This foundation which was financed by private capital is dedicated to the restoration of fertility to depleted and arid soil. The foundation has a fine laboratory where, under the supervision of Col. Francis J. Wilson, a staff of experts delve into secrets of the land upon which we all depend for survival. The foundation is dedicated not only to basic

research but to the promulgation of knowledge of soil building. Interest in soil conservation is stimulated among the farmers of southern counties of Oklahoma through annual awards to participants. Recently, numerous cash prizes were given for pasture improvement, garden contests, upland crops, and bottom land crops. Awards were also given to young people participating in a junior division.

Speaking at the first annual award presentation, Mr. Noble said:

If by our efforts with this foundation, we can bring the knowledge and opportunity to even a few men and women by which the depleted fertility of our soil can be redeemed, if we can do a little part in spreading the information that is needed to destroy forever fear from the hearts of a few, our efforts will not have been in vain.

The foundation cooperates with, but performs a function that cannot be performed by State and Federal soil-conservation agencies. Two recent editorials in the Daily Ardmoreite offer further evidence of the nature and importance of the work of the Noble Foundation. An editorial dated November 25, 1947, reads as follows:

IMPORTANT EVENT

On Wednesday, the Noble Foundation will award prizes to the farmers of Love and Carter counties who are winners in the several competitions that foundation is sponsoring.

Hundreds of farmers are to be present. The event is one of major significance to the community as a whole. The Noble Foundation, almost unique in its field, is engaged in the furtherance of one of the State's most vital programs and what it is attempting to do is of importance to every citizen, regardless of his walk in life or of his occupation.

The Noble Foundation is seeking to improve the fertility of the soil through restoration of those elements that wasteful and improper methods have removed from it. It is seeking to encourage the farmers to follow modernized and scientific methods to bring about maximum yield from crops and the most food for all of us.

It is entirely proper that all citizens be at the civic auditorium Wednesday afternoon to join with the officials of the foundation and the representatives of the State agricultural college in honoring those men who are pursuing the approved course the foundation has charted.

It is an event of importance because it marks a new and progressive approach to the problem of conservation and rehabilitation.

An editorial dated December 1, 1947, follows:

IMPORTANT EVENT

The Noble Foundation presentation event of last week should have been underlined even more vigorously than it was in the calendar of Ardmore and southern Oklahoma activities.

Certainly the event was successful—successful in the attendance it attracted; extremely successful in the large number of farmers and landowners who were on hand and expressed their interest and approval of the program the foundation is pursuing.

Anyone who gives the future any thought at all is well aware of the tremendous importance of the work the foundation is endeavoring to advance.

Nothing is so important to the Nation as the advancement of agriculture. The first step in this advancement must be the restoration of fertility to depleted and arid soil. The second step is the wider adoption of those policies and principles which insure the preservation of acres still productive and still fertile.

The Noble Foundation is attempting in the most logical and effective manner to demonstrate to the landowners and farmers the proof that such a program is well worth the money and work it required.

Western Europe Isn't Holding Up Its End of Marshall Plan

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to submit a copy of an article by Ferdinand Kuhn, Jr., which appeared in the Washington Post, of Sunday, December 7, 1947, as follows, to wit:

WESTERN EUROPE ISN'T HOLDING UP ITS END OF MARSHALL PLAN

(By Ferdinand Kuhn, Jr.)

Western Europe has failed to follow up its first response to Secretary Marshall's historic offer at Harvard last June.

The Europeans could have started many cooperative recovery projects by now, regardless of Communist pressure and dollar shortages. Instead, they have been marking time, waiting to see what Congress would do.

Six months have gone by—six months this very week end—since the Secretary offered new American help on condition that a number, if not all European nations first draw up a program of helping one another.

Sixteen non-Soviet nations promptly took the first step by drafting such a program. Their September report looked like a landmark. It blueprinted a cooperative effort that discarded old concepts, cut across national boundaries, and gave hope of a better Europe.

It was an inventory of collective needs, resources, and capabilities for the next 4 years. Its foresight was so remarkable that its main conclusions have stood up under weeks of analysis on this side of the ocean.

It justified Secretary Marshall's description of the program last Thursday as the great cooperative movement that is being launched for the economic recovery of Europe.

PROMISES MADE

The Europeans made solemn and sweeping pledges. They promised to increase their production, to modernize their equipment and transport, to set their financial houses in order. They promised to reduce trade barriers, and to remove the barriers to the free movement of peoples within frontier-ridden Europe.

Above all, they promised to organize together the means by which common resources can be developed in partnership. This, perhaps, was the most thrilling promise of all, for it suggested that 16 individualistic nations, separated by language and historic rivalries, now recognized their common tradition and their common destiny.

They saw the truth of what John Foster Dulles told the Senate Foreign Relations Committee last month: that the recovery of Europe must be harnessed to a great idea—the idea of European cooperation—if American help was not to be utterly valueless.

The Paris report, in short, contained the glimmerings of a great idea. But in the intervening months there has been so little cooperative European effort that one must use a magnifying glass on the record to find examples of it.

The brave, imaginative things that have been done in Europe since the Paris conference—and there have been many—have been done mostly by individual countries, as if the collective concept of Paris had never been born.

BRITISH RESURGENCE

Britain, struck by a financial crisis in August, has faced up to its desperate situation at last: pushing coal output above 4,000,000 tons for four successive weeks, driving its export trades beyond their prewar levels, postponing expensive housing and road-building projects, and cutting down consumption to such an extent that its people regarded an extra Christmas ration of 10 cents worth of meat almost as a gift from Heaven.

Italy, standing up courageously to Communist sabotage, has succeeded in reducing prices and has devalued the lira down to its true worth in the hope of stamping out the black market. France, the slowest of all in coping with her internal ills, has shown determination and courage in fighting the Communist-inspired strikes aimed at paralyzing her.

But where is the cooperative effort? Where are the signs that the Europeans have understood the meaning of what they agreed to at Paris? If there are examples, they are pathetically few.

One of them, of course, is the pioneer work of Belgium, the Netherlands, and Luxembourg in forming a genuine economic union. This was started long before the Paris Conference, and it cannot possibly be completed until long after the Marshall Plan is under way.

ITALIAN INSPIRATION

Another example has come from Italy, an imaginative one. The Italians need coal from Britain instead of having to spend dollars for American coal at fantastic prices because of shipping costs. The British miners need incentive to produce more coal.

So last month the Italians offered free 12-day vacations to 11,000 British miners and their wives for every 500,000 tons of British coal allotted to Italy. Their expenses in Italy would be paid by the official Italian tourist agency out of the $3 a ton saving.

Moreover, the Italians, with a surplus of labor, offered to send the British 5,000 miners from Sicily and Sardinia.

Whoever thought of this scheme understood the "great idea" that lay behind Secretary Marshall's original offer and Europe's original response.

Still another idea, this one of Franco-Italian parentage, was good in intention but poor in execution. It was a scheme to send 200,000 Italian workers to France. The French have a labor shortage; the Italians a surplus.

But the planners did not take account of the workers' wives and children, or of the stubborn Italian instinct to live in Italian communities in foreign lands. Nor did the French allow for the easily foreseeable desire of the Italians to remit their earnings (in francs) to their relatives, who would want to spend them in lire. So many of the imported workers soon streamed back across the Alps to Italy.

UN GROUP WORKING

International organizations are doing something to develop cooperative projects in Europe, but their work has not progressed far beyond the study stage. The UN Economic Commission for Europe is studying the exchange of labor across European boundaries, and a committee of the 16-nation Paris conference will get to work on this problem

when the UN group has finished surveying the field.

The European Central Inland Transport Organization, an inter-Allied group which has done effective work since the war, has already agreed on the standardization of freight cars. This was one of the objectives of the 16-nation Paris conference, but it will be many months before Europe is ready to produce freight cars of the new dimensions.

The British have pointed the way to another cooperative effort by a recent conference of their African colonial governors, to discuss the development of food and raw material resuorces. If this conference were broadened to include the governors of the French, Belgian, and Portuguese colonies in Africa, it could produce important long-range plans to free Europe from its dependence on American supplies.

Otherwise the record of cooperative effort has been a dreary and negative one. One official will explain, "We are learning that these things are difficult and take time"; another, asked why so little has been done, will answer, "We have to wait to see how the Marshall plan develops in Congress."

But why wait for the Marshall plan? If Europe combined imagination with determination, many projects of collective self-help could be started without a single American dollar. A good example is scrap steel.

LITTERED WITH IT

Originally the Europeans asked the United States for 1,500,000 tons of scrap steel over the next 4 years. Yet scrap is so scarce in this country that it is almost a precious metal. The Harriman committee reported that it was the tightest of all bottlenecks in American steel production, and recommended that not a ton be exported.

Yet the Continent is strewn with twisted steel. A superficial look at the city of Essen alone suggests that there is enough scrap there to supply the entire European steel industry. Certainly there are many Essens in the total of war-wrecked buildings in western Europe.

Why not set up a committee of the 16 European nations to make an inventory of scrap resources and devise means of getting it out to the steel mills? It will be useless, in any case, to wait for the Marshall plan; for if one thing is sure about the program it is that the United States will not export the scrap that Europe wants.

Six months after the Harvard speech, there is talk in Europe of reconvening the 16 nations. But again timid officials say, "We must wait until we see more clearly what Congress will do." If these counsels prevail, the 16 nations will not come together until early spring. Precious months will have been lost.

HOBBLED BY FEAR

The 16 nations do not even have a continuing organization, apart from a few study committees and a small staff. Fear of Soviet displeasure is so strong that the Scandinavians for example, and the Swiss for neutrality reasons, resist setting up any permanent or semipermanent organizations. The British, too, have been holding back, perhaps because they still hope for some kind of special treatment and fear taking their place in a 16-nation queue.

But can western Europe go on waiting for Congress and still convince Congress that it is doing everything possible for its own salvation?

The European recovery program will mean high prices, taxes, and shortages in the United States. It will have to overcome strenuous resistance in Congress.

The best way to overcome it is for western Europe to give continuing evidence of self-help.

The Role of Education in Our Democracy

EXTENSION OF REMARKS
OF
HON. JOHN J. SPARKMAN
OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. SPARKMAN. Mr. President, on August 8, 1947, Dr. Ralph E. Adams, acting president of the University of Alabama, delivered an address entitled "The Role of Education in Our Democracy," before the Alabama Association of Circuit Judges. I ask unanimous consent to have the address printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ROLE OF EDUCATION IN OUR DEMOCRACY

(By Ralph E. Adams, acting president, University of Alabama)

Although it has been suggested to me that I should not talk about the law (which I am not qualified to do and certainly would not dare do anyway in the presence of this distinguished group of jurists) and that I should not talk about the University (which is a subject always close to my heart and one on which I do sometimes expound) it has seemed to me appropriate that my remarks should have some relationship to the work in which I am engaged. I have reasoned to myself that, had your program chairman desired a philosophical address, he would have engaged a philosopher; had he wanted a humorous talk, he would have invited a wit; had he expected a discussion of economic or social or political questions, he would have presented to you a specialist in one of those fields. Since he has, for reasons best known to himself, seen fit to inflict me upon you, he must be prepared to accept responsibility for my choice of topic, subject only to the two limitations which he imposed upon me and which I have already mentioned.

In exercising, therefore, the latitude granted me, and because I think that the shoemaker should stick to his last, I have chosen to talk briefly today concerning the role which education has played and must continue to play in the furtherance of our democracy as our forefathers knew it, as we have known it, and as we would have our children know it. That this role has been an important one there will, I think, be no disagreement.

It has been said that "Education is dependent upon democracy, and democracy is dependent upon education." Democracy and education cannot stand still; in order to live they must move forward together. It should be our purpose to promote for our youth the type of education that will give intelligent direction to the impelling forces of democracy and which will make increasing use of their intellect and will expand their opportunities for full expression of their inherent creative talents.

It is no trite expression to say that our democracy and our system of education face grave challenges and tremendous responsibilities in these difficult and demanding times. They have been challenged before; they will be challenged again. Let us examine briefly the record of the past 6 years, using the war as an undesirable but an effective yardstick, in order that we may judge how well our democracy and our educational system respond to challenge.

Our schools and colleges laid the foundations upon which our citizens' army was built. Our young soldiers met and stood the sternest tests in the crucibles of war in every corner of the globe. Who can forget that the principal factor on which the Axis based its hopes for victory was a flabby soldier, schooled to weakness by a soft democracy? To be sure, our soldier was not like the puppet Nazi nor the Jap fanatic. He was, on the contrary, an individualist who abhored regimentation. But he had the capacity to do his job effectively, in spite of any inherent resentment that he may have felt at the abridgement of his personal liberties which the essential discipline of the Army imposed. Above all, he was intelligent and resourceful.

This product of our educational system manned our research laboratories, piloted our bombers, labored in our shops and on our farms, and made us the greatest military power in the world. His teacher, the myopic professor scorned by the practical world, became the most feared soldier of them all—the brains behind the atomic bomb.

The war did something to our soldier which we must now take into account in our educational planning. War not only made him more realistic and more matter of fact—it also strengthened his natural idealism. Having witnessed so much denial of human freedom, he has a better conception of the value of our constitutional freedoms. He has an awakened appreciation of the principle that strong men gain added strength through helping others; that making allowances for shortcomings is a valid part of living; that elements of cowardice or dishonesty or jealousy are problems for communities as well as for individuals to attack and to conquer. He has come back to us with an impelling passion to make this a better world in which to live.

He believes that under the threat of destruction through atomic fission the key to world peace lies in the development of better human relationships; as Einstein has expressed it, that "Our future lies not in the atom but in the human heart."

In our effort to make and to keep our educational system worthy of our democracy, therefore, one of our principal responsibilities, it seems to me, is to develop within our young people an abiding sense of distinction between good and evil—a sense of beauty as contrasted with ugliness—a sense of good will, of tolerance, and of fair play.

But we must do more. Education for the finer things of life must be synthesized with education for public responsibility and for economic security. We must not succumb to the illusion that cultural education and practical or technical or utilitarian education are mutually exclusive. We need not have—we should not have—on the one hand, the scientist who lacks an appreciation of the social implications of the products of his scientific knowledge; on the other hand, the man skilled in the multiple phases of social, cultural, economic, or political life but with no appreciation of the scientific forces which so powerfully affect that life.

Education for democracy must mean far more than the acquisition of a number of disconnected fragments of information. An intelligent attitude of mind, one of the essentials of democracy, will not necessarily follow the mere absorption of facts, which in itself is likely to lead to the accumulation of an excess of inactive unsystematized information, lacking in purpose. A knowledge of facts without the ability to use these facts is of questionable value. We cannot have understanding without knowledge, nor can we expect intelligent action without the proper use of such knowledge as we have acquired.

Some of our university graduates, I fear, finish their courses without ever having given even cursory consideration to the great problems of politics and government. The con-

tinuance of our democracy is dependent upon the proper handling of the equally difficult and equally important scientific, industrial, economic, political, and sociological problems, some of which are so often neglected in our individual thinking.

The college student should seek to gain from his course a conception of the unity of knowledge and of the interrelationship of its parts. The teacher should make a sustained effort to show his students the relationship of his particular subject matter to knowledge and to life as a whole.

You may ask: "What has all of this to do with us? Why talk to this group about these matters?"

My response to such questions would be that as representative citizens of our State and Nation, and as shareholders in our democracy and in our educational system, it should be your business to interest yourselves in these matters and we should all work together toward a solution of our problems as they arise.

You men in your daily work are brought into close contact with the maladjusted element of our populace. No less an authority than the Surgeon General of the Army has estimated that as many as 14,000,000 of our people are seriously maladjusted. You see the fruits of this maladjustment daily, and you are in excellent position to assess the economic costs arising therefrom, as well as to evaluate the benefits to society which would accrue from the rehabilitation of this large group.

How better can we hope to accomplish this rehabilitation—and to have our people learn to adjust themselves properly to our society—than through education?

We have many common problems and a common goal. Together we can solve these problems and attain that goal. Our chief purpose must be to know the truth, and by properly disciplining the search therefor, to build into the lives of our young people character, ability, and understanding. Through this means we can translate facts into a course of action which will lead to a desirable end.

My Faith

EXTENSION OF REMARKS

OF

HON. WILLIAM LANGER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "My Faith," written by Robert G. Sproul, 56-year-old dynamic president of the University of California, which has the largest enrollment of any university in the world. Dr. Sproul, who is the recipient of 11 honorary doctorates and degrees, and numerous other international honors, has given to the American Weekly this statement of his public and private faith, his religion, and the ideals he believes are needed to build a peaceful and aspiring world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MY FAITH

(By Robert G. Sproul)

According to the dictionary the creed of a church to which a man belongs is an expression of the faith which he holds.

One might say, therefore, that my faith is the creed of the Presbyterian Church, for I have been affiliated with that denomination all of my life, and even though circumstances prevent me from attending services as often as I would like, it continues to hold my allegiance.

But, there is, I believe, more to my faith than this would imply.

As president of a university which attracts students and scholars from all parts of the world, and representing most, if not all, of the major religions of mankind, it has been my privilege to discuss creeds and faiths with many people.

A man's creed determines the architecture of his faith. It supplies him with the instrumentalities, the words, the codes, and the patterns of thought which, like anchors to windward, hold him steady in time of storm.

But faith itself is a thing of life and spirit which neither house nor trellis can confine. It lives in the hearts of men of a thousand different creeds, and joyously dwells with men who know no creed at all.

In these reflections there is, of course, nothing new, for in this matter of personal faith much foolishness and much wisdom have been both written and spoken. Nevertheless, it is necessary that I, too, repeat, not only to define my own faith, but also to point the way toward that world understanding through faith for which today so many millions of people yearn.

The common ground on which peoples of the whole world may meet and work together will never come through creeds; for their number is legion, and their differences as night and day. Rather, that common ground is the faith, urgent, ineradicable, which they all share, in the essential significance and eventual goal of man's existence on earth.

It has taken me many years to set straight in my own mind wherein lies the difference between the creed of my church and my personal faith. My creed is important to my faith, but my faith is greater than my creed.

Only through this conclusion can I speak with mutual understanding to men and women of churches other than my own, and to men and women of no church affiliation. In outward semblance we may differ, but in our hearts there is no difference. We have the same hopes and dreams, and we hold the same strong conviction that faith is the one sure foundation, the rock of ages, on which men must build.

Relatively speaking, religion today does not mean so much to mankind as it did only a few generations ago. In this country and in many others, the percentage of people who maintain membership in organized churches is smaller than it used to be. Moreover, the percentage of those nominally affiliated with churches who attend regularly is also smaller.

There is here a twofold danger. Without the guidance that a church and a creed provide, many people will never find a personal faith. The churches are our spiritual schools, and few persons have the initiative or the ability to educate themselves without a school. But even more serious is the danger that those who avoid churches and creeds will not even seek a personal faith because they believe that all three are one and the same, and therefore shun them all.

This danger is particularly grave in the case of young people. Left to drift without protection and without support they may be killed by frost, spiritually speaking; or growing along the ground instead of upward, they will bury their fruit in the mud.

There are those who are optimistic about this situation. A pastor of my acquaintance, not of my own church, believes that the relative decline of interest in churches does not represent a decline in faith. He believes that it is merely an adjustment to changing conditions.

He points out that a few generations ago people looked forward to Sunday, not alone as an opportunity to commune with God, but also as an opportunity to commune with their friends and neighbors. Most of them lived on farms, and all during the week communed with God through nature; they welcomed the opportunity to meet their fellowmen. But today, most people live in cities, work indoors, and rub elbows with people all week.

As a consequence, my friend reasons, they naturally desire a different approach to God on Sunday. They prefer to commune with nature in their gardens, on a golf course, or on the highway. Moreover, my friend adds, Sunday morning services conflict with the fact that men need sleep to recuperate from the nervous strain of modern living. Perhaps my friend is right. I hope he is.

But I am not at all sure that the majority of men will fashion a personal faith without guidance, or keep it strong without some community of expression. I know that we cannot do without schools in the mundane education of men. I know that men cannot develop strength of spirit, even school spirit, unless they join together in expressing it.

If I may review then, my faith is Christian, but it recognizes a kinship with the faiths of all other peoples, regardless of how my creed and theirs may differ.

My faith requires only one absolute conviction, namely, that there is a significance to man's existence on earth, a goal toward which he must strive, and an inspired guidance within each individual which, if shared and acted on in concert, will help all the way. And that part of my creed which sets a code of Christ-like behavior toward my fellowmen is the core of my faith, however poorly I may express that faith in words.

China's Job Begins at Home

EXTENSION OF REMARKS

OF

HON. WAT ARNOLD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. ARNOLD. Mr. Speaker, the December 1947 issue of Nation's Business, just received, contains a timely article with regard to the subject of aid to China. The article is by Herbert M. Bratter, entitled "China's Job Begins at Home." Under leave to extend my remarks, I include the article in its entirety:

CHINA'S JOB BEGINS AT HOME

(By Herbert M. Bratter)

Not long ago an old China hand referring to reports he had read that more American money could be expected for the Chinese wrote me from abroad:

"Should this be confirmed, I do hope your people will be wise enough, after past experience, to insist on American control of the use of the money."

Our past experience has not been good.

Despite heartbreaking Burma Road graft and hijacking, we put $1,500,000,000 worth of lend-lease supplies into China. When we got through we found we owed China 150,000,000 American dollars for goods and services she had provided at an extortionate rate of exchange. And we paid.

In the course of the war, Congress lent China an additional $500,000,000, interest-free. This "loan" accomplished none of its stated purposes. Nearly half of it was used by China's Government largely for sales of American gold to the Chinese public at bargain prices, giving highly placed individuals the opportunity to make fortunes.

Our $800,000,000 to $900,000,000 postwar surplus property agreement with China provided that China should utilize to the greatest extent possible established commercial distribution channels for the resale of such property and that United States distributors established in China should have an equal opportunity to bid for and obtain such property. This agreement has been ignored. So we find the Chinese reaping rich profits on United States surplus property they sell to American businessmen.

The history of UNRRA, too, is replete with wholesale instances of misuse of our money for private Chinese gain.

Chiang Kai-shek himself says:

"Honesty is regarded as pedantic and self-respect as backward * * * trickery has spread from business circles to the community as a whole. Officials and gentry, in seeking gratification of their selfish purposes, resort to manipulation and all other ill practices in total disregard of the country as well as of the people."

On another occasion the United Press reported from Nanking:

"In a bitter 40-minute speech, Chiang Kai-shek berated Kuomintang leaders for low morale and corruption within the party. * * * Chiang was quoted as saying that, after 20 years of his leadership, he saw only chaos all around him. Then he added, 'I have failed Sun Yat-sen (founder of the Chinese Republic)'."

Lt. Gen. Albert A. Wedemeyer headed a fact-finding mission to China this past summer. His report, which has been turned over to Secretary of State Marshall for evaluation, has been called one of the best-kept Government secrets in years. The talk in Washington is that it will probably be kept secret.

On the eve of General Wedemeyer's return to America, he made a farewell statement to the Chinese in which he criticized the inefficiency and corruption in their government.

MINGLED POLITICS AND BUSINESS

It has long been recognized in the United States that high public office and close ties with business do not mix for the public good. No Cabinet officer, for instance, could possibly retain the presidency or board membership of a private corporation in this country.

In China, however, such matters are of personal concern. Thus we find Madame Chiang Kai-shek's brothers and sisters and their friends and relatives heading a "cast of influential characters" who have official connections in government and business circles.

American-educated, Madame Chiang is known to millions here through her wartime visits to the White House and the opportunity given her to appeal personally to a joint session of Congress for aid. Her maiden name was Soong. Members of her immediate family are high in Nanking's hierarchy.

INFLUENTIAL TRADING COMPANIES

To understand the situation in China, it is necessary to know something about the interlocking relationships of private corporations and government.

Private Chinese trading companies, most of them formed since the war, include:

Fu Chung Corp. (China) Ltd., and its American affiliate;

Yangtze Development Corp., also with a New York trading affiliate; and

Goldmont Corp.

These are private "family companies," controlled by the Soongs and the Kungs. They act as representatives in China of many American export companies.

These new Chinese corporations have already acquired many agencies for long-established American products.

The Chinese trading corporations have the inside track, particularly the Fu Chung Corp.

Chairman of the Fu Chung Corp. is H. H. Kung.

Managing director of the Fu Chung Corp. is T. L. Soong.

A director of the Fu Chung Corp. is Hsi Te-mou, T. L. Soong's father-in-law.

Vice president of the Fu Chung Corp. is Stanley Shen. Stanley Shen is connected by family ties to Capt. Moon P. Chin, who operates the government air line in China—the Central Air Transport Corp.

Capt. Moon Chin is a brother-in-law of the present Mme. Tsuyee Pei. And Tsuyee Pei is Stanley Shen's father-in-law.

The Fu Chung Corp., the private concern, is purchasing agent for the Government's Central Air Transport Corp.

In 1946, when Uncle Sam sold surplus aircraft to CATC, the Fu Chung Corp. guaranteed payment. Since the Fu Chung Corp. represented the government company, its vice president, Stanley Shen, had a diplomatic passport when he came to the United States to look for agencies for American products. His fellow business directors, H. H. Kung and T. L. Soong, and other members of the two families, also travel on diplomatic passports.

T. V. Soong, a director of the China Development Finance Corp., is Mme. Chiang Kai-shek's brother. Former premier of China, he has also been minister of finance, minister of foreign affairs, chairman of the supreme economic council, and acting chairman of the four Government banks. He has recently been made governor of Kwangtung Province, one of the richest in China.

INSIDERS ARE FAVORED

According to the Nanking Central Daily News, firms controlled by high officials obtained—at the officially controlled and, therefore, extremely cheap rate—nearly $3,350,000 in precious United States dollars. Part of this money they sold to other Chinese businessmen at the much higher open-market rate, reflecting the rampant inflation, and the remainder they used to import items banned by China's import control regulations.

In the administration of the import regulations, the insiders are favored. In allotting quotas, for instance, the Chinese import control board calls for data on the applicant's prewar volume of business but, in special cases, has ignored that period and has taken 1946 as the "previously representative period."

By delaying action on applications for import permits and foreign-exchange licenses, Chinese authorities have made it difficult for American firms to bring goods into China. But Chinese firms with dollar balances have imported freely, sometimes through official agencies. While authorized tire representatives, for example, were having trouble getting permission to import tires, Chinese Government agencies brought in 3,400 tires on a single ship. This is state trading.

Likewise steel, which Americans could not get permission to bring into China, came in for the account of the Chinese Government's Universal Trading Corp.

One American firm which had sold a large amount of piling reported that its Chinese customers could not get import permits; yet, at that very moment, the Chinese Supply Commission in Washington was actively soliciting piling. The Commission and the official Universal Trading Corp. have steadily imported huge quantities of restricted and even forbidden articles—consigned to Chinese firms—while American firms have waited in vain for approval of their import licenses. The more fortunate have thus imported autos, refrigerators, radios, phonographs, paper, tires, metal products, pharmaceuticals, and chemicals.

On the surplus property deal, China got the boodle, the American taxpayer the bill.

The first batch of ships we disposed of to China—valued for disposal purposes at $3,000,000—was handed over without our even getting an official receipt.

Later, 18 tankers were turned over, the first four being delivered before the contract was signed. Then, while the Chinese held the four tankers as a pawn, our officials tried to get them to sign a contract for all 18—and finally succeeded only after writing down their value by almost $200,000 each. That's only part of the story:

Before the sale of these tankers to China, the Texas Co. (China) Ltd., had bid $350,000 each for two of them. After we sold the 18 tankers to China, the Chinese offered some of them to the Texas Co. at $400,000 each.

The tanker deal enabled the Chinese Government to prohibit by law old established United States oil firms from continuing in the up river oil distribution business in China. United States ships had to be registered under the Chinese flag if they were to continue in this trade.

Here is another case: In keeping with congressional policy, we had sold some surplus drum steel in Shanghai to two United States firms. The Texas Co. and the Standard Oil Co. for $95,000. Half of the money had already been paid.

Then the Chinese decided they wanted the steel. So they got the contract canceled and bought the steel themselves for $57,000. Nor is that all. Later we reduced the price to the Chinese to only $19,000. The Chinese then sold the steel on the open market at a fat profit.

Through the press, the American public had heard something about the disposal of Army surplus in Okinawa, one result of which was that Red Cross blood plasma—estimated to have been donated by 290,000 Americans to help win the war—ended up, in part at least, in China's drug trade. Among other surplus medical supplies so sold, narcotics found their way into illicit use in China.

What the American public does not know is that this operation involved the Reliance Corp., financed by T. V. Soong's Fu Chung Corp.

Prominent in the medical supplies deal was J. H. Powell Khoong who, according to Brig. Gen. Bernard A. Johnson of the Office of Foreign Liquidation Commissioner, was an agent of T. V. Soong. American officials witnessed in a Shanghai warehouse the intermeshing private interests and official interests. In this warehouse were stacked medical supplies and plasma bought by Khoong's company, and also surplus candy bought by the Chinese Government. Three persons were allocating the distribution of these goods—an American Army officer, Khoong, and T. L. Soong.

RELIEF SUPPLIES GONE ASTRAY

UNRRA officials were alarmed at a sensational proposal by Chiang Kai-shek last February that China be authorized to sell on the black market $200,000,000 worth of UNRRA supplies. This would have been contrary to the purpose of UNRRA—and UNRRA, of course, could not consent. However, UNRRA supplies found their way to the black market just the same.

The New York Times' Peiping correspondent reported that it was "common knowledge that, during the past year, Chinese governmental agencies have been selling UNRRA supplies on the black market at high prices. The present Chinese Government can neither enforce fair distribution through the

land nor crush profiteering and speculation in relief supplies by powerful politicians."

New York Herald Tribune's Shanghai correspondent describes in detail how Chinese authorities recently violated an agreement on cotton which UNRRA had accepted. Under this agreement, UNRRA was to have received cotton yarn in return for raw cotton at a stipulated ratio, but the Chinese with cabinet support arbitrarily changed the ratio without UNRRA's knowledge.

Concluded the Herald Tribune writer: "It is hard to see how this operation can be described as anything but a direct steal of relief funds. The cotton mills which signed the agreement are owned to a considerable extent by big Chinese politicians."

A former UNRRA official tells me this one: "We had ordered some trucks, which came without batteries. The batteries were shipped separately. When they arrived they were stolen off the docks by S—'s gang (naming a prominent Chinese official) and next day appeared on the black market in Shanghai. We had to take UNRRA cash, American dollars, and buy back those very batteries, plainly marked with UNRRA's name, at $125 per battery!"

An American official told me how—from his Shanghai hotel window on the Bund—he could watch moving junks, laden with American relief supplies they were hired to transport ashore from ocean vessels, being pilfered by pursuing sampans in broad daylight.

A typical Chinese device for attempting to influence United States officers who are in a position to do the Chinese favors is to promise them fat jobs or concessions.

GOLD LENT TO CHINA

The gold scandals, of which there have been a series, were made possible by the $500,000,000 wartime aid turned over to China by Congress in 1942.

Chiang had bluntly demanded the money of us and a like sum from Britain. He gave no explanation of how he intended to use it.

Mystery surrounds the arrangement whereby $220,000,000 of the total was taken in the form of gold. There is no mystery about the fact that our Treasury had to sell war bonds to raise the $500,000,000, and that China immediately put some of this money in United States obligations, so that the Treasury was paying interest twice, once to Americans holding war bonds and a second time to the Chinese Government.

China sought to hold down its wild inflation by selling gold to the public at prices below the prevailing black-market price. As the inflation progressed, China frequently had to raise the selling price of gold.

Insiders, with foreknowledge of such price increases, could and did profit. With wartime censorship, little was known generally about their transactions, but in February 1945 occurred such a fabulous 2-day coup as could not be kept secret.

Financier T. V. Soong, then Foreign Minister, publicly stated that the guilty would be severely punished. But 2 years later American Congressmen, trying to learn from the State Department what punishment had been meted out in China for this misuse of American gold, were—after long delay—informed only that the Department did not have the information but would get it. The Congressmen are still waiting, half a year later.

NO SOLUTION FOR CHINA'S TROUBLES

China's rulers have demonstrated no ability to solve China's problems alone and little promise of being able to solve them with our aid.

Should we keep on trying to help China with more large appropriations by Congress?

Certainly a loan to China at this time is not a good business risk. The Chinese are the first to recognize this. With 80 percent of its budget going for military purposes, the country has been experiencing hyperinflation. The Government's credit finds ever lower levels.

An American engaged in business in China recently told me: "It will crucify me if China doesn't get an American loan, but a loan would be just stupid, like throwing the money into the street. It will all go to a few."

Describing his wartime official experience in China, this man said:

"The most disgusting thing to Americans during the war was not the manipulation of the gold market in the private interest of the top clique, but the 'rooking' our Government got at every turn. Conservatively speaking, 60 percent of lend-lease goods was sold by the Chinese at black-market prices. Our Army had to buy everything it got in China for cash. If the story ever comes to light, nobody will believe it.

"For instance, we needed fuel for 20,000 trucks in China to haul United States supplies. That was in 1943. They wanted us to pay part of the fuel cost in cash, instead of letting us have it as reverse lend-lease. We started by subsidizing Chinese alcohol plants. The price to us went up from 35 cents (United States) a gallon to $5."

The American-published China Weekly Review, long and ardently pro-Chinese, this year examined the question of a proposed American loan to China in the light of past defaults on China's foreign bonds. The Review's advice:

"While we are not convinced that the present time is the best one to grant large additional credits to China, especially in view of the great temptation there will be for politicos and militarists to divert funds to political and military matters, we certainly advocate the closest supervision of any new credits that may be forthcoming. This will be the only way to make certain that the funds are spent in the best interests of the people."

The New York Herald Tribune writer describes pessimistically the outlook in China, saying: "There is the fact that the more we help the present Government, the more we encourage its vices and weaknesses. This is a tendency proved by experience since way back in the Japanese war. * * * Communism is making headway in China—a vast country and one hard for outsiders to manipulate—almost entirely because of factors inherent in Chinese society itself * * * altruistic help * * * reaches those who need it in greatly diminished form."

Communism has gained of late in China because of the official corruption and knavery which the public has had to endure.

Where the Chinese have accepted communism, it has been an action of despair for the old system, rather than of hope for the new.

For decades the people of China have been crying for leaders who would promote the welfare of all of the people at least some of the time, instead of the pocketbooks of a few of the people all of the time.

The strongest propaganda the Communists have at hand in China today is the behavior of her high officials.

So we see the sad spectacle of Chinese "going Red" when China so sorely needs outside guidance and material help. These will never be forthcoming from Russia. They can be had only from this side of the Pacific. This is China's dilemma. For, while the United States has a diplomatic stake in China and wants to help China get on its feet, we should not keep pouring our help through sticky fingers.

In aiding the Chinese people in the future, we have to be very much more realistic than we have been in the past.

Administration of the Employment Act

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, December 8 (legislative day of Thursday, December 4), 1947

Mr. MYERS. Mr. President, I recently read an article prepared by our colleague, the junior Senator from Vermont [Mr. FLANDERS], which was published in the autumn 1947 issue of Public Administration Review. The article is entitled "Administering the Employment Act—The First Year." On the whole I think the Senator's criticisms are valid, and, Mr. President, I recommend that every Member of the Senate read the article. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADMINISTERING THE EMPLOYMENT ACT—THE FIRST YEAR

(By RALPH E. FLANDERS,[1] United States Senator)

The Employment Act of 1946 has been in operation 1 year. When passed it was heralded as the most significant administrative implementation to the formulation of public policy since establishment of the Federal budget system a quarter of a century earlier. The framers of the act realized that, important as are its goals of maximum employment, maximum production, and maximum purchasing power, the act would serve no real purpose unless adequate governmental machinery was provided for carrying it out.

The act called for the President to transmit an economic report to the Congress at the beginning of each session. The nature of this report was indicated. In general it was to present a picture of the economic health of the Nation, discuss trends, and appraise Federal economic programs. Also, it was to contain a program and legislative recommendations for carrying out the policy of the act. The President was authorized to transmit supplemental reports to the Congress.

To assist the President in discharging this responsibility, the act created a three-member Council of Economic Advisers in the Executive Office. Specifically the Council was charged with (1) helping the President prepare economic reports to the Congress, (2) gathering and interpreting information for the President relevant to current and prospective economic conditions, (3) studying and reporting to the President the effects of Federal economic programs, (4) developing and recommending to the President national economic programs, and (5) making whatever other studies and recommendations with respect to Federal economic policy and legislation the President might request. The act stated the qualifications that the members should have and gave broad powers for staffing. While the Council was given no operating functions, it was empowered to form advisory committees and consult with the various private economic groups and State and local governments. Furthermore, the Council was directed to "utilize the services, facilities, and information * * * of

[1] This paper has been prepared with the assistance of Dr. Grover W. Ensley of my office.

other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided."

The Council was charged under the statute with making an annual report to the President each December. This report is not to be confused with the President's economic report to the Congress. The Council's report is considered an administrative report similar to the annual reports made by most operating agencies. It is not conceived as providing materials for inclusion in the President's economic report.

The Employment Act placed great responsibility on the Congress in carrying out the policies of the act. The Joint Committee on the Economic Report was established to help the Congress meet this responsibility. The 14 members of the committee were to be drawn equally from the Senate and the House of Representatives. The committee's functions were (1) to make a continuing study of matters relating to the (President's) Economic Report; (2) to study means of coordinating programs in order to further the policy of this act; and (3) as a guide to the several committees of the Congress, to report to the Senate and the House by February 1 its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations * * * as it deems advisable. The joint committee was authorized to organize a professional staff to assist in its endeavors.

But aside from these specific and general statutory directives which, in the main, appear adequate after 1 year's experience, the act left to the agencies involved the job of establishing workable procedures and developing sound relationship within the executive and the legislative branches of the Government, between these two branches, and with the outside world. Even with the soundest economic thinking in both Congress and the executive agencies, economic policy would be little improved as a result of the Employment Act unless proper procedural relationships were established and maintained. Thus, while the act placed particular responsibility on economists, it placed great responsibility on students and practitioners of public administration.

The first chairman of the Council of Economic Advisers recognized the vital role of public administration in carrying out the objectives of the act. In addressing the annual meeting the American Society for Public Administration in March, 1947, he stated:

"May I invite you as specialists in public administration to propose or to respond to such consultative or operating relations as may best bring the professional training and business experience of the United States to bear on the perennial and widely ramifying adjustments through which alone our complex industrial economy may be kept running at a rate approximating its potential productive efficiency."[2]

This paper, therefore, has as its purpose an analysis of the operating procedures developed during the first year by the agencies charged with carrying out the act. But rather than merely enumerate the accomplishments—and much has been accomplished in this short period—it will focus attention particularly on those relationship problems which represent danger signals to the successful functioning of the act. It is believed that certain operating policies initiated during the first year can and should be modified and that new procedures should be adopted promptly to assure the act's success in the second and succeeding years.

THE COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

The President appointed the three members of the Council in July 1946, 5 months after the Employment Act became law. While the Council was not charged by statute with operating functions, in the usual sense of the term, it was, nevertheless, faced with significant administrative problems during the first year. These may be summarized as (1) working out its own organization, (2) establishing proper relationships with the President, (3) developing sound working relationships with other executive agencies, (4) arranging for maximum assistance from nongovernmental agencies, and (5) creating a satisfactory relationship with the Joint Committee on the Economic Report.

Selection of professional staff was slow and represented the first serious problem for the Council. The pressing staff requirements of universities with swollen enrollments made it difficult at first to attract persons of high professional qualifications. Furthermore, the reaction of many competent people, following the war and demobilization, was to leave Government service for work in private business. Rather than quickly appoint a full but mediocre staff, the Council elected to start formal operations on October 14, 1946, with a skeleton staff of only five full-time and part-time top professional people. As competent personnel became available, the staff was expanded. By April 1947 the total professional and clerical staff, including the three members of the Council, reached 28; it increased to 38 by June 30, 1947.

Selection of staff has been made in accordance with the Classification Act and hence within the $10,000 ceiling—even though the Council is free under the Employment Act to make appointments without regard to civil-service limitations. The average pay of Council personnel is presently $6,200, probably the highest for any Government agency. This, of course, is defensible in that the Council is a top-level professional agency. It is charged by statute to rely on Government and nongovernment agencies for information needed for purposes of advising the President on economic policy, and can therefore dispense with a large staff of statistical clerks and other extensive personnel required for doing economic spade work.

The Council's budget program for the fiscal year 1948 calls for 48 positions with 10 top functional heads responsible for particular areas of the economy. The members of the Council assume special responsibility for coordinating certain of these areas and for relations between the Council itself and the top staff personnel. These functional areas are: (1) labor market and labor relations; (2) plant capacity, investment, and management; (3) agriculture and food; (4) flow of income, goods, and services; (5) price relations and price policies; (6) international economic relations; (7) development of human and material resources; (8) construction and public works; (9) veterans, social security, and welfare; and (10) taxation, debt, and banking.

The Council met with the President from time to time during the first year, particularly preceding transmission of the President's economic reports to the Congress. There has been established a regular quarterly meeting of the Council with the President and Cabinet. All the evidence suggests that the President has relied heavily on the Council's advice on matters of economic policy.

Working relations with other executive agencies are rapidly being established. The Bureau of the Budget provides library, procurement, and personnel services to the Council on a reimbursable basis—a commendable procedure in light of the small Council staff, physical location of the two organizations, and the fact that both are in the Executive Office of the President. In the important substantive areas, the Council and the top professional staff have developed channels for the flow of information from the several executive agencies charged with administering Federal economic programs. These arrangements enable the Council to obtain information upon which to reach its conclusions for presentation to the President and to synthesize the views of the executive agencies for the President.

An important role of the Council is to bring together the best economic thinking outside as well as inside the Federal Government. The statute specifically asked the Council to consult with "representatives of industry, agriculture, labor, consumers, State and local governments, and other groups," and to utilize services of private research agencies. The Council has undertaken to meet with leaders of these economic groups four times a year, and staff relationships with technical people outside the Federal service are developing. The Council contemplates reimbursing certain nongovernmental research agencies for studies to fill gaps in the Government's economic information.

On the whole, the Council has made significant progress in the short period of its existence in working out the above-mentioned administrative problems. The Council's effectiveness was evidenced by the ability of the President to transmit the first economic report in January 1947 on schedule and a midyear report in July 1947. It has been widely noticed that the factual information in these economic reports is much more current than we have been accustomed to receive in other Executive documents. Today the Council is a going concern.

But there remains to be developed a satisfactory working relationship with the congressional Joint Committee on the Economic Report. A fundamental question of administrative policy which the Council had to determine almost immediately was the extent to which it would cooperate with that committee. Is it the Council's job only to gather facts, make economic analyses, and provide advice and recommendations to the President? A literal reading of the section creating the Council would possibly permit this restrained and academic attitude on the part of the Council. It may be reasoned that the work of the Council is intended to equip the President to make wise economic policy decisions and recommendations to the Congress; that the decisions and recommendations once made become the responsibility of the President; and that the professional character of the Council would be lost if it appeared before the joint committee of the Congress to defend or even to elaborate on the analyses or recommendations presented by the President. It is pointed out that the views of the Council may differ from those of the President and that the stature of the Council would be harmed if such differences of opinion became generally known.

An alternative policy would be to perform the tasks specifically enumerated in the statute and, in addition, assist the Congress in any way necessary to secure adoption of the President's economic programs. The Employment Act, taken as a whole, would suggest that the combined machinery created should work in the directions of achieving maximum employment, maximum production, and maximum purchasing power. Such an interpretation—which appears to be more in line with the spirit of the act—would permit the Council to meet with the joint committee whenever such action would facilitate the formulation of public policies which would aid in achieving the high objectives of the act.

It is suggested that from the standpoint of bringing into focus the President's report to the Congress, and particularly before the joint committee, much could be gained from a meeting—executive or open—at which members of the Council could present and elaborate on the economic reasoning underlying the President's report. The economic report, proponents of the broader interpretation of the Council's functions point out, is the only comprehensive statement transmitted by the executive branch to the Congress that is not supported by oral testimony of an executive agency. The Federal

[2] Edwin G. Nourse, Public Administration and Economic Stabilization, 7 Public Administration Review 92 (spring 1947).

budget is given as an example. Not only is the Director of the Bureau of the Budget on call to amplify and defend the budget in whole or in part, but each agency must justify and defend the President's recommendations in respect to itself—even if these recommendations are adverse to its own views and wishes. It is true that embarrassing situations may arise if the President does not take the Council's advice. If there should be consistent major differences on important economic issues the Council naturally would be apt to resign, and should resign. Of course, it must be recognized that economic considerations must be relegated to a position of secondary importance in some instances. The President must balance the economic with the military, the political, and other factors in formulating his over-all program and in recommending legislation to the Congress.

In practice the Council has moved away from being purely an academic agency. Proof of this is the meritorious Council practice of meeting with the President's Cabinet periodically and of entering into public discussions and debates on economic policy. However, the policy of the Council toward the joint committee was one of aloofness during the first year. The Chairman of the Council, in conversations with members of the committee, urged that the committee refrain from asking the Council to elaborate on the President's economic reports. Furthermore, members of the committee were prevailed upon not to ask the President to direct the Council to sit down with the joint committee. During the first year, the relations between the Council and the joint committee consisted primarily of the Council's giving support, at the request of members of the committee, to appropriations for statistical agencies and the Council's own appropriation. Lack of interchange of views at the council-committee level largely applied at the technical staff level as well. There were, however, some informal exchanges of factual source materials and attendance of committee staff at some Council conferences and of Council personnel at some committee hearings.

Modification of Council policy to permit a closer working relationship with the joint committee at the policy and staff levels appears imperative. This is particularly true because the principal elements of an economic policy geared to carrying out the objectives of the Employment Act must be adopted by the Congress. Every attempt should be made, therefore, to assist the Congress in this endeavor. It is encouraging to note that the members of the Council are beginning to appreciate this problem and progress may be expected in the direction of a closer relationship between the two agencies.

THE JOINT COMMITTEE ON THE ECONOMIC REPORT

Members of the joint committee were not appointed until July 1946 shortly before the end of the second session of the Seventy-ninth Congress. Staff was not employed and work was not undertaken during the Seventy-ninth Congress. Organization of the committee in the new Eightieth Congress got off to a slow start. New members were appointed in January 1947 to replace those defeated in the November 1946 election and those resigning. Hiring of three professional staff members, however, was not completed until May 1947. The committee's report submitted to the Senate and House on January 31 was short and apologetic. It did not attempt to consider the legislative proposals contained in the President's January report. With respect to the President's short-range recommendations dealing with rent control, minimum wages, social security, housing taxes, and labor, the committee merely indicated that standing committees of the Congress were currently studying these matters. The report, however, promised that the committee would proceed to consider these problems with reference to their effect on the economy. No action in the form of guidance to the committees of the Congress followed, however, during the remainder of the session.

The President's midyear economic report (July 1947) received only cursory attention from the committee. A staff-written preliminary analysis which raised some questions of economic philosophy and reasoning was never discussed by the committee. However, had this analysis been considered in the absence of oral testimony by the Council of Economic Advisers, the President's position on the points at issue would not likely have been given adequate hearing because of the obvious and understandable difference in approach of the committee staff from that expressed in the report.

Work of the committee and the staff during 1947 consisted largely of organizing and holding hearings on the economic outlook and particularly on the cost of living, first in Washington and during the fall recess in the field. Questionnaires were also used to elicit the views of business, agriculture, labor, and economists. In addition, in May 1947, Dun and Bradstreet made an independent survey of these groups for the committee as a public service. A concurrent resolution passed in July 1947, specifically called for the Congress, under the joint committee, to hold hearings and report on the cost of living in early 1947. This resolution was technically unnecessary as the joint committee already had power and plans for such studies. It did, however, authorize appointment of additional Members of Congress to sit with the committee temporarily and $25,000 to be expended for this specific study.

The approach of the committee during the first year, therefore, was to solicit views of various nongovernmental groups and individuals. The time of the committee staff was devoted to facilitating this venture, with the result that it had little time for synthesizing information, for focusing attention on pending legislation, or for studying contemporary economic theories. A factual staff report on the food situation constituted the only study completed. The committee did not face up to its responsibility of evaluating economic policy. The Council of Economic Advisers, on the other hand, while consulting with nongoverment leaders in the field, concentrated its activities on analyses of current economic developments, based largely on source materials provided by the executive agencies, and on appraising and interpreting professional economic thinking.

These differing approaches by the committee and Council appear satisfactory to a certain point. But the end results must be synthesized by the committee for purposes of carrying out its statutory responsibilities of (1) reporting to the Congress on the President's report by February 1, and (2) guiding substantive committees of the Congress on legislation throughout the year.

Expansion of staff and relief of members from other major committee responsibilities seem imperative if the committee is to carry out both of these responsibilities properly. The committee staff, first of all, must be adequate to permit organization of materials independently for the committee's February 1 report. To the fullest extent possible the staff should work with the staff of the Council in this endeavor. This preparatory work should be done in the late fall in anticipation of the President's report. The full committee should meet at least once during this period to consider staff outlines for the committee report. This staff work and committee meeting are scheduled for late fall of 1947. Further planning would call for a preliminary committee report to be available to each committee member when Congress assembles early in January. With these materials before them, the committee and staff should devote themselves during January to an analysis of the President's report for purposes of completing their own report to the Congress by February 1. The staff should provide the committee with a careful analysis of the President's report together with an appraisal of the recommendations contained therein and a check list of policy issues to be considered by the committee. After the committee has had an opportunity to study the President's report and the staff's analysis, there should be a meeting of the Council of Economic Advisers and the joint committee with their respective staffs in executive session. This meeting would provide the committee the opportunity to question the economic reasoning underlying the President's report—much in same way that the Director of the Bureau of the Budget meets with the joint committee on the legislative budget. A number of meetings of the full committee should be held during January in an endeavor to evaluate each policy issue raised in the President's report and to complete its report as called for by the act.

In addition to its statutory responsibility in connection with the President's economic report, the committee also has responsibility for presenting supplemental reports on specific pieces of pending legislation as a guide to the substantive committees. This responsibility has not been fully recognized by the committee to date. It is clearly implied in the act, however. The committee is charged, among other things, with making "a continuing study of matters relating to the economic report; * * * coordinating programs in order to further the policy of this act [making, in addition to the annual report] such other reports and recommendations to the Senate and House of Representatives as it deems advisable."

As an adviser to the several committees of the Congress on specific economic matters, the committee faces a delicate question of relationship. To avoid any possible criticism on the part of other committees the few recommendations made during the first year were informal—members of the joint committee carrying the word to members of the committee having primary jurisdiction over the subject bill. This procedure, of course, was facilitated to a limited extent by cross membership. Members of the joint committee were on 10 of the 15 standing committees in the Senate but only 6 of the 19 committees in the House. A number of the committees which were not represented were of no great importance in implementing an economic program, but it would seem to be an omission to have had no members of the House Appropriation or Ways and Means Committees on the joint committee when these two groups are so important in establishing Government fiscal policy. Neither the Senate nor the House Committee on Foreign Relations was represented on the joint committee.

While this informal procedure may have been justified during the first year because of lack of staff and in order to allay criticism by the standing committees, it is too piecemeal as a regular proposition. Rather definite procedures should be established whereby an enlarged committee staff would analyze the principal pieces of legislation which it, or members of the committee, believe have important economic implications. Following the analysis, a staff memorandum should be submitted to members of the committee. This memorandum should contain a brief statement of the economic effects of the subject piece of legislation and specific recommendations as to what action the committee should take. At each meeting the committee should have a place on its agenda for consideration of these pending bills. Committee action could take the form of a report to the substantive committees including an economic appraisal and recommendations. Alternative committee action could take the form of a report to the substantive committees containing merely the staff's

economic appraisal with no committee recommendation.

When committee recommendations are given it may be expected that majority and minority reports could and should be made. The purpose of these reports should be to indicate the economic implications of the pending legislation. Admittedly, other considerations, such as military, ethical, and political, would be involved. All factors, of course, would be weighed by the substantive committee, the majority and minority policy committees, and each individual member of the Congress in taking final action on a bill.

In its first year the joint committee, unlike most other congressional committees, had no regular meeting date. As a result when a meeting was called many members could not attend because pressing business demanded their attendance at other committeees. During the first session of the Eightieth Congress the joint committee met 17 times. Six of the sessions were executive and 11 were open hearings. A significant step in establishing the standing of the joint committee would be a regular weekly meeting on a definite day. This day should be determined after consultation with chairmen of other committees to minimize the number of conflicts. This procedure would assure maximum committee attendance. If a series of fact-finding hearings appear desirable during the session, additional meetings could be held with as many as possible attending.

We come, finally, to one of the most pressing problems of the committee, namely, lack of time on the part of members to devote to the work of the committee. One has only to look at other committee assignments of the present members of the joint committee to appreciate this problem. Three of the Senate members serve on four committees, the other four Senate members have three committees each. Two of the House members are on three committees, the other five on two committees. It is of particular significance that the chairman of the joint committee serves on four committees and is chairman of three, namely, the Republican Policy Committee, Labor and Public Welfare Committee, and the Joint Committee on the Economic Report.

A look at these committee assignments, however, does not in itself give full weight to the problem. It might be expected that each person on the joint committee became a member because of a special interest in economic policy. That was true of the membership in 1947. The matters coming before the joint committee, however, are not always as well defined and are not usually as pressing as are matters coming before substantive committees. In the case of substantive committees, bills are considered and important and crucial steps are taken in respect to these bills. Bills are not formally referred to the joint committee.

One solution to this problem would be for the Congress to consider the work of the joint committee so important that members would be relieved of other major committee responsibilities. Short of a reduction in committee assignments, a partial solution would be to elicit maximum leadership from an enlarged committee staff. The statutory authorization of a $50,000-a-year appropriation for the committee should be tripled.

SUMMARY

In summary, the Employment Act of 1946, which established a statutory mechanism for the formulation of economic policies, is in need of administrative implementation. On the executive side, the role of the President's report could be substantially strengthened through modification of the aloof policy adopted by the council during the first year without compromising objectivity on the part of the council.

On the legislative side, compliance with the act during the first year was largely lacking. Procedures for handling the President's reports were only beginning to evolve in anticipation of the January 1948 report. On the other hand, procedures for fulfilling the committee's responsibilities in judging the wisdom of specific legislation and in guiding the substantive committees were not considered. Attention was concentrated on gathering information rather than analyzing information and advising the Congress on economic policy. Committee operating policies need to be developed, committee staff needs to be expanded, and a sound and workable type of committee staff and committee council relationship established. Members of the joint committee should be relieved of other major committee responsibilities. These steps appear necessary to permit the joint committee to assist the Congress in adopting economic policies compatible with the objectives of the Employment Act.

Speech of His Excellency Manuel Roxas, President of the Philippines

EXTENSION OF REMARKS
OF
HON. EDWARD J. DEVITT
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. DEVITT. Mr. Speaker, in recent weeks our thoughts have been concentrated on the plight of the peoples of western Europe. Certainly they are in great need there, but we must also be attentive to the welfare of the peoples of Asia and the Far East. I recently read the very excellent speech of His Excellency Manuel Roxas, President of the Philippines, delivered at the second plenary meeting of the Economic Commission for Asia and the Far East at Baguio on November 24, 1947. Because the talk is so timely and so logical, I felt it could wisely be inserted with my remarks and read with great profit by the Members of Congress. The speech follows:

Mr. Chairman, members of the Economic Commission for Asia and the Far East, on behalf of the Government and people of the Republic of the Philippines, I extend to you a most cordial welcome. I also desire to express my warmest greetings to the governments and peoples whom you represent.

It is the good fortune of the Philippines that you have decided to hold your second session here. I trust you will find the arrangements satisfactory.

The ECAFE is one of the organizations of the United Nations which gives greatest hope of practical achievements. Its members can meet, and I know you do, in a genuine spirit of cooperation and understanding, unburdened by conflicting national interests. Although you represent governments, your preoccupation is not to gain selfish advantage for your respective countries, but rather the welfare and happiness of all the peoples living in this section of the earth. It is, indeed, an inspiring example of intelligent and constructive international collaboration. It proves that in the New World that we are trying to build, men of different countries, colors and creeds can gather as friends and associates to work out solutions to their common problems.

Your particular mission, as I understand it, is to formulate plans for the most expeditious reconstruction of the economies of our different nations and, insofar as it may prove advantageous, to integrate them on a regional level. It is a gigantic task. It will require courage and vision and statesmanship of the highest order. But of all these, I know, you are capable, and I am confident of your success.

The problems that confront us are varied and complex, and they are acute. Their urgency is reflected in the poverty and extremely low living standards which prevail among large portions of our populations. These conditions already existed in varying degrees in some of our countries before the war; the war aggravated and generalized them. It is futile now to attempt to fix responsibility for prewar conditions, but we cannot forget that for centuries we were never free to direct and much less to control the course of our lives. Our economic systems were highly incapable of insuring either fiscal adequacy for our governments or a satisfactory standard of living for our respective peoples. Large groups of our populations never succeeded in attaining what we commonly regard as a decent human existence.

But even that weak esonomy was seriously dislocated by the last war. Today the majority of our peoples are closer to starvation than they have ever been in the past. Suffering is acute among them. They are struggling heroically to improve their situation, but they seem impotent in the face of insurmountable difficulties. The population pressure on land is intense. The per capita production is very low. Tools and implements are scarce and inefficient. Credit facilities are very insufficient and interest rates are high. Methods of production are archaic and uneconomical. Food requirements absorb practically all individual incomes, leaving almost nothing for clothing, housing and other necessities of life. Communication and transportation services are limited and expensives. Tens of millions are in the ranks of the unemployed. Widespread shortages of consumption goods aggravate inflation due to excessive and largely unsecured currency in circulation. These are but a few indices of economic prostration which grip so many millions among us. They constitute a grave danger to political stability in this part of the world.

It is not possible, therefore, merely to plan for the restoration of our economies as they existed before the war. Our colonial economy must be completely discarded. Our agricultural economy must be rapidly complemented by sound industrial development. Per capita productive capacity must be greatly increased; living standards must be rapidly improved. We should no longer be content merely to produce raw materials to fill the tables and supply the factories of others. We will, of course, continue to grow but we must also make things that we vitally need. We must give people work, all the people. We must insure for them effective purchasing power which will be sufficient to provide not only their essential requirements but also the means to attain a higher social status. We will never truly prosper if we continue to be just a source of raw materials and a market for manufactures made by others from the products that we produce. We must endeavor to process a large portion of those materials ourselves.

The need of stimulating intraregional trade and commerce cannot be over-emphasized. The Commission, I trust, will be able to propose specific plans looking to a drastic reduction of tariffs and the lowering of other trade barriers among our different nations. There are other matters in which regional collaboration is desirable, conservation and prudent exploitation of our common marine resources; a convenient medium of exchange or other measure of value to facilitate trade among us; the improvement of rice production and a plan of allocations of exportable surpluses granting priority to deficient countries in this region.

The formulation of blueprints for the economic development of our respective countries is relatively an easy task. The real difficulties will be found in the effectuation

of these plans. The chief obstacles are lack of sufficient capital needed for productive enterprises and the enormous credits that will be required to finance the program. Without adequately meeting these two imperatives, we can neither hope to solve our economic and social problems nor prevent widespread discontent and suffering among our peoples. The countries of Asia and the Far East need help and assistance from other nations which are capable of supplying those needs.

It is to be regretted that the world's attention seems to be focused apparently only on the problems of Europe. We cannot deny that the peoples of Europe also need help, and urgently so. They need food and other necessities. But it is also undeniable that the needs of Europe are relatively less acute and less pressing than those of the peoples of this part of the world. It is true that the living standards of the peoples of Europe are now much lower than the standards they enjoyed before the war; nevertheless, low as those standards are, they still compare favorably with those prevailing today among our peoples.

We have every right to appeal to the generosity of nations able to help others not to forget the sad plight of the hundreds of millions in our part of the globe. The concern over European problems alone may be a result of the false notion that our peoples, not being accustomed to high standards, can be relied upon to endure patiently greater and more acute privations. This is a grievous mistake, for our people, having had very little, will have only a pittance left with the further curtailment of that little that they had.

If the motive behind present plans to aid European nations is pure altruism, I submit that the more depressed peoples of Asia and the Far East have at least an equal claim to that generosity. If the motive is materialistic, or partly so, predicated on the need of maintaining a certain volume of exports, then I submit that Asia and the Far East, if assisted in equal measure, would provide a greater and progressively more profitable market for such exports. Finally, if the motive is to avoid what some nations believe is the danger of large populations of the would embracing political and economic systems which destroy human freedom and endanger the peace of the world, in that case I submit that Asia and the Far East should not be neglected, for here we are concerned with one-half of the population of the world who, because they are immersed in deeper poverty and helplessness, are closer to desperation, and therefore can be more easily attracted to ideologies which promise them radical improvement on their present plight.

If the ideal of one world is to be achieved, world cooperation in the solution of world problems must be rationalized. Men and women, irrespective of race or nationality, should be looked upon as human beings entitled to the same consideration and attention. The peoples of Asia and the Far East are not beggars waiting at the door of wealthy powers. All they seek is an equal opportunity to work out their own destiny. If the nations able to help them should choose to forget them and leave them to starvation and misery, that is their privilege; our peoples will accept that decision with dignity and manly pride. But this seeming injustice will leave in their hearts unanswered the persistent and intriguing questions—whether the one-world concept is limited to the nations of Europe and the Western Hemisphere; whether the generosity or altruism of the great powers have a color mark upon it; and whether the millions in this part of the globe who fought and died for liberty, justice, and enduring peace deserve less from the victors, their allies in the last war, than the peoples who were their enemies and who attempted to stifle the voice of human freedom from the face of the earth. God may grant that we do not find reason to lose confidence in the nobility of those in whom we have placed our trust.

I feel strongly that world peace is indivisible, that to preserve that peace it is essential to promote the well-being and prosperity of all mankind. There can be no enduring peace for this distracted world of ours unless all peoples are free and are able to enjoy decent standards of life. This world cannot long live at peace half slave and half free; neither can it live at peace when half of the world have too much and the other half have less than is needed to maintain human existence. Without the recognition of these fundamental principles, we cannot avoid another war and our striving to establish a new order of peace, liberty, and justice would be doomed to fail. We must not fail. We will surely not fail if we should just decide to invest in this epochal undertaking a small portion of the wealth, work, and wisdom needed to win the war that everyone fears.

God willing, we will yet see the light.

Thomas Aquinas: Advocate of Natural Law and Limited Sovereignty

EXTENSION OF REMARKS

OF

HON. JAMES J. HEFFERNAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. HEFFERNAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein an article written by the late Wendell Phillips Dodge, Jr.

The article follows:

THOMAS AQUINAS: ADVOCATE OF NATURAL LAW AND LIMITED SOVEREIGNTY

(By Wendell Phillips Dodge, Jr. (deceased), of New York City)

(In an issue replete with expositions of "bread-and-butter" problems of the present-day profession, we turn also to the domain of legal scholarship and offer a discussion of the early origins of basic concepts of law and government. There is also a "human interest" story as to the authorship of this article.)

A LAW STUDENT'S TESTAMENT

On May 25, Wendell Phillips Dodge, Jr., a law student in the John Marshall Law School in Chicago, was hit, knocked down and run over by an automobile in East Chicago, Ind. A few hours later he died in a hospital without regaining consciousness. A few days before, he had submitted to the Journal the article which is published herewith. Ordinarily we do not have space for contributions by law students; but your editor in chief was interested, even puzzled, by the scholarship and breadth of view of this exposition, and by its revelation of what at least one young law student had been thinking and writing about. When the article was submitted to those who could judge of its merit, the approval of it for posthumous publication resulted.

Young Dodge was not an ordinary student in law school, in his thirty-sixth year. Born in New York City, having attended at intervals the Bordentown Military Academy, the Academic Commerciale in Quebec City, Canada, Montpelier Seminary, and the University of Vermont, the George Washington University Law School in Washington, and the University of Chicago, he had from time to time done reportorial and editorial work, and written book reviews for the Boston Herald and Traveller, the Christian Science Monitor, the New York Sun, and the Brooklyn Eagle, and had shown marked ability in research and writing.

Despite determined efforts to enlist, he could get into the Army only for limited duty as a sergeant technician fourth class, assigned to the Pentagon in Washington, where he began his law studies by day while on night assignment in the Army. Determined to obtain admission to the bar as soon as he could after his discharge, he became an employee of the law firm of Ryan, Condon & Livingston in Chicago and entered the John Marshall Law School. He was most diligent and ambitious for his future in the law when a tragic accident ended his life.

His flair for research and writing, especially as to the law, stemmed from his family origins. His grandfather, Arthur Pillsbury Dodge, was a successful lawyer in Manchester, N. H., and in Boston, before he forsook the law to become an inventor and manufacturer, the founder and publisher of the New England magazine with Dr. Edward Everett Hale as editor in chief. Young Dodge's father has been an engineer, a dramatic editor and critic, a producer of plays, publicity representative of such producers as David Belasco and Max Reinhardt, and a lieutenant commander in the United States Navy, and is now the editor of Marine News, devoted to American shipping.

Young Dodge's article stands on its merits, however, as the last work of his life and an expression of his deep interest in the fundamentals of law and government, the enduring principles which lie back of man-made institutions.

—

Thomas Aquinas was the first to introduce Aristotle's Politics into medieval political doctrine.[1] Under its influence, he announced a new and positive justification of the secular state. In his Summa Theologica, one finds a well-defined exposition of the medieval position as to the state. Despite the tendency to give to reformers in the seventeenth century all credit for the concepts of limited monarchy, equality, and natural law, actually the exposition of these concepts lies in the thoughts of the great scholastics. The systematic character of scholastic social philosophy is striking in Aquinas' works.[2] It is well to examine the doctrines of the angelic doctor that we may the better comprehend the later growth of politico-legal thought.

The Carlyles saw three great principles in the political literature of the middle ages:

"1. The purpose of the state is ethical or moral, the maintenance of righteousness and justice.

"2. The supremacy of law as the concrete embodiment of justice. * * * The conceptions of an arbitrary authority was simply unthinkable. * * * The king is under God and the law. * * *

"3. The * * * mutual obligation to maintain justice and law." [3]

THE SCHOLASTICS AND THE MAIN BODY OF POLITICAL THOUGHT

Let us consider briefly the theories held most widely by men in all ages, that it may be shown that the scholastics were in harmony with the main body of political thought; afterward, let us turn to those thinkers who, either through their own works or through later commentaries on their work, had a direct influence upon the theorists of the later middle ages.

As early as the sixth century before Christ, men held the two doctrines of natural law

[1] Vossler: Mediaeval Culture, vol. I, p. 282.

[2] De Wulf: Philosophy and Civilization in the Middle Ages, pp. 220, 221.

[3] Carlyle, R. W. and A. J.: A History of Mediaeval Political Theory in the West, vol. III, p. 181.

and equality. Lao Tse stated: "Only that government has value which is in accord with nature or the Tao. All other civilization is corrupt error." Later we shall find the same opinion expressed by Augustine, Isidore of Seville, and Aquinas. Confucius enunciated the principle that "By nature men are nearly alike." [4]

The influence of Plato on scholastic thought was entensive.[5] Cicero, known throughout the Middle Ages as ever since, had written: "What is a civitas except a society under law?" and "The discipline of law is drawn from the innermost nature of man." Surely, the scholastic concept of the natural law as implanted in every man is akin to this!

Further, Ulpian, who had tremendous influence in the development of law, had proclaimed: "So far as natural law pertains all men are equal." Aristotle had defined the notion: "Equality is to render things equal to the equal and unequal things to the unequal."

In Augustine, the most revered patristic authority for medieval writers, we find the statement: "That which is not just seems to be no law at all." [6] And we find even the basis for democratic government: "If a people have a sense of moderation, and are most careful guardians of the common welfare, it is right to enact a law allowing such a people to choose their own magistrates for the government of the commonwealth. But if, as time goes on, the same people become so corrupt as to sell their votes, and entrust the government to scoundrels and criminals, then the right of appointing their public officials is rightly forfeit to such a people, and the choice devolves to a few good men." [7] This position, with its unwillingness to trust completely to the mob, is the very attitude of the founders of the American republic.

INFLUENCE OF THE ROMAN LAW ON THIRTEENTH CENTURY LAW

Before consulting Aquinas himself, let us give some brief consideration to the state of law in the thirteenth century. The sources of the Roman law proper (jus civilis) were the leges enacted by the Plebs, the senatus consulta passed by the Senate, and the constitutiones and rescripta principi ordained by the Emperor. All except the rescripta were statutory. The edicta of the magistrates, especially the praetors, called by Papinian the jus praetorium, aided, supplemented, or corrected the jus civilis for the sake of public utility. The sources and authorities of the Roman law were codified by Theodosius in 438 A. D. and by Justinian in 534 A. D. Justinian's codification was divided into the Codex, the Digest, the Institutes, and the Novellae. The jurisprudential part of Justinian's code was known as the Digest or Pandects. Under Alaric II, King of the Visigoths, about 506 A. D., the Breviarium was composed for his Roman subjects. A feature was the Interpretations or glosses on the law.

Mediaeval Law was drawn from the Codex and Novellae of Justinian, but the jurisprudential law contained in the Digest was well forgotten in Italy as well as north of the Alps.[8] The Breviarium became the code of the Roman Law for the countries included in what is present-day France. It was superseded gradually by a multiplicity of epitomes, an excellent compendium being the Epitome Juliani in which was presented the substance of the Novellae. Throughout the early Middle Ages, law was considered largely the will of the visible ruler, though also the thought of a contract between ruler and people frequently appears.[9]

AQUINAS GAVE FULL EXPRESSION TO PHILOSOPHY BEHIND LAW

It remained for St. Thomas Aquinas to give full expression to the philosophy lying behind the law as seen by men of the Medieval period.[10] He began with a discussion of the fundamental nature of law, what it is, and what is necessary to make it law:

"In order that the volition of what is commanded may have the nature of law, it needs to be in accord with some rule of reason. And in this sense is to be understood the saying that the will of the sovereign has the force of law; or otherwise the sovereign's will would savor of the lawlessness rather than law." [11]

Thus did Aquinas place a limit on, or define, Ulpian's "Quod principi placuit legis vigorem habet." It must be in accord with "right reason." Also, it must be in accord with the "Law of Nature":

"Just as nothing stands firm with regard to the speculative reason except that which is traced back to the first demonstrable principles, so nothing stands firm with regard to the practical reason, unless it be directed to the last end which is the common good. Now, whatever stands to reason in this sense has the nature of a law.[12]

ATTRIBUTES ASCRIBED BY AQUINAS TO THE NATURAL LAW

How a thing may partake of the natural law is described by Aquinas as follows:

"A thing is said to belong to the natural law in two ways. First, because nature inclines thereto: e. g., that one should not do harm to another. Secondly, because nature did not bring with it the contrary. Thus, we might say that for man to be naked is of the natural law, because nature did not give him clothes, but art invented them. In this sense, the possession of all things in common and universal freedom are said to be of the natural law, because, namely, the distinction of possessions and slavery were not brought in by nature, but devised by human reason for the benefit of human life. Accordingly, the law of nature was not changed in this respect, except by addition." [13]

But reason and beneficial results do not of themselves establish the force of law. "* * * Promulgation is necessary for law to obtain its force. Law is nothing else than an ordinance of reason for the common good, promulgated by him who has the care of the community." [14]

The Angelic Doctor defined natural law: "* * * The natural law is nothing else than the rational creature's participation of the eternal law." [15] He then quotes Augustine: [16] "That which is not just seems to be no law at all." He continues: "Hence the force of a law depends on the extent of its justice. Now in human affairs a thing is said to be just from being right, according to the rule of reason. But the first rule of reason is the law of nature, as is clear from what has been stated above. Consequently, every human law has just so much of the nature of law as it is derived from the law of nature. But if in any point it departs from the law of nature, it is no longer a law but a perversion of law."

LONG DIFFICULTY IN VOIDING ACTS REPUGNANT TO NATURAL LAW

The great difficulty for centuries was the lack of governmental machinery for passing upon the legality of acts of the lawmaking authority, whether prince or senate. Hence there was a tendency to find at least some rightness in almost every enactment. Who can judge a king? Aquinas iterates the same conclusion:

"Human law has the nature of law insofar as it partakes of right reason; and it is clear that, in this respect, it is derived from the eternal law. But insofar as it deviates from reason, it is called an unjust law, and has the nature, not of law, but of violence. Nevertheless, even an unjust law, insofar as it retains some appearance of law, though being framed by one who is in power, is derived from the eternal law; for all power is from the Lord God." [17]

This might be considered a quibbling position which would leave one with no real basis for declaring a law unjust. But is it not fundamental to maintain the sanctity of law in general and to maintain respect for the law? Is not the difficulty the practical one of finding a legal means of voiding a law? "In the judgment of God, the sovereign is not exempt from the law." [18]

Although Aquinas recognized the unlawfulness, absolutely considered, of a tyrannical law, yet he could not conceive of the means or instrument by which an unlawful act might be legally invalidated. The day of a written constitution and judicial review had not yet dawned. On the other hand, he did suggest one remedy, however inadequate—disobedience: "Human laws that are contrary to the commandments of God should not be obeyed * * *" and "In such matters, i. e., unjust burdens on the subjects, man is not bound to obey the law provided he avoid giving scandal or inflicting a more grevious injury." [19] Of course, one could question the unjustness of an edict from Rome; but so long as papal intervention confined itself to what was in accord with the natural or divine law as defined in the Summa, the question would not arise.

St. Thomas deemed monarchy the best form of government [20] but in the de regimine principum he was emphatic on the moral limitations placed upon the royal power. Indeed he even called for some provisions for restraining the king,[21] and approached even Jefferson's advocacy of revolution against tyranny.

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[4] Catlin: The Story of the Political Philosophers, pp. 18, 22, 118.

[5] Catlin: Op. cit., pp. 56–57, 121, 129.

[6] St. Augustine: De libero arbitrio, vol. I, p. 5; from Aquinas vol. II, p. 784.

[7] Ibid., p. 801.

[8] Taylor: The Mediaeval Mind, vol. II, p. 277.

[9] Ibid., p. 307.

[10] McIlwain: The Growth of Political Thought in the West, p. 324: "The power, the receptiveness, and the boldness of St. Thomas' intellect can only be appreciated through a consideration of the magnitude of his task, and the monumental character and lasting influence of his achievement. He was not the first to appreciate the importance of Aristotle's political thought. Albert the Great, his master, who survived him, was earlier in the field and influenced him greatly, so was the great English Franciscan, Robert Grosseteste, Bishop of Lincoln, William of Auvergne, whom Professor De Wulf has called 'the first great philosopher of the thirteenth century,' and a number of others; but of them all, St. Thomas was the greatest, and the subtlety, the profundity, and the comprehensiveness of his writings contributed to make them the principal medium through which the political ideas of Aristotle were reincorporated in the thought of the West in the later thirteenth century."

[11] Aquinas: Summa Theologica, q. 90, art. 1, vol. II, p. 743. (All citations to the Summa Theologica refer to the Basic Writings of St. Thomas Aquinas, edited by Anton C. Pegis, and published by Random House, New York, in 1944.)

[12] Op. cit., q. 90, art. 2, vol. II, p. 744; from Isidore Etymolologica, vol. II, p. 10; vol. III (pl. 82, 130, 199); Aquinas: q. 90, art. 2, vol. II, page 744.

[13] Ibid., q. 94, art. 6, vol. II, p. 780.

[14] Ibid., q. 90, art. 4, vol. II, p. 746.

[15] Ibid., q. 91, art. 3.

[16] Ibid., q. 95, art. 2, vol. II, p. 784.

[17] Ibid., q. 93, art. 4, vol. II, p. 766.

[18] Ibid., q. 96, art. 6, vol. II, p. 797.

[19] Ibid., q. 96, art. 4, vol. II, p. 795.

[20] Ibid., q. 105, art. 1, vol. II, p. 928.

[21] Aquinas: De Reg., book I, chap. VI, p. 55.

"Furthermore, it rather seems that to proceed against the cruelty of tyrants is an action to be undertaken, not through the private presumption of a few but by public authority. First of all, if to provide itself with a king belong the right of any multitude, it is not unjust that the king set up by that multitude must be destroyed or his power restricted, if he tyrannically abuse the royal power. It must not be thought that such a multitude is acting unfaithfully in deposing the tyrant, 'even though it had previously subjected itself to him in perpetuity, because he himself has deserved that the covenant with his subjects should not be kept, since, in ruling the multitude, he did not act faithfully as the office of a king demands.' " [22]

AQUINAS' CONCEPTS OF FUNCTIONS AND METHODS OF LAW

After noting his exposition of regal powers, duties, and limitations, we pass to the functions and methods of law. Laws should be made to suit the majority of cases, not framed to particular instances,[23] for—

"As the philosopher says, it is better that all things be regulated by law than left to be decided by judges. And this for three reasons: First, because it is easier to find a few wise men competent to frame right laws than to find the many who would be necessary to judge rightly of each single case; secondly, because those who make laws consider long beforehand what laws to make, whereas judgment on each single case has to be pronounced as soon as it arises; and it is easier for man to see what is right by taking many instances into consideration than by considering one solitary instance; thirdly, because lawgivers judge universally and about future events, whereas those who sit in judgment judge of things present, toward which they are affected by love, hatred, or some kind of cupidity, and thus their judgment becomes perverted." [24]

And in keeping with the universal as opposed to a particularistic conception of law, Aquinas noted that it is not the function of human law to forbid all the vices [25]—the major vices, yes, but the minor vices are left to the natural law in each man. Thus he would have been no friend to the Volstead Act. Law, in his opinion, may require some changes from time to time, but such changes should not be too readily made:

"A measure should be as enduring as possible. But nothing can be absolutely unchangeable in things that are subject to change. And therefore human law cannot be altogether unchangeable." [26]

Aquinas' reasons for infrequent change in the laws were cogently presented.[27] He recognized the difficulty of enforcing any law that conflicts with the prevailing custom of a people and advocated change when custom and law are irreconcilably at odds. In law he was a pragmatist, not a dogmatist. Thus:

"* * * Human laws fail in some cases. Hence it is possible to act outside the law, namely, in a case where the law fails; and yet the act will not be evil. And when such cases are multiplied, by reason of some change in man, then custom shows that the law is no longer useful; just as it might be declared by the verbal promulgation of a law to the contrary. If, however, the same reason remains, for which the law was hitherto useful, then it is not the custom that prevails against the law, but the law that overcomes the custom; unless perhaps the sole reason why the law seems useless is that it is not possible according to the customs of the country, which has been stated to be one of the conditions of law. For it is not easy to set aside the custom of a whole people." [28]

Aquinas next summed up the position of the man who acts outside of or beyond the letter of the law and the reasons therefor: "He who in a case of necessity acts outside the letter of the law does not judge of the law; be he judges of a particular case in which he sees that the letter of the law is not to be observed. He who follows the intention of the lawgiver does not interpret the law absolutely; but he interprets the law in a case in which it is evident, by reason of the manifest harm, that the lawgiver intended otherwise. For if it be a matter of doubt, he must either act according to the letter of the law, or consult those in power. No man is so wise as to be able to consider every single case; and therefore he is not able sufficiently to express in words all those things that are suitable for the end he has in view. And even if a lawgiver were able to take all the cases into consideration, he ought not to mention them all, in order to avoid confusion; but he should frame the law according to that which is of most common occurrence." [29]

Aquinas summarized thus his opinion on the nature of law: "But properly a law is first and foremost an ordinance for the common good, and the right to ordain anything for the common good belongs either to the whole multitude, or to someone who acts in place of the whole multitude. * * *".[30] McIlwin says of the above passage:

"It is apparent that the type of human government here most favored by St. Thomas is a true res publica, in form somewhat like that of the Roman republic, or one in which the people (multitudo) has entrusted the supreme government of the state to a single ruler who has the "care" or responsibility (curo, sollicitudo) for it all. The latter form—and the latter was the form of chief importance in the thirteenth century, essentially the same whether elective or hereditary—is a monarchy founded on the law eternal and created by the people for the common utility of all, and especially to secure peace, the chief earthly prerequisite to human good. Its ruler or prince is, therefore, a true king, with vast powers, especially the power of judging and punishing offenses, and with a responsibility of equal or greater weight.

"This, however, for St. Thomas, as for John of Salisbury, is no 'constitutional' monarchy of the modern type in which this responsibility of the prince is regularly enforced by independent agencies of the community. So far as my knowledge goes, the first and sole clear advocacy before the Conciliar period of a theory of 'limited' monarchy * * * in any strict sense resembling the latter form occurs in Book I of the Defensor Pacis. The responsibility of St. Thomas' prince is of a different order. His prime responsibility is to God, the author of the law on which all his authority rests; and, in a general, or even in a loose political sense, he might be said to be responsible also to 'the multitude' which raised him or his house to the throne and might conceivably sweep them away for acts of tyranny. But in the strictly 'legal' sense he is 'absolute' in the ordinary administration of human law in his realm; within this sphere he is without superior or a peer, and is responsible to no man. Of human law, in the sense of coercive force, St. Thomas says he is wholly free, a monarch 'legibus solutus'—the equivalent of Bracton's legal dictum that no writ runs against the king." [31]

Attesting to the harmonious relationship of Aquinas' political doctrines and the three systems of legislation of the Middle Ages—feudal, civil, and canon—De Wulf writes:

"The Thomistic theory of the state represents the crystallization of the political experiences of the twelfth and thirteenth centuries; but it also represents conformity with the fuedal and civil and canon law, which was making no little progress during this time. Consequently the three systems of legislation (fuedal, civil, and canon) are at one on so many important points, such as the divine origin of power, the subordination of the king to the law, the king's character as servitor of justice, the force of custom, the intervention of the community in the delegation of power to the prince, and the participation of the people in government. In the same way natural law is for the legists and the canonists an ideal to which positive (human) legislation must approach; and the prescription of the natural law must be adopted in so far as it is possible in existing circumstances.

"Finally, the thirteenth century theory of the state takes up and completes various philosophic doctrines which had found credit among former philosophers, such as Manegold, of Lautenbach, and John, of Salisbury. But it has become a social philosophy, and it dresses all in a synthesis which is found neither among the feudal theorists nor among the legists, nor among the canonists, nor among the philosophers of the preceding centuries. It coordinates all, and attaches the doctrines which it establishes to a system of psychology, of morals, of logic, and of metaphysics. It is a kind of democrary, conceived in moderation, and based upon the pluralistic conception of the world and of life." [32]

SUMMARY OF AQUINAS' PHILOSOPHY OF LAW AND LIMITATIONS ON POWER

From our brief examination of the political thought of St. Thomas Aquinas, together with the perhaps cursory view of prior political thought, I think we may soundly say, Bourbons and Stuarts to the contrary notwithstanding, that there was no legal basis in mediaeval political thought for such a doctrine as the divine right of kings. Every expression by Aquinas, and apparently by his predecessors, seems to point not to the divine right of kings, but to the divine responsibility of kings. Indeed, it would be difficult not to draw from Aquinas principles which lead up to the modern concept of the limitation of governmental powers. His suggestion that law, if contrary to divine law, should be disobeyed, and his insistence that an unjust law is no law lead inevitably to the conclusion that the will of the prince is not law per se but per accidens; that is to say, the will of the prince is not law in its essence,

[22] Ibid., pp. 58, 59.
[23] Summa, q. 96, art. 2, vol. II, p. 790.
[24] Ibid., q. 95, art. 1, vol. II, p. 783.
[25] Ibid., q. 96, art. 2, 3, vol. II, pp. 792–793.
[26] Ibid., q. 97, art. 3, vol. II, p. 801.
[27] Ibid., q. 97, art. 3, vol. II, p. 802: "Human law is rightly changed insofar as such change is conducive to the common welfare. But to a certain extent, the mere change of law is of itself prejudicial to the common welfare, because custom avails much for the observance of laws, seeing that what is done contrary to general custom, even in slight matters, is looked upon as a serious offense. Consequently, when a law is changed, the binding power of law is diminished, insofar as custom is abolished. Therefore human law should never be changed, unless, in some way or other, the common welfare be compensated according to the extent of the harm done in this respect. Such compensation may arise either from the extreme urgency of the case, due to the fact that either the existing law is clearly unjust, or its observance extremely harmful. Therefore the jurist says that in establishing new laws, there should be evidence of the benefit to be derived before departing from a law which has long been considered just."
[28] Ibid., q. 97, art. 3, vol. II, p. 803.
[29] Ibid., q. 96, art. 6, Replies to Objections: 1, 2, and 3, vol. II, p. 799.
[30] Ibid., vol. II, Prima Secundae partis, q. 90, art. 3.
[31] McIlwain: The Growth of Political Thought in the West, pp. 329–330. But see also, quotation from De Regimine Principum, supra.
[32] De Wulf: Op. cit., pp. 263–264. Compare Coke's famous dictum on the law and the king.

but only insofar as it partakes of the natural law, which is law in its essence.

In his insistence upon the proper place of authority in the political realm, and his reluctance to place the lawmaking authority in the hands of the multitude, Aquinas was in harmony with both Plato and Aristotle. Indeed, the same distrust of the undisciplined mob was manifest in the deliberations of the framers of the American Constitution. It would seem that, were St. Thomas able to view and pass upon the development of the principle of judicial review, he would acclaim the principle as being the means, the "practical reason," to be used in maintaining what the speculative reason proclaimed: That the natural law is superior to the human legislator.

President Conant, of Harvard University, Defends American Goals and Describes the Contribution of Education to the Perfecting of Our Economic and Political Systems

EXTENSION OF REMARKS
OF
HON. BROOKS HAYS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. HAYS. Mr. Speaker, under leave to extend my remarks in the Appendix, I include the following excellent address entitled "America's Fitness to Survive" delivered by James B. Conant, president of Harvard University, before the Boston Conference on Distribution.

In the current issue of Foreign Affairs the former Secretary of War, Henry L. Stimson, discusses "The Challenge to America." He describes in realistic terms the present grim international scene and, after refusing to subscribe to the doctrine of an inevitable conflict with the Soviet Union, says "We must make it wholly evident that a nonaggressive Russia will have nothing to fear from us. We must make it clear, too, that the western non-Communist world is going to survive in growing economic and political stability. If we can do this, then slowly—but perhaps less slowly than we now believe—the Russian leaders may either change their minds or lose their jobs. The problem of Russia is thus reduced to a question of our own fitness to survive."

I have taken the last phrase of this quotation from Mr. Stimson's article as the text for my remarks today. The fitness of the United States to survive depends, of course, on many factors; but primarily our survival depends on a vigorous demonstration in the next decade that we can make our form of democracy function even in a war-torn world. This in turn means imaginative and bold policies both abroad and at home; a realization of our international responsibilities as a great power, and a satisfactory development of our internal economy; above all, a realization of the unique nature of American democracy and a determination to move a few steps nearer our historic goals.

All of which is admittedly a large order. Even to discuss all the problems implicit in my brief summary of the challenge before us would require many hours. In the few moments at my disposal today I am going to ask you to consider one group of questions which seem to me central to all discussions of the future of this country. What sort of society do we wish to develop in the next few decades here in the United States? Is this society to be continuous with our past development and a reflection of our traditional aspirations? Or is it to represent a marked deviation? If the former, what are the basic ideals of American democracy and how can we further their realization? And finally, since I come before you as an academic man, how can our universities contribute? That is to say, how can they assist in the development of American society as a strong, vigorous, and united body of freemen?

I have spoken of the uniqueness of American democracy. To my mind we rarely do justice to this fact. Of course, on many counts the evolution of our political and legal systems may be considered as only a slight variant of a much wider pattern. We share with Great Britain in particular many ideals, traditions, and even details of operating a democratic government. Representative government, universal suffrage, and free elections are in this century the sine qua non of democratic government. All nations which have this minimum in common are drawn together in this period of history as never before. But without in the least weakening this vital international link, we Americans would do well to emphasize the special nature of the ideals which characterize us as a Nation. These have arisen from our history and should, if we meet the challenge of our day, point the way for the next stage of our journey.

The United States, unlike almost any other nation, has not arisen from a state founded on military conquest. Therefore, we have nowhere in our tradition the notion of an aristocracy entitled to rule by right of birth. Run through the other democratic nations of the world and, if you recall their history, you will see how striking is our exceptional origin and growth. Neither political nor economic nor social privilege comes to one by right of birth according to our American ideals. On the contrary, the members of each new generation are supposed to start from scratch. Merit alone should win. The cynical among you may shrug your shoulders and say this is theory, the facts of modern American life are far different. Granted, but that leads immediately to the central issue—our fitness to survive.

The morale of a small group of men or of a large nation (if it is a free nation) depends in no small measure on agreement as to the ends for which all labor. Ideals in an open society like ours represent goals toward which men and women may move by concerted action. They never can be reached in practice—almost by definition—but we can readily recognize whether we are moving toward them or retreating. Our American ideals in part correspond to the goals of all democracies, in part they represent a special contribution to the world. If we are to survive we must make these ideals explicit by our actions; words alone will not suffice.

The United States has developed its greatness as a Nation in a period in which a highly fluid society overran a rich and empty continent; one of the highly significant ideals of the American Nation has long been equality of opportunity. This concept may well represent an exportable commodity sorely needed by the other democracies of the world today. There is considerable reason to believe that the absence of this idea in France and Italy, for example, has been responsible in no small measure for the large inroads of communistic philosophy and the subsequent sympathy with Soviet foreign policy. To the degree that we can demonstrate in the next few years that this unique American ideal is no mere myth or legend, we may both contribute to the stability of other nations and forward our own democracy along its historic path.

If I had time, I should like to document the proposition that our free tax-supported schools represent in concrete form those special ideals which characterize this country. Our educational system of universal education with its emphasis on flexibility and careers open to the talented is unlike any other either now or in the past. Our public schools are the sinews of our democracy. We must keep them strong. The machinery of our democratic form of government must likewise be vigilantly maintained. Our educational system, our political institutions, and our social ideals form a closely interwoven pattern. Equality of opportunity could be realized only in a political democracy; it would have meaning only in a competitive society in which private ownership and the profit motive were accepted as basic principles.

I hardly need remind this audience that a competitive society which each generation draws nearer to the goal of equal opportunity is not to be had just for the asking, nor is it just a question of economics. There are few today who would deny that economics, politics, and social ideals are thoroughly interwoven. The history of this century has taught all thinking men that neither do modern industry and trade proceed in a vacuum nor do human beings behave in reality like economic symbols. The problem of morale exists in almost every working group.

For example, people are coming to realize increasingly that a discussion of taxation must involve more than a consideration of fiscal policy: it must include social ideals and the effect of taxes on human motivation. High inheritance taxes reflect the American belief in a fluid society without a hereditary privileged class. We shall want to keep the taxes high in order to move further toward our goal of equality of opportunity for the members of each new generation. Yet we realize the importance of the rewards and incentives which actuate most Americans. These are a complex mixture of social ideals and personal aspirations including the desire to provide for one's family after death. We shall not want our tax laws to be so drastic as to block powerful human incentives from having desirable social and economic consequences. The American public must consider the conflicting factors and strike a balance. High taxes on earned incomes, it may be noted, have the reverse effect of high inheritance taxes on the fluidity of our society. Therefore, insofar as the national expenditures permit, the case for keeping income taxes low is overwhelming both in terms of social ideals and incentives. In short, debates on the future of our tax policy both State and national to be realistic must involve a consideration of social ideals and human motives as well as balanced budgets and the welfare of our national economy.

The point I am trying to make is this. Granted private ownership and the profit motive (which have been sneered at in certain circles, but for which I believe there is no substitute for this Nation), the question of how best to keep our society truly competitive and moving toward a greater degree of equality of opportunity is no easy one to answer. I suppose few would really subscribe today to the old doctrine of "hands off." As in the case of traffic, the nature of modern society has made the public a party to what once seemed a strictly private matter. The role of government has been permanently enlarged. The political machinery of government is today meshed into our industrial life. The problem surely is to see how we can operate our private enterprises and our political institutions so that our society will be in fact competitive and thereby increasingly productive of the goods and services required.

As never before, business needs men who appreciate the responsibilities of business to itself and to that unique society of free men which has been developed on this continent.

Such men must understand not only the practical workings of business organizations but also the economic and social climate in which business operates. Management and labor share with the statesmen whom we elect to office the responsibility for our future. Less directly but ultimately to an equal degree so do those who guide our vast system of public schools. They should be statesmen, too. Professional men and leaders of opinion, particularly the bar and the press, are likewise heavily involved in the question of our survival. Cannot all these people, indeed the majority of our citizens, subscribe to a common set of postulates as to what we desire to accomplish in the coming years? The goals of equality of opportunity, a minimum of class distinction, a maximum degree of individual freedom, and a wide distribution of centers of initiative are inherent in the American creed. If the United States is to continue as a vigorous and healthy republic of free men, it must continue to move toward these goals. Can't we all, or a very large fraction of us at least, agree on that?

If so, then the first condition for survival is assured. Our sights are set, our target is defined. But it is no easy matter to move appreciably toward these goals even if we are all agreed, some of you may say. A modern technological society is a complex affair and the international situation a sorry mess. To find the answers to countless detailed questions—ah, there's the rub. The going will be tough, no one can gainsay that. Statesmanship will be required not only in affairs of state but in other vital areas. I have in mind two in particular, not usually associated together: industry and education. One may reach this conclusion from the following considerations.

The future prosperity of America depends on the capacity of its economy to remain dynamic while providing satisfying employment for all capable of employment. Perhaps you will agree to that. But every year some two or three million boys and girls mature and enter our society looking for jobs. We believe they are all entitled to a fair chance. Our schools are to a large degree ladders of opportunity. In short, our educational system must guide and educate a diversity of talent for the best interests of the Nation. Particular emphasis should be placed on the word "guide" in the preceding sentence because the process of helping people to determine the activity for which their abilities best qualify them is of great importance at all levels of our schools and colleges. I may remark parenthetically that we are beginning to have sound knowledge as to how such guidance can be provided.

Now it is obvious that the best minds of the country should be devoted to a study of the many problems arising as a consequence of our endeavors through industry and education to keep our society prosperous, strong, and democratic. It is may belief that the methods of certain of the social sciences have already been developed to a point where studies of society by competent scholars can provide basic information to assist the leaders of industry and of education. Both fundamental investigations as to the nature of man and society and immediate studies of specific problems are required. It is at this point that I believe our universities have a special contribution to make. Through such studies they may be able to play a significant role in assuring our fitness to survive.

To illustrate what I have in mind may I tell you of certain plans we are formulating at Harvard. In so doing I trust you will not think that I am unduly provincial in my outlook. Undoubtedly other institutions are proceeding along the same general lines, but perhaps you would be interested in the details of a proposal with which I have some familiarity. In the first place, I do not have to remind this audience of the work of the Harvard Graduate School of Business Administration. This school is dedicated to the proposition that business needs men as well trained as our professional men in law and medicine. We believe this is one of the responsibilities of American universities in the twentieth century. Harvard takes pride—I trust justifiable pride—in the work of the Harvard Business School in meeting this new educational challenge—education for business responsibility. But in addition to continuing and strengthening the work of this school we have in mind a cooperative venture involving the business school, the graduate school of education, the Department of social relations of Harvard College (the faculty of arts and sciences). Referring to what I said a few minutes ago, it seems clear that the methods of certain of the social sciences have reached a point where the scholars in these disciplines can help train the future statesmen of business and public education. In particular, certain types of work in sociology, anthropology, and social psychology seem full of promise. The point of view of the younger men in these fields, if coupled with practical experience with industry on the one hand or public education on the other and infused with a zeal to move American society along its historic road, we believe might be peculiarly effective at this moment in our history. Both in training students and in studying problems in the field this fusion of three somewhat distinct areas of the social sciences we think has promise.

As illustrations of what types of activities might be undertaken by a research center at Harvard, thus cooperatively manned, I may mention three major projects.

Prof. Elton Mayo, in his recent publication on the Political Problem of Industrial Civilization, stated: "The outstanding need of the modern world is the need for investigation and study of organization and the principles of intelligent administration. If we are to lay aside the strong and simple religious feeling of medieval times as the chief organizing principle of civilizaton, we can only substitute intelligent understanding of all the necessary elements involved in human organization on the modern scale."

Within this general field lie literally dozens and hundreds of concrete studies, for example, the human qualities and factors which permit the development of teamwork within a group or which work to inhibit teamwork in other groups. Again, a highly important problem in this area which cuts across both business and education is the process of advising and counseling individuals so that they reach in life an activity which generally accords with their abilities and interests. Evidence is accumulating that the square peg in the round hole is at the root of much of our individual and social unhappiness and frustration. Here is the not uncommon situation in the social sciences where a beginning has been made in research. The bringing together of many experiments is required; much actual field use is necessary; and still more research imperative. The possibilities for rapid progress here are very great.

A very different type of illustration is found in the research project which is just about to be undertaken jointly by the members of the Harvard Business School faculty, working in cooperation with the National Bureau for Economic Research. In the economic field the present system of taxation, both corporate and personal, is having profound effects on the way men regard new efforts. It is having a profound effect on the incentives which thus far in our history have contributed to the taking of risks and the seizing of opportunities. Many of these effects were not anticipated in advance, and we do not know by any means what they are or what they may be in the future.

Still another illustration may be mentioned of special interest to this group. The costs of distribution have been a matter of concern for many years. Factual information on the operating costs of retailers and wholesalers has become available in public form over the last 25 years. Very little, however, is available in regard to the marketing costs of manufacturers. This lack in turn prevents careful study of the costs involved in the whole chain of activities from producer to consumer.

These three illustrations will perhaps indicate to you what we have in mind. As resources become available we hope two of our professional schools—business and education—may become more closely associated with each other and with that group of scholars who in the faculty of arts and sciences are studying by modern methods the ancient problem of how man functions as a social animal. We expect no miracles but have a strong conviction that along some such road as this lies the best hope of mobilizing our academic brains and learning to meet the challenge of the times. We plan the undertaking with the firm conviction that this country will continue strong, prosperous, and democratic. Furthermore, that our society will move forward; and in so doing, by example, contribute to the welfare of other nations. One can have no doubt that scholars will participate with vigor in solving the many problems which will be solved as America moves toward its historic goal of equality of opportunity in a society of free men.

Paper Mills for the South

EXTENSION OF REMARKS
OF
HON. STEPHEN PACE
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. PACE. Mr. Speaker, the manufacture of paper is contributing greatly in the development of the resources of the South, and for its historical value I desire to place in the RECORD an article on this subject recently published in Dixie Business by its editor, the Honorable Hubert F. Lee. The article is as follows:

PAPER MILLS FOR THE SOUTH

(By Hubert F. Lee)

The $30,000,000 Coosa River newsprint mill getting under way in Alabama is the biggest industrial development this year.

Fine paper, machine finished book, newsprint and the pioneer kraft have added to the pay rolls.

However, there was a day in the memory of readers of Dixie Business when kraft was the kind of mill thought of when paper mills were talked of in these parts.

Our good friend the late Dr. Herty conducted notable experiments and his research laboratory proved to the skeptics that native woods could be used for all kinds of paper making.

And before Dr. Herty there was the late L. A. Thomas, who had the distinction of making newsprint for the Carroll County Times and other papers in a small paper mill at Banning, Ga.—the Wilkinson Paper Co., if memory serves us right.

When the late Dr. Herty in December of 1937 announced that his laboratory would have to close down unless more money was available many editors and leaders joined in the movement to have the various States

appropriate money for his experiments to continue

From Montgomery, Ala., a wire news story went out December 6, 1937, which said:

"Hubert F. Lee, president of the chamber of commerce of the South, said here today 'it would be a catastrophe' to permit abandonment of a pulp and paper research laboratory being operated at Savannah, Ga., by Dr. Charles H. Herty.

"Lee said he was writing Gov. E. D. Rivers, of Georgia, suggesting that the State appropriate funds to carry on the work, particularly regarding development of newsprint paper from southern pine.

"'Other States, too, could profit through an appropriation and continuance of the work,' he said.

"Dr. Herty was quoted in Savannah dispatches as saying the laboratory would be discontinued December 31 unless new means are found to finance the work."

On the front cover of the January 1938 issue of Dixie Business was an announcement which read: "Herty's newspaper research goes on."

"Gov. E. D. Rivers, of Georgia, has informed Dixie Business that Dr. Herty's Newsprint Laboratory at Savannah, Ga., will go on.

"'I am tremendously interested in seeing Dr. Charles H. Herty's work continued and in seeing that he gets whatever it takes to continue,'" Governor Rivers said, in an interview with Dixie Business.

"Representative Jim Fowler, Dixie Business learns from reliable sources as we go to press, will probably introduce a bill in the Georgia Legislature appropriating such funds as are necessary for the greatest laboratory for the South.

"Typical of the editorials that have appeared in the newspapers over the South is that of our good friend Jimmy Stahlman, publisher of the Nashville Banner, Nashville, Tenn., and president of the American Newspaper Association. Mr. Stahlman's editorial appears on page 14 of this magazine (January 1938).

"If the South has ever been solidly back of any man or enterprise for the common good of the section * * * it is back of Dr. Herty 1,000,000,000 percent."

In that same January 1938 issue we reprinted in our Editor's Whirligig column a paragraph from John Temple Grave's syndicated column This Morning which read:

"Everybody, surely, will agree with Editor Hubert Lee, of Dixie Business, that it would be a tragedy for the South if the work of Dr. Charles H. Herty should be limited in anywise by the lack of funds. From his chemical laboratory at Savannah, Dr. Herty has contributed the investigations which promise southern pine and black gum eternal glory as the bases of a newsprint industry that will support the whole continent. He is engaged in other research which may rival what he has done in these directions. His work is worth potential billions of dollars to this region, but his laboratory is to be closed after December 31, unless new means of financing it are found."

WE HAD FAILED

We were eager that the work of Dr. Herty succeed because nearly a quarter of a century ago we sought to establish a newsprint mill in the South but failed to interest capital in financing it.

Dr. Herty was proving that the woods of the South were good for making paper, newsprint, all kinds of paper.

In 1923, the editor of Dixie Business, then a young and ambitious man, fought windmills and came off bleeding and sore at heart but undaunted. Lack of money with that project, just as lack of money to properly promote Dixie Business, stopped the first. It required more than a million dollars to start a paper mill but with $15 capital we in 1929 started Dixie Business. With a magazine, all that is needed is subscribers and advertisers—granted able editorial ability. We are still making slow but steady progress to get subscribers and advertisers and we leave to others the judgment of the editorial force and ability. We only do what we can and try to make up in steadfastness and determination whatever we lack in the gift of words.

To Shartle Bros., Middleton, Ohio, on September 17, 1923, we wrote:

"Would you please furnish us with information, data, and catalogue relative to pulp and newsprint mills?

"Consideration is being given to a plan to start a paper-making enterprise using southern pine and possibly tubler gum. A daily tonnage of 25 to 50 would be desirable as a basis for tentative purposes.

"I understand that you manufacture machinery and also have used machinery for sale. Information and prices would not be undesirable for me to have at this time.

"Negotiations are being made to get a man with many years of practical experience to back the enterprise with his knowledge and vast treasure chest of experience. Should we, and it is practically certain I am confident, secure his active interest the South will have taken another forward step in helping bring the paper industry to the land where pulp paper can be grown in 10 to 15 years large enough for use.

"This gentleman is Mr. L. A. Thomas who has the distinction of being the first, so far as is known, man to cut down a tree in the morning, haul it 3 miles to a pulp mill, then to the paper mill and by wagon 10 miles to a small town to be used by the newspaper and at 6 that day have copies for the men at the mills to read. That happened a considerable number of years ago.

"Possibly you would consider helping finance this proposed enterprise. Local capital is always ready to foster such projects but the backing of a large concern who knows the paper making business would tend to give the enterprise a soundness and firmness that only practical and experienced people can exert."

SOUTH STANDS ALONE

The reply from Charles W. Shartle, president, dated September 19, 1923, read:

"We have your letter of the 17th and note that you are considering the manufacture of newsprint from yellow pine lumber, and will say that as far as I know this class of lumber is not suitable for white paper. If I am not mistaken, or misinformed, it is found impractical to bleach it on a commercial basis. At the same time the yellow pine is being used a great many mills in the South for making pulp which is converted into kraft paper.

"In your letter you mention the construction of a mill of about 25 tons capacity and will say that I do not believe a mill of this size would be profitable, and it would not be to your advantage to construct a mill of less than 50 to 100 tons capacity.

"I suppose you know that a mill of this kind runs into lots of money. The Brown Paper Co. is building a mill at Monroe, La. This mill will have a capacity of 75 tons, and am informed that their investment is in the neighborhood of $2,000,000. So while we deal some with second-hand machinery, I would not invest a dollar in a mill constructed with this equipment because I feel very confident that it would not be a paying investment; and in order to compete with the large and fine mills which are being erected in the South the only way we would equip it with the very best and most modern machinery.

"I do not know of anybody just at the present time who might be interested in assisting in financing such a proposition. We have numerous opportunities to make investments with timber owners and lumber mills in the South, but we have never felt disposed to go out of our own line.

"I do not know of any northern paper makers who have gone into the southern field, and whatever has been done in the South has been accomplished by the local people.

"There is no doubt at all in my mind but that first-class paper of certain kinds could be produced from your local woods, and at the same time I feel sure that the paper can be produced very much cheaper than any other place in the United States."

WE READ AND LEARN

Alexander Botts, of the Earthworm Tractor fictional fame, might have given up the idea of trying to promote a newsprint paper mill back in those days had he turned his sales abilities to promotional efforts, just as we did because of lack of capital and lack of promotional abilities to raise the money to build a mill.

However, the letters in our library are historical documents of noble attempts and blunt failure. We think others would find some of them interesting. Here's one written September 12, 1923, from G. S. Barton, then president of the Rice, Barton & Fales, Inc., Worcester, Mass., which reads:

"Your letter of September 5 came to hand during the writer's absence from home, hence the delay in answering same.

"We note carefully what you say regarding a proposition that contemplates the manufacture of newsprint in the South, using Georgia pine. We are aware that several paper mills are in operation in the South using this class of material for pulp, but did not realize that this kind of wood was suitable for making newsprint, as most of the mills that we know of manufacture kraft paper from this class of stock.

"We also note that you say your local market ought to consume the output of a 25-ton-daily capacity mill, and we would say in this connection, that this is a very small daily tonnage for a newsprint mill to turn out. In fact, we are inclined to think that a mill turning out newsprint paper, and having no larger capacity than this, would not prove to be a particularly profitable venture. Even a newsprint mill that had one paper-making machine in it could produce a larger output than this. Of course, we do not know anything at all about the details of your proposition, and it may be that there are certain features in connection with it that would make such a proposition as you have in mind a profitable one, and we would be very glad if you could favor us with any more facts and data concerning the particular proposition that you have in mind.

"As far as referring you to someone who might be interested in financing such an undertaking, would say that this is something that we have on several occasions been able to arrange for, but, of course, before we could say anything at all about your particular proposition it would be necessary for us to have complete information as regards its operations, from start to finish. This, we are sure, you yourself can readily appreciate.

"Our company has been building paper-making machinery now for over 80 years, and we are, naturally, very much interested in your proposition from a paper making machinery standpoint, if from no other, and if, as stated above, you will favor us with further information with just as much detail as possible, stating just what your proposition is, both as regards the manufacture of the paper and the sale of same, in short, send us a complete prospectus of your proposed mill, we would be very glad to give it our best consideration and let you hear from us as to any recommendations or suggestions that it would appear to us would be worth while to make."

"P. S.—The invention you speak of in your letter is also a matter of much interest to us, and we would appreciate complete information from you as to what this invention consists of."

The invention referred to was one invented by the late Mr. L. A. Thomas and not that of the editor of Dixie Business. Our inventive genius is used in devising ways and means of selling subscriptions to Dixie Business and in offering the magazine's advertising columns to whomsoever will accept it at $100 a page, with smaller space in proportion to advertise their wares and institutional messages.

Although complete documents in our Saga of Newsprint Promotion are not available, we do have a number that have survived the years and should any of our readers like to have others printed in Dixie Business, we invite invitations to do so.

Although we never managed to put over the South's first newsprint paper mill, we hope that our pioneer work and the letters we wrote did play some part in getting the news scattered around to leaders of the industry over the Nation that the South offered big opportunities for paper mills. Whether we had anything to do with it or not, we are proud that today the paper industry and the chemical industry has come South and more and more will do so because it is profitable to do so.

Can anyone wonder why we were so enthusiastic that the late Dr. Herty carry on his scientific work? Dr. Herty—statesman of science.

Americanization in Hawaii

EXTENSION OF REMARKS
OF

HON. JOSEPH R. FARRINGTON

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. FARRINGTON. Mr. Speaker, under unanimous consent to extend my remarks in the Appendix of the RECORD, I include an article from the December issue of Reader's Digest by Blake Clark, in their series Chronicles of Americanization—XIII entitled "'G. J.' Shows That East and West Can Meet."

The article follows:

CHRONICLES OF AMERICANIZATION—XII

"G. J." SHOWS THAT EAST AND WEST CAN MEET

(By Blake Clark)

(Condensed from St. Louis Post-Dispatch)

Gobindram J. Watumull, of Honolulu, is one of the few East Indians to achieve United States citizenship, and few Americans are more grateful for the privilege. To bring Indians the benefits he has found in Hawaii this friendly merchant is giving nearly $100,000 a year through a unique foundation which obtains its funds from a full partnership in his business.

Watumull, whom his family called Goma, was born in Hyderabad, India. On Goma's eighth birthday his father, a contractor, was thrown from his camel and incapacitated for life. Goma's brother Jhamandas went overseas, seeking a job to help support the family. Two other brothers worked for 4 cents a day to keep Goma, their parents, and four sisters alive.

Goma was a bright boy and did well in the village school. By the time he finished, Jhamandas, who had found work in Manila, was able to stake him to a 2-year course in engineering. He graduated to a job with the Indian Government, and in a few months was chief clerk with a salary of 30 rupees ($10) a month. Englishmen doing the same work drew 20 times as much.

One day he happened upon a book about Abraham Lincoln, and read excitedly the story of a dark people gaining dignity and self-respect through the Great Emancipator. Looking out his window to where his countrymen passed, half-starved and submissive, he prayed for an Indian Lincoln.

In 1917 Goma received a letter from Hawaii. "I now have a branch store here," wrote Jhamandas. "My manager lacks efficiency. Would you, Brother, care to replace him?"

Three months later Goma walked down the gangplank in Honolulu. At a busy intersection he saw a native policeman directing traffic. A blond, well-dressed man started across the street and was stopped by a sharp command. The offender scurried back to the curb. Watumull stood dumfounded. It was the first time in his life that he had heard a dark-skinned man raise his voice to a white.

In his brother's bazaar Goma received further surprises. Customers and neighboring businessmen called him "Mister." Across the street was a soda fountain owned by a Chinese who employed white clerks. Every day at noon Dr. Mundorf, the optician next door, stopped by and called out, "How about lunch, G. J." They joined a group of other businessmen of various races at the Merchants' Grill.

Impressed by the democracy he found in Hawaii, G. J. took out his first United States citizenship papers. Soon afterward he met an American girl with whom he fell in love. She was Ellen Jensen, a pretty young redhaired music teacher from Reed College in Oregon. In India, if they had met at all, custom would have forced her to hesitate about going out with him.

In Honolulu, the dark, slender man and his fair companion went everywhere without embarrassment Goma confided to her his ambitions for himself and India and asked her to help. They were married in 1922. The bride thereby forfeited her United States citizenship, but she expected to regain it at the end of a year when Goma would be eligible to apply for his final papers.

Less than a month before Goma was to obtain his citizenship, the Supreme Court barred Indians under the law restricting immigration of orientals. Neither he nor Ellen could now become American citizens.

There was nothing to do to ease the blow but plunge into hard work. With his savings Goma bought into the business, while his brother gradually withdrew, keeping only a small interest for himself. During the next 10 years Goma and Ellen developed what had been a small bazaar into a prosperous department store. G. J. regarded those who worked for him as friends and equals, and all were guests at his home. Each month his bookkeeper set aside a percentage of gross sales for a fund to entertain the Watumulls "& Co." at the best Honolulu restaurants. He established vacations with pay, a plan of health insurance, a model bonus system. Every employee owned his own home.

By 1937 Watamull's methods were so successful that he put up a handsome modern building. In the next few years he opened another show place at Waikiki and a third downtown. Mrs. Watumull was a full partner. While bringing up a family of two girls and a boy, she prepared all the firm's advertising copy, and for 1 year managed the main store. Assisted by loyal-hard-working employees, they built up a business that grossed $2,000,000 a year.

So now G. J. was able to act on a dream he had long cherished. He wanted to help India become more like the United States. He wanted to stop the plagues of cholera, malaria, and dysentery which killed five to six million people a year. He yearned to lay food before the 80,000,000 there who are always hungry. India's salvation, he was convinced, lay in industrialization. India has the iron to forge her own washing machines, refrigerators, and bathtubs, but lacks the knowledge and the means to get it out of the ground. Power to bring electricity to her 700,000 villages rushes unharnessed down torrential rivers. She needs engineers as desperately as doctors.

Goma poured out his dream to a lawyer friend. The lawyer said, "Don't break your heart. What can one person do for 400,000,000 people? It will take billions of dollars and millions of men to revitalize India."

"The longest journey begins with a single step," replied G. J. "I intend to take it."

He and Ellen decided to begin by sending highly qualified Indians to the United States. They would be experts in their fields, mature men and women able to absorb the most up-to-date techniques in such matters as controlling epidemics, preventing infections in mothers and babies, canning food, and building machines. To obtain the necessary money they hit upon the idea of setting up a foundation which would be a partner in the business.

The first year they offered 14 fellowships, guaranteeing passage to and from the United States, tuition at a university of the candidate's choice, and $150 a month for 2 years for living expenses. The grants were open to anyone in India—no political or religious strings attached. The sole consideration was merit and ability to help the country.

The announcement caused great excitement throughout India. Newspapers dubbed Watumull "the Cecil Rhodes of India." Two thousand applications poured in, and an impartial board of American and Indian educators and scientists appraised the applicants.

Among the dozen accepted were Dr. and Mrs. Mahendra Bhat, who went to Tulane's schools of tropical medicine and social work to equip themselves to fight tropical diseases. Two women gynecologists, Drs. Lakhani and Nasir-ud-Din, one a Hindu, the other a Moslem, were selected to perfect their knowledge of the best methods of prenatal and postnatal care. An engineer, M. A. Lokhande of Bombay, was given a grant-in-aid at Rutgers University to study sewage disposal—a neglected problem for thousands of workmen's hovels in his city.

To increase food supplies, H. D. R. Iyengar studied fisheries at the University of Washington. Millions of his fellow countrymen will touch no meat, only fish. India's 4,000 miles of coast line and 600,000 square miles of rivers and lakes teem with fish, but because of outmoded techniques the yearly catch is small.

India has one-third of all the cattle in the world—205,000,000 head, but only 30 percent get the care that enables them to give milk. Amar Rathore, an expert on the staff of a government cattle farm, came to Iowa State College to study the best methods of improving milk production. Indians who will not touch meat will drink milk, the next best source of animal protein.

The Watumulls enlisted the aid of American industries. Four young Indian engineers are gaining practical experience at Allis-Chalmers; three are working as chemists at Seagram's, studying the manufacturture of industrial alcohol, and another is at the Gisholt Machine Co.'s shop building small machines and motors.

Watumull is especially proud of two men whose foundation-sponsored work will benefit both continents. Dr. J. V. Bhat has done important work at the University of California in isolating a micro-organism to dissolve kidney stones, which are a common cause of death in his country. Dr. M. Asirvadham, of the Scudder Hospital in Veliore, had often stood helplessly by and

seen surgical aid denied patients whose run-down systems could not withstand the shock of an operation. Given time and money by the Watumulls to work on this problem, Dr. Asirvadham found restoration of the functioning of bone marrow a great aid to such people, and has developed a special protein diet to restore this basic need.

This year, as their twenty-fifth wedding anniversary present to themselves, the Watumulls gave India its first Beckman spectrophotometer, a machine to record the results of microanalyses. Dr. N. I. Purshottam and Miss Tara Deodhar, nutritionist, are returning to India to conduct a government-approved feeding program. They hope to prove that, with the aid of concentrated meals, malnutrition can be prevented and that India's recurrent famines are no longer inevitable.

Distressed by the lack of understanding between Americans and Indians, the Watumulls set in motion an information shuttle of qualified spokesmen from each country. Sir S. Radhakrishnan, professor of eastern religion and ethics at Oxford University, was invited to lecture in the United States. To India went Dr. Merle Curti, winner of the Pulitzer prize in history for his book, The Growth of American Thought. He criss-crossed the subcontinent for 4 months, telling gatherings in every section about the United States. Audiences at Lucknow were so eager for more information that the university established a Merle Curti award for the best studies on American life or history.

The Watumulls are stocking university library shelves in each country with factual books about the other. They have established lectureships on Indian affairs at American University, in Washington, D. C., and at New York University. And at Columbia they have granted a research fellowship to G. B. Lal, 1937 Pulitzer prize winner for science reporting. He is writing a history of Indian science.

The Watumull Foundation has set an example for Indian philanthropy. An Indian industrialist has just inaugurated a plan of sending scholars on visiting professorships to this country. And the Indian Government recently granted 1,600 fellowships to graduate students to pursue their studies abroad. The Watumulls felt a great deal of pride when more than half of the winners chose the United States.

In July 1946 Congress revised the Oriental Immigration Act, again permitting Indians to become United States citizens. After 28 years, welcomed with flower leis from his friends and warm aloha from newspaper editorials, G. J. became a full-fledged American, hailed as the first Indian to be naturalized under the revised law.

According to an Indian proverb, the two hardest things in the world to do are to give of one's earnings and to find a home in another country. G. J. Watumull has done both.

Frances Bolton

EXTENSION OF REMARKS
OF
HON. MARGARET CHASE SMITH
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mrs. SMITH of Maine. Mr. Speaker, again FRANCES BOLTON has shown her great value not only to the people of Ohio, but also to the people of the entire Nation. It is most gratifying to me that the press in my own State—Portland Press Herald—has recognized and commended Representative BOLTON for her recent and effective speech on the necessity of aid to Europe to fight the cold war that Russia is waging.

This is but another instance in which FRANCES BOLTON has forcefully shown that she is one of the most informed, intelligent, and understanding Members in Congress. She continues to amaze those of us in the House with her keen, penetrating mind, her energetic and discerning ability to get at the real facts, and her pleasing and interesting manner of analyzing and presenting the facts.

THE FRENCH STRIKES

Representative BOLTON, of Ohio, made an effective speech in the House the other day that brought genuine applause from her hearers. She was one of those Members who cruised about Europe last summer and fall, and she returned confirmed in mind as to what is going on abroad and what must be done here at home. Overshadowing everything else, she said, is the conviction that Moscow is waging relentless cold war against the United States—a war in which the United States must go all-out if it hopes to avoid a shooting war. She said:

"Having read the Communist posters, incredible in the viciousness of their attacks upon the United States, having read the Paris newspapers, having seen some of the handbills flooding the city, I confess to an inability to understand how men can say, 'I'm not for this aid unless France stops the strikes.' Can't they realize that the Commies do not propose to let the strikes abate in the slightest if they can keep them going? Can't they see the dark hand of Moscow keeping the fire going under the pot of discontent and despair?"

Those are fair questions, the correct answers to which are known to the Senate, but unknown to far too many Members of the House, where there is an evident unwillingness to act with energy and speed upon the Marshall stopgap plan, and a sudden solicitude for economy—in the wrong place and at the wrong time. Perhaps Mrs. BOLTON'S testimony will have effect unless some of the Members take refuge in what they call their private advices from abroad. Full cooperation with the administration program still has a chance of shoving a shooting war well into the future. As a matter of fact, it is the only chance, and it seems strange that there are any who are unwilling to take it. To quote Walter Winchell for once, "Bread on water's much cheaper than blood on streets."

Exports to Russia Versus Aid to Europe

EXTENSION OF REMARKS
OF
HON. RAY J. MADDEN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. MADDEN. Mr. Speaker, in today's discussion on the European temporary-aid legislation several Members recommended that shipments of the various exports to Russia be completely curtailed.

In Saturday's edition of the Gary Post-Tribune, editor H. B. Snyder has written an editorial setting out some practical thoughts concerning our present commerce with the Soviet Union. His editorial contains sound thinking and common sense.

EXPORTS TO RUSSIA VERSUS AID TO EUROPE

It has been moved by Harold Stassen and seconded by Representative JOHN TABER that the United States stop shipping machinery, machine tools, and industrial material to Russia. The suggestion has received a good deal of immediate support—though not from the President, to whom Stassen addressed his advice.

The Republican aspirant to Mr. Truman's job labeled the present trade with the Soviets "economic appeasement," and at first glance the label seems accurate. Our scrap-iron shipments to Japan before the war are almost as fresh in the public mind as Russia's obvious militarism is today. One may ask if, after the Japenese experience, we are again providing the materials of death that will be used against us.

But there are other questions that should be asked before the demand for a break in Soviet-American trade increases.

What sort of machines and material are we sending Russia, and how much?

Is it wise for the United States to impose economic sanctions on its own, while trying at the same time to strengthen the UN?

If such economic sanctions are imposed, what will Russia do about them?

In connection with the last question Stassen made an interesting point in his telegram to Mr. Truman which has drawn an equally interesting, though unofficial, reply from the State Department.

Stassen called attention to the fact that the Communists and the Russian Government "have not permitted a normal flow of machinery and equipment from the steel works of Czechoslovakia to western Europe and have obstructed the movement of materials between eastern and western Europe and eastern and western Germany."

The State Department's point is that if the Russian Government can check the normal flow of exports from its own and its satellite countries now, it might shut off that flow completely in retaliation for America's embargo on exports to Russia. Such action not only might add enormously to the cost of the Marshall plan but also prove to be the final stroke that divides Europe.

It should not be forgotten that the Secretary of State's original proposal for European recovery took in Russia and the eastern European states as well as the 16 nations that finally accepted it. One objective was, and evidently still is, to hasten the return of normal trade throughout Europe. It stands to reason that the quicker this objective can be reached the less the Marshall plan will cost, and the less chance there will be of its failure.

The Members of Congress who favor Stassen's suggestion and who also favor the greatest possible economy in the program of European aid might consider such factors as the relative cost of providing and transporting American machinery and Czech machinery, American and Polish coal.

It can be argued, on the other hand, that the Russian satellites, especially Czechoslovakia and Poland, must export in order to live. The Soviet Government might have to permit them to trade, however much it disliked the idea, in order to retain what support it has in those countries and to avoid an even greater economic burden.

Whatever the decision on continuing possibly dangerous exports to Russia, it will not be easy. There are risks involved either way. It is of great importance that they be weighed carefully. And it is certainly equally important that both Congress and the administration, in weighing them, avoid the growing danger of making this question still another issue of domestic politics.

Guilt by Association Criticized by New York Times Editorial

EXTENSION OF REMARKS
OF
HON. ARTHUR G. KLEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. KLEIN. Mr. Speaker, every one of us here is deeply concerned about loyalty to our Government, and about loyalty to the principles on which our Government is founded.

We differ only in our approach; and there are many of us—I include myself—who believe that in our fear of disloyalty we are likely to betray our fundamental principles.

It was, therefore, with more than ordinary interest that I read the editorial which follows in the New York Times of Saturday, December 6, 1947, which states explicitly the attitude I myself have taken.

The New York Times is not known as a liberal newspaper; it is known as a fair and honest newspaper, whose editorial policies have set a high standard of excellence and of influence. When the Times decries the theory of "guilt by association" and advises the Attorney General to avoid the issuance of lists of proscribed organizations and make "decisions as far as possible on individual merit," it heartens all of us who have objected to the current wave of hysteria.

WITHOUT DUE PROCESS

Attorney General Tom C. Clark has designated some 90 organizations in this country as "totalitarian, Fascist, Communist, or subversive." Membership in one or more of these organizations will be one factor in testing the fitness of Federal employees under President Truman's loyalty order.

Obviously worried by the responsibilities laid upon him, Mr. Clark has delayed issuing the list, and he has now issued it with a qualification which ought to win the warm approval of those who look upon civil liberties as the first line of our democratic defense. As he puts it:

"Guilt by association has never been one of the principles of American jurisprudence. We must be satisfied that reasonable grounds exist for concluding that an individual is disloyal. That must be the guide."

But guilt by association is certainly implied in the procedure which the Attorney General was in duty bound to follow under the Presidential order. The designated organizations, some of them schools, were studied under that order by the Federal Bureau of Investigation. The FBI findings were then transmitted to the Attorney General, who in turn made them available to the President's loyalty board. There have been no public hearings on these organizations. None of them, so far as appears, is illegal under present Federal laws. No doubt they had opportunity to defend themselves to the Federal investigators. They have had no opportunity to defend themselves by what is known in our constitutional law as due process.

Some of the names cited speak for themselves. There are organizations that are frankly Communist and others that are recognizably Fascist, and membership in either sort implies a disbelief in American forms of democracy. This belief is not a crime, but it unfits the person who holds it for Federal positions in which he would be expected to work through those forms and in the democratic spirit. Other organizations are less easily identified; the publication of this list will at least cause many persons who are associated with one or another of them to reexamine the basis of their membership. Still other organizations on the list are new to most of us. We simply do not know the evidence under which they are blacklisted. We do know Communists often infiltrate organizations which are not Communist and we know that Communists and non-Communists may occasionally agree up to a certain point—for instance, in their concern for refugees who dare not return to Franco Spain.

Our Federal Government is certainly under no obligation to employ persons who do not believe in our form of government. But it seems to us that the Government will be on safer ground, well within the principles of the Bill of Rights, if it makes its decisions as far as possible on individual merit, if it abandons the rule of "guilt by association" wherever it possibly can, and if it gives every organization designated as "subversive," just as it would give an individual, a public day in court.

Naval Air Reserve Program

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. HÉBERT. Mr. Speaker, an old friend of mine, Capt. William Gordon Roper, a graduate of the United States Naval Academy of the class of 1898, visited with me the other day and brought along a speech which he recently had written. It concerned the establishment of a strong air naval reserve in each of the 48 States.

Captain Roper is primarily interested in the establishment of such a program in New Mexico, where he now resides. Although his own program is directed at the State of New Mexico, which is so ably represented in this Congress, it is really a program which should attract the attention of every other State.

Naturally I personally am vitally interested in such a program, because it was in New Orleans that the naval air reserve program gained its quota first. There Capt. James Leeper, commandant of the naval air station in New Orleans, has done a remarkable job.

I believe that the manner in which the gap has been spanned between Captain Roper, who is now 72 and retired, and has seen service in every war from the Spanish-American War to the recent conflict, and Captain Leeper, who has served his country with distinction in the recent war, is most interesting.

I believe it would serve us all well to read what Captain Roper has to say on the subject and for that reason I have obtained permission to insert his speech in the RECORD at this point:

My fellow citizens of New Mexico, the following is aimed at the students of the University of New Mexico and the high-school and college students from coast to coast, because the future of this land lies in their hands.

I am not here to speak for the Navy or the Navy Department. I am here on my own as a citizen of New Mexico. My only recompense will be the accomplishment of a self-made mission. The establishment of a full-fledged naval air reserve station in New Mexico. When and if authorized by the Navy Department it will become fabulous.

Now it is my duty to tell you, young man, that the interest in forming the station is growing by leaps and bounds.

Since noon, November 24, George Atkinson (American Legion) and I in a plane from the Los Alamitos Naval Air Reserve Station, visited and talked with key young men in Roswell, Clovis, Tucumcari, Gallup, and Santa Fe.

At each place we found a warm welcome for the cause, with a fixed healthy enthusiasm.

You and I must thank the Messrs. Charles C. Broome, president of the Albuquerque Chamber of Commerce; Dan Burrows, editor of the Albuquerque Tribune; Frank Rand, publisher of the Santa Fe New Mexican; Joe Behl, of Boren-Behl Sportings Goods; Knox Converse, manager of Converse Motor Co.; Radio stations KGGM, KOAT, KVER; and the American Legion for their valiant effort in this cause.

They make a team of nine—unsparingly donating time, thought, and material out of which will come to you great good, physically, mentally, and morally, when once the station is functioning.

KGGM, KOAT, and KVER, though keen rivals in business are as one when the public interest is at stake.

The undertaking is a bit audacious for a State of some 600,000 population; so it is up to you, young man, to concentrate, remember, and pass on the following: Because of our remarkable terrain, high and low altitudes, surpassingly superb year-around climate, with more year-round free-flying hours than can be found elsewhere, we could become a great, if not the greatest, naval air reserve training center—the most economical of all.

En passant, Navy and Air Force fliers of long experience in peace and war tell me that basic training should be done at about this altitude rather than near sea level.

When established and equipped you will receive free training in a variety of trades and skills; keep up with scientific and technical developments, having both civilian and naval air application. For example, Atlanta's station has an amazing educational program offering an education to any man in academic or technical training out of which he could get high school or college credits. We must have it here.

The brilliant Lt. Frank Hartzberger, United States Naval Reserve, organized and put it in practice. In my notebook he wrote a complete brochure of same. He would be happy to come here temporarily and set up his system for us.

You will find athletic facilities, baseball, football, etc., numerous indoor sports; housing for the stationkeepers, as well as for the week-end volunteer fliers.

A lot of war surplus is scattered over the land. If alert we of New Mexico will get our share of it for use in building our top-flight station.

Composed of citizens carefully supervised and trained by responsible leaders of the community, the station, like the other naval air reserve stations from coast to coast, will welcome community understanding and support.

New Mexico is destined to become one of the air centers of the world, which became clear from my air travels July 1 to September 24. During that period, as a citizen of Albuquerque and New Mexico, among the 22 air reserve stations now established I visited, observed, compared, made written and mental notes of conditions at naval stations and naval air reserve stations in San Francisco, Los Alamitos, San Diego, Corpus Christi, Pensacola, Atlanta, Norfolk, Washington, Squantum, Mass., Willow Grove, Pa., Glenview (Chicago suburb), Memphis, Kansas City, and Denver.

Had fathers, mothers, and congressional leaders heard, felt, and seen on the spot, what I did by mingling with all hands, from apprentice seaman up, the Congress would earmark annually enough money to equip and maintain a naval air reserve unit in each State.

If so, we will quickly have a million naval air reservists, ready for a frolic or a fight, so adaptable and resourceful that no nation or combination of them will dare deny us gangway when and if we need it and want it for our safety.

The United States Naval Air Reserve is a thing apart, over and above all else, no feather bedding there. With a completely serious system of training, a unique esprit de corps, it is destined to become our corps de lite under the guidance of Rear Adm. Edward C. Ewen.

Moreover, it is a peacetime career; part time for some, full time for others. There is an example of two full time career men: a petty officer second class, ship's cook, age 35, reported for duty August 6, 1946, with base pay, longevity, family allowance, commuted rations, he gets $323.55 a month. A seaman second class, age 38, reported for duty August 1, 1946, with base pay, family allowance, commuted rations, and he get $242.80 a month. Remember these men will be advanced in rating.

Membership is open to the qualified citizen, veteran or nonveteran from any State. He voluntarily becomes a member and may resign of his own free will, mind you, at his own free will. Except in a state of emergency he may not be detached and sent elsewhere, except at his own request. He earns while he learns, in his week-end spare time and on the annual 2 weeks flying maneuvers over the land. What a square deal, made to order for you, young man.

At most stations, high school and college students who are adapted mentally, and physically fit are now taking advantage of that square deal enabling them to do some spare time week-end majoring in aviation technical training and piloting. They are taking advantage of that square deal in the belief that it may be the deciding factor when applying for a job, especially with the big corporations, whose headquarters executives and regional directors are using company-owned small planes for inspecting and pepping up their far-flung holdings; meantime abandoning other forms of transportation to save time and money.

New Mexico's terrain is not unlike that of Brazil, where in 1942 small clubs were formed at inaccessible spots over the land to develop Brazil's hinterland.

Aviation is the only transportation to develop New Mexico commercially and spiritually.

All of which should intrigue and cause you to flock to sign application blanks, and be on the road to becoming a part of the Nation's strong virile young manhood, so urgent in the strategic years ahead, businesswise and otherwise.

The blank begins with "I hereby make application to join New Mexico's Organized Naval Air Reserve, for inactive duty, when and if established by the Navy Department." Sign it now, or, otherwise when our complement is filled, you will be on the waiting list. That will not be so hot for you, if interested.

To properly upkeep and maintain mechanically 10 squadrons, we will need 1,100 enlisted men from apprentice seaman to chief petty officer, some 250 officers from ensign to commanders. If there are not enough properly fitted men in the State to fill the complement, I am sure that the nine leaders mentioned herein will be happy to fill it with men from any State, east, west, north, or south.

It is to be noted that 160 men may be appointed annually to the Naval Academy from the total number of Naval Reservists and Naval Air Reservists.

Among the part time and full timers there will be doctors, clerks, mechanics, electricians, high school and college students, lawyers and bankers, etc.

Three hundred of the enlisted men and 28 officers will be assigned as stationkeepers. The balance of enlisted men and officers will be in the part time volunteers.

Don't let this State down. So shake a leg; always have application blanks on your person. Get them signed properly and mailed to Albuquerque's chamber of commerce at once. The blanks are at Navy recruiting stations and American Legion posts.

When a sufficient number of signed applications are in hand, then and not until then will we put it up to Washington. Aided by an upsurge of New Mexico's spirit, demanding that we join the fast-growing network of Naval Air Reserve stations, so that our young aviators may broaden their knowledge and gain experience through interchange of flights with other Naval Air Reserve stations throughout the land.

It can, it must be done.

Let's do it for New Mexico, a land of low humidity, enchanting sunshine, long life and a happy one, your State and my State.

Let's do it for ourselves and our firesides.

Alaska: The "Promised Land"?

EXTENSION OF REMARKS

OF

HON. KARL M. LeCOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. LECOMPTE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by the gentleman from Utah [Mr. DAWSON] which appeared in the National Publisher for November 1947:

ALASKA: THE "PROMISED LAND"?

CRY OF "TIMBER!" RESOUNDS AS THE STAGE IS SET FOR GIGANTIC PULPWOOD, NEWSPRINT INDUSTRY

(By Representative WILLIAM A. DAWSON, Second District of Utah)

(Congressman DAWSON is a Member of the House Public Lands Committee and has just returned from a 3-weeks inspection of the resources of Alaska.)

For too many years Alaska has been referred to as "the promised land." Today she stands on the verge of a huge expansion in industrial activity.

My recent visit to Alaska has convinced me that this future development holds promise, not only to residents of Alaska, but the newspaper industry of the United States as well. During the war years American newspapers have been faced with a most serious shortage of newsprint. World production of newsprint is fast getting back to what it was before the war. Output last year was 7,083,000 tons, compared to 7,732,000 tons in 1939. The trouble now stems from a war-borne spurt in newsprint demand. Dealers estimate that from 9,500,000 to 10,000,000 tons could be sold this year if such a supply were available. Instead, many newspapers in the United States have less than a month's reserve on hand, which in many cases is worse than the situation during the war.

Canada, long the world's leading producer of newsprint, is working at full capacity, but her producers are reluctant to invest in new mills for fear the present demand will not be sustained.

Now is the time to utilize the vast resources of Alaska and build a lasting newsprint industry of our own.

The last session of Congress passed a measure authorizing the Forestry Department within the Department of Agriculture to sell timber in Alaska to prospective bidders interested in developing a pulpwood industry. Already bids have been advertised and much of the groundwork done on two proposed plants.

Two plant sites are located

One of these plants would be located near Ketchikan and the other at Thomas Bay, near Petersburg. Both will be in the Tongass National Forest area in southeastern Alaska. These are large-scale projects and the specifications call for plants which will eventually produce 600 tons of newsprint a day. Each plant would cost from $25,000,000 to $35,000,000 and contracts now being offered by the Forestry Service extend for a period of 50 years with readjustments on the stumpage rate every 5 years. Each of these plants would employ over 1,000 men which it is estimated would support a community of over 10,000. This would be larger than the most populated towns now in Alaska. The specifications call for the operations to be on a sustained-deal basis, and it is estimated that each 87 years the forest will be completely regrown so as to offer continuous operations. Provision is also made to protect fish and wildlife from stream pollution.

One of the chief advantages to Alaskan operations is the availability of hydroelectric power and water for purifying purposes. The site of the plant which I visited at Ketchikan is within 7 miles of a huge glacier filled lake located several thousand feet above the plant site. The proposal is to bore and install a conduit under the bottom of the lake to furnish the necessary hydroelectric power. It is estimated that over 800,000 horsepower could be developed in this area. The timber is located on hundreds of accessible islands and inlands and extends from the shores of tidewater to an elevation of about 2,000 feet. The stand per acre averages between 20 to 25 thousand board feet, or 40 to 50 cords. It is estimated that three-fourths of the 80,000,000,000 board feet of timber on the Tongass Forest lies within 2½ miles of navigable tidewater.

High-grade pulp

Two principal timber species, western hemlock and Sitka spruce, are of high value for pulping. The hemlock, which is superior to eastern hemlock in this regard, is the same tree which is the foundation of the large bleached and unbleached pulp industry in Oregon, Washington, and British Columbia. The bleached output goes into rayon and cellophane, and the unbleached and mechanical grades into newsprint. Sitka spruce is an excellent all-purpose pulping wood, comparing favorably with white spruce, the standard pulpwood of eastern North America. With an estimated commercial stand of virgin timber on the Tongass National Forest of 78,500,000,000 board feet, and allowing an average of 78 years as a rotation period during which this timber may be entirely removed under sustained-yield forest management, some 1,600,000 cords of wood of 600 board feet each can be taken from the forest each year. This amount would produce 800,000

tons of sulfite pulp a year or well over a million tons of newsprint paper, which is about one-fourth of the present annual newsprint consumption in the United States.

In the entire Tongass Forest area there is an estimated commercial stand of virgin timber amounting to 78,500,000,000 board feet.

It is the plan of the Forestry Department to sell sufficient timber for four additional plants some years in the future, making a total of 6 plants in southeastern Alaska. All this, coupled with an increased production in the Southern States, will greatly alleviate the newsprint shortage in this country. The first two plants are now in the bidding stage. Bidders on the Petersburg plant have been given until January 5, 1948, to qualify. An oral auction of all such qualified bidders will be held in Washington on February 18, 1948.

Large pulpwood manufacturers in the United States have also submitted proposals for the Ketchikan plant. These firms have had their engineers on the ground for the past few months and the indications are that bids will be let within the next 6 months.

Congress has evidenced an active interest in this development and the indications are that full cooperation will be given in this giant undertaking.

On the future of Alaska rests the defense of our country and on the availability of a free press rests the defense of our American way of life.

Political Isms

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. SMITH of Ohio. Mr. Speaker, Russian communism, German socialism under Hitler, Italian socialism under Mussolini, British socialism under the falsely called labor government of Britain, and new dealism are all the same disease. All are police states.

What appear to be differences between these isms are but manifestations of different forms and stages of development of identically the same social and economic malady.

All the bodies controlling these isms subsist on the sweat and toil of others by substituting the political profit motive for the private profit motive; political laissez faire—let the politicians run the affairs of the workers—for private laissez faire—let the workers run their own affairs—government by men and bureaus for government by representation and law; a politically planned economy for a natural economy.

All are based on the principle of unlimited power to tax, to expropriate private property, to "take from the mouth of labor the bread it has earned."

New dealism is not as fully developed into a police state as the others but it is making rapid progress in that direction. About all it needs to finish the job is the power it is now inveigling Congress to give it—peacetime price and wage control, rationing, authority to seize farm crops, livestock, savings, and so forth. The President himself has said so, though perhaps at an unguarded moment.

Social-Security Program Wanted

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. DOUGLAS. Mr. Speaker, those of us who have been vainly pleading for action on the broad social-security program recommended year after year by the President and endorsed by both political parties in their 1944 platforms were pleased to hear on Tuesday, November 18, that the chairman of the all-powerful Ways and Means Committee, the gentleman from Minnesota [Mr. KNUTSON] had joined forces with us. He tells us that everywhere he traveled in his own district and in 16 other States people were asking the same question, namely, why more thought is not being given "to the needs and suffering of our own indigent."

Some of us have been asking the chairman of the committee with jurisdiction in this area the same question repeatedly and we are glad that the voice of the people, hungry for security in their later years and other times of need, has at last been heard.

It does seem strange, however, that it takes starvation in Europe to arouse the gentleman to the fact that we have insecurity at home. He has not lacked for information.

In 1946 a technical study—Issues in Social Security, a report to the Ways and Means Committee, 1946—was made and published by the Ways and Means Committee which spelled out the inadequacies of the present social security program in persuasive detail.

He has not lacked for evidence of popular support for social security extension. Extensive hearings—see 3 volumes of Hearings on Social Security before Ways and Means Committee, 1946—were held by the Ways and Means Committee following the release of the technical report and witnesses representing the widest possible range of viewpoint appeared to support comprehensive liberalization of the program. I refer to such groups as the American Federation of Labor, the CIO, the United States Chamber of Commerce, the National Association of Manufacturers, the Grange, the American Legion, the Federal Churches of Christ in America, the National Catholic Welfare Conference, the Fraternal Order of Eagles, and a great many others.

He has not lacked for encouragement from his own party, which in 1944 pledged itself—see Republican platform of 1944—to extension of the existing old-age insurance and unemployment systems to all employees not already covered as well as to the strengthening of programs for maternal and child health, dependent children, and assistance to the blind.

We sincerely hope that the chairman of the Ways and Means Committee is determined this year to press for the fulfillment of the promises made year after year by the committee—see, for example, House Report 594 and other reports on stopgap social-security legislation—to give this matter priority next year. We sincerely hope that the popular demand for real social security for all our people is at last to be fulfilled and the pledges of the Republican Party to this end are to be redeemed.

But we are not for a moment deluded that this has anything in the world to do with the Marshall plan, with aid for European recovery. What kind of national self-belittlement is this which says we, the richest nation in the world, cannot afford both security for our own people and a helping hand to those European nations in whose recovery we have such a stake? What kind of tactic is this which seeks to confuse the great humanitarian impulse of the American people by illusory conflicts and delusive doubts lest this endanger their own chance to achieve security for themselves and their families? Of course, we are going to press for a broader social-security program, and this would be a good year for our colleagues on the other side of the aisle to show their good faith in at least this one area of social legislation.

But we are also going to fulfill our pledges to human kind in the broader arena. What is social security worth at home if the peace of the world is to be everlastingly threatened? What is social security worth at home if the people of Europe are starving, embittered, and desperate? Above all, what kind of mischief is this which asks us to blind ourselves to the hunger for security in the rest of the world in order to achieve it for ourselves? Security, like peace, is indivisible, and we must and can direct our efforts to achieving it simultaneously at home and abroad.

If We Really Believe in Free Enterprise the Unjust Restraints on Sale of Margarine Should Go

EXTENSION OF REMARKS

OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. HAYS. Mr. Speaker, the Washington Daily News recently carried an excellent editorial on the proposal to repeal the Federal taxes on margarine. I hope that the Committee on Agriculture will get around to this problem, in justice, not only to the producers of margarine, but primarily to millions of consumers who are entitled to fairer treatment. Under leave previously granted by the House I include the following editorial from the Washington Daily News:

CHANCE TO BE HEROES

We don't know what measures for controlling the cost of living will be proposed by President Truman or enacted by the special session of Congress.

But we know one simple measure, long overdue, that would help materially:

Repeal the Federal tax on margarine.

There is no respectable reason for these taxes. Their sole purpose is to protect the

butter business—to make margarine cost consumers more than it should and to make its use needlessly inconvenient.

Each margarine manufacturer must pay a Federal license fee of $600 a year, plus a tax of one-fourth cent on each pound of uncolored margarine he sells. His tax for selling colored margarine would be a prohibitive 10 cents a pound.

That's why housewives can't buy yellow margarine, but must work the coloring matter in at home.

The Government charges wholesalers $200 a year, retailers $6, for the privilege of selling white margarine. If they sold it colored, wholesalers would have to pay $480 a year, retailers $48.

There are no similar Federal taxes on other foods. Even with these taxes and fees, which are rank discrimination against margarine, it sells for about half the price of butter. But it would be even cheaper still if the taxes and fees were taken off.

Many bills to take them off have been introduced in recent sessions of Congress, but blocked by the influence of the butter lobby. The special session offers a grand opportunity to get rid of them.

Let's see how many Senators and Representatives would rather please the butter lobby than be heroes to millions of housewives.

A Blueprint for European Recovery

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am including as a part thereof an editorial which appeared in the Akron Beacon Journal of November 12, 1947:

BLUEPRINT FOR EUROPEAN RECOVERY

The Harriman committee report and Secretary of State Marshall's statement of purposes provide Congress with guidebooks as it begins to work its way through the maze of the European recovery program.

Although there is general agreement on the idea of helping western Europe out of its economic difficulties, Senator TAFT's warning indicates that Congress will write no blank checks for the administration to fill out. While he agrees that reasonable aid should be given, the Republican leader is determined to fight wholesale additions to the taxpayers' burden and commitments that would increase domestic inflation and require restoration of price controls. TAFT's arguments are certain to act as a brake upon free spending abroad.

Congressmen should paste on their desks or in their hats these fundamental truths from the President's 19-member advisory committee headed by Secretary of Commerce W. Averell Harriman:

"Such aid must be viewed not as a means of supporting Europe but as a spark which can fire the engine.

"For all its resources, the United States is no limitless cornucopia.

"The hope of western Europe depends primarily upon the industry and straight thinking of its own people.

"The aid which the United States gives will impose definite sacrifice on this country.

"The extension of such aid calls for anti-inflationary fiscal policies on the part of this country and a new agency to administer the aid extended."

The Harriman committee report offers a realistic approach to the problem of European aid. If the interim assistance immediately required and the long-range Marshall program are to produce the desired results the first condition is that Europeans be warned that they'll have to work.

If the European people are not sufficiently interested in remaining democratic and free to work for those privileges, the United States can better spend its money on building its military defenses.

The American people, at the same time, must realize that this country cannot lend or give sixteen to twenty billions in dollars or products without sacrifices on our part. President Truman has been inclined to treat the Marshall plan as a painless adventure in check writing. But the money has to be in the bank when the checks are presented for payment. And the money must come from the American taxpayer.

The Harriman committee wisely suggests that the European recovery plan be financed out of taxes rather than by treasury borrowing. "Maintenance of a surplus in the United States Treasury is a necessity in this inflationary period," the report states.

Moreover, the taxpayer will have a greater interest in how his dollar is spent if it comes directly out of his pocket. He'll know the amount of his personal sacrifice for European recovery, and he'll howl when the drain begins to get too heavy.

The committee correctly brands as "nonsense" the idea that helping Europe will make America prosperous. It recognizes—although the administration doesn't—that exports of commodities in shortage contribute to higher prices and constitute an economic danger.

When export-import balances are restored, our economy will be strengthened, but until then, aid to Europe does carry certain risks. Buying prosperity is as silly today as it was in the Roosevelt era.

It is essential, too, that Congress differentiate between the interim emergency aid needed to see certain countries of Europe through the winter and the plan for lasting restoration of European economy. When people are cold, naked, and starving, there is little time for Congress to haggle over minor details. The need is urgent. The answer must be immediate.

This program, as Secretary Marshall said, is not a recovery plan. It is designed to keep people alive through the winter. It must provide enough and in time.

Congress' chief chore will be to determine whether the State Department's estimate of $597,000,000 is too high. If it is possible to scale this down, without reducing the effectiveness of the program, Congress should do it, to relieve the load on the American taxpayer.

Congress should also have something to say about what commodities are to be sent, to whom and how they will be distributed. Aid-to-Greece supplies piled up on docks in Greek ports because the machinery for distribution was faulty.

Although Secretary Marshall prefers to have existing agencies handle both immediate relief and long-range aid, the Harriman committee suggestion for creating new direction is better. The head of the new agency should be appointed by the President and confirmed by the Senate, the committee report proposes. He should assume active, personal direction, cooperating with a board of directors composed of Cabinet officers and others named by Congress. The agency should work in cooperation with the State Department, since foreign policy is a primary concern. But the State Department is expected to cooperate, not control.

The committee further recommends that a European representative be named to direct and coordinate activities abroad. It does not urge, as does the National Association of Manufacturers, that financial assistance be channeled through private enterprises instead of foreign governments.

The committee prefers to keep the recovery agency from interfering in domestic political affairs of the recipient countries, as long as those countries work for the announced goals. A regular check up would be made to make sure that the money is being spent as intended. Those governments which fail to do so would be denied additional help.

Over all, the Harriman committee has given Congress a workable blueprint for a colossal task. The necessity of helping western Europe is admitted as a measure to keep cold war from warming up to a shooting war. If Communist penetration of western Europe can be checked with dollars, America will get off cheaply.

The danger lies in subsidizing Europe at the expense of our own security. We can afford to give and lend generously, only as long as our own strength is not impaired.

The Harriman report erects a danger signal for Congress to heed.

AAA

EXTENSION OF REMARKS
OF
HON. JAMES W. TRIMBLE
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. TRIMBLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert seven resolutions adopted by the delegates from 12 communities of Washington County, Ark., at their convention held at Fayetteville, December 3. These people are leaders in agriculture in that county and are doing good work.

Delegates from the 12 communities of Washington County held their annual convention at Fayetteville, Ark, December 3, 1947, and elected the county committee for 1948 and passed the following resolutions:

"1. That the ACP funds for the program year 1948 and future program years be appropriated by Congress in the amount of not less than $400,000,000 with adequate funds each year to properly administer a program controlled by elected farmer committeemen.

"2. That the agricultural agencies operating in the State are all accomplishing much and merit the support of Congress and should be continued. However, in the event that any combinations are made by Congress involving triple A, that such combination should remain under the control of farmer-elected committeemen.

"3. That price support be continued at 90 percent of parity on all commodities now covered and on such additional commodities as are necessary for national economy.

"4. That community and county committeemen be elected by farmers as at present and that State committeemen be elected by county committeemen and representatives of the State committee act as an advisory board to the Secretary of Agriculture.

"5. That the triple A is the program through which the Nation and public should discharge its responsibility in rebuilding and maintaining the soil and preventing erosion.

"6. That funds appropriated for conservation are not doles to farmers but public investment in soil conservation similar to investments in other national public necessities.

"7. That the State committee be responsible for developing and carrying out the

triple A program with the assistance and recommendations of community and county triple A committees and that the State program be subject to the approval of the Secretary of Agriculture."

Article by George E. Sokolsky

EXTENSION OF REMARKS
OF
HON. ROBERT J. TWYMAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. TWYMAN. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to submit an article by George E. Sokolsky, which appeared in the Washington Times-Herald Sunday, December 7. I am happy to know that Humphrey Bogart and his wife, Lauren Bacall, have had a change of heart. Like Mr. Sokolsky, I think a great number of us would like to know who persuaded Humphrey Bogart and the others to make their much-publicized trip to Washington.

The article follows:

THESE DAYS

(By George E. Sokolsky)

DEAR HUMPHREY BOGART: I received your mimeographed letter in which you say:

"My recent trip to Washington, where I appeared with a group of motion-picture people, has become the subject of such confused and erroneous interpretations that I feel the situation should be clarified.

"I am not a Communist.

"I am not a Communist sympathizer.

"I detest communism just as any other decent American does.

"I have never in my life been identified with any group which was even sympathetic to communism.

"My name will not be found on any Communist front organization nor as a sponsor of anything communistic.

"I went to Washington because I thought fellow Americans were being deprived of their constitutional rights, and for that reason alone.

"That the trip was ill-advised, even foolish, I am very ready to admit. At the time it seemed the thing to do.

"I have absolutely no use for communism nor for anyone who serves that philosophy.

"I am an American.

"And very likely, like a good many of the rest of you, sometimes a foolish and impetuous American."

Confession is good for any man's soul. And you display great courage and manhood to confess error. Yes, that trip was foolish. You and your very beautiful lady did look exciting in the photographs, leading your gang that flew through the air all the way from Hollywood to Washington to save the world from the Thomas committee. You all looked so tall and masterful.

Next time, however, I hope you will look before you leap. Things are not always what they seem to be in the exciting game of international politics.

For instance, you people out in Hollywood had an idea, like so many others in America, that this country had an ally during the war. You were asked to portray Soviet Russia as a glorious, free, democratic country that was allied to us. You may recall that Hollywood produced some pictures along that line.

Of course, that was never true. Soviet Russia was never an ally. Germany's war on Russia coincided, more or less, with our war on Germany and the Russians were ready and willing to take advantage of that situation.

So we gave them $11,000,000,000 of lend-lease, and we shipped them airplanes and tanks and machinery. But they never coordinated their military plans with ours.

They never permitted our military observers to visit their fronts. They declined such cooperative action as appeared in the Joint Chiefs of Staff.

They put terrific pressures on us for the second front, as they called it. And they blackmailed us at Teheran and Yalta. Allies do not act that way. Only enemies, temporarily related by coincidence, act that way.

If you are genuinely contrite for a very foolish bit of exhibitionism, you ought to go further. You might tell us who suggested that trip from Hollywood to Washington. Whose brain child was it? Who projected you and your wife to take the lead?

Your wife, Lauren Bacall, is a beautiful young lady, and you are a popular actor, but some of those who marched behind you were neither beautiful nor particularly popular. They stuck you two out front because you did not belong to them.

That is an old trick. But somebody was using both of you. Who is that somebody? In the pictures you often sock a swine on the snout. You might sock whoever used you in this way. It would be a great service if you told all—and gave him a sock.

Anyhow, I am glad to see you among the Americans and not the stooge of that little gang of serious conspirators who are using their ephemeral Hollywood fame to ruin the country that gave them wealth, comfort, and opportunity.

You show first-rate manhood in taking the people who admire you into your confidence. Now do something for your country that is really constructive.

Tell us who suggested and organized that trip. If you have no better way, use this column for that purpose. It gets around.

Best regards to the lady.

The Real Communists

EXTENSION OF REMARKS
OF
HON. WAT ARNOLD
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. ARNOLD. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to insert the following article by David Lawrence, in the United States News, entitled "The Real Communists":

THE REAL COMMUNISTS

(By David Lawrence)

The real Communists are not in Hollywood.

Nor are they to be found in any substantial number in the rank and file of American labor unions.

The real collectivists and socialists are in Washington, in the high places of Government, in the high councils of national labor unions, in the high councils of the Democratic Party.

For the real Communists which America must combat are not those who are in league with foreign governments or who are subversive in the sense that they wish to see our form of government overthrown by physical force.

America has only a handful of Communists who sympathize with totalitarianism in Russia or are really working in the interests of a foreign power.

But America has many citizens whose loyalty to the United States is unquestioned and who yet are the enemies of our risk-capital system. They are doing everything in their power to overthrow it by political means.

The enemies of our system of risk capitalism are for the most part conscientious citizens with a sincere conviction that state socialism is better for America than the free-enterprise system. They do not avow that belief. They would be offended if called by any other label except liberals.

This very group, however, strives to destroy our system of risk capitalism. They really want government capital and government control substituted and some form of planned economy established, with the government as master. This group is infiltrating our Government, our churches, our schools and colleges.

UNDERMINING TACTICS

The underlying strategy at the moment of the group is to break down America's strongest sinew of strength—the profit-and-loss system.

In recent months the main attack against the profit-and-loss system has come from the strategists in the CIO, aided and abetted by Democrats of the radical school of thought in Congress.

The objective seems to be to undermine all confidence in the profit-and-loss system, first, by arguing that profits are too high and, second, by attributing all price increases to profiteering and playing down the part that wage increases or agricultural conditions or scarcities of materials have played in the inflation of prices.

CONFUSING THE FACTS ON PROFITS

The attack isn't subtle. It is out in the open. It starts with the emphasis on the numerical size of profits. It ignores the large volume of business done in an inflationary period and the fact that profits have not changed materially in ratio when related to the national income. It omits mentioning that the profit dollar is taxed twice and that the purchasing power of the profit dollar has shrunk by 51 percent while the worker's dollar has diminished 39 percent.

It ignores, moreover, the fact that profit margins or percent per dollar of sales have not varied materially from prewar averages. It overlooks entirely the fact that the book value of capital in terms of the cost of plant or buildings or equipment is low and that any use of "net worth" when applied to 1939 figures will necessarily be wrong today. For the "book value" of capital is not a true picture on which to make measurements of profit.

A locomotive still running today was bought at about $50,000 in prewar days. A new one costs about $150,000. A plant unit to produce an ingot of steel is on the books at a depreciated level of about $50 whereas a new unit would cost close to $200 today.

Plant is wearing out. Machinery must be replaced at present-day costs—not "book value" costs. Where is the capital coming from to replace what is worn out?

Fortunately, the excess-profits tax was repealed in time to prevent the worst depression America would have faced in her whole history. The Communists or radicals call it a "windfall" and ignore the economic implications altogether. They want fixed expenses increased because 1 or 2 years of readjustment show numerical profits to be high. They ignore the fact that the ratio of profit to total sales in 1947, according to the Department of Commerce figures, is less than eight-tenths of 1 percent above that of 1929.

After eliminating the inventory profits, which are temporary, and the benefits due to carry-back provisions in the tax laws, corporate profits in 1946 were lower than in 1945. This is the statement recently made by the

economic staff of the Legislative Reference Service of the Library of Congress in response to inquiries from the Senate Committee on Labor and Public Welfare.

The Nation owes a debt of thanks to the conservatives in Congress who foresaw the need both for the repeal of the excess-profits taxes immediately after the war and for the carry-back provisions that have so well cushioned the transition period.

There are, nevertheless, radicals in Congress who have so little regard for economic reasoning that they now want to put back the excess-profits tax on the mistaken theory that it will hold down prices. What they really want is a managed economy—a public utility status for most industries and Government-created monopolies and cartels. Yet they vehemently deny any such purpose and consider themselves liberals.

Some of the enemies of our risk-capital system are merely demagogs who distort the economic facts of life, but some of them are good men who just do not know what makes the wheels go round in a profit-and-loss or risk-capital system.

EVERYBODY ON THE SAME LEVEL

The most conspicuous example of this is to be found in the attitude toward tax reduction on the part of many Democrats. Some, to be sure, go along blindly with the Administration without stopping to think what the implications of their position really are. Others know what they are after—they want to reduce all earnings to a level of so-called equality. They want to put the skilled and the unskilled, the talented and the untalented all on the same footing. They belittle management's skill at every opportunity.

The Communistic doctrine, too, is based on a leveling of incomes. Many of our American Communists do not know that in Russia the original revolutionary concept came to be modified after some practical experience with human nature. Some rewards are given today in Russia to the skilled workers. Some incentive systems have been adopted. Private capital and private ownership of the means of production are, however, still tabooed.

But in America the first step in the original approach apparently has been introduced—not as communism, of course, but as so-called liberalism. It is plainly a move in the direction of state socialism.

PENALIZING THE THRIFTY

In the message of President Truman last summer vetoing the tax bill, for instance, is to be found the equivalent of the original bring-everybody-to-the-same-level doctrine of the Communists. He argues, in effect, that the successful must be penalized, that thrift is not to be rewarded, that tax reduction must not benefit those who by their very earnings have achieved an advanced position.

The Democratic administration's argument is that proportionate tax reductions from high wartime rates cannot be given those upon whom the burden fell heaviest during the war. These men must continue indefinitely to bear wartime tax burdens. They have felt the biggest cut by the tax collector in take-home pay of any group in America since 1939, and on top of this has come inflation's cut in purchasing power.

There is no more certain way to kill risk capitalism than to punish the managerial class.

The managerial class usually furnishes investment money for the purchase of stock equities. Today this market has dried up. The middle class is pinched by inflation and the administration denies it tax relief. Companies that were not fortunate enough to earn big profits in 1946 and 1947 cannot expand or replace outworn equipment to increase production because they do not have sufficient earnings to justify bond issues and they cannot find a market for the sale of stock. The investor class foresees no dividends high enough to be worth the risk as long as tax rates are virtually confiscatory.

The system of risk capitalism can be demolished by a refusal to relieve individuals of wartime tax rates, thus destroying incentives and depriving the middle class of a chance to save money for investment.

The enemies of the system of risk capitalism are the unwitting exponents and allies of the Communist philosophy.

Need for Laws To Fight Communism

EXTENSION OF REMARKS

OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. ROBERTSON. Mr. Speaker, Mr. Donald R. Richberg, prominent Washington attorney and once former head of the NRA in the prewar days, has made some great contributions to the welfare of the United States and our constitutional form of government.

He writes in the Sunday Star with deep conviction on the need for laws to fight communism, shown in the motion-picture hearing.

Under unanimous consent, I include herewith his intellectual and far-reaching philosophies that should have a bearing on every Member of Congress and every citizen of the United States:

NEED FOR LAWS TO FIGHT COMMUNISM SHOWN AT MOTION PICTURE HEARING—RICHBERG SAYS NO WITNESS HAS A RIGHT TO REFUSE AN ANSWER WHEN POLITICAL HOSTILITY TO UNITED STATES IS INVOLVED IN INQUIRY BY CONGRESS

(By Donald R. Richberg)

The need for legislative action to combat Communist efforts to undermine and eventually to destroy our form of Government is obvious. As a people we are seriously menaced by the persistent activities of a political organization whose purposes are so sinister that its membership and programs must be concealed and its policies advanced by calculated deceit and treachery.

The right of a legislative committee of Congress is unquestioned to compel testimony to bring out the facts which are the necessary foundation for legislative action.

The investigation of the motion picture industry by the House Committee on Un-American Activities provided a good example of Communist tactics in evading exposure and confusing public opinion. The refusal of alleged Communist Party members or Communist followers to admit their beliefs and affiliations was glorified as an exercise of civil liberty and individual rights which, of course, do not exist under communism, and which were in no way violated by requiring a congressional witness to answer the simple question, "Are you now or have you ever been a member of any Communist Party?"

NO RIGHT TO REFUSE

No witness had either a legal or moral right to refuse to answer such a question. Yet, Communists and many of their deluded followers have so confused public opinion with irrational, emotional harangues that the simple legal and moral issue is quite widely misunderstood.

Infiltration into labor organizations and the disorganization of production and distribution are major features of the Communist program. Likewise, it is well known that all possible avenues of publicity are being utilized for the misleading of public opinion by Communists and befuddled "liberals" who follow the party line. If communism were a creed advanced only by those who openly espoused it, there would be little need for committee hearings or legislation to protect the American people and their Government from this political activity. If communism were not an international creed, national legislation to protect the United States against foreign aggression by Communists might not be needed.

TOLERATED BY AMERICANS

But here we have a political organization, born and nurtured outside the United States, acting as the agency of a foreign government which is admittedly antagonistic to the Government and institutions of the United States. Here we have what is essentially a treasonable organization giving aid and comfort to our enemies which, however, has been tolerated because of the extent to which Americans are willing to go in the protection of individual liberty, free speech, a free press and freedom of conscience.

If the Soviet government were waging an ordinary war, or if that government even acknowledged that it is waging a cold war against the United States in which American Communists are providing the fifth column of attack, it would be evident that we need a national law to compel the public registration of every agent of such a hostile foreign government and every person engaged in any way in helping such an agent. Such a law would, of course, make it a crime to conceal any such activity. Under such a law any one called to testify as to whether he was a Communist or a Communist helper would be required to answer, unless he pled that his testimony would incriminate himself, which would be tantamount to an admission of guilt.

Clearly, the United States is facing the need of Federal legislation to limit and confine the evil effects of Communist propaganda and activities in this country. It is a necessary foundation of fact for such legislation to determine the extent to which channels of public information are being befouled, the methods that are being used, and the persons who are so engaged.

NEW LAWS ARE NEEDED

Thus, the legal question which the Communists have attempted to raise disappears immediately. Since the question asked of every witness was relevant to the inquiry being made, the witness had no legal right to refuse to answer, because until it is made illegal to be a Communist or to conceal one's communism, no one can plead that he will be incriminated by admitting that he is a Communist. As a matter of fact, no witness pleaded the defense of self-incrimination.

There is no privilege of a witness recognized in the law to refuse to answer the question propounded by the House committee since it did not involve self-incrimination. It is mere farce comedy for apologists to babble about free speech and free press and secrecy of the ballot since none of these rights was involved. No one but a Communist ever pretended that freedom of speech or press authorizes a witness to refuse to testify regarding his opinions or his political activities, or that the secrecy of the ballot is involved, when one is called upon to state whether or not he belongs to a certain political party.

A lot of foolish articles have been written arguing that it is offensive to American principles to compel a man to testify as to his opinions. As a matter of law, if the opinions a man holds, whether political or economic, are evidence which will shed light upon the question under legal consideration,

he has no right to refuse to testify. He must even testify as to his religious beliefs if that is relevant to the pending issue.

MATTERS OF PERSONAL PRIVILEGE

The obligation of a witness to testify has been established for centuries as shown by the rule laid down long ago in England in this judicial language: "The public has a claim to every man's evidence and no man can plead exemption from his duty to his country." Or, in the more recent language of an American court, "There is no privilege of silence when reticence, if tolerated, would thwart the public good."

There are some varieties of personal privilege which are recognized in the law and are justified by the desirability of preserving the confidential character of certain relations, such as those between a priest and a penitent, or a physician and a patient, or a lawyer and a client. But none of these privileges justifies a man in refusing to testify to his political affiliations or his political or economic opinions if those facts are relevant to a lawful inquiry.

It is very easy to criticize a legislative committee which is endeavoring to get the facts about what is essentially a conspiracy to violate the laws and to overthrow the Government. Witnesses trained in Communist tactics do everything possible to muddy the issues and to avoid a direct refusal to answer. They try to make speeches, They denounce Government officials. They do all they can to provoke disorder and to confuse the public mind with cries against fascism and tyranny and denial of constitutional rights.

These are the same tactics which lead to street rioting, kicking policemen in the shins, using any means of annoyance and physical injury that may provoke exasperated officers to use force against force and thus create public resentment against police brutality.

ONE WAY TO COMBAT THEM

The chairman of an investigating committee is required to have the patience of Job to avoid turning an ordinary hearing into a mob scene and making a spectacle of himself in his righteous indignation. There is only one way in which these subversive activities of trained Communists can be effectively combatted. That is to turn the light of publicity on these secretive treacherous practices and to put the finger of suspicion upon all those who, whether by design or from adulterated notions of liberalism, carry on the insidious campaign of creating industrial and political disorder and undermining confidence in the fairness of democratic government and the desirability of free business and labor.

Of course, efforts to expose secret plottings and activities harmful to the general welfare, will sometimes go astray. Despite my own rather conspicuous services, writings, and speeches devoted consistently to upholding constitutional government and individual liberty under a competitive system of private enterprise, I had to hear myself denounced as a revolutionary and Socialist, off and on for many years, and frequently by publicists who addressed large audiences. More recently the tide has turned and because of advocating the same principles (such as freedom of labor from any form of tyranny), I find myself now denounced as a Fascist and reactionary.

MORAL PRINCIPLES IGNORED

So, I can sympathize with those who, because of their associations of muddle-headed liberalism, find themselves wrongfully accused of being Communists or fellow travelers. But, there is one final defense that any one has available by virtue of civil rights and free institutions which are the inheritance of Americans. He can always avail himself of the opportunity which is his birthright to state frankly what he does believe, and to express clearly his political and economic views and thus let his fellow men judge of him by his own utterances and actions.

It should be accepted as a truism that anyone who is unwilling to have his fellow citizens know what he believes and what he is trying to accomplish politically is seeking to accomplish his aims by deceit and fraud and is not to be trusted.

It has been argued, with a curious disregard of moral principles, that Communist writers have a constitutional right to conceal their opinions because, if their communism were known, they would lose their highly paid employments. This is a brazen claim that a man has a constitutional right to obtain and to hold a job by fraud—by concealing his disqualification from his employer.

According to this argument, a lawyer could properly obtain fees from a client by concealing the fact that he was hostile to his client and his client's ideas and by concealing his intention to use his employment to work against his client—as far as he could do so without losing his fees. But if a bar association should investigate such a lawyer with a view to disbarring him for his dishonest practices, we would hardly expect to hear the lawyer try to justify his refusal to state his opinions on the claim of a constitutional right to defraud his client.

THE PRODUCER'S RIGHTS

This is precisely the claim that has been urged on behalf of these overpaid egotists of Hollywood. When a writer is employed to do a specific job it is not only on the basis of past performance and technical ability but also on certain assumptions as to the kind of person he is, the ideas that appeal to him, and his reactions to popular or unpopular opinions—all of which will inevitably affect the work he produces. A writer might be employed to write contrary to his own convictions if he were known to be able and willing to do so. But surely the employer would have a right to inquire, or even to expect information without inquiry, regarding any mental disqualification or impediment in an employee hired to do a mental job—just as a physical disqualification for a physical job should be revealed.

Moving picture producers may not all have a keen sense of public responsibility, but the inevitable censorship of their films by customers, in addition to various restraints from religious, political, and social organizations, certainly has a powerful influence on their judgments. Whether their opinions are wise or foolish, they have an undoubted right to insist that those who work for them shall, in good faith, not use their productions as the means of spreading social, economic, or political views which the producers regard as unhealthy or unprofitable or otherwise undesirable.

These employers certainly have a right to know whether an employee will try to do an honest job or whether he is a fanatic who will probably use his job as the means of advancing his secret purposes and accomplishing ulterior aims, which, if eventually revealed, will do untold injury to the employer whom he is defrauding.

PROTECTING THE AMERICAN WAY

If there were a little more attention given to the old-fashioned virtue of honesty, both in Hollywood and Washington, the excuses of essentially dishonest men for plainly dishonest conduct would not have been seriously offered in press conferences or seriously treated in any news commentary.

This democratic Government of ours cannot endure, except upon the basis of general confidence that the ways of learning what is true, of ascertaining the facts, and of exposing fraud and dishonesty, are always open. The courts must be able to command the testimony of every citizen as to his knowledge or belief, when these are pertinent to the case on trial. Legislators must be able to investigate all the facts regarding the good things that should be preserved and the evil things which should be checked or remedied. Therefore, the ability of both courts and legislative bodies to compel testimony is one of the most vital protections of the American way of life.

With all the power which resided in banking institutions and large property ownership, congressional committees were enabled through investigative authority to expose many evils in uses of money power which led to far-reaching reforms through new Federal laws. Despite the enormous influence of large employers of labor, congressional investigations paved the way to the enactment of laws to uphold the right of workers to organize for the protection and advancement of their interests. Recently, despite the powerful opposition of widely organized labor, congressional investigations paved the way to correcting many of the inequalities in legal rights and privileges which had given to labor unions monopolies and coercive powers injurious to the general welfare.

NO IRON CURTAIN HERE

It is recognized today that the great worldwide political economic struggle is being waged between the advocates of an authoritarian system, with a controlled economy and enslaved labor, and the upholders of a free industrial and political system. As to the success of the latter, the United States is the outstanding example and the fortress of individual liberty; and so, above all things, we need today to have the guiding light of publicity shine upon the leaders and programs of communism, just as it shines all the time upon the leaders and the workings of our democracy.

If we cannot lift the iron curtain abroad, at least we can insist that no iron curtain shall be maintained in the United States, behind which the destroyers of liberty can operate in a legally protected secrecy.

The defense against communism should not be made by projects for the suppression of free speech, or a free press, or the free organization of those who wish to espouse and advance the creeds of communism. The best defense would be a demand enforced by law that Communists and their followers come out in the open, identify themselves, and honestly endeavor to convince others that they can give guidance toward a better way of life. If we undertook to suppress all communistic organization and publicity, we would provide the Communists with a justification for secretive, fraudulent activities, which are now indefensible.

COMMUNISTS' STRATEGY

Of course, the Communists know that their program and its methods and its directing personalities cannot stand the light of day. They are seeking, not only to promote a revolution by the force of a well-organized, treacherous minority, but also to establish tyrannical internationalism which would destroy our institutions of self-government and subject our people to a foreign rule. This project is not merely the aggression by a foreign nation, but the aggressive action of people at home and abroad whose thinking and whose purposes are so alien to the spirit and promise of American life that they cannot, by any peaceful persuasion, convince the American people that they should embrace this alien way of living and deny themselves the individual ambitions, rewards, and liberty that are the very heart of what we call Americanism.

It is not necessary to indorse or approve all the activities of the present or preceding House Committee on Un-American Activities. But, the issue raised by the refusal of witnesses to testify truthfully and candidly is one which should not be lost in Communist contemptuous confusion. The

witnesses did not merely defy a committee of the Congress. They defied the Government which is seeking to find the facts upon which necessary legislation be based, legislation which should require all citizens of the United States engaging in political action to use their civil liberties only as assuring the opportunity for free speech and honest action, and to stop using their civil liberties as a license to carry on a treasonable conspiracy against the American people and their Government.

Resolution of Eastwood Civitan Club, Atlanta, Ga.

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. DAVIS of Georgia. Mr. Speaker, I am today in receipt of a letter from Hon. James A. Rollins, president of the Eastwood Civitan Club, Atlanta, Ga., in which he enclosed copy of a resolution adopted on November 25, 1947, by Eastwood Civitan Club, in which resolution passage of House bill H. R. 4278 and Senate bill S. 651 is recommended.

The Eastwood Civitan Club draws its membership principally from the Kirkwood and East Lake sections of the city of Atlanta, and is one of the outstanding civic clubs of the city. It owns its home on Boulevard Drive NE., where I have, on various occasions, had the pleasure of visiting. The officers and members of this club are patriotic citizens of the highest type, and I take pleasure in presenting herewith the above-mentioned resolution for the consideration of my colleagues:

EASTWOOD CIVITAN CLUB,
Atlanta, Ga., December 5, 1947.

Hon. JAMES C. DAVIS,
House of Representatives,
Washington, D. C.

DEAR JUDGE DAVIS: There is enclosed herewith a resolution which was adopted by the Eastwood Civitan Club on the date stated in the resolution.

It is our sincere hope that when this piece of legislation comes to the floor of the House you will exert your influence in its behalf.

With all good wishes, we are

Civitanly yours,

JAMES A. ROLLINS,
President.

Whereas the members of this club are interested in preserving and promoting peace and in preventing further wars; and

Whereas this Nation has been forced to engage in two wars within the past 30 years for which it was not adequately prepared in advance, resulting in prolongation of the wars with added costs and loss of life; and

Whereas the present state of world affairs is unsettled, rendering it uncertain as to when it may be necessary to defend ourselves and help preserve the peace of the world; and

Whereas there is pending in the Congress of the United States proposed legislation providing for universal training of our young men to insure partially trained reserves and enable us to defend ourselves more readily and effectively in the event of war, and which would, we believe, constitute a deterrent to war in that other nations would hesitate to provoke war if they knew we were prepared; and

Whereas this proposed legislation, contained in House Resolution 4278 and Senate bill 651, has been prepared after mature consideration and after consultation with leaders of civic, educational, and religious organizations, is designed to achieve the purposes stated above and at the same time to safeguard and develop the physical, moral, and civic character of the trainees: Therefore, be it resolved:

First. That the Eastwood Civitan Club approves the principles incorporated in H. R. 4278 and S. 651 and recommends the passage of this legislation.

Second. That a copy of this resolution be forwarded to each of the United States Senators representing the State of Georgia, and to each Member of Congress from this State.

This resolution was, upon due motion, made and seconded, and, after discussion, unanimously adopted at the regular meeting of the Eastwood Civitan Club, November 11, 1947.

This 25th day of November 1947.

THIRON J. SMITH,
Secretary.
JAMES A. ROLLINS,
President.

Letter of J. Peter P. Healy

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. TOLLEFSON. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include a letter recently received from one of my constituents setting forth his views on current questions:

NOVEMBER 11, 1947.

THOR C. TOLLEFSON,
House of Representatives,
Washington, D. C.

DEAR SIR: At the opening of this adjourned session of Congress, you are entitled to receive, and may appreciate, and the people have the duty to communicate with you some ideas of what are the needs of the country, and the desires of the people.

In recent months, for some reason that I don't fully understand, a great deal has been brought to the attention of the people by newspapers, radio commentators, and some public officials about the importance of taking sides in European affairs between Russia and dominated countries on the one hand, and alleged western democracies on the other hand, and these public utterances have been, in my opinion, a little overdrawn. I don't underestimate the tendency of Russia to dominate eastern European countries and some other areas; but I do question the manner and method of Europe and the United States to combat the tendency and creeping control of Russia. In my opinion, no one can buy a favor excepting by continuous payments and usually increasing payments, and it invariably happens when the payments cease the recipient turns into an enemy instead of a friend and it doesn't make any difference whether it is a rich uncle and a grasping nephew, or a nation that has been saved from conquest by a friendly neighbor, or whether it is an infant industry growing in strength and practice to get into keen competition with a former employer; the tendency is always the same. That tendency is born of selfishness and aggression and greed for power, and it won't be wiped out of the world, ever. For these reasons, I seriously question the practicability of the Marshall plan to subsidize western European democracies. I feel too that some of the administration officials in Washington have been talking about Americanism and working with and lending a helping hand to persons and organizations altogether too friendly with Russia. The Russians never obtained any information about the atomic bomb from the ordinary workers in Richland, Wash. If they got that information, they got it from higher authority than that, and I have had a feeling all the time that some administration officials wanted them to have it. As Fulton Lewis, Jr., said a while ago, the millions of dollars that the administration was asking Congress to appropriate to eliminate "Commies" from the Federal structure was a prodigious amount to spend to get rid of Communists, which the administration said were nonexistent in Federal offices.

We have problems within the United States which are of vast importance to the people here and to the welfare and progress of the country at large, and altogether too little has been done to work out those problems, to strengthen our own economy, our national defense, and the moral and loyal qualities of the people inside our borders. In this connection, I consider that the four articles recently printed in the newspaper from Senator WILEY, of Wisconsin, are rather outstanding. He said that the battle rages for communism in every school room, movie, screen, pulpit, street corner, and home, and that the effect of it was to undermine our system of government; encouraging executive usurpation of legislative power; centralize authority over local affairs in the seat of government; encourage an unwarranted control by labor unions over the affairs of the people; to teach the youth of the country ways inimical to our form of government; weaken the natural strength of our armed forces by ideas of sedition and by interfering with the proper diffusion of information through newspapers, radios, and movies. Then he urges every American to take an active part in local, State, and National affairs, to wipe out corrupt machines, and get back to the fundamentals of American Government by representation of the people. However, I don't believe he goes quite far enough. The idea is good; it is necessary and indispensable to the recovery of and maintenance of our form of government, but you cannot take the tools of man's trade from him and then expect him to produce record quantities of goods, and you can preach all you want to about individual citizens taking an active part in local, State, and National affairs, but unless you give these individual citizens the right to select their own representatives, small, medium, and large, by caucuses of their own, so that they may choose originally their own representative instead of accepting some self-selected ones, they are going to have an ineffective and futile voice in their own affairs.

You will remember well, we had a candidate for public office in Tacoma, not long ago, who was never mentioned in any caucus meeting nor by any group of representative citizens chosen by their constituents, nor sponsored by any political party, but apparently backed by some nonresident group which supplied liberal amounts of money to obtain his election, and that came altogether too close to doing so. That kind of procedure is not representative government. Now, I appreciate that the correction of this lameness in our nominating system is not a concern of the Congress, nor of the Federal Government, but it is a concern of the local people, and has an important and abiding effect on the officials in Federal offices, and to my mind, that is the source where correction will have to begin before the people

of the United States can expect a proper responsiveness in their public officials.

There was no ground, nor excuse, for the excessive exercise of power in the Federal Government over nearly every activity of local concern over the last 5 or 6 years, except to promote the war effort and strengthen the national defense. Now, the war is over more than 2 years, much of the War Powers Acts have been cast aside, but there is still altogether too much dominance by the Federal Government over the affairs of the people. It is a practice which is out of tune with our Constitutional Government, and is inimical to the best interests of the people. If the officials in the New Deal feel that they have to save the people from themselves, then there must follow that those officials have lost confidence in the people. Still those officials continue to say that they are servants of the people. I say, if the servant has lost confidence in the master it is time for the servant to find another position; and if the servant doesn't voluntarily do that, he ought to be discharged.

Yours very truly,

J. PETER P. HEALY.

Political Ties Secret?

EXTENSION OF REMARKS
OF
HON. EDWARD J. DEVITT
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. DEVITT. Mr. Speaker, Mr. Gustaf A. Nordin, a Washington representative for the St. Paul Pioneer Press, has written an interesting column which was published in the December 3 edition of that newspaper, with reference to the action of the Congress in citing the Hollywood writers for contempt. The article exposes the fallacy in the argument that these people have been deprived of their constitutional rights. I include the article as part of my remarks:

POLITICAL TIES SECRET?

(By Gustaf Nordin)

WASHINGTON.—The recent congressional contempt citations against 10 Hollywood writers and directors has raised the question, "Just how sacred is the political affiliation of an American?"

To some degree, 39 States invade those rights.

The 10 Hollywoodites, all of whom held Communist Party cards, according to the House Un-American Activities Committee, screamed at the hearings that the committee did not have the right to invade their minds and ask their political affiliations.

Take as an example the reply of Samuel Ornitz, of Los Angeles, a writer, when he was asked, "Are you now, or have you ever been, a member of the Communist Party?" He said:

"I wish to state to you that my political affiliations, like my religious affiliation, is a matter fully guaranteed by the Constitution. I can belong to any party that I see fit to join, and you have no right to inquire into—."

But if Ornitz and the other nine Californians cited want to vote in California—or have in the past—they must declare their party affiliation 40 days before the State primary. When they register they must do so as Republicans or Democrats if they wish to participate in a partisan primary election in that State. That registration is a public record. If they refuse to state, they can vote only for nonpartisan offices or they can sign petitions and hope to get enough signatures to get their party on the ballot.

In fact, only 7 States have so-called "open" primaries, where no test of the voter's party affiliation is required. Those States are Wisconsin, Minnesota, Montana, North Dakota, South Dakota, Utah, and Vermont.

Two others—Connecticut and Rhode Island—have no primaries.

The other 39 have "closed" primaries. These fall into two categories: Disclosure of party affiliation at registration time, such as in California, or at the time of the primary.

In the latter case, there is no way at all to conceal your political affiliation. When the information is requested upon the registration of a voter, it is still possible for the voter to cast his ballot for the opposite party if he wishes. He does so quite often when voting machines or the printed ballots include the names of all candidates of all political parties.

Political faith is certainly not sacred in those States which have the "challenge" system. Under it, the voter can even be examined under oath as to his qualifications to cast the ballot of a particular party.

The "open" primary has come in for much criticism from those who believe in strict political party discipline. Under such a system, it is possible for Democrats to enter a Republican party to gang up on a particular candidate, or vice versa.

Baruch's Prescription

EXTENSION OF REMARKS
OF
HON. ALBERT GORE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Pittsburgh Post-Gazette:

BARUCH'S PRESCRIPTION

At the risk of being branded a New Deal Communist, or something equally as preposterous, Bernard M. Baruch has looked a group of New York doctors and hospital administrators in the eye and told them of the need in this country for compulsory health insurance.

Mr. Baruch, long one of the most respected men in public life, does not go off half-cocked. By no stretch of the vocabulary can he be brushed off with a catch-phrase implying that he is out to overthrow the American system. This elder statesman is the son of a doctor. He has given millions for the advancement of medical education and research. He has studied carefully the health needs of this country.

A man doesn't need to be in league with Joe Stalin to appreciate the plight of millions of low-income Americans who simply cannot afford adequate medical attention. Nor does the term compulsory health insurance necessarily imply socialized medicine, with a Federal bureaucrat looking over every doctor's shoulder.

"A form of compulsory health insurance for those who cannot pay for voluntary insurance can be devised, and adequately safeguarded," said Mr. Baruch, "without involving what has been termed 'socialized medicine.' The needs can be met, as in other fields, without the Government taking over medicine, something I would fiercely oppose."

Mr. Baruch would establish a Federal agency, with Cabinet rank, to handle all health and welfare problems. He also recommended more and better doctors—in more places—more general practitioners, more hospitals, more group practice, more preventive medicine, a committee to guard veterans' medicine against politicians, increased medical research, health education, preventive medical program for children, more trained nurses and technicians, and adequate dental care.

These things are not too much to expect of the wealthiest country in the world. The wonder is that Congress, which has had similar proposals before it, has not acted long ago to meet the obvious needs of the people.

A recent booklet of the medical society of the State of Pennsylvania outlines a program of better health and medical care. Like similar groups in other States, it recognizes the plight of people who cannot afford proper medical attention. It encourages wage earners to participate in voluntary prepaid medical and hospital care plans. As for the more needy, it declares that State and local governments are responsible for providing medical care and hospital services, at public expense, for those not financially able to afford needed care.

Thus one finds leading doctors accepting in principle both health insurance and the health obligations of Government. It is a logical and inevitable extension of such thinking to make health insurance compulsory and to shift the major governmental responsibility to Washington, the only place where a uniform, comprehensive program can be set up.

Like Mr. Baruch, we do not wish to see doctors regimented or deprived of personal and professional prerogatives. But we do most earnestly wish to see a badly needed extension of medical services in this country.

President Truman offered a program last May, when he advocated an extension of the social security system to embrace a broad medical aid plan. We are glad that a man of Mr. Baruch's stature has added his voice to the growing demand for better medical care. It is not unreasonable to expect the medical profession to cooperate fully with Government in the adoption of a satisfactory program along the lines proposed by President Truman and Mr. Baruch.

Constantine Brown Says Billions May Not Prevent Fall of Western Europe to Communism

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, while we are in the midst of debate on H. R. 4606, known as the foreign-aid bill or stopgap legislation, Mr. Constantine Brown, noted columnist, writing in the Washington Star, points out that United States officials fear that the billions of dollars which we are appropriating may not halt the fall of western Europe to communism. I commend this article to every Member of the House:

UNITED STATES OFFICIALS FEAR BILLIONS MAY NOT HALT FALL OF WESTERN EUROPE TO COMMUNISM

(By Constantine Brown)

Billions of American dollars may not prove adequate to prevent the complete collapse of western Europe and its envelopment by the iron curtain.

This is the fear that is taking hold of some high-ranking Government officials and Members of Congress who are watching with growing anxiety the struggle between the forces of order and democracy on one hand and those of Moscow's totalitarianism on the other. This struggle is regarded as the start of the showdown between the two remaining great powers—America and Russia.

Maurice Thorez, leader of the French Communists, returned this week from Moscow. After conferring a few hours with his colleagues in Paris, he went on a tour throughout northern and eastern France, where the back-to-work movement by strikers is most pronounced.

He has already made a number of inflammatory speeches, all bearing the marks of the propaganda which the Russians are pouring out all over the world: That America's aim is to enslave the peoples whose governments accept American help under the Marshall plan.

Thorez told the workmen that their misery, hunger, and low pay is all the work of the Paris government, which receives and blindly obeys orders from Washington. He said further that unless the administration, which has sold out to the United States, is overthrown and replaced by a government which truly represents the workers, farmers, and small bourgeoisie, the French people will become the slaves of American capitalism.

SIMILAR SPEECHES IN ITALY

Similar speeches are being made in Italy by Palmiro Togliatti and his henchmen. They have roused the masses in certain areas, such as southern Italy, to such a pitch that the Italian military police had a hard time preventing the destruction of the coal stocks near Bari. The coal had just arrived from the United States.

The French National Assembly has just passed drastic antisabotage and strike laws designed to halt subversive activities in the provocation of strikes. To bolster the enforcement of these laws, the French Government this week called to the colors about 80,000 more men, thus raising the armed forces of the Republic within the metropolitan area to about 200,000 men.

This is a substantial force, capable of dealing with any kind of civil strife. But some American observers in Paris report that this determination of the Schuman Government may be too late. Railway strikes have paralyzed France's transportation and it is feared either that the men called to the colors may not be able to reach their garrisons, or that the military units may not be able to move into the areas of France where the situation is considered very serious.

The Communists have concentrated their main activities in what is known as the Communist belt of France—the central plateau which includes such important centers as Marseille, Toulouse, St. Etienne, and Grenoble.

SOVIETS ALREADY ORGANIZED

In some of the smaller cities in this area "Soviets" already have been organized. These workers' and peasants' committees have taken over not only the police and judiciary but also control the press, which is permitted to publish only bulletins and news emanating from the committees themselves.

There is little news since communications have been interrupted. Whether these experimental "Soviets" will spread to other cities depends on how quickly the government is able to rush forces to put down the Moscow-directed efforts to create chaos in the country.

This is no longer a dollar battle. No amount of assistance in the form of food and living essentials can have any effect. The French Government has accepted the Communist challenge and it is now merely a question of who is strongest. Mere debates in Congress and kind words of encouragement are of no avail today.

The second phase of Russia's drive toward the channel has already begun and can be halted only by force. Whether the French Government will be able to hold the fort with the means it has at its disposal is a question which none can answer. But it is recognized in the highest Washington quarters that the struggle is not easy and the chances of the Schuman government surviving are by no means great.

The Late Maj. Gen. Alexander D. Surles

EXTENSION OF REMARKS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. THOMAS of Texas. Mr. Speaker, all of us have been saddened by the recent passing of Maj. Gen. Alexander D. Surles, wartime director of public relations for the Army. Throughout his long Army career, he served with distinction and honor. However, his job as public relations director was perhaps the most difficult of his many assignments. It required intelligence, tact, balance, and understanding. These qualifications he had in abundance. General Surles' duties brought him in constant touch with the President, the members of his Cabinet, the Secretaries of War and the Navy, and the Members of Congress. Every one of them had the utmost confidence in him.

The general was well and favorably known to many Texans because of his service there as a young officer, and because of his marriage to one of our most charming Texas girls.

The Department of the Army has lost a distinguished soldier and officer; the people of the United States, an outstanding citizen and public servant; his family, a lovable, devoted husband, and father.

Don't Believe All You Hear About Hollywood

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. McDONOUGH. Mr. Speaker, Hollywood is not all the tinsel and bauble that the public is led to believe. As the congressional representative of Hollywood I have always maintained that there are many more substantial, home loving, good, sound Americans living there than there are of the class and character that the public hears so much about.

It must be remembered that Hollywood existed long before the motion picture, radio, and entertainment industries became established there, and the firm foundation of good sound and reliable citizenship which they established far outshadows the reports of the present day Hollywood.

Many of these good sound citizens are identified with the motion picture, radio or entertainment industry. It is only the few who are seeking publicity all of the time that give the impression that all of Hollywood is of this class, and these few represent a very small percentage of the population.

Neither the motion picture, radio, entertainment industries, or Hollywood should be condemned because of the few who are always seeking the public limelight.

The Hollywood Reporter recently made an accurate check of the type of people that make up Hollywood which revealed the following facts: 79 percent of Hollywoodians are married; 70.1 percent have never been divorced; 66.5 percent own their own homes; 61.3 percent attend religious services; 29 percent list themselves as executives; 33 percent plus save 10 to 30 percent of their gross income; 99.7 percent voted either Republican or Democrat in last congressional election; three-tenths of 1 percent voted for another party; 33 percent belong to golf clubs.

The favorite indoor pastime is reading.

Far from being inveterate night owls, as most non-Hollywood Americans believe, more than half of the good people of the village venture forth but once or twice a week after dark. Only a highly durable 2 percent admit to going out "every night" and some of these, the survey implies, may refer to putting out the cat.

When Hollywoodians do step out, three fourths of them head straight for the movies at least once or twice a week—just like in Kenosha, Wis., or Kalamazoo, Mich.

As might be expected from all this, 87 percent of the honest people of Hollywood are smarting under the indignant belief that the rest of the country has got Hollywood all wrong.

A Sensible Solution for the Navajos

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. MURDOCK. Mr. Speaker, many interesting proposals are being offered by friends of the Navajo Indians whereby the Government may do some long-range planning and construction to enable the Navajos to better their lot. I ask leave to extend my remarks and include herewith a letter to the editor of the Arizona Daily Star from an engineer connected with the University of Arizona offering one of these solutions. This letter is prepared by an eminent authority who is well acquainted with the subject of which he treats and well qualified by training and experience to offer this suggestion.

It is a well-known fact that the Navajo Reservation, vast and varied as it is, cannot support its present population according to its present utility by stockmen. It is also a well-known fact that some of the best farm land in Arizona, belong-

ing to Arizona Indians and controlled by the Indian Service, is now virtually unused. These facts give point to Dr. Smith's suggestion. I, myself, am convinced that it is a practical proposal.

It is not entirely a new proposal, for something has already been done toward making the rich lands along the Colorado River, belonging to Arizona Indians, available to the hard-pressed Hopis and Navajos. I say something has been done, which is merely an earnest of what could be done. One of these foundational matters has been a generous offer by the Colorado Reservation Indians to share their land and its potential wealth with the Hopis and the Navajos. I agree with Dr. Smith that the Indian office should push this matter to the full.

Dr. Smith's suggestion is as follows:

DECEMBER 2, 1947.

To the EDITOR OF THE ARIZONA DAILY STAR:

In an editorial recently you called for a solution of the problem of Navajo Indian poverty and threatened starvation. Since none of the other readers of the Star has responded, I will accept the challenge.

The Navajos are by tradition nomads. They are inured to severe winter cold and long drought seasons. They were not moved by the Federal Government and were given a reservation of great dimensions. But the phenomenal growth of population of the tribe outstripped the economic possibilities of the dry plateau region and the increased number of sheep destroyed the natural range, aided of course by the resulting accelerated erosion.

Meanwhile, the rich alluvial land on the Colorado River Indian Reservation languishes. This land reaches southerly from Parker for about 40 miles and is flat bottomland, similar in origin and in soil to that of the Yuma Valley. It is the most conspicuous undeveloped natural resource in western United States.

A small area, about one-twentieth of the valley, at the north end is occupied by the Chemehuevi Indians with a few Mohaves and at times some of the cleared land has been leased to white farmers, but over 90,000 acres covered with brush lies unused. Water from the river was obtained by a well-designed pumping plant and desilting basin until 10 years ago when Headgate Rock Dam and a main canal were constructed, a huge investment for the small area in cultivation by five or six hundred Indians but justified if the canal system is extended, some drains constructed and the whole valley brought into use.

The Navajo tribal council should enlist or conscript by lot a couple thousand of their younger, strong-bodied men and settle them on an area lying next south of the area now occupied by the Chemehuevis, with the aid and guidance of the Indian Service. Vegetables and fruit and grain ample for the entire Navajo tribe should be raised, also alfalfa on which to fatten their sheep and lambs and for dairy cows. Meanwhile, most of the tribe would remain on the homeland weaving blankets, fashioning silver jewelry and in other productive pursuits. Each year some of the young men with ambition to help themselves and the tribe would move to the "temporale" or colony in the Parker Valley.

In 1934 when I was in Safford preparing a report for the United States Planning Board, I saw huge truckloads of vegetables loaded at the FERA gardens ready to depart for various State institutions including State College at Flagstaff. We can imagine huge truckloads of food loaded at the tribal land area at Parker and distributed at various points on the Navajo reservation. The Navajos would enjoy a better diet than ever before in the memory of their oldest men.

I understand that the Indian Service made just such a proposal to the Navajos a few years ago. I cannot believe that the bureau officials made a strong effort to sell the idea to the Indians; if they did they were poor salesmen. The sales talk was made probably to the old men, it should be directed to the younger generation.

Do the Navajos prefer to be mendicants forever? I think not. But there is an evil side to unconditional charity. It breaks down moral qualities and the spirit of ambition, it destroys self-reliance. Read what Count Rumford accomplished in middle Europe in a period of widespread poverty.

It will be argued that the Navajos cannot live in a hot climate. That is wholly specious and fallacious. I myself had been accustomed to a temperature of 45 degrees below zero several mornings in a row, but I have worked long hours in the summer heat of Mohawk Valley and Yuma Valley. Tens of thousands like myself have chosen to live in southern Arizona and Imperial Valley. The Indian Bureau has a medical service which would look after the health of the Navajos in the Parker Valley.

For 40 years I have believed that the Parker Valley should be opened to settlement by white farmers, that is, the major part of it, the part not needed for Indian settlement. One of the early superintendents of the Yuma project convinced me on that point. The Indian Service should utilize that highly valuable land or should relinquish it.

An irrigation project could be built on the San Juan River which is nearer the reservation, but the high cost would far outweigh the benefits. There is no alternative to the proposal above which is so feasible and promising.

G. E. P. SMITH.

Resolutions Urging Adoption of Legislation by Congress Quitclaiming, to All the States of the Union, Lands Beneath Tidewaters and Navigable Waters

EXTENSION OF REMARKS

OF

HON. WILLIS W. BRADLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. BRADLEY. Mr. Speaker, referring to my remarks in the Appendix of the CONGRESSIONAL RECORD on December 4, 1947, and supplementing the resolutions therewith, I submit herewith resolutions from the American Association of Oil Well Drilling Contractors and from the League of California Cities, in support of legislation which would quitclaim marginal sea areas of the United States, as well as lands under rivers and harbors, and so forth, to the individual States of the Union:

Whereas on June 23, 1947, the Supreme Court of the United States rendered its decision in the case of *United States of America* v. *California*, Original No. 12, and in said decision it was determined, among other things, "that California is not the owner of the 3-mile marginal belt along its coast, and that the Federal Government rather than the State has paramount rights in and power over that belt, an incident to which is full dominion over the resources of the soil under that water area, including oil," and in said decision the court stated, "we cannot say that the Thirteen Original Colonies separately acquired ownership to the 3-mile belt or the soil under it, even if they acquire elements of the sovereignty of the English Crown by their revolution against it," and "this Court has followed and reasserted the basic doctrine of the Pollard case many times. And in doing so it has used language strong enough to indicate that the Court then believed that States not only owned tidelands and soil under navigable inland waters, but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not"; and

Whereas the Supreme Court of the United States, in approximately 54 prior decisions rendered over a period exceeding 100 years, held that such lands belong to the States or to their successors or grantees, and that they have full and complete title and ownership thereto; and

Whereas municipalities throughout the Nation, in reliance upon said decisions, have invested untold millions of dollars of public funds in the construction of ports, harbors, and other public improvements on lands reclaimed from the sea and from inland navigable waters; and

Whereas the decision of the Supreme Court of the United States is of extremely far-reaching importance, not only to the State of California and its cities located upon said navigable waters, but to all coastal States and cities in the Nation similarly situated, and is detrimental to the best interests of these municipalities throughout the Nation which have invested vast amounts of public funds in the construction of said improvements; and

Whereas House Joint Resolution 225 was adopted by the Seventy-ninth Congress, but subsequently vetoed by the President, to quiet the title of the States, their successors and grantees, to all kinds beneath tidewaters and navigable waters, whether along the seacoast or inland, within the boundaries of the respective States, in order to remove the cloud on said titles created by the attack made by the Department of the Interior upon the rule of property law settled by said decisions of the Supreme Court of the United States; and

Whereas it is imperative to protect the title and interests of the States and municipalities so adversely affected by said decision that corrective Federal legislation be enacted similar to House Joint Resolution 225, introduced in the Seventy-ninth Congress, to rectify the injustices and damage to many municipalities and States by reason of said decision and in order that there may be restored to the States, their successors, and grantees, title to their rightful property; and

Whereas such legislation would not interfere with the constitutional paramount power of the United States to control navigation or to provide for the common defense: Now, therefore, be it

Resolved, That the League of California Cities urges the Congress of the United States, during its next session, to adopt legislation similar in substance to House Joint Resolution 225, to correct the injustices which would follow from the Supreme Court's decision and restore to the States and their municipalities their property rights and titles in accordance with the law of property established by the Supreme Court of the United States in a long line of decisions handed down throughout 100 years, to the effect that the States and their grantees hold complete title and ownership to all lands lying beneath tidewaters and navigable waters within their respective boundaries; and that this organization lend its cooperation and full support to securing the enactment of such legislation.

That a copy of this resolution be sent to the President of the United States, the Secretary of the Interior, Senators SHERIDAN DOWNEY and WILLIAM F. KNOWLAND, and to each Congressman representing the State of California.

Whereas the Supreme Court of the United States, by a recent decision, has deprived various States of the Union of their rights to the minerals underlying submerged lands, contrary to the doctrine heretofore recognized by the Federal Government and exercised by the various States; and

Whereas this decision not only deprives the various States of the Union of the resources which are rightfully theirs, and of the exercise of power over such resources, but is a violent infringment on the rights of the various States guaranteed to them by the Constitution: Now, therefore, be it

Resolved, by the American Association of Oilwell Drilling Contractors in convention assembled, this the fifteenth day of October 1947, That the Congress of the United States be, and it is hereby petitioned, to enact, at the earliest opportunity, such legislation as may be required or necessary to confirm into the various States the ownership of all submerged lands adjacent to or within the boundaries of the various States, and the title to all resources underlying such lands; be it further

Resolved, That copy of this resolution be sent to each Member of the Congress for his consideration.

AMERICAN ASSOCIATION OF OILWELL DRILLING CONTRACTORS,
By J. DOYLE SETTLE, *Secretary*.

How Phony Liberals Are Made

EXTENSION OF REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, Frank R. Kent has forcibly indicated in a column which appeared in the Washington Star of December 6 just how some Members of the Congress are built up as so-called liberals. Under leave to extend my remarks, I am including all of Mr. Kent's article:

SOME PARTY REBELS GET GREAT BUILD-UP AS PHONY LIBERALS—THEY SERVE A PURPOSE BUT CREATE DANGER OF LEGISLATIVE CHAOS

(By Frank R. Kent)

It always has been true in politics that one of the surest ways to get that personal publicity for which most men in public office yearn and without which many wither and fade is to make oneself a nuisance to the majority of one's own party.

Evidences of this basic political fact are unusually plentiful at this time among the Republicans in the Senate, where their party has a very slender margin of control and a few defections may reduce it to futility. This is the type of situation which offers the richest rewards in newspaper notices to those with a tendency to buck the party leadership and it is not surprising the number of such Senators has increased since the last session. Most parties have them.

Undoubtedly some are men of conviction and character but by no means all of them. Quite a few are largely motivated by the itch for favorable publicity and know no other way to acquire it. Once they break away from the leadership they are there.

In the first place, the break is news. Where the margin is so small, any indication of a split naturally is of public interest. Under existing circumstances, 1 rebel's voice carries a lot further than that of 20 regulars. And the so-called rebel is always more articulate. Naturally, the reporters leap to get his side and play him up.

PHONY "LIBERALS" BUILT UP

No matter how wrong he may be nor how cheap he is, the rebel really makes news. In consequence, he reaps the publicity benefits. In the second place, he especially appeals to the left wing—New Deal columnists and commentators of the Roosevelt regime who have become incurable professional liberals and whose disposition is to rush up on the roof and cheer anyone who seems to go in the old New Deal direction. Particularly is this true if he opposes reduction in governmental costs and advocates the general economic and social program of the CIO propagandists.

As a result of this attitude upon the part of a considerable number of publicists and the eagerness with which some of the so-called rebel Senators lend themselves to it, a number of what seem to be ridiculously phony "liberals" are being built up.

All a Republican Senator has to do to gain the support of the left-wing journalists is to vote a few times against cutting appropriations and in favor of CIO proposals. He then will find himself gratifyingly alluded to in the press as "able," "clear-headed," "hard-hitting," "forthright," "broad-minded," "independent," "thoughtful," or by other stock terms of a laudatory nature. Also, inevitably he will be called a "humanitarian" and contrasted with the "reactionary," "hard-boiled," "narrow-minded," "selfish," "penny-pinching" "Tories," who want to go back to "the Harding days" and "return the American workman to slavery."

WHOLE GAME TRANSPARENT

The whole game is so transparent that it is amazing more people do not see through it. An illuminating story is being told of how one Senator came to be a "great liberal." Coming from a conservative State, until about a year ago it had been the invariable habit of this Senator to vote with his older and generally conservative colleague. One day an amendment came up upon which his colleague had voted and then left the Chamber. The Senator wanted to vote with his colleague but got confused and voted exactly the other way.

When he found it out it was too late to change. He felt rather badly about it until the next morning when he found himself played up in the press as a "liberal," commended for his independence, courage, and enlightenment.

This was a great surprise to him. It was the first favorable publicity he had ever had, and it certainly did things to him. The next time he had a chance he again voted against his colleague and again was deluged with praise by some of our most eminent journalistic observers. Now he regularly waits until he finds how his colleague is voting and then votes against him.

The result is he has become a sort of liberal hero. He has had magazine articles written about him and talks the liberal patter as fluently as any. Probably this is not exactly a true story, but it is not very far off the track.

To repeat, none of this means there are not among the alleged rebels some sincere men. Nor does it mean that even phony rebellions of this type do not often serve a useful purpose. They keep the party leaders from becoming too smug and going too far. They discourage abuse of power. They compel compromises that may be in the national interests. They may force action along progressive lines.

On the other hand, if the rebellion is manned by publicity-seeking demagogs and promoted by extremists, it might bring about legislative chaos, destroy all party potency, and do a great deal of damage to the country.

Tax Reduction

EXTENSION OF REMARKS
OF
HON. EDWARD J. DEVITT
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. DEVITT. Mr. Speaker, a very thought-provoking editorial with reference to tax reduction appeared in the December 3 issue of the St. Paul Pioneer Press, of St. Paul, Minn. It challenges the thinking of Secretary of Labor Schwellenbach with reference to this subject. Because of the soundness of the reasoning and the general interest in the subject, I include it as a part of my remarks:

AN EASIER WAY

Secretary of Labor Schwellenbach, testifying on ways of avoiding more price increases, says that a third round of wage boosts can be averted only by quick action to cut the cost of living.

The Secretary of Labor has overlooked an easier way to accomplish the same thing. It could be done by a substantial cut of the Federal income tax.

What he is worried about is another round of wage increases that would increase costs of production and thus raise prices still further. Gone is the delusion that entranced President Truman in the days just after the end of the war. We no longer are told that there can be across-the-board wage increases without price increases.

So now the Administration is worried because it thinks wages have to run faster in order to catch up with prices.

President Truman and his colleagues might reflect that the same effect as a wage increase could be brought about by a cut of the income tax. What the wage earners is interested in is the amount of money he gets to use for his own purposes. If his withholding tax were cut, he would have in effect a wage increase without any raise in costs of production or on the price of the product he is making.

There are objections that any tax reduction is in itself inflationary, because it puts more money in people's pockets to spend and because the more money they spend, the higher they bid up the price of goods. There is only so much goods to be bought. Increase the amount of spending money and the only result is to make the goods more expensive. So runs the argument.

But if the tax cut is accompanied by a cut in the Government's spending, there is no such result. The tax cut then only means that the people spend the money instead of the Government.

So it is easier for the Government, which never likes to cut its spending, to say that some other way has to be found. It talks about bringing down the cost of living. That is to be done by price ceilings, controls of all sorts and rationing. It would also be done to the tune of black marketeering and it is doubtful whether, in peacetime, the controls could be held together. Knowing this, the proposal is to put them on only here and there. This would mean that pressure for higher prices would disappear. It would only mean that it would be exerted in different places. Pretty soon everything would be out of line again.

Perhaps something of that sort will have to be done, but it hardly seems easy. The tax cut would have the further advantage of doing justice to people who, more than 2 years after the end of the fighting, are still

struggling to carry the peak load of wartime taxation.

There is a many-billion dollar surplus. The real question is whether part will be used to cut taxes or whether all will go to debt reduction, a large part of which goes to cashing war bonds.

President Truman seems to think that it would be inflationary to cut taxes. But what does he call it when people are forced to cash in their war bonds to get money to pay their bills? Using the surplus to pay bills is every bit as inflationary as giving a tax reduction so people can pay bills—and much more painful to the ordinary people who have to sell war bonds to do so.

It Can Happen Here

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Post-Dispatch:

IT CAN HAPPEN HERE

Unless Congress reconciles itself to limited counterinflation controls now, it may need to put everything under rationing and price ceilings later, Secretary Harriman warned the House Banking Committee. That is true, in the same way that a fire fought early enough can be put out with an extinguisher but will take heavy equipment if it is reached late. Attacked now, the damage from inflation can still be limited; attacked belatedly, the ruin can be incalculable. Who can calculate the cost of 1929–33?

It is 17 months since there were effective price ceilings. Inflation has had ample time to burn itself out if it were going to. Citizens on rigid low incomes know the damage it has already done. Retail food has flamed up 40 percent since mid-1946, consumer prices as a whole 23 percent. Seven dollars then would have bought the groceries that cost $10 now.

Nor is the end in sight. Living costs are climbing at the rate of 16 percent a year. With short feed supplies, meat will go skyhigh next spring. Steel, automobiles and other scarce goods are black marketed. The time is past to speak of the imminence of inflation. Inflation is here.

Therefore, conceding everything he could to the temper of a hostile Congress, President Truman proposed a minimum program to keep the fire from spreading further. Some measures, especially the control of consumer credit and of exports, seem sure of adoption. The main attack, however, lies in selective rationing of the most critically inflated foods, fuels, clothing, and industrial commodities, accompanied by ceilings over prices and wages in the rationed fields. If anything, this proposal does not go far enough. Nevertheless, offering little more than the hands-off policy which they have had in force this past year, Senator Taft and his faction are balking. Reiterating his opposition Monday night, Taft had little more to offer than a homily about working more and spending less.

There would be some reason to this stand if the cold statistics did not speak so grimly. There would be some reason if the administration were out of harmony with the people. But the President is in harmony; he speaks for the millions who cry for a halt.

There are those in Congress, too, who see how urgent it is to halt the flight toward disaster. The bipartisan Flanders committee wants a rationing law to spur voluntary cooperation and, if that continues to fail, to invoke with legal force. The committee goes with Mr. Truman most of the way. In fact, he is reported to have drawn much of his proposal from its report. He outran the committee in proposing some direct price-wage control, but on this explosive question the Congressmen were perhaps happy to leave leadership to the Executive.

Inflation is bad enough to reserve curbs on its own account, but Congress has a further motive to act promptly and adequately. In a boom and bust, President Truman put it, "our economic system, as we know it, might not recover." (That, of course, is what the world's Communists hope for and expect.)

The warning is not overdrawn. Inflation and deflation reduce the ranks of the middle class, the mainstay of democracy. Inflation in Germany paved the way for a fuehrer, at the same time undermining the liberal democrats who might otherwise have stopped the Nazi movement. Inflation made postwar Hungary a push-over for communism. The United States had a mild taste of political revolution in the New Deal, which came to power because the ruling conservatives let a boom and depression happen. Another New Deal will surely sweep wider and may be less disposed to restore private capitalism to working order.

As a partisan matter, doing too little to arrest inflation would court a GOP defeat next year. Today the blame is divided, but a refusal to take strong action would shift it to the Republican Congress. However, this thing is bigger than partisanship. It is a national emergency. Inflation has already caused suffering and will cause worse suffering. It threatens the genuine prosperity that underlies the dangerous boom and, in some degree, the country's way of life.

The Voice of America Must Be Heard Abroad

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. MUNDT. Mr. Speaker, under leave granted me by the House, I am including with these remarks a copy of an editorial recently appearing in the Daily Argus-Leader of Sioux Falls, S. Dak., the largest daily newspaper published in a five-State area of the Northwest Central States. In this editorial, its author, Fred C. Christopherson, endorses the support which John Cowles of the Minneapolis Tribune has put behind the proposed United States information program abroad after having made an extensive trip in Europe.

Thus, Mr. Speaker, we find two more important editors of the United States and close students of world affairs voicing their support and approval for an adequate American information program. Now that we are again being called upon to supply food for unfortunate people in unhappy European countries, certainly it is clear we should accompany this aid with an intelligent, adequate, and effective program of publicity and information. We can never hope successfully to run a Freedom Train through Europe if we concentrate all of our efforts on stoking the boilers while leaving to others with unfriendly motives the assignment of handling the throttle and arranging the running schedules!

VOICE OF AMERICA MUST BE HEARD ABROAD

Just back from a visit in Europe, John Cowles, of the Minneapolis Tribune, finds himself tremendously disturbed by the lack of American understanding there.

And, reading his impressions, it is easy for all of us to share his disturbance.

Our assistance, actual and proposed, is not being appraised accurately.

"We must not think," Cowles writes, "that most Europeans understand our motives in connection with aid to western Europe. They do not. Many officials and businessmen in Europe regard the Marshall plan as a clever scheme whereby the United States, under the guise of altruism, can export unmanageable surpluses and in that way postpone a serious price recession and business slump in America. Europe has not the slightest understanding of the fact that the commodities we are sending abroad are contributing to the price inflation here at home."

Cowles explains this lack of understanding as a result primarily of an excellent Russian propaganda service.

"Much of the press of continental Europe is now, as it always has been, venal and corrupt," he says. "Many editors or owners are now on the Russian pay roll."

As a counter measure, he advocates a strong "Voice of America" program, suggesting an appropriation annually of at least $50,000,000 for this purpose. The current American propaganda effort in Europe, he points out, is largely ineffective.

These statements of Cowles supplement those of Representative KARL MUNDT, of South Dakota, whose observations upon his recent return from Europe were similar. He, too, found a deplorable absence of understanding abroad and a broad tendency to misinterpret the motives behind our programs of assistance. As the sponsor of the Voice of America program, MUNDT was particularly emphatic in urging its need. It was his initial suggestion a year ago that Congress provide a large amount for this service but the appropriation was slashed to a relatively ineffectual total.

In view of these comments, it seems that our future program should involve adequate sums for a propaganda service that would really tell our story to the Europeans. We should by all means let them know that European assistance is accentuating our inflationary pressure, that it is depriving us of commodities and articles we need, and that it is jeopardizing our tax-reduction program.

Fleet Adm. Chester W. Nimitz

EXTENSION OF REMARKS
OF
HON. MARGARET CHASE SMITH
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mrs. SMITH of Maine. Mr. Speaker, in my service as a member of the Committee on Naval Affairs and the Committee on the Armed Services, I have had the privilege of meeting, knowing, and working with all of our military leaders. I have conferred with them during war and during peace, here in America and

all over the world. Their courage, determination, devotion to duty, and broad-gaged vision have been demonstrated time and again under most trying circumstances. They have been an inspiration to me in my work on the Naval Affairs and Armed Services Committees.

None has been more outstanding or inspiring than Fleet Adm. Chester W. Nimitz, the retiring Chief of Naval Operations. Much of what Admiral Nimitz did in leading the brilliant naval victory in the Pacific is well known throughout our country and the world. Our smashing naval victories under the guidance of Admiral Nimitz turned the tide of war in the Pacific and mark him as an outstanding naval hero of World War II. Most people in the world know this.

But when I was through the Pacific when the war was still being waged, I saw something in Admiral Nimitz that actually contributed more to his greatness than his tactical and strategic genius—something that was never reported to the rest of the world. I saw a commander-in-chief who was literally worshipped by the men who served under him. It was this morale ingredient that actually tipped the balance of war in our favor during those dark days of the Pacific campaign when so much of our fleet had been put out of action and when our naval force had so little to fight with. The most powerful weapon of our naval force was its fighting heart—it was practically the only weapon that they had for so long.

What made the men worship Admiral Nimitz? It was his father-like way with all of his boys—and every single one, from seaman to second class to admiral, was one of his boys. Words are not adequate to describe the quiet, modest, and reassuring interest that Admiral Nimitz had in his boys—nor their faith in him. It was the nearest approach to a mass father-son relationship that I have ever seen.

Chester Nimitz personified the United States Navy at its very best—he epitomized its greatest virtue, a "fighting heart."

Radio Address to the People of My District

EXTENSION OF REMARKS
OF
HON. EDWIN ARTHUR HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over Station WNBF on December 6, 1947.

Dear friends of the Triple Cities and my congressional district, this coming week I will dine informally with the next President of the United States.

I received an invitation from one of my colleagues, which reads as follows:

"DEAR ED: I am giving a dinner for my old friend, Tom Dewey, and should like very much to have you come. The dinner will be on Thursday, December 11, at 7 p. m., in the Federal Room of the Hotel Statler.

"Please advise me at your earliest convenience.

"Believe me, very faithfully yours."

Naturally, I look forward to this friendly occasion as it will be my first intimate meeting with Governor Dewey since I was entertained by him for dinner at the Executive Mansion in Albany a year ago and at a subsequent affair tendered him by the Republican Congressmen from New York State here in Washington last spring.

A few days ago I made the following speech in the House:

"Mr. Speaker, there is certainly no Member of this House more anxious than I am to extend the help of American food, clothing, and other vital necessities to those of the downtrodden and hungry throughout the world. We Americans must aid the unfortunate to get on their feet and to enable them to be self sustaining with respect to food. Therefore, I am introducing a bill today which provides for the services of from 100 to 500 county agricultural and home demonstration agents in the European field. It is entitled: 'A bill to provide for the rehabilitation of foreign countries being financed with American aid by making available to them the services of American county agricultural and home demonstration agents and for other purposes.'

"'*Be it enacted, etc.*, That the Secretary of Agriculture shall select not less than 100 and not more than 500 county agricultural and home demonstration agents wherever available throughout the United States for immediate voluntary service in countries devastated by the recent war and being financed by American aid.

"'SEC. 2. The Secretary shall assign said agents to duty along the following general lines:

"'(a) To scrutinize, study, and observe agricultural activities in the afore-mentioned areas.

"'(b) To work along with departments of agriculture in the official governments of these nations in advisory capacities.

"'(c) To make available to them their services, advice, and knowledge to individual farmers to the end that their production of grains and foodstuffs be increased to adequately feed their entire populations.

"'(d) To encourage the improvement of farming and husbandry wherever necessary.

"'(e) To foster the inherent desire on the part of the farmers of said countries to be self-sustaining and raise sufficient food crops to make their populations eventually independent of outside aid.

"'(f) To introduce and improve the arts of homemaking, cooking, dressmaking, and allied subjects.

"'SEC. 3. For the purposes of carrying out the work of said agents, there shall be made available funds from whatever appropriations are made by the Congress for official United States aid to Europe.

"'SEC. 4. Wherever localities in the United States have been deprived of services of said agents, vacancies shall be filled forthwith by regular authority so as not to impede or hamper agricultural extension work in the United States.'

"I hope that we will be able to devise some plan like this whereby the millions of helpless people across the seas will have the advantage of making themselves independent through American aid and American genius.

"Any plan this Congress adopts to finance aid to Europe and Asia must, it seems to me, consider as its ultimate goal lifting the recipients out of a relief class in which so many have been since the war.

"Put the farmers over across on their feet by material help accompanied by real advice, instruction, and education which the county agents are capable of giving. They will remedy this tragic situation in a short time if they get the cooperation of our Government and of those they are designated to assist.

"This plan is worth a try. It cannot possibly cost more than a tiny percent of the whole aid expenditure and it is bound to work over there just as American agriculture has profited by it here."

Address of Gov. Jimmie H. Davis, of Louisiana

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. BOGGS of Louisiana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Governor Davis, of Louisiana, Thursday, November 27, 1947:

Ladies and gentlemen, the cycle of time brings my administration near its close, and in accordance with our laws and customs, we turn once more to an accounting to you and to the selection of our officials for the next 4 years. For these reasons mainly I am speaking to you for the next few minutes.

Just 4 years ago I opened my campaign for governor and again I express to you my sincere appreciation for the faith you entrusted in me.

At that time as I spoke from parish and from town to town I did not make to you a lot of impossible promises and wild statements. Neither did I tell you things that were untrue nor did I defame the name of any man, to be Governor of Louisiana. On the contrary, I told you nothing but the truth.

I knew there would come a time 4 years later when I would meet you again face to face to give an accounting. That day is here, now, and certainly I am not at this late hour going to tell you something that is untrue or misleading.

I am very thankful that I have been able, within myself, to serve as Governor of Louisiana without malice and without hatred toward any man regardless of political differences.

And this fact alone is a source of satisfaction and pride because I had a great deal to say about peace and harmony during my campaign—a time of war—when all men needed to be just a little closer together, in order that we might obtain an all-out effort to support our fighting men and to preserve our Nation in its most trying hour.

I was elected governor at a time when we were in the midst of the most horrible war mankind has ever known—naturally, the uncertainty of war precluded specific promises as to what might be accomplished in Louisiana, or any other State.

The conflicting claims and varied statements of those engaged in a political campaign often becloud the record as to what has been achieved and what remains to be done.

It is to bring these two relationships into proper focus that I speak to you tonight. I'd like to say in the beginning that when I became governor we still had a tremendous State debt, that became our responsibility several years ago. We have paid on that debt the sum of $48,000,000, and yet we are operating on a cash basis—and we are going to leave the State's financial affairs on a solid, sound, and businesslike basis—we believe that is our solemn duty to leave it in good shape for future administrations and for

future generations. The State's business is the biggest business in the State and it should be operated as such.

It is good to know that this administration has been honest and conscientious in its undertakings, in that we sought to render a service truly beneficial to the people. Perhaps I have not run all of the affairs of the governor's office exactly as you would have, and sometimes, if I had it all to do over, maybe I would do a few of the things a little differently. I am somewhat in the position of a quarterback, referee, or umpire, when the game is in progress I must call them as I see them, and that's what I have done without apologies. At no time have we compromised with honor, with integrity, and with the high purpose which you have a right to expect of all your State officials.

If in my administration there may be found something that is worthy and good, I am pleased to acknowledge that a great many able assistants and coworkers have helped to make this possible. I shall be forever grateful also to the members of the legislature who cooperated so helpfully and understandingly. It is also due to the ambitions and cooperation of you, the people, that progress has been made.

It is quite difficult in the time allotted, to cover the full scope of the achievements of the past 3½ years, but we will have time to outline certain aspects of these advances and services to our people.

First, let us discuss the major benefits.

My personal interest in the cause of public education has not, to my knowledge, been questioned. This cause has continuously been close to my heart. I had been a teacher. I married a teacher. I taught in the country and I taught in the city.

I recall that during my campaign for Governor that the per educable in our State was $20 and I was urged by school leaders and politicians, and friend and foe, to pledge that I would raise the per educable from $20 to $22.50. I told them I would not make such a promise unless I knew it could be done. I investigated the matter and found that this would be possible, and I pledged that I would work toward that end.

In my administration we not only raised the per educable from $20 to $22.50 but we raised it from $20 to $40, not only a bigger increase than any other administration, but a bigger increase than all of the administrations combined since the beginning of our school system.

In 1939 the State's support of public schools was only $15,000,000. This year it will be $34,000,000, more than twice the previous amount.

In addition to appropriating the amount fixed by Congress for school lunches, we gave an extra $300,000 this year.

But even the most farsighted of schoolmen did not realize that with the end of the war our soldiers would come back so rapidly and that our colleges and universities would be filled and overflowing almost overnight. In spite of this unexpected increase in enrollments, however, we were able, with the cooperation of the Federal Government, to provide emergency housing for more than 5,500 GI's and since the school year 1939–40 we have more than doubled appropriations for the operation of these institutions so as to enable them to meet this emergency condition.

Moreover, projects approved or under construction provide for permanent new dormitories and other badly needed facilities for men and women. Approximately $15,000,000 has been made available to cover the cost of these improvements.

In our vocational educational program there has been an increase of from five to eleven State-supported trade schools, operating with more than three times the amount allocated in 1939.

In other words, during my administration, the cause of education will have received a total of $160,000,000. I did not promise this, but you are getting it.

Could anyone sincerely interested in public education, tell you that we've done nothing as far as our schools and school children are concerned?

As you know, we maintain four types of institutions. General hospitals, mental hospitals, penal and correctional institutions, and special hospital services.

After making a survey of the conditions of our institutions, we found that our general hospitals needed enlarging and that we needed a completely new general hospital at Shreveport to replace the obsolete facilities there.

We found that from 1928 to 1940, not one cent of public funds had been expended to make repairs or expand the facilities at our mental institutions. We found our mental hospitals overcrowded, poorly equipped, and deteriorated almost beyond repair.

In 1942, during the preceding administration, $5,000,000 was authorized for hospital improvements, but because of the war, none of this building program could be carried out. There was an urgent need for a new mental institution near New Orleans, and there was also a need for expanded special hospital services. So to remedy this unsatisfactory condition, and provide greater services for the sick and needy, a $24,000,000 building program was inaugurated. It is based upon suggestions made by citizens, Federal prison experts, hospital authorities and surveys made during the Jones administration, as well as my own.

In order to meet the needs of our general hospitals, $8,346,000 was set aside for construction and expansion. A greater portion of this amount, $6,500,000 has been allocated for a completely modern general hospital known as the Confederate Memorial Medical Center at Shreveport. The remainder of this amount has been divided among Lafayette Charity, New Orleans Charity, Florida Parishes Hospital and Alexandria Hospital, and the Monroe Hospital, to enlarge them to accommodate the needs of our people in those sections of the State.

Since our mental institutions were in worse shape than our general hospitals, an appropriation of $11,000,000 was set aside for use in this manner. $7,000,000 has been allocated to East Louisiana, Central Louisiana, State Colony and Training School for repairs and expansion. $4,000,000 has been set aside for the erection of a new mental hospital at Fontainbleau Park, with a receiving station in New Orleans. There is now, about complete, a new building for women patients at Jackson, described by Federal experts as the finest of its type in the world. Such a building as this is a godsend to people who are helpless and penniless, and in need of this special care.

Two million dollars has been allocated to our penal and correctional institutions. Most of this money goes to the State penitentiary for a new hospital and receiving station and to provide many other badly needed improvements. The remainder has been dedicated to the expansion of facilities at the State Industrial School for Girls, and for the erection of a $400,000 new industrial school for colored youths, the first of its kind in the State, and it is now complete and ready to operate.

A new hospital is being built at Hot Wells. Four new tuberculosis units are planned. Some are to be under construction soon. These are at Shreveport, Monroe, Alexandria, and Lafayette. Another 250-bed unit is ready for operation at Ruston—$2,500,000 has been set aside for these facilities. The first time in the State's history we have had hospitals for the incurable tubercular patients.

So, my friends, during my administration, the entire existing facilities of the department of institutions has been expanded. There is programed or under construction a new mental hospital, a new correctional institution, five new tuberculosis units, a special hospital at Hot Wells, and a great new charity hospital in Shreveport. This is a total of 11 new hospitals.

This constitutes, we believe, the greatest institutional building program ever undertaken in one administration.

During the first part of my administration, as well as practically all of the preceding administration, we were not permitted to build roads—due to the War, as you know. But I am glad that I will have had about 2 years to get our road program going.

During my tenure as Governor, $128,000,000 in Federal and State funds will have been allocated to the department of highways.

Eighty-eight million dollars of this amount has been earmarked for new construction and forty million has been allocated to maintain our existing 15,000 miles of roads and 11,000 bridges. We have actually awarded $40,000,000 in highway contracts—half of them completed and half now under construction throughout Louisiana.

These achievements have been made in spite of the desperate shortages and the skyrocketing prices, and our labor costs more than doubled since 1939.

Nevertheless, we have already contracted for $40,000,000 in highway improvements, and $48,000,000 more is programed now—this year—for construction as soon as plans can be finished, rights-of-way obtained, and contracts let.

This huge program, one of the greatest ever undertaken by the State of Louisiana, will mean major improvements for every parish and almost every city and town in the State.

Again, my friends, as you know, more than one-half of our people here in Louisiana gain their livelihood from agriculture or allied pursuits. While I did not make any specific promises to these people, during my administration the activities of the Government devoted to agricultural interest have received great increases in appropriations to aid all types of agricultural development.

In addition, I have taken a great interest in the furtherance of the State-wide flood control and drainage program which is so vital to our future welfare. We dedicated $5,000,000 to underwrite the State's portion of this program which is destined to become one of the most constructive developments of our time.

As a result of this drainage program and because of the time, effort, and leadership given, the aid that will come from local and Federal sources, is now more than $65,000,000 in projects. With the Overton Canal, which will soon get under way, an additional $48,000,000 in improving flood control and drainage expenditures will be made.

Altogether in the next few years this program will entail an outlay of more than $100,000,000, which will reclaim 5,000,000 acres of our best farm land and save $25,000,000 in annual crop losses.

This program will also greatly aid our soil conservation work to which activity more than $600,000 has also been allocated during my administration.

Since 1940 the new industries that have come to our State, including the additions made to existing industries, is an approximate total of 700. This is an investment of more than $263,000,000, creating 70,000 new jobs.

In the last 11 months we have signed up 246 new plants, a total investment of $134,000,000, providing 13,950 new jobs, with a pay roll of $31,000,000. I am sure you realize that these things just do not casually happen.

This represents a lot of work, effort, and planning. When one considers investing millions of dollars in our State with the idea

of moving here to spend his life he first is anxious to know that the State's affairs are on solid ground.

Thus, my friends, I might go an and on enumerating advances made during my administration. I could refer to the aid and money which we appropriated to all parish police juries to be spent on parish roads; to reforestation; to the development of our fur, game, oyster, and fish culture. I could cite the new agricultural experiment stations in Claiborne, Bossier, and Plaquemines parishes; or remind you of the exhibit buildings which we provided for Delhi; Lake Charles, Arabi, Alexandria, and Shreveport; and remind you of the new junior college established at Thibodaux; the large vocational agricultural school established in Rapides parish; the complete new building for the school for the blind and deaf at Baton Rouge; the impetus and support given the sweet potato development program; the increased parks and recreational facilities; including public shooting grounds.

I could cite the fact that, even though it is not enough, since 1940 the average old-age-assistance check has been raised from $11.90 to $21.35.

I am also reminded of the fact that today we have a lot of unexpected people on the welfare—the total number being 75,443, more than we ever had in the State's history.

I could mention that we provided for the first time retirement and pensions for State employees and school bus drivers, and many, many other activities and services which all have felt proper and needed by the people. The State of Louisiana contributes an amount equal to 5 percent of any employee's pay. I hope many of you already have contrasted that with the days when 5 percent of the then poor pay received by State employees was deducted for the benefit of somebody else—not the employees. But I don't think there's any use in my getting into that.

I called a lot of these things to your attention just in case someone asks you "Where has the money gone?"

Summarizing briefly, 37 percent of all our moneys go to the cause of public education. We now pay a larger percent of our tax dollar to education than any State in the South.

We are devoting 26 percent of all moneys to public welfare and hospital care.

A big portion of all our moneys go to the highway department.

Ten percent of all our moneys go to pay off the public debt. This is an inherited obligation. Nevertheless, during this administration we have paid $48,000,000 on this obligation. I would like to remind you that most of this money went to pay for improvements, primarily on roads built 15 or 20 years ago. So you are reminded here that no one has given you anything. You pay for everything you get, one way or another.

Six percent of our moneys goes for homestead exemptions.

The other 11 percent of all moneys goes to conservation, law enforcement, health, agriculture, and general government.

Again, my friends, let me repeat, your money has gone to satisfy your needs and services which you wanted and which your State government alone could give you. Yes; it is true that your government, especially in these inflationary times, is spending a lot of dollars. But I am proud also to be able to tell you, and I hope you will not forget it, that with all the many millions expended or invested for public benefits there has been no increase in taxes during my administration. No, sir; not a single increase in taxes.

Our gains have accrued through your industry and increase in prosperity. Good financial management of your Government has helped make it possible.

I am proud that this administration, like the former administration, increased benefits without increasing taxes. Many of my fellow citizens of Louisiana repeat that I made no promises. I confess I did not make promises, but I believe you will agree that we have given you more during this administration than most politicians dare to even promise.

In final summation, as a result of our planning and management, we now have under way and fully financed an over-all improvement program of approximately $250,000,000 covering education, institutional, highways, drainage and flood control, and other services. Although nothing was promised, you are to receive these great benefits.

At this point, I again acknowledge the indebtedness of my administration for the $15,000,000 surplus which we inherited from the Sam Jones administration. As I pointed out earlier, this administration is going to leave the State's affairs in fine shape—financially.

It is a deep satisfaction for me to know that money will be available to better provide for our needy old people, our public schools and hospital services and for other direct benefits to our people.

And that we were able to do this without any increase in taxes.

But, my friends, I wish to remind you that there is no end to the parade of progress. Much yet remains to be done. Through honesty and efficiency, through the development of our great natural resources for the benefit of our people, we will reach to even greater heights of prosperity.

The governorship of Louisiana is a tremendous responsibility. I sincerely believe that the future progress and welfare of our State and our whole people depends in a very large measure on the character and ability—and especially the character—of the man you select to administer your affairs.

He should be one who not only stands as a very symbol of honesty, but he should be a man of vision and of courage, and one who understands fully the economic aspects of governmental operation, and the need for the economic development of our State.

Naturally, I am anxious to see this work that is now in progress finished. I am interested in seeing the people who need it get the most benefits. I am interested in seeing a friendly successor elected. Thus far, I have refrained from expressing publicly my choice.

I have watched with interest the development of the campaign. I have observed that of the four candidates campaigning for office of governor—one has sponsored the principles and projects which I have mentioned in this talk.

The choice, therefore, is not a difficult one for me to make.

I am naturally in favor of completing the program that is under way today. I am in favor of electing a man who will protect the works that I have started.

It is for this reason that I announce my support of Sam H. Jones.

I believe he has the sympathy of the masses at heart. I believe his background as a man who sprang from the soil and a poor family enables him to understand the needs of the under privileged people of the State.

Because he has known poverty, it is my thought, therefore, that his heart is close to the problems of the people and certainly he has shown a sympathetic attitude. The State cannot go wrong in electing such a man to the high office of Governor of this State.

Then, too, I am convinced that time and experience have tempered his attitude and made him more tolerant of all people—his foes as well as his friends. I am convinced that he is ready to spend his time in working for the up-building of the State. I am convinced that the era of political bitterness is ended—and that Sam Jones can work with all the elements who have cooperated with me in the last 4 years.

Believing these things, I have asked my friends to support his candidacy—not for him personally—but because his candidacy offers the only real hope for the continued development of our State and the bringing of prosperity and happiness to the people.

I am not for one minute holding him up as a "superman", but a man who is capable, a God-fearing man, and a man who is honest and sincere in purpose.

And now, my friends, since this is Thanksgiving Day, I'd like to take this occasion to wish all of you a lot of health and happiness. You know there are a lot of things more important than being governor, or being sheriff, mayor, or being president and holding all the other political offices. If a man has health, good neighbors and friends, if he has a family that is healthy—physically and spiritually—and an opportunity to make an honest living—well—he's a rich man.

Again, I extend to you the greetings of the day.

Designation of December 7 as Gold Star Mothers' Day

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. KEATING. Mr. Speaker, 6 years ago yesterday this Nation was aroused from Sunday afternoon lethargy by news of the infamous Japanese attack on the United States at Pearl Harbor. The solemn significance of this day must never be lost to future generations.

Among us who live today this event marked a turning point in many of our lives. For those who were to offer up their lives on the altar of freedom it was the beginning of a final chapter. There is one group whose magnificent sacrifice probably surpassed all others, the memory of which we must forever keep fresh and beautiful. This group is the Gold Star Mothers.

In order that the remembrance of their priceless gift to the Nation may never grow dim I have introduced today a joint resolution authorizing and directing the President of the United States to designate December 7 as Gold Star Mothers' Day, a day on which all citizens of the country may join in grateful tribute to these mothers of hero sons.

Diplomatic Boondoggling

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Walter Lippmann which appeared in the Washington Post today:

DIPLOMATIC BOONDOGGLING

(By Walter Lippmann)

The other day while reading the newspaper reports of a speech by Mr. Bullitt I found myself wondering what Joseph Stalin would make of it. It was from Stalin's point of view a most extraordinarily flattering picture

that Mr. Bullitt painted. There is a man, said Mr. Bullitt, who will "eventually" mobilize "all the resources of Europe and Asia against us." He will "organize" 450,000,000 Chinese. He will organize 350,000,000 Moslems and Hindus of India. He will organize all the Arabs. He will organize all the French, Italians, Germans, Poles, Scandinavians. He will organize them into "overwhelming masses of men and machines."

Stalin is, in short, at once Caesar, Napoleon, Hitler, Genghis Khan, the Great Mogul, and the biggest Manchu of them all. If Mr. Bullitt's estimate of Stalin's ability is even approximately correct, then we are dealing not with a man but with superman himself.

The purpose of this kind of hysterical agitation is, presumably, to rouse the country and persuade it to give money, arms, and men to Chiang Kai-shek and to everyone else in Asia and Europe who is struggling with Communists. We cannot afford, I believe, to let ourselves be rattled by this kind of agitation. It can lead only to the squandering of our wealth, our power, and our influence in an immense diplomatic disaster.

For the American people are not rich enough, the United States does not have the troops, and it does not have the political influence, required to intervene decisively and effectively all over Asia and all over Europe. The practical result of the kind of policy Mr. Bullitt is agitating for would be to entangle us at so many places, commit us irrevocably in so many widely separated conflicts, that we would lack the resources and the energy to be successful anywhere. That is not foreign policy but diplomatic boondoggling, of which, considering the results in Korea and in Greece, we have had quite enough.

The difference between Mr. Marshall's foreign policy and what preceded it is that Mr. Marshall has been acting on the strategic principle that a nation must concentrate its effort at the point where the greatest results can be obtained. In his China policy and in his European policy Mr. Marshall has been seeking to correct the error which we had fallen into of dispersing our effort on secondary objectives while we neglected our primary objectives.

Mr. Marshall has had, of course, to carry on as best he could the commitments which he inherited. But the policy which, quite justly, bears his name—the Marshall plan—calls for a concentration of American effort at that point on the face of the earth where our civilization is most deeply threatened, and where on the other hand there are the greatest opportunities for the recovery and the revival of our civilization. That point is not China. It is not the Middle East. It is not the Balkan Peninsula. It is in the British Commonwealth, in France, in Scandinavia, in the Benelux countries, and in Italy.

It is there that the struggle will be won or lost in the advanced countries, not in the backward ones. It will take our utmost effort to succeed. But if we entangle ourselves in many other places we shall not have the resources that are necessary if we are to succeed. We shall have made the catastrophic mistake of trying to do so many things that we do none of them successfully.

Federal Taxes Paid by Hawaii

EXTENSION OF REMARKS

OF

HON. JOSEPH R. FARRINGTON

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. FARRINGTON. Mr. Speaker, under unanimous consent to extend my remarks in the Appendix of the RECORD, I include therein an analysis of the taxes paid to the Federal Treasury by the Territory of Hawaii in the fiscal year 1947, as follows:

LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D. C., December 1, 1947.

Hon. JOSEPH R. FARRINGTON,
House of Representatives,
Washington, D. C.

DEAR MR. FARRINGTON: This is in response to your request for a statement of the relative position of Hawaii and the various States with respect to internal-revenue collections during the fiscal year ending June 30, 1947. We enclose two tables; one shows total collections and the other shows per capita collections in Hawaii, the several States, the District of Columbia, and Alaska.

Total collections of internal revenue in Hawaii decreased more rapidly between 1946 and 1947 than collections in all States and Territories combined, the percentage of decrease between 1946 and 1947 being 24.9 (Hawaii) and 3.8 (total). This represents a reversal of the trend of the years prior to 1945–46. The drop in total collections resulted mainly from the reduction in excess-profits collections, for all areas. In Hawaii collections were reduced for all except employment taxes.

In spite of this reduction in revenues, the total internal revenue collected in Hawaii in 1946 exceeded that collected in 12 States. The States are: Arizona, Idaho, Mississippi, Montana, Nevada, New Hampshire, New Mexico, North Dakota, South Dakota, Utah, Vermont, Wyoming. These States had also provided less revenue than that provided by Hawaii in the fiscal years 1944 through 1946.

As shown in one of the tables attached, per capita collections of internal revenue in Hawaii were greater than per capita collections in 24 States (50 percent of all States) during 1947. Hawaii's rank was lower during 1947 than during 1946; in the earlier year per capita collections had been larger in Hawaii than in 34 States.

The States in which per capita collections were smaller than in Hawaii are: Alabama, Arizona,* Arkansas, Florida, Georgia, Idaho,* Iowa, Kansas, Louisiana, Maine, Mississippi,* Montana,* New Hampshire,* New Mexico,* North Dakota,* Oklahoma, South Carolina, South Dakota,* Tennessee, Texas, Utah,* Vermont,* West Virginia, and Wyoming.* Of the States in the last for 1946, Colorado, Indiana, Kentucky, Minnesota, Nebraska, Nevada, Oregon, Virginia, Washington, and Wisconsin are not included in the 1947 list; collections of internal revenues in those States were smaller per capita in 1946 but larger in 1947 than in Hawaii. (An asterisk indicates that both total and per capita collections were smaller in the State than in Hawaii.)

Sincerely yours,

ERNEST S. GRIFFITH,
Director, Legislative Reference Service.

Per capita collections of Internal Revenue by the United States in the States and Territories, fiscal year 1947

Alabama	$87
Arizona	121
Arkansas	61
California	356
Colorado	235
Connecticut	362
Delaware	1,128
Florida	173
Georgia	129
Idaho	132
Illinois	446
Indiana	267
Iowa	154
Kansas	210
Kentucky	287

Per capita collections of Internal Revenue by the United States in the States and Territories, fiscal year 1947—Continued

Louisiana	$132
Maine	158
Maryland	319
Massachusetts	321
Michigan	325
Minnesota	245
Mississippi	47
Missouri	299
Montana	150
Nebraska	247
Nevada	268
New Hampshire	182
New Jersey	302
New Mexico	90
New York	614
North Carolina	338
North Dakota	97
Ohio	356
Oklahoma	147
Oregon	236
Pennsylvania	325
Rhode Island	285
South Carolina	94
South Dakota	93
Tennessee	118
Texas	160
Utah	136
Vermont	144
Virginia	240
Washington	232
West Virginia	114
Wisconsin	247
Wyoming	132
Alaska	257
District of Columbia	518
Hawaii	212

Source: Computed from data contained in press release of Bureau of Internal Revenue, dated Aug. 26, 1947. Population estimates for June 30, 1945, were used in the computations.

(John C. Jackson, General Research Section, Dec. 1, 1947.)

Total collections of internal revenue by the United States in each State, the Territories of Hawaii and Alaska and the District of Columbia, fiscal year 1947

Alabama	$244,285,520.58
Arizona	75,952,217.33
Arkansas	109,042,722.13
California	3,144,385,640.09
Colorado	263,878,657.05
Connecticut	646,345,211.43
Delaware	323,558,135.00
Florida	413,725,954.99
Georgia	410,737,368.21
Idaho	65,989,998.91
Illinois	3,447,148,357.01
Indiana	916,678,240.96
Iowa	348,763,454.52
Kansas	366,257,975.20
Kentucky	739,719,335.40
Louisiana	325,137,482.40
Maine	124,220,870.88
Maryland	678,159,708.24
Massachusetts	1,342,620,908.03
Michigan	1,779,425,893.21
Minnesota	612,200,194.02
Mississippi	98,310,270.60
Missouri	1,061,844,944.33
Montana	68,532,698.34
Nebraska	296,312,323.17
Nevada	42,768,134.38
New Hampshire	82,266,064.82
New Jersey	1,267,410,582.83
New Mexico	48,116,165.85
New York	7,723,862,346.35
North Carolina	1,183,005,659.73
North Dakota	50,303,606.39
Ohio	2,443,637,089.85
Oklahoma	300,632,512.60
Oregon	284,193,102.43
Pennsylvania	2,986,060,371.59
Rhode Island	216,325,430.14
South Carolina	178,291,486.05
South Dakota	51,902,374.20
Tennessee	338,837,913.29

Total collections of internal revenue by the United States in each State, the Territories of Hawaii and Alaska and the District of Columbia, fiscal year 1947—Continued

Texas	$1,085,680,197.06
Utah	84,224,106.98
Vermont	44,813,441.62
Virginia	738,987,895.73
Washington	484,388,554.31
West Virginia	196,657,861.24
Wisconsin	730,031,296.39
Wyoming	32,589,057.13
Alaska	15,831,344.82
District of Columbia	485,875,854.48
Hawaii	106,314,370.16

Source: U. S. Bureau of Internal Revenue. Release of Aug. 26, 1947.

(John C. Jackson, General Research Section, Dec. 1, 1947.)

Universal Military Training

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following notice indicating that the Massachusetts Council of Churches recently went on record as opposing universal military training:

NATIONAL COUNCIL AGAINST CONSCRIPTION,
Washington, D. C., December 2, 1947.

Representative PHILIP PHILBIN,
House Office Building,
Washington, D. C.

DEAR MR. PHILBIN: You may be interested in noting that the Massachusetts Council of Churches, on November 17, in Fitchburg, went on record as opposed to universal military training in peacetime. There were 172 delegates from churches throughout the State attending, including the Episcopal and Methodist bishops of Boston.

Sincerely yours,

JOHN M. SWOMLEY, Jr.

The President's Recommendations in the Fight Against Inflation

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. HOLIFIELD. Mr. Speaker, the President of the United States has called the Congress to Washington to enact legislation of vital importance to every individual at home and millions abroad.

He has asked for an emergency appropriation to be spent for food to prevent starvation this winter in the western European nations.

He has outlined a plan for combating inflation here at home. He pointed out that "the housewife who goes out to buy food today must spend $10 to buy what $7 bought a year and a half ago." He continued as follows:

The cost of living is still climbing. In the past 4 months it has risen at a rate of 16 percent a year * * *. Adequate protection from high prices and unfair distribution can be assured only by establishing authority for price ceilings and rationing in fields of critical importance. * * * Next to food, the most important element in the cost of living is rent. Under the modified rent-control law, rents are rising at the rate of about 1 percent a month. A 12 percent annual increase in rents imposes an intolerable strain upon the family budget. The rent-control law should be extended and the weaknesses in the present law should be corrected.

The harsh effects of price inflation are clear. They are felt by wage earners, farmers, and businessmen. Wage earners are finding that bigger pay checks this year buy less than smaller pay checks bought last year. Small businessmen are being squeezed by rising costs. Even those who are well off are asking, "How long can it last? When is the break coming?"

We must win the battle against inflation, so that our long-range efforts may start from high levels of prosperity and not from the depths of depression.

In summary, the immediate anti-inflation program that I recommend calls for the following legislative action:

First. To restore consumer credit controls and to restrain the creation of inflationary bank credit.

Second. To authorize the regulation of speculative trading on the commodity exchanges.

Third. To extend and strengthen export controls.

Fourth. To extend authority to allocate transportation facilities and equipment.

Fifth. To authorize measures which will induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain.

Sixth. To enable the Department of Agriculture to expand its program of encouraging conservation practices in this country, and to authorize measures designed to increase the production of foods in foreign countries.

Seventh. To authorize allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

Eighth. To extend and strengthen rent control.

Ninth. To authorize consumer rationing on products in short supply which basically affect the cost of living.

Tenth. To authorize price ceilings on products in short supply which basically affect the cost of living or industrial production, and to authorize such wage ceilings as are essential to maintain the necessary price ceilings.

If we neglect our economic ills at home, if we fail to halt the march of inflation, we may bring on a depression from which our economic system, as we know it, might not recover. And if we turn our backs on nations still struggling to recover from the agony of war, not yet able to stand on their own feet, we may lose for all time the chance to obtain a world where free peoples can live in enduring peace.

The freedom that we cherish in our own economy and the freedom that we enjoy in the world today are both at stake.

I have recommended interim aid for certain western European countries and a program to curb inflation in the United States. I regard the measures which I have presented to you as vital and essential to the welfare of the Nation.

When the American people have faced decisions of such magnitude in the past, they have taken the right course.

I am confident that the Congress, guided by the will of the people, will take the right course on this occasion.

Mr. Speaker, In my opinion the President's recommendations are timely and unless heeded by the Congress, we face further dangerous inflation.

I shall support any legislation which is properly drawn for the purpose of accomplishing the purposes in his recommendations.

Democracy Can Defeat Communism

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. McDONOUGH. Mr. Speaker, the Honorable Jan Ciechanowski, the last legal Ambassador from the Republic of Poland to the United States, recently made an important address in Los Angeles at a meeting on Friday, November 7, sponsored by the American Federation of Labor, the Knights of Columbus, the Society for the Promotion of Poland's Independent, the Friends of Poland Association, and the California Division of the Polish American Congress. Mr. Ciechanowski spoke on the subject Democracy Can Defeat Communism.

This meeting was presided over by the Honorable Joseph Scott, one of California's most prominent citizens who has a national reputation for defending and upholding constitutional government, and is a vigorous opponent of communism in the United States and other parts of the world.

The following is the address delivered by Mr. Ciechanowski:

We have been living for several years in a fool's paradise of mock security. While it lasted, public opinion wanted to believe that the prospects for a secure peace, established on the much-vaunted big power unity was attainable and that progress was actually being made at the numerous peace conferences held in various world capitals.

Only since February 1947, when General Marshall became Secretary of State, through March 12, when President Truman launched a more active American policy to meet what he termed "a very serious world situation," has the public been made officially aware of the gravity of the situation, of the high tension in Soviet-American relations and of some of its dangers.

For over a year, the American press has been practically filled with accounts of startling facts and developments showing the steadily growing controversy between the United States and the Soviet Union.

But really we are mainly indebted to Comrade Vishinsky's outbursts at the United Nations Assembly, to Comrade Ehrenburg—the great official Soviet editorial writer—and to other Soviet leaders and writers of the Soviet-controlled press for opening our eyes to the grim realities of today.

From their crude remarks we know that they openly accuse the United States of being "an imperialist power," a "potential aggressor, out for world domination," and the President of the United States and Secretary of State Marshall of being "the servile puppets of Wall Street." These are only a few choice quotations from their insulting statements.

In a recent masterly attack on the United States, in the official Moscow Literary Gazette, Comrade Ehrenburg wrote: "Our soldiers

gave a friendly greeting to the Americans on the Elbe River (in Germany). Our people do not hold grudges, and, in their joyous victory, they were ready to forget the bitterness of 1942, when Russia was covered in blood and America was covering herself in gold."

So "America was covering herself in gold"—in 1942? At the time when all her vast resources, her manpower, her industries and labor, her public and private enterprises were making the greatest coordinated effort in the good fight against German, Japanese, and Mussolini's fascism and its satellites? At the time when America's lend-lease assistance to her fighting allies was the mightiest, in fact, the only weapon which allowed them to carry on the fight?

No, Comrade Ehrenburg, America was then and throughout the war and after it covering herself with gold to the tune of over $11,000,000,000 of lend-lease to Soviet Russia, of one additional billion dollar cash loan, and of some three additional billions in Russian war relief and UNRRA supplies and services to the Soviets. How enriching for America, and how useful this "chicken-feed" aid has proved to be in the light of the truly Sovietic gratitude which she is now reaping.

Well, we live and learn. Recently another Soviet propaganda bubble has been exploded. The allegedly dissolved Comintern has suddenly been revived. It is now called the Cominform. In this new guise it declares itself to be the determined expression of an active anti-American drive on the part of nine European nations, at present Soviet satellites behind the iron curtain. But its leader and spokesman is Comrade Zdanov, so frequently mentioned in past years as Stalin's most probable successor. This new Cominform, reborn as a Soviet-led center of information, has challenged American policy on all counts and has declared its determination actively to oppose the Truman doctrine, the Marshall plan, and in fact any American initiative for European and world rehabilitation.

On the basis of its declared intentions this newest instrument of anti-American Soviet policy can no longer be regarded as merely another center of ideological Communist propaganda. It is a strongly organized, fully armed and equipped, Soviet-led coalition of satellite countries, now Communist controlled. It is the militant spearhead of Soviet expansion and of communism, armed openly against the United States.

We may no longer indulge in wishful thinking. We are fully informed. The veil of secrecy has been brutally torn off reality. A new situation now faces the American people and all the nations still outside the iron curtain. It is time to sit up and take notice. It is time to debunk. It is high time to meet the Soviet challenge by an active counter-challenge of democratic determination. By boldly doing so, we may prevent the present showdown from becoming yet another armed conflict.

Let us first briefly review the situation and some of its origins and then turn our attention to a choice of effective counter-measures. In wartime, when Soviet Russia's participation was of such paramount military importance, it was realistic to give her fullest aid, support, and assistance. It was fair to admire and to praise the courage and sacrifice of the Russian people in the defense of their country against the German invasion. This was unstintingly done. But it was ill advised to oversell Soviet Russia to public opinion as a kind of liberal democracy of which the Soviet dictatorship is the direct antithesis. It was shortsighted to regard as a permanent alliance the purely incidental and temporary war association of democratic nations, fighting against one kind of totalitarianism, with that other totalitarian Communist power.

The alliance between the democracies and Soviet Russia could not be expected to survive after the war and to continue as a working partnership in establishing a one-world peace of freedom, justice, and collective security. Such miracles just don't happen. It was therefore a basic error of policy to agree, under Soviet pressure, to finalize in wartime any territorial or political problems. All such settlements should have been firmly rejected and postponed to the end of the shooting war. That would have allowed the western powers to preserve the initiative in later negotiations.

Their premature settlement at Tehran and Yalta did not only result in depriving Poland—a staunch, fighting ally and charter-member of the United Nations—of her independence, together with that of Estonia, Latvia, and Lithuania. It directly violated the fundamental principles of the Atlantic Charter and the principle of self-determination of nations. It allowed the Soviets to create a dangerous precedent for future negotiations. On the Polish test case, they realized the American and British passive policy would agree under pressure to sacrifice basic principles and war aims to opportunism, even if thereby the United States and Britain became parties to such acts of violation. Thus, the Soviets succeeded in opening a wide breach in the moral front of the United Nations' principles which set a dangerous precedent and opened the way for ever-growing pressure and demands.

As the Western Powers' appeasement policy of Russia developed, the Soviets forced the acceptance of a power-political pattern, instead of a democratic one, in the structure of the United Nations Organization. It was then that the one-world concept was irretrievably lost and the world divided into two spheres of power influence. The appeasement policy pursued by the two western democracies towards totalitarian Soviet Russia was as hopeless as trying to induce a man-eating tiger to become a vegetarian.

During and immediately after the war, by means of Communist-ridden puppet governments, which were the Soviet version of the Yalta formula of governments "friendly to Moscow," they gradually subjected to their domination 11 previously free countries: Finland, Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Yugoslavia, Hungary, Bulgaria, Rumania, and Albania—with a joint population of one hundred and fifteen millions. All these nations are now being communized in the exclusive sphere of Soviet influence behind the iron curtain.

The Soviets have sabotaged the U. N. by constant use of their veto power, and have stalemated it completely on all important peace problems and made it inoperative.

They have managed to seize and to hold the initiative at all international conferences and to force the United States and Britain to be always on the defensive.

By facing the western powers with ever new accomplished facts, Stalin has periodically probed and challenged their policy. Their reactions showed him how far he could go in carrying out his expansionist designs. Unfortunately, even quite recently, in January 1947, on the case of the faked Polish election, the feeble protests of London and Washington, followed by almost immediate recognition of this flagrant violation of the Yalta agreements, convinced him that he had nothing to fear in the way of a tough American policy at the Moscow Conference which took place in March, barely 8 weeks later. At that Moscow Conference the Soviets wrung another important concession from the American Government on the key problem of Austria, insuring their prolonged military occupation of that country.

The Soviets staged their Communist coup in Hungary on May 31, 1947. President Truman called it publicly an outrage. But again, a few days later, this gross violation of agreements and of Hungarian sovereignty was recognized after but a feeble protest.

As these accomplished facts and outrages were perpetrated by the Soviets during and shortly after the change in American policy to a more active one as expressed in the so-called Truman doctrine, without arousing any more definite reactions, the Soviets must have concluded that they could continue to thwart the Western Powers, even when American and British signatures on agreements were directly involved.

The Soviets are conducting an armed Communist aggression on China, having obtained from President Roosevelt at Yalta territorial advantages in Manchuria which made this possible, while all American forces and aid in war matériel have been withdrawn from the legal Chinese Government. In their Chinese aggression the Soviets have encountered no American opposition, although China has always been regarded as a vital factor of American security.

Korea is being Soviet-communized and armed.

In Germany the Soviet zone of occupation is strongly manned by a considerable, fully armed Russian force. Recently, in summer, full-scale military maneuvers were staged in the Austrian Burgenland by a Soviet army of 350,000 troops, mostly mechanized, with a powerful display of air force, tanks, and modern weapons, obviously to intimidate Europe and to give warning to the United States, whose occupation force in Germany at present is about one soldier to 2 square miles.

The national conscript armies of the European countries, now satellites of Soviet Russia, are being communized, Soviet-trained, armed, and equipped. Tito's small Yugoslavia alone boasts an army of 650,000 with modern armament, trained under Soviet supervision, and poised in the vicinity of the focal port of Trieste.

Strategic railroads are being built in haste through these countries, their direction clearly indicating that they are planned for eventual Soviet military aims of further expansion.

The populations, the military establishments, the natural resources of all these Soviet-dominated countries are made to work primarily for Russian war preparedness and for the Soviet economy—while the western portion of partitioned Europe, deprived of their mineral and agricultural resources which it so badly needs, depends on American assistance for its existence and rehabilitation.

Having achieved their immediate aims in eastern central Europe and in the Far East, the Soviets are consolidating their hold and preparing the next phase of their expansion.

There is every indication, in the light of their moves up to date, that they are tending to complete their advance in the Balkans by Communist aggression on Greece and by planning to gain a foothold in Turkey and Iran. They appear to be following out the old Tsarist basic policy of gaining control of the Straits and an outlet on the Persian Gulf.

In addition to these activities, they menace Italy through their satellite, Tito, via Trieste. They are exerting political pressure in France and other European countries by means of very active Communist parties which they entirely control and which they richly finance, for the purpose of "taking these countries from within."

They have spread their centers of disruptive communism to the Western Hemisphere and have set up Communist pressure groups in Canada, in the United States, and in all central and southern Latin American Republics.

Based on actual facts, such is, in broad outline, the true picture of Soviet achievements and activities.

When one looks at the map of the world, it is clear that Soviet Russia has taken over Hitler's succession. For the time being, she is out for world domination on Haushofer's geopolitical theory of the Eurasian Heartland. But, in addition to this grandiose plan, the Soviets are actively working to impose their Communist leadership on all the remaining free nations.

Owing to war exhaustion and disruption, only two really Big Powers are left which are capable of pursuing a world-shaping policy, and of assuming world leadership. They are the United States and Soviet Russia.

The United States is the natural, the acclaimed leader of the world which fears communism and is ripe for true democracy. America can exercise its leadership if it takes the initiative in a policy of bold and active determination.

The Soviets could only impose their leadership in the case of American default to meet its vast responsibilities as the foremost world power.

Through the elimination of other powers, owing to present-day conditions, the actual world conflict, which in reality is a conflict between totalitarianism and democracy, between freedom and Communist enslavement—has now been narrowed down to a duel for leadership between the Soviets and the United States.

The vital question is this: Will democracy let communism get away with it and impose its leadership on the world, or will it call the Soviet bluff by boldly accepting their challenge and assuming leadership?

The fate of the world, of peace and security, of human happiness, prosperity and, in fact, the very survival of our Christian civilization—all depend on the answer. The American people hold the answer to these most important questions of the day.

What are the Soviets now counting on to deliver the world into their hands?

Most recent, entirely reliable reports from Moscow, received in October, show that Stalin and the Politburo mainly rely on a general crisis in the United States. On the basis of their own reports from their envoys, agents, and friends in America, they foresee a financial, industrial, and social crisis which they expect will cripple the entire economy of this country and prepare the way for communism. They are sure that American labor is being effectively permeated by communist trends, especially as regards land and sea transport, the coal and steel and electric power unions. And to crown this Soviet wishful thinking, Moscow appears to be convinced that American political forces are swinging to Henry Wallace, whom Stalin apparently regards as the most likely chance in the 1948 election campaign.

Not long ago some American fellow travelers connected with American labor circles assured Stalin that, if ever American-Soviet relations were to reach the danger point of armed conflict "40,000,000 American workmen would down tools and make war with Russia impossible." This and other similar assurances, passed on to the Soviets by American fellow travelers, appear to have encouraged the Kremlin in the belief that it can discount American opposition to Soviet Communist expansion.

Dictators are usually misinformed because their envoys and observers are afraid to tell them the truth, while their foreign sympathizers are too anxious to gain their confidence and praise to dare give them even friendly warning.

In preparing any kind of strategy on realistic bases, it is necessary to appraise dispassionately the elements of strength and weakness of one's adversary and to weigh them against one's own assets and liabilities.

In this conflict for world leadership between Soviet Communist imperialism and American democracy, what have the Soviets got that America does not have? What can they offer that America cannot give the world?

They certainly have an enormous military force, armed and trained for any emergency. They have added to their military potential the considerable potential of their present satellites in eastern central Europe. They have secured by fair and foul means some of the best and most efficient war scientists, engineers, technicians and skilled labor from Germany and other countries, to raise their most inefficient standards of industrial production and research. They have added to their own military force a German elite force of some 36 divisions, mostly shock troops, which they have recruited, armed and carefully screened and indoctrinated from among selected prisoners of war. They continue to hold and to use for military and labor purposes more than 1,000,000 Japanese. They have their subservient puppet governments in 11 European countries and Communist centers in all other foreign countries.

They have their admirably organized propaganda machine, with its far-reaching tentacles everywhere and they have converted the United Nations into a convenient sounding board from which they organize and rally their supporters all over the world.

Their policy is highly aggressive and dynamic.

Their weapon for retarding negotiations, for preventing solutions of urgent problems being reached is the veto power.

They have broken practically every agreement they have signed, and in their diplomacy they do not hesitate to resort to brutal pressure and blackmail.

Those are their elements of force and pressure.

They have the advantage of operating in a war-weary world, and among democratic statesmen mostly ignorant of their mentality and methods, whose natural fear of war discourages them from debunking the Soviet methods of intimidation and from calling their bluff.

In this framework, so propitious to the furthering of their expansionist policies, the Soviets have been, and still are, making full use of the receptive readiness of passive democracies to swallow any of their lies rather than to challenge them and to disprove them.

So let us debunk some of their lies and see what they really have to offer the world as compared to democracy.

The Soviets have brazenly assumed the role of champions of freedom and of the sovereignty of small nations, allegedly menaced by American capitalist imperialism, and the championship of the common man.

They have declared themselves the defenders of democracy, especially among the colored populations of this hemisphere, where it is easy to intensify race problems, and in colonial regions where it serves them to set indigenous populations against Great Britain and other colonial powers.

While thus championing human rights outside the iron curtain—in Europe, as a means of attraction, and in African and Asiatic possessions, and in the Americas, as a means of fomenting unrest and disruption—the Soviets have subjected 11 formerly free European countries to their domination, to their forced communication, and to practical enslavement. In their own vast country they have suppressed for 30 years all the freedoms of the Russian people and are actually using around 17,000,000 slave laborers in their mines, industries, and public works.

Under their ruthless one-party system, the standard of life in Russia is the lowest of any country inhabited by the white race. Labor is not free to choose its kind of work or to leave it. The Stakhanoff system is applied to labor. In the satellite countries the lowering of standards of living, indispensable to the spread of communism, is proceeding at full pace.

Wherever the Soviets have held sway, the "four freedoms" have been doomed and destroyed.

Those are the gifts and advantages which bankrupt Soviet communism has to offer humanity in the twentieth century of our Christian civilization.

It may be argued that if those are the only attractions they have to hold out to other nations, then why has their infiltration and propaganda been so surprisingly successful? Mainly because their lies are presented so insistently by an organization of truly diabolical cunning and knowledge of psychology, and with a methodical and gradually planned coordination of the minutest details and with that incredible efficiency of which the Marx-Lenin Institute is a past master. Also, because their propaganda has no scruples in making use of lies, because it makes fullest use of every situation, of every slightest opportunity offered by any actual or potential political, social, religious, or even personal tension anywhere which can be fanned up into serious antagonisms, into racial or class hatreds, into strife, or unrest on which communism thrives.

Last but not least, because of the amazing, incredible passivity displayed by democracies in the face of the Communist danger and of active Soviet imperialism.

Here you have on the one side a highly dynamic, fanatical Communist doctrine, ever on the offensive, effectively challenging and actually invading the strongholds of Democracy, its government departments and agencies, its intellectual, scientific, professional, business, and labor centers—while democracy sits back complacently, wishfully hoping against hope that some miracle will automatically stop this aggression, that the merits of Democracy will prevail of themselves, without having to take up the challenge and fight by pitting truthful arguments against lies, by assuming leadership, by actively strengthening its natural friends and allies the world over and helping them resist this menace.

And yet Democracy was ready to fight a total war in defence of its principles. It mobilized and militarized its entire might and won the greatest military victory over the most technically perfect war machine in defending its rights to freedom against the combined forces of totalitarian enslavement.

Is Democracy only capable of military action? Are its Christian foundations and principles to be used only as a war cry for rallying its followers in a shooting war, or are they truly so convincing and compelling that they can be effectively used to rally freedom-loving peoples to ensure peace and happiness?

Ideologically, democracy has all that sovietic communism lacks.

Its doctrine follows the doctrine of Christ. Its record has evolved through years of militant progress into the only known system of government "of the people, by the people, for the people." Its way of life has insured juridical equality to all. It has placed the worker in a position of dignity and insured his rights. Contrary to communism, it is the very antithesis of imperialistic domination, and it is founded on truth and, therefore, needs no iron curtains to conceal its methods and its institutions.

Its magnetic attraction for all freedom-loving peoples is so great that its rallying force is the most powerful of all.

This has been strikingly proved most recently by the sweeping victories of the constructive forces of stability and rehabilitation in the French and British municipal elections, and in the political elections in Switzerland and Denmark.

These elections are a triumph of democracy in action. Not only because they stop some Communist-pressed, too radical political, and economic policies, but because, above all, they express the peoples' power to reverse the course, when the people regard it as unpractical or unsuitable.

In democracies the government is the expression of the will of the people and its

servant, not its bully, as under Communist dictatorship.

For the American people these elections should be most instructive, for as Anne O'Hare McCormick writes in the Times of November 3: "This trend away from communism in western Europe is the first dividend on the Marshall plan. Besides, it constitutes the only test which Americans can apply to the Governments we propose to aid under the Marshall plan, for its objective is to extend, if possible, but to hold at almost any cost the area of freedom in the world. A free government is one which can be changed by the peoples' will."

I often heard it said that American organized labor is fast becoming communistic. These assertions, coming mostly from people who have never had much direct contact with labor or its union leaders and from hopeful fellow travelers, do not impress me. On the contrary, there are two main unsurmountable obstacles in the way of communism; the Catholic church and labor.

The former constitutes the solid spiritual vanguard, the latter the solid practical one against Soviet communism. The doctrine of the Catholic Church is the very foundation of individual freedom and justice which has evoloved into democracy. Labor has achieved all its rights through democracy and stands to lose them all under communism.

But as far as labor is concerned, it should be borne in mind by every one of its representatives that the Soviets count on labor troubles, on strikes and stoppages, on labor-management difficulties—all of which they skillfully encourage through their infiltrated agents and fellow travelers—to gain direct influence in labor quarters and thereby to weaken American enterprise and economy in a preliminary softening process aimed at reducing its coordinated resistance.

It is to be hoped that the October AFL convention at San Francisco and the latest news from CIO quarters in New York, will somewhat disillusion Moscow on that score.

The Soviets who still live in the superannuated Marxist doctrine of a hundred years ago of exploitation of labor by industrial bosses apparently cannot yet grasp the fact that in democracies and especially here, in this blessed land, enlightened and organized labor has long ceased to be a working class and has become a working power. Today, only in Russia and in Communist-dominated countries, the superstate has replaced the blood-thirsty bosses of old, and still drives labor on the antiquated patterns of compulsion and class hatred.

In summing up, may I say that this is no time for complacency. The danger facing democracy is real and close and menacing. It is militant and thoroughly organized. Although democracy is so eminently sound and unassailable on its merits and record—while communism hasn't got a leg to stand on—democracy can only defeat communism by actively fighting it everywhere, by assuming leadership, by taking up its challenge, by organizing and coordinating all its forces and by taking the offensive boldly and unitedly. It will have to restate its own principles and aims, and oppose their mighty force of persuasion and attraction to the empty slogans and lies of Soviet-led communism. It will have to denounce Soviet enslavement of peoples and isolate them as the barbaric aggressor and slave driver which it is. Democracy will have to revise its own statesmanship and revert once more to its fundamental spiritual values and principles, and replace its temporarily adopted cynical superrealist opportunism, by the basic realism which has made democracy great and which can never be divorced from the rights of humanity, from the ideals of freedom and justice.

Only if it is thus armed, determined and militant, democracy can defeat communism.

Report on China

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1947

Mr. JUDD. Mr. Speaker, under leave to extend my remarks, I include a most informative and illuminating article on the present situation in China by the Catholic archbishop of Nanking, an eminent scholar in the language and cultures of many peoples. When the American people hear such conflicting reports, including so many from those who see China only as she is now at the end of 10 years of war, and for a short time at that, it is most helpful to have one that can be depended on as wholly accurate.

REPORT ON CHINA TO INSTITUTE OF CHINESE CULTURE

(By H. E. Paul Yu-Pin, D. D., archbishop of Nanking, China)

WAR IN CHINA

Today, China is fighting, not a civil war, but a life and death struggle against Soviet communism—the new invader of China. True, the fighting in China has the appearance of a civil war. Let us not be deceived. It is part, the beginning, of an international war, a world war, launched by the Soviet Union against the democracies.

The third world war has already begun. The armed skirmishes of this new war started before the old war was finished. In Europe, the third world war started with the so-called civil war in Greece. There, an armed Greek Communist army, assisted by international brigades from the surrounding Soviet-dominated countries, revolted and attempted to overthrow by force the Greek Government.

In Asia, the third world war started in China. It began when the Chinese Communist armies, sheltered, equipped, and in part officered by the Russian Army, attempted to establish independent sovereignty in Manchuria. These armies met in battle with the armies of the Chinese Government.

There were no Chinese Communist troops in Manchuria on VJ-day (surrender of Japan). The Soviet plan was to use the time gained by the armistice to transfer as many Communist troops as possible from North China to Manchuria and there to arm them with the abundant Japanese supplies and equipment which the Russian Army had seized when the Japanese Army surrendered. To withdraw the Russian Red Army from Manchuria only when it could be replaced by a well-armed Chinese Red Army, and use the Marshall truce period for this purpose: this was the Soviet plan. It worked perfectly. Today the Communist forces occupy 90 percent of Manchuria.

The fighting in China today is a war between Soviet communism (using her satellites, the armed Chinese Communists) and the democratic forces of the world, of which China has, by choice, taken her place, and for which cause she is now fighting. The whole truth is that China, today, is fighting for the democracies—as in World War I and II. It is but a half truth to call it a civil war. Chinese communism, like communism in every country, is but a part of the international Communist movement.

International communism obeys and is led in all its activities from its supreme headquarters within the Soviet Union.

In the war in China, the Communist forces have fighting for them, not only Chinese Communist troops, but also Korean troops, Mongolian soldiers, Japanese troops, and Russian officers. These international brigades comprise one-third of the Communist force in Manchuria. Some officers of the Russian Army direct military operations. Russia supplies much of the war materials used by the Chinese Communists, most of the guns, ammunition and artillery used were surrendered to Russia by Japan; some of the supplies are part of American and British lend-lease to Russia.

These events I have been citing, so-called Greek civil war and the so-called Chinese civil war— are not part of, the Second World War. True, great wars have as their aftermaths civil war, revolutions, and mass strikes. But these two events, the war in Greece and the war in China, are of a different character. The forces basically opposed in them, opposed and clashing by arms, as well as by economic and political competition, are not alined as were the opposing forces of the Second World War.

One of the main power groupings of that war has indeed been eliminated—Germany and her nazism. The main power grouping, in this third world war, is Russia and her Communist satellites on the one side and the democratic forces of the world on the other. China is fighting the opening battle of the third world war for the democracies.

Is there any hope for world peace? After these years of death and suffering, of exile and destruction, there is a great weariness in the world. It is hard to say it, but hope without action is empty. The penalty for closing our eyes to facts will be heavy; the price of inaction will be catastrophe. To be forewarned is to be forearmed.

Also it is true that preliminary skirmishes, even bloody skirmishes, are not identical with the grand battle and the further widespread, advanced stages of a full world war. Sometimes the grand battle can be delayed, and even avoided. It is possible that the third world war may never advance much beyond these preliminary stages. If the democracies join together and assist each other with the common cause, and put up a united, strong front againt the new aggressor, Soviet communism will fail in her objective—world conquest.

CHINESE GOVERNMENT

During my last visit to the States I was happy to hear and feel the praise and warmth of friendship that swept the country. On this present trip, since I arrived here, I observed a change of attitude toward China. Before, there was admiration and praise for China's heroic fight against the Japanese invader. Now criticism and disappointment because of our courage and determination to fight the new invader. If fighting against aggression and invasion in 1941 was a great virtue, how can it now in 1947 be a vice? Whilst we did not deserve all the flowery praises you showered upon us at the time of Pearl Harbor, yet neither do we deserve the unqualified criticism and scoldings which too many American writers, broadcasters, and some Government officials are giving us today. Specifically, the Chinese Government is accused of being undemocratic, Fascist, nonliberal.

What means Fascist and nonliberal? These words are confusing. What they mean here in the United States, I do not know. But, as used by the Communists in China, all who oppose communism are labeled Fascists and nonliberals.

Is the Chinese Government democratic? In a very true sense I can bear testimony to the fact that it is democratic. However, it does not enjoy all the luxuries of democracy yet. No country does during war. Let me explain.

Some 19 years ago (only yesterday in the perspective of history) the present Government of the Republic of China was established. Only one-score years ago China was

a loosely knit country of semi-independent states (provinces) under the rule of war lords. Today the authority of the Central Government is firmly established except in Communist areas. This is progress. And, incidentally, the reason why we could fight the war so long and victoriously against the might of Japan.

China has already passed through the three stages on the road to a constitutional government: the military period, the period of tutelage (or educational stage) and is now at the door of the constitutional stage. The first two periods are over, and now the era of constitutional government becomes effective, Christmas of this year. Since April of this year, there has been ruling China, an interim, multi-party government. It is a liberal government, because it includes all the political parties of China (except the Communist Party, which was invited, but refused to come in).

Now the highest policy-making body of this coalition government of China is the state council. This coalition council of state is, by law, made up of 40 members. Here is the break-down: The much-belabored Kuomingtang Party, under Chiang Kai-shek has 17 members. The Young China Party has 4 members. The Democratic Socialists have 4 members. The Independents have 4 members. The Communists were allotted 8 members; their front parties given 3 members. Hence out of 40 seats, the Kuomingtang Party has only 17 members—far less than a majority.

Now the executive arm of the Chinese Government is run by a coalition cabinet made up of 24 heads of the various government ministries and commissions. The present political representation in this coalition cabinet is as follows: Kuomingtang 14; Democratic Socialists 3; Young China 3; Independents 4. No more one-party rule in China.

Is the Chinese Government democratic? If by democracy you mean Soviet democracy—that we have not got it. Soviet democracy is slavery. If by democracy you mean certain types of democracy that came out of Europe in the past century, that too we have not. For the engineers and philosophy of that democracy were godless men with no respect for the dignity and rights of all men of all classes. But if by democracy you mean American democracy, which has as its basis and philosophy the American Constitution, and in its interpretation Lincoln's "government of the people, by the people, and for the people," and in its application to others, John Hay's open-door policy in China (defending the integrity of China)—this kind of democracy we have in China in principle, in law, and in government.

Our new constitution is practically a copy of your American Constitution; the children in the schools of China knew the American Constitution almost by heart. The set-up of our government is much the same as yours; its administration is in the hands of a multi-party government. We have freedom of speech, religion, and assembly in China. As I said before, some of the luxuries of democracy we do not yet enjoy, and that because of the necessities of war. For instance, the new general mobilization order, which was issued and signed by the new coalition government, curtails some rights in the interests of national security, for the purpose of mobilizing the nation to fight the new invader and aggressor of China—Soviet communism.

CHINA HINDERED BY INFLATION

The people of China live in a glass house. There are no curtains on the windows of China, much less iron curtains. Within that glass house of China 400,000,000 people, one-fifth of the human family, labors and strives and struggles to make a scant living—with not enough food in the pantry. Everything they do can be seen by the world—nothing is hidden. The correspondents of the world are free to come to China and look in each of the 10,000 windows of the house of China. (In Manchuria Soviet communism has drawn a heavy iron curtain—your newspapermen cannot go there.) If these newspapermen report to you what they have seen, even though it is bad, we are not displeased—that is democracy—for the press can be a powerful deterrent against evil. The truth is that a large section of the American press has criticized China unfairly, indulged in exaggerations, half-truths, and falsehoods.

Runaway inflation in China is the cause of most of the deplorable conditions there. For inflation brings on high prices, which in turn creates black markets. Inflation, cutting down the buying power of salary, brings about a low standard of living. Government servants, military and civil, must look elsewhere for enough money to support their family. This is bad. It drives good men out of the Government. It creates inefficiency and corruption.

All this is true. I wish to state the facts. But I also want to place them in their proper perspective and causes. I am free to speak out. I am a private citizen, not a government official. In China, my six daily newspapers and two broadcasting stations have waged a crusade against these evils of inefficiency, corruption, and graft. I criticize the Government, but constructively, by hammering at the causes of these evils. And the main cause of these evils in China today is Soviet communism. By their invasion, they necessitate a huge standing army and huge war-costs—which is the main cause of inflation. They have robbed Manchuria of her heavy industry ($2,000,000,000 worth), which was brought back to Russia. They have deprived China of 80 percent of her raw materials. They have destroyed large sections of rail-transportation in China and sabotaged every effort of the government to improve China's economy. Conditions in China, political, economic, and social cannot be improved until the Communist invader is driven from our lands.

You might well say: Why does not the Chinese Government tell the world about Soviet Russia's invasion of China? Officially, she cannot. Yalta forced China into a 30-year alliance of friendship with Russia. This treaty of friendship is officially still in force.

Why does not the Chinese Government, at least nail and blast the lies about China in the American press? I will permit a great friend of China to answer that one. I quote Clare Boothe Luce:

"China * * * is the greatest country in the world in terms of what counts most—individual human souls. China, the oldest civilization in the world—and China, the first and longest-suffering of all the United Nations—China—a country too civilized to be 100 percent militaristic, too isolated to be industrialized, too polite to master the vulgarities of propaganda, too patient to know how to complain against her allies. And because the Chinese are too polite and they are too civilized, too proud and too loyal to their allies to give their side of the story in the vulgate called by our so-called civilized nations propaganda * * * therefore, you and I must tell it."

CHURCH IN CHINA

Today in this world, the church is suffering a great persecution at the hands of Soviet communism and her satellites. Greater than the old Roman persecution against the early Christians. Today there are more martyrs for the faith than in the days of early Christianity. The same is true in China. That is, it is true in that part of China occupied by the Soviet Communists—North China and Inner Monogolia.

During the Japanese war, the Communist Party line in China was to appear tolerant toward the church—to win them over. However, after the war, particularly beginning this year, the Communists started an open persecution of the church. The Communists now know that they cannot deceive or win over the church to their cause. Hence their policy now is to annihilate the church. This terrible policy she is methodically carrying out in Mongolia (Inner). Here are some case histories.

Some months ago, in Inner Mongolia, in the Province of Chahar, in the city of Chungli, the Communist troops overran this little Christian village of 3,000 people and slaughtered half the population. Church buildings were destroyed. Inhuman cruelty was perpetrated on this Christian community.

Sungshu Twei Tsi is a town of the Province of Jehol in Inner Mongolia. This is a Christian community of 2,000 people. Communist troops invaded the town. They murdered hundreds of Christian inhabitants.

Recently the famous Trappist Monastery in Yung Kai Ping, Chahar Province, Inner Mongolia, was overrun by the Communist troops, 80 Chinese Trappist monks—noble men who never harmed their fellowmen—were captured and taken away as prisoners. The monastery was burned to the ground. What happened to the monks? Most probably, they were forced into being carriers for the Red army—perhaps they were put to death.

A Polish bishop in north China, together with 12 priests and sisters were beaten by the Communists. Somehow they escaped. Afterward the Communists burned the bishop in effigy before his own church. The Christians there suffered great persecution from the Communists.

Ninety percent of Manchuria is occupied by the Communists. Missions there, both Catholic and Protestant, are suffering at the hands of the Communists. Many missionaries are leaving Manchuria because of this persecution. It is difficult to tell just what is happening there, because the Communists have drawn an iron curtain across Manchuria.

The refugee missionaries seek refuge in the Province of Hopei. Hopei is the most Catholic Province in China—600,000 in number, one-fifth of the Catholics in China. The great Cardinal T'ien is the metropolitan, with his episcopal seat in Peking.

I here pay tribute to the Christian courage and heroism of our suffering and persecuted Christians in north China and Manchuria. They are fighting the good fight. We are proud of them.

CHURCH IN CENTRAL AND SOUTH CHINA

Central and South China is free of the Communists. There the central government of China is in control. Christian rehabilitation is not handicapped. There the church is progressing tremendously. There the church is cooperating with the Government in spiritual and moral reconstruction. Specifically in reopening high schools, colleges, and universities. And in opening new ones. The demand for Christian teachers and educators is far in excess of our humble resources.

High Prices—A Positive Program

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 24, 1947

Mr. HOFFMAN. Mr. Speaker, politicians, some editorial writers and radio commentators following their lead, constantly charge that the Republican Party

has no positive policy; that it merely criticizes, offers nothing in exchange for what it condemns.

That criticism is not sound, rests upon the false assumption that, unless the people are offered more and more of the things which most of us desire, we have no sound program.

If it were possible to give everybody everything we wanted, then the charge that Republicans offer nothing better than what we have would be true. That is not possible for the reason that the supply of things—whether it be money, food, clothing, homes, automobiles, yachts, race horses, or chorus girls—just is not sufficient to satisfy the demands of everyone.

The charge also overlooks the basic fact that a program to end—put a stop to—an unsound, wasteful policy, is a constructive move. When the firemen put out the fire which is destroying your home, they do not build a new home. Yet their act was a constructive one.

Republicans in Congress have had for, lo, these many years, a positive, constructive program. It was an attempt to do away with unnecessary Federal jobs; with waste, extravagance and—worse yet—the corrupt use of the taxpayers' money to aid politicians who were in office; keep us out of war.

The Republican policy was one of retrenchment, of economy, of greater efficiency, but they could not force it upon the administration for the reason, which all informed people should know, that they just did not have the votes.

The last year, Republicans have had a majority in the House. There was an apparent but not a real Republican majority in the Senate. There, almost always three, sometimes five, who were elected as Republicans, refused to go along with acknowledged Republican policy.

As we know, the Republican attempt to cut taxes was twice vetoed by the President. So, too, was proposed labor legislation—on two occasions—until finally enough Democrats joined Republicans to pass it.

HIGH PRICES

High prices are caused by an unusual amount of dollars in circulation or by a scarcity of the things people wish to buy—sometimes by both.

In spite of the persistent efforts of most Republicans, the present administration, backed by a bipartisan group, has insisted on adding to the dollars in circulation. That policy gave the average individual more dollars than he ever had before; thus he was able to bid a higher price than ever before for the things he wanted. Prices went up.

In addition to increasing the number of dollars in circulation, the New Deal, by frightening the people into believing that we were in danger, first from Hitler and nazism, now from Stalin and communism, has been giving foreign nations not only billions of dollars, which are used to compete with us when we go into the market to buy, but it has sent abroad millions upon millions of tons of most of the things we wanted to buy. You cannot send wheat to Europe and bake it into bread here.

Thus you see that it was inevitable that we have high prices. We will have high and yet higher prices until we either get a depression, which no one wants but for which we, by our conduct, are asking, or until we quit giving to others so much of what we ourselves want to buy.

If there are only two cows in the neighborhood and each of 10 farmers with plenty of money wants to buy them, we know the price is going up. If the owner gives one of the cows to someone a thousand miles away, we know that the price of the other will go up, and so will the price of the milk she gives. If we send her abroad, we cannot eat her, nor will she give us a veal roast.

That sort of a situation, as it applies to national policy, Republicans, including your humble servant, have been trying to end by opposing the giving away of things we need, by the printing of billions of dollars—evidenced by bonds—tossing them into the market to compete with your purchasing power.

We have consistently fought to reduce the number of Federal employees, to stop the waste, but so far, when we move in that direction, many times we are circumvented by some administrative agency.

Only through the election of a Republican President, determined, as are the Republicans in the House, to take this Government away from the bureaucrats and the politicians, restore it to the people, will we come out of this inflationary tailspin. It is that or a depression. Avoiding a depression, restoring their Government to the people, is a positive, constructive program. We are for it.

Hospitalized Veterans Aided by Free Educational Courses—Program Originated by Leib

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. SMATHERS. Mr. Speaker, the Veterans' Administration recenty announced that over 20,000 hospitalized veterans are now making profitable use of free educational courses offered to ill and disabled patients in Government facilities throughout the Nation.

It is, indeed, gratifying to note that so many disabled veterans are being benefited by this new and far-reaching educational program.

This is a step in the right direction. Needless to say, this progressive measure has changed many dull and dreary hours into bright and hopeful days for thousands of former servicemen. GI's are now able to continue their educational objectives regardless of their unfortunate illness.

At this time I desire to place in the RECORD three newspaper articles which explain how J. H. Leib, former American Legion and AMVET official, developed the idea and the progress the program has made to date. The documents are as follows:

[From the Washington Daily News of February 19, 1946.]

VA ARRANGES SCHOOL BY MAIL FOR PATIENTS

Free correspondence courses covering 92 educational fields will be available in a few days for patients hospitalized in Veterans' Administration hospitals, Medical Rehabilitation Chief Dr. Donald A. Covalt said today.

United States Armed Forces Institute training will be available for shop as well as classical work for veterans well enough to undertake them, Dr. Covalt said. When the veteran is discharged from the hospital, credits derived from this work may then be added to any further schooling he desires under vocational rehabilitation plans now operating.

The plan was first suggested by J. H. Leib, national director of American Veterans of World War II, in a letter to VA Vocational and Educational Administrator H. V. Sterling. "Future VA hospitals will have class and shop rooms built into them," Dr. Covalt said.

[From the Stars and Stripes and National Tribune of January 24, 1946]

MAIL COURSES AND HOSPITAL SCHOOLING ARE NOW IN OFFING

The legislative representative of the AMVETS, World War II veterans' organization, is out to obtain for tubercular and other World War II veterans who will be hospitalized for protracted periods of time correspondence courses under the GI bill of rights.

Joseph H. Leib, now speaking for the AMVETS in a legislative capacity, has used as a basis for his appeal to the Veterans' Administration the case of a young veteran who had completed all but 1 year of a law course, had contracted tuberculosis, and was in a dilemma for fear that long hospitalization would deny him the right to earn a degree.

A number of Members of Congress interested themselves in the problem, and a favorable ruling has since come from the Veterans' Administration. The decision in the case of tubercular veterans is expected to be extended to ex-servicemen suffering from other disabilities, and it is hoped that eventually classrooms and instruction, in addition to correspondence-course work, will be set up in Veterans' Administration hospitals.

ADMINISTRATION ACTS

A release from the Veterans' Administration dated January 20 and emanating from the office of H. V. Stirling, Assistant Administrator for Vocational Rehabilitation and Education, follows:

A training course for Veterans' Administration personnel, who will offer bedside job counseling and prevocational training to patients in tuberculosis hospitals, will begin January 28 at the Administration's TB hospital at Oteen, N. C.

Students for this training course, which is to last 3 weeks, will be vocational advisers and training officers, occupational therapists, social workers, and doctors of physical medicine from regional offices at Columbia, S. C.; Fayetteville, N. C.; New Orleans, La.; and Lexington, Ky.; and from hospitals at Oteen, Columbia, Outwood, Ky., and Alexandria, La., as well as representatives from the central office in Washington.

Upon completion of their training, vocational advisers and training officers will be assigned to counseling positions in TB hospitals. Similar schools will be held at other TB hospitals in the future.

Instructors for the course will include both Veterans' Administration representatives and members of the National Tuberculosis Association, which is cooperating in expanding its guidance program for TB hospitals.

Job counseling and prevocational training for veterans in the 62 Veterans' Administration general medical and surgical hospitals has already started, with successful programs in progress at such institutions as Hines (Chicago), Bronx, N. Y., and Jefferson Barracks, Mo.

Plans are being mapped to also put the service in the 32 neuropsychiatric hospitals.

[From the National Tribune and the Stars and Stripes of October 30, 1947]

PATIENTS GAIN SCHOOL CREDITS—VETS IN HOSPITALS USE LEISURE TIME PROFITABLY IN STUDYING CORRESPONDENCE COURSES

Twenty thousand ill and disabled patients in Veterans' Administration hospitals are making profitable use of their long hours in bed by studying correspondence courses ranging from high school English, mathematics, and history, to bookkeeping, farming, and carpentry.

Most of the 234 available courses have been obtained by the VA from the United States Armed Forces Institute (USAFI) in Madison, Wis.

The purpose of the educational program—conducted by the educational retraining division of the VA's medical rehabilitation service—is fourfold:

UTILIZES LEISURE TIME

1. It offers a patient the opportunity to utilize his leisure hospital time to best advantage and at the same time provides him with an interest in activities other than the hospital routine.

2. It furnishes him mental stimulation to replace the lack, in many cases, of physical activity. This stimulation is particularly important for patients with tuberculosis who are permitted little, if any, physical exertion. In some VA tuberculosis hospitals, up to 50 percent of the patients are taking advantage of the educational program.

3. It provides a patient with an academic or vocational background of particular value when he leaves the hospital, either to continue his education or to obtain employment.

4. A patient often is enabled to leave the hospital and return to his community earlier, and in a better physical and mental condition for normal living.

The courses, available to patients only with the prescription of physicians, are conducted in this manner:

A patient studies a subject at his leisure, using a recognized textbook, under the direction of a trained VA medical rehabilitation staff member. At the end of the course, he may take an examination to measure his mastery of the subject. The tests are sent to the University of Wisconsin Extension Division for grading.

COURSES USED FOR CREDITS

In most cases, educational courses studied in hospitals may be converted into credits toward a high school diploma if prior arrangements are made with the patient's last secondary school. When credits are desired, examination results are forwarded to the high school for evaluation by the principal.

The amount of credit to be granted for these courses—as well as evaluation, in terms of credits, of all training courses completed by veterans in the armed forces—has been suggested in a Guide to the Evaluation of Educational Experiences in the Armed Forces, published by the American Council on Education.

As a result of the Guide's evaluations, patients may receive credit not only for standard academic subjects but also for military courses such as radar techniques, aviation mechanics, typing and the like.

In cases where long periods of hospitalization interfere with veterans' plans for their future education, they may obtain high school diplomas or equivalency certificates by taking USAFI general educational development tests (Form B), which measure their entire educational background.

These tests consist of five sections, each requiring 2 hours to complete: Correctness and effectiveness of expression; interpretation of reading material in the social studies; interpretation of reading material in the natural sciences; interpretation of reading material in literature; and general mathematical ability.

More than 2,500 patients last year were discharged from the VA hospitals with high-school diplomas earned while bedridden.

One such veteran made use of his diploma to enter Marine Corps preflight training. Eligible for a commission in the Marines after he completes preflight, he wrote the VA, "I finally reached the goal I could have had 4 years ago if I had had a high-school diploma then."

ENROLLS IN DE PAUL

Another former patient, also a bedside high-school graduate, enrolled this fall in the De Paul University pre-law school.

A number of communities are cooperating with VA hospitals in helping patients qualify for high-school diplomas.

Veteran-students in the TB hospital in Sunmount, N. Y., are carried on the rolls of the local high school, and may take New York State Regents examinations when they complete their studies.

The Los Angeles, Calif., school system furnishes teachers for patients studying high-school subjects in nearby VA hospitals.

The Brecksville, Ohio, post of the Veterans of Foreign Wars awards a yearly scholarship of $500 to the outstanding student-patient in the hospital there.

In addition to the VA's educational retraining program, about 100 courses of a technical nature, also obtained from USAFI, are available to patients in the manual arts therapy program of the VA medical rehabilitation service. In this program, patients engage in purposeful shop activities, enabling physicians to measure their work capacity, and at the same time furnish them the opportunity to acquire skills of value of their post-hospital careers.

Courses taken by patients in the VA hospitals are not charged against their entitlement to education or training under the Vocational Rehabilitation Act (Public Law 16) or the Servicemen's Readjustment Act (GI bill). However, a recent VA directive provided for the VA training officers to recognize hospital courses in helping former patients plan educational programs or on-the-job training courses under both laws.

Prohibit Christmas Carols in the Schools?

EXTENSION OF REMARKS

OF

HON. ALBERT L. REEVES, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. REEVES. Mr. Speaker, a day or two ago I had a very interesting discussion with the distinguished commentator, Albert L. Warner, concerning the proposal which has been made to ban the singing of Christmas carols in the public schools. As a portion of my remarks, I include an excerpt from Colonel Warner's broadcast of December 8, with the feeling that there is nothing which could be added to its eloquent appeal:

I run into considerable congressional comment on the effort that has been made in the public schools of New York to prohibit the singing of Christmas carols at Christmas time. I remember last year a local civil liberties union tried to suppress the carols in the schools of San Francisco.

Representative ALBERT L. REEVES, JR., of Missouri, suggests it is a pity that such an issue is raised. The singing of carols is an old historic tradition, he says; they carry a universal message. By the same token, schools and churches, too, Mr. REEVES goes on, might well sing from time to time, and know, the hymns and songs of other faiths. We need to get away from sharp divisions and stratification, he suggests.

As a digression, I might point out that the Noyes Elementary School here in Washington, under Miss Grace Bush, is having a children's play dealing with the current Jewish Feast of the Candles even as it is having a Christmas play later.

It is, of course, proper to be sensitive to the pride and beliefs of all religions. In that connection, who is there of any religion who has not been moved by the grand strains of those old carols? Who can find himself remote from their simple theme of hope and peace and good will?

The real spirit of Christmas is no more exclusive than is the aspiration to peace. It is a time when we are good neighbors and when at last we do something about the less fortunate among us and when we go back to the eagerness and wonder of childhood.

It is a time when good will surges in cold veins and old Scrooge relents and Tiny Tim may say to a universal audience of the heart, "God bless us, every one."

In such a season, oh, school administrators, go about your business of raising the standards of learning and getting teachers who know how to teach and schools enough to give decent equal opportunity to all races. In such a season, oh champions of minorities and civil liberties, go about your business of helping the oppressed, succoring those who are victims of mobs, challenging and fighting prejudice and discrimination. Your task is large and imperative.

But leave to us all, the minorities included, the spirit of Christmas. Leave to us peace and good will, and the songs that sing that message.

Veterans' Administration Boston Office Should Have New Streamlined Building

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein an excellent letter I have received from Thomas Dorgan, clerk of the superior court, civil business, Suffolk County, Boston, Mass., as to the reasons why the Veterans' Administration in Boston should have a new Veterans' Administration building in downtown Boston with all the various facilities housed under one roof.

The letter follows:

COMMONWEALTH OF MASSACHUSETTS,
SUPERIOR COURT, CIVIL BUSINESS,
Boston, December 5, 1947.

Hon. THOMAS J. LANE,
House of Representatives,
Washington, D. C.

DEAR TOM: For the past 3 years I have been suggesting to the Senators and Congressmen of Massachusetts that the only way to have an efficient and economical service in the Veterans' Administration in Boston is to have a new streamlined Veterans' Administration

Building in downtown Boston, with all the various facilities housed under one roof. In fact, I circulated petitions and obtained over 20,000 signatures of Massachusetts citizens which were sent to the Veterans' Administration in Washington.

You know what the set-up is in Boston. At the present time the facilities are operating in three different locations—150 Causeway Street, 555 Tremont Street, and 17 Court Street. It would be an utter impossibility to prevent confusion and duplication of work with such an arrangement. By the time the veteran gets through traveling from one place to another he is pretty well worn out and must feel like putting in for extra compensation.

Furthermore, the present set-up is difficult for the personnel. There is now a shortage of 233 employees, chiefly clerical, at the Boston regional office. The worst situation exists at the Finance Division, which pays the veteran his monthly allotment for disability compensation and educational subsistence. This Division, with the tremendous volume of work entailed, has a shortage of 75 employees. This means that when the work gets behind clerks have to be borrowed from other divisions, which, in turn, causes a serious backlog in their own divisions. The cause of this shortage of help can be blamed originally on the lack of space at 17 Court Street when the Finance Division was started. They were authorized to hire additional help but could not because they had no room for them. Later, when Finance was moved to 150 Causeway Street, where more space was available, the freeze was on, and the central office would not permit the hiring of new personnel. This inefficient arrangement certainly cannot be blamed on the management or personnel of the Boston office, who are doing a tremendous job under difficult conditions. It can be blamed directly on the lack of proper space and the confusion resulting from the present arrangement of facilities.

It is certainly hard for the average taxpayer to understand why, with all the billions of dollars being poured into Europe, it is so difficult to get the money appropriated for a suitable and efficient Veterans' Administration Building in Boston. As long as the present set-up continues there will be inefficiency and confusion—it cannot be helped. It is about time the ball started rolling for a new building for the veterans in Boston, with all the facilities under one roof, and which can be operated on an efficient and economical basis.

With kindest personal regards, I am,
Sincerely yours,

THOMAS DORGAN,
Clerk.

Il Progreso Italo-Americano Publishes Prize Editorial on National Unity

EXTENSION OF REMARKS
OF
HON. ARTHUR G. KLEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. KLEIN. Mr. Speaker, "divide and conquer" has been the guiding rule of aggression as long as there has been aggression. Totalitarian dictators believe that because America is a nation drawn from many nations they can find here a fertile ground for their aggressive international aims. Yet, our national unity has stood like a rock against the continuing flood of divisive propaganda from overseas and even from among some of their tools here at home.

Obviously, the reason is that here in the United States we are, all of us, Americans first of all.

We may be Catholics, Protestants, Jews, Mohammedans, or infidels; but we are Americans. We may be Caucasian, Negro, Mongoloid, or red Indians; but we are Americans. We may have come, or our parents and grandparents may have come, from any country on the face of the globe, yesterday or 400 years ago; but we are Americans.

Here in America we have achieved the nearest to the realization of mankind's dream of equality, freedom, and justice. With it we have attained the greatest development in terms of industrial production and high living standards.

To that accomplishment men of all creeds, of all races, of all shades of political belief, and of every kind of national derivation have contributed without stint.

At the present time there are more than 5,000,000 Americans of Italian descent in the U. S. A., and the history of their contribution to America is inspiring.

It was in that tradition of devotion to America that Il Progreso Italo-Americano, a daily newspaper printed in the Italian language and published in my congressional district, printed an editorial on national unity which was awarded first prize yesterday by the Common Council for American Unity in a national competition in which over 1,000 foreign-language newspapers participated.

Il Progreso Italo-Americano is owned and published by Generoso Pope, a loyal and progressive American and a loyal and progressive Democrat who is himself of Italian parentage. He is a successful businessman of many interests; but closest to his heart are his publishing enterprises.

I know that to Gene Pope—as, indeed, it is to me—it is the utmost gratification that an editorial from his newspaper, which has a daily circulation of 150,000 and a Sunday circulation in excess of 200,000, should have won the common council's first prize.

I am happy to insert in the RECORD the full text of the prize-winning editorial from Il Progreso, and I take the liberty of expressing the hope that Members will take the time to read it, with its exhortation to national unity lest we arm our enemies:

REMOVE THE BLIGHT ON AMERICA

There are three main requirements for our country's fulfilling its great responsibilities in promoting world reconstruction and preserving peace. These three vital requirements are: The maintenance of a healthy national economy, continually invigorating our democratic way of life, and the solidification of our national unity. Upon examination, it will be found that these three distinct factors are intertwined beyond separation in the life of the people.

However, there is one element around which these three prerequisites revolve. That element is the question of racialism—race prejudice and hatred. We know of no other social question which involves as much, and which cuts so completely across our country's welfare and the world's future. Every single manifestation of discrimination on account of race, national origin, or religion hurts America's economic life, saps the vitality of our democratic foundations and institutions, and dangerously disrupts our national unity. Every action in any part of our country rooted in racial prejudice and conceived in bigotry and intolerance is a blow against the entire American people and the fundamental interests of all other nations dedicated to economic reconstruction and peace.

OUR TRUE GREATNESS

The basic source of America's national strength lies in the unity, not only of its geographical sections and 48 States, but above all of its component human elements of diverse national, racial, and religious origins. Here is a rich variety of cultures, ideals, ideas, talents, capacities, and aspirations mingled into one new and distinct national and social pattern. This is America. Here is the why and wherefore of our Nation's unity, vitality, accomplishments, and bright prospects of progress. And by the same token, here is the most dangerously vulnerable spot in the body-politic of the American people. Those who would divide our country along the lines of color, creed, or national origin would ruin its present and future. What we have done in America in welding under one banner and common ideals, men and women from all climes, of all creeds and colors, is a model for older continents, for a world in despair and misery. To spread bigotry in our midst, to peddle anti-Semitism, to discriminate against human beings because of the color of their skin, or to put up economic or social handicaps against someone because he speaks with an accent, or happened to be born in another land is the surest way of undermining America and tearing her asunder beyond repair.

Whether they realize it or not, that is precisely the fatal blow some inhabitants of our country are striking against America when they resort to race hatred, to hostility toward their countrymen of a different faith, and to petty persecution and disgusting discrimination against those who may have been born in Italy or the Ukraine, or whose accent may not be Yankee-pure or of the crystal-clear below the Mason and Dixon's line variety. When such bigots engage in their thoroughly un-American propaganda and practices, they not only hurt some particular individuals at home but injure beyond measure the good name and moral prestige of the whole American people abroad.

ARMING OUR ENEMIES

In Italy, in France, in England, in China, and in Latin America the main weapon, the most effective argument of the demagogs against the United States is the manifestation of race predjudice in our country. Of course, individuals of this ilk engage in terrible slanders and exaggerations. Yet, even the slightest manifestation of race hatred in our country is an opening for dangerous infection, since it provides just the fuel demanded by those who want to inflame world opinion against our Nation. It must be frankly stated that throughout Europe and the Old World, the most sinister and telling method of discrediting America's motives and policies is the pointing of a finger of guilt at our Nation for abominable crimes like lynching or reprehensible economic and social practices based on national prejudices and antagonisms in the United States.

With even the best democratic foreign policy, America will never be able to win the peoples of other lands for world reconstruction and peace as long as we do not seriously set about to uproot every vestige and discard every practice of race hatred, religious prejudice, and national discrimination at home. It is painfully significant that the one section of our country where racialism is rampant, where lynching now and then rears its ugly head, has the highest rate of illiteracy and illness and the lowest level of

poverty. Nothing makes more difficult good government and broad participation of the people in political life than does race prejudice.

Laws against race prejudices? Fine! A Fair Employment Practice Commission? Sure. But valuable as these are, preventive rather than punitive measures will be decisive. Our schools, churches, labor unions, cultural bodies, press and radio must be aroused and mobilized for an unceasing drive against this ghastly blight on the good name of our Nation—against this serious, but not insuperable, obstacle to America's fulfilling its historic destiny.

How Can Capitalism Be Helped To Survive?

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. HAVENNER. Mr. Speaker, I have received a letter from Mr. Frank C. MacDonald, general president of the State Building and Construction Trades Council of California, an affiliate of the American Federation of Labor, in which he directs my attention to an address delivered by Dr. Ira B. Cross, professor of economics at the University of California, before the Pacific Coast convention of the American Association of Advertising Agencies, recently held in Yosemite Valley.

This speech by Professor Cross has been recommended by the California Building and Construction Trades Council for the consideration of all of its officials and legislative committees. At the request of the president of this organization, Mr. MacDonald, I am glad to direct the attention of the Members of Congress to this notable address:

We live in a period when frank talking is necessary. American business must be awakened to the seriousness of the situation that exists both at home and abroad. Many of us thought that the end of capitalism had come in 1933 with all of the banks closed, 15,000,000 unemployed, and distress and discontent prevailing on all sides. But whether or not you as businessmen are willing to acknowledge it, Roosevelt and his New Deal measures gave capitalism another lease on life by placing a lot of props under it at strategic points.

Capitalism now faces an even more serious and a double threat, that is, communism abroad and a possible economic collapse or bust at home, either of which may spell its doom.

And what of a constructive character is being done about it? The answer is little, if anything. We all know that communism is the open enemy of capitalism. We thought that nazism and fascism would protect us against communism, but we had to destroy Hitler and Mussolini because we learned too late that they were just as greatly opposed to capitalism as was communism. Yet in our country today we find many fascistic elements that are using the same tactics and arguments that were employed in the dictator-controlled countries of Germany, Italy, and their satellites. We are actively suppressing all but the accepted ideas of pressure groups, so as to have only one position presented to the people. Practically all of our liberal commentators have been dropped from the air lanes. The National Association of Manufacturers, the National Economic Council, and other groups attempt to censor the texts that are used in our schools and colleges. I need not describe to you how our newspapers are controlled. Remember, in Russia only one set of ideas is laid before the people, and that was true in Germany and Italy. Then, too, we have our anti-Semitic, anti-Negro, anti-Catholic, antiunion, antidemocratic campaigns going strong. Intolerance is rampant, and intolerance sows the seeds for unrestrained, ignorant, rabble-rouser-led mob action. The future doesn't look too rosy.

We fear Russia in Europe. Russia aims to control Europe and Asia. Communism feeds on starvation and discontent. So Russia opposes the Marshall plan and united action by the United Nations. May I say, bluntly, that I am of the opinion that no matter how much food and money we dump into western Europe, we shall be unable to prevent the spread of the influence of the Russian bear. Russia, unlike the United States, knows what she wants and how she is going to get it. We are mere amateurs at playing the game of international power politics. As A. A. Berle, ex-Assistant Secretary of State, said over the air a few evenings ago, we have sadly bungled the handling of the European situation. We have no friends in Europe. Not only have many of the European countries come under the domination of communism, but even England and France are rapidly exterminating capitalism or private enterprise, and doing it to a great extent with the funds that we have loaned them. Now they are back for more money to do more of the same thing.

If the situation in Europe is hopeless, and I think that it is, would it not be wise for us to put our own house in order so as to more successfully withstand the attacks of communism? But some of you may say that communism and capitalism cannot live together. Maybe so, but I think that they can if we have a strong capitalism that has the wholehearted support of its people. Anyway, it is worthwhile to make the attempt. Otherwise, we too shall be swept into the whirlpool of communism.

Let us be frank with each other. We all know that all is not well here at home. Most of our employing and propertied classes still think in terms that were rampant 100 years ago, such as laissez faire, no governmental interference with business, individual rights, caveat emptor, free competition, and so on. I need not elaborate. Possibly many of you or your agencies have had a hand in writing some of the current propaganda along these lines appearing in the press and over the radio. The trade paper, Editor and Publisher, on September 13, 1947, stated that $3,000,000,000 is to be spent during the coming year by advertisers to influence the thinking of the American people. And you know that there is no easier way to influence an editor than to give him a big, juicy advertising contract. Practically none of this propaganda that we have had, or will have, has had, or will have, any appeal except to those whose property interests are concerned, and they constitute a very small proportion of our population. Possibly some of you have had your tongues in your cheeks as you have pounded out that sort of copy. But like newspaper men, you have to write what the boss and the clients demand.

Let us face the facts and not stick our heads in the sand.

First, what about governmental regulation of business? May I briefly dispose of that matter by quoting Mr. Shram, the president of the New York Exchange, certainly not in the pay of Moscow, who lately declared, "Businessmen are in favor of free enterprise until it works against them, then they rush to Washington and ask that the Government do something."

Second, what about free competition, which is the very basis of a belief in free enterprise? It has been interred along with the dodos. We are living in a highly monopolized economic society. You have all heard of the aluminum monopoly. One firm controls over 95 percent of our nickel, another controls about 90 percent, possibly more, of our cash registers. Only one telegraph company. Two banana importing companies. Five glass producers, and two control 95 percent of the product. Two produce all electric accounting machines. Two all railroad brakes. Three, 90 percent of our autos. Four, more than 75 percent of rubber tires and tubes. Four, all inlaid linoleum. Four companies produce over 75 percent of the product in typewriters, farm tractors, carburetor engines, acetylene, rubber footwear, dry batteries, power transformers, ammunition, cigarettes, firearms, sewing machines, chewing tobacco, milk bottles, steel rails, window glass, and so on. Ninety percent of all prime war contracts went to 200 corporations. One and one-half percent of all American businesses employ 55 percent of all of our workers. Who says that we are living in a competitive era, an era of free enterprise? But maybe we can fool all the people all of the time by the right kind of propaganda. Yes; business believes in free enterprise and competition so long as one is able to crush the other fellow and obtain a monopoly. Even organized labor believes in competition, for it also is eager to obtain a monopoly. Then, too, we must admit that there are many fields of economic activity which today are closed to the entrance of newcomers. They can't buck the monopoly.

Third, the Federal Trade Commission, in its 1946 annual report, uses seven pages to list the unfair and objectionable practices of business—unfair to competitors and to the public. I haven't time to enumerate them. A number of these practices concern false and misleading advertising. You are undoubtedly better acquainted with those things than I am, so I shall not enumerate them. Actually, the situation has become so bad that many of the consuming public no longer have any faith in printed or radio advertising. This attitude reacts upon the reputation of firms that are actually trying to play square with the public, and cuts under the foundations of capitalism. Advertising must be cleaned up, for it has the responsibility of building up the faith of the public in private enterprise.

Fourth, practically all of our public-relations advertisement, of which we are having so many at the present time, are ineffective and a waste of money. It doesn't do any good for an oil company to tell the public that John Doakes, an immigrant, has worked up to become a foreman, or for the United States Steel Corp. to radio that it loves its employees. Actions speak louder than words. Take the present wages-prices-profits situation. Cost of living goes up. It goes up first and not because the workers have demanded higher wages. Then the workers demand higher wages; then prices go up, and the workers are blamed for it; or workers strike, an increase is given, and then prices go up, usually more than wages do. During the past few years we have had many strikes; companies have said that they would go broke if they paid higher wages; yet the Wall Street Journal stated that "profits of the United States industry for the June quarter 1947 showed a whopping 84-percent increase over the year-ago level. The first half-year profits were the highest ever." The National City Bank of New York stated that the industrial profits in the first half of 1947 were approximately double those of the first half of 1946. Capital has not been willing to share its enormous profits with the workers, and so we have had a growing hatred of business by the working class. Do such things build up good will for capitalism

among the people? I have never met a pay roll, but I want to quote from a man who does it every day. Mr. Charles Luckman, president of Lever Bros., in an address before the Super Market Institute, asked and then answered the following question:

"Why is it that during the past 20 years American business has become identified in the public mind as opposed to everything that spells greater security, well-being, or peace of mind for the little guy? Why is it that scarcely a month goes by these days but that some trade association or other decides to embark on a crusade to save free enterprise for America?

"I think the answers are pretty clear. We got the reputation we have because, by and large, we earned it. How? Well, we declared war on collective bargaining. We actually opposed increased taxes for education. We fought health and safety ordinances. The record proves that we battled child-labor legislation. We yipped and yowled against minimum wages. We struggled against unemployment insurance. We decried social security, and currently we are kicking the hell out of legislative proposals to provide universal sickness and accident insurance.

"We did all of these things without making one single constructive suggestion which would assure the American people of our desires to achieve the same results for them on a basis which would be more businesslike and less political. Where on the record is there a single example to show that big business ever initiated a legislative program of benefits for the workers?

"We did all of these things, and then we sit back and wonder why people don't like big business. We wonder why it is necessary to start campaigns to save free enterprise from the 'damnation bowwows'."

If we are to retain capitalism, we must have a changed attitude on the part of our employers. Labor which has the votes, may some day, notice that I say "may some day," be led by a rabble rouser to overthrow our capitalistic system as is being done today in the European countries.

Finally, the greatest threat that capitalism faces is the next depression, which is just around the corner, if it hasn't already started. Many of us have forgotten 1933. With our economic life rent asunder, every sector of business and every other group rushed to Washington and yelled, "For God's sake save us from destruction. Do something for us." Practically everybody got something. Even some college professors got work on WPA. But that crash did something to the American businessman; it took some of the daring out of him. He had lost so much that he feared to take risks with his capital. And so until World War II, capitalism was pretty wobbly in the United States, but it perked up during the war because of war contracts and Government guarantees, and since the war, has been reveling in a champagne era of high prices and profits. But what about the future? There is every indication visible to the observer that we are headed for a bust, and in my estimation it will be a "beauty." And that's just what Russia wants.

The world is bankrupt. England, formerly the world's financier, is flat on its back financially. We are two hundred and sixty billions in the hole, where we had a debt of only fourteen billion after the First World War and the European countries, outside of Germany, were not really in bad shape. Hence, this coming depression is going to be a bad one.

What are the signs on the horizon?

We have always had a depression after great wars. After World War I it came in 1920, about 2 years after the Armistice.

The present extraordinary high level of prices is bad. The so-called law of supply and demand failed to work after business had killed OPA. The higher prices go, the farther they fall, and prices do not slide down slowly. This means a depression. Prices will not decline because of President Truman's pleas, but because of the lack of buying power on the part of the public. The Federal Reserve Board of 1946 announced that 50 percent of our people had only 3 percent of the buying power of the Nation. It is buying power that takes goods off the market and provides employment and profits. Savings have dropped from thirty-three billions in 1945 to sixteen billions in 1946 and to about eleven billions in July 1947. People are spending money for food and not for other commodities, with the result that inventories have piled up rapidly. Retail stores are fully stocked, some of them overstocked at present. Banks are refusing to make loans on inventories or are increasing the margins on such loans. Retail sales are off both in value and volume. Bad accounts are increasing. Industrial production dropped steadily from March 1947 to September, then rose to about where it was in May 1947. The number of lapsed life-insurance policies is a good indicator of business trends, and the number that have been allowed to lapse has been rapidly increasing.

The stock market is very wobbly. The situation doesn't look good to those in the market.

Exports have been off since May, dropping 20 percent from May to July. One out of every 12 industrial workers and 1 out of every 4 farmers is concerned with our foreign trade. The European countries are not buying from us as they did. They haven't the dollars to buy with. We won't buy from them because of our tariffs, so they can't get dollars in that way, but even so, they haven't very much that they could sell us at the present time. So we loan them money to buy from us—taxpayers' money—and rest assured that those loans will not be repaid any more than were the thirteen billions that we loaned to Europe after the First World War for reconstruction purposes. Yet you wonder why taxes are high. Without buying power at home and abroad where will we, where can we, find markets for our goods? And if we can't sell we shall have to shut up shop with a resulting depression, unemployment, discontent, and a rapid growth of radical agitation directed toward the abolition of capitalism, which will again have failed the great mass of the people.

There is no valid reason why we should have depressions under capitalism. We know what can be done to avoid them. We should increase wages to increase purchasing power; we should have adequate credit control; we should lower our tariffs so as to enable other countries to sell to us; we should stop supporting farm prices by Government controls; and we should enforce our antitrust laws so as to break up collusion in price fixing. But the power of the various selfish economic pressure groups makes the application of such measures impossible. Note how Truman's plea to use less bread, meat, eggs, and poultry has brought condemnation down on his head from various economic quarters.

What we do need most of all at present is leaders in the economic and political fields—men with vision to make life under capitalism a life of security and happiness for the people.

Bolshevism, nazism, fascism came out of the First World War. What will the Second World War bring us? Can we resist the world-wide swing toward the left? Which way will we go? Judging from the way things are going, and paraphrasing Mr. Cassady, of Allen's Alley, it looks as though capitalism isn't long for this world in the United States. If labor wins, the trend will be toward some sort of American communism. If capital wins, the trend will be toward some sort of American fascism.

We can build a better world here in the United States under capitalism. Let us have the sacrifices to make it work. But we must have less greed and selfishness on the part of employers, unions, and farmers. If capitalism is to be wrecked, it will be wrecked, not by the radicals and revolutionaries who oppose it but by the capitalists who control it. If it is to be saved, it can be saved only if those who control it recognize that economic power is a call to responsibility, a call to the service of humanity and to themselves.

Freight Forwarders Act

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mr. BLAND. Mr. Speaker, in recent weeks several problems have arisen concerning the position of the American freight forwarders under the foreign-relief programs. For the benefit of the Members of Congress who are not familiar with the functions of freight forwarding, let me say that these people pick up cargoes shipped to ports from all over the country, arrange for its unloading, prepare ocean bills of lading and consular invoices, arrange for cargo space aboard ships to carry the cargoes to their destination, and generally chaperone cargoes from their arrival at the port to their loading in the hold of the ship. During the early days of the war, Congress enacted the so-called Bland Freight Forwarding Act, which has been codified as section 217 of the Merchant Marine Act of 1936, as amended. Under that act, it was contemplated that the Maritime Commission and other Government departments would take all possible steps to protect and develop the freight forwarding industry, both during wartime and in the postwar period. Experience in the war demonstrated that private forwarders could handle ocean-going cargoes more expeditiously and cheaper than it had been possible for Government agencies to do.

At the present time there is some question as to the application of the Freight Forwarding Act to the present postwar period. In my opinion, both from a study of the act and from my recollection of the congressional intent in its enactment, there can be no question but that this was a postwar act and that its provisions are as applicable to present relief cargoes as they were to lend-lease shipments.

In order that the Congress may be fully aware of the Freight Forwarding Act, its purposes and its postwar operation, I am here inserting a copy of a speech recently delivered before the Freight Forwarding Panel of the American Merchant Marine Conference by Marvin J. Coles, formerly counsel to the Committee on Merchant Marine and Fisheries:

For decades many problems of the American merchant marine have been resolved through governmental assistance and regulation. The competitive disadvantages of Americans in our international competition with comparatively low-cost foreign ship operators have required constant Federal assistance to maintain our maritime industry in a reasonably healthy condition. Several

examples will show this Government assistance has covered all phases of the industry. For one, American shipbuilders have been aided through the grant of construction differential subsidies sufficient to compensate for lower construction costs normally available in foreign yards. Our ship operators in foreign trades have been assisted through the availability of operating differential subsidies and tax deferrals, while our coastal operators have been protected against competition in their trades by foreign vessels. American seamen have received both the indirect benefits of the subsidy and protection programs as well as direct governmental assistance through our safety laws designed directly for their benefit and protection. In short, every segment of the American maritime industry has been receiving Federal support in their day-to-day operations.

Like other parts of the industry, freight forwarding, too, has been the subject of beneficial legislation. For freight forwarding has been recognized by the Congress as an essential portion of our maritime industry and an important adjunct to the American merchant marine.

In substantial measure, the entire future of freight forwarding and the freight forwarders may depend upon this existing legislation for the development of the freight-forwarding segment of our marine industry. At the present time, with the problems arising from the huge shipment of relief supplies abroad, that simple statute may represent the difference between prosperity and bare survival. Yet, unbelievable as it may seem, in the many discussions I have had with people in the freight-forwarding industry as well as those in the Government, I have yet to find anyone who had thoroughly analyzed and studied the legal position of our freight forwarders so as to be able to understand and enforce the rights which have been granted them by congressional enactment.

Usually referred to as the Bland Freight Forwarding Act in honor of Judge BLAND, a long-time friend and proponent of freight forwarders, the basic statute embracing freight forwarding as a part of our merchant-marine industry and policy was approved by the President on March 14, 1942. Significantly, it has been codified as section 217 of the Merchant Marine Act of 1936. It is a short and comparatively simple piece of legislation. Nevertheless, so many conflicting opinions, arguments, and interpretations of its provisions have been given that it becomes important to analyze the statute and its legislative history most closely.

At the outset, let me read two sentences as they appear in this statute. The first sentence of section (a) states that:

"The Commission is hereby authorized and directed, through such administrative measures, agreements with other Federal departments and agencies, contracts with individuals or private business concerns, or other arrangements, as it may deem to be necessary or appropriate in the public interest, to coordinate the functions and facilities of public and private agencies engaged in the forwarding and similar servicing of water-borne export and import foreign commerce of the United States, for the efficient prosecution of the war, the maintenance and development of present and postwar foreign trade, and the preservation of forwarding facilities and services for the postwar restoration of foreign commerce."

Next let me read the first sentence of section (b), which adds that:

"Other Federal departments and agencies are hereby authorized and directed to cooperate with the Commission by entering into and carrying out such agreements as may be necessary to effectuate the purpose of this section."

Several minor provisions can be noted and largely forgotten. One provides that lend-lease shipments shall be included within the coverage of the legislation.

For practical purposes of analysis, we can confine ourselves pretty well to the two quoted sections. Simple as they may seem, they do require a break-down to understand their full coverage. Looking at the first section, it will be noted that the Commission is not only authorized, but "directed," to take certain types of action to accomplish certain specified purposes. The action directed to be taken includes (a) administrative measures, (b) agreements with other Federal departments and agencies, (c) contracts with individuals of private business concerns, or (d) other arrangements "as it may deem to be necessary or appropriate in the public interest to accomplish certain purposes." Looking at the purpose to be accomplished, we find it stated to be to coordinate the functions and facilities of public and private agencies engaged in forwarding and similar services to water-borne foreign commerce in order to provide for (1) the efficient prosecution of the war, (2) the maintenance and development of present and postwar trade, and (3) preservation of forwarding facilities and services for the postwar restoration of foreign commerce. As you will see from the second section of the act which I previously read, the work to be done under this act is not limited to efforts by the Maritime Commission. On the contrary, other Federal agencies and departments are both authorized and directed to cooperate with the Commission by entering into and carrying out such agreements as may be necessary to effectuate the purposes of the act.

From the break-down of the statute which we have just made, it is my opinion that the law clearly envisages not a temporary wartime measure, but also a postwar program for the preservation of freight forwarding as an adjunct to our foreign commerce and our merchant marine. Nevertheless, recent developments, particularly those relating to the shipment of foreign relief supplies, have raised serious questions concerning the coverage of the statute. These interpretations clearly suggest the advisability of examining the legislative history of the act.

In seeking to determine the intent of Congress in promulgating a statute which may be ambiguous in its terms, first resort is usually made to the debates on the floor of the House and Senate to determine what the Members of these bodies believe the legislation to cover. Unfortunately, little assistance can be found from the floor debates, as this statute was passed by both Houses under the unanimous-consent rule.

In the absence of enlightment from the floor debates, let us turn to the next best sources, which are the reports of the House and Senate committees. Our job is made easier, as the House report was adopted in toto by the Senate committee. Looking at the report of the Committee on Merchant Marine and Fisheries explaining the legislation's coverage, it becomes clear that Congress did not intend this act purely as a war measure, but believed that its operations should and would continue in the postwar period. Moreover, and most important, these reports demonstrated forcibly that, in the opinion of the Congress, freight forwarding is essential to the postwar development and continued health of the American merchant marine and our foreign commerce. As evidence of the latter opinion, let me read you two brief excerpts from the report. First is the statement that:

"It was clear to the committee that the work of freight forwarding is essential to the movement of goods in foreign commerce under normal conditions."

The importance of freight forwarders to the postwar merchant marine was demonstrated by the statement that—

"The freight forwarders and licensed custom brokers, in the opinion of your committee, are necessary and vital agencies in the promotion of an American merchant marine to such an extent that, if they should be eliminated and the business formerly done by them should be done only by the representatives of their competitors, the future of the American merchant marine in the postemergency period will be precarious in the extreme."

Other statements in the committee report demonstrate forcibly that it was the congressional purpose to extend the benefits granted by the then pending legislation into the postwar period. For example, the committee stated that—

"Your committee has been particularly concerned not only with the unsoundness of shunting aside American companies by any foreign government agencies (no matter how friendly such government or agency may be) but with the more serious matter of ascertaining and preserving the experience and ability of American firms for the benefit of foreign trade after the restoration of peace.

"Some coordination of forwarding both in carrying on the war and after the war is and will be necessary in the interest not only of American forwarders but of our foreign trade in general. To be effective this involves the correlation of functions and facilities of public agencies concerned and the private business firms engaged in foreign freight forwarding and the handling both of exports and imports."

At the very end of its report the committee described the steps to be taken by the Maritime Commission under the bill to include "development of plans for postwar coordination of foreign trade, ocean ports, transportation, and cargo forwarding and handling, to the best interests of the American trade and the American merchant marine."

The committee then stated that:

"Your committee believes that the last-stated objective is one of the most important points of this legislation. The measure is aimed not only at the current problems but at the vital problem of maintaining our merchant marine and our foreign trade after the war ends."

While I hesitate to belabor the point by adding additional authority for this opinion, I think it advisable to give the comments of the Maritime Commission on this legislation. These also demonstrate the then considered opinion of the Commission that this measure had postwar applications. In his report to the Congress supporting this legislation the following two statements were made by Admiral Land, then Chairman of the Commission:

"The proposed legislation would authorize and direct the Commission to coordinate the forwarding of water-borne exports for the efficient prosecution of the war, for the maintenance of essential foreign trade, and for the preservation of forwarding facilities and services for the postwar restoration of foreign commerce. While it is impossible at this time to forecast the extent of the problem of postwar restoration, it appears inevitable that the dislocations of normal trade already experienced will become even more extensive as a result of the spreading conflict. Consequently, it would appear to the Commission to be advisable to plan now for the continuation at least for a reasonable time after the end of the war of whatever supervision of forwarding may be undertaken as a part of the war effort.

"The coordination of the functions and facilities of public and private agencies engaged in the forwarding of water-borne exports (and imports) would appear to be a broader undertaking than the task of supervising and directing the forwarding of lend-lease and military supplies which the Commission has already undertaken. Such coordination would supplement the immediate supervision and direction undertaken as part of the war effort, and would provide the means for the continuation thereof after the

war ends, when the problems of postwar adjustments will become acute.

* * * * *

"The bill under consideration would provide coordination of forwarding 'for the * * * preservation of forwarding facilities and services for the postwar restoration of foreign commerce.' The Commission considers this to be one of the most important features of the proposed legislation, since authority exists without legislation to take such steps as may be required for the effective prosecution of the war."

In summary of the matters I have just mentioned, I should like to repeat three things. First is that Congress in the Freight Forwarding Act directed the Maritime Commission to coordinate and preserve the freight-forwarding end of our water-borne foreign commerce. Second, Congress intended this development and preservation to be a postwar project rather than limiting it to the war emergency. Third, Congress expressly directed other Federal departments and agencies to cooperate with the Commission to carry out the purpose of the act. In short, Congress has directed the Commission and all Federal agencies to cooperate in the development and preservation of the freight-forwarding business of today.

Let us now place this legal position against the background of certain practical conditions existing in freight forwarding today. At the present time and during the coming few years, huge cargoes of Government-owned supplies are being and will be shipped abroad for foreign-relief purposes. All of these cargoes must go abroad by ship and most of them require the same services as would be given to ordinary commercial shipments. In handling these cargoes, should private freight forwarders be used or should Government facilities such as those of the Army be availed of to handle them? That is the crux of the economic situation facing you today. Congressional intent seems quite obvious.

In determining what is most in the public interest, numerous factors must be considered. First is the question of cost. If it will cost the Government less to ship through use of Army facilities, that is an important consideration. If it will cost less to ship through private freight forwarders, that is an almost incontrovertible argument in favor of their use. But in addition to the dollars-and-cents aspects, substantial consideration must be given to the importance of maintaining the freight forwarder, the interest of the American merchant marine in their preservation and prosperity, and the future as well as the present services which freight forwarders will render to our maritime industry.

By the Bland Freight Forwarding Act, the Maritime Commission has received a congressional mandate to develop, coordinate, and preserve the freight-forwarding industry. To accomplish this purpose, it may well be willing to take the lead, if compelling reasons to do so can be advanced by the forwarders, to coordinate the shipment of all foreign-relief cargoes. Such action could well be used to assist the American ship operator as well as the forwarder. But the Commission must first be convinced by you of the necessity of undertaking the job and of doing so now. Moreover, in view of the Commission's lack of funds and personnel, the endeavor would have to be a joint job, having the active rather than passive assistance of the forwarders.

Looking into the future, no one of us can predict what the coming years will bring to our Nation, to its merchant marine, or to the freight forwarder. Looking at the latter's problems, though, I think that present indications are that we will find constant pressure to subordinate, and perhaps eliminate, the freight forwarder from the shipping picture. To avoid this, those of you in the freight-forwarding portion of our maritime industry must, I believe, provide an affirmative program. Should you fail to do so, I think there are serious questions whether there will be sufficient persons in the freight-forwarding business 10 years from now to require a panel of this kind at the 1957 Propeller Club meeting.

It seems to me that section 15 of the Shipping Act of 1916 offers the legal background and basis for an association of freight forwarders. An association formed under this authority, and with the approval of the Maritime Commission, could establish self-governing rules for freight forwarders which would insure the abolition of abuses. Of equal importance, through such an association, the views of the freight forwarders could be coordinated for presentation to the Commission, the other Government agencies, and to the Congress. The second action which the freight forwarders must prepare to take in the near future is the presentation of their views and needs to the Congress.

If the use of Government forwarding facilities will save the taxpayer money, your problem of combating denial of the Freight Forwarding Act will be difficult. People in the freight forwarding industry have assured me, however, that they can demonstrate that use of their services will save the Government large sums. To insure your continued position and the use of your services for the relief program, it will therefore be necessary for the freight forwarders to present their views and proof to the congressional committees involved. Those of you in the freight forwarding industry must be vigilant to see that all necessary information and proof of your views are given to the committees prior to their making their recommendations to the Congress.

One other problem remains. Over the long term, the freight forwarders must develop a program of how they can best assist American commerce and the American merchant marine. Additional future legislation for the benefit of the forwarders as a group, should this become necessary, cannot be expected unless such a showing can clearly be made. While the Congress has indicated its interest in the protection and advancement of freight forwarding, it has done so solely because of the importance of their functions to the over-all advancement of our merchant marine. The legislation so far granted is not a hand-out, but has been designed to accomplish a particular purpose of assisting in the development of our foreign commercial shipping operations. Accordingly, in coming to the Congress for any needed future assistance, I believe it necessary for the freight forwarders to show not only that they are experiencing certain difficulties, but that should the Congress legislate to resolve these difficulties, such legislation will substantially benefit not only the forwarders but the American merchant marine, American foreign commerce, and our Nation as a whole.

Twenty Million Children Share Europe's Misery and Fear

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. JAVITS. Mr. Speaker, the following article picturing the hunger and devastation of Europe's children should be read by every Member. This is a special problem apart from the hunger of Europe's adults. There will indeed be little hope for Europe if this devastation among the children continues. Continued support of the international children's fund and support of my bill, H. R. 2446, to permit the entry into the United States of war orphans for adoption free of the quota is clearly indicated by this report.

The article reprinted from the New York Times of December 8, 1947, is as follows:

TWENTY MILLION CHILDREN SHARE EUROPE'S MISERY AND FEAR—HUNGER AND DEVASTATION OF WAR'S AFTERMATH SHARPEST IN EFFECT ON THEM—NATIONAL AID EFFORTS SHOWN IN SURVEY

(By Michael L. Hoffman)

GENEVA, December 2.—The approach of Europe's third postwar Christmas finds 20,000,000 children on this continent living in squalor and misery, in cold and in fear.

As holiday shopping gets into full swing in the United States a world-famous doctor reports from Rumania:

"Hundreds of nearly naked children are roaming the countryside in an eternal search for food. Many were casualties of mine-laying and have lost legs and arms. Whole families are existing on cucumber soup and on bread made of dirt and straw."

Not all Europe is in straits so bad as Rumania's, but everywhere children in such numbers that the future of whole nations is at stake are underfed, underclothed, and living in a state bordering on savagery.

In no aspect has war so terrible an aftermath as in its devastation of the lives of children. The brighter side of the picture is that in no area of national and international recovery is so much being done to fight the consequences of war. Perhaps even more significant, in no other field is there so much honest nonpolitical activity that cuts right across the east-west barrier.

Correspondents of the New York Times in Europe have surveyed the status of Europe's orphans at the beginning of this potentially disastrous winter. The picture varies greatly from rapidly recovering Belgium, where nearly all orphans have been absorbed in the community and had a new start, to disturbed Greece, where 150,000 child refugees have been added to the 300,000 or more other orphans of World War II. Everywhere the reports show that governments consider children the No. 1 priority.

With astonishing rapidity, the International Children's Emergency Fund, an agency of the United Nations, has gone into operation to help stem the deterioration of child health. With only a little more than $38,000,000 to go on, the fund plans to see that at least one good meal a day is provided for 3,500,000 children in 12 of the hungriest and most devastated countries.

Within 90 days of the receipt of its first contributions, the fund had shipments on the way to Europe.

One of the gravest problems is that of orphans. More than 1 of every 10 Greek children have lost one or both parents. There are more than 500,000 war orphans in Yugoslavia, and probably as many in Italy and Poland.

SWITZERLAND'S HAVEN

GENEVA, November 29.—Switzerland, whose children mirror the healthy, prosperous condition of their country, has taken on heavy burdens in helping the children of her less fortunate neighbors.

Last winter 1,000,000 children in 7 countries received one meal a day from Don Suisse, an agency that has official and private financial support. This winter Don Suisse will pool much of its activity with the United Nations Children's Fund.

With a population of slightly more than 4,000,000, Switzerland in this activity alone contributed to Europe's children more than $1.20 a person. The equivalent contributed

in the United States would be nearly $170,000,000.

Even more characteristically, the Swiss contribution is in taking children directly into Swiss homes. Individual Swiss, at their own expense, have cared for more than 135,000 children for periods averaging 3 months during the war and postwar years. Since 1933 more than 5,000 refugee children have been received unconditionally into Switzerland. Four hundred children from the Buchenwald concentration camp are still here, awaiting permission to enter Palestine.

A more permanent rehabilitation job is being done in a child city named after the famous Swiss educator, Pestalozzi. While only a few can be taken, those lucky enough to be chosen are educated, trained, and allowed to stay in Switzerland or return to their homes when conditions warrant, as normal, healthy citizens. There also are two Pestalozzi villages in Greece, and one in Poland.

FIFTY PERCENT INFANT DEATHS IN ALBANIA

GENEVA, November 30.—According to child welfare experts who have visited all the Balkan States, Albanian children are in the greatest need.

No approximate statistics exist on the number of children suffering from undernourishment or tuberculosis or even on infant mortality. A competent physician estimated recently that the infant mortality rate was almost 50 percent, which is nearly double the worst rate recorded in any other European area.

There are fewer than 200 doctors for the country, which has a population of more than 1,000,000, most of which is thinly spread. There are a few good hospitals in Tirana, the capital, but only the most rudimentary facilities are found elsewhere.

Undulant fever and tuberculosis are common, as nearly all cattle are infected with both diseases. Diphtheria is reported to be bad because supplies of vaccine furnished by the United Nations Relief and Rehabilitation Administration have run out. No antitoxin is available for the winter. All medicines are short.

To bring Albanian children up to anything like adequate standards of diet and medical care is a work of generations. The most emergency aid can do is to keep alive some that would otherwise die this winter.

TITO NURTURES A GENERATION

GENEVA, December 1.—With more than 90 percent of all social-welfare institutions destroyed by the war, Yugoslavia is struggling to aid her more than 500,000 orphans and hundreds of thousands of undernourished, underclothed children who have parents but not much more.

The Government, through several ministries, is giving 112,800 children free meals in schools or kindergartens. More than 650,000 children receive other aid, such as shoes, clothing, and textbooks, when available.

Medical experts who visited the country recently report terrible ravages of tuberculosis and other postwar diseases. From 10,000 to 12,000 active cases of tuberculosis were reported. The rate of pulmonary tuberculosis is described as "enormous" among small children.

Throughout the country children with one leg or one arm can be seen struggling along with inadequate artificial limbs or none at all. Most of them are victims of mines that the Germans and Italians left in fields and along roadsides.

GREEK STRIFE HEIGHTENS MISERY

ATHENS, December 1.—Greece has about 250,000 orphans as a result of the war or the guerrilla fighting, according to sketchy statistics of the welfare ministry.

The ministry says that there are about 100,000 children under 14, most of them orphans in need of immediate and full support. Government, private and foreign institutions, and relief programs are taking care of only 25,000. This leaves 75,000 in desperate straits. American welfare agencies consider all these figures padded and think those facing the winter without care total about 20,000.

The problem looks much more serious than it was last year because the food that the UNRRA allocated for children is gone.

Many boys take to the road and emigrate to the towns without identification papers. They make a living selling cigarettes, candy, and newspapers, and shining shoes. They take occasional jobs. Some engage in petty thievery. Although the realistic police look the other way most of the time, inevitably some are arrested.

MAJOR EFFORT IN BULGARIA

SOFIA, BULGARIA, November 27.—"The greatest wealth of a nation is its children," is a theme basic in the Bulgarian Government's internal policy. All former private institutions and enterprises for children are now state undertakings and three ministries, those of Education, Health, and Social Policy, provide large sums for children's care and coordinate their efforts for radical reforms in the bringing up of children.

Under a new scheme, children are divided into three groups—infants, preschool, and school age.

Infants receive the highest proportionate milk, sugar, butter, and clothing rations. The preschool age group, from 3 to 7 years of age, is the object of a special education program which is superior to any previously tried in Bulgaria. Newly set up this year are 20 crêches, 700 kindergartens, 170 special summer kindergartens, and 2,000 village summer children's homes.

More than 1,000,000,000 leva have been spent this year on children's homes, orphanages for ordinary and war orphans, and nurseries. Another 1,660,000,000 leva have gone as aid to newlyweds and large families. School-age children from 7 to 14 years old are organized in state groups.

Shortages of food, clothing, medicines, and other basic articles—in large part the effect of three consecutive droughts—greatly hindered the government's scheme. Bulgarian children are still undernourished and the infant death rate is very high.

RUMANIA EXPANDING AID

BUCHAREST, RUMANIA, November 25.—Rumania emerged from the war with about 200,000 war orphans. Life is not easy for them or for any other Rumanian today.

Inflation and two successive years of severe drought, linked with heavy reparation payments and the costs of supporting occupation armies, have created great scarcities of foodstuffs and other necessities of life.

The Government's current effort to care for the children is a modest one, but it is being expanded as rapidly as economic recovery will permit. Authorities report that the delinquency rate among war orphans is not disproportionately high.

The entire State budget for orphans, widows, and disabled veterans for the period from August 15, 1947, to April 1, 1948, amounts to 1,162,000,000 lei, or $7,700,000. It is hoped that a special issue of stamps will raise another $13,300,000 for the program. According to Ion Clopetel, general director of the IOVR, which looks after the orphans, widows, and disabled veterans, no distinction is made in granting relief to those needing it because of the war against Russia or against Germany.

HUNGARY'S FUNDS LOW

BUDAPEST, HUNGARY, November 16.—There are 56,000 children in Hungary who were orphaned by the war. Most have been left with relatives or foster families. The Government pays $2.10 a month for the support of children who lost both parents; $1.75 for the care of half orphans. By law, all war orphans are entitled to one meal a day at public expense, and they pay no tuition fees.

The financial resources of the Government and communities for the care of war orphans are almost depleted, and foreign aid plays a large role, although lately United States willingness to grant such aid has fallen off. The Hungarian American Society began a token adoption scheme under which foster parents contribute $3 to $45 a month. About 3,000 orphans may eventually come under this scheme.

For orphans cared for in asylums the Government contributes $8 a month. Asylum facilities are limited and there is an urgent demand for accommodations. The delinquency rate is reported to be high.

CZECHOSLOVAKIA LOSS UNTALLIED

PRAGUE, CZECHOSLOVAKIA, November 24.—The Ministry of Social Welfare lists the names of 43,939 war orphans in Czechoslovakia, but the list is far from complete.

Many Slovak families were dragged away by the Nazis during the German retreat and the children neither are listed as dead nor have they returned. In Bohemia-Moravia alone one nonpolitical organization, the Association of Freed Political Prisoners, has on its lists 40,000 widows and orphans seeking financial support.

The Ministry of Social Welfare gives war orphans some financial help. Mostly, they have been placed with foster parents, and only problem cases are in state child welfare institutions.

In Slovakia, of 500 children who have lost a leg or arm or suffered other major injury by explosions of mines, 50 are being cared for in children's homes. The rest receive no rehabilitation training.

This year's poor harvest because of drought has already reduced food rations, especially of milk, eggs, and fats, which means that many of Czechoslovakia's children need to be constantly watched and helped or they will again approach the danger line in health.

POLAND'S 500,000 ORPHANS

WARSAW, November 29.—The war left Poland with nearly 500,000 war orphans, whose care and education has been made a primary concern of the new Polish Government. An extensive program for child welfare has been instituted over the last 2 years, and 19,000,000,000 zlotics will be spent on it this year.

The orphans are housed in 1,000 special homes dispersed throughout the country, mainly in former palaces and manor houses on the estates of the aristocracy that were taken over by the government. The children up to 3 years come under the care of the Ministry of Social Welfare, those over 3, under the Ministry of Education.

Both Ministries try so far as possible to find foster parents, pay these for the upkeep of the children and make special financial allowances for their education. The foster parents are encouraged to adopt their charges officially, but the majority of the children remain under direct supervision of the state.

All the state institutions have medical and educational staffs and the children there, so far as food, clothing, and attention are concerned are better off than most of the country's children, who in many parts of Poland lack fresh milk and warm winter clothing.

AUSTRIA'S PROBLEM MIXED

VIENNA, November 28.—The war orphans in Austria who constitute a problem are those who are not only orphans but also displaced persons. These are either the children of slave laborers—often illegitimate because their parents were not allowed to marry—children brought to Austria to be nazified, or children brought here for slave labor.

Austria's own war orphans are being cared for either by relatives or in asylums. But non-Austrian orphans are under the care of the child-welfare section of the International Refugee Organization, which tries to trace parents or relatives, and to repatriate or settle the children.

The children of many slave laborers whose parents have long since disappeared, have been taken by Austrians, some of whom have passed themselves off as the fathers in order to be able to keep the children. The families of nazified children have been difficult to trace as these children received German names and were placed with Austrian families for adoption.

The physical condition of most of the children is fair, since they to a large extent live on farms.

Of more than 6,000 waifs handled by UNRRA and IRO in Austria, 782 have been repatriated, 561 have joined relatives elsewhere, 76 have been resettled, 21 have found permanent homes in Austria, and 32 have died.

ITALY'S AID RESTRICTED

ROME, December 1.—Financial stringency prevented the Italian Government from doing much for the 150,000 war orphans at present receiving state aid. Appropriations for this year amount to about the equivalent of $2.70 a child.

The orphans are entrusted to the Opéra Nazionale Orfani di Querra, which operates under the Ministry of the Interior and has branches in most provinces. It cooperates with the Vatican and with private relief and municipal welfare institutions and receives certain donations from private sources. For example, Augusto Bellanca, of the Amalgamated Clothing Workers of America in New York, raised funds to build two homes for Italian war orphans.

Scarcity of funds limits the Italian organization to the placing of orphans in private homes or institutions, medical care, and free schooling. Neither the Opéra nor most private welfare agencies are in a position to supply additional food and clothing.

Juvenile delinquency increased greatly after the war but is now returning to normal, thanks to economic recovery and to various Italian boys' town projects.

GERMAN YOUTH IN FLUX

BERLIN, December 1.—The problem of war orphans in Germany is a large one, but neither German nor Allied public welfare officials can say exactly how large it is. There are no accurate data on the numbers of children who lost their parents during the war; unofficial estimates put it at from 600,000 to 1,300,000. There seems to be a general agreement among teen age orphans and those in their early twenties that Germany offers little to them. German labor offices and Allied manpower officials frequently find themselves hard pressed to build up labor pools from youths who normally would be in some stage of apprentice training.

To cope with the problem in the United States zone, where the number of orphans is estimated at 100,000 to 300,000, there are about 900 public and private institutions.

Emphasis is placed upon putting as many children as possible in foster homes. However, this program is currently running into difficulties because foster parents cannot obtain clothing for children and welfare authorities are unable to provide it.

Officials concerned with Germany's future economy are seeking to set up programs to train the war orphans in mechanics, carpentry, cabinet making, farming and other types of vocational activity. But although, with the assistance of Catholic and Protestant welfare societies, many orphans get benefit of school feeding programs and some living facilities, it is estimated that thousands are wandering around on their own, ferreting out an existence in the many ways it is possible to do in a country to which stability has not returned.

SWEDEN AIDS FOREIGN CHILDREN

STOCKHOLM, SWEDEN, November 17.—Swedish homes and institutions have taken in children from belligerent and occupied territories.

From a peak of 43,000 in 1945 the number of these has dropped to 13,600, most of them Finnish, and a few Norwegian, Dutch, Belgian and French.

Except for some placed in sanatoriums for tuberculosis treatment, the children have been placed in homes for an average of six months before being returned to their parents. They attend Swedish schools and are generally treated as the foster parents' own.

DUTCH THOROUGH IN CARE

AMSTERDAM, THE NETHERLANDS, November 25.—The Foundation of 1940–45, caring for the families of needy members of the wartime resistance reports that financial aid is given to 5,500 orphans. It estimates the total number of children in the country without one or both parents is probably about 20,000.

Apart from orphaned Jewish children without father or mother, the group presents no great problem at present. Some difficulties are being experienced in placing 1,300 Jewish youngsters, each of whom requires special care as a result of the effects of wartime hardships.

The Netherlands has no war orphans awaiting adoption since they have all been either absorbed in their own family circles or assigned to guardians.

Social welfare experts in the Netherlands believe conditions as to delinquency, mortality, and general health, and outlook of the war orphans are no different from those of the average children of the wartime generation.

BELGIUM MEETING PROBLEM

BRUSSELS, BELGIUM, December 1.—It is estimated there are in Belgium about 20,000 youngsters under the age of 16 orphaned as a result of the war. The great majority of them have long since shaken off ill effects of the wartime period with regard to nourishment and general health.

The Belgian system of child care centers around the placement of orphans in the homes of relatives or friends without delay. In most cases this has been done.

Most serious is the plight of the about 800 Jewish war orphans who survived in Belgium. They are the remnant of 4,300 children of Jewish parentage whom the Nazis deported—39 of these children have returned—and about 2,100 children who went into hiding.

The problem of rehabilitating these Jewish children is grave. They are often obsessed with fear and the adolescents among them face the world without training. The Jewish population remaining in Belgium is for the most part impoverished and often incapable of meeting the needs of the children, according to Max Ansdacher, secretary of the Agency for Jewish War Relief.

Institutional treatment is the only solution here for the Jewish war orphans, Mr. Ansdacher says. About 600 of them are now in homes maintained largely by the American Joint Distribution Committee and ORT.

FRANCE SEES AN ADVANCE

PARIS, December 2.—In France there is no exclusive organization for the care and education of war orphans as a group. They are looked after by numerous independent organizations, including Assistance Publique, which is the Government-operated institution for orphans, relief agencies in devastated areas, religious orders, and numerous private institutions. Over-all figures are unavailable.

There are more than 10,000 orphans in the Paris area. Here those in private religious institutions get the required elementary schooling, but in many provincial districts this is still impossible.

Mortality has been high among French children since the war, particularly for the new-born and adolescents, but the situation is improving, according to the latest health reports.

Delinquency showed sharp increases during and right after the war. In 1939 French juvenile courts had 12,000 cases; in 1943 it was 39,000, and it has been about the same the last 2 years. Some improvement is now reported.

Public health services are making increased efforts in behalf of children and war orphans. One of the greatest problems is the deterioration in child mentality brought about by war conditions with the attendant lack of supervision, under-nourishment, and temptations of the black markets.

BRITAIN'S PROGRAM

LONDON, December 2.—Britain has 3,360 total orphans from the war, all of whom under the care of the Ministry of Pensions Administration. Of the number, 1,343 are orphans of service personnel, 390 of merchant marine personnel, and 1,627 the children of civilians.

Each child receives a basic pension of 13s 6d, or about $2.60 weekly, until the age of 15, after which it receives 20s. This covers living expenses. There are additional grants for clothing and medical attention when necessary.

The children where possible are placed in the homes of relatives; otherwise they are placed with fully investigated families on a non-adoption basis. If after a trial period a family wishes legally to adopt, the Ministry handles arrangements.

The children are visited regularly by the Ministry's welfare staff and inspected in matters of health and general well-being.

They must follow the British law of attending school until 15. For higher schooling there is special provision for financial aid.

Only isolated instances of delinquency are noted. The Ministry says morale is generally excellent; in cases of persistent personality clashes the child is transferred to another home.

The Potash Industry—A Western Product

EXTENSION OF REMARKS

OF

HON. ANTONIO M. FERNANDEZ

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. FERNANDEZ. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a statement made by Horace M. Albright, president of the United States Potash Co., before the subcommittee of the House Agriculture Committee, on fertilizer this morning.

Three significant facts appear from this statement: First, that potash during the First World War soared to as high as $500 per ton because of our unpreparedness in the production of potash; second, that production in my State was begun by Mr. Albright's company and two others in the thirties, and that this industry and its expansion have been financed entirely by private investment, no Government funds having been requested or provided; and third, that there has been no increase in potash

prices since 1937, the potash still selling f. o. b. Carlsbad, N. Mex., at $22.50 per ton. The statement reads as follows:

STATEMENT OF HORACE M. ALBRIGHT

Mr. Chairman, on January 31 of this year I appeared before your committee as a representative of one of the large American potash producers to provide you with information and opinion concerning past and future potash supplies in this country. At that time I emphasized the point that despite the fact that there was not sufficient potash to meet the demands of fertilizer and chemical industries, domestic production was, nevertheless, at an all-time high. This statement is still true. Demand continues to exceed supply—by just how much it is impossible to estimate—but domestic production has continued to increase and for the fertilizer year ending June 30, 1948, will once again reach a new high.

It is important to emphasize once again the extent of the increase in production of the American potash industry. The average annual prewar consumption (years 1935-39) of agricultural and chemical potash in this country was 375,076 tons of K_2O. Fully half of this potash was imported from Europe. Throughout the war American consumption increased annually and by 1942 the entire supply was the product of American industry. By 1946 consumption had reached approximately 915,000 tons of K_2O, an increase of around 144 percent over the 1935-39 average, and of over 300 percent over that portion of the 1935-39 consumption supplied by the domestic industry.

Naturally, figures for the entire year of 1947 are not as yet available, but it is encouraging to note that deliveries to American chemical and agricultural industry during the first 6 months of 1947 exceeded those in 1946 by approximately 57,375 tons of K_2O—an increase of slightly over 12 percent. It is to be expected that this increase will continue until the end of the year, indicating an annual increase of at least 10 percent.

So much for the past. We have the picture of an American industry—a new American industry at no time aided or protected by subsidy or tariff—developing from an average prewar tonnage of less than 200,000 tons of K_2O to a tonnage which this year may well reach the 1,000,000-ton mark. You all know the history of potash production in this country—the pre-World War I dependence upon France and Germany, the desperate struggle during the war to establish a domestic industry with pitifully inadequate supplies and prices soaring to as high as $500 per ton, the return of foreign potash and the survival of only one American producer, discovery in 1925 of a potash field in southeastern New Mexico with the opening of the first mine in 1931. That industry now comprises five major producers. Three of these are located in the New Mexico field: The International Minerals & Chemical Corp., the Potash Co. of America, and the United States Potash Co.

The other two companies produce potash from brines: The American Potash & Chemical Corp., at Searles Lake, Calif., and Bonneville, Ltd., at Wendover, Utah.

These companies have provided for the needs of agriculture and industry during the past 8 years, and have given ample evidence of their willingness to accept full responsibility for domestic requirements. Their expansion programs have all been financed entirely by private investment. Government funds were not requested nor provided for this industry.

We are all familiar with the alleged "shortage" of fertilizer and potash. A look at the production records of both of these industries should make it readily apparent that this shortage is a result not of a deficiency in supply but of an unprecedented demand. Farm prices are high and the farmer has learned the value of fertilizer as an investment, an investment estimated by the farmer himself to yield him anywhere from $2 to $10 for every dollar invested. Large sections of the country which before the war used little or no fertilizer are now using large quantities of high-potash fertilizer, and pleading for more. The Midwestern States present a good example. Percentage increases in tonnage in these States are tremendous. Throughout the rest of the country where the original base was higher, percentage increases have not been as great but tonnage increases have in many cases been greater.

Education and experience have taught the Nation the value of chemical fertilizers in the production of crops and conservation of the soil. Hence the tremendous demand for commercial fertilizer and potash.

Another factor affecting the future course of action for domestic potash producers is the uncertainty regarding large-scale resumption of imports. To date postwar imports have been in small quantities and at high prices.

In view of the uncertainties surrounding this whole question, any contemplated plant expansion involves considerable risk. The fact that 60 percent of prewar German potash production capacity lies within the Russian zone highlights the uncertainty. The increasing freight rates from sources of American potash in the West to the agricultural East makes the domestic industry quite vulnerable to cheap ocean rates from Europe. It is logical to assume that when their full productive capacity has been restored and their local needs more nearly satisfied, the European producers will seek to recapture a large share of the American market. The need for dollars dictates such a program, and it appears that the reciprocal trade program has always envisioned it.

It is, therefore, obvious that the willingness of the domestic industry to expand indicates a confidence in its competitive ability and a further confidence in a stable American economy as it is a known truth that the amount of fertilizer consumed rises and falls with the farmer's prosperity.

Now for the future. I know that you are primarily interested in plans for the increased production of potash in this country and I shall give these to you to the best of my ability. As for my own company, we produced approximately 9 percent more K_2O in the first 10 months of 1947 than in the corresponding months of 1946. Further improvements in our technology and additions to our plant should result in still further increases in our capacity during the 1948-49 fertilizer season.

Another of the large producers has announced a major plant expansion, the effects of which should be felt during the 1948-49 season. Projecting proposed increases into the fiscal year 1948-49 production expansions now planned and provided for should establish a production rate of some 1,120,000 tons of K_2O, an increase of 120,000, or better than 10 percent, over the expected output of the current fiscal year 1947-48.

At this point I should like to introduce a chart entitled "Potash Deliveries: Agricultural and Chemical, North America." The addition into this chart of the figures given for the fiscal years 1947-48 and 1948-49 will indicate its continued upward trend. It is anticipated that approximately 37,000 tons of K_2O will be imported during the present fiscal year and it is of course impossible to estimate imports for the succeeding year. These totals will be added to domestic production in projection of the chart.

There is great need for potash in the Orient, especially in Japan, the Ryukyus and Korea. House Report No. 1148 submitted on November 27, 1947, this being Preliminary Report 4 of the House Select Committee on Foreign Aid pursuant to House Resolution 296, states on pages 8 and 9 that 143,000 metric tons of potash is required by those countries in 1948, and that "it is expected that the above quantities can be obtained at a landed cost of about $21,037,500." This means that the Russians are charging the occupation authorities $1.33 per unit, or about $80 per ton.

The American market price is currently 37½ cents per unit f. o. b. Carlsbad, New Mexico, or $22.50 per ton, and at Atlantic ports the cost per unit, including freight, etc., is about 60 cents per unit, or $36 per ton. Of course, really most of the American users of potash buy at the discount rate of 12 percent for equal monthly deliveries, and this means 33 cents per unit at Carlsbad, or about 55 cents at most Atlantic ports.

There has been no increase in potash prices since 1937, the increased delivered costs being due to advancing freight rates; in fact, in early 1947 potash was reduced 5 cents a unit f. o. b. Carlsbad.

In considering and planning for increased production of potash as well as that of other fertilizer materials and mixed fertilizers, one limiting factor must be recognized. That is the Nation-wide shortage of boxcars. At present our company has approximately 760 carloads of material in storage—convincing proof of how the boxcar shortage is delaying deliveries of potash. Any increase in output can only augment this difficulty until boxcar supplies are more nearly adequate. Even this year it is probable that manure salts production was curtailed to some extent by lack of shipping facilities, as at the height of the boxcar shortage storage facilities were taxed to capacity.

The current expansion in production is designed as the potash industry's response to the Government's appeal for an expanded food production and for fertilizer wherewith to produce it. I am happy to have had this occasion to discuss it with you.

New Air Policy Seeks To Keep Nation Ready But Always Preparing

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 4, 1947

Mr. LARCADE. Mr. Speaker, under previous authority to extend my remarks in the Appendix of the RECORD, I wish to include a newspaper article by Mr. John G. Norris, which appeared in the Washington Post, on Sunday, December 7, 1947, as follows:

LONG SIGHTS ON T-DAY—NEW AIR POLICY SEEKS TO KEEP NATION READY BUT ALWAYS PREPARING

(By John G. Norris)

A new American air policy—charting a costly but vital course into an uncertain future—soon will be put before the Nation.

Covering the broad field of national security as well as civilian aviation, its main outlines now are evident—though not yet down on paper. Two groups charged with writing the new policy—a presidential commission and a joint congressional committee, will present their findings this winter.

But the record on which their reports will be based is about complete. The President's board ended its hearings last week after two solid months of testimony and field investigations. It heard every one of the Nation's top defense leaders, Government civil air chiefs, aircraft industry and air-line executives and others prominent in the field.

In investigations like these, the judges—rarely expert in aviation matters—base their

verdict on logical conclusions to be drawn from the evidence presented by the experts. Here are the hard facts put before them—and the clear conclusions they have drawn—which will form the core of the new air policy:

MOAT IS USELESS

America's traditional national defense strategy is obsolete. No longer can we rely on a powerful navy to keep an enemy from our shores, and count on expanding a skeletonized Army, Air Force, and munitions industry after trouble starts.

With offensive weapons 'way out ahead of defensive weapons for the present at least, and no strong allies across the oceans to rely on, the "cushion of time," we had in World War II will not be available next time.

Complicating the situation is the fact that the scientific revolution in weapons is still going on—perhaps is just getting well started. We can't be safe by stocking up on present weapons.

So we must ride two defense horses—be as ready as possible for a war in the near future, and prepared for a far distant and more dangerous conflict which might come 5 years from now or later.

WICKED COUNTERPUNCH

In getting ready for the latter, we must set a target date. That date is the best guess as to when a potential enemy will have atomic or other new weapons in quantity and the means to use them against us.

By T-day then, we must be ready. Research and production programs, industrial preparedness plans and actual production of weapons will have to be scheduled with that date in mind. Defensive measures against atomic attack are a part, but only a small part, of the program.

The main string to our bow must be an ability to come back after an initial assault with such a paralyzing return blow that an aggressor will be discouraged.

That means a first-class air force in being—bombers able to lay waste the enemy's key centers and other forces to round out a fighting team. There must be troops, aircraft carriers, and amphibious vessels to seize advance bases and keep control of the seas. The old "first line of defense"—the Navy—also must be maintained.

That is the picture today. New developments—intercontinental guided missiles, possibly radically new naval craft—might change it. But the essential element of the defense of a democracy like the United States—unable to start the shooting—is the threat of instant retaliation in force.

STANDING STRENGTH

This preparation for a distant target date is expensive by itself. Research costs are high, and so is that of the gradual build-up to T-day strength.

At the same time, however, we must also ride the other preparedness horse. We must keep a sizable force in the interim in case the world blunders into a major war, and we must have fairly substantial forces to back up our international commitments and our new role as a world leader.

Then there's another important factor. We can't stop producing airplanes and wait for the scientists and engineers to come up with those supersonic jet planes and long-range guided missiles in time for target date. The plants that will make such weapons are today's aircraft factories. If we stop building '48, '49, and '50 models, or order too few of them to keep the companies going, the plants won't be there when we want them.

Evidence before the committee is that a minimum of 3,000 military planes a year must be built to keep the production machine healthy. We've been constructing aircraft at about half that rate.

ONLY HALF ENOUGH

Many people on Capitol Hill have looked upon proposals to build 3,000 planes as a subsidy. Air Force Secretary Symington, however, told the Presidential committee than an air force of 20,541 planes, including reserves and trainers, is required to give the Nation the protection it needs.

Navy Secretary Sullivan said naval aviation should have 11,500 planes now and 14,500 by 1952. Replacements to keep these forces modern would require a yearly production of 5,700 to 6,200 military aircraft. If this Air Force-Navy program were adopted, there would be no question of subsidy. It calls for four times the current rate of plane production and double the minimum necessary to keep aircraft builders in business.

These programs have not yet been approved by Defense Secretary Forrestal, but it is expected that the President's commission will endorse them as goals and urge that a good start be made this year.

BACKS OLD SET-UP

On the civil phases of the new policy being drafted, there is great divergence of opinion. Therefore the congressional board may take a different slant from that of the Presidential group. Present views of the latter may be summarized as follows:

1. Reorganization of Government civil air agencies: No major changes, such as the proposed Department of Civil Aviation, favored. More power over policy should be vested in the Secretary of Commerce, with higher rank for top civil air officials.

2. Air lines: Let the 1936 act largely alone and permit the CAB to continue present policy in passing on the air-line route pattern. Suggestions for a moratorium on new routes met with little favor.

Feeder lines should be given a longer period to get established.

Any legal barriers to the entrance of shipping companies and railroads into air transportation should be removed. Granting of routes to such companies should be left up to the CAB on the merits of each case.

Air Transport President Emory S. Land's proposal for a war reserve of 5,000 transport planes, paid for by the Government and available for lease to air lines in peacetime, met with little favor.

3. Development of an air cargo industry: Strongly favored, with specific recommendations likely for Government subsidy of both development types and operation of cargo routes.

4. Ground facilities for aircraft: The group agrees that aircraft have gotten ahead of their ground facilities and that major improvements in airports, airways, and landing aids will solve most of the ills of the air transport and manufacturing industries. This angle will be hit hard.

All of these recommendations—both on military and civil aviation—will cost money, big money. They would add billions to the defense budget. Yet the President's Air Policy Commission, largely consisting of hard-headed businessmen, feels that security reasons make them necessary.

The group, which will submit its report to President Truman January 1, consists of Chairman Thomas K. Finletter, New York lawyer; Palmer Hoyt, Denver Post publisher; Arthur D. Whiteside, president, Dun & Bradstreet; John McCone, industrialist, and George P. Baker, Harvard professor.

Iowa Undisputed

EXTENSION OF REMARKS
OF
HON. KARL M. LeCOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. LECOMPTE. Mr. Speaker, in spite of the fact that this year the great State of Iowa suffered unduly from floods in the spring and drought in the summer statistics released recently show that Iowa is still the leading State both in farm production and income. An editorial appearing in the Ottumwa, Iowa, Courier of December 5, 1947, which I desire to include in the extension of my remarks, significantly points out that credit for the record achieved belongs to our stalwart farmers, whose intelligent planning, determination, and competent use of modern methods made the splendid results possible. In many cases crops had to be planted twice because of the floods and the yield was materially lessened on account of droughts that occurred during the late summer. Even so, Iowa still stands at the top in production and total value of farm crops:

The editorial follows:

IOWA UNDISPUTED

Iowa repeats in being the undisputed leader of the Nation in farm production and income.

Farm marketings of the State's crops and livestock reached record totals during the first 9 months of this year, Department of Agriculture figures from Washington show.

Total income to Iowa farmers increased 54 percent over 1946 while the average increase for the Nation was 21 percent.

Receipts from livestock and products were $1,387,071,000 as compared to $936,774,000 in the first 9 months of 1946. Cash receipts from crops this year total $369,892,000 against $160,125,000 last year.

Iowa and California have been running neck and neck for the No. 1 place in agriculture for a decade. The western State placed second this time. In the 10-year period, Iowa has been first five times; California five times.

Iowa is the unchallenged leader from the standpoint of productivity and income per acre because it has only about one-third the total acreage of California, yet tops the coast State in total farm income. Furthermore, California has the advantage of semi-tropical climate, enabling it to produce two or three vegetable crops a year.

There is no dispute either on Iowa's leadership in production of the seven basic foods most essential to adequate nutrition and good health. For many years Iowa has produced 10 percent of the Nation's total in the basic foods.

This information is enlarged upon in the current issue of the Iowa development commission. It is the proper medium for doing so. But the real motive power in all this is the individual—the farmer, whether he works a section of land or 10 acres. His endurance, his intelligent planning, his acceptance of modern methods, his careful conduct of essentials have made this record possible.

Railway Travel Is the Safest Mode of Transportation

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. VAN ZANDT. Mr. Speaker, despite the headline publicity given to railroad accidents, traveling by rail is by far the safest method of transportation.

According to recent figures, for every billion passenger miles traveled in 1946

there were 12.4 passengers killed by airplane crashes, compared to 1.8 passengers who lost their lives in railroad accidents.

The following commentary on the subject appeared in the November issue of the Missouri-Kansas-Texas Railroad Employees' Magazine. The M-K-T R. R., nicknamed "The Katy," and the M. K. T. Employees' Magazine is not only well edited, but has a wide circulation.

The article is as follows:

TRAINS, PLANES, OR BUSSES—WHICH ARE SAFEST?—FIGURES PROVE THAT THE RAILWAY IS STILL SAFEST WAY TO TRAVEL

Railroads, despite some propaganda to the contrary, still provide the safest of all transportation available to the public.

Proof of this was given the House of Representatives recently by the Honorable JAMES E. VAN ZANDT, of Pennsylvania, who cited facts and figures comparing the relative safety of air lines, busses, taxicabs, private automobiles, and railroads. The railroads won easily.

Congressman VAN ZANDT showed that in 1945, the last year for which figures are available, the railroads had one passenger fatality for each 633,285,193 miles traveled compared with one fatality for each 46,053,843 miles traveled by the air lines.

Busses were much safer than the air lines, with 464,000,000 passenger-miles for each fatality. Private automobiles and taxicabs, however, had a fatality for each 34,900,000 miles traveled.

RAILS FIRST IN SAFETY

Remember this the next time somebody starts telling you that railroad travel isn't as safe as it used to be. Here again the figures prove that this isn't true.

In 1935, when rail travel was at the depths of the depression low, the railroads had one passenger fatality for each 804,760,739 passenger-miles traveled. A better record than in 1945, to be sure, but let's take a second look.

In 1935, depression-ridden railroads operated trains only 18,509,497,000 passenger-miles. But in 1945, railroads operated trains 91,826,353,000 miles. So while the fatality rate per hundred million passenger-miles was .12 in 1935, the rate was only .16 in 1945 when the railroads were operating five times as many passenger trains as they were in 1935.

The greatest killer remains the private automobile. In 1945, 12,900 passengers died in automobile accidents. (This does not include pedestrians killed by automobiles.) But during 1945, only 145 railroad passengers were killed.

In 1945, the air lines operated only 3,500,092,064 passenger-miles compared with the 91,826,353,000 passenger-miles operated by the railroads. Despite the fact that railroads operated almost 30 times more passenger-miles than did the air lines, the air-line fatality rate per hundred million passenger-miles was nearly seven times greater than that of the railroads.

Does this sound like the railroads are unsafe?

ONLY HALF OF STORY

During the last year, there have been many news stories and editorials in the American press calling for greater safety precautions by the railroads. Railroads have been charged with refusing to adopt modern safety devices and with placing economy above the welfare of passengers.

These charges are, of course, untrue, and absolutely unfounded on fact. They have arisen because train wrecks always have been news, and when a wreck occurs, it is a page one story, usually with pictures. This publicity, ethical as it may be from the standpoint of news, nevertheless sometimes creates a false impression among readers that trains are becoming the least safe of transportation media.

If readers were told that while two persons were killed in a single isolated train wreck on a particular day, a total of three people were killed in automobile accidents in one medium-sized city the same day, then the picture would have a more proper proportion. And the public might not forget that automobiles killed more than 35 times as many people in the United States last year than have died in passenger fatalities aboard American railroads in the last 10 years.

PROUD OF RECORD

Railroad managements are proud of the safety record of their railroads and do everything in their power to maintain it. New safety devices are being developed and installed all of the time on American railroads and will continue to be. Railroads realize that they have an obligation to the public to protect the passengers aboard trains, and there is no evidence to support claims that this obligation has been shirked.

Railroads, despite the stories you've heard to the contrary, remain America's safest form of public transportation. The figures produced by Congressman VAN ZANDT don't lie.

State Secrets

EXTENSION OF REMARKS
OF
HON. THOMAS L. OWENS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. OWENS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Frank C. Waldrop, from the Washington Times-Herald of December 9, 1947:

STATE SECRETS

(By Frank C. Waldrop)

The State Department took a slugging on Capitol Hill yesterday from an expert who has slugged it before, and with results. The last time he went to work on the diplomats he got a promise from Secretary of State Marshall to clean house.

Now he's back charging that the house ain't even half way clean and that it must be if Congress is to be justified in trusting the State Department with more billions of United States money abroad.

The slugger is Representative FRED E. BUSBEY, Republican, of Illinois, and every State Department administrator knows him. He knows how to hit where it counts, as for instance:

"All present indications point to the fact that the President will select the State Department as the administering agency of the $590,000,000 provided for in this (rush foreign spending) bill.

"Did anyone ever hear of the State Department protesting or objecting to the maladministration—yes, criminal maladministration—of UNRRA funds when they were being used to subsidize the satellite (Russian) governments? The State Department officials abroad must have known the facts. I know of no State Department protest of record."

Come to think of it, who does?

Certainly it is true that at the time the UNRRA circus was on, plenty of other people raised questions as to whether the billions it was spending were helping Uncle Sap or Bloody Joe Stalin.

And plenty of evidence rolled in soon thereafter to show that it was Stalin who got the value from the spending of our money. But if State Department authorities did anything to protest or counteract that—where is the evidence?

Mr. BUSBEY yesterday called on Congress to force a clean-up by the State Department of some sinful secrets it continues to hide, before trusting it with a penny more. Among those secrets for which no reasonable explanation appears on record, is State's continued concealment of the facts concerning how Russia helped Germany destroy Europe in 1939–41.

It is an already publicly acknowledged matter that the State Department has captured records to show how Stalin's man, Molotov, and Hitler's man, Ribbentrop, were working together against civilization in 1939.

If the State Department really wants to use a big gun against Russia right now in the ideological war and not just grab off more United States tax money for building up its own self-importance, what could have a more powerful anti-Russian effect than to unveil that stuff? Said BUSBEY on the floor of the House yesterday:

"I hereby charge that if the State Department would release the complete text of the Molotov-Ribbentrop agreements with accompanying discussions both written and oral, subsequent to August 23, 1939, they would disclose among other things that Russia agreed to let Nazi Germany use Murmansk as a naval base for Nazi submarines which in turn were responsible for the sinking of many of our ships carrying supplies to England."

Certainly it is true there was a military agreement between Russia and Germany from 1939 to 1941 that blew up, according to ex-Secretary of State Jimmy Byrnes, only because Molotov kept demanding more and more and more every time Hitler tried to appease him.

And the State Department has even gone so far as to admit it has the facts in its possession concerning the length and breadth and depth of that military agreement. Why doesn't it uncork the story? No need of fear that it will be a flop.

Too much has leaked out already to show that it would rock the world if fully and officially told.

Why hold it back, then, since the official declaration of the Truman administration is to save Europe from communism?

But would too many State Department and administration reputations be damaged in the reaction, as truth about our foreign policy for the past 15 years comes home? For that, too, is tied in with the Ribbentrop-Molotov secrets.

Here's BUSBEY:

"I challenge the President to make public these (Nazi-Red) agreements before we vote on this interim-aid bill. I sincerely believe if these agreements were made public now this so-called emergency-aid bill which is supposed to stop communism would not have a chance of passage in this Congress.

"If these agreements are made public before we consider the Marshall plan I am willing to wager it would be impossible to muster 100 votes in favor of it."

Wonder why he thinks that? On the face of it you'd suppose it would be exactly the other way around—that exposure of Russian perfidy would add to the ordinary American's determination to face the Russians down, here and now.

But Mr. BUSBEY, whose record for speaking with facts in hand is already established, charges that the truth would smack down the Truman administration at least as hard as it would smack Stalin, and in passing save the United States taxpayers' conscience in refusing more billions for Europe.

This looks like deep stuff. If the State Department's secrets are not what Mr. BUSBEY says they are, here's a great chance for State to destroy one of its most feared congressional opponents. Will it risk the chance?

Fear Is Un-American

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Oberlin (Ohio) Times of December 4, 1947:

FEAR IS UN-AMERICAN

Last week's action in the House of Representatives, where the Thomas committee's contempt citations against 10 alleged Hollywood Communists were upheld by a vote of 346 to 17, is symptomatic of something pretty unhealthy in the Nation's state of mind. It is hard to believe that the congressional vote accurately represents a cross section of American opinion. Assuredly it does not represent the opinion of intelligent Americans who have examined the issues involved. (Sunday's Plain Dealer report of the Gallup poll revealed that.) But it does show a disturbingly prevalent tendency to stay with the herd, to conform—no matter how great the sacrifice in personal judgment. (We are happy to report that WALTER B. HUBER, representing the Fourteenth District, was 1 of the 17 who refused to yield to the popular pressure and voted against the committee citations.)

Are we being true to American principles by permitting the existence of a committee which, in the words of the New York Herald Tribune, "operates in defiance of the way of life it seeks to serve"? Are we setting for the world a morale-building example of courage, faith in democracy, and regard for human rights?

Brooks Atkinson, New York Times columnist who won the Pulitzer prize for a series of articles on Russia (and for which he won no acclaim in the Soviet press), gave some answers to these questions in a recent article in the Times magazine. Although we should like to quote the complete text, the following portions must suffice.

"A vague kind of fear permeates the country now. It is eating away at liberal institutions and influencing our policies at home and abroad. It poisons our capacity to think clearly. We are afraid of Soviet Russia, which, ironically enough, is afraid of us. If the gods pay any attention to these flutters of panic that skip across the world, they must enjoy this foolish spectacle of two powerful nations shaking in their boots at each other and competing with each other in a tempest of rancor.

"Fear is a treacherous factor in situations that require decision and action. It wrecks normal judgment. If the Thomas committee wants to find a real adversary in its search for un-American activities, it might investigate the growth of fear in this country. On the evidence of history fear is un-American. America was settled by foreigners who were not afraid of work and danger. At crucial moments America has been inspired by men who were not afraid of freedom. * * *

"Action motivated by fear has recently appeared in another branch of the executive arm of the Government. * * * A few weeks ago Pierre Courtade, correspondent of the Communist l'Humanite, of Paris, applied for a visa to report the meeting of the Assembly of the United Nations. * * * After a mysterious delay, the State Department finally gave him a limited visa with the proviso that he must not peek at the rest of the United States.

"We spend a good deal of time wrangling with the Soviet Government about freedom of the press and the moral right of newspapermen to travel anywhere in search of information. But in the Courtade case the State Department, assuming authoritarian powers of discretion, applied to a foreign journalist the same attitude we condemn in the Russians. Every nation guided by fear inevitably ends up in the same blind alley.

"The Un-American Activities of the House Committee on Un-American Activities also come from group hysteria. Fortunately, they are legal, though unenlightened by the philosophy of the Bill of Rights. * * *

"People in high places in American life are scared, chiefly of Soviet Russia, and are willing to undermine American institutions by informing on their neighbors and recommending that an unpopular political party be declared illegal. * * * In fact, they are willing to try a little totalitarianism to preserve democracy.

"Why do we let Russia inhibit our freedom of action and poison democratic principles at home? For this is the time to be not less democratic but more democratic than ever, to have faith in our own system and eagerness for progress. And if we base action on fear of Russia we shall be just as guilty as Russia is of blocking the avenues to eventual understanding."

That last phrase, "eventual understanding," raises another question. How long will free expression be granted to the conviction that eventual understanding is possible? How soon must we expect that idea, also, to go on the "subversive" list?

It so happens that we have long considered international understanding and cooperation for peace not only possible but humanity's last hope as well. So—when the Times ceases to speak out for understanding, it will be much too late to run for cover.

Address of Hon. Harold Knutson, of Minnesota

EXTENSION OF REMARKS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Representative HAROLD KNUTSON, of Minnesota, before the Associated Industries of Nebraska, At Hastings, Nebr., on September 18, 1947:

Mr. Toastmaster and fellow Americans, I am very happy to be at Hastings this evening to address this splendid gathering, and particularly so because Hastings is situated in the district of my good friend and coworker on the Ways and Means Committee, Representative CARL CURTIS.

As you know, Mr. CURTIS is now serving his fifth term in Congress and in that comparatively short period has attained a position of leadership in the House of Representatives. As a member of the Ways and Means Committee he has shown unusual diligence and has acquired a grasp of taxation second to none. In addition to taxation Mr. CURTIS has devoted much time and attention to irrigation matters, and as I recall, there are several projects now under construction in his district, all of which have been started since the war.

As a member of the Ways and Means Committee he has sponsored the following proposals:

1. The promotion of synthetic rubber through tax deferential.

2. To treat money spent by farmers and landowners for soil conservation as business expense and a proper deduction from income.

3. Extension of social security so that the self-employed may have old age and survivor insurance on an optional basis.

4. Extension of social security to cover public employees if the State so exercises an option.

Other distinguished Nebraskans to have served on the Ways and Means Committee are William Jennings Bryan, Charles H. Sloan, and Ashton C. Shallenbarger.

As chairman of the Ways and Means Committee of the House of Representatives, I am going to make two statements by way of my opening remarks:

1. President Truman, a captive of the Communist-dominated CIO, is not going to write the tax program for 1948.

2. Your Republican Congress will pass another tax reduction bill as soon as we reconvene next January and, with the help of the more constructive of the minority, we will pass the bill over the President's veto.

When we failed, by just a few votes, to override Truman's veto of the second tax bill in the Senate in July, some of us felt we would be required to take the issue to the American voters in November of 1948. But during the past few weeks the Members of Congress have been talking to their folks at home, Republicans and Democrats alike reach me almost daily with identical reports—the American people want relief from the terrific burdent of wartime taxes and they want this relief now. So we will give them action in January and apply the reduction to the entire year of 1948.

I expect President Truman to veto tax reduction for 1948. The CIO will demand it of him, and he is their man. If he deviates from the CIO-Communist line on fiscal policy, he knows Henry Wallace is prepared to take over the political leadership of the element on whose support he is completely dependent if he has any political future. That explains why, as stated, Truman is a captive of the CIO. The American people, and certainly your Republican Congress, do not intend to permit the CIO to dictate the Nation's fiscal policy.

I believe if Harry Truman were a freeman the American people would have had a substantial tax cut for the current year. Unfortunately he is not free. He must of necessity stay on the CIO line, and it is must unfortunate for our country that in doing so he follows the peculiar and disastrous CIO thinking on fiscal policies.

The Republican tax program provided 30,000,000 low-income taxpayers with a 30 percent reduction, almost one-third of their tax burden. It would give fifteen to eighteen million in the middle brackets a 20 percent reduction and to some 1,000 taxpayers in the highest brackets it would have given a 10½ percent reduction. These 1,000 taxpayers now pay 87 cents in Federal taxes out of every dollar of income, and under our program they would still give their Federal Government 76½ cents out of every dollar of income and, in addition, pay their local and State taxes.

And what was the objection to this program by the CIO and its Communist philosophers and economists? They mobilized their sympathizers in Congress—the remnants there of the New Deal rubber stamps—and their fellow travelers in private life, as well as their kindred souls on the Federal pay roll, and waged a great propaganda campaign of misrepresentation. They demanded the lower income groups be relieved of all their tax burden and even higher taxes be extracted from the middle and upper brackets. To some it was merely an opportunity for cheap demagoguery—and we have some people like that in public life. But to the Communists and the CIO it was basic to their true aims.

The Communists and some CIO leaders do not want our private enterprise and capitalist system to survive. They know our American system cannot endure without private capitalists. While the savings yielded by the lower income groups can be channeled into securities bearing a low element of risk, the high capital risks of expanding enterprise—that is to say, of progress—can only be assumed by individuals or institutions having the financial strength to withstand the losses that must inevitably accompany the profits of venturing capital. America today needs the stimulant of venture capital. But the pity is that President Truman—just because of the peculiar political fix he is in—played the CIO game all the way.

After the Congress had adjourned, the President belatedly confirmed the Republican contention that our surplus for fiscal 1948 will be billions greater than the estimate he stuck to from January until late August. Our congressional experts were right in their estimates. Truman and the CIO economists were wrong. We could have cut taxes for this year and made a substantial payment on the national debt, except for the CIO influence on the White House.

Last November the voters repudiated the CIO and its Communist appendages. This basic determination is more pronounced in this country today than it was a year ago. And in November of 1948, Truman—the CIO captive—will not carry as many States as Cox carried in 1920. You can't play the CIO-Communist song any more in these United States and expect the American people to sing for you.

This recess of Congress has been a very fortunate development for our country. Your Representatives and Senators are getting the feel of things at home and the results will be very astonishing to the creators of crises. That is why the top boys in the State Department are hurrying to Paris to dampen the expectation over there that Uncle Sam intends to turn over the United States Treasury to them. The American people are saying:

"We want to know the details of this so-called Marshall plan and what it is going to cost. We demand relief from our excessive wartime tax burden so that our economy can continue strong and dynamic. We want our assistance to other countries keyed to our own resources and the willingness of the peoples of the other countries to go to work. We don't believe 60,000,000 producers in this country can sustain the entire world."

That is what Congress is hearing first hand from the American people. Truman will appreciate that next January.

As you are only too well aware, the question of taxation cannot be divorced from that of public expenditures. The most difficult financial problem confronting us today is how to reduce public spending. Some of you may, like myself, be old enough to remember the denunciations for extravagance heaped upon the first billion-dollar Congress—one that spent a billion dollars, not in one year but in two. How times have changed.

If it is deemed desirable to reduce the budget to manageable proportions, we should look even more to the elimination of improper governmental activities than to the trimming of expenses in each bureau or department. Over and over again, we should ask the question: Are there not private organizations which could and would perform this service more efficiently and economically?

This question ought certainly to be raised in the case of all the agencies extending Government credit: The Farm Tenant Office, the Rural Electrification Administration, the Social Security Board, the Federal Works Agency, the National Housing Agency, the Railroad Retirement Board, the Tennessee Valley Authority, the Veterans Administration, the Federal Security Agency, the United States Maritime Commission, the War Shipping Administration, the Smaller War Plants Corporation, and various insurance and retirement funds.

At present, of course, the dominant item in the budget is the expenditure for national defense. Until this item of expenditure is reduced drastically, the Federal tax burden is certain to be oppressive. But, under present circumstances, we dare not disarm.

Are we not, however, faced with the unpleasant fact that, just as France spent 20 years and billions of francs strengthening the Maginot Line, only to see it collapse in one day, we may spend 10 or 15 billions a year for several years on our Army and Navy, and yet have our Nation destroyed in a single night in a terrific atomic holocaust? Does it not follow that an essential prerequisite to any sound financial program for the future is the establishment of effective international control of armaments, and especially of atomic energy?

If our enemies, by persistent stalling, can succeed in postponing for 2 or 3 years action in this direction, it is not improbable that few of those present will have any occasion to worry about terrestrial affairs, and the Government at Washington will be heard of only in history books—if the reading of such books is still permitted.

If, regardless of immediate expenses, we were wise enough to use our present preponderance of power to force the immediate establishment of international control of armaments, our future expenditures for defense might be safely cut to a fraction of the present budgetary allowance for that purpose.

Under such circumstances the most troublesome item in the budget would be payments on the public debt, both principal and interest.

We have a situation where we are now collecting 75 percent of all revenues from income taxes, corporate and individual. If we could be assured of a uniformly level degree of prosperity for a considerable number of years, the present arrangement would be ideal, but, unfortunately, in time of depression there is a rapid falling off in revenue from that source and it would be highly desirable if the Congress can work out a tax plan that will at all times produce the needed revenue.

In May the Ways and Means Committee began hearings on the very important subject of tax revision and revision of the entire revenue code. At the outset we named a tax study committee, consisting of 11 of America's outstanding tax experts, to help us in the great task, and I am happy to say that the progress already made is far beyond our expectations.

Early in the next session of Congress we hope to have ready for introduction in the House of Representatives a general tax bill that will mark a new milestone in the economic history of America. As a matter of fact, the job should have been done 10 or 15 years ago. So we will have two tax bills next year and we will pass a "quickie" in January patterned after the personal income-tax-reduction bill Truman vetoed twice. This will be followed by the general bill.

You will realize the great need for revision of the revenue code when I remind you that under the Roosevelt regime 18 tax laws were passed, each one slapped on top of the other until the whole thing looked like a suitcase that had traveled around the world.

Progressivity in taxation conflicts with American ideals of fair play. The theory of our competitive free enterprise system is that the rules of the game are set by government. Every individual is expected to do his best to win, while abiding by these rules. The most skillful players are entitled to their winnings, and what they do with their gains is not the business of anyone else—provided, of course, that such winnings are not used antisocially.

But, under our present tax laws, the Government is likely to seize the lion's share of the winnings. When it does so, it makes a travesty of the rules and, in effect, endorses the communistic doctrine that the whole institution of private property is antisocial and that outstripping one's rivals is criminal.

We are told that the free-enterprise system is outmoded and must give way to what the do-gooders are pleased to term the "new order." Their arguments are that the free-enterprise system is a failure and wholly inadequate to our times.

If their contentions be true, how does it come that in the darkest hour of the great contest to destroy nazism and fascism the world looked to us to become the arsenal of democracy, also the banker for the Allied side?

I cannot yet understand how it was possible for a decadent system of capitalism to convert from peace to war, almost overnight, and produce the endless and limitless quantities of planes and tanks, trucks and tractors, guns and shells, precision instruments, not to mention the required supply of food and clothing, all so desperately needed in the Battle of Armageddon.

We even had to step in and save Russia from being crushed and destroyed. If what those who would destroy our soul tell us be true, it should have been in the reverse, and Russia should have done the saving, but she couldn't do so because it takes free initiative to do that kind of job.

We are in general agreement, I think, that it is most fortunate for the world that there yet remains one country—the United States of America—which has its foundation in the free-enterprise system, and has the money to give and lend for the relief and rehabilitation of the less fortunate countries of the world.

True we put everything that we possessed into that war. We felt then, as we feel now, that no sacrifice was too great when made to preserve our liberties, our free institutions, and our way of life, to the end that our children and their children may enjoy the benefits and advantages of our historic and traditional institutions, our free-enterprise system, our representative form of government, and the many other blessings with which we have been so generously endowed.

You will recall that we had an election last November, when 50,000,000 voters marched to the polls and by an overwhelming majority issued a mandate to the President and to Congress that the Government of the United States should be returned to the people; and that the Constitution be reinstated as the organic law of the land.

Unfortunately, we failed to reckon with the bureaucratic lust for power, and individual stupidity, as witness President Truman's two vetoes of the tax-reduction bill and the labor measure. At the November election the American people, by a preponderant majority, declared that they wanted relief from the staggering tax load that had been imposed upon them as a war measure. They demanded a stop to wasteful spending; they also emphatically registered their will that the power of racketeering labor leaders be curbed, if not destroyed.

The Constitution of the United States has conferred upon the Congress the sole power to levy taxes, yet it was vetoed by a President who has little or no conception of his constitutional limitations. I charge that President Truman's vetoes were a usurpation of the sole authority of the Congress to impose taxes. His veto of the second tax-reduction bill compounded the wrong.

You will agree with me, I am sure, that one of the major causes for the labor unrest is the number of tax fingers that dip into the

pay envelope. The workingman naturally computes his wage as being what he takes home, after all deductions have been made. The result is a constant demand for increase in wages and every increase granted means an increase in the price of what we buy, and that creates a vicious inflationary spiral that can conceivably get out of control.

On the other hand, tax reduction will increase wages, but not prices.

I am reliably informed that a large midwestern manufacturer has figured that H. R. 1 would have been equivalent to an average 3½-cents-per-hour wage increase for his employees and that is not to be sneezed at.

Canada and the United Kingdom have already each given their people the benefit of a substantial reduction in personal income taxes and on July 1, a second decrease, amounting to as much as 29 percent, went into effect in Canada. But we, the richest people in all the world, are told by our President that it would not be safe to increase the income of the American people through tax reduction; that the better method is through wage increases. Have you ever witnessed a similar example of crass stupidity and unbridled demagoguery?

When it comes to spending there is little to choose from between Mr. Truman and Mr. Roosevelt, but if I were to award an accolade it would have to go to Mr. Truman because he has made Roosevelt look like an amateur when it comes to spending. I base that assertion on the fact that 2 years after VJ-day he sent a peacetime budget to Congress that is 400 percent bigger than any peacetime budget ever submitted by Mr. Roosevelt.

The President insisted, again and again, that his estimate of $37,500,000,000 is the rock-bottom figure for the fiscal year 1948. It is enlightening to compare this record of decline from the war peak with that established after the First World War. After that earlier war the maximum Federal expenditure was made in the fiscal year 1919, when the total was eighteen and one-half billion, or about one-half.

Now a word about the Hartley-Taft labor law which the Congress passed over Mr. Truman's veto. Not one of labor's legitimate rights will be denied by the law which the Republican Congress has enacted. Labor's right to strike for legitimate purposes will be preserved; so will its right to free collective bargaining by agents of its own choosing. But the law placed some much-needed restrictions and curbs upon union labor leaders—all intended for no other purpose than to protect the public against widespread abuses of power and the evils inherent in the exercise of that power. The new labor law returns to the rank and file of labor control of their union affairs.

You will agree, I am sure, that the need for corrective labor legislation was even of greater importance than tax reduction. We have had our fill of strikes since VJ-day and the need of the country is for labor tranquility and maximum production.

It took such strikes as the railroad tie-up of a year ago, John L. Lewis' several coal strikes, the New York truck strike, the Pittsburgh power strike, not to mention a multitude of lesser strikes, to convince Congress and the country that we were nurturing a government within a government, and I am not so sure that at times the inner government, made up of labor leaders, was not as strong, or stronger, than the Federal Government, and I say that because time after time labor leaders have defied the President and the Congress.

However, an aroused people compelled Congress to act. The Taft-Hartley law is deficient in several respects in that it permits industry-wide strikes and recognizes unionized shops. It will need some clarification.

Industry-wide strikes are un-American and indefensible. As a matter of fact, they constitute a canker sore on our economy. I need not go into detail with you people on that score because the iniquity of the thing is so flagrant as to be apparent to all. The union shop has no more place in our scheme of things than has the closed shop. Both are half brothers born out of wedlock.

I well recall during the late war constituents writing to me and complaining that they could not secure employment on war work until they joined a union. Many members of Congress tried to do something about it, but the labor leaders were so firmly entrenched in the administration that our efforts got us nowhere.

I ask you, fellow Americans, if this is still a free country? If it is, why should it be necessary for an American citizen to pay tribute to a labor union before he can secure employment? I consider the closed shop and the union shop a clear violation of articles 9 and 10 of the Bill of Rights.

If we are to maintain our economy on a sufficiently high level to meet all of our needs, we must have maximum production. For years labor leaders have insidiously worked to curb the output of the individual. Even during the war, when the cry was for more and more of everything, we found instances where union leaders were deliberately trying to slow down the production of their own coworkers with a remark something like this: "What's the hurry, buddy; are you trying to win the war alone? Take it easy, pal." I do not like to think of what would have happened to individuals who preached that kind of doctrine during the war had they lived in Germany or Russia, but under a representative form of government I suppose we have got to take it and grin.

All over the country building operations are retarded because of excessive building costs. Bricklayers, plasterers, carpenters, and other building-trade groups are not alone demanding wages so high as to throttle construction, but, to make matters worse, they are only turning out a fraction of the work that they did a few years ago.

The same holds true in industry. I seem to recall a statement by young Henry Ford to the effect that with 30 percent more workers employed, Ford production was down 25 percent.

The present high prices are in a large measure due to high production costs and excessive exports of nearly everything we need.

Fellow Americans, I ask you in all sincerity how long can this continue without bringing on economic paralysis?

God knows I want to see the workingman get as much money as he earns, and I rejoice with him in many of the gains he has made over the years. I, myself, have carried a card in the typographical union for more years than I care to recall, so I know somewhat of the benefits that have accrued for the workingman by being organized, but the situation has gotten out of hand.

The average union member has little or nothing to say about how his union is to be conducted, and indications are that the rank and file are getting fed up with their leadership. I think that was demonstrated at Detroit more than a year ago when Mayor Jeffery was reelected over a man named Frankensteen, a vice president of the Automobile Workers Union. You will recall that Mayor Jeffery was elected by a 50,000 majority, and to me that was most significant, because the automobile workers can elect anyone they wish in the city of Detroit.

In late weeks there has appeared in many publications of national circulation a most timely advertisement by Warner & Swasey, of Cleveland, entitled "You Don't Negotiate Wages—You Produce Them." This advertisement may have escaped some of you, so I am going to take a few moments to read it.

"If wages were a matter of negotiation we'd all negotiate ourselves a million dollars a year. But it isn't that simple.

"You produce something; it is sold. That selling price has to include the cost of the material you used; it has to includes taxes to support your Government; it has to include a small—a very small—amount needed to keep your company in business. The rest is your wage.

"If you produce more, there is obviously more for you. If you produce less, there is, of course, less for you.

"You decide your wage by your production. And you decide something more—the security of your job. The less you produce, efficiently, the more it costs. The more it costs, the fewer people there are who will buy it. The fewer people who buy it, the less demand for your work—the less secure your job. You are seeing that right now in this buyers' strike against high costs.

"Prices and wages and job security are a question of efficient production. And that is your responsibility."

I have gone into the labor question in some detail because I consider it the paramount question confronting us today. It involves the workers, who are being exploited, just as much as it does the employer and people in general, and it is unfortunate for the country as a whole that President Truman has failed to recognize and take cognizance of a situation that at various times has threatened our economic stability. If he thinks that his veto of the Taft-Hartley bill will win him support from the rank and file of labor, I fear he will become a very much disillusioned man when the votes are counted in November of '48.

For months the New Deal propaganda bureaus have frantically sought to sell the American people on the idea that the first session of the Eightieth Congress was a do-nothing Congress. Based upon my more than 30 years' service in the House of Representatives I say to you that this is a foul falsehood. I cannot recall a Congress that has accomplished so much in such a short time.

The Republican-controlled Eightieth Congress came into being on January 3 and our first act was to streamline the organization in conformity with the Reorganization Act passed by the late Congress. In the process it was necessary for us to squeeze 49 committees into 19 committees and at the same time give due regard to the seniority rights of the older Members.

We had to set up research staffs for the various committees and you people know that it was not an easy matter to pick trained and experienced men for the various staff positions. In the case of the Ways and Means Committee, we have not yet been able to find a suitable individual for one particular position, notwithstanding that the job pays $9,000 a year.

The first session moved carefully, but with as much dispatch as was advisable, to fulfill the Republican Party's campaign pledge to eliminate all that portion of the huge bureaucratic machine which is not absolutely essential.

Congress made much progress in that direction without impairing a single essential governmental function or service.

We promised the American people to drastically reduce the costs of Government which, under the New Deal, have assumed Frankenstein proportions. Despite the great lobbying activities of an entrenched bureaucracy, we saved you some $4,000,000,000. Truman fought us at every step.

One of our most important concerns must be the maintenance of existing and the creation of new jobs, dependable income, and well-being for the many by preserving and promoting the economic motives and incentives of the few.

At this point may I remind you that it requires an investment of over $8,000 to create a new job. The average person who receives a small income does not create the job through which he gets that income. Someone else has made that job possible through his decision to provide capital, or assume a business risk, or take on managerial responsibilities. Any plan of tax revision which does not give at least proportionate recognition to this basic reality of our economic system would be gravely deficient.

If our economy is not to remain static, we must provide proper incentives for expanding existing industries and businesses, and the creation of new ones, both of which would make more jobs, greater production, lower prices, and an expanded market for finished and raw materials.

I am one of those old-fashioned Americans who believes that in order to have a sound and expanding economy all investments should return at least 5 or 6 percent over and above taxes, cost of operation and depreciation. That should be true of the farm, the shop, the factory, the railroad, and all other activities.

Americans in all walks of life should cherish and cling to the principle that ours, being a free country, there should be the least interference on the part of the Federal Government in our lives.

We firmly believe in the law of supply and demand, which should at all times be permitted to operate freely, and only with such restrictions as are absolutely necessary to fair dealing.

We utterly and completely reject the theory that those with vision, courage, ambition, and energy should be held back to time their progress with those who have been less generously endowed.

Life in America should be geared to give one and all full opportunity according to one's talents. More than that no one can ask for, less than that would be un-American.

Above all, we reject the principal of government that would tax success to a point of diminishing returns.

Taxation for the necessary needs of government, yes; taxation to penalize success, a thousand times no.

Fellow Americans, I am greatly disturbed, as I am sure you are, over the loose talk that we hear about a prospective depression. Let me say to you with all the candor and force at my command that there is absolutely no foundation for such expressions. The situation today is wholly different from what it was back in the late 1920's. Then we had a run-away market and no backlog of orders. Our credit system was overextended and we were skating on mighty thin ice.

Today the situation is wholly different. Our banks are bursting with deposits. The manufacturer has a backlog of orders. We need everything from shoes to automobiles, household gadgets, watches and clocks, rolling stock, farm and factory equipment, and so I could go on and enumerate indefinitely.

If we get a depression it will be altogether due to the old New Deal defeatists in Washington and their irresponsible and malicious talk. A depression will only come when we lose our heads, our faith in America, and in the future. I believe that with intelligent leadership we can work out a program that will continue the present level of prosperity indefinitely.

Oh, we must have some readjustment, of course, but there is a vast difference between such readjustment and a depression.

Early in the New Deal we were told that we had reached the outermost horizon of our economy and that we need look for no further expansion or development. Now we know how loosely and ill-advisedly they spoke. Then our national income was about $40,000,000,000 a year. Now that income has increased to about $176,000,000,000, and while I am well along in years, I confidently expect to live to see a national income of 225 billions.

America is a land without present economic horizons. There is no limit to where we can go if we have the will and the industry. Today we stand on the threshold of the greatest era of development in all the history of mankind.

What we need, my friends, is a spiritual rebirth of the American people. We must recapture that fine old American spirit of self-reliance that made America what it is.

We must get over the idea that the Government owes us a living. I freely concede that there are certain fixed obligations to the people that are incumbent upon the Government and which should not be avoided. On the other hand, the people of America also have certain obligations to their Government. I have never conceded it to be the duty of the Federal Government to act as a nurse or Santa Claus to all and sundry and I feel, with my whole being, that the American people must stop looking to Washington to do the things for them that they should do for themselves.

America was not builded and made great by Washington bureaucrats and Government subsidies. Rather, our great and glorious country is the product of industry, freedom, opportunity and personal initiative.

The brave men and women of the East, who loaded all their worldly possessions into covered wagons and turned their faces resolutely and hopefully to the setting sun, braving the hidden dangers of the forests; who in 150 years transformed a vast wilderness into the richest empire on earth—they were the ones who builded America.

Not only did they wrest the empire west of the mountains from hostile Indians, they built roads and railroads, opened up farms, established schools and churches, and created thousands of modern and prosperous cities, villages, and hamlets where the standard of living is so high that it is the envy of all the world.

When the early pioneers set out on that great migration they cut all ties with the old home, and what they did and what they accomplished was done without Government subsidies, Government controls, or even governmental planning. In short, they gladly underwent the tribulations and the trials of their brave and hardy forefathers, who had landed on Plymouth Rock two centuries before.

While their worldly possessions were few, they had boundless faith in the future of America and a supreme confidence in God and in themselves. That is what America needs today.

They demonstrated to an admiring world what the American people can do if but given a free hand.

Today that area which we proudly call the bread and butter basket of the world holds as many opportunities as it ever did, but in order to bring these opportunities into fruition we must be released from the stranglehold in which we are held by a grasping and a thoroughly selfish bureaucracy which seeks to control our every act.

The venturesome spirit which made America now lies dormant, because the incentive to branch out has been repressed and suppressed by excessive taxation and oppressive regulations. The big job before Congress and our people, as I see it, lies in reawakening the spirit that was America in our earlier days, and this can only be done by permitting the American people to retain for themselves a fair share of the wealth that they create.

Fellow Americans, I have boundless confidence in the future and in the destiny of America.

I believe we now stand on the threshold of the most wonderful era in all the history of mankind.

Let us here and now resolve to break the last shackles that a bureaucratic octopus has fastened upon us. Let us recognize the necessity of mutual sacrifice for the realization of the "last best hope on earth"—the freedom and dignity of the individual man.

Let us also resolve that while Washington shall have every dollar that is needed for the necessary conduct of government, and for our national security, there shall not be 1 penny for extravagance and waste.

America no longer has money to throw away. Henceforth let us think of America first. Then we will again become a happy and prosperous people. Let us ever remember that only a prosperous America can help rebuild a war-devastated world. Indeed, a solvent America is necessary to the rebuilding of that world.

The issue is clear. Shall we cling to the blessings with which we have been endowed by a beneficient providence and to the institutions and traditions handed down from the founding fathers? In arriving at a decision it is well for us to remember that we are but custodians of the blessings and benefits that we have inherited, as they also belong to the generations yet unborn which are to follow us.

The issue is clear-cut, and let no one make any mistake about it. In short, shall we choose to remain a free people, whose roots are deeply grounded in the tenet that there can be no substitute for personal integrity, individual initiative, and collective industry, or shall we substitute therefor a philosophy that would destroy the soul and enslave the individual? The choice is ours to make, and I pray the God of our fathers that we will not repeat the same mistake that so many other peoples have made.

Perhaps I can best illustrate what I have in mind by quoting an Englishman, Herbert Casson, of London, on private enterprise:

"The power to choose the work I do;
To grow and have the larger view;
To know and feel that I am free;
To stand erect, not bow the knee;
To be no chattel of the state;
To be the master of my fate;
To dare to risk, to lose, to win;
To make my own career begin;
To serve the world in my own way;
To gain in wisdom, day by day;
With hope and zest to climb, to rise—
I call that private enterprise."

In Commemoration of the One Hundred and Sixtieth Anniversary of the Ratification of the Federal Constitution by the State of Delaware—"The First State"

EXTENSION OF REMARKS
OF

HON. J. CALEB BOGGS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. BOGGS of Delaware. Mr. Speaker, to all Americans the date December 7 has a great significance which shall never be forgotten. On that date in 1941 the infamous attack was made on Pearl Harbor by the Japanese.

However, long before 1941, December 7 was a date of the greatest historical significance to the people of the United States. It was on December 7, 1787, that the State of Delaware ratified our Federal Constitution; and since it was the

first of the Thirteen Original States to do so, Delaware became, in fact, "the first State." In the intervening 160 years the State of Delaware and its citizens have cherished and protected this historical position and have continuously had a prominent part in the tremendous growth and development of this Nation.

Last week, in proclaiming December 7, 1947, as Delaware Day, His Excellency Walter W. Bacon, Governor of Delaware, stated in part:

Whereas on December 7, 1787, Delaware became the first State to ratify the Federal Constitution; and

Whereas in this year, which marks the one hundred and sixtieth anniversary of that historical event, the peace- and liberty-loving peoples of the earth are again engaged in a sincere effort to establish peace throughout the world:

Now, therefore, I ask the citizens of the State of Delaware to pay tribute to the part Delaware played in the establishment of the basic law of our Nation and to those men and women of Delaware who have contributed to the honor and glory of their State from the early days of the Colonies down to the present time.

As December 7 this year fell on a Sunday, official exercises commemorating the one hundred and sixtieth anniversary of Delaware's ratification of the Constitution will be held tonight in the capital city of Dover. At that time the principal address will be delivered by a prominent member of one of Delaware's oldest and most highly respected families, the Honorable Richard S. Rodney, a judge of the United States District Court for Delaware.

A leader in the early colonial and revolutionary periods, the State of Delaware remains today a leader in many phases of our national existence. In broad fields of agriculture and industry, Delaware's productive activities are known and heralded throughout the Nation—and in many specific fields throughout the world. In recognition of its position of leadership, wealth, and productive importance, Delaware is widely known as the Diamond State—small but of tremendous value.

It should also be remembered that within its boundaries there exists today one of the oldest institutions of higher education in our land. At Newark, Del., there is the University of Delaware, which had its inception as an academy in 1743 and which, in the 204 years since that date, has continued to be a center of knowledge and learning.

From the days of Charles Thompson, permanent Secretary of the First and Second Continental Congresses, and Caesar Rodney, whose historic all-night horseback ride from Dover to Philadelphia enabled Delaware's delegation to the Constitutional Convention to cast its vote for independence, to the present day, Delawareans have served this Nation nobly and gained renown in many fields of endeavor. Among such Delawareans, past and present, are: Dr. James Tilton, called the father of the Army hospital service; Commodore Thomas McDonough, hero of the battle of Lake Champlain in the War of 1812; John M. Clayton, who was Secretary of State under President Taylor and coauthor of the famous Clayton-Bulwer Treaty between the United States and Great Britain; Thomas Bayard, Secretary of State under President Cleveland, and our first Ambassador to England; John Bassett Moore, noted authority on international law who died only a few weeks ago; Gen. Thomas Holcomb, former Commandant of the United States Marine Corps and now Minister to the Union of South Africa; George Messersmith, former Ambassador to Argentina; Josiah Marvel, Jr., now Ambassador to Denmark; Howard Pyle, noted artist and author; Henry Seidel Canby, author, editor, and critic who founded the Saturday Review of Literature; and Emily P. Bissell, who inaugurated on December 7, 1907, the antituberculosis Christmas seal drive which is now a national institution. There are many others.

Today Delaware, the agricultural and industrial "diamond," is widely recognized as the explosives and chemical capital of the world. It is also the capital of the broiler industry in the poultry field, as well as the center for the manufacturing of vulcanized fiber. Eighty percent of the world's vulcanized fiber is produced in America, and 60 percent of that is manufactured in Delaware.

Other fields of industry in which the people of Delaware play a prominent part are: Leather; textiles; plumbing fixtures; castings of malleable iron, brass, bronze, and manganese; paper; ships; fish oil; and a variety of others too numerous to mention in such a brief accounting as this.

In addition to poultry production, Delaware is important agriculturally for its prosperous and expanding production of fruits and berries, grain feeds, vegetables, and dairy products. Delaware is also studded with canneries, specializing mostly in poultry and such truck crops as tomatoes and corn.

Widely known as a summer vacation and resort area, Delaware also has large commercial and pleasure fishing fleets.

Thus, it may be seen—from even such an inadequate summary as this—that Delaware, "the first State," although small in geographical size, has always been, and, I am confident, will forever continue to play, a large and important part in the history, development, and progress of the United States of America.

Out-Patient Treatment and Hospitalization of Disabled Veterans

EXTENSION OF REMARKS
OF
HON. CLARENCE J. BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. BROWN of Ohio. Mr. Speaker, The Ohio Department of the Disabled American Veterans on December 6, 1947, adopted a resolution with reference to the deplorable conditions in connection with the out-patient treatment and hospitalization of wartime disabled veterans. This resolution is as follows:

Whereas the Veterans' Administration's out-patient medical service and hospital care for veterans who were wounded or disabled as a direct result of war service is nearing the point of collapse, the present projected work load interpreted in terms of money requirements, indicating a shortage in the Veterans' Administration of from 32 to 40 million dollars—for the out-patient phase of the medical program alone—the present instructions requiring the Ohio offices of the Veterans' Administration to further curtail the medical program—to the extent necessary to remain within the funds allotted; and

Whereas out-patient medical service includes medical treatment at home, treatment at the offic of a local physician, and emergency hospital care, medicine, prosthetic appliances, and so forth for war service-connected disability; also physical examinations which are necessary to determine eligibility to monetary benefits, and entitlement to medical and dental care; and

Whereas in order to keep within the limited funds available, this service is being provided on a priority basis, physical examinations which are essential to determine eligibility to benefits and service being at the bottom of this priority list; and

Whereas to further curtail this service, medical aid to veterans with pending claims is to be discontinued at the end of this month, regardless of prima facie evidence of entitlement; and

Whereas huge back logs are increasing daily, veterans travel authority and even purchase of needed medicine sometimes being deferred—because of lack of funds; Ohio fee basis physicians by the score having withdrawn from the Veterans' Administration medical program because of red tape and the long delay in obtaining payment for service rendered, many of these physicians preferring to administer to war-time disabled veterans as charity patients without cost; and

Whereas the Veterans' Administration hospitals in Ohio are filled with waiting lists upward to in excess of one thousand at Dayton; many municipal and private hospitals in Ohio cities and notably Cincinnati, are refusing to accept wartime disabled veterans for treatment on Government authorization and are demanding cash guaranty by the veteran before admitting them, regardless of the emergency, this being due to the long delay in the payment of bills and the low Government hospital fee schedule which is outdated and does not cover current cost of medical care; and

Whereas it is a most unbelievable thing that this Government would single out America's service disabled, those who were wounded and disabled as a direct result of war service, and for the sake of economy deny these men and women the necessary medical care to relieve the ravages of disease and disability incurred by serving the Nation in time of war on the battle fronts of the world; and

Whereas this situation is a most serious one, and even grave, and is of much greater importance than the sending of billions of dollars overseas for the care and rehabilitation of Europe's millions: Now, therefore, be it

Resolved by the Ohio Department of the Disabled American Veterans—

(1) That an appeal be made to the President of the United States and to the Congress for a deficiency appropriation sufficient to maintain adequate medical service for the Nation's wartime disabled.

(2) That an appeal be made to the Administrator of the Veterans' Administration to consider temporary reallocation of funds pending action by the President and the Congress, and that the Administrator also consider closer supervision of the medical service with a view of improved efficiency; be it further

Resolved, That copies of this resolution be mailed to the President of the United States,

to the Administrator of the Veterans' Administration, to the Members of Congress from Ohio, and that a copy be given to the press.

Adopted by the executive committee, Disabled American Veterans, department of Ohio, this 6th day of December 1947.

ALBERT L. CROY,
Department Commander.

Mr. Speaker, the Disabled American Veterans, commonly referred to as the DAV, is composed exclusively of those who were wounded, or disabled as a direct result of war service, and is the only organization of its kind ever to receive a charter from the Congress of the United States. The DAV in Ohio has rendered a most valuable service to this particular group of veterans and to the widows and orphans for more than 25 years. During the last fiscal year ending June 30, 1947, the representatives of this organization at the offices of the Veterans' Administration in Ohio, arranged for 2,971 hospitalizations, obtained 4,745 physical examinations, received 27,571 letters from veterans regarding their claims, addressed 27,703 personal letters to veterans regarding their claims, personally interviewed 19,517 claimants, made 5,602 personal appearances before the rating boards of the Veterans' Administration for veterans, and reviewed 27,833 claims files.

The Ohio department of the DAV is leading all States in membership in the organization for the tenth consecutive year, has more members than the combined total of 23 States, and more chapters than the combined total of 15 States. Approximately 60 percent of the entire membership in Ohio, are either part-paid or fully paid life members. More than 30 percent of the entire membership in the State are fully paid life members. This is a record that is unequaled by any State organization in any State.

The officers responsible for this great record are Mr. Albert L. Croy, the present State commander of the DAV in Ohio, who, I am proud to say, is a fellow editor and publisher, publishing two newspapers in Van Wert County, and who has long been an outstanding leader in veterans' affairs; and State Senator Albert L. Daniels, the State adjutant and treasurer of the Ohio DAV, who has been the most able representative of my own State senatorial district in the Ohio Legislature, and has for many years served as an officer of the Ohio DAV, with great benefit to such veterans and honor to himself.

World Situation Regarding Nitrogenous Fertilizers

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to revise and extend my remarks in the RECORD, I wish to include the following letter dated November 20 which I have received from Mr. C. Tyler Wood, Deputy to the Assistant Secretary for Economic Affairs, Department of State:

DEPARTMENT OF STATE,
Washington, November 20, 1947.

The Honorable HELEN G. DOUGLAS,
House of Representatives.

MY DEAR MRS. DOUGLAS: The following information concerning the present world situation as regards nitrogenous fertilizers is sent in response to your telephoned request of November 10 to the Department. Information concerning the present status of Government-owned plants in the United States is included.

The United States is a member of the International Emergency Food Council, which has a total membership of 35 countries. This Council, among its other functions, has found it necessary, in view of the obvious importance of nitrogenous fertilizers to food supplies and in view of the extremely short supplies of fertilizer nitrogen throughout the world, to establish a recommended world distribution of fertilizer nitrogen.

The Council makes its recommendations, of course, only after agreement is reached among the member countries on the basis of full discussions within the Committee on Fertilizers. As you know, the IEFC does not have powers to compel a given member to take action which is not acceptable to that member. In June of this year the IEFC recommended that the United States should receive 187,330 short tons of fertilizer nitrogen (this figure is expressed in terms of nitrogen content as a common denominator; the aggregate tonnage of the actual materials is much higher) during the 1947-48 production year (July-June) from countries having exportable supplies. It also recommended, with the concurrence of the United States, that this country export 57,860 short tons of nitrogen from commercial sources during the same period; this figure has been raised by the United States to 61,160 tons to include an increase of 3,300 tons of nitrogen in the form of solutions, which are in relatively good supply, to be exported to Cuba. The United States Government's decisions to accept the IEFC recommendation and to institute the increase were taken with the concurrence of the interested Federal agencies.

The guiding principle followed by interested agencies (the Departments of Agriculture, Commerce, and State) in determining the level of the commercial export program for the current fertilizer year was that the United States net import balance should be essentially the same as that during the previous fertilizer year, and that the increase in domestic production contemplated at the time the present program was established would be retained entirely for the domestic market. This means, of course, that larger supplies will be available to domestic consumers than last year. Comparative figures are as follows:

Short tons of nitrogen

[All figures rounded off to nearest hundred tons]

	1946-47	1947-48
Exports	61,900	[1]61,200
Imports	186,300	[1]187,300
Domestic production [2]	663,800	[3]686,500

[1] IEFC allocation.
[2] Exclusive of Army Ordnance production.
[3] Recent developments now being investigated by the Department of Commerce may indicate whether this figure may be increased.

Following the IEFC's recommendations, it is the responsibility of member countries to establish individual programs for the import and export of nitrogenous fertilizers. Pursuant to the provisions of Public Law No. 188, Eightieth Congress, "Second Decontrol Act, 1947," the Department of Commerce is the agency of this Government authorized to provide for the fulfillment of such programs.

The nitrogen-export program for the 1947-48 production year, as originally established, provided for the export of 57,860 short tons of nitrogen. In establishing the program great care was exercised to minimize the impact upon domestic requirements. It was also determined that the composition of the total export tonnage as regards specific nitrogenous fertilizer materials (viz, ammonium nitrate, ammonium sulfate, etc.) should be arrived at in an equitable manner, so that no individual material would be compelled to bear an undue share of the burden. To this end, the projected program was fully discussed with and agreed to by representatives of the industry, whose recommendations were incorporated into the present program. The export program thus established was published as Direction No. 4 to Allocations Regulation No. 2, a copy of which is available from the Office of Materials Distribution, Department of Commerce. This regulation requires all producers of nitrogenous fertilizer materials to accept certified export orders for these materials up to stated percentages of their respective production of such materials in the 1946-47 production year. The subsequent increase of 3,300 tons of nitrogen is in the form of "solutions," which are not in short supply. This form of fertilizer is exported to Canada and Cuba in tank cars, by overland railroad, and sea train, respectively; long-distance water shipment is not feasible.

The world's commercial exportable pool of nitrogen is smaller than last year's; consequently, several countries will consume considerably less than last year. Recent IEFC data show that in 1947-48 the estimated world production of nitrogenous fertilizers (exclusive of Ordnance output in the United States and United Kingdom for Germany, Japan, and Korea) is 2,576,000 metric tons of nitrogen, as against total stated requirements of 3,500,000 tons, the deficit being more than 900,000 tons. In 1937 there were 12 countries exporting fertilizer nitrogen; now there are only 5 major exporters in the commercial sense. If the output and shipments from the United States Ordnance plants are taken into account, there are now 6 major exporters of nitrogen. The report of the House Committee on Agriculture, Eightieth Congress, first session, entitled "1947 Fertilizer Supplies" contains, among other things, the explanation of how the Army came to sponsor the operation of the United States Ordnance facilities for the production of fertilizer. The salient facts relating to the present situation are given below. You may desire to communicate directly with the Department of the Army for further details.

Upon assuming the responsibilities of occupation, the Army was faced with a net import requirement of considerable magnitude as regards nitrogenous fertilizers. Funds were appropriated by the Congress to cover the cost of the needed fertilizer. It was found, however, that the quantities required could not be purchased from commercial producers without seriously impinging on the supplies available to domestic consumers. It was subsequently decided by the Government to make available for the Army's program certain Government-owned plant facilities, some of which had previously been declared surplus, and others which the Army was retaining as stand-by munitions facilities. Actual operation of the plants is by commercial companies, on a contractual basis. Originally, the Army had 16 plants reactivated for the production of ammonium nitrate. Anhydrous ammonia was made in 4 plants, transported in pressure tank cars to another 6 plants for the manufacture of ammonium nitrate solution, then forwarded by ordinary tank car to 6 additional plants for finishing (graining). However, due to a shortage of available tank cars, it was found necessary to take some 5 plants out of production, thus reducing the available capacity for the production of finished

ammonium nitrate from 28,600 short tons of nitrogen per month (88,000 tons of material) to 21,125 tons (65,000 tons of material). During the 1947-48 production year the Army's program is understood to call for the production and shipment to the occupied territories of about 252,000 short tons (230,000 metric tons) of nitrogen. It is understood that about 20 percent of the total is programed for Germany, 48 percent for Japan, and 32 percent for Korea.

One of the plants released from the Army's program, for the reasons outlined above, was turned over to the Bureau of Mines for synthetic fuels research. This is the Missouri Ordnance Works. Recently two of the producing units ("trains") of this facility were declared surplus to War Assets Administration; the latter agency is proceeding to dispose of this capacity to a commercial bidder. The Department has recommended to War Assets that the facility be disposed of in such a manner as to assure its use for the production of nitrogenous fertilizer materials during the emergency period of world-wide nitrogen shortage. The capacity of the two units at Missouri, in terms of nitrogen, is understood to be 18,000 short tons a year on the basis of a 300-day operating year.

According to the best information available to the Department, additional unused capacity at Government-owned ammonia plants consists of 36,000 short tons of nitrogen a year at the Morgantown Ordnance Works and some 54,000 tons a year at the Cactus Ordnance Works. In the latter case the facilities necessary for the increased production are completely unassembled, and it is understood that a considerable capital expenditure would be involved. In the cases of both these plants, due to the continuing shortage of tank cars, the problem of integration would have to be solved—that is to say, the problem of bringing together in one producing area the facilities needed in the manufacture of finished nitrogen fertilizer.

The information furnished above is believed to be sufficient to indicate the complexity of the task of contributing to the alleviation of the severe world shortage of fertilizer nitrogen, and I trust that it will be of some assistance to you. However, it is appreciated that there may be many questions you have on this subject that could not possibly be answered in one letter. Please feel free to communicate with the Department whenever you have questions that you feel this agency is in a position to answer.

Sincerely yours,

C. TYLER WOOD,
Deputy to the Assistant Secretary for Economic Affairs.

The Unheard Cry of the World's Children

EXTENSION OF REMARKS
OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to revise and extend my remarks in the RECORD, I wish to include the following article from the New York Times Magazine of October 12, 1947, by Gertrude Samuels who is a member of the Sunday staff of the Times. To gather material for this article she interviewed Red Cross and former UNRRA workers returned from overseas and officials of the United States Children's Bureau and the United Nations.

The article follows:

THE UNHEARD CRY OF THE WORLD'S CHILDREN—THIRTY MILLIONS IN EUROPE, TWICE THAT MANY IN ASIA, MAKE THEIR APPEAL TO US FOR AID

(By Gertrude Samuels)

WASHINGTON.—Thirty million children in Europe and thirty to sixty million children in the Near and Far East—children on two-thirds of the face of the earth—are in dire need of help. They are living in caves made out of rubble, in areas where every dwelling has been destroyed by fire, in patched-up buildings and in wartime dugouts. Their faces—old, emaciated, green from deficiency diets—show the nature of the enemy. Thousands are mutilated for life, without arms, hands, legs, and lacking even the artificial limbs to replace them. Nearly all bear the deeper wounds of the spirit—the result of broken families, lost faith, and hunger.

These children don't complain. No one has ever seen them gather in angry, self-pitying mobs before some ambassador's house or military government headquarters with hunger placards. In fact, like the proverbial children, they aren't—diplomatically speaking—heard at all. But they are terrifyingly there—for all to see who want to see.

Their greatest problem is food. Some of the problem derives from the military war which, like any war, turns countries into battlefields and destroys farms, villages, and cities. That military phase of World War II took a grim toll. It not only mutilated children, it killed their families, robbing them of love and security; it cut into their means of existence, taking the basic foods, especially milk, which children must have for health and growth.

The other phase of the problem, particularly in Europe, stems directly from the amazing Hitler-Haushofer strategy to colonize the contient for Germany. This is the crime without a name, as Winston Churchill called it in his broadcast of August 1941, for which a name has since been coined—genocide.

Genocide, which comes from the Greek word genos (race, tribe) and the latin cide (killing), was the plan to win the peace even though the war be lost—by annihilating whole populations, whether of national, racial or religious character, and so change the demographic picture of Europe in favor of Germany. This took several forms. In the case of the Jews of Europe and their children, it almost succeeded. That was by direct extermination in the gas chambers and crematories. In the case of the occupied countries, particularly eastern Europe and western Russia, the philosophy of Hitler, Goering, Keitel, Haushofer was expounded by Heinrich Himmler in October 1943:

"What the nations can offer in the way of good blood of our type, we will take. If necessary, by kidnaping their children and raising them here with us. Whether nations live in prosperity or starve to death interests me only insofar as we need them as slaves for our Kultur. * * *"

Thus in all the former occupied countries where the enemy looted the food stores and underfed the young, malnutrition and disease had a 6-year start before the end of the war.

As the Nuremberg indictment summed it up: "[The defendants] conducted deliberate and systematic genocide. * * *" While German babies and children waxed fat and healthy on balanced diets and German women faithfully carried on their "Kinder, Kueche, Kirche" role, enduring weakness ate away at the rest of Europe's child reserves.

This was the children's problem facing the allies as their liberating armies went into Europe—a problem which they met with imagination, trained workers, and with cash in the form of body-building supplies and medicines—from the International Red Cross, from the voluntary welfare agencies aided by the National War Fund, and from UNRRA.

To the occupied countries, UNRRA became a holy word and often meant the difference between life and death. It was never enough, but it did reach part of the children, and it did stave off epidemics. Now UNRRA is closed down. But the need is not only graver than ever—it is a matter of weeks to a crisis.

Perhaps the most crucial areas are Italy and those which were marked for death by the Nazis—Greece, Poland, Byelorussia. Most of their children can never remember what milk looks like. Hundreds of thousands are orphans who never had a chance. I saw some of this among the United Nations children in the miserable displaced persons camps of Germany this year. The children of the eastern European nations are, if anything, a hundred times worse. Here, from the grave, Hitler continues to win his demographic war.

In Greece, in a desperate plan to save pretubercular children (those who could not survive the winter without contracting TB) doctors helped by the Australian Red Cross have been going on mule or horseback into the mountains, picking out children here and there and accrediting them to rest camps for 3-week periods. Such a camp was Eagle's Nest at Karpenessi, northwest of Athens where the more fortunate children, trudging through the mountains for 9 to 14 hours, clad in rags and wearing pieces of old tires for shoes, for the first time saw what civilization could be like.

One child, Kosta, 9½ years, his father shot by the Germans, his mother dead of TB, made the journey with his grandmother. Washed down in a primitive shower, his head shaved, Kosta was treated for body sores and put into new clothes made from flour sacks. In the 3 weeks Kosta gained in height and weight. Now, say leading pediatricians, virtually no children can have even this care, because there is no food for them.

Nor will Greek children get their one 600-calorie supplementary meal. They can continue to meet in the rubble-heaped graveyards which serve as their schoolrooms—for how long as the living?

In Italy children are dying because they lack a few drops of cod liver oil, milk, and a minimum of nourishing food. Thousands of babies live in old, battle-scarred barracks which have walls but no floors, easy prey for TB, rickets, and scurvy. For the lack of milk, they are fed on bread ground in water. This brings another scourge—hunger edemas, their bodies swelling with water under the skin. Hundreds carried to the pediatrics clinic of the University of Rome are affected in the corneas; these children will be nearly totally blind for life. "Yet a few drops of cod liver oil * * *" goes the plea.

In Poland nearly 5,000,000 children, 200,000 of them orphans, lack every basic necessity of life. These are the children of the "inferior" race who were serfs of the "Herrenvolk." They are the children who witnessed an appalling human tragedy.

Their reward for having survived is the near-fulfillment of Hitler's genocide strategy. They live in many areas in dark, subterranean dwellings under the rubble of the cities, crucially dependent on outside help, their "potato fat" stomachs signifying the lack of milk, eggs, fresh fruits, bread.

A child-feeding center at Lodz gives a recent picture. Beginning at 11:30, about 1,000 children aged 6 to 14 years lined up for their main meal—a soup made of cabbage, potatoes, and water. Observers from the United States Children's Bureau and UNRRA were "mostly struck by their weary, ragged, stunted appearance. It was shocking to talk with Ludwik and Jerzy in the line, who looked about 7 years old, and discover that they were actually 13 years old." In

Hitler to have his way with the Polish children?

The most desperate need in the whole picture—from England where children are at least getting a school lunch, to Poland, Italy, Rumania, Byelorussia—is milk. The simple truth is that children of all ages need milk for growth and development. Moreover, to be of real value it should meet the nutritional standards of cleanliness, quality, and be used as quickly as possible. And there is virtually no fresh milk in the war-devastated countries, while the powdered milk supply is nearly gone.

Germany presents a strange paradox. Milk is what most German infants, at least in the American and British zones, are apparently sure of getting. Dr. Rudolph Degawitz, chief of the Children's Department at the University of Hamburg, told me: "In the American and British zones the children are normally fit for the first 4 years of life. Infants up to this age are getting their milk regularly, although they don't get enough of other foods. The school children look undernourished and those between the ages of 11 and 14 years are in bad shape because they need more food at that age to keep on growing fast. But these school children also get milk in their schools plus a 300-calorie meal."

Dr. Degawitz said that the "worst headache" was the Russian zone "where children are getting only about one-fifth of the milk that they get in the other two zones."

But if Europe is a continent of hungry children the Far East presents a stranger tragedy. At least before the war Europe knew a decent living standard. In the East traditional poverty and starvation are still complicated by war. In all China, there are two children's hospitals to care for, roughly, 200,000,000 children. Chinese children need everything—milk, food, cod-liver oil, medicines, clothes, shoes—and, equally important, some show by the rest of the world of human understanding. In the famine area of Honan province last fall, children lay down in the street and died and were buried in common ditches. Today the dying are seen on the streets of Shanghai.

Children carried into the Shanghai Public Hospital for Children (the other is in Peking) died within 24 hours of TB, meningitis. Sixty percent of the cases are malnutrition—"but how can we afford to buy even milk? One pound of milk powder costs one United States gold dollar or 60,000 Chinese dollars." Silent, orphaned, abandoned children clutch the only possessions they have left—a sandal or a wash cloth.

In the primitive villages of India, with their mud huts and spare water supply, children often live on a plate of boiled rice a day.

One canteen near Bombay, provisioned by voluntary agencies, served seven villages in a vain attempt to reach the children with one nourishing meal a day, "so whatever the United Nations can do for India will at least be a start."

This is the extent of the children's problem. What are the nations of the world doing about it? After faltering starts, four efforts are being made:

1. Nations are themselves doing what they can.

2. There is the substantial effort of existing voluntary agencies.

3. UNESCO, the educational and cultural agency of UN, will project a campaign against illiteracy and try to promote understanding among nations.

4. The International Children's Emergency Fund is beginning to operate. This last has the widest attention because it, above all, was expected to fill the immediate need. The UN member nations have badly let it down.

When ICEF was formed last December, composed of representatives of 28 countries, including the big five, the original aim was to reach at least 20,000,000 infants and adolescents in the war-devastated areas with a 6-cents-a-day meal. Enthusiasm for the plan was tremendous, a budget of $450,000,000 was set for the first year of which the United States—as a nation blessed with surpluses and undamaged by war was expected to contribute $100,000,000.

What happened to the emergency fund is what has happened to many another humanitarian plan—it sickened of a disease called lack of interest and support. At this writing, UNRRA has transferred $5,000,000 to the fund; the United States has contributed $15,000,000, and Canada $5,000,000; France has promised to contribute 6 percent of what the United States offers. Latin-American countries may contribute $20,000,000. The probability is that the most the fund can ultimately expect from UN members is $70,000,000. Meantime the money in hand is only enough to supply a daily ration for 1 year of 3 cents worth of powdered milk, cocoa, fats, and fish to 4,155,000 children in all the world. No medicines, basic foods, clothes, or shoes are now contemplated.

So hopeless is the situation that many feel that if governments refuse to respond to the need the people of the world must. The chief spokesman for this point of view is Aake Ording, Norwegian member of the Secretariat. Through his efforts the UN appeal for children is taking shape. It will take time for the international machinery to start moving, for national committees to be formed, for a campaign to stimulate the people into an act of world citizenship to save millions of young lives.

On a given day, in a given month, every adult in the world will be asked to give 1 day's pay or its equivalent in potatoes, wheat, fruit, rice, milk, cows. Much of the money raised will go directly to the Children's Emergency Fund. As Mr. Ording sees it: "The practical and emotional possibilities for good are tremendous. What use is the best of all worlds if the children don't exist?"

However, the earliest that the "Appeal for Children" can get under way is in 1948. But the crisis is now. And the biggest question is: How can this terrible gap be bridged?

It must be done in two ways: First, the Children's Emergency Fund must be immediately strengthened by its UN members with large-scale grants. Second, the voluntary agencies must triple their efforts which, while UNRRA existed, found them contributing supplies equal to 30 percent of the whole UNRRA program. They cannot do this without the people, and the fervent hope is that the American public will respond to the need for strengthening their services and to the coming UN appeal.

Americans would seem to have no choice but to respond. As a Nation, we are traditionally generous—and this is one catastrophe which has a personal meaning for everyone who loves children. Equally important, we are forced to see these children in terms of tomorrow's world—the hope or the threat of civilization.

Are they to have the chance to nourish their bodies and minds on the good foods of life, or are their broken bodies to breed a generation of neurotics? In short, are we to let Hitler's genocide plan succeed? The means are in the hands of nations with well-stocked larders. The answer depends largely on us.

Action on Fuel-Oil Shortage

EXTENSION OF REMARKS

OF

HON. GEORGE MacKINNON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

Mr. MacKINNON. Mr. Speaker, my attention has been called by many constituents to the shortage of fuel oil in Minnesota and the upper Midwest States. The unmatched severity of our winters in those areas makes any fuel shortage more acute for us than is the case in other sections of the United States. We know what acute suffering freezing temperatures can bring. It was for this reason that I have consistently supported amendments to the foreign aid bill to prevent the shipment of our fuel oil to foreign countries unless our supplies were adequate for our own needs.

To further prevent the development of an acute shortage of fuel oil in Minnesota and the upper Midwest States I have today wired the President, the Office of Defense Transportation, the Solid Fuels Administrator, the Association of American Railroads, and the American Petroleum Institute urging the allocation of additional tank cars and fuel oil to Minnesota and the upper Midwest States.

URGES STATE ACTION

I have also wired the Governor of my State, the Honorable Luther W. Youngdahl, urging him under his constitutional power to protect the health, welfare, and safety to appoint a State fuel administrator with authority to channel available supplies to those in need. Action by the States under their police power is the constitutional method of meeting such an emergency and I am satisfied will produce more satisfactory results than would the establishment of a Federal bureaucracy.

Copies of all telegrams referred to above are here inserted under leave to extend my remarks:

DECEMBER 9, 1947.

Hon. HARRY S. TRUMAN,
The President,
The White House,
Washington, D. C.:

This is to direct your attention to the severe early winter that has already descended upon Minnesota and the upper Midwest States. Present temperatures are below zero and snowfall is heavy. This unseasonable weather has required an unanticipated consumption of fuel-oil reserves and severe shortages of fuel oil are already being encountered. The severe winter indicates that these shortages will become more drastic as the season progresses. The basic cause of this shortage of fuel oil is a shortage of transportation facilities into these areas. It is respectfully urged that you communicate with the Office of Defense Transportation and the Solid Fuels Administrator and recommend the allocation of fuel oil and additional tank cars for the transportation of fuel oil into Minnesota and the upper Midwest States. Such allocations are absolutely necessary to prevent extreme suffering and distress in these areas. I urge that the unmatched severity of the winter in these areas entitle them to first priority in such matters.

Respectfully,

GEORGE MacKINNON,
Member of Congress,
Third Minnesota District.

DECEMBER 9, 1947.

Hon. JULIUS A. KRUG,
Solid Fuels Administrator for War,
Interior Building,
Washington, D. C.:

It is respectfully requested that you allocate additional fuel oil to Minnesota and the upper Midwest States. Severe winter with freezing temperatures below zero is presently being encountered. Acute fuel-oil shortages have developed and more will develop unless increased transportation facili-

ties and fuel oil are made available to these areas. In Minnesota and the upper Midwest States the severity of the winter is unmatched elsewhere, and for this reason it is strongly urged that this area should receive the highest priority for the necessary fuel oil and transportation facilities. Conformance with this request will be highly appreciated and will do much to relieve suffering and distress. It is suggested tha you discuss this matter with the Director of the Office of Defense Transportation and coordinate your activities.

Respectfully,

GEORGE MACKINNON,
Member of Congress,
Third Minnesota District.

DECEMBER 9, 1947.

Mr. J. M. JOHNSON,
Director, Office of Defense Transportation,
Interstate Commerce
Commission Building,
Washington, D. C.:

It is respectfully requested that you allocate additional tank cars for the transportation of fuel oil to Minnesota and the upper Midwest States. Severe winter with freezing temperatures below zero is presently being encountered. Acute fuel-oil shortages have developed and more will develop unless increased transportation facilities and fuel oil are made available to these areas. In Minnesota and the upper Midwest States the severity of the winter is unmatched elsewhere, and for this reason it is strongly urged that this area should receive the highest priority for the necessary fuel oil and transportation facilities. Conformance with this request will be highly appreciated and will do much to relieve suffering and distress. It is suggested that you discuss this matter with the Administrator of Solid Fuels Administration and coordinate your activities.

Respectfully,

GEORGE MACKINNON,
Member of Congress,
Third Minnesota District.

DECEMBER 9, 1947.

ASSOCIATION OF AMERICAN RAILROADS,
Transportation Building,
Washington, D. C.:

You are respectfully urged to allocate additional tank cars for the shipment of fuel oil to Minnesota and the upper Midwest States. I believe this is necessary in order to prevent acute suffering and distress in that area and that this section of our country should receive first priority because the severity of the winter there exceeds that of any other section of our country. Your immediate consideration of this request will be highly appreciated. Some communities there are presently out of oil, in others an acute shortage exists, and others have no prospect except an eventual shortage, unless tank cars are made available immediately.

Respectfully,

GEORGE MACKINNON,
Member of Congress,
Third Minnesota District.

DECEMBER 9, 1947.

AMERICAN PETROLEUM INSTITUTE,
Washington, D. C.:

You are respectfully urged to prevail upon your members to make available additional fuel oil to Minnesota and the upper Midwest States. I believe this is necessary in order to prevent acute suffering and distress in that area and that this section of our country should receive first priority because the severity of the winter there exceeds that of any section of our country. Your immediate consideration of this request will be highly appreciated. Some communities there are presently out of oil, in others an acute shortage exists and others have no prospect except an eventual shortage unless additional fuel oil is made available immediately.

Respectfully,

GEORGE MACKINNON,
Member of Congress,
Third Minnesota District.

DECEMBER 9, 1947.

Hon. LUTHER W. YOUNGDAHL,
Governor of Minnesota,
State Capitol, St. Paul, Minn.:

You are undoubtedly familiar with the present and anticipated fuel-oil shortages in Minnesota. These are caused by the lack of transportation facilities and the increased consumption of fuel oil. The early advent of a severe winter has made it apparent that fuel oil is going to be in short supply in Minnesota this winter and many people are going to suffer cold and hardship if appropriate steps are not taken immediately by all governmental agencies. You are also undoubtedly familiar with the fact that arrangements have been made for the transportation of fuel oil on the Upper Mississippi River for more than 1 month beyond the normal close of navigation. This was made possible by the assignment of an ice breaker from the United States Coast Guard but this means of transportation will be closed in a few days. To fill in the gap caused by the discontinuance of river transportation I am presently requesting the Office of Defense Transportation and the Solid Fuels Administrator to allocate additional fuel oil and tank cars for the transportation of fuel oil into Minnesota and the upper Midwest States. If you also feel their action would be helpful I urge you to make similar requests. But I believe that an effective solution of the problem will call for additional action and leadership by the State of Minnesota which you in your capacity as Governor are authorized to take under the power granted to you to act in emergencies when necessary to protect the public health, welfare, and safety. I suggest you appoint a State fuel administrator and local subadministrators with authority to bring the problem home to the people, to urge economical consumption by consumers, to maintain a liaison office for the collection and dissemination of information on available fuels, recommend distribution to areas in need and with further specific authority to channel all available supplies to consumers who are in need. I believe the police power vested in the States gives this authority to you. I believe that if this program is set up immediately that it will be able to operate efficiently before the emergency becomes more acute and I believe such program would receive the substantial support of dealers and consumers alike upon which any program must necessarily depend for success. Your immediate consideration of this suggestion to meet an acute problem will be highly appreciated.

Respectfully yours,

GEORGE MACKINNON,
Member of Congress,
Third Minnesota District.

American Opportunity Program of United States Chamber of Commerce

EXTENSION OF REMARKS
OF
HON. JOSEPH P. O'HARA
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 9, 1947

Mr. O'HARA. Mr. Speaker, my attention has recently been called to a press release regarding a program for American opportunity through advertising, initiated by the United States Chamber of Commerce.

The proposed program set out in the press release is indeed a comprehensive one and is noteworthy in its scope. So that my colleagues may be advised concerning this matter, I wish to quote a copy of the press release. Under leave to extend my remarks in the RECORD, I include the following press release:

NEW YORK, N. Y., November 18.—A vast volunteer effort employing facilities of many existing associations to achieve a unity of purpose among all groups in America for the preservation of our free competitive system was announced today at a meeting of the insurance division of the United States Chamber of Commerce by Leonard W. Trester, chairman of the chamber's newly created committee on advertising.

Because of the importance attached to this activity, known as the American opportunity program, the chamber's board of directors has just authorized the establishment of an advertising committee, Mr. Trester revealed for the first time.

The new committee replaces the former advertising subcommittee of the chamber's domestic distribution department, which began work on the program some months ago. The group, which will devote its major attention to this broad campaign, is being considerably enlarged. It will be comprised of leaders drawn from newspaper and other media groups, as well as from trade and industrial associations, especially those which represent utilities, retail stores, and other key factors at the community level.

Mr. Trester, a director of the United States Chamber and director of public policy of General Outdoor Advertising Co., has been named chairman.

Through chambers of commerce and other local outlets, the committee plans to release guides and other materials for use in the implementation of this theme by business establishments and community action groups.

"The open house, employee meetings, local speakers' bureaus, and discussion forums are among the methods available to employers and community leaders for getting across the fundamental facts about our system, its advantages and possibilities for improvement," Mr. Trester said.

"In the local community we can talk with fellow citizens within the framework of their everyday experience. We can translate the significance of their own particular jobs and their local free institutions in a way that is meaningful to them.

"Every available source will be tapped to give substance to this program. It calls for the most expert skills from many specialized fields, both in contributing materials for local distribution and in helping to carry out the program in the cities and towns of the Nation.

"In spite of all that has been done so far, this program is still in fluid form, subject always to modification and revision. I trust this will continue to be so. We learn as we progress. The more groups involved, the sounder will be our basic premises as well as our techniques.

"The umbrella of American opportunity is available to cover all who sincerely want to advance this cause. The chamber is performing its well-established function of acting as a common platform for all business groups. It also offers its facilities for the widespread dissemination of materials designed to aid in this effort.

"Already we are exchanging information and ideas with a similar organization in England. Known as Aims for Industry, it has recruited scores of regular speakers for civic

groups, is publishing many pamphlets and a monthly magazine, and is serving as a research center. This foundation has but a single purpose—namely, to make known 'the part played by free enterprise in sustaining the position, welfare, and integrity of Great Britain and its citizens.'

"With materials already produced under chamber auspices, many businesses—ranging from Thomas A. Edison, Inc., in Kearny, N. J., to the Van de Kamp Bakery Chain on the west coast—are already going ahead with advertising and employee programs. Among the outstanding examples of community action is the program of the Grand Rapids Chamber of Commerce. In that city all types of businesses are systematically bringing the benefits of the American way to the attention of customers, employees, and stockholders.

"Truly we are beginning to demonstrate that American business is preparing to accept its social responsibilities and to assume its proper role in the preservation of our free society."

The Citizen in Today's World

EXTENSION OF REMARKS

OF

HON. OLIN D. JOHNSTON

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address entitled "The Citizen in Today's World," delivered by Dr. Malcolm W. Davis, of the Carnegie Foundation for International Peace, at the 1947 session of the South Carolina Conference of Social Work on November 5. I urge the attention of the Members of the Senate and other interested citizens to this outstanding discussion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Such a conference as this has a great significance, in addition to all the constructive efforts that it represents, because it is a voluntary movement of free individuals dealing with their own problems on their own initiative. Although this fact may appear obvious, it is worth emphasis because in many parts of the world such action has been or is being replaced by government as the directing and controlling agent. In some countries, a conference such as this would necessarily mean that the gathering was under the domination of the government. Here, the conference is recognized by the government, as a body of citizens with the dignity of independence and with liberty to model their society according to their own thought and in their own way. It shows in the finest light that confident and free relationship between the people and their government which has been our source of strength and which is now more than ever valuable and vital—not only to us but also to other nations. It is the standard that we uphold.

The beginning of liberty is to believe in people, as individuals with capacities for growth and for intelligence in mastering their problems and measuring up to their responsibilities. This faith has been at the heart of the long struggle against arbitrary authority. And the maintenance of liberty, too, requires continuing belief in people, despite their mistakes and their shortcomings, belief in each other as well as in ourselves, confidence in each other, reliance on each other. Further, it calls for an immediate challenge, always, to any person or any party laying claim to complete knowledge or exclusive power. This simple recognition that anybody or any group may be mistaken at any time is an essential safeguard of liberty. That is why, under a system of liberty, the right must rest with the people to change administrations, correct errors, and above all control their own lives. It implies a balance of power in society. We are familiar with the balance of power among nations, so that no one power can dominate the earth. Liberty means a balance among groups within a nation so that no one party can automatically be in command of the government. What we in America call democracy is the embodiment of these principles into a form of government. We sometimes fall into a habit of talking and thinking as if the form of government itself, rather than the principles and purposes for which it exists, were the important thing. But it is the principles, not the form in which they are expressed which are the essential foundations of a people's respect and responsibility for themselves.

The forms vary widely throughout the world, but whether they are republics or constitutional monarchies the different representative systems have this principle in common—a belief in individuals and in their right to rule themselves. Unless that idea is truly there, the government cannot be really representative but is instead a screen for a minority holding the people in restraint.

The people's rule of themselves naturally implies another risk because with that privilege goes a prerogative of rulers—the right to be wrong. We insist on an opportunity to make our own mistakes and learn from them, rather than be compelled to endure the mistakes of an autocracy or a dictatorship. So democracy as we understand it necessarily means that any majority will always keep open for their opponents an equal opportunity to speak their minds, to publish their ideas, to organize parties, to elect legislators, and in turn by persuasion if they can to form a majority and to constitute the executive government. The indispensable condition is that no opposition may advocate or attempt to gain and hold power by force.

That recognition and protection of minority opinion is freedom's balance of power. It is the assurance of good faith and fair play in the political struggle. We as members of such a society have to guarantee to each other the privileges and safeguards that we all together want. And precisely because we do insist on rights for opposing groups among the first of these privileges and safeguards we need the certainty that whatever programs or reforms one group or another may seek, the appeal will be to reason and never to violence, that there will be acceptance of decision by a majority and orderly and peaceful procedure by social understanding.

The fundamental freedom is the freedom to modify opinions and policies, by speech and study and writing. This is of more significance than any particular program. It is the method inseparable from intelligent judgment and indispensable to individual freedom of action, by which all programs may be tested. All our discoveries come from experiment and proof; all our enlightenment has had to be achieved progressively in this way. In the search for solutions to our problems, we need to expose all ideas and proposals to criticism and comparison. Refusal of the opportunity to do this, under any system, whatever its merits in other regards, amounts to refusal of the right to think. Without this liberty of the mind, no other rights can be safe.

More often than not in the past, democracies have had to hold their ground against odds. The evidence of their soundness was their ability to survive in a struggle with more powerful opponents. Now the odds are on the side of the democracies, and the question is how well and how worthily we shall use our control of the greater reserves of strength and sources of supply in the world. The democracies have already had an earlier opportunity of leadership—after the First World War. At that time also they held for a period the power to control the course of events. But they differed among themselves about the treatment of their defeated enemies and they allowed their differences to drive them along diverging lines of policy. In the end they were menaced again with the peril of subordination by war, and only at ruinous cost the strongest saved themselves and rescued others who had been overwhelmed. At the present time there appears no certainty that our use of victory will prove to be any wiser. We of the United States have the position of main influence, since we are the country with undamaged productive capacity, but with all our power and resources we cannot by ourselves provide prosperity and preserve peace in the world. The outcome must depend on the extent to which we keep in touch with all the other countries where most of the people believe in freedom as we do—particularly England and the countries of western Europe—and work together with them.

Unlike dictatorships democracies are not designed for isolation. On the contrary, democracies have thrived on cooperation, on free exchange of ideas among their peoples, on a growth of liberty in all realms. A community of thought and an interchange of knowledge belong to the enterprise of freedom. They are part of its nature, and freedom has always developed through the interplay of minds. We have nothing to fear and everything to gain from such relationship with other like-minded peoples.

Moreover, in our world today any democracy is less isolated than ever before, and the degree of its isolation is growing steadily less. The airplane and jet propulsion have made that certain, and the nations are interlinked by the almost instant communication of news, good or bad, reliable or unreliable. Here we begin to get at the heart of the dilemma for democracies. We as citizens can no longer concern ourselves with our own localities and let concern with other people and places go. It would be simpler and often pleasanter if we could. But our life is now more affected by what happens in other parts of the world than the life in one of our States used to be affected by what happened in another State.

The pressing demand on governments, whatever their political system, is to provide for national safety and social welfare. Just as the days of local solutions for problems are gone, for better or worse, science and modern industry have made it impossible for any one nation to assure its own safety, and they have made every nation look partly to others in maintaining its own standard of welfare. There is no self-sufficient country. Despite the illusion of some of our people that the United States has everything it needs to produce everything it wants, the war taught us that if we could not get some supplies from abroad we could not go on living as we normally do. Many articles of daily use—our telephones, our automobiles, to note but two examples—are made out of materials coming from many parts of the world; and our daily diet, from breakfast through dinner, comes partly from other lands. We can all find international trade in our neighborhood stores, if we look at the products and learn where they came from. So we can agree that social welfare in any nation calls for more than its own resources—even the most richly supplied—for no nation has all that it

requires. Here the issue for the democracies crosses the frontiers of their homelands, reaches out into the rest of the world, and brings them into contact with other ways of dealing with social problems and political issues. The citizen finds his community linked with other communities around the globe.

The countries that did not believe in what we mean by freedom and democracy have sought social welfare by other methods, by collectivized economy, and state supremacy. The individual had none of the importance and freedom that we assign to individuals, and that makes our way of life what it is to us. In place of the idea that individuals build the community and the nation and form governments to represent and serve them, leaders in those other countries set up the idea that individuals exist for the state as an end in itself and as the supreme value. We had to defeat such systems in Germany and Italy and Japan, which we called totalitarian, in order to defend ourselves and our society from their threat. Now we find ourselves facing another kind of totalitarian system in Soviet Russia, based on different concepts from those others and operated for different purposes, but just as surely subordinating the individual to the one-party state and by this method seeking social welfare. The issues between us meet most passionately and persistently in the field of ideas, as they did with those others which were vanquished in the war, and the contest is first for the minds of men. This is the great challenge to free citizens in today's world, but it need not mean war.

We seek our social welfare by our faith in individuals and their initiative in our popular sovereignty. Therefore, our system must hold out to a large majority of our people a practical prospect of reasonable satisfaction for their wants. The stability of our system has been and is in the fact that almost all of us prefer it to any other even when we disagree entirely with the party in power. So long as this is so, our system cannot really be undermined from outside. Only if we should get into a situation in which a large proportion of our people would feel that the odds were against them, that they had no prospect of reasonable satisfaction through their own work, only then would our system be endangered, and from inside. We operate not by the grip of fear but by the force of hope. Our methods and programs cannot be imposed. We are not a police state, but a political society whose leaders constantly turn back to the sources of power among the people and rally support from them. That is our main reliance and safeguard. Our peace and prosperity and strength spring from this trust and understanding among us. That is the example we set, which exerts its influence throughout the world. It depends on the citizens and on their activities in their own communities.

In all our talk and thought about democracy, let us remember that the defense of freedom and human rights depends on citizens who are active. Indifference and passivity on the part of the people can rapidly turn a democracy into a bureaucracy in which the most determined will grasp power, straitjacket public opinion, and rear a pressure group as the government. An active citizen is more than an active individual. The active citizen considers and includes the interests and rights and welfare of his fellow citizens along with his own. In work he recognizes the duty to give a fair exchange in goods or services for what he receives in return. In social and public affairs he also recognizes a responsibility. He receives the benefits of the established laws, of order and peace, and of mutual protection; and in return he takes his part in maintaining them. The creation of these benefits have been as hard as winning a war. Freedom is the heritage of a long struggle which must be continued. A vote from time to time in elections is not enough. Good institutions and laws are the outcome of patient and renewed teamwork. The citizens who take part in it, locally or nationally, not only contribute their own ideas, judgment, loyalty, and persistence; they not only gain in knowledge of the social, political and economic conditions in the community; they not only help to keep their own democracy healthy; but they also strengthen it in the world. The fitness of any democracy can be measured by the proportion of its active citizens. They are the red corpuscles in the bloodstreams of the body politic. The others, the passive citizens, have to be carried along, but it is the active ones who keep democracy alive and alert. The success of America has been due in large measure to the numbers of our people who have developed and exercised this capacity for making the democratic way work and in doing so have learned to rely on their fellow citizens as well as on themselves. They are the basis of the contribution we can make to order and peace and welfare in the world.

There never was a time when it was more important to make the American way work well. That used to be a problem primarily for ourselves. Now the results of what we do are observed and the effects are felt everywhere. So, also, there can hardly have been a time when it was more stimulating to be an American. This task of making the American way work rests on individuals and groups acting in whatever way they can. It cannot be done from any one center. The nature of the American way is that it has to be operated by many people and from many places. All together they maintain the well-being of the Nation and its standing in the world. They make it possible for our representatives to act effectively for peace and security in other regions from which they might otherwise be a threat to our own position in the American hemisphere. They make it possible for our influence to count for order and the gradual adjustment of disputes and conflicts. We have won a war triumphantly, but victory has not yet yielded security or real peace. Agreement on the terms of a treaty for Germany still seems far away, and a beginning has not been made on negotiation of terms for a treaty with Japan. Along with the trials of reorganizing our own life and meeting the costs of the struggle, we face also another obligation. As the only untouched and unweakened power, we must assist the nations of western Europe to get their people and their productive systems back effectively to work, so that they may clothe and feed themselves and heat their houses and avoid the distress that might produce revolution and social strife. This is urgent, for shortages and suffering are likely to be worse this winter than last winter.

We are still under hostile pressure, and we are more than ever dependent upon each other, both as economic groups and as individuals. Yet many Americans assume the existence of liberty and opportunity as they assume sunlight and air. They want to take freedom easy. We need a wider rediscovery of the spirit which can make our country an encouraging example, proving that men and women can govern themselves and share prosperity equitably, an example to be followed. It is the spirit which you demonstrate in the South Carolina Conference of Social Work. Your members act, as naturally they have to do, where they are and in the circumstances that they know. But your action does not stop there. Whatever improves conditions here, whatever increases contentment here, whatever heightens hope here, helps to make the American way work, aids the Nation as well as the State, adds to our importance and influence in the world. That is one answer to the people who look at the troubles beyond our borders and say, "But what can I do about it all?" We can first do something where we are, and then try to connect what we do with like efforts in other places.

We are in one world with other peoples, whether or not it can be unified; so, in any case, we have to face the fact. Because of our size and strength, we have a greater capacity to determine events for good or ill than any other people. Our ability to produce is about equal to the combined abilities of all the other peoples of the earth. What we decide and do will count tremendously either to advance the conditions of peace or to increase the tendency towards war. We took a chief part in establishing the United Nations and its agencies; we are the leading member of the United Nations; it is the central field for our foreign policy. Yet, already many of our people are asking, "Will the United Nations work?" The answer is, "Yes—if enough people of the member nations, in whose name it was set up, want it to work, insist that their governments do everything in their power to make it work, and first of all the people of the United States." The international need is just what it is in community and social work, to develop in enough people the sense of responsibility to find the facts they must know and to cooperate with others in working out practical agreements based on those facts. This does not mean that we have to give up principles which from our point of view are fundamental, for the sake of an apparent agreement which would not be an actual agreement. It does mean patience in negotiating with those who hold other points of view, willingness to regard other proposals as contributions to the thinking through of common problems and to analyze them impartially, and observance of the pledge not to use force or the threat of force against the independence or integrity of a neighbor or member nation, together with insistence that others observe it likewise. We have promised also, under the Charter of the United Nations, to advance standards of living and to promote understanding throughout the world. The responsibility for honoring these engagements starts with us, in our families and communities. We have to be ready to combat prejudice among ourselves and promote understanding of other nations and their problems, and we have to be ready to accept and aid the plans that may be necessary for relief of suffering and for reconstruction in the war-damaged countries.

The future of our civilization seems to me to depend on the outcome of a contest between forces for undermining its social structure and forces for understanding among the peoples of the earth. Men and women of good will are seriously troubled over the desperate plight into which the world has been brought by total warfare, and over the prospect that there might be another war with still more terrible means which would be even more ruinous and would directly strike the United States. Since the immediate future is clearly in the hands of the adult population, the importance of their action for understanding is manifest. As citizens their field of influence, in most cases, is in the community in which they live. Still, their conduct as community citizens can be related, as we have seen, to the larger problems that press on their communities from outside. That relationship starts with their own education as adults, and extends to their fellow members of the community. As they learn, they become effective as groups. These groups, by States, by regions, and nationally, surely if slowly become effective in forming a world public opinion. We have only to prevent one war, the next war, long enough to give us time to apply our modern knowledge to the tasks of reconstruction and our negotiating power to the problem of security. That means, first of all, an informed public sentiment, a will that these possibilities be pursued resolutely, and a faith in our ability to act effectively through the United Nations. Against the forces pulling back towards despair and conflict, there are forces pulling forward towards the world we want.

The free nations, that think and vote with us, hold by far the larger share of natural resources and technical skills, despite their losses in the war. An extending network of trade treaties is bringing them closer together. They are consulting and cooperating with each other more and more on the problems of security and welfare. There is no doubt that the unsatisfactory world we have made for ourselves so far holds the elements and energies capable of furnishing a good life in the world as we want it. Yet there is no doubt that these energies can be directed as we wish, that these elements can be moved to our purpose, only as the freedom-loving people in all lands—and in our own land first of all—carry on the conscious effort of developing the institutions for justice and the instruments for the overcoming of privation and the spread of welfare throughout the world.

The United Nations and its agencies can represent at the world level the kind of means that we use in national government and in community affairs. If it has inadequacies and faults, they can be improved and the charter can be amended. What makes the organization seem strange is that it is made up of different nations and unlike-minded peoples, but that is also its significance. The agencies are there to be used and to reinforce what individuals and groups can do. In whatever field you work, you have the prospect that an international organization is available to give assistance and advice and that an increasing number of people are working your way. You are not isolated, but are actually part of a movement that is growing and extending its effectiveness.

If you are doing something about public health, you have as part of the United Nations system the World Health Organization, devoted to the same task and prepared to cooperate with your work. If you are interested in improving agriculture and nutrition, you have the Food and Agriculture Organization acting to extend programs for that purpose throughout the world. If you want to better conditions of labor and industry, you have the International Labor Organization in which representatives of governments and industries and labor all cooperate. If you want to enlarge trade, you have the prospect of the International Trade Organization for which a conference is meeting this month in Habana. If you want to increase understanding, to advance the exchange of ideas and knowledge and the enjoyment of the arts, you have the United Nations Educational, Scientific and Cultural Organization, meeting this month in Mexico City to outline its plans for next year. These and other agencies are available to be used by the people and their governments to do anything that they can agree upon doing. Backing them all, you have the United Nations Assembly, the public forum of the world where the members stand on an equal footing to consult and debate with each other. And in none of these agencies is there the possibility of one nation blocking action by a veto. They can come to decisions by a majority or at most by a two-thirds vote, and then the recommendations go to the member nations. That is where the test comes, since one member nation may decline to follow a recommendation, while others that are prepared to act together may carry it out.

So you can see the importance of public opinion, of getting people to understand the connections between their problems and world problems and then to support cooperative plans through the United Nations to solve these parts of the problems together. The United Nations cannot work by itself, but that kind of popular support can make it work. And in this regard what we can do is more important than what any other nation can do because we operate from stability and strength.

I close with a quotation from a book recently written by my wife:

"There are three aspects to this United Nations world idea. Educational—we have to understand the United Nations, our world and America's part in it. Political—we should act on what we understand. Practical—we must, if only in our own interest, help other nations back to normal. If you want to learn and then act, first look around in your own community. What is the church, the school, your society, or your club doing for peace, educationally, politically, or practically? If nothing, start something, affiliated with a going movement. If something, join it, get your friends to join, and give all the time and thought you can spare. Every time you join with a social-minded group to urge upon your Government an important bill about lowered tariffs or a foreign loan or reestablishing some food control, you are swaying your own and your children's destiny. Every time you send food, clothes, or books to needy foreign countries, you are promoting American and world prosperity. If we Americans, men and women, pull together for peace as we did for war, then we are all that much safer from the atomic bomb, the unknown enemy, and the war that must never happen" (World on My Doorstep, by Harriet Eager Davis).

Report to the People—Part 4

EXTENSION OF REMARKS
OF
HON. W. LEE O'DANIEL
OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. O'DANIEL. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD my fourth report to the people, broadcast on September 25 last from Stations KPRC, in Houston; WBAP, in Fort Worth; and WOAL, in San Antonio.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

How do you do, ladies and gentlemen, and hello there, boys and girls. This is your United States Senator, W. LEE O'DANIEL, Democrat, of Texas, speaking in the fourth and last of a series of Reports to the People, from the studios of WOAI, 1200, San Antonio, Tex. I want to again say that copies of all four of these radio broadcasts will be mailed free to anyone in Texas, or any other State, who will write me and request same. My address is Fort Worth, Tex.

My main purpose in making these radio reports to the citizens of my State is to sound the alarm of approaching destruction that is facing your Nation and mine.

America has reached the cross-roads, and far beyond the cross-roads, and is still traveling in the wrong direction.

I am not an alarmist, but instead I claim to be a realist.

Other great nations of the past have fallen, and in most cases the destruction was wrought from within, and not from without.

This great Nation of ours has been wrecked from within by a gang of old fogies whom you folks have worshipped and kept in power too long.

Your Government at Washington is filled up with stagnant senile old men who have become vain, jealous, conniving, and imbued with the obsession that their long tenure in office has endowed them with intelligence superior to the intelligence of the people who placed them in power.

During this series of radio broadcasts I have pointed out specific acts of these tyrants which have undermined the foundation of your Government.

When this fourth and last broadcast is concluded I intend to get in my car and cover as much of this State as I possibly can in order to visit with you folks, and to say to you some of the things which might not be permitted on the radio.

It is time for plain talking.

I do not intend to polish up anything I say to you folks in Texas during my trip.

The crisis facing this Nation is so serious that there are several subjects for discussion of far greater importance than the subject of whether or not I will offer myself as a candidate for reelection to the United States Senate next year.

When Father Time's eternal clock reaches the fateful hour and the good trusting people of this State and this Nation come to the sad realization that the hour has already struck, and that it is then too late to recover our great American system of government, and our great American system of private enterprise, you will remember the warnings that I have been sounding throughout this State and this Nation. I want you to know that this Nation is facing a crisis. I want you to know that the truth about our awful condition is being withheld from you. I want you to know that you are being propagandized by the most elaborate governmental propaganda machine that ever existed. I want you to realize that you are being deceived. I want you to know that your own public officials in Washington are picking your pockets and using the loot to buy razzle-dazzles and opiates for the purpose of entertaining you and lulling you to sleep. They believe they are forced to do this to cover up the tragic blunders they have been making for the past 14 or 15 years.

I want to tell you that official Washington is at this moment in a dither. These politicians are completely at sea and floundering. The only thing they have ever known to do to cover up their blunders or solve any problem is to appropriate more millions or billions of dollars they do not have. They are in a dither today because the appropriating committees of Congress cannot function because Congress is not in session. Your weak-kneed leaders in Washington are completely helpless when the Appropriation Committees are out of their sight. They are as nutty as an opium addict who runs out of dope.

Now before some of you folks in the twilight zone of this false prosperity era reach over to tune me out because you think I am unduly alarmed, I want you to know that I am not the only public official who knows what the score is.

I want you to know that I am not foolish enough to expect many of you to believe what I am saying.

I am perfectly rational.

I know how absurd it would be for some long-faced bug expert to rush into a dazzling ballroom filled with gay and carefree guests and scream to them that termites were boring into the foundation of the building in which they were having such glorious fun and expect to stop the dance. Maybe you are having too much fun to heed my warning, but I am going to make this report to you. That is as far as I can go. One reason why our Nation may fall is because the truth seems so ridiculous that the average honest American citizen cannot believe it, even when told to him by his most trusted friend.

The good citizens of France placed explicit confidence in their mangy mummy politicians who ruled them so long that the people ceased to think for themselves. They did not come to the sad realization that their

professional politicians had sold them down the river until one sad day they found themselves being driven down the highways like droves of cattle, their country destroyed, and their government gone.

Now I want you folk to know that I am not going to cry "Wolf, wolf" and quit there without telling you what I think you can do to save your country.

You will note that I said I intend to tell you what you can do to save your government—not what I can do.

Nobody has a higher opinion of our constitutional form of government than I have, but that Constitution lying in the Congressional Library at Washington alone cannot save us—our success or failure lies in whether or not we all follow the mandates of that Constitution to the letter.

It was patterned after the holy word of God, and the teachings of Christ. For many years after it was written and adopted our forefathers, including the public officials, considered it to be a road guide to the happiness and prosperity of our people.

Now the guiding lights in your administration at Washington employ the smartest attorneys they can find to figure out ways and means of by-passing the Constitution so they may carry out their peculiar philosophy of government. Yes; we still have the Constitution, but it is now looked upon by the Washington smart boys as an antique heirloom. I also want to restate my faith in the good judgment of the rank and file of the good citizens of this Nation. I believe that the majority of them will find the right solution to every one of our problems, providing they are in possession of all the facts at the time they make their decisions.

But friends I tell you frankly the truth is being willfully withheld from you, and all you are permitted to read or hear is the distorted facts, half-truths, and bedtime stories.

There is a passage in the Holy Bible aimed straight at the people of this Nation. It says: "Ye shall know the truth, and the truth will make you free." Now before I tell you what I think you folks can do to save your Nation, I want to make a few other observations.

I want to call your attention to the fact that your lawmakers have stifled production during the past 14 years by passing every law they could think of to stop or retard production. By the Wagner Act, nobody is permitted to work more than 40 hours per week, except by the imposition of a tax on the consumers of the Nation of 50 percent of the wages paid to these workers. There are 70,000,000 people now working for wages in this Nation. If they worked 50 hours per week instead of 40, production would be increased by 700,000,000 hours per week. At an average of $1 per hour, that would put into the pockets of the laboring people of this Nation $700,000,000 per week. It would also give to the consumers of this Nation 25 percent more houses, food, automobiles, farm machinery, refrigerators, and other necessities of life for which the people are crying and for which they have the money with which to buy. But your impractical lawmakers have a different idea of how to bring on prosperity * * * they like the easy money-printing-press method, so they passed the law that forced the laboring people to quit work each week after they have put in 40 hours, and thus not be able to have more money with which to buy food, houses, and other things they need. Then the lawmakers wanted to contribute their bit to child delinquency, so they prohibited everybody from working until they are 16 years of age, but those strong young boys and girls still do their bit at eating all they want at the family table at the expense of dad and mother who both have to work now to make a living for their families. Then the long-haired lawmakers pass more laws prohibiting everybody from working for wages after they reach the age of 65, or deduct the amount such people earn from their old-age pensions, so as a result not many of these people have a burning desire to work for wages when they can get the same amount of money in the form of pensions for not working. So you can see that the do-gooders and up-lifters and soft-soapers in your Federal Government have hogtied all the able-bodied citizens 16 years of age and under, and all the able-bodied men and women over 65, and 70,000,000 of the men and women in between those ages, and by law have stopped them from working and increasing production.

Then on top of this method of slamming the brakes on production of goods and services, this gang of New Deal theorists have failed completely to alter or amend God's laws of baby production, and as a result the population of this Nation has increased during this 14-year period of New Deal nightmare from 120,000,000 people to 143,000,000 people, so here we have 23,000,000 new mouths to feed, and bodies to clothe and house, and not a single one of these 23,000,000 newcomers are permitted to produce a single thing, because none of them are 16 years of age yet. So the only thing under the shining sun that has enabled us to keep up the limited producing we have are the new inventions and labor-saving devices which some of our inventors and scientists have devised to increase production by machinery. And the New Deal Congress has not overlooked this interference with their plans of destruction because they have passed laws to curb the activities of inventors and scientists.

Now on top of all this, these big brains in Washington have continued wartime taxes in peacetime economy for more than 2 years after all of our enemies surrendered unconditionally. This means that they are sapping such a large proportion of everybody's earnings that they have practically destroyed the desire of real producers to increase their production. The plague has gone so far that there are many actual cases existing where some large producers of consumer goods will earn less net profit, after taxes, by increasing their production than by holding their production down to a lower level.

There are thousands and thousands of cases where the risk of loss involved in building new facilities for increasing capacity is so great that the venture is not undertaken—and the potential production never materializes. I am only pointing out to you folks some of the monumental blunders that your lawmakers and administration leaders have made which has brought us right up to the brink of a terrible crisis. Time does not permit to explain all of them. But on this last issue of taxes, just think of the expansion in producing facilities that could be built each year with the twenty or twenty-five billions of dollars that your Government is syphoning off from the people each year, and taking it to Washington to spend foolishly, squander, or give away. If these twenty or twenty-five billions were permitted to remain in the hands of the people, as it used to be before the advent of the New Deal, it would be spent for enlarging production facilities, building homes, schools, and churches, improving farms and ranches, highways, and our towns and cities. Instead of the people building up their communities with their earnings as they used to do, the Government is taking those earnings and distributing them all over the world, and then borrowing money to send back to the States, cities and counties to build schools, airports, dams and other public improvements.

By this process the Government is placing large groups of our voting citizens under obligation to the administration for the purpose of retaining itself in power. And in addition to this it is taking this money from the taxpayers to pack around two and one-half million flunkies on the Government pay roll, most of whom do little more than get into each other's way. And with our Constitution abandoned, our people taxed nearly to extinction, production stifled, and our whole economic structure on the verge of one of the worst depressions in history, these big-headed Government officials in droves are flying all over the world in warplanes and battleships at taxpayers' expense trying to show-off how rich we are and how smart we are, and trying to stick our noses into the internal affairs of every other nation on earth and tell them how to run their own affairs. And I can tell you folks now, before they all get back and make their speeches in Congress, and over the air, that not a single idea will be advanced by one of them, except to spend, or squander, or give away more of our borrowed money, and keep running this Nation further into debt.

One of the most silly propositions ever propounded by the ruling dynasty at Washington is the fallacy that this Nation must keep on increasing the exportation of more and more of our food, clothing, and other things to foreign countries, even if our Government has to give those nations the money with which to pay our people for these products. I have the official figures put out by our own United States Department of Commerce showing that for the 10-year period preceding the recent world war, only 3.2 percent of our total business was for export. We also imported more than we exported. The life of this Nation does not depend upon exports, as these dreamy New Dealers in Washington tell you. The statistics prove this point. And certainly any schoolboy or girl could figure out that absolutely nothing can be gained in exporting our goods when we have to give to foreign nations the money with which to pay for the goods we export. That is silly rot. And there is even a darker side to this export picture. Every businessman and woman knows that when this Nation produces more wheat, cotton, meat, or other product than is needed, the market goes down, but if we do not produce enough, the market goes up. If more people take more eggs to town than the buyers want, the price goes down, but if there are fewer eggs taken to market than the people want, the market goes up. That is common knowledge. So with that in mind I want to point out to you that your Government officials are entirely responsible for the runaway prices on these markets of food products. They are responsible because they have given to foreign nations enough money to buy enough of our products so that a shortage exists here at home, and that has run the prices up. Now you can have your own opinion about this, but I, myself, am definitely convinced that your own gang of New Deal officials in Washington did this very thing for the specific purpose of running our food prices up so they can have support in the next Congress to reimpose price-fixing on the people of this Nation. With prices skyrocketing like they are, a lot of good people are going to petition their Representatives in Congress to reimpose OPA upon you. I know how hard the administration fought to retain OPA, and I know how determined they are to regiment and control and dictate to the people of this Nation. Knowing all of this convinces me that they deliberately planned and put into effect this process of running up food prices in order to get support from the people for renewal of OPA, or price controls under some other less offensive name.

You just wait and see what happens about price control as soon as Congress convenes, and remember what I am telling you.

Now while I am discussing these fundamental problems, I do not want anybody to get the impression that I am heartless and that I do not believe in helping poor starving people. Nobody believes in helping the poor more than I do, and I practice what I preach. I do not want to see any human being suffer of hunger, or from cold, or disease, and I will

do my share to relieve their misery. But I also believe in the Constitution of the United States, and I took an oath to uphold and defend it. I have studied the Constitution carefully, and I fail to find therein any delegation of power granted by the people to any of their public officials to take money out of the people's pockets by taxation or any other process, and give that money away to anybody for charity. In other words, our wise forefathers set up a government and not a charitable organization when they established the United States of America. The people retained unto themselves the right to practice charity in their own individual ways. And in my opinion that was a wise policy because anybody knows how free and easy most people can be in giving away the other fellow's money. I also believe that when the Lord urged all His people to be charitable that he did not intend to encourage pocket picking as a means of charity. So, until the people of this Nation amend the Constitution of the United States so as to provide for charity by taxation, I shall continue to oppose the giving away of the people's treasure and goods by public officials. Let us look at the proposition from another angle—the practical angle. Our Government does not have to go to Europe to find people who will stop sowing and reaping, and working and producing as long as somebody else will sow and reap and work and produce the food for them and hand it to them free on a silver platter. Those people over there are human, and they will never work and produce for themselves as long as we give them food and clothes. And when we come to the place where we can no longer give to them, they will become our eternal enemies. That is only human nature. And now time does not permit me to continue reciting the blunders which your New Deal do-gooders and self-admiring plutocrats in Washington have made, and are still making. As I travel through the State in the weeks to follow, I will tell you many more things they are doing that is wrong. But now I am going to tell you how to save your Government. The first step in saving your Government is to find out what is causing all the trouble at home and abroad. I have told you what has caused it, and is still causing it.

As proof of my statement that the Congress is causing all the troubles this Nation is encountering I refer you to the Constitution of the United States. That document plainly places the policy-making responsibility of this Nation on the Congress. Our forefathers set up a government of law, not a government of man. No man in this Nation, regardless of whether he is a public official or not, has the right to compel any other man to do anything, except by law. Our wise forefathers wanted to get away from government by men. They had seen enough of it. So they set up this government of law. Every citizen of this Nation is free to do anything he desires to do, except as he is forbidden by law to do such and such. Our whole policy is formulated and written into the statute books by the Congress. The office of the President is a minor office. Our wise forefathers knew that if our President, or any other man, or woman, got enough authority, he would become dictatorial. That is human nature; so they wrote into the Constitution all the duties that a President could perform. They then provided for Congress to write the laws without any assistance from the President, when two-thirds of the Members of Congress got together on a policy. All the President is empowered to do under the Constitution is to see that the laws which are enacted by Congress are faithfully executed. He must see that they are faithfully executed whether he likes the laws or not. The framers of our Constitution did not care one whit whether any President of this Nation liked any certain law or not. It was still his duty to have all laws enforced. Lately the people of this Nation seem to have become hero worshippers, and are looking at our President as some high mogul, who has super-duper intelligence, and who is supposed to get on the radio every so often and tell everybody just how he is going to make your life a bed of roses without any effort on your part, except to keep on voting for him at reelection time. During this era of President-worshipping the people have paid less and less attention to their selections of Senators and Congressmen. Too often they have placed in the Congress of the United States stooges who were roosting on the coattail of their hero, the President. So when these stooges, or "yes" men, got into Congress they commenced to transfer the powers delegated to Congress over to the President until Congress became principally the tool of the Executive branch of the Government, and, in turn, delegated powers to the President that were not given him by the Constitution.

In appreciation of these powers the President paid off his congressional benefactors by giving to their relatives and friends big profitable war contracts, radio station licenses, or pleasure trips around the world. He could also assure them that if the voters back home caught up with them and defeated them, he would appoint them to a job in his department which would pay them more money, last longer, and not cost them the time and expense of running for reelection. Friends, by this process you have built up in Washington a dynasty, a one-man government, a dictatorship.

But here is the way the people of this Nation can whip this dynasty, providing it is done before it is too late:

The people in each congressional district and in each State still have the right and privilege to put anybody you please on the ticket as candidates for Congress. Thank goodness the professional politicians have not yet taken that right and privilege from the people. Here in Texas next year you will have the right and privilege to put anybody, and as many candidates on the ballot as you please for the place of Congressman in each district, and for one Senator. The people of this Nation can change every Member of the House of Representatives next year. They can change 32 out of 96 Senators. Our wise forefathers gave you a Constitution by which you can govern yourselves if you will but exercise your rights. If you are satisfied with the conditions that exist, just reelect the present Members of Congress who have voted to bring about this condition. If you want conditions changed—if you want your Government to get back onto the Constitution—if you want to regain and preserve your original form of democratic government, elect men and women to Congress who will withdraw the powers which Congress has given to the President. Elect men and women to Congress who will repeal all the class legislation and who will take the Government out of all business in competition with the people. Elect men and women who will build up our defenses so that no nation or combination of nations will dare attack us, and let the other nations run their own business. If you get enough of the right kind of God-fearing men and women in the Congress, they can repeal the rotten laws and enact new laws they deem necessary to turn this Government completely around and face it in the right direction within 30 or 60 days, and they will not need any help from the President. They can enact legislation and repeal legislation without the aid of the President, providing you have two-thirds of them inclined to do so.

The Congress of the United States is the greatest organization on earth. Your Congress is entitled to the best brains produced in our entire Nation. You do not have many men of that character in Congress. Mostly you have old fossils who never had but slight experience in business or professional life. You have some men and women up there who you would not hire to work for you at over $250 per month. If this Nation is to continue as the greatest nation on earth, you have got to put our greatest men and women in Congress because that is the policy-making body of this Nation. This Nation will not run itself. You businessmen cannot stay at home and send men and women up there who you would not hire to run your own business, and expect them to save your Nation and your business. If our Nation goes down, all businesses will go down with it. We are going down. There are only two ways out. One is the way we are going and the other is to build up your Congress with a better type of people. There are thousands of good men and women in this Nation who are honest, experienced, successful, God-fearing, and have proven that they have common sense and are not theoretical. This type of people do not want to make the sacrifice of running for public office and take all the abuse and ridicule and criticism that is now being heaped upon every honest Member of Congress who tries to do what is right. You are going to have a terrible time to get honest men to run for Congress. You will get plenty of the other type.

My advice is to forget about who is going to be the next President, but get busy and draft some sound, honest, experienced, successful, God-fearing American citizen in your district or State as a candidate for your Congressman or Senator. Please get busy in every section of this State right now. Don't wait another day. Unless the good Christian people get busy, everything we hold dear to us in America will be lost. Time is running out. This is no trivial matter. It is the most important thing that has ever been called to your attention. The men and women who are elected to the Congress of the United States next year will determine the fate of this Nation, and perhaps the fate of the world for centuries to come.

This broadcast is the last in the series of four in my Report to the People. All four of these broadcasts may be had by writing to me in Fort Worth, Tex. Monday, September 29, I will visit the towns of Boerne, Kerrville, Fredericksburg, Mason, and Brady; Tuesday, Brownwood, Coleman, Ballinger, and San Angelo; Wednesday, Bronte, Abilene, Baird, Eastland, and Ranger. This is your United States Senator, W. LEE O'DANIEL, bidding all of you a pleasant good night.

Rentals Charged by the Government

EXTENSION OF REMARKS

OF

HON. JOHN J. WILLIAMS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. WILLIAMS. Mr. President, a few weeks ago it was brought to my attention that the Government of the United States, as a landlord, was violating the rent-control laws. I made a little investigation of that particular charge, and I ask unanimous consent that a report on it be printed in the Appendix of the RECORD. The report is in the nature of a letter which I addressed to the Senator from South Dakota [Mr. GURNEY], chairman of the Committee on Armed Services, suggesting that action be taken.

It is disclosed in the report that in the operation of certain housing projects lo-

cated near naval bases, the Government of the United States has increased the rent and is collecting today, in some cases, as much as 300 percent over and above the rents being charged for similar houses as late as 2 years ago.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 10, 1947.

Hon. CHAN GURNEY,
Chairman, Committee on Armed Services,
Senate Office Building,
Washington, D. C.

MY DEAR COLLEAGUE: Since 1940 wages have gone up approximately 100 percent, while rents have gone up only 8 percent. Rent, therefore, is a smaller portion of the family budget than in 1940. In spite of this startling fact, on June 30, 1947, the President of the United States in signing H. R. 3203, the Housing and Rent Act of 1947, severely criticized the measure and said that, "It is clear that this legislation marks a step backwards in our efforts to protect the tenants against unjustified rent increases arising out of war conditions," and in condemning the 15-percent rental increase allowed to the landlords he said, "Many landlords will press for rent increases whether or not there is any need for adjustment. Severe hardship will thus be imposed on many tenants. The hardship will be particularly acute in the case of veterans, who comprise such a large portion of those seeking rental housing accommodations."

In view of this unjustified condemnation of the landlords by the President, I am at a loss to understand the record of the operations of one of our Federal housing projects since the war.

It was brought to my attention that one of these projects known as the Homoja Housing Unit at Annapolis, Md., was completely ignoring the rent-control laws as passed by Congress. Since receiving this complaint from a reliable source, I have not only visited this project personally, but I also conducted some research regarding its development and operation.

This housing project known as the Homoja Housing Unit at Annapolis consists of three developments of quonset huts (each of which contains two housing units), as follows: The first development consists of 180 units at a cost of $727,771.76. The second development consists of 120 units at a cost of $661,000. Both of these developments have been completed and are now occupied. A third development is under construction, which will consist of 160 units. The average cost per housing unit of the two completed developments is $4,629.23.

During the war these homes were rented to transient officers and enlisted personnel attached to a ship in port for repairing damages or general overhaul on a temporary basis at a rental charge of $1 per day for the time occupied. At the end of the war, these quonset huts were made available to permanently stationed personnel in addition to transient officers. The monthly rental for these homes since the time of construction until November 1946 had been at the rate of $1 per day or $30 per month.

Effective November 1, 1946, without giving any consideration whatever to the national rent-control law, these rents were increased 25 percent, making the new monthly rental $37.50 per month. This rate remained in effect until September 1, 1947, at which time another decision was made that since these officers were living in Federal housing units, the Government had a right to deduct from their checks as payment for rent the maximum allowance as prescribed by their classifications. This was the equivalent of a second increase in the average rental of these units from $37.50 per month to approximately $95 per month or nearly 300 percent.

I have made a detailed check of 156 of these units and found that under the original rental scale of $30 per month, which existed prior to November 1, 1946, the average monthly income from these 156 units was $4,680.

During the period between November 1, 1946, and September 1, 1947, which was the period in which the 25-percent increase was in effect, the monthly income was equal to $5,850; but under the new schedule which was placed in effect September 1, 1947, my visit to these same 156 housing units disclosed that the Government was collecting a monthly rental of $14,797.50, or an average of approximately $95 per home, or, as I have said, a 300-percent increase. It is interesting to note that under this new rate which is now and has been in effect since September 1, 1947, it will only take approximately 4 years for the Government to recover all of its original investment costs.

In view of the fact that John Doe, an American citizen and a landlord who owns property in Annapolis adjoining this Government housing project and renting that property to similar naval officers, is forbidden under the law to increase their rent in excess of 15 percent, and, remembering that we as Members of Congress were severely criticized when we granted to the landlords the right to increase rents even 15 percent, it is just inconceivable that we should find a Government agency itself increasing their rents as much as 300 percent and doing that by taking advantage of men in uniform.

Apparently, these Federal housing projects were the greedy landlords whom the President of the United States had in mind last June when he said that, "Many landlords will press for rent increases whether or not there is need for adjustment," or it could be possible that we are witnessing a restoration of that old adage that the Government is a sovereign power and can do no wrong.

I might say that this is not the first time that a Government agency has willfully violated the law. During the OPA period, I remember a situation where the Commodity Credit Corporation openly paid 30 cents per bushel over established ceiling prices for corn, and it was excused on the basis that one Government agency cannot enter suit against another Government agency for violating the law.

During the recent years, we have witnessed a determined effort to launch this Government into the many fields of private industries; this is particularly true in the housing industry. The time has come when these Government agencies who are competing with private enterprise should be forced to comply with the same laws and regulations that are placed upon their competitors.

These men who are living in these homes with their families were encouraged to enlist in the Navy, and at the time of their enlistments were told of the availability of these homes at the $30 or $37.50 figure. It was only after their enlistment and assignment to this station that they were notified of the increased charges.

I understand that the same conditions which I found to exist at Annapolis are comparable to those existing in all Federal housing projects of quonset huts located near Naval bases, both in this country and in the Pacific.

This breach of faith on the part of our Government has had a serious effect upon the morale of our Navy. These men, unlike individuals employed in private industry, cannot resign and move elsewhere. They are forced by their employer, the Government, to remain in Annapolis or these other bases; and since no private homes are available, they are forced to remain in these quonset huts and pay the additional rent.

I am of the opinion that this increase, if not a direct violation of the Federal rent control law, at least amounts in principle to the same, and the tenants should be extended the right to hold the Federal Government responsible for the overcharge, even to the extent of the treble damages, the same as they could do under similar circumstances from a private landlord.

I strongly recommend that your committee give early consideration to this unjustified discrimination discussed herein, and in the event that there is no relief available under existing laws that your committee take immediate action to recommend whatever legislation might be necessary to correct this rank injustice, with the specific recommendation that whatever legislation might be further necessary be made retroactive to September 1, 1947, in order that these men might at least obtain the refund of these excessive and outrageous overcharges.

Yours sincerely,

JOHN J. WILLIAMS.

The Real Struggle: The Battle of Ideas

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me last evening before the Association of Oldest Inhabitants of the District of Columbia.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE REAL STRUGGLE: THE BATTLE OF IDEAS

"Grow young, friends, with me,
The best is yet to be.
Man's spirit at noontide stands,
Reflecting the intelligence of that hand
That shaped the spheres.
So man, through the years,
In mind, whole, complete,
Remains immortal, with powers replete.
And though mortal anchors slip away,
Man lives forever and a day."

My friends, this little stanza points up the subject of my talk: The Real Struggle: The Battle of Ideas, which I am privileged and honored to submit to you tonight. In the stanza that I have related there is the idea that man's spirit at noontide stands, reflecting the intelligence of the Almighty. In that language, there is the concept that man is immortal—not a temporary bit of human clay, not a creature without a soul. As you know, the ideas of the material and the spiritual have been in conflict throughout the centuries.

THE FOUNDING PHILOSOPHY

The other day at Union Station I passed (as many of you did, I am sure) through the Freedom Train. I stopped reverently before the Declaration of Independence. I read: "We hold these truths to be self-evident, that all men are created equal, and that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

In that paragraph is a granite idea that has come in conflict with the Fascist and Communist concept. This language of the founding fathers, when interpreted as they meant it—(remember "the letter killeth, the spirit maketh alive")—this language is in agreement with the dynamic words of John: "Now are we the sons of God."

THE CHOICE BEFORE US

Unfortunately, some of our alleged liberal friends cannot see in these words of the Apostle, or in the words of the Declaration of Independence, the true spiritual meaning that they possess. We here today, you and I, looking back through the years, rejoicing in our finest traditions of the past, realize that we are at a turning of the road, just as in 1776 our fathers found themselves at the crossroads. They took the right, that is, the correct turn, and it is for us to take the right turn.

Yes, today the battle is on in this struggle of ideas. You may call it the battle between Christianity and paganism, between the things of the spirit and materialism, between the democratic way of life and totalitarianism, or you may call it a battle between capitalism and communism. At any rate, the time for straight thinkers has come.

Every man's mind is an arena and in that arena are exponents of these various concepts. Every nation is an arena and the conflict is waged therein between the exponents of the various ideas. Yes, even behind the iron curtain the love of liberty burns, though dimly. Within the human soul, there are the well springs for better things, though, of course, in Russia and in the other police states, there is very little opportunity for minds to get constructively into action—in a democratic fashion.

RIVAL CONCEPTS THROUGHOUT WORLD

On one side of these arenas—in the states of the earth and in the minds of men—there is the idea or exponent that elevates the individual, that gives him the dignity of a thing of the spirit—on the other side, man is considered as mud, as mere material substance.

In our own land, this conflict is reflected in various minor conflicts. One is between the concept of a planned society, wherein the state is master, and the concept of free enterprise, where man is a free builder and creator. You know that the exponents of a planned society and of the police state fill men with fear. They put to the fore the issue of security, wherein men are asked to surrender their freedom for what is alleged to be economic security guaranteed by the state.

Yet, as we look around Europe and the rest of the world, where the police state obtains, we see that the freedom which men had under the free-enterprise system has been bartered away for the freedom to starve, and for the supposed freedom to be ruled like animals. In this conflict of ideas, we who are exponents of the American way must not permit the shouting and the tumult to detract us from the line of attack. In spite of our economic recessions and a certain instability, in spite of, in particular, the world collapse in the thirties involving America, we ask: What other nation can be compared with our own? Where else do people have the income, the comforts, the standard of living, that we have here?

THE PROPER AREA FOR GOVERNMENT

But you hear someone say: Is there no place for the intervention by the state? Lincoln answered that, and I quote his words:

"The legitimate objection of government is to do for a community of people whatever they need to have done but cannot do it all, or cannot do so well in their separate or individual capacities. In all that people can individually do for themselves the government ought not to interfere."

Instances where the State can act best are, of course, illustrated in times of great depressions or panics or war. In such cases, the intervention of the arm of the state functions as the arm of the people. But it should be only temporary so that it doesn't give opportunity for the servants of the people (who are the officers of the state) to become the masters of the people and the masters of the state.

We realize that the challenge to America's enterprise system is principally that it has not always provided economic stability. We recognize that, of course, our system is run by men, human beings, with human shortcomings. We recognize, too, that the world has been shrunken and that what happens in the rest of the world automatically affects ourselves. We have seen that now in two world wars when the war fever has crossed the oceans. There was no iron curtain to prevent it. And with the war came a disarranging of our whole economy, and what is more, a tremendous spending of our material wealth. We have been on a material jag which has left us with the jitters—high prices, shortages, and so on.

GETTING AT THE CAUSE OF OUR FEVER

Now it is recognized by the medical profession that a fever is not a sickness, that it is a result—not the cause. And what human being must do is to get at the cause of these fevers—wars, depressions, and so forth. The American enterprise system is a result of our American way of thinking. And when we experience a fever which interferes with the American enterprise system, we should not destroy the system, but get at the cause of the fever.

If we follow this idea, we will not permit the exponents of the Fascist or the Communist ideas who are battling in these arenas to take our minds off the value of freemen, going forward and meeting the challenge successfully on every front. You and I know that those who would destroy our American way of life which includes the free-enterprise system, say that it is inefficient in producing wealth, and it is inefficient in the distribution of what it has produced. And so they argue for the police state, for a so-called regulated economy, for the withdrawal of the economic freedoms that have made America great. These folks want the job planned and executed by a chosen few whom we call bureaucrats. They want the Government to allocate labor, materials, and resources.

Now let us demolish this fake argument that the free-enterprise system is inefficient.

UNITED STATES' TREMENDOUS EFFICIENCY

Studies recently released show that American productivity has increased at the rate of 3 percent a year over the last 50 years. President Truman said that American farm production is at present 30 percent above the level of 1929 and that the current industrial production is 65 percent over the 1929 level. And he said that in terms of actual purchasing power, the average income in the United States after taxes has increased 39 percent between 1929 and the present. And you and I know that more people are receiving more things—in other words there is a more equitable distribution—than ever before. And the facts show that the so-called depressed one-third of the Nation made greater progress during the war than the other two-thirds.

EXPERIENCE ABROAD WITH SOCIALIZATION

We know, too, that where governments—national and State—have engaged in planning, that it hasn't brought about the millennium. You and I know that in Britain, where industry has been nationalized, it hasn't increased the productivity potential. There simply is no substitute for work and production. We have seen politicians seduce the workers by saying they could be paid more for less work. And we have seen the evils that followed in the wake of such falsehood.

We also know from what has taken place in Great Britain that when the state nationalizes its industry, it doesn't make for better working conditions or better relations with labor. No; the planning by the State is just another fake term, like this term "streamlining" which is so often abused. There is no magic in mere words so that they can constitute a substitute for work and production. The industry in Russia has been state controlled for over 30 years. Yet a recent report of the Department of Labor indicates that the Russian standard of living is only one-tenth of that of the American. And this, my friends, after Russia has had four successive 5-year plans and regimentation and sacrifice under rigid state planning.

Yes; the idea is the thing, as Knute Rockne used to say—the right idea. As a man thinketh in his heart, so is he. As a Nation thinketh in its heart, so will it be. And it is time that we do some straight thinking and kick out from our own minds the exponents of the wrong way of thinking—the wrong concepts and wrong ideas.

VALUE OF INCENTIVE

One other thought, I want to bring to you. As long as we are human beings, in order to get results, it is well that there be a proper incentive. One of the great weaknesses of the so-called planned economy is its failure to provide people with adequate incentive. If people are supposed to share equally, there is no motive, there is no desire to excel. The result is depressed production and depressed standard of living.

CONTEMPLATING RIGHT IDEAS

Yes, the real struggle is the battle of ideas, and it is up to the American people to get ahold of the right ideas. I know you people, you leaders, you builders, have them. Was it not Paul who said:

"Whatsoever things are true; whatsoever things are honest; whatsoever things are just; whatsoever things are pure; whatsoever things are lovely; whatsoever things are of good report; if there be any virtue and if there be any praise, think on these things."

PRESERVING AMERICA'S FREEDOM

I have stressed the political and economic angle of this struggle because it is going on in the arena of the nations today. What of the educational angle? Here we are confronted with a step that we Americans must take. We must see to it that our educational institutions are cleaned of any insidious and irresponsible teachings—teachings of mere materialism, teachings that reject America's founding philosophy.

The other night in New York I heard Stanislaw Mikolajczyk, former Vice Premier of Poland, who had just escaped from that stricken land. He made a deep impression upon the people who listened to him, and it was because I heard him that I chose the subject of my talk tonight, The Real Struggle—the Battle of Ideas. Poland, as you know, was once gloriously free. The citizens of Germany, even under Frederick the Great, the Germanburgers, were once free men. How these and other once free peoples have suffered from lack of freedom.

After we became a nation, after our Declaration of Independence and our Constitution came into being, the ideas they represented were carried by countless foreigners filled with the passion for freedom. These ideas circumnavigated the globe. But the flame and the fire of these ideas were allowed to die down. As a result, the ancient evils have returned, garbed in flashy new clothes, the evils of absolutism and absolute monarchs. They have come back into the arena, under the guise of communism and fascism and totalitarianism, the police state; and so the world is in the mess that it is today. But right ideas and right concepts are still right, and freemen and free enterprise are the result of the minds of men being filled with right ideas.

CONCLUSION

My friends, I am grateful for the opportunity for having been with you tonight. It has been a real pleasure over the years to

know the friendship of your splendid organization. I know that in this real struggle before us, in this battle of ideas, you will be counted among those who will stand with the forces of freedom and justice. You know the meaning and the glories of America's past and of her present, and it is for this reason that you, like countless others, will strive to maintain that meaning and those glories unimpaired in the future.

The people of this great city look to your group and others representing the best in Washington's traditions for continued leadership, guidance, and inspiration. I am sure that you will continue to lead them on the right path, the right way.

The Atomic Energy Issue in the United Nations

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a notable speech made by Ambassador Warren R. Austin, the United States representative to the United Nations, which was delivered in Richmond, Va., on December 8, 1947, before the Public Forum Committee, Richmond Council on Adult Education. This address, dealing with the atomic energy issue in the United Nations, made a very profound impression upon the audience, and should be read carefully by every American citizen.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One of the most dramatic acts of any government unilaterally made for the purpose of peace was the offer of the United States at the first meeting of the Atomic Energy Commission of the United Nations. Thereby, the United States offered to transfer its vast manufacturing plants to an international agency capable of maintaining a fully effective, enforceable system of control. Within 45 days after that, the Congress of the United States, acting upon the report of a Special Legislative Committee, of which Senator BYRD and I were members, adopted the Atomic Energy Act of 1946. Americans must keep this act in mind because it represents the public opinion of the United States officially expressed after exhaustive Nation-wide consideration. For our purposes two provisions are important today.

Section 10 A-1 states: "That until Congress declares by joint resolution that effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established, there shall be no exchange of information with other nations with respect to the use of atomic energy for industrial purposes." This section also provided for the subsequent dissemination of scientific and technical information relating to atomic energy.

Secondly, the act declared in section 8-B that the provisions of any subsequent international arrangement should supersede any conflicting provision of the law or action of the domestic Commission.

The transfer of a great measure of sovereignty from the United States to an international agency was prepared for by act of Congress. The United States was aware of the probability that the Soviet Union would be represented in such agency.

The Atomic Energy Commission of the United Nations was established by the General Assembly resolution of January 24, 1946. That resolution gave to the Commission certain specific tasks. It called upon the Commission to develop specific proposals:

(a) For extending between all nations the exchange of basic scientific information for peaceful ends.

(b) For the control of atomic energy to the extent necessary to insure its use only for peaceful purposes.

(c) For the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction.

(d) For effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions.

Meetings of the Commission began in June 1946. Its membership included the 11 members of the Security Council, plus Canada. Because of changes in Council membership, a total of 15 nations have now studied intensively the problem of atomic energy control. The Commission and its committees have held more than 200 meetings in an earnest endeavor to solve the problems placed upon it. From its work has emerged two reports. The first of these was approved on December 31, 1946, by a majority of 10 members, with the Soviet Union and Poland abstaining. The second report was approved on September 11 of this year by a vote of 10 in favor. The Soviet Union opposed and Poland abstained.

The eminent scientists who participated in the work of the Commission reached agreement early in the negotiations on one fundamental fact. It is one that must always be remembered in considering any proposal for atomic-energy control. This is the fact that the nuclear fuels made from uranium and thorium by whatever process can be used either to make power or to make bombs. It is therefore the nuclear fuel and the facilities for producing it which we must control if there is to be any security from atomic warfare.

The character of effective control is dictated by this identity of production processes and the dangers inherent in nuclear fuel itself.

It is evident that decisions as to production of nuclear fuel cannot safely be left in the hands of nations. To do so would mean a terrific accentuation of national rivalries, each nation being impelled to secure all the raw materials that it could to build production plants as quickly as possible in order to secure advantages over other nations in this field. National rivalries that we have known in the past for other world commodities would be child's play by comparison.

The majority has, therefore, determined that security can be afforded only through the establishment of a truly international agency with broad powers, under terms to be specified in a treaty, to control atomic-energy processes throughout the world on behalf of all nations. Realizing the ease with which nuclear fuels in the possession of an aggressor nation could be made into atomic bombs, the majority has determined that this international agency must itself own, operate, and manage all facilities which contain or can produce sizable quantities of such fuels. It has determined also that this agency must own and possess all uranium and thorium ores from the moment they are taken from the ground and all nuclear fuels as they are produced. A point to be remembered is that 13 nations hold this conviction and it can no longer be regarded solely as a United States position.

The field of atomic energy is a new one in which there will be constant advances in knowledge. The majority has, therefore, determined that the agency must have means of keeping in the forefront of scientific developments throughout this field. The agency would possess research facilities and would be charged with the duty of conducting researches in the fundamentals of nuclear fuels. It alone would be authorized to carry on research on atomic weapons. The agency must know what it is looking for—what the shape and scope of its problem is at all times.

Certain nondangerous atomic-energy activities, particularly those having to do with research on a small scale, can be left in the hands of nations, provided, however, that the international agency is given full information concerning, and full access to, such activities.

By placing in the hands of the proposed agency all dangerous activities—dangerous in the sense that they can lead to the production of atomic weapons—the problem of control is reduced to manageable proportions. By giving the agency constructive responsibility for fostering the beneficial uses of atomic energy, one can create a viable organization which will attract able people—not only scientists and technicians, but administrators as well. Such a system makes possible, and the majority proposals so provide, for the complete elimination of secrecy and full access to information in the field of atomic energy.

Security also demands that the agency be given broad powers of inspection. However, inspection is reduced and made less onerous by the fact that the agency itself would own, operate, and manage all dangerous activities. Inspection is needed primarily to make certain that no nation and no person is carrying on any atomic activities contrary to the treaty which establishes control. Inspection forces would be concerned with searching out any illegal activities and for preventing any diversion of nuclear fuel from authorized operations and would carry on their work in connection with positive, constructive operations.

Good government demands safeguards against undue and arbitrary interference in the affairs of individuals. The majority, therefore, in working out proposals on inspection, has exercised great care in providing such safeguards. It would give the agency adequate powers of inspection, but at the same time establish procedures for warrants and appeals which are designed to prevent the agency from abusing its powers or carrying on inspections in any improper manner.

The majority recognizes that effective control also requires that violations of the treaty would be a most serious matter, punishable with swiftness and with certainty.

No nation can be permitted the obstruction of a veto.

We come now to the question of stages, in other words, steps whereby international control would be put into effect. This problem has not yet been worked out in full detail. It is the view of the majority that no useful purpose would be served by working out this question in detail until there is agreement on the system of control which we seek. On the other hand, the Soviet proposal insists that the first stage be that of prohibition and that a system of control shall not come until later. The majority rejects unequivocally this formulation. Both the majority and the minority agree that the production and use of atomic weapons should be prohibited. The majority insists, however, that prohibition can be effective only if it is a part of an over-all and thoroughgoing system of control through an international agency. On this there can be no compromise whatever.

You have heard, perhaps, the Soviet Union's charges that the proposed control system of the majority would invade national sovereignty sufficiently to destroy their independence. This is an absurdly exaggerated charge. I say to you that the majority

which has put forward these proposals is fully aware that all the nations hold dear their particular national prerogatives. They are equally aware, however, that no effective solution to this problem can be found without some delegation of sovereignty. They know that the need for security against atomic warfare cannot be met without deputizing an international agency of control to make decisions in this matter. The highest aim of national sovereignty is security. Each member state of the United Nations is already committed to exercise its sovereignty collectively in the interest of the common security. If national sovereignty is put up as a barrier against international control it is a foregone conclusion that no effective control can be devised. Even the Soviet proposals, inadequate as they are, call for some delegation of sovereignty.

The Soviet proposals reflect the attitude generally taken by them toward collective-security measures. Throughout these 15 months of negotiations we have had a minority view persistently held by the Soviet Union. What is their view?

First. Is the idea of prior prohibition of the production, possession and use of atomic weapons Only after such prohibition would any system of control be established.

Second. The Soviet proposals do provide that there should be an international agency. This is of no great consequence unless that agency has effective powers of control. Such powers are not provided for in the Soviet proposals. They add up to continued national control.

Third. The Soviet proposals provide that the agency should carry on certain research activities by its own personnel and in its own facilities. However, they make no provision for control of national research or development activities involving nuclear fuel in dangerous quantities. Thus, they would legalize the possibility of destructive use. Indeed, the international agency is asked to assist nations in acquiring dangerous quantities of nuclear fuel.

Fourth. The Soviet proposals suggest that the international agency should have the right of access to mining facilities, should investigate periodically the activities of such facilities, and check existing stocks of such materials. However, the Soviet proposals fail to recognize the basic principle that only the international agency can be permitted to use large quantities of source materials. The Soviet proposals leave these materials in national hands, thereby accentuating national rivalries, whereas security requires full control of all raw materials by the agency.

The Soviet proposals do not give the agency effective powers to obtain and maintain accurate information on world supplies of source materials, namely, uranium and thorium.

Fifth. Production and distribution of nuclear fuel, as in the case of raw materials, would be subject to a system of periodic inspection, verification of accounting, and the checking of existing stocks of atomic materials. In addition, the proposals state: "There shall be established strict international control simultaneously over all facilities engaged in production of atomic materials and atomic energy." Just what is this "strict international control"? Apparently, inspection would be conducted by the international agency over atomic-energy activities carried on by nations, but control over most phases of atomic energy would remain in national hands. Moreover, the Soviet proposals provide that the agency should make recommendations to governments on questions relating to production, stock piling, and use of atomic materials and atomic energy, and should make recommendations on enforcement to the Security Council, where the veto would prevail.

From this evidence, it is clear that no effective method of enforcement is provided in the Soviet plan. Individual nations would determine for themselves policies for the production of nuclear fuel. This would mean a world of national rivalries in all fields involving atomic energy, and exposed to ever-increasing danger of sudden atomic warfare.

Now as to inspection. The Soviet Union has long evidenced interest in this question. The majority had hoped that the Soviet views on inspection would be fairly close to theirs. But the Soviets have refused to divulge their views on inspection. Their proposals contain only vague and general statements on this point. The kind of inspection contemplated would seem to apply only to facilities which nations themselves reported to the international agency. There does not seem to be any definite requirement for nations to make such reports. The question of clandestine or unreported facilities appears to be virtually ignored in the Soviet proposals. Wholly inadequate provision is made for international surveys or inspections to locate unreported deposits and mines or to detect clandestine plants and activities. Complying states would not be protected against the hazards of violations and evasions, as called for in the terms of reference given us by the General Assembly.

In summary, all the members of the Atomic Energy Commission except the Soviet Union and Poland believe that the Soviet proposals are completely inadequate in their provisions. Obviously they are based on the concept of predominantly national control of what is generally recognized as the most dangerous field of activity in the world today. They provide just enough of an appearance of control to delude the uninformed, and give rise to a false sense of security. Such a situation is far more dangerous than the honest, though grim, acceptance of the fact that no international control exists. No responsible statesman or government can honestly participate in such a fraud, not only on the people of the United States, but on the peoples of the entire world.

Months of study have led all but two of the members of the Atomic Energy Commission to the basic conclusion that to leave activities involving dangerous quantities of source materials or nuclear fuel in national hands is entirely inconsistent with world security. The need for effective international control transcends the claims of national sovereignty.

In dealing with this grave problem, we should not be concerned with who is right but what is right and necessary. We are confronted with certain scientific and technical facts that must be faced and their demands satisfied. The majority has developed painstakingly a series of practical measures that deal with the facts of the case. The answer it has sought—and found—is one that would be effective. This is not an issue on which people can choose up sides on the basis of idealogies. One must choose on the merits of the proposals and their effectiveness in meeting the challenge of the atomic problem.

Soviet spokesmen claim that the United States and the majority stand in the way of securing agreement on atomic energy control. This is utter nonsense.

Let's look at the record. It was the United States in concert with the United Kingdom and Canada which first proposed the steps to be taken to secure international control. Very shortly after Hiroshima, the President of the United States, the Prime Ministers of the United Kingdom and Canada, joined in an agreed declaration to the world that they were willing and eager for the United Nations to take up this problem and to seek an effective solution. The proposal for a United Nations Atomic Energy Commission was made by the United States and the United Kingdom. At the Moscow Conference in December of 1945 the Soviet Union joined them and the three invited France and China to participate in sponsoring a resolution to establish such a body in the United Nations. The resolution establishing the Atomic Energy Commission was sponsored by these five and was unanimously agreed to on January 24, 1946, at the General Assembly session in London.

Between that time and the first meeting of the Atomic Energy Commission in June, the United States Government undertook an intensive study of the problem of international control. It produced the Acheson-Lilienthal Report which recommended a scheme of control on which were based United States proposals presented by Mr. Baruch on the 14th of June 1946. The majority plan for atomic energy control is an elaboration and development by all but two members of the Commission of these original proposals.

This is, necessarily, a sketchy statement of the situation which now exists in the United Nations in regard to atomic energy. But it reveals some highly significant things.

First, it shows that great progress has been made by the majority. The successful collective effort embodied in the two reports of the Atomic Energy Commission is an important achievement.

Secondly, it shows persistent effort by the minority to legalize national control of source materials, of nuclear fuel and of the plants producing them. This, we have seen, would endanger rather than protect the world.

Thirdly, and perhaps most importantly, it reveals the nature of the problems encountered by the vast majority of the members of the United Nations in their relationships with the Soviet Union.

The suspicion, the distrust and the fear which dominates the Soviet approach to the problem of atomic energy are present in nearly all of the other issues that have arisen in the short life of the United Nations. This is true whether the issue is Greece, Korea, the veto, the Interim Committee, the jurisdiction of the International Court, or any one of a score of such diverse problems. The implications of this general situation I intend to discuss at greater length in a speech next week in Chicago. Tonight, I will only say that disappointment awaits him who thinks the causes of Soviet obstruction can be easily or quickly removed. Years of determined and patient effort may be required.

Debates alone will not do it, nor will protestations of our good faith and peaceful purpose do it. Deeds alone can have the probative force to convince the Russian people that our strength and the strength of the other members of the United Nations is not a threat to her national existence and welfare. We believe that collective action is the best guarantee of security and progress. As we translate that belief into proof, the foundations on which present Soviet policy is based should disappear. Then, we could look forward to a United Nations that will function with all the vigor, with all the promise, with all the hope that animate the Charter of your United Nations.

American Railroads

EXTENSION OF REMARKS

OF

HON. CLYDE R. HOEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day Wednesday, December 10, 1947

Mr. HOEY. Mr. President, on Monday, December 8, I obtained unanimous consent to have inserted in the Appendix of the RECORD ar article by Mrs. Eleanor Roosevelt in the New York World-Telegram of December 2, giving facts with

reference to the operation of the United States Railroads, which indicated that they were operating more successfully under private ownership than under Government control.

Another article by Mrs. Roosevelt appeared in the New York World-Telegram on December 3, giving still further information on this subject, which I ask unanimous consent to have printed in the Appendix of the RECORD. This probably follows the first article, and gives added information.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAILROADS PROBABLY RUN CHEAPER UNDER PRIVATE OWNERSHIP

(By Eleanor Roosevelt)

GENEVA, SWITZERLAND.—Perhaps one of the most interesting subjects to be considered in discussing the question of nationalizing American railroads is how they are now regulated and how their taxes are distributed.

They operate under both Federal and State regulations, and they are also affected by city ordinances. The first regulatory Interstate Commerce Act was passed in 1887. Its purpose was to prevent discrimination. Laws and regulations are now concerned with freight and passenger rates, the publication of tariffs relating thereto, hours of service, safety standards, minimum wages, accounting, working conditions of employees, and so on.

No stocks and bonds can be issued, no railroad can acquire other railroads, new rail lines cannot be built and old ones cannot be abandoned without Interstate Commerce Commission authority. Railroads are still regulated as a monopoly even though they now compete with many other types of transportation.

So much for regulation.

Railroad taxes may be divided into three general groups: Federal normal income, surtax, and excess-profits taxes.

Taxes for pensions, social security, etc.

State and local taxes on physical property, franchise taxes, excise, license, and miscellaneous taxes, as well as State income taxes.

The annual tax bill of the railroads depends upon earnings. The taxes of class I railroads prior to World War II varied from $237,000,000 to $396,000,000 a year. Naturally, during the war their taxes soared, but even in 1946 they were only a little short of $500,000,000. In many counties, railroads are the largest taxpayers. In 1946 class I railroads paid $2.13 in taxes for every $1 paid in dividends.

There is a trend toward consolidation of railroads just as there is in every other business in our country, but it goes on under careful regulation.

It is easy to see it is competition which is the incentive for improvement of all private enterprise. If the railroads were owned by the Government, this incentive would disappear. And operation under the Government would be bound to have some political taint.

The main reason why I have chosen to look into railroads is because, obviously, nationalization in this field would be the entering wedge to widespread nationalization of industry. The Government would not be likely to permit competition from other forms of transport and would therefore be prone to nationalize not only transportation but some of the essential elements which enter into the functioning of transportation.

Our country is very large, and we still have conditions which make it seem probable that, under private ownership, the railroads can be better and more cheaply run and can furnish the Government—Federal, State, and local—with a substantial amount in revenue. In a later column, however, I shall cover the arguments in favor of nationalization, as presented by a labor leader.

Inflation: The Cause and the Remedy

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. THOMAS of Oklahoma. Mr. President, one of the many problems confronting the Congress is that of inflation. I am in receipt of a communication from one of the leading citizens of Oklahoma on this question, in the form of a statement by J. K. Wells, of Oklahoma City, Okla., entitled "Inflation: The Cause and the Remedy." I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INFLATION: THE CAUSE AND THE REMEDY

(By J. K. Wells)

Any effort to curb inflation by reenacting the OPA law, rationing of basic commodities, price and labor controls and urging the public to cease eating meat on Tuesday and eggs on Thursday are the very height of folly and will accomplish nothing toward reducing prices. The whole idea is but an insincere political gesture to gain popularity among certain classes, losing sight, altogether, of the serious harm these false panaceas will produce.

Before trying to correct a serious maladjustment in our economic life, let us first analyze our present inflationary condition and ascertain the cause thereof.

The high cost of living, or inflation, which are synonymous terms, is caused, primarily, by the unbalanced relation between supply and demand. Basically, when the supply of the necessities of life far exceed the demand, prices are low. Contrarily, when the demand far exceeds the supply, prices are high. When the supply equals the demand, prices are fair and reasonable.

Inflation is sometimes caused, yet only in a minor degree, by an unusual amount of money in the hands of a great many people passing in rapid circulation between buyer and seller even though there is a normal supply of practicaly all the necessities of life available. When money is plentiful a great many people buy in larger quantities and, also, many things they do not need. This increases the demand and causes inflation. When money is scarce, naturally, consumers buy less, resulting in the accumulation of large supplies which, invariably, depresses prices. From the foregoing definitions it is apparent to any thinking person that inflation, or the high cost of living, can be practically and materially reduced by one, or two, or both, of the following methods: One, by stepping up the available supply of consumer commodities; two, by reducing the amount of money in general circulation. The Government is primarily responsible for the latter and same can be corrected and prices reduced if the Government in Washington really and honestly wants to curb inflation.

The simple formula necessary to successfully combat inflation can be stated in the following 4 words: Produce more, spend less.

1. The most practical and effective way to reduce prices is to increase the available supply. This can be accomplished by repealing the 40-hour-work-week law in its entirety and then encourage, request, and urge greater production of all the basic materials and commodities that are in short supply, especially steel, coal, farm machinery, building material, commercial fertilizers, and railroad rolling equipment, by instituting three shifts per day, 8 hours each, around the clock, 5 or 6 days per week in all industrial plants. This method is now followed by the oil business, both drilling and refining, and in the flour milling business, which has proven successful for many, many years. This method was also followed in all defense plants in this country during the last war which alone enabled us to win even though we were in short-supply of all war equipment at the beginning of the war. It will now help us win the economic war against high prices. This plan should increase production by at least 25 percent, or more, in a reasonable length of time and thereby decrease the cost per unit of each article manufactured.

2. Our exports should be reduced from $20,000,000,000 annually to a maximum of $12,000,000,000, in value on the present market, which amount would be 100 percent more than our annual exports prior to the last war. Obviously, this would leave more commodities in this country for home consumption. This would help to alleviate the short supply of which we so justly complain.

3. Congress should reduce the annual National Budget from $36,000,000,000 to a maximum of $24,000,000,000 which is ample for all legitimate purposes. This reduction would, obviously, necessitate a reduction in our Federal civilian pay roll of many bureaus and multiplied useless employees who render no practical and valuable service to the public and would stop the wanton waste of vast sums of money on worthless and altogether unnecessary projects. This would decrease the amount of money in general circulation, and, incidentally, help reduce prices.

4. The law authorizing the Government to guarantee the farmer minimum prices on his corn, cotton, wheat, oats, barley, soybeans, prunes, peanuts, and potatoes, together with the law authorizing subsidies on hogs and cattle should be repealed. The sole purpose of these laws, at the time of their enactment, was to boost prices above the cost of production. Surely, the need for higher prices does not exist today. Competition, free enterprise, and the inexorable law of supply and demand should be permitted to fix the price of everything without the interference of impractical, expensive, and unworkable laws.

5. The number of Federal civilian employees should be reduced from 2,200,000 to a maximum of 1,000,000 which would be ample for all legitimate purposes and far in excess of the number so employed in 1939 and prior thereto. These employees produce nothing in the way of material necessities of life, but when discharged would then find employment in the production of many basic commodities and materials now in short supply.

6. Aid to Europe: There is a growing belief among a great many people that the so-called Marshall plan, or aid to Europe, involving the expenditure of some $16,000,000,000 to $22,000,000,000 of our money is but a scheme of big business to siphon off the surplus commodities in order to further continue shortages in the domestic market, thereby continuing existing high prices and unconscionably high profits at the expense of all the people of this country.

Be that as it may, aid to Europe should be limited, for the present, to extending only

such aid as is absolutely necessary to relieve suffering and hunger in the distressed nations in Europe not under the control of Russia, with the understanding and agreement that they go to work, abolishing the 24-hour workweek in England, France, and Italy, and devote themselves industriously to working out their own salvation by hard work, 8 hours per day, 6 days per week.

Further aid should be limited to sending them grain for seeding crops successfully grown in each country, together with sufficient fertilizer, if available, and the necessary farming machinery commonly used in those countries to cultivate and harvest their crops. They should be taught the principles of self-reliance and self-maintenance. When this shall have been accomplished a great many more articles and commodities will be available for home consumption which will materially reduce prices.

Politics is largely responsible for the deplorable economic conditions in which we find ourselves today. If the national administration and the Congress would forget the 1948 election and forthwith enact the necessary laws that will solve this controversial question, without any thought as to how their action or vote will affect them or their party in the next election, the problem can be effectively and practically solved in a reasonable length of time and prices will immediately begin to decline.

Exportations to Russia

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the New Hampshire Morning Union, entitled "An Insane Policy," which is an able discussion of the policy we are following today in exporting goods of certain types to Russia, the only potential threat to the peace of the world and to our own country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN INSANE POLICY

Supposing you had a boy, and he used his air rifle to shoot the neighbor's cat, smash the windows in a church, and to break the glass on insulations on electric-light poles? Supposing you then called him into the house and gave him a severe lecture on his misbehavior, after which you not only let him keep the air rifle but on top of that you gave him a dozen new boxes of ammunition?

What do you think the lad would think of the seriousness of the lecture and of you? He would not think you meant what you said, or that he should mend his ways. And he would also think you were a dope. And could you blame him?

Does not the same apply to the United States' policy of allowing the shipment of heavy machinery and machine tools to Russia? What is the point of lecturing Russia on her noncooperation with the rest of the world and her refusal to help rebuild Europe, when on the same day of the lecture we allow her to buy, in this country, the intricate and complicated machines she needs to become strong? Which will impress Russia the most, the words or the deeds?

As Harold Stassen said recently, in a telegram protesting President Truman's statement that the President saw no reason for curbing shipments to Russia, what is the use of refusing to share the atomic secret with Russia because she will not agree to abide by the United Nations' plan for world-wide atomic control, and allowing the export to Russia of precision machine tools and intricate instruments which will aid Russia in making atomic bombs?

Why should we export to an unfriendly Russia the machinery which is desperately needed to rebuild the rest of Europe, which we are trying to save from the Communists?

How can we impress Russia that we mean what we say, if we keep helping to build Russia up?

This is the exact blunder we made with the Japs before Pearl Harbor. During the 1930's, even after Japan had invaded China and it was quite clear that Nippon had entered on a ruthless course of conquest of its neighbors, the United States allowed private firms in this country to ship to Japan thousands upon thousands of tons of scrap iron, steel, oil, aviation gas, aviation motors, machine tools, and any number of items used in the making of weapons.

How utterly horrible is the realization that those materials, furnished to Japan by America, were used subsequently to kill Americans, and that the scrap iron and steel came back to America, where it was made, in the bodies of American boys.

Must we forever go on repeating these errors at terrible cost?

The shipment of heavy machinery, machine tools, or anything that can be used to develop weapons, of food, anything the rest of the world needs to help it get on its feet should be banned, as far as Russia is concerned, until such time as the Soviet changes its warlike attitude and cooperates with the civilized world.

W. L.

Economy in Government

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. WILEY. Mr. President, the November 22 issue of the magazine Commercial West, the financial weekly of the West, contained an article which I prepared on the subject of Economy in Government. I ask unanimous consent that the text of this article be reprinted in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LOST ART OF ECONOMY

(By Senator ALEXANDER WILEY)

If you were to ask in what single art the Federal Government and its employees are least proficient, you might answer, it is the art of economy. Although thrift is a great American ideal (was it not Ben Franklin who said, "Beware of little expense; a small leak will sink a great ship?"), the United States Government manifests little of that ideal.

Our fabulous expenses in two world wars and in a depression (in which we unsuccessfully tried pump-priming) have resulted in a prevalent disease which might be called "spenditis" which afflicts most bureaucrats. It is the tendency to spend recklessly, heedlessly, and then to crow about it in the mistaken belief that he who spends most is most entitled to prestige and to high salary classification; and that he who spends most fastest, is performing his job most efficiently.

This can in no sense be described as a universal phenomenon in the Federal Government, but it is sufficiently widespread to be objected to by every American taxpayer and to merit the continuous extensive investigation and condemnation not only by the Congress (through its Joint Committee on Reduction of Nonessential Federal Expenditures and other committees), but by appropriate instrumentalities in the Executive branch. Among those instrumentalities are the United States Bureau of the Budget, which is ostensibly supposed to husband the resources of the Government by eliminating waste through its Administrative Management and Budget Divisions, and the United States Civil Service Commission, which is also vested with the responsibility of conserving personnel and man-hours.

Although Government has become quite well known for its orientation courses for new employees, few if any of such courses have given instructions in economy either in office supplies, personnel time or in the use of funds for project purposes. Perhaps, therefore, this quotation from Henry Clay in a speech of 1820 might become a standard part of every Government orientation course:

"Government is a trust, and the officers of the Government are trustees; and both the trust and the trustees are created for the benefit of the people."

Whoever heard of a private trustee spending the resources of a trust like a profligate? Yet that is what Government servants do with impunity. It has been well stated that most Government functions which are necessary are treated too luxuriously and that Government services which are luxurious are treated as necessary. Perhaps a contributing factor to this lack of frugality in government is the fact that we are overly impressed by our wealth in relation to the rest of the world, particularly in these times. Every Government servant might recall these words of Haliburton:

"No man is rich whose expenditure exceeds his means; and no one is poor whose incomings exceed his outgoings."

The words of President Calvin Coolidge might also stand recollection at this time:

"After order and liberty, economy is one of the highest essentials of a free government. * * * Economy is always a guaranty of peace."

It is not enough, however, that bureaucrats be informed of the urgency of economy, they must be equipped with standards of economy and instructed to adhere to those standards. Definite yardsticks as to the amount of money that should be spent in the handling of given types of government projects should be established wherever possible. We have recently learned of one instance in the 1930's where the Government Agriculture Department disbursed in administrative expenses $115,000,000 for the purpose of expending a farm project sum not five times as large—a fantastic administrative ratio. Surely, if standards had been established, no such ratio would have been tolerated. We might add, had there been appropriate Government servants handling the program originally, neither the outrageous administrative expenses nor the project expenses would have been indulged in.

Samuel Johnson said: "Without frugality, none can be rich and with it very few would be poor." Without frugality, the United States Government cannot be rich, which means the United States people cannot be well off. With frugality, we will not founder on the rocks of insolvency. Even so eminent a cynic as the great George Bernard Shaw has stated: "Economy is the art of making the most of life; the love of economy is the root of all virtue." Only when the taxpayers

of the United States are vigilant and industrious enough to insure that the art and the love of economy becomes more widespread in Government will we attain standards of economy in the management of Government business to as high a degree as private enterprise attains it in the management of private business.

National Security

EXTENSION OF REMARKS
OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an able address on the subject National Security, delivered before the Chicago Kiwanis Club on December 9, 1947, by Hon. Alf M. Landon, of Topeka, Kans.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Most Americans today are interested in the elemental things of a place to sleep—something to wear—and something to eat. Soaring prices of food, clothing, and housing are of immediate concern to most of us.

But important as the elemental problem of a place to sleep, something to wear, and something to eat are to many of us, there is another even more vital elemental problem that we must not lose sight of—our national security. That is particularly true as the Big Four in the London conference seem to be following the customary pattern.

Of course, national security involves a sound national economy. That means a reversal of the unsound fiscal policies we have been following. But I propose to discuss specifically today the questions involved in military preparedness. Marshall plan or no Marshall plan we have got to gird our loins forthwith.

The little guys are in a heck of a fix. But bad as their fix is today, their fix would be infinitely worse if America lets her defenses down and becomes involved in another world war.

There is no question that we must maintain our defenses to the utmost of our ability and resources. It would be suicidal to do otherwise. At the same time, the equally important problem confronts us of what is the best way to maintain our military defenses. And in saying military defenses, I mean economic as well. Because the crux of military strength is economic and industrial strength and political unity. It isn't going to do us any good to have a large Army and great Navy, if we are weak economically and politically. France is a very recent and graphic illustration of that. France had the greatest standing army in the world, but when the showdown came in 1940, she lasted less than 2 months.

All the power of Government propaganda is being turned loose in favor of compulsory peacetime universal military training as a prerequisite of national strength and security. Now, I do not intend to say today that compulsory military training may not be necessary—provided it is done through the National Guard. But I do say that the American people should not make up their mind emotionally on this question of military preparedness, and that we should also consider other factors of national security before reaching a final decision.

There are outstanding authorities in the professional military group who are very much opposed to universal military training, as obsolete and wasteful expenditure of money.

Both the Marshall plan and universal military training are being presented to the American people with emotional propaganda. The danger in such emotional appeals is that it causes us to believe that we have the answers to our problems—when the question is decided—just as we were led to believe that we were approaching the millenium with the British loan, the Bretton Woods agreement for the International Monetary Fund, the United Nations and Yalta. Right or wrong the emotional appeal is not the right way to settle any vital long-range problems.

Just look at the record for a minute of how repeatedly wrong Government-inspired mass propaganda has been in recent years, beginning with the New Deal theory in 1933 that America was a failure and had to be revamped and have its face lifted.

We were told that if we made the English loan that that would carry her for 5 years and get England on her feet again. Now, it is all gone in a little over a year, and the Government of that country is back for more money.

Anybody who objected to the International Monetary Bank created at Bretton Woods was hysterically denounced as a dirty little isolationist. Yet that bank has not done the job promised us. The administration of UNRRA was sold to the country as a glittering success when it was a fantastic failure. We were told that the United Nations was the answer to a peaceful world, and that the only reason we got into World War II was that we did not have the League of Nations. The ineffectuality of the United Nations in major disputes can no longer be concealed from the American people.

We were even told by many sources that we had to get into the last war because our security depended on Great Britain. How ridiculous that statement was in the light of events. But no wonder all those gross deceptions, including the Atlantic Charter, have left the American people punch drunk with something of an inferiority complex despite our unparalleled military achievements.

A quotation from one of Theodore Roosevelt's speeches fits our present situation.

"Speak softly and carry a big stick—you will go far. If a man continually blusters, if he lacks civility, a big stick will not save him from troubles; and neither will speaking softly avail if back of the softness there does not lie strength, power. In private life there are few things more obnoxious than the man who is always loudly boasting; and if the boaster is not prepared to back up his words, his position becomes absolutely contemptible. So it is with the Nation. It is both foolish and undignified to indulge in undue self-glorifications, and, above all, in loose-tongued denunciation of other peoples."

I don't pretend to pose as a military expert, but I have made it a point for some time to study the question of a well-rounded and adequate military system.

Here are some of the conclusions I have come to:

1. That any war of the future will move incredibly faster than the last war. If the last war was a blitz—the next one will be supersonic.

2. That we have no longer a two-ocean front, but a third front—the Arctic Circle.

3. That bases in the Arctic Circle are of prime importance. Also, continued and consistent expeditions testing out equipment, material, and men under conditions existing in that area.

4. That maintaining an efficient and constantly improving air force is imperative. Any future war will certainly be an air war. All you have to do is to look at a new air map and the whole story is right there in front of you. Topeka, the approximate geographic center of the United States is closer by air route to Moscow than it is to Santiago, Chile.

5. That the biggest navy in the world is not out of step with warfare of the future. I don't mean by that simply a lot of massive battleships and piling up of deep sea armament. We need plenty of floating air bases—carriers—submarines, and lighter escort and consort vessels.

6. A Regular Army four or five times the size of our prewar Army.

7. A bigger and more efficient National Guard and Organized Reserves.

8. Proper and efficient intelligence facilities are of crucial importance. We are now spending a great deal of money on intelligence but there is a very serious question as to whether it is being spent properly. We have too many intelligence agencies squabbling among themselves to be top dog and to build up their own empires. CIG, which was supposed to be a sort of correlating outfit, is now engaged in collecting intelligence itself. Our intelligence is not being coordinated or meshed together by one alert chief such as we must have.

9. That most important of all—we stay ahead of the procession in nuclear physics and strengthen our research, particularly basic research. Very little is being said about bacteriological and other scientific developments in that field. That is just as terrible and as fearful as atomic weapons. In fact, we could have superiority in the atomic field and be destroyed by bacteriological warfare. The Russians probably have as much in that field as we have.

The Army says it wants a trained and disciplined population to meet any sudden attack. But a trained and disciplined population has always proven, in the end, to be the destruction of any republic.

Neither am I impressed with the argument that the Army camp training, no matter how beneficial, is necessary for a boy because of mounting adolescent delinquency.

The reason for adolescent delinquency is lack of parental responsibility. We have too many baby sitters in this country, and not enough parents who stay on the greatest job of all, and that is making good homes. We already have too many parents who shove off on the schools and churches the job of raising their youngster. And I think it is a fallacious argument that we must have still a third agency—the Army—to help raise our youth.

Don't misunderstand me. I believe that military training serves to inculcate a valuable sense of personal obligation to the Nation. That is something to be desired in a political system that has been too prone to emphasize the take and not the give on the part of its citizens.

The main question in my mind is whether national universal military training will do the job needed to be done under modern conditions of warfare. As I have said, I fear that we are not considering other phases of military preparedness of even greater importance. We might come nearer to meeting our problems by seeing that more youths entered the fields of science and research. We should be concentrating our military preparations on air power and scientific developments.

What a nation needs now to keep itself strong militarily is great technical resources—scientific resources and developments, air power, radar, remote-control weapons and devices, atomic energy, bacteriological familiarity.

I believe it is necessary to have a reservoir of manpower trained to an extent to meet sudden attack. I favor keeping it at the community level through the National Guard and Organized Reserves. At least every possibility should be exhausted for keeping it at that local level before we embark upon the uncertain long-run course of universal military conscription.

There is no question in my mind but that we must take some steps to increase the national security. But peacetime conscription is a whale of a change for us to adopt without the most careful consideration. It is a grave national decision. To many nations it has led to disaster and not to security.

The National Guard has always been the poor relation in regular Army circles. It has never received the credit due it for its work in our last two world wars. It has always had to take the leavings in any military preparedness program. Yet it is profoundly an American institution. The Regular Army does a lot of bleating about the National Guard but has heretofore done little to help build it up. However, it is now supporting a provision in the Universal military training bill whereby a boy may, after 6 months training in the Army complete his service period in the National Guard. Of course, if the Guard is to be efficient it has to have vast appropriations for new armories and modern equipment. I believe, that with proper support and backing by the Congress, the National Guard could be made a sound and effective and very American alternative to universal military conscription by the Regular Army.

The National Guard has always heretofore shown its ability to contribute a sizeable military force in the event of war. There is no reason to believe it can't do better if properly supported by the people.

It is still too early to say that mass armies will not be employed again, but the important thing is to have some reservoir of manpower trained to an extent that a sudden attack will not bring complete disaster. I believe that the bulk of the training should be done within the framework of the National Guard. Those who wish to continue on in the regular branches could do so on a voluntary basis—the remainder, and by far the greater number, then to continue their intensive training in the Guard. Then they would pass on into reserve units and be available for active duty, upon call in national emergency, for approximately 5 years longer. That would be about the limit of really effective preparation of the individual soldier.

In any event, this issue of national preparedness is the most elemental question confronting us today. The next Congress should decide it one way or the other. In light of world conditions we can no longer let the matter of national security drift.

Nor will it do us any good to have guns, ships, airplanes, and bombs if we are bled white at home by an extravagant free-spending national administration. A sound fiscal policy is the essence of national defense and one of the ways we will stop these soaring prices is to cut our wasteful and extravagant national expenditures and apply the savings on our national debt.

For instance, before World War II there was one Army civilian employee to four soldiers. At the peak of this war there was one Army civilian employee to six soldiers. The budget for 1948 plans for one Army civilian employee to each two soldiers.

Today there is more or less undeclared war going on between Russia, western civilization in general, and the United States of America in particular. Russian agents are actively and determinedly attacking America at home and all over the world. So far the battles are being waged on economic and political fronts although some minor combat skirmishing has sporadically occurred since Yalta. The French and Italian labor troubles are a part of the Communist storm breaking on this harassed world. A more or less undeclared war went on between Britain and Russia for 300 years. I don't think it will go on that long between Russia and the United States of America. Things move faster today than they did in the seventeenth and eighteenth centuries.

There are two essential differences that ought to be borne in mind between the undeclared war going on today on the part of Russia with the United States, and the 300 years of more or less undeclared war between Russia and Great Britain.

(1) The background of the trouble between Russia and Great Britain started with Britain's seizure of India—in what Russia considered to be her sphere of influence. Whereas we handed Russia, on a platter made of American money and blood, vast territories she has been seeking for centuries.

(2) The Czars had no fifth column in Great Britain. Today the Russian Soviet has an active, disloyal, and traitorous fifth column composed of Americans who are taking their orders directly from Moscow.

Can you imagine Eugene Dennis and W. Z. Foster, who are secretary and chairman of the American Communist Party living in Russia and sabotaging the government of that country as they are the United States of America. They might live a short time. But not very long.

Can you imagine Henry Wallace as a Russian making speeches in Russia—siding with America as against Russia—and living very long?

I do believe we have to face the fact that for some years we will be teetering on the abyss of another war, and we have to prepare ourselves accordingly. The best way to do it deserves the most thoughtful and thorough attention of every American citizen.

The destruction of Germany shifted the center of European gravity eastward. The destruction of Europe and Japan shifted the center of the world's gravity westward. The center of the world's gravity today is the United States of America.

We must resolutely and wisely rally all the forces of western civilization. That can best be done as investing partners by requiring Government policies that will increase production.

Above all, the American people must not get the idea that the Marshall plan means a peaceful world. Rightly handled it can be a contribution toward restoring order and stability in the world. A stable world contributes toward a peaceful world. But we don't even have a stable Marshall plan. The President's committee recommends one figure, Secretary Marshall a much higher one.

The greatest debate since the Lincoln-Douglas debates is going on today in the American Congress. That debate, which will cover not only our position in the world, but our domestic policies as well, will bring before the American public, particularly in the campaign of 1948, the issue of how America is meeting this undeclared war by Russia. The debate may not fully develop all the measures necessary. But increasingly the real world situation will become known to the American people.

We seek neither satellite countries nor reparations. We seek only a prosperous and peaceful world.

The time is here when we must adequately and intelligently organize our own forces for our own security. How we do it demands the thorough consideration of every patriotic American citizen.

Mike Kirwan Reports to His People

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. MANSFIELD. Mr. Speaker, under date of Sunday, November 9, 1947, the Youngstown Vindicator, one of the Nation's outstanding newspapers, carried a story on the report of his European investigation trip by our colleague, the Honorable MICHAEL J. KIRWAN, to the people he has the honor to represent.

Mike did not make this report from Washington, but immediately on his return from abroad he hurried home to Youngstown, Ohio, and reported personally to his constituents. He gave his own people the story of what he saw and what he thought should be done. As usual, he minced no words, but spoke straight from the shoulder. The Youngstown Vindicator is to be complimented for giving this report such wide publicity and Congressman KIRWAN is to be complimented for having made such a thorough study, giving such sound recommendations, and making such a fine first-hand report to his district.

Mr. Speaker, under unanimous consent, I am inserting in the RECORD the story carried by the Youngstown Vindicator of MIKE KIRWAN'S report to his people. I sincerely hope that the Members of the House will find the time to read what Mike has to say because there is much food for thought in what he recommends:

"LAST CHANCE TO SAVE EUROPE," KIRWAN—SAYS ACTION IS NECESSARY THIS WINTER—SUMS UP 6-WEEK TOUR WITH PRAYER THAT UNITED STATES WILL ACT IN TIME—CITES STARVATION—ASKS FOOD, MACHINES, BRAINS, AND "FACING UP TO RUSSIANS"

This winter the United States has its third, and probably last, chance to win peace in Europe.

That is Representative MICHAEL J. KIRWAN'S summation of a 6-week tour of the war-devastated Continent. America, the Congressman said, must act quickly, and he added with characteristic frankness:

"I humbly pray we may act in time."

Youngstown district's Congressman backs his prayer with facts gathered from every European who could command even a smattering of English and from his own observations from the air, from railway car, from jeep, and afoot in the back alleys. He returned home last week with voluminous notes. He will take his place in the special session of Congress next week armed with these facts to plead for speedy approval of the Marshall program of aid to Europe.

KIRWAN will propose that we send help in three major categories:

1. Food: Starvation is dogging the steps of virtually every European, and many will fall, aid or no. The masses can be saved only with American-provided food.

2. Machinery and supplies: It will take many years to clean up merely the rubble, let alone rebuilding with bare hands.

3. Brains: Europe, aptly illustrated by the four-power confusion in Berlin, vistally needs the organizational and constructive know-how of hard-headed American leaders.

"WE MUST FACE UP TO RUSSIA"

KIRWAN would add one further vital ingredient.

"We must," he said, "face up to Russia."

The Congresman recalled his disgust when he observed in Berlin that Russia has control of the largest and strongest radio station on the continent. With this station, the Russians were blasting out their anti-American propaganda 24 hours a day. But the "payoff" to KIRWAN was the fact that the equipment was in the British zone.

"Why," KIRWAN asked, "don't the British take it over?"

"The Russians would tell them to go jump in the lake," his military guide replied.

To this KIRWAN declared:

"Now I say most sincerely it's about time someone told the Russians to go jump in the lake and stopped this business of their grabbing everything they feel they can hold onto without too much trouble."

"But don't let anybody get the idea," he added in the next breath, "that this is an easy chore. I've seen samples of the 2,000,000 slaves that Russia has been working the life out of. They come back home worn out completely, good for nothing but to lie down presently to die."

But this is getting ahead of the legislator's practical recommendations for relief and rebuilding Europe. He feels that the program is not at all one-sided. The United States, he agreed, must take the initiative and prime the pump. After that there will be a flow to, as well as from, America. And he feels that it will be a healthy economic flow. For instance, he reiterated his statement that America could use very handily some of Europe's millions of tons of scrap.

MAHONING VALLEY INCLUDED

"This is a matter vital to my own district. It means something to the steelmakers of the Mahoning and Shenango valleys. Steel scrap is selling at $40 a ton. Steel production is already hampered somewhat for lack of it," he said and added:

"I saw millions of tons of steel scrap in Germany. I don't mean wrecked automobiles in which there are 50 different kinds of metal from bearings to body. I mean No. 1 scrap, uniform scrap—the kind of scrap our open-hearth foremen are yelling for."

KIRWAN reached into his notes and pulled out a couple of pages of description of the scrap he saw with his own eyes. He told of wrecked bridges on navigable waterways where all that is needed is welders to cut the steel into pieces and pile it aboard barges for shipment to America. He told also of the twisted girders of huge buildings needing only to be cut for first-grade scrap.

"These cities," the Congressman explained, "aren't off in the wilderness somewhere. They sit squarely on Germany's waterways, and these waterways lead directly to the sea. Youngstowners who have been pleading so long for a waterway of their own know well how easily this scrap can be shipped out.

"In addition, a program of removal of this heavy scrap would be of direct benefit to the people seeking to rebuild. In many cities, they can't make a move because that heavy twisted steel is in their way," KIRWAN stated. Taking it out not only would help clear their ruins but would make way for the labor that is now grubbing the streets.

LABOR PLENTIFUL THERE

"Labor is one thing they have plenty of. I know they would jump at a chance to get that labor usefully employed. All we need to do is to send over the torches and some supervision, and they'll cut up that scrap and get it out and ready for shipment to us," he explained.

Railroads, he pointed out have very little rolling stock, but their roadbeds are in excellent shape.

KIRWAN insisted that it requires only American know-how plus a minimum of machinery to get sufficient scrap for both American and German mills. He was especially astounded with the lack of elemental tools for rebuilding in Germany.

"I didn't see," he said, "a single steam shovel in all of Germany that I visited. And I was looking for one, too."

This lack of machinery, the Congressman believes, accounts for the failure of Germany to come back as Japan has come back. He said bombed-out Hiroshima is now largely rebuilt, and he commented that Gen. Douglas MacArthur must have been able to get equipment for the Japanese to do it.

"Of course, that brings out another fly in the European ointment," he added. "MacArthur is in supreme command. In Germany there are four commands. I don't see how they get anything done. Our Army bans the shipment of cigarettes in quantity to our soldiers, but they can go into the French zone and deal all they want to."

WHAT'S "THIRD CHANCE"?

"But, Mike," his interviewer asked, "what do you mean when you say this is America's third and probably last chance to win the peace?"

Mike replied that the answer to that one involved some of his observations in Europe and some conditions in America that flashed through his mind when he looked into the pinched faces and hollow eyes of Europe's children. Mike's voice became a little husky when he told about the children. He didn't see so many children on the streets. Someone explained that thousands had insufficient clothing to let them emerge from their hovels. Mike carried pocketfuls of mints, bought at the Army post exchanges, and gave them to children whenever he saw them.

"The expressions on their faces almost broke my heart, but I just couldn't pass them by with an empty hand," he said.

But, to get back to the third chance to win the peace: Congressman KIRWAN said we passed up the first chance entirely when we did virtually nothing in coordinated aid the first winter after the war's end.

The second winter, he explained, we sent over tons and tons of potatoes, and they froze on the way over.

"WE MAY BUNGLE IT"

"Now we have our third chance, and we are fairly well along toward bungling it also," he added. "You would think we should learn from our own experience. Remember, in the dark days of the depression, President Roosevelt said our only enemy was fear. We feared the terrible debt of twenty-eight or thirty billions. And many of our citizens fought tooth and nail against the expenditures necessary to bring about recovery. Then we feared the developing militarism of the Nazis, the Fascists, and the Japs. So a majority of us at times feared to build up our strength or to spend for fortification and defense. We feared to offend. So we faced Pearl Harbor, and we found we had to spend and build."

"Now our fear mongers are at it again," he continued. "They fear to spend the money to feed Europe. They fear to send machinery. They fear to build up our Army and Navy. Their fear has delayed us so long that we are already late; I hope not too late. Congress doesn't meet until December. Our fears will be debated a week or so. It will take time to round up ships and get the program going. I hope and pray it won't be too late."

The Youngstown Congressman had definite ideas also about what will happen if the United States program fails.

DANGER OF RUSSIA

"The Russian hordes," he said, "will sweep over the rest of Europe and perhaps into England, too. Only a definite program with plenty of manpower backing it up will stop them. This isn't kidding or seeing nightmares or battling windmills. Anyone who's been in the Russian zone knows that the Russians mean business. Anyone who's seen the terror on the faces of Austrians in Vienna knows that the Russians aren't kidding."

"Why did I find five Russian soldiers on the border at Vienna to every one American?" he asked and continued, "Because Russia is getting ready to move on in further and make slaves of all the rest. If Germany collapses, it will be only a few years before Russia can amass and equip an army of 50,000,000 men, all her slaves. I just want to ask what chance we should have when we can't even get enough recruits now for our limited forces."

KIRWAN explained that the key to Europe is the Danube waterway and that Vienna, where 80 percent of the people voted to the right, must be withheld from the Reds. He recalled Lt. Gen. Geoffry Keyes, in command at Vienna, explaining the position vital to that sector. The Danube, he said, is the key to Europe.

But KIRWAN found communism by no means confined to zones near Russian territory. He arrived in Rome on election day.

REDS PLASTER ROME

"The Communists," he said, "had plastered the whole city with paint. Their signs were everywhere. They had even painted 'Vote communistic' on the wall of the Pope's summer home. They had killed a young Christian Democrat and it took the best of American troops present to protect the funeral procession to the church. I tell you, this menace is real and terrifying all over Europe today."

To this end KIRWAN advised an immediate rebuilding of the United States Army and Navy. He said both need manpower for their present limited strength, and both should be enlarged. The Congressman also took issue with the type of army personnel sent to Europe as occupation forces. He said more than 400 American soldiers were brought back as prisoners on the transport on which he sailed back to America. Further, he was informed that the next army transport would bring back 300 more Army prisoners. Of the first batch, more than 50 were general court martial cases. The others were headed for dishonorable discharge.

"We should have better men than that representing America abroad," he observed. "We should select the best for overseas duty."

While on the subject of defense, KIRWAN had a barb or two for his own colleagues in Congress and for the press and radio of the Nation. He told of being invited, with nine other Congressmen, to hear Secretary of Defense James V. Forrestal and other top-ranking military minds outline the Nation's defense situation. He said seven of the Congressmen excused themselves and left after only a few minutes and that only three remained for the entire meeting.

BLAMES PRESS, RADIO

"The press and radio are to blame for our military might reaching the vanishing point," KIRWAN added. "They urged and urged the quick demobilization, and our forces are now inadequate for our needs."

All of this, the legislator asserted, has had a direct bearing on the attitude of Russia and certainly has kept us from winning the peace. In the scramble of the victors, especially Russia, for parts of Germany, he likened the situation in Germany as he saw it to the early days of Jack Dempsey, former world heavyweight champion.

"Berlin," he remarked, "has four nations in control, just as Jack Dempsey once had four managers. Jack got himself into that mess, and the managers took all his earnings and left him nothing. It wasn't until the court straightened it out that Jack got anywhere. Now, we must straighten things out in Germany, or continuing to get nothing, they'll invite communism."

Aside from the political and economic aspects of his trip, Mike noted many interesting things. He was amazed at the way Russia is stripping its section of Germany of everything that can be carried away.

"Why, they even took the marble out of Hitler's palace. They took cattle, food, everything."

HIGHWAY IS STORAGE DEPOT

The Congressman was also surprised at some things he saw in the British zone of Germany. In one case, the party had to turn off one of Hitler's prized highways because the British had used 40 miles of it as a dry base on which to store supplies.

KIRWAN admits rather hesitatingly that he bought at the Army posts and distributed over the territory hundreds of packages of cigarettes. Cigarettes, he pointed out, still claim top place among all commodities or paper that passes for legal tender. A carton is worth $100 in Germany, and several cartons guarantee a full year's food and living for a family. German farmers will gladly trade food for cigarettes while they eye the mark dubiously. A pound of potatoes costs 6 marks, and the Germans have survived so far on their potatoes.

But KIRWAN's cigarettes went mostly one pack at a time to disabled war veterans.

"Whenever I'd see a man with a leg or an arm gone, I couldn't help giving him something. He fought for the cause he thought was right," the Congressman explained.

Besides the cigarettes and mints, KIRWAN also carried bars of soap in his pockets. German women accepted them most eagerly.

A Better Deal for Brooklyn

EXTENSION OF REMARKS
OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Edwin B. Wilson, executive editor of the Brooklyn Eagle, over Station WHN on November 12, 1947:

A BETTER DEAL FOR BROOKLYN

It is a fine idea to celebrate in an appropriate fashion the fiftieth anniversary of the formation of Greater New York as we know it today. This is of special interest in the Borough of Brooklyn, for the central fact in the creation of the vast metropolis of five boroughs was the consolidation of the old city of New York and the city of Brooklyn—then the third largest municipality in the country.

Out of it all has developed the mighty world capital which New York is today—a city of over seven and a half million souls, over 2,700,000 of whom are from Brooklyn, which is now by far the most populous of all the boroughs.

However, it should be made perfectly clear at the start that great numbers of dyed-in-the-wool Brooklynites do not think that the fiftieth anniversary of Brooklyn's surrender of her individuality is a fit occasion for celebration. Some even feel that it should rather be marked by the donning of sackcloth and ashes. For these enthusiasts believe that consolidation was a great mistake, that it should never have occurred.

It should be remembered that when the consolidation idea came up in 1897 it was defeated in the city of Brooklyn proper, although approved by Kings County as a whole, by a plurality of only 277, or two-tenths of 1 percent. When the bill was passed by the State legislature, it was vetoed by the mayors of both Brooklyn and New York and had to be passed over those vetoes by the legislature. Such was the popular attitude here at the time.

BROOKLYN-MANHATTAN RIVALRY

There had always been this strong rivalry between the two communities situated on the opposite banks of the East River. When they became coequal boroughs in the new greater city, this rivalry was, if anything, enhanced. At any rate, the feeling grew with the years that the central city government was not doing right by Brooklyn, that far too large a proportion of the available funds raised from taxation were being expended for improvements in Manhattan.

This feeling seemed especially strong in 1941 with the result that the Eagle decided to do something about it. The publisher of the Eagle, Frank Schroth, went to his old friend, the president of Princeton University, Dr. Harold Dodds, and asked if Princeton surveys would make an investigation to seek the answer to the question, "Should Brooklyn Get a Divorce?" Thus it came about that an historic inquiry was undertaken at the Eagle's initiative and expense.

If the result had been to produce evidence that it would be to Brooklyn's best interests to pull out, the Eagle was prepared to lead a campaign for Brooklyn to secede from Greater New York. But Princeton surveys found that this would be inadvisable, reporting that it would probably cost independent Brooklyn a substantial increase in its tax rate of a marked decrease in its services.

BROOKLYN—ORPHAN BOROUGH

At any rate, we are still a part of New York City; and yet we are Brooklynites as well, with an intense pride in this vast borough. For Brooklyn's personality and individuality were not swallowed up by consolidation. Meanwhile, Brooklyn remains a sort of orphan borough, making it necessary for us from time to time to fight stubbornly for the sort of square deal to which we feel we are entitled.

The tendency of the city fathers has always been to take care of Manhattan's needs first. She got her new supreme court house, her new jail to take the place of The Tombs, her new express highways, and so on down the line. Here was Brooklyn, the famous city of homes or city of churches or city of industries or the city of docks—whichever you wish to call it. Yet it has often been treated like an orphan.

BROOKLYN'S FAME

Brooklyn is one of the best known place names in the world today. The bridge which bears this community's name is the best known bridge in the world—and in our opinion is unexcelled in beauty. The baseball team which bears this community's name is the best known in the world—and came within a hair's breadth of proving itself to be the best in the world. Here is the best known playground for the masses in the world—Coney Island. From here went during the recent war the largest number of Army and Navy fighting men that ever rallied to the colors from any single comparable community at any time in history, over 325,000. Wherever Americans fought throughout the world, the news dispatches invariably revealed Brooklyn men distinguishing themselves in battle. In Brooklyn's great navy yard some of Uncle Sam's finest warships have been built.

Brooklyn's water front is unexcelled. Over its miles of docks from Greenpoint south, along the East River and the bay, products manufactured here and elsewhere in the United States move onto ships to be taken all over the world.

But it is the people who make Brooklyn. Here we find a true melting pot in the great American tradition—people of every blood strain in the world living together, working together, playing together.

It is because of the concentration of wealth and power in Manhattan that its spokesmen seem to feel that it has certain vested rights in the use of the city's tax money which give it precedence over all other parts of the city.

So it is that in spite of Brooklyn's great tax-producing manufacturing plants and docks and warehouses, this borough has had to fight with the leaders of the central borough of Manhattan to secure its just share of the public funds for improvements. And more often than not it has failed to get them.

BROOKLYN EAGLE CAMPAIGNS

And so the Brooklyn Eagle has felt that its prime mission—after presenting the news of the day—is to fight for the things that this community needs. We fought for the elimination of the Fulton Street elevated structure from the borough's principal shopping thoroughfare. And it came down. We fought for the creation of a Brooklyn civic center and it is now in process of being created—slowly, because of the intervention of the war, but, I think, surely. We fought for the construction of a vehicular link between the two major boroughs and the Brooklyn-Battery tunnel is now well under way.

Because of the neglect of the past, however, and particularly because of the jump Manhattan got in many vital fields, Brooklyn's essential needs today are still numerous and varied, such as the following:

Construction of more subway extensions and improved service on trolley and bus lines in various parts of the borough.

Elimination of motor bottle-necks and improvement generally in the traffic and parking situation.

Elimination of the antiquated, inadequate supreme court house and old, unsanitary Raymond Street jail.

Increased facilities for the high and elementary schools, additional modern hospital facilities, completion of the beautiful central library, and provision for new branch libraries.

We could go on and on.

Most of these needs were listed in the 10-point program for Brooklyn which the Eagle presented on the first page of its one hundredth anniversary number, published October 26, 1941. Also listed was the rehabilitation of the older sections of the borough. In no community in the country is the need for new housing greater. The tenth and concluding point was the revival of a real Brooklyn spirit. We then felt, and still feel, that this is the heart of the whole program. For when Brooklyn lost its independence, there was the danger that it would also lose that intangible something which is generally spoken of as community spirit. Due to the unselfish efforts of many Brooklyn leaders in various walks of life, that spirit which for a time seemed to be waning has, in recent years, been newly aroused. In it lies one of the chief hopes for Brooklyn's future.

But things do move, and under the leadership of Borough President John Cashmore, Brooklyn seems to be in the way of getting a considerable number of vital improvements sewed down pretty effectively. Of course we have to make full allowance for the inability right now of getting various materials needed for any sort of construction work. But if Brooklyn can get its share of these materials, it can have no justifiable complaint.

At times it may seem regrettable that the differences between the five boroughs of the greater city are given as much emphasis as they are, but pride in one's own community is a natural thing, and there should be no reason why a person can not be a loyal Brooklynite and, at the same time, proud to be a New Yorker. For the combination of the contributions of the five boroughs has made New York City a metropolis and, indeed, the capital of the world today.

Much as the Manhattanites at times decry these borough differences, it has been the constant attitude of spokesmen for that borough which has emphasized the situation. Manhattan writers have talked of New York as a Balkanized city and have deprecated what they liked to describe as the less glamorous nature of the other boroughs. Their references to the Brooklyn accent have bordered on the absurd, when it is realized that the same little oddities which they pretend to laugh at are found just as frequently among the denizens of Manhattan as in any of the other boroughs. Brooklynites, however, have

long become inured to this sort of thing and take the laughs in their stride.

BROOKLYN'S CONTRIBUTIONS

Over the years Brooklyn has been making more than its share of contributions to the greater city in terms not only of personal service but of economic and even spiritual values.

It is noteworthy that the first public guaranty of freedom of worship was included in the Dongan charter given in 1643 to Lady Deborah Moody and her little group of English settlers in Gravesend, who came here after they had been driven out of several points in New England because they would not conform to what was then the established religion of the colonies there.

This was a pearl without price, for the principle of religious freedom is one of the cornerstones of American liberty which has made possible the continued success over the years of our form of government. And nowhere is it more important than right here in Brooklyn, where men of every creed worship according to their own lights, while maintaining the friendliest communal relationships.

A BETTER DEAL URGED

The disposition of Manhattan to treat Brooklyn as an orphan has always been hard for us to understand. For in spite of their separate origins and their original development as rival cities, and their present organization as separate boroughs, although within the one great metropolis, each depends on the other to an unusual extent.

To mention only one of Manhattan's debts to Brooklyn, a large proportion of our people work in Manhattan, most of them as trusted employees, but a considerable number running their own successful businesses. It would be difficult, indeed, to determine Brooklyn's share in the success of the hundreds of industrial, commercial, banking, and other enterprises which go to make up the wealth of Manhattan Borough, which, in turn, provides a big share of the tax money which makes public improvements possible. But it is unquestionably a very big share.

So as the fiftieth anniversary of the consolidation of the greater city approaches—and we hope it is celebrated in a dignified fashion, appropriate to the times—Brooklyn as a community looks forward to a fairer apportionment of the city's funds which it has so large a part in creating. We can think of no better news for our borough on this historic and gala occasion than assurance that the sister boroughs of Manhattan and Brooklyn will hereafter be treated as exact equals in the municipal family of Father Knickerbocker.

Rights of Certain Minorities

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, December 10 (legislative day of Thursday, December 4), 1947

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the Appendix of the RECORD an abstract of a Statement on the Denial of Human Rights to Minorities in the Case of Citizens of Negro Descent in the United States of America, which statement was presented to the United Nations on October 23, 1947, at Lake Success, N. Y.

The statement is a product of careful and objective research which consumed more than a year in assembling, editing, writing, and revising. It was prepared by a group of individuals highly competent to deal with such materials, including Dr. W. E. B. DuBois, present director of the NAACP Department of Special Research, who wrote the introductory chapter and edited the document; Earl B. Dickerson, Chicago attorney and president of the National Bar Association; Milton R. Konvitz, an associate professor in the School of Industrial and Labor Relations of Cornell University; William R. Ming, Jr., associate professor of law in the University of Chicago Legal Institute; Leslie S. Perry, administrative assistant of the NAACP, Washington, D. C., bureau; and Dr. Rayford W. Logan, chairman of the department and professor of history, Howard University.

There being no objection, the abstract was ordered to be printed in the RECORD, as follows:

A compilation comprising some 150 pages of historical material and recent facts relative to the discrimination practiced against Negroes in the United States, was presented officially to the United Nations on October 23, 1947, at Lake Success, N. Y. The presentation was made to M. Henri Laugier, Assistant Secretary General for Social Affairs, and Dr. John P. Humphrey, Director, United Nations Division of Human Rights, Social Affairs Department, by a small delegation from the National Association for the Advancement of Colored People headed by Dr. W. E. B. DuBois, director, department of special research, and Mr. Walter White, executive secretary of the Association.

In receiving the document, Dr. Humphrey said that under the workings of the Commission on Human Rights at the present time, "it has no power to take any action in regard to any complaints concerning human rights." However, he explained, that the Commission is now in the process of formulating an international bill of rights, and he asked the association to continue its efforts for human justice, being mindful of the coming meeting of the Human Rights Commission in Geneva, beginning December 1.

In the first section of the document the terrible cost of race discrimination in this country is clearly and precisely pointed out. Emphasizing the lack of complete biological unit among Negroes, their variation from black to white in color, and their descendance from both white European and red American Indian stock, as well as black African, it is shown that prolonged policies of discrimination and separatism have involuntarily caused Negroes to become practically an enclaved national entity. Thus they are to a large extent provincial, introvertive, self-conscious, and narrowly race-loyal. Yet on the other hand, this segregation has impressed upon them the necessity of constant effort to achieve; to deserve, and to prove to the world their capacity to share modern civilization, so that in nearly every facet of American life they have made creditable showing. But it is upon white America that color prejudice has prevailed at such a high price.

It has repeatedly led the greatest modern attempt at democratic government to deny its political ideals, to falsify its philanthropic assertions, and to make its religion to a great extent hypocritical. A Nation which boldly declared "That all men are created equal," proceeded to build its economy on chattel slavery; masters left a mulatto progeny which neither law nor science can today disentangle; churches which excused slavery as calling the heathen to God, refused to recognize the freedom of converts or admit them to equal communion. Sectional strife over the profits of slave labor and conscientious revolt against making human beings real estate led to bloody civil war, and to a partial emancipation of slaves. Poverty, ignorance, disease, and crime have been forced on these unfortunate victims, and a great nation, which today ought to be in the forefront of the march toward peace and democracy, finds itself continuously making common cause with race-hate, prejudiced exploitation, and oppression of the common man. Its high and noble words are turned against it, because they are contradicted in every syllable by the treatment of the American Negro for 328 years.

An outstanding characteristic of a democracy is the right to vote. But following the conclusion of the Civil War, by a "gentleman's agreement" with the North, the Negro was disfranchised in the South by a series of laws, methods of administration, court decisions, and general public policy so that today three-fourths of the Negro population of the Nation is deprived of the right to vote by open and declared policy. The effect of this disfranchisement on democracy in the United States is vividly seen when we consider the relative political power of three parts of the Nation: the North and West, where in 1946 each Congressman was elected with an average of 100,225 votes cast in the election; in the border States (Delaware, Maryland, Virginia, North Carolina, Kentucky, Tennessee, Arkansas, and Oklahoma), an average of 43,288 votes elected a Congressman; while for the southern South (South Carolina, Georgia, Alabama, Florida, Mississippi, Louisiana, and Texas), only an average of 15,785 votes were necessary to elect a Congressman. Thus according to political power which each actual voter exercised in 1946, the southern South rated as 6.6, the border States as 2.3, and the rest of the country as about 1. Thus it is understandable that a national Republican committeeman from Illinois could declare, "The Southern States can block any amendment to the United States Constitution and nullify the desires of double their total of Northern and Western States."

Today racial discrimination in America has superseded its national boundaries and expanded into an international problem as the nations draw together. It is overly important to the United States, since the United Nations is located here, and since the vast majority of the people of the world are more or less colored in skin they render themselves liable to insult and discrimination in being mistaken for American Negroes. It is evident that this may make the functioning of the United Nations more difficult, if not in some cases impossible. Thus, in the attempt of the world to find common ground and to maintain peace, it is quite appropriate that the more than 14,000,000 American citizens of Negro ancestry—a group numbering as many as the inhabitants of the Argentine or Czechoslovakia, or the whole of Scandinavia, including Sweden, Norway, and Denmark; a people nearly the size of Egypt, Rumania, and Yugoslavia; larger in number than Canada, Saudi Arabia, Ethiopia, Hungary, or the Netherlands, or Portugal, or Peru, or Belgium, or twice as many as Australia, Switzerland, or Greece, and half as many as Spain—should appeal to the United Nations, asking this body to recognize fully a situation which deprives a large group of humanity of their rights as people and citizens.

From 1787 until 1914 the legal status of the Negro had declined until on the eve of the First World War the colored American found himself enmeshed in a pattern reminiscent of that which existed before the Civil War. For example, in 18 Northern and Western States, civil-rights acts were adopted after 1884 to protect Negroes from discrimination. But these laws suffered the vicissitudes of legal interpretation, and their present effectiveness is actually a reflection on the race attitudes in the States rather than on the sense of justice in the courts. On the other hand, it is significant that in the Southern

States, where legal rights of Negroes have been completely distorted and abused, no civil-rights statutes have been adopted.

This fact portrays the fallacy inherent in the argument that the legal rights of American Negroes can be entrusted to the States. It is almost idiotic to expect that States where the citizenship of Negroes had to be established by force would later honor that citizenship by law. As a complement to the doctrine that the Federal Government could not protect civil rights in the States, the Supreme Court developed the doctrine that private action condoned by State inaction was not within the scope of the fourteenth amendment. It was in this peculiar quagmire of incapacity and inaction that the American Negro found himself in his search for justice within the framework of American law

Since 1914, the legal position of American Negroes has become more solidly defined. Congress has refused to pass laws to declare the poll tax illegal; to make lynching more effectively subject to Federal law; to make discrimination in private employment in interstate commerce a crime; to define and guarantee civil rights in the District of Columbia. The Supreme Court has failed to declare Jim Crowism in intrastate commerce unconstitutional; to outlaw segregation in schools as a denial of due process or equal protection of the laws; to outlaw the restrictive covenant in the sale or rental of property; to declare the poll tax an unconstitutional tax on a federally guaranteed right or privilege. The Supreme Court has placed the Negro at the mercy of the individual States; they alone have the power to define and guarantee civil rights. The Negro is a citizen of the United States, yet the thread that ties him to the Federal Government, when it is a question of protecting his life, liberty, or property, is so thin that the Government is compelled to admit its impotence.

Today, the socio-legal status of the Negro is best seen by contrasting the breadth of rights guaranteed by law to every person and the few which Negroes are allowed to enjoy. Although the thirteenth, fourteenth, and fifteenth amendments to the Constitution were promulgated in legal and ethical consonance with the American creed of "Equal justice under law," the practical result is far from consistent with their intentions. The independence of State law and the technicalities of the rules as to unrepealed but obsolete legislation, have led to efforts to enforce the legal codes of the pre-Civil War period in the South under present-day conditions. Under all these circumstances the legal and social status of Negroes in the United States can best be described as that of a minority whose physical presence is tolerated and whose rights receive lip-service, but who rarely secures the protection the Constitution and laws of the United States guaranteed to all within its jurisdiction.

Considering this toleration existence under which the Negro lives, it follows logically that the social framework of the Nation would shape up differently for him from that in which the dominant group moves about. Thus, although the fundamental human rights which the United States, like all other members of the United Nations, is pledged to promote include education, employment, housing, and health, the Negro is victimized widely in each of these rights.

In a country where education counts for so much, the denial of equal access to facilities finds 10 percent of all Negroes 25 years old and over having had no formal schooling, as compared with 1.3 percent of all whites; 82.7 percent had no formal schooling or failed to complete more than 8 years of elementary training, as against 53.1 percent whites.

Color-crazed America has erected employment barriers that generally keep the Negro beyond the limits of decent wages, job satisfaction, union benefits, and economic security. In 1940 the last census year, 64 percent, or the vast majority of Negro employees were unskilled; less than 3 percent were skilled and foremen, while only 2.6 percent were professionals. The rest were mainly semiskilled workers, farm tenants, and the like. These employment barriers extend into Federal service, so that personnel practices in Federal agencies closely parallel those in private employment. In 1938, jobs in custodial classifications constituted less than 3 percent of civil-service jobs. Yet 90 percent of all Negroes employed by the Federal Government in Washington were designated as custodial. The highest paid Negro employee in the Washington office of the Department of State, for example, was the chauffeur to the Secretary. With slight modifications this is the Negro labor picture today, both in private and Federal employment.

The ghettoes known as Black Belts, are traditional in the housing pattern of America. The multitudes among dark Americans are found living in these urban and rural slums, and forced to remain in these blighted areas because of the decisions of courts, intimidation, actual use of physical force and violence, and the collusion of organized government with vested interests. According to the last census, 35.1 percent of all homes occupied by Negroes needed major repairs, as against but 16.3 percent for whites. Almost a third of Negro occupied urban units lacked running water, as compared with 4.2 percent for whites; and 13.3 percent had no flush toilets, as against 7.9 percent for whites. In regard to overcrowding, for the Nation in 1940, it was three times greater in Negro homes than in those of whites.

Discrimination by health services is general, and both private and public agencies refuse the Negro adequate and proper care—even when he can afford to pay for it. Consequently, his tuberculosis mortality rate is more than three times that for whites; syphilis occurs six times more often than among whites; and he contracts pneumonia twice as frequently as white people. This is due to no inherent susceptibility on his part, but rather to the low economic and social status to which he is confined and kept. Hospitals frequently refuse and exclude him altogether, and some white physicians adopt an attitude toward him that borders on criminal neglect. Thus in view of all of these factors, the combined impact of economic and social discrimination in America casts a shadow over the Negro which extends from the maternity bed to a premature grave.

Precedent and the language of the United Nations Charter provide the basis on which this appeal is made. Provision by international treaty to protect and guarantee human rights was such a failure, and the adamant opposition of some statesmen to include a provision guaranteeing rights of minorities in the Covenant of the League of Nations, impelled the drafters of the UN Charter to establish and guarantee basic human rights, such as the American Negro is denied. In six different places—the Preamble, and articles 1, 13, 55, 62, and 76—the Charter indicates that it is the obligation, the purposes, and principles of the United Nations "to achieve international cooperation * * * in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion." To supplement its nonequivocation on this point, the Charter designated in article 13 the General Assembly as the agency to inplement this protection of rights.

It is a well-known fact that the implementation of Nazi racial theories and discrimination against minorities were important causes in bringing about World War II. Thus the racial theories and discrimination against Negroes falls into the same category and remains no longer a purely internal matter, but rather assumes international aspects that are a threat to world peace. Although article 2, paragraph 7 of the Charter provides that nothing in it authorizes the United Nations to intervene in matters essentially domestic in jurisdiction, the last clause of this same section adds, "But this principle shall not prejudice the application of enforcement measures" to correct abuses. The Charter then stipulates that the Security Council is empowered to determine the existence of any threat to peace and decide upon the measures to be taken to maintain or restore world peace and security.

In this respect, the National Association for the Advancement of Colored People urges that these petitions on behalf of minorities anywhere be received by the General Assembly because all members of the United Nations have the right to speak in the General Assembly, and that the Assembly, "the sounding board of the conscience of mankind," be given the fullest opportunity to discuss petitions on behalf of minorities. The General Assembly, except insofar as it is limited by article 12, could then make a recommendation to the Security Council, which in turn, according to the view presented above, could take action in cases where the violation of human or minority rights constitutes a threat to international peace and security.

Some Social Implications of Natural Resources

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 5, 1947

Mr. CLASON. Mr. Speaker, at a time when the Congress of the United States and the American people are being called upon to pass judgment upon great plans for the rehabilitation of foreign governments at our expense, I believe that it is most timely for us to have in mind information concerning our national resources. We ought also to consider our own national wealth in the light of the future. Today we have at our disposal more useful products, both industrial and agricultural, than the people of any other nation. Therefore, we have the highest standard of living ever known. For that very reason, it is important that we consider the extent of our material resources and those of other nations. We should give thought both to our future and to their future in determining the extent of our gifts of money and overseas shipments of materials. We must not only look out for the welfare of those presently in need abroad but we must give earnest consideration to the American boys and girls of coming generations for whom we are acting as trustees in the handling of our Nation's resources.

I believe that every thinking American will gain much food for thought by reading the following article on Some Social Implications of National Resources by Dr. Howard A. Meyerhoff, professor of geology and geography at Smith College, Northampton, Mass. Dr. Meyerhoff is a businessman well known in western Massachusetts. He has also made extensive surveys in foreign coun-

tries in the service of their governments and private corporations. His conclusions are worthy of careful consideration. His article is as follows:

[From the Annals of the American Academy of Political and Social Science, January 1947]

SOME SOCIAL IMPLICATIONS OF NATURAL RESOURCES

(By Howard A. Meyerhoff)

(Howard A. Meyerhoff, Ph. D., is professor of geology and geography at Smith College, Northampton, Mass., on leave to serve as executive secretary of the American Association for the Advancement of Science. In addition to an interest in natural resources and a specialty in Caribbean geology, he is chairman of the board of directors of the Propper-McCallum Hosiery Co., was a mediator and chief hearings officer on the National War Labor Board, and is chairman of the arbitration board in a large ship repair concern. He is author of The Geology of Puerto Rico (1932) and wrote the chapter on the status of natural resources in the Science of Man in the World Crisis.)

In a country as richly endowed with natural resources as the United States, it is difficult to persuade our statesmen or our politicians—or, for that matter, the public—that raw materials have been so vital in shaping our development and history that they must be a primary consideration in the determination of domestic and foreign policies. Even historians, whose function it is to view historical factors in proper perspective, have underestimated the resource factor in their struggle against the so-called economic interpretation of history. But our civilization is predominantly industrial and from the moment the industrial revolution started, certain key resources predetermined the destinies of nations, though many other factors have modified the rate and the quality of progress which individual peoples have made. A brief analysis of the ingredients of industrialism will support this premise, which is basic in the thesis that I have undertaken to develop.

The industrial revolution started in England, and it was some time before it spread to other countries. Its beginnings in England are complex, but several factors in its development can be isolated. Basically the discovery of coal as a substitute for water in the generation of power and as a substitute for charcoal in the manufacture of pig iron and steel gave the industrial revolution its technological start, but no less important was the presence of commercial deposits of coal and iron ore in the Midlands of England. The political integration of the country minimized such problems as labor and taxation, while geographic compactness made domestic transportation a negligible item of cost. The incentive to industrialize was the growing and populous Empire, served by the merchant marine and policed by the Navy. Here was a market that offered the lure of endless profits with comparatively little competition.

There are six ingredients in this brief analysis: raw materials, technology, labor transportation, markets, and protection; and they are still the basic factors in the complex industrial civilization of our day. Among them, however, raw materials have been the sine qua non of industrial expansion, and no national effort to industrialize has yet been successful where it has not been adequately supported by domestic or proximate supplies of fuel and iron. The early collapse of Italy and the exhaustion of Japan in the late war are definitive commentaries on the failure of the two most ambitious attempts to offset the inadequacy of native resources. The gravitation of industrial power to the comparatively few large deposits of coking coal demonstrates that, until atomic energy has actually achieved a greater diversity of application than is now in sight, industrial and political might are moored to the world's bituminous coal reserves. A sketch of the geography of coal and industry will make this point clear.

TO HIM THAT HATH

In the United States the major industrial regions lie upon, or within easy access of, the two largest deposits of high-grade bituminous coal—the Appalachian and the eastern interior coal fields. Except for local centers of light industry, the remainder of the country is concerned with agriculture, pastoral activities, mining and forestry. In Great Britain, the manufacturing districts are localized on and near the coal seams of the Midlands and the Scottish lowlands. In central Europe the dominant industrial position of the Ruhr made it the main target of bombing attacks. It is the major problem of postwar Europe, for its excellent coking coals, which extend into Belgium, the Netherlands, and northeastern France, make the Ruhr inevitably the economic hub of continental Europe. Coal has converted the Silesian and Bohemian Basins into secondary centers of industrial activity while, similarly, in prewar Russia the coal of the Donets Basin made the eastern Ukraine and Rostov sections of Russia the industrial heart of the U. S. S. R. One of the principal objectives of the three 5-year plans was the establishment of a second industrial area in and marginal to the newly developed bituminous coals of the Kuznetsk Basin in the west Siberia region. Smaller industrial centers nourished by smaller coal-mining developments have grown up in Manchuria, coastal China, the Calcutta district of India, and New South Wales in Australia, but elsewhere heavy industry either is nonexistent or maintains a precarious economic hold on a local market or a nationalistic dream of self-sufficiency, rather than on handy energy resources.

Large hydroelectric installations have in recent years modified the industrial pattern to a minor degree. Yet even here it is evident that "to him that hath shall be given," for the most ambitious programs of water-power development have been instituted in countries already endowed with supplies of industrial coal, or in those which have ready access to nearby coal in neighboring countries. Some of the latter have attempted to balance deficiencies in coal by full utilization of hydroelectric energy, but the effect is usually to extend the margins of the highly industrialized regions which are based upon coal rather than to increase the number of these regions. In Europe, for example, Italy has fully developed its water resources, and there are large power installations in France, Switzerland, Norway, and Sweden. When plotted in relation to central European industry, these developments appear in proper perspective as peripheral extensions of the Ruhr industrial area. The same is true of Canada, which ranks second to the United States in developed water power. Most of the power has been harnessed in the St. Lawrence lowland and the Laurentian upland, marginal to the lower Great Lakes industrial area.

More fortuitously, two of the world's greatest industrial nations—the United States and the Soviet Union—are its largest producers of oil and natural gas, but with these two exceptions, nature seems to have placed oil in out-of-the-way places where there is little interest in its production and use. Under these circumstances, nationals of the industrial countries have discovered and recovered it, and nearly all of it finds its way to the industrial areas for processing and consumption. The geography of oil production may reflect the whims of nature, but the geography of oil consumption is essentially the geography of industrialization. Only a few enterprising districts have succeeded in building a partial industrial economy on local oil production, but even such communities as Los Angeles and Houston have no illusions of industrial self-sufficiency.

FROM HIM THAT HATH NOT

What applies to oil applies with even greater force to the earth's commercial minerals, for they, too, must make their way to the sources of heat and energy to be processed. In the Midlands and in Alabama, coal and iron ore are neighbors; in the Ruhr, in the Donets Basin, and in the Calcutta district these two complementary raw materials lie within reasonable distances of each other; but in the remaining industrial areas the problem of bringing the two together has taxed man's ingenuity. Lake Superior iron ore travels far down the Great Lakes to Gary or Detroit or Cleveland or Buffalo, and even overland to Pittsburgh and Youngstown. Chilean ore moves through the Panama Canal to the furnaces at Sparrows Point, Md., where it meets ore from Cuba and Lake Superior, and sometimes from Bilbao, Spain. And in western Siberia, magnetite from the southern Urals journeys 1,200 miles overland to Novosibirsk and Stalinsk in the Kuznetsk Basin, while coal makes the return journey to keep furnaces busy at both ends of the line. Only here is the normal movement of iron ore to coal reversed, and the exception has been made solely to reduce the all but prohibitive costs of long-distance rail transportation.

Not only does iron ore move to coal, but manganese, molybdenum, nickel, chromium, vanadium, tungsten, and the rarer ferrous alloys make the same journey, commonly from remoter parts of the earth. Nonferrous metals tend to follow suit, though for more complicated reasons. The smelting of copper, lead, and zinc is relatively inexpensive, but these metals find their readiest markets in the industrial centers. Bauxite moves to fuel for calcining or dehydration, but as a rule the alumina thus produced must go still farther to cheap hydroelectric energy for the final process of reduction to metallic aluminum. Like a magnet, coal draws metallic and nonmetallic raw materials to it because it furnishes heat, power, and byproduct gas, as well as many of the raw materials employed in the chemical and synthetic industries.

We are, then, confronted by the spectacle of mineral raw materials, agricultural raw materials, population, and food being drawn in increasing quantities into a dozen industrial areas which are endowed with the most basic raw material of them all—bituminous coal. We may talk about the decentralization of industry, but man can do little more than decentralize the light industries. The heavy industries can be spread within very limited geographic districts, but hardly decentralized. Herein lies one of the principal social problems of our industrial era, although there are others with more far-reaching implications. The dozen industrial areas of the world are partially competitive, and their competitive activities are beset with domestic and international questions of vital economic and sociological import. Upon the successful solution of these problems depends the economic and political security of virtually every one of the world's peoples.

FULL EMPLOYMENT

Economic security has become a fetish of popular governments, labor unions, and farmers as a direct consequence of the depression of 1929–37, but it would be folly to claim that any of these groups uncovered the means of achieving it. It was the threat of war in 1937 that provided a fuller measure of industrial employment and the grim fact of war in 1939 that ultimately created the manpower shortage and the full employment of the war years. Full employment is momentarily being maintained, in part by the

military establishments of the victorious nations, and in part by the unsatisfied demand for civilian goods. Thanks to this temporary respite, we have a brief opportunity to survey and assess the requirements of full employment and to determine how best to meet them.

Labor unions and farmers have come up with the right answer but not with the right method. Purchasing power adequate to buy the products of factories, the produce of farms, and the services of other working groups is fundamental to high production and full employment. But in this country it has apparently been forgotten that we possess resources and production facilities which far exceed domestic requirements and which make us dependent upon foreign markets for a sizeable fraction of our production. Before the war this fraction was estimated to be 10 percent, but now it is higher. Full employment in the United States depends, therefore, upon purchasing power abroad. Failure to sell our surpluses abroad will clog the American industrial machine and unemployment will follow.

EUROPEAN POLICY

Britain's industrial economy has been predicated from the outset on the need of a world market, and her methods of meeting the need stand in startling contrast with ours. Until comparatively recent years she has focused upon the multiple aspects of costs, starting with raw materials and extending through such politico-economic policies as free trade to the distribution of manufactured products by an efficient merchant marine. Some British economies do not stand up under scrutiny, but others may profitably be studied and emulated.

Britain has assiduously developed the native raw materials available within the Empire as well as those within her own tight boundaries. Endowed only with coal, iron ore, and tin, she embarked upon a program of exploration which still continues in the colonies and the Dominions. When the tin mines of Cornwall were exhausted, the tin ore of Malaya and the East Indies kept Britain dominant in the production of ore, and her monopoly of smelting and refining techniques gave her such complete control of this metal that no substitute facilities were available when the Malaysian mines fell to the Japanese early in 1942. Comparable monopolistic controls have been established in other fields—for example, nickel, diamonds, and rubber (with the Dutch). And monopoly in other forms has been a characteristic feature of British imperialism notably the exclusion of non-British capital and management from certain colonies and the acquisition of exclusive concessions in non-British countries. In the latter category is the well-known d'Arcy concession in Iran, with its long chain of consequences, the last of which was the Azerbaijan incident in northern Iran.

Although British policy in the development or acquisition of raw materials was dictated by British industry, it has long been closely identified with Government policy in a way that is foreign to the American system. Official Government representation in the management of the affairs of the Anglo-Persian Oil Co. is an instance which was given prominence about two decades ago but it was by no means an exceptional instance. The British Government and British industry and trade were indissolubly linked, and in combination they created international friction which at times became acute. The uneven struggle between semipublic British and private American interests for oil in the period following World War I is a matter of record.

It must not be concluded that the British policy in regard to raw materials is peculiarly British. On the contrary, the only national designation which can be given it is that it is non-American. The Dutch, the Belgians, the French, and the Russians have practiced it in one form or another, and, with the exception of the Russians, nationals of these several countries have formed international cartels to exploit monopolies which could not be confined within national or single colonial boundaries. The Dutch-British combination to restrain production and trade in rubber boomeranged twice, and the second time it adversely affected the conduct of World War II and—possibly—wrecked forever a mainstay in the economy of the East Indies.

Although any statement regarding the ultimate competitive positions of natural and synthetic rubber would be premature, it can definitely be said that the artificially created shortage of rubber in 1942 greatly accelerated development in the synthetic field. Although American capital was permitted to participate in the copper developments along the boundary of Northern Rhodesia and the Belgian Congo, the control is closely held, and had it not been for the enormous, though temporary, demand for this metal during the war, Chilean and American copper production could not have met anticipated competition from African copper in foreign markets. Protected by a 4-cent tariff, American copper producers will survive by supplying the United States market, but South American producers face extinction, for basic production costs are roughly 2 cents a pound higher in Chile and Peru than they are in Africa.

PRODUCTION MOVES TO LOW-COST AREAS

There is no need to multiply examples, for it makes little difference whether we touch oil, rubber, copper, nitrates, radium, or food, the historical trend has been the same. Production of raw materials or of finished goods moves to low-cost producing areas. High-cost producers survive only if the low-cost producers cannot meet world demand, or if their governments protect them by tariff or subsidy, and the domestic consumer pays the price. Thus Americans pay 2 cents extra for every pound of sugar to keep domestic beet and cane sugar producers in business; 4 cents a pound to keep American copper miners at work; and approximately as much to enable cotton producers to raise four to six million bales of cotton more than this country normally needs. But in general, the locale of production has followed the lure of low costs—rubber moved from Brazil to the East Indies, copra forsook the West Indies for the East Indies, quinine likewise changed hemispheres as did cacao, despite the retention of a feeble hold in Ecuador and the Caribbean countries. Radium moved from Colorado to the Belgian Congo, and it may be on its way to the Arctic Circle in Canada. Nitrate production has partially deserted Chile for widely scattered synthetic plants, and rubber may now be headed in the same direction.

Some of these movements are worth a brief analysis. In the cases of rubber, copra, quinine, and other forest and agricultural products which were successfully introduced into the Malaysian-East Indian region, three vital factors were involved—capital, management, and labor. The history of rubber affords an illuminating example. Rubber was native to the Amazon basin, where it grew without cultivation. The British and the Dutch transplanted it to Ceylon, Malay, and Sumatra, but it was some time before the managerial genius of the Dutch evolved the plantation system of cultivation. Then followed the development of large plantations, kept scrupulously clean by cheap and abundant native labor. Brazilian producers, harassed by a scarcity of labor, could not emulate the Dutch system, nor could they match in quality the rubber which the Dutch and the British placed on the market. The demise of the industry in Brazil was rapid and so complete that the combined efforts of the United States, Brazilian, and Peruvian Governments and a corps of experts, backed by unlimited capital, were unable to revive it, even under the grim requirements of war.

LABOR

The moral of the story is clear. In the case of rubber and of other products requiring laborious cultivation and other manual operations, low-cost production depends upon labor when other factors are equal. Recognition of this fact was basic in Dutch colonial policy, and it was evidently the cornerstone of German military and administrative policy in the new order of Europe and of Japanese policy in the new order of the Far East. In a less spectacular way, it was the cheap and abundant labor available in the South that led so many textile manufacturers to abandon mills in New England and set up operations in the Carolinas, Tennessee, and Alabama. The same factor took the needle industry out of New York and into Puerto Rico, and when the wage-and-hour law equalized labor costs in Puerto Rico, the industry moved as far afield as China, Italy, and Czechoslovakia.

Labor is a primary resource to those who need it, but it has not yet achieved comparable importance to those who have it. Germany and Japan had a momentary vision of its importance en masse but no comprehension of the prerequisites to its successful exploitation. Mussolini, with one of the most crowded countries in Europe, was so obsessed by the stupid illusion of Italian self-sufficiency that the military significance of 45,000,000 Italians meant more to him than their economic and political value.

If the British have learned officially that manpower is an economic asset, they have scrupulously refrained from revealing the knowledge, although the industrialists of Britain have long exploited British labor. Conditions in the coal-mining districts of England and Wales were publicized during the depression years, but somewhat less has been said about working conditions aboard ships of the much vaunted British merchant marine. Any disinterested study of the industrial situation will reveal that the British have been maintaining a favorable competitive position for British goods in world markets primarily at the expense of labor. Domestically, labor governments have effected social reforms, but chiefly to counteract or partially offset the abuses and inadequacies of the British industrial system—if it can be called a system. Abroad in the Empire no policy can be discerned, but here too there has been local exploitation of labor by industrial interests. The mines of Africa are not a worker's paradise and plantation conditions in many of the colonies leave much to be desired, but in general the natives in the colonies are left to their own devices and to the vicissitudes of local conditions.

Only the Dutch have evolved a well-ordered administration of native labor in the colonies, but its admirable order and efficiency have not endeared the system or its administrators to the native population. The current uprisings in Java and other islands of the Netherlands East Indies are more than manifestations of racial and nationalistic unrest. They are protests against the most efficient—and humane—system of labor exploitation that has thus far been devised.

In review, labor appears to be an unreliable factor if one is seeking low costs. The textile manufacturers who move South found it impossible to hold wages at low levels, although it is true that wage differentials between North and South are still marked and are so well established that a rather idealistic National War Labor Board gave them formal recognition and sanction. But it is evident that the densely populated nations of the earth, like Italy, Germany, Belgium, the Ukraine, England, India, Java, China, and Japan, have a labor potential which will exert a critical influence on costs and on world economy. Whether these

labor pools be utilized for the production and processing of raw materials—mineral or agricultural—or for the use of the raw materials in manufacturing, the law of migration of work will inexorably operate. Any operation requiring a large amount of manual labor will migrate to these populous regions, and to those which also possess industrial fuel will go the raw materials that nourish, or draw nourishment from, coal and the heavy industry founded on coal.

It behooves United States labor, United States politicians, and the United States public to ponder this important trend before United States costs are jacked up beyond the reach of world markets, upon which full employment is dependent. How much money a worker makes is far less significant than how much he can buy, and to buy anything at all he must stay in competition with the rest of the world.

TECHNOLOGY

Labor, however, is not the only factor involved in costs, and to some extent high labor costs can be counterbalanced by technological ingenuity and invention. At times inventive ingenuity has been charged with the high crime of creating technological unemployment, and the charge may soon be heard again as war-inspired devices, designed to save manpower, increase production with fewer employees. But over the years technology has revolutionized industry, and it is likely to repeat the performance. It has certainly revolutionized the sources of raw materials.

In the field of mineral raw materials, geographic exploration has turned up many a new deposit of ore, but not a few of them have remained unused for years, and even for decades, until technological discoveries enabled man to exploit them. The development of techniques whereby the low-grade copper ores became available to commercial processes of recovery; the application of electrolysis to the reduction of alumina to metallic aluminum; the design of more efficient equipment, like the boats and the loading and unloading facilities that handle Lake Superior iron ore; the uncanny selectivity of flotation in the concentration of ores of metals and even nonmetals—these and many other equally familiar developments have transformed the mining industry and have freed us from dependence upon a comparatively small number of high-grade mineral deposits and a limited number of metals. Even so, mining, milling, and metallurgical progress has barely kept pace with an insatiable industrial demand that has called for larger quantities of a greater variety of metals during the past generation than the human race consumed in all preceding history.

Indeed, technology has been called upon, not alone to devise production facilities, but to "invent" raw materials. Currently the processing of wood bids fair to transform the industries based on forest products. Within a comparatively few years plastics have been produced more rapidly than names have been found to designate the many varieties. As if by magic, despite the cumbersome equipment employed, the air is made to yield nitrogen for nitrates, and coal is changed more readily to nylon than nylon is to a pair of precious stockings.

As applied to natural resources, technology has so altered the geography of raw materials as to precipitate social revolutions in many parts of the earth. We think of the profound effect of the discovery of gold at Sutter's Mill in opening up California and ultimately, with the construction of the first transcontinental railway, in binding the far-flung corners of this country into a closely knit national unit. But do we realize what the development of oil in the steamy Maracaibo Basin has done to and for Venezuela? or what the exploitation of oil may do in Saudi Arabia?

Not all the consequences of new developments are beneficent. For many years the nitrates of the Atacama Desert made Chile the most solvent of South American countries. Then, in 1913, Germany perfected the nitrogen-fixation process, freeing itself from dependence on Chilean nitrates as it waged World War I. The nitrate supply was a sore trial to all other contestants, all of which set out to develop their own nitrogen-fixation facilities as soon as the war was over. Copper saved Chilean economy for a time, but African copper and depression ended that, and the country has had hard times ever since. As a current example, following the bitter experience of highly localized and monopolistic production of rubber, the United States may develop synthetic rubber to the point of impairing the economy of the East Indies.

Technology brings changes that are both profound and kaleidoscopic. It transplants civilization to the wilderness and to the desert; it makes and breaks economies in regions and in nations with limited resources; it creates problems of obsolescence which wreck investments; it brings necessities and luxuries within reach of more people. It is an undiscriminating social force which, thanks to the atomic bomb, our politicians and statesmen are confusedly trying to direct and to control.

But we are dealing with technology as a factor in costs, and it must be evident that, like abundant labor, it causes the migration of industrial demand to the cheapest source of raw material. In following technological applications, industrial demand has migrated widely over the face of the earth, and its peregrinations should hold one important lesson: supplies of raw materials have no political or national affiliations—they are international. Freedom of access is vital, at least to the industrial nations. Freedom to supply native resources is equally vital to any nonindustrial nation or colony, for the time to dispose of native resources, particularly in the mineral category, is at the figurative moment when industrial demand and technological developments give them their greatest cash value and their maximum utility value. The notion of conserving irreplaceable raw materials for some hypothetical future use is pointless in a world whose needs are changing rapidly, and particularly is this true in countries which lack the energy resources to process their own mineral resources.

Technology is thus leading industrial demand over the face of the earth, shopping for industrial raw materials in those places where, at each given stage of technological progress, they may be acquired most economically. Each major industrial region may seek the same raw material from the same region, just as the Midlands and the Ruhr sought high-grade iron ore from the Kiruna district of northern Sweden in the days before the war. No nation can supply all its needs at home, and in the competition for raw materials abroad the successful competitor will be the one that offers in trade the best-priced products, rather than the best price for local products. Again the need to stay in competition with the rest of the world is self-evident.

LAND

Although industry uses many irreplaceable raw materials, replaceable products are playing an ever increasing role, not alone in feeding the human race, but also in providing it with industrial employment. Technology has greatly changed land use in such a variety of ways as to defy listing. Modern transportation has opened up remote regions and has led to specialization and regionalization of land use that was unthinkable 100 years ago. Refrigeration has transformed the tierra caliente of Caribbean countries into banana plantations and, in combination with irrigation, has converted a desert such as the Imperial Valley into truck gardens. Mechanization has greatly enlarged the economic land unit for many crops and has encouraged—and has itself been encouraged by—migration of population from farm to city. Laboratory techniques have developed new uses for old products, new products from old crops, and new products from new crops. Experiment has evolved hardier or more prolific plants and animals, and chemistry coaxes higher yields from every acre, until the dismal predictions of Malthus seem remote in a far more populous world than the one in which he lived, though their theoretical validity may still be sound.

Through all the changes which have occurred, a clearly defined order can be discerned. The geography of forests, crops, and animals has steadily become a function of climate, which in turn is a function of latitude, precipitation, topography, and elevation. The result, though logical, borders on the phenomenal, for regions in different hemispheres have developed startlingly similar characteristics, and even their peoples show tendencies to evolve comparable habits and outlooks. The wheatlands of the Argentine are scarcely distinguishable from those of Canada; and the members of Roy Chapman Andrews' third Asiatic expedition so reacted to the wheat-raising country beyond the wall in north China that they named their first camp North Dakota. The Gaucho of the pampas has been likened to the cowboy of the Great Plains, and the sheep rancher of South Africa or Australia has much in common with the sheep rancher of Wyoming or Texas.

LAND CULTIVATION

There is a temptation for the geographer and the historian to conclude that these striking similarities in land use reflect the normal transition of any new country from the pioneer to the mature stage of development. The agricultural history of the central United States, which finds recent parallels in Canada, Argentina, and Australia, appears to support this view. In accordance with this interpretation, only countries in which land is cheap and population scant can afford to use land for extensive agriculture. As population increases there is—it is claimed—an irreversible trend toward intensive agriculture.

The interpretation cannot be convincingly supported. China, India, and central and eastern Europe, with their dense agricultural populations, evolved agriculturally before modern techniques were evolved. Only in the Ukraine has a serious effort been made to modernize the agricultural pursuits of the farming population, and much as one may question the arbitrary methods employed by the Soviet Government in "collectivizing" the farms, it must be concluded that mechanization, coupled with drastic reduction in the rural population, has definitely resulted in more effective use of land and of manpower. Perhaps no other government has the "nerve" and the power to take similar steps, but comparable results could be achieved in the Danubian Basin, and perhaps in Poland. In Poland such a possibility may be presented as a postwar program, for the acquisition of the coal deposits of Silesia will provide the Poles with the basic raw material of industry and with the means of employment for displaced farmers.

In China and India similar steps could be taken, but more slowly. In both these countries there are extensive alluvial plains on which the cultivation of rice could be mechanized, as has been done in Louisiana; and in both countries there are the mineral raw materials, including coal, to provide work for displaced agriculturists. But the numbers of people that would be involved in such a change are staggering, and the program would succeed only if carefully and cautiously planned.

A critical appraisal of the agricultural situation throughout the world leads inevitably to a revision of the dubious dictum that in a country with a growing population the land will be used more and more intensively. The fact is, land seeks the most economical use, and this means the highest yield of the most valuable crop with the minimum expenditure of manpower.

This is an economic law that is not well enough known or observed, but its inexorable effects are evident enough—sometimes painfully so. As has been noted, we pay 2 cents a pound extra for sugar which Cubans can grow more cheaply, solely to keep our sugar producers growing sugar rather than some other crop. It becomes increasingly expensive to support our cotton farmers as good cotton-growing lands in Brazil, Egypt, and southwestern Siberia enter production and either compete in the world market or cut down demand from former customers like Russia. The situation will not improve as the "cotton belt" of Brazil, Argentina, and Paraguay expands to its full climatic and agronomic limit.

Plainly the renewable raw materials—food, agricultural raw materials, and animal and forest products—obey the same economic law that governs all other natural resources: production moves to regions of low cost. Production can be maintained elsewhere only by subsidy or tariff, or the inability of low-cost producers to meet the full demand. Insofar as domestic food supplies are concerned, proximity to market will ordinarily equalize costs with more distant competitors; but with foods for foreign markets and agricultural raw materials for industry, competition makes the cost factor paramount. Ultimately, therefore, the farmer finds himself in the same box with labor—in a type of competition that makes high farm prices a major hazard to his prosperity. His concern is rightly with the purchasing power of his money but wrongly with gross income.

SOCIAL SIGNIFICANCE OF ECONOMIC TRENDS

Our industrial civilization is founded on six major and seven or eight minor deposits of industrial coal. Two of the major deposits are in the United States, two are in the U. S. S. R., one is in Great Britain, and one is in the Ruhr and its environs. The minor deposits are domestically or regionally important chiefly to the nations which have them. The belated development of the Kuznetsk coal field of western Siberia and the belated modernization of the Donets mines, not to mention internal problems, have thus far kept the U. S. S. R. concerned primarily with domestic demand, but Soviet coal reserves are ample for the country to enter into international competition.

As of 1946–47, however, the United States, Great Britain, Germany, and Belgium have an energy potential in excess of domestic requirements, and at the moment this Nation and Great Britain have industrial production facilities in excess of any conceivable domestic demand. These resources alone make them inevitable competitors for foreign raw materials and for foreign markets. Until war terminated all normal international trade, Germany was also in the competition and could have been a more formidable rival had she not been so preoccupied with rearmament. Given a chance to achieve complete industrial recovery, Germany and her neighbors will feature once more in international trade.

War has seriously depleted our mineral resources: our supply of high-grade iron ore is perilously low; we are no longer self-sufficient in bauxite; copper production can be maintained only if protected by a tariff totaling 50 percent of foreign mining and refining costs; we never have had sufficient stocks of the ferrous alloys, tin, antimony, and other lesser minerals; the adequacy of our oil production is in doubt. More and more we must enter the open market for raw materials, and our chief competitor and all our prospective competitors are nations that have never practiced freedom of access to raw materials.

With production of manufactured goods migrating to low-cost producers we shall find ourselves in competition with nations whose social legislation may be advanced, but whose wage policies, working conditions, and cost of living fall far short of United States standards. With technology and mechanization also tending to move production and processing of mineral and agricultural raw materials out of this country to areas of lower costs, we are pursuing political, labor, and agricultural policies which threaten to hasten these movements and so to reduce the available employment as international trade slowly seeks a postwar norm.

WORLD COMPETITION

Technology and the productivity of land are factors which man may control, if only because they are calculable and finite. Paradoxical as it may seem, the human factor in production costs is the only one beyond human control. While United States labor insists on the highest wage in industrial history, it may be matching its ambitions against the policy of another nation willing to get business at the expense of labor; or against a war-torn country bent on rehabilitating itself by underbidding all competitors for the sake of getting work. People are easily manipulated, as was demonstrated by the fanatical patriotism of the underpaid and undernourished Japanese, or by the blind hope of the Germans in the ultimate security which the New Order would provide.

Under conditions which now exist, it is dangerous for any group to commit the United States to a policy or to place it in a position that will handicap it in international competition. We may believe that the control of prices is vital, and it is. But prices cannot be divorced from costs of production, and it is the height of stupidity to delude ourselves with low prices when we subsidize producers who cannot make ends meet because of high costs. Our industrial, economic, and social future must be guided by several elementary facts:

1. We have the principal raw materials of industrial production—coal, oil, water power, and a modest but incomplete and exhaustible stock of mineral, forest, agricultural, and animal products.

2. We need freedom of access to those raw materials we lack.

3. We are in competition not only for these materials, but also for world markets in which to sell our surpluses.

4. Our competitors never have had a policy of free competition.

5. Our competitors have a larger supply of labor in their industrial districts than we, and their labor has never enjoyed a standard of living comparable with ours.

6. Our economic and social standards depend entirely upon our ability to meet this competition.

7. Our ability to compete depends upon sound foreign and domestic policies, but chiefly upon the genius of American workers, farmers, and industrialists to produce efficiently what the world needs at a price it can afford to pay.

Foreign Aid and High Prices

EXTENSION OF REMARKS
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a constituent:

LA CROSSE, WIS., *December 8, 1947.*

Hon. W. H. STEVENSON,
United States Congress,
Washington, D. C.

DEAR CONGRESSMAN: Permit me to register my opinion against the movement now before Congress to make a loan of billions in dollars to European countries.

The first duty of our Congress is to see that the people—American citizens—are fully housed and fed. There are many American citizens now living in trailers, cellars, garages, and unsanitary quarters, that are deserving the support they are not getting. Some families are even evicted because the landlords want an excuse to raise rents.

One other reason for my objection to this movement is that I have no confidence in the men who are behind this loan. Who can say that the total amount or even a part would go to charity? History will not support it.

There is another angle of our economy that has been ignored, and that is the question of our aged in America. Knowing our economic system as I do, I cannot believe there is any excuse for the present plight of the American people in general. I claim it is due to plain stupidity and greed.

I want to be as humane as anyone can be, but I refuse to be used as a sucker and a victim of coercion when I know the facts.

The enemies of the American people will stop at nothing to snare and defeat us. But they are not doing it without our knowledge and protest.

The American people today are taxed to unreasonable limits and gouged to the core with unreasonable high prices. In the final transaction the consumer pays the whole tax bill.

Our economy may destroy itself unless there is a change for the better. To accomplish the better we must get rid of the buccaneers.

Very truly yours,

W. A. D.

Committee on Un-American Activities

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. THOMAS of New Jersey. Mr. Speaker, on April 22, 1947, the House, by a vote of 356 to 2, cited Leon Josephson, a Communist, for contempt of the House of Representatives for refusing to be sworn or to testify before a subcommittee of the House Committee on Un-American Activities. Leon Josephson, on October 15, 1947, was convicted in the Federal Court for the Southern District of New York. The jury deliberated 5 minutes. He was sentenced by Judge Albert C. Coxe to the maximum sentence, 1 year and $1,000. Mr. Josephson appealed to the United States Circuit Court of Appeals and challenged his conviction on the grounds that the resolution setting up the House Committee on Un-American Activities was so vague as to make it unconstitutional.

Yesterday the circuit court of appeals, in a 2-to-1 decision, affirmed Josephson's conviction. The majority opinion was made by Judge Harrie B. Chase, and concurred in by Judge Thomas W. Swan.

I have here the article from the New York Times this morning, December 10, in which the majority and minority opinion are given rather fully. There was a dissenting opinion by Judge Charles E. Clark.

Judge Clark, in his dissenting opinion said that there had been no definition of the "keyword Un-American" in the resolution setting up the House committee.

Mr. Speaker, in a recent speech I said that the power of Congress to investigate was historical and as untrammeled as is our Constitution. It is this very independent authority and prerogative of the legislative branch that constitutes one of the essential elements of our system of government, for without this authority to explore, to inquire and to secure the facts and knowledge requisite to determining whether or not legislation is needed, or not needed, how could we long function as an organized government.

There is a determined and organized effort on the part of the Communists to destroy the Committee on Un-American Activities by any means. They would like nothing better than to have the committee's authority so limited and so finely drawn, that their subversive activities could not be investigated or exposed, and when Judge Clark refers to there being no definition of the "keyword Un-American" I am reminded of a six-line editorial which recently appeared in the Thurston County Independent, in the State of Missouri, a weekly newspaper. This editorial was sent to me by my colleague Russell V. Mack. To my mind it contains more common sense and truth than the wishy-washy palavering which you can find against the Committee on Un-American Activities on the editorial page of the Washington Post almost daily.

Here is the editorial:

UN-AMERICAN ACTIVITIES

The congressional and legislative committees on un-American activities have been attacked on the grounds that no definitions exist as to just what is meant by un-American. No one has ever fully defined love, honor and decency either, but most of us are quite satisfied that we know what these things are—and what they are not.

I am sure that this editorial expresses the sentiments of the vast majority of the American people.

The article from the New York Times is as follows:

CONVICTION OF JOSEPHSON IN RED INQUIRY IS UPHELD

The United States circuit court of appeals affirmed yesterday in a 2-to-1 decision the conviction of Leon Josephson on charges of having refused to be sworn and testify last March 5 before a subcommittee of the House Committee on Un-American Activities.

Josephson, a former Trenton (N. J.) lawyer and an admitted Communist, who was sentenced to a year in jail and a fine of $1,000, challenged his conviction mainly on the contention that the resolution setting up the House committee was so "vague" as to make it unconstitutional. That position was supported in a 20-page dissenting opinion by Judge Charles E. Clark.

The majority opinion, written by Judge Harrie B. Chase and concurred in by Judge Thomas W. Swan, declared that "the power of Congress to gather facts of the most intense public concern such as these is not diminished by the unchallenged right of the individuals to speak their minds within lawful means."

The majority went so far as to say that Congress could and should curtail freedom of speech where "there is a 'clear and present danger' that its exercise would, as by armed rebellion or external attack, imperil the country and its constitutional system, including, until amended, the peaceful process of amendment."

Judge Clark's dissenting opinion declared that the resolution setting up the House committee had the vice of "vague and ambiguous authority."

"It invites and justifies an attempt to enforce conformity of political thinking, to penalize the new and original, to label as subversive or un-American the attempt to devise new approaches for public welfare, in short," Judge Clark asserted, "to damn that very kind of initiative in experimentation which has made our democracy grow and flourish."

The decision was the first ruling by an appellate court on the constitutionality of the House Committee on Un-American Activities. Two similar cases, involving Gerhardt Eisler, Communist agent, and Eugene Dennis, secretary of the Communist Party, have been argued in the Circuit Court of Appeals in Washington, but the decisions still are pending.

In all three cases Josephson, Eisler, and Dennis took the tack of attempting to get lengthy statements upon the record of the House committee and refusing to be sworn for purposes of giving testimony.

GRATIFIED BY DECISION

United States Attorney John F. X. McGohey, who prosecuted the Josephson case before Judge Alfred C. Coxe and a jury, expressed gratification at the outcome of the appeal. While it is expected that the decision will be taken to the United States Supreme Court, Mr. McGohey said the split decision did not necessarily make certain that the higher court would review the case.

The majority opinion rejected every issue raised by Josephson in an effort to get a reversal of his conviction. As to the sufficiency of the indictment, Judge Chase said the indictment was "a good example of 'a plain, concise, and definite written statement of the essential facts constituting the offense charged.'"

The evidence, too, he found, "was ample for the jury to find with the requisite certainty that the appellant appeared before the subcommittee and refused to be sworn or to testify." Nor could he find any fault with Judge Cox's charge and instructions to the jury.

The majority rejected Josephson's contention that the resolution authorizing the House committee is so vague as to make it unconstitutional. The resolution empowers the committee to investigate the extent, character, and object of un-American propaganda in the United States, the diffusion of subversive and un-American propaganda of both foreign and domestic origin that attacks the form of government as guaranteed by the Constitution, "and all other questions in relation thereto that would aid Congress in any necessary remedial legislation."

Josephson's indictment was under another statute that makes it a misdemeanor to refuse to answer any question pertinent to a matter under investigation by Congress.

"Having refused to answer any questions whatsoever," Judge Chase said, "he (Josephson) cannot now claim that the authorizing statute is invalid merely because it did not furnish him with criteria that were sufficiently definite to permit him to determine the pertinency of some question that might never have been asked him."

The subject matter for the committee, the majority said, "was sufficiently broad in scope so that the information sought to be gained for the use of Congress would be comprehensive and adequate, but was nevertheless confined to certain types of propaganda about the potency of which there can be little doubt."

"If this propaganda takes the form of, for example, advocacy of the overthrow of the Government by violence," Judge Chase continued, "it is rightly called 'un-American' and a sensible regard for the self-preservation of the Nation may well require its investigation, with a view to the enactment of whatever remedial legislation may be needed or to the amendment thereof.

"One need only recall the activities of the so-called fifth columns in various countries both before and during the late war to realize that the United States should be alert to discover and deal with the seeds of revolution within itself. And, if there be any doubts on the score of the power and duty of the Government and Congress to do so, they may be resolved when it is remembered that one of the very purposes of the Constitution itself was to protect the country against danger from within as well as from without.

"Surely," Judge Chase continued, "matters which potentially affect the very survival of our Government are by no means the purely personal concern of anyone. And investigations into such matters are inquiries relating to the personal affairs of private individuals only to the extent that those individuals are a part of the Government as a whole."

As to the appellant's argument that the purposes of the committee are not to prepare legislation but to "expose the political beliefs and affiliations of individuals and groups," the majority referred to the statement of the President's Committee on Civil Rights, which said:

"The principle of disclosure is, we believe, the appropriate way to deal with those who would subvert our democracy by revolution or by encouraging disunity and destroying the civil rights of some groups."

RIGHT TO SIFT PROPAGANDA

In a discussion of the right of free speech, Judge Chase said that the first amendment of the Constitution (guaranteeing free speech and a free press) can be construed to prevent Congress from investigating propaganda, then "the Constitution itself provides immunity from discovery and lawful restraint for those who would destroy it."

Legislation curbing free speech when that speech imperils the country, Judge Chase said, might ultimately be the only means for the preservation of free speech.

Judge Clark said in his dissenting opinion that "no more extensive search into the hearts and minds of private citizens can be thought of or expected than that we have before us," and added, "If this is legally permissible, it can be asserted dogmatically that investigation of private opinion is not really prohibited under the Bill of Rights. In other words, there will then have been discovered a blank spot in the protective covering of that venerated document."

Judge Clark said that there had been no definition of the key word "un-American" in the resolution setting up the House committee. Attempts to explain the meaning, he continued, have been avoided or opposed. The committee has been continued without restrictions on its scope until it has become as characterized by one of its members the most powerful committee of Congress.

No definition of un-American can be determined from the activities of the committee, Judge Clark said, nor from contemporary thought. "Since this is a penal statute we are called upon to enforce," he added, "standards so vague and doubtful should be adjudged insufficient under the settled requirement that prohibited conduct must for criminal purposes be set forth with clarity."

Judge Clark declared that when Congress attacked "not merely dangerous propaganda, but in effect all argumentation departing from the then norm, there is no justification

for the wide reaches of its claim of authority." "In truth," he added, "it seems not a matter of great difficulty to provide for an investigation of proper scope which would impress all as being constitutionally justified."

Friends and supporters of the Congressional power may well fear its present exercise here Judge Clark asserted, and find the application of a proper restraint a source of strength in the long run. "For," he said, "a widespread belief that the committee is acting in an un-American way to even an American end will destroy the committee's usefulness in the eyes of liberty-loving people."

Foreign Aid and High Prices

EXTENSION OF REMARKS
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from one of my constituents:

RICHLAND CENTER, WIS.,
December 8, 1947.

WILLIAM STEVENSON,
Member of Congress,
Washington, D. C.

DEAR BILL: Got your letter and was glad to be informed as what some Members of Congress are thinking.

It looks to me like we are in a bad spot. If future loans (gifts) are to be dissipated by the debtors using the money for consumers' goods, movies and other nonproducing purposes, then it looks to me like we are pouring money down a bottomless rat hole. If the money provided by the so-called Marshall plan could be used for capital outlay, for example, if money allocated to England would be used to modernize her obsolete mining equipment so that once again England could export coal and thus help build up a favorable balance of trade or exchange, then it would appear that the money might be well spent. Apply the same principle to other countries so that they might begin to be self-supporting and not be looking for endless handouts at the expense of the American taxpayer. There should be some guaranty as to just how the money is to be spent and definitely for what purposes. I see there is some bellyache that the recipient of such loans (gifts) would be sacrificing some degree of sovereignty. Well, if I want to go to the bank and borrow a large sum of money, the bank as a matter of course inquires and is entitled to know how and for what purpose I propose to spend the money. It ill befits the begging nations to cry about loss of sovereignty. However, I think we should extend constructive help but draw the line if we are to be continually blackmailed with the threat that unless we come through all the time the said debtors will embrace communism. * * * We will stop bleeding ourselves white and prepare to set our own house in order by retiring the debt, lowering our own taxes, and in general be prepared to repel communism when and if it threatens our country. I feel like old John Adams when he said "millions for defense but not one cent for tribute." We can't continue indefinitely to drain ourselves for their benefit.

Now about the high prices. The answer does not involve any complicated economic theories or solution that any person of ordinary intelligence cannot comprehend at least in part.

Anyone should know that if we hand over billions of money to European nations without consideration and those countries use this money to compete in our markets that it will raise prices here. There are only so many goods and if one of the bidders does not have to provide the money except through gifts no wonder the prices go up. If Santa Claus furnished me the money and you and I needed a suit of clothes and we wished the same suit, who do you think would be the succesful bidder? To talk about lowering prices while this process continues is like trying to lift ourselves by the boot straps.

In my mind the present high prices are in a large part at least due to United States furnishing the money for foreign bidders to compete in our own markets against the normal American bidders who have to find their own cash. The whole proposition is as simple as that—in large part, I say. You can't in essence give away millions and millions of tons of foodstuffs, meat, grain, besides steel, machinery, trucks, automobiles, and everything else and expect the price here not to go up. When and only when we stop this economic drain we may expect normal surpluses here and a consequent lowering of prices due to normal supply and demand.

What I have said reflects my own thinking but I can say to you that you won't find one person in a hundred who does not believe exactly as I do in this part of the United States.

Well, Bill, I seldom sound off by writing to my Congressman or anybody else and I am sure that you know the score as well as I do. I won't say any better because the truth should be obvious to all except harebrained New Dealers who, thank God, are on the way out. I think that Senator TAFT, from what I have read, has about the same ideas as I have mentioned and there have been some editorials in News Week along the same line.

With best of luck and the season's greetings, I remain,

Yours very truly,

F. E. F.

Poland

EXTENSION OF REMARKS
OF
HON. CLAUDE I. BAKEWELL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. BAKEWELL. Mr. Speaker, by virtue of permission to extend my remarks, I would like to include herewith a copy of a resolution adopted by the National Committee of Americans of Polish Descent, Inc., at their sixth annual convention held in Philadelphia November 8 and 9, 1947.

No country has had a more tragic history of partition and unsurpation by foreign powers than has Poland, and yet no country has, despite such obstacles, retained its national identity, culture and traditions as has Poland. Truly it is a national history of which the Polish people and the people of Polish descent living throughout the world can be proud.

Now, once again, a foreigner dominates the daily lives of the great Polish nation and seeks through force to impose alien ideas, and to wean the people away from the heritage of culture, religion and national unity which is theirs. It should be a cause of genuine sorrow to every American to know that during the late World War our leaders by their acts were responsible, at least in part, for this melancholy state of events. This knowledge should impel all Americans, whether they are of Polish descent or not, to dedicate themselves to correcting these grievous wrongs which have been done to a proud and courageous people who were our allies.

The resolution follows:

A CALL FOR THE INVESTIGATION OF THE YALTA AGREEMENT

From the very beginning of its activity the National Committee of Americans of Polish Descent has warned the American public to be on guard lest America and the democratic world betray the causes for which they waged the war. We pointed out that a betrayal of those causes would lead to trouble in the democratic group and that despite the defeat of Hitler, America would not in the end stand in the role of victor but of the defeated.

During the various phases of our struggle we have had many proofs of the rightness of our warnings. At the same time, mistakes made by the United States and Great Britain—countries upon which depends the fate of world civilization and culture—multiplied. We believe that failure to see the dangers threatening America and the world is the reason for the present state of affairs and that this blindness must be cured. We look upon the Yalta accord as the most outstanding evidence of the correctness of our position. This accord was positive proof to us that the democracies were not cognizant of the danger resulting from the betrayal of their principles and ideals, that they were not really aware of what they were fighting for, and that they were blind to the fact that their Soviet ally is their worst enemy.

When all our protests, together with those of the Polish-American Congress, against the Yalta accord came to nothing 2 years ago at the fourth annual meeting of the delegates of our organization, we accepted it as a fundamental principle that only an investigation of the Yalta agreement could check the disintegration of American political life.

That occurred at a time when the American Congress was devoting itself almost wholly to the Pearl Harbor investigation. In a resolution passed at that meeting of our delegates, November 24, 1945, we declared that "the moral responsibility for the crimes committed by the Soviets against the Polish Nation rests equally upon the United States." The resolution concluded with the following appeal:

"We are calling your attention to the necessity of an investigation of the secret commitments undertaken at Yalta because, in our opinion, they jeopardize the safety of the United States and of the world."

A year later, at the fifth annual convention of the National Committee of Americans of Polish Descent, a telegram was sent November 17, 1946, to Secretary of State Byrnes, in which again we stated emphatically that: "if American public opinion demanded an investigation of Pearl Harbor—even after our victory over Japan—it was far more essential to investigate the secret, unconstitutional Yalta commitments and the pernicious effects which caused catastrophic setbacks to our American prestige and are jeopardizing the safety of the United States and of the civilized world."

If it was the purpose of the Pearl Harbor investigations to examine the circumstances responsible for the catastrophe in the Pacific, canceled out by the bravery of our

Army, Navy, and Air Corps, together with the great devotion of the entire population—as we wrote in our resolution—an investigation of Yalta is imperative to reveal the source both of the defeats we have already sustained and of those which loom in the future. The Pearl Harbor catastrophe was washed out by later victory. Yalta brings one setback after another. These can neither be checked nor rectified and they open the way to unforseeable and indescribable catastrophes.

Yet the American Congress remains blind. Month after month and year after year it has been learning of the secrets of Yalta, learning of the partitioning of Poland, of the handing over of half of Europe to Soviet control, of the cession of the Kuriles to Russia, of the granting of three votes in UNO to the Soviet Union, of the right of veto, of giving Manchuria, half of Korea, and part of China to the Soviet sphere.

Much has been written and spoken about all this, and at last we have the documents themselves in the memoirs of Byrnes, who was present at Yalta and later the executor and defender of the agreement.

To date, however, not one American speaking with authority has come out with the declaration that to rectify the blunders, to turn from the road of treason and capitulation, to abolish the sentence of death given world freedom, and the honor and security of America, the Yalta Agreement must be repudiated. On the contrary, the Yalta accord executor, Byrnes, revealing the secrets of this disgraceful betrayal as he had them in his stenographic notes, concludes that the evil lies not in the death sentence for the western democracies implicit in the Yalta accord, but in the fact that this death sentence is not carried out by the Soviets according to the regulations. Byrnes again attempts to deceive America and the world with the idea that if the Soviets would conduct the execution of Poland, half of Europe and China in proper form, then everything would be in order and the American war objectives would be attained.

And so we say again as we declared in earlier years that until we return to those purposes for which America fought the war and which led to the principles of the Atlantic Charter and the four freedoms, until we understand what the struggle is about, until we lay bare the plans of the Soviet Union, aiming at world domination, just so long our political as well as our military decisions will be erroneous, incomplete, unsuccessful, and ending in disaster.

It was disastrous giving Russia two and a half years time to win Europe and Asia and thus to weaken America. A year intervened between Munich and Hitler's invasion. Almost 3 years have passed since Yalta. This was a period of uninterrupted disasters for America and Poland and of triumphant crimes of the Soviets. Hence this year as in years past the National Committee of Americans of Polish Descent demands that the execution of the death sentence according to the Yalta agreement cease; that instead there be an investigation, followed by a repudiation of these criminal agreements, which have thus far served as the basis of United States foreign policy.

National Committee of Americans of Polish Descent, Inc., Sixth Annual Convention, New York, N. Y.; William Cepek, Providence, R. I., Chairman of the Convention; St. Smietana, New Bedford, Mass., W. Chybowski, New York, N. Y., W. Gawrysiak, Philadelphia, Pa., S. Lodzieski, Cleveland, Ohio, A. F. Reclaw, Detroit, Mich., Dr. A. Culkowski, Buffalo, N. Y., T. Socha, Paterson, N. J., B. Mroz, Chicago, Ill., Resolution Committee.

Central Valley Project

EXTENSION OF REMARKS
OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 4, 1947

Mrs. DOUGLAS. Mr. Speaker, in answer to many requests for an investigation as to the reason for discontinuance of work on Central Valley projects after November 30, 1947, I have this to say:

No investigation is needed to discover the reason for the work stoppage on dams, canals, and power plants in Central Valley.

There is not any more money.

The President, in his Budget message to Congress for this year, requested $20,000,000 for Central Valley in order that work authorized by Congress could go forward on schedule.

The Eightieth Congress, in the name of economy, saw fit to reduce this amount to $9,141,288.

A few Representatives from California warned that this appropriation was wholly inadequate and that it would force a shut-down of work before the year was over. We pointed out that having to stop and then start work on dams, canals, and transmission lines is no economy, but will cost more to complate the same work. It is sheer insanity.

Well, what we predicted has come to pass. The Interior Department has run out of money to carry on work in Central Valley and is forced to notify contractors that work must stop.

As you remember, an amendment offered to provide the necessary funds including the Central Valley project was defeated by a vote of 197 to 140.

Of the 197 who voted against necessary funds to continue authorized construction, 186 were Republican votes—11 were Democratic.

Of those voting for the funds, 130 were Democrats—only 9 were Republicans.

In other words, nine Republican Congressmen in the entire country voted correctly in the all-important matter of Interior Department appropriations.

The story in California is equally unattractive for the Republicans of the State. There were 11 votes cast by California Congressmen for the funds—8 of those votes were by Democrats. There were 10 votes cast by the California Congressmen against the funds—all 10 votes were Republican.

Congressman GEARHART called a meeting on December 3 of the subcommittees of the Appropriations Committees of the House and the Senate in the hopes, I suppose, that he could persuade his Republican colleagues to do something about this situation which was created by Republican leadership and Republican votes, and yes, more the shame, by California Republican votes.

The whole business is disgusting and senseless. It is the kind of political economy that the Eightieth Congress has been legislating the entire session.

I have here, Mr. Speaker, a factual report on work stoppage in Central Valley at the moment. It is a letter from Mr. Michael W. Straus, Commissioner of the Bureau of Reclamation. With this letter was enclosed a copy of the Bureau's letter of November 26 to the chief engineer and the regional director. These letters are as follows:

BUREAU OF RECLAMATION,
DEPARTMENT OF THE INTERIOR,
Washington D. C., December 3, 1947.

Mrs. HELEN GAHAGAN DOUGLAS,
House of Representatives.

MY DEAR MRS. DOUGLAS: In response to your telephone request of yesterday the situation with regard to construction on certain features of the Central Valley project may be summarized in the following manner.

The available funds for construction have been exhausted for work on construction of the Friant-Kern canal, the Shasta power plant, the Friant Dam, the Contra-Costa canal, and the Shasta Dam and reservoir. It is probable that funds for completion of Keswick Dam and Keswick power plant may be exhausted during the second or third week in December. Furthermore, it appears that funds for the Delta-Mendota canal will be exhausted during the latter part of December. There are sufficient funds available for continuing construction on certain power facilities including the switchyards at Shasta and Keswick Dams and transmission lines from Shasta Dam to the Shasta substation, and Oroville to Sacramento.

This situation has arisen because the Congress has in its appropriations for the Central Valley project in past years specifically earmarked funds for certain features. It is impossible, therefore, to transfer available funds from one of these features to another where shortages have developed. There are 31 specific appropriation accounts, none of which are transferable one to the other. These occurrences were predicted and explained to the Appropriations Committees during our hearings last spring.

You will recall that the President's budget indicated that the fund requirement for Central Valley project was $20,000,000. This 1948 fund requirement was based upon our best estimates of contractor performance in 1947 and 1948. The contractor performance in fiscal year 1947 was disappointingly slow because of labor and materials difficulties. Those difficulties were overcome during the latter months of fiscal year 1947, and the performance in fiscal year 1948, with the aid of exceptionally good construction weather has far exceeded the contractors' expectations.

The amount appropriated for fiscal year 1948 was only $9,141,288. The fiscal year 1947 carry-over of $21,104,800, together with the 1948 fiscal year appropriation, made up a total of $30,246,088 available for expenditure in the 1948 fiscal year for specific features. Although this sum is approximately equal to the total anticipated contract earnings, as stated before, the total for the fiscal years 1947–48 period is $10,858,712 less than the amount estimated to be required for this period, and in view of the contractors' accelerated progress described above, the result has been that the available funds for construction on the irrigation and joint facilities have been exhausted.

In order that you may be fully informed on the details concerning the various limitations and the administrative action that has been necessary, I am enclosing a copy of our letter of November 26 to the chief engineer and the regional director concerning the subject of carrying out the construction program on the Central Valley project in fiscal year 1948.

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

BUREAU OF RECLAMATION,
DEPARTMENT OF THE INTERIOR,
Washington, D. C., November 26, 1947.

To: Chief Engineer, Denver, Colo., regional director, Sacramento, Calif.

From: Acting Commissioner.

Subject: Policy determination concerning establishment of fiscal year 1948 Central Valley project-program schedules in light of appropriations.

1. Pursuant to the authorizations granted by the Emergency Relief Act of 1935 (49 Stat. 115), the Central Valley project was established on December 2, 1935, when the President approved a finding of feasibility submitted the Secretary under the provisions of the act of December 5, 1924, (43 Stat. 701). Additional authorizations were granted by the First Deficiency Appropriation Act, 1936 (49 Stat. 1622), and the entire project was reauthorized by the act of October 17, 1940 (54 Stat. 1198, 1199), and declared to be for the purposes of improving navigation, regulating the flow of the San Joaquin River and the Sacramento River, controlling floods, providing for storage and for the delivery of the stored waters thereof, for the reclamation of arid and semiarid lands and the lands of Indian reservations, and other beneficial uses, and for the generation and sale of electric energy as a means of financially aiding and assisting such undertakings and in order to permit the full utilization of the works constructed to accomplish the aforesaid purposes. The administration of the project is governed by the provisions of the act of June 17, 1902, and acts amendatory thereof or supplementary thereto, including the aforementioned statutes, collectively known as the reclamation law.

2. Pursuant to the aforesaid authorizations, the Bureau formulated plans and inaugurated the necessary activities to effectuate the aforesaid objectives. During the war many features of the project had to be deferred, but with the restoration of peace the full-scale program was resumed. The overall program for the fiscal year 1947 contemplated an expenditure of approximately $32,000,000 but because of deferments of contemplated contract awards occasioned by the Presidential "freeze" order in the early part of that fiscal year, and because of curtailments in work resulting from strikes and labor and material shortages which continued until the spring of 1947, the full execution of that program was not realized, and at the end of the fiscal year there remained a carry-over of unobligated funds among the several features of the project, aggregating $21,104,800. The aggregate appropriation for the 1948 fiscal year amounted to $9,141,288, making a total of $30,246,088 available for expenditure in the 1948 fiscal year. The 1947 and 1948 fiscal years' appropriations, as well as the appropriations made for some other prior years, were made for specific features of the project, while, in some of the other prior years a single appropriation was made for the entire project.

3. As a result of the manner in which these appropriations were made, it was necessary to carry the project's funds in 31 "limitation accounts." Of these only 12 are of concern for the purposes of this memorandum, as described below:

14x607.001. All other expenditures: This constitutes the balance of prior year appropriations made for all purposes of the project. The unobligated balance in this account, as of June 30, 1947, was $2,575,574.

14x0607.024. Irrigation facilities: This constitutes the balance of prior year plus fiscal year 1948 appropriations for irrigation facilities. This account may be applied to any or all irrigation facilities in the project. The total available in this account for expenditure in the fiscal year 1948 was $9,372,522.

14x0607.006. Friant-Kern canal: This constitutes the balance remaining from fiscal years 1944 and 1946 specific appropriations for the Friant-Kern canal. The amount available from this account for the fiscal year 1948 was $4,295,165.

14x0607.008. Contra Costa canal: This constitutes the balance remaining from the 1944 appropriation for the Contra Costa canal. The amount remaining available in this account for expenditure in 1948 was $1,274.

14x0607.015. Delta-Mendota canal: This constitutes the balance of the 1946 appropriation for the Delta-Mendota canal. The amount remaining available in this account for expenditure in the 1948 fiscal year was $4,567,562.

14x0607.017. Friant Dam and Reservoir: This constitutes the balance remaining from the 1946 appropriation for Friant Dam and Reservoir. The amount available for expenditure in 1948 from this account was $18,377.

14x0607.018. Shasta power plant: This constitutes the balance of the 1946 appropriation plus the 1948 appropriation for Shasta power plant. The amount available for expenditure in 1948 from this account was $920,432.

14x0607.019. Keswick Dam: This constitutes the balance of the 1946 appropriation plus the 1948 appropriation for Keswick Dam. The amount available for expenditure in the 1948 fiscal year from this account was $669,521.

14x0607.020. Keswick power plant: This constitutes the balance of the 1946 plus the 1948 appropriation for Keswick power plant. The amount available for expenditure in fiscal year 1948 from this account was $380,850.

14x0607.014. Shasta Dam: This constitutes the balance remaining from the 1946 appropriation for Shasta Dam. The amount remaining available for expenditure in 1948 from this account was $64,775.

14x0607.027. Joint facilities: This constitutes the 1948 appropriation for Shasta Dam and Reservoir. Moneys from this account may be applied only for the purposes set forth in the justifications submitted to the Congress with the request for 1948 appropriations under the subheading "Joint facilities."

14x0607.011. Shasta Dam and Reservoir—Relocation of secondary roads: This constitutes the balance remaining from the 1946 and 1947 appropriations for this purpose. The amount available for expenditure in the fiscal year 1948 was $795,548.

4. In furtherance of the general objectives and purposes of the Central Valley project, the Bureau, in the fiscal year 1947 and prior years, and pursuant to the provisions of section 12 of the Reclamation Project Act of 1939, entered into many construction and supply contracts which contained "contingent on appropriations" clauses. The progress under these contracts, after the difficulties above mentioned were overcome, was proceeding at an exceedingly high rate at the beginning of the 1948 fiscal year. It was apparent that work could not continue at that rate throughout the 1948 fiscal year within the amount of funds available. It was administratively determined that the best interests of the Government required the continuance of the work under those contracts to the full extent of the funds that would be available therefor after making adequate provision for the purchase of such services, work, materials, and supplies as were needed to support the existing construction contracts, and after providing for the necessary administrative contingent and facilitating services. In making this determination it was recognized that construction work on certain features of the project could not continue throughout the entire fiscal year. It appeared that four irrigation features and three power features would be thus affected, namely, Delta-Mendota canal, Friant-Kern canal, Friant Dam, Contra Costa canal, Shasta Power Plant, Shasta Dam and Reservoir, Keswick Dam and Keswick Power Plant, including the joint facilities of Shasta Dam and Reservoir.

5. It was also determined that an early and disorderly stopping of construction work would most probably result in substantial losses to the Government occasioned by deterioration of uncompleted work and the inability to properly maintain partially completed works and structures because of the ravages of weather and waters. Consequently, it was determined that all work should be continued as long as possible within the funds available so that the Bureau of the Budget and the Congress might be afforded an opportunity to look into the matter, it being understood, however, that under no circumstances would obligations be incurred beyond the amount of funds available.

6. As indicated above, there was available, at the beginning of this fiscal year, the sum of $4,567,562 for the Delta-Mendota canal. Because of the indicated inadequacy of funds for the several features, as herein mentioned, it was administratively determined that no additional money should be made available for this purpose from either account .001 or account .024. As of October 31, 1947, it appears that the potential earnings under the existing contracts on this feature, if continued throughout the year would far exceed the funds available therefor.

7. It appears, as nearly as can be estimated at this time, that the funds remaining available for payment of construction and supply contracts on the following features of the project will be exhausted as indicated below:

Delta-Mendota canal, December 31; Friant-Kern canal, November 30; Shasta power plant, November 30; Keswick Dam, December 15; Keswick power plant, December 15; Friant Dam, November 30; Contra Costa canal, November 30; Shasta Dam and Reservoir, November 30.

8. In keeping with the desirability of continuing construction as long as possible within the limit of the funds available, and recognizing that the inevitable, at least partial, cessation of construction work because of exhaustion of funds will occasion some reductions in the expenses for administration, facilitating services and other contingencies, as originally contemplated in the apportionment of the funds for such purposes, every effort shall be made to adjust the apportionment made for these purposes so that whatever savings can be made thereby may be applied to payments for contract earnings. The regional director shall, accordingly, ascertain what portions of the moneys which have been set aside for low-cost canal lining investigations, weed control investigation, expenses of the Denver office in connection with the project's activities, force account work, and other administrative, contingent and facilitating services, can be made again available through their restoration to the respective limitation accounts from which the amounts were taken. Any such unobligated, available funds when so restored to their original accounts shall be used for contract earnings to the extent that expenditure for that purpose is within the purposes for which such accounts are properly chargeable.

9. In ascertaining the approximate dates when available funds will be exhausted, the regional director shall first provide for the payment of those contracts made in this fiscal year under which the Government's liability for earnings during the fiscal year is not limited by a "contingent on appropriations" clause, except those involving work or supplies not needed because of anticipated work curtailment. As to those of the latter class which cannot be suspended or terminated without additional cost to the Government, by voluntary agreement or otherwise, the regional director is requested to report to the Washington office with his recommendations the full details including the basis and estimated cost of possible suspension or termination.

10. He should then provide for the payment of such "hold-back" moneys as will become due for payment out of current funds by reason of contract completion within such funds. In this connection, it is pointed out that "hold-back" money under contracts made contingent upon appropriations does not become payable until the work has been completed and accepted. Thus, where work under a contract ceases by reason of exhaustion of available funds, the "hold-back" money would not be payable until after work under the contract is resumed, completed and accepted. Likewise, "hold-backs" on contracts not scheduled for completion until fiscal year 1949 or later should not be treated as obligations payable out of currently available funds.

11. As pointed out in my letter of November 21 to the Chief Engineer, the regional director for region 1 and the district manager, Coulee Dam, Wash., in the matter of fiscal year 1948 Columbia Basin project program schedules, the best interests of the Government, as well as fairness to the contractors, requires that the contractors be kept informed as far as practicable, as to the status of the funds from which their contract earnings may be paid. Accordingly, such notices shall be issued without delay. Forms of letters, to be prepared and signed by the contracting officer or his authorized representative, are attached. Detailed instructions in this respect will follow.

KENNETH MACDANIEL.

Scrap From Europe

EXTENSION OF REMARKS
OF
HON. LINDLEY BECKWORTH
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. BECKWORTH. Mr. Speaker, under leave to extend my remarks, I include in the CONGRESSIONAL RECORD the following letter I have received from Mr. David Bruce, Assistant Secretary of Commerce. Indeed, it is my hope, since the price of steel is so important and basic in our economy, that we shall be able to get scrap from Europe:

DEPARTMENT OF COMMERCE,
Washington, December 8, 1947.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Your letter of November 25 requests comment on the suggestion made by a friend of yours that it might be desirable to bring scrap iron or steel from Europe to this country in some of the boats now being used to carry goods to that area. Since the implications of such a proposal are international and involve the whole question of the scrap supply, domestic and foreign, I should like to review some of its more salient aspects for you.

During and since the war the domestic production of steel has been impeded by the shortage of scrap. Even today's high output could be still further increased if more scrap was available. Stocks in steelmakers' yards are small and will dwindle still further during the coming winter months when seasonal factors will curtail collection. In fact, many producers anticipate having to scale down their operations because they do not have enough scrap on hand or in prospect to enable them to continue to make steel at present levels of operation.

Additional scrap might be had from either or both of two sources—from within this country by more intensive collection or by importing it from Europe or elsewhere. At this writing the former would seem the more practicable if for no other reason than that there is a "scrap" industry already established in this country on a national scale. This industry has the knowledge, facilities, and the physical equipment needed to get at this scrap. It seems probable that, although all the more accessible, more obvious sources have long since been tapped, and despite our large prewar exports and the several wartime scrap drives, there are considerable quantities remaining scattered throughout the country which might profitably be collected.

As to the foreign side, among the recommendations contained in the Paris conference report of the Committee on European Economic Cooperation was one calling upon the United States to supply the participating countries with scrap in amounts ranging from 1,399,000 metric tons in 1948 to 2,231,000 tons in 1951. These quantities were held to be required to give effect to the Marshall plan tenet that the participating countries should utilize all existing steelmaking facilities to the maximum extent possible. In the light of our domestic shortage, such a recommendation could not be accepted, especially since it is possible that there are in western Europe quantities of uncollected, unsorted scrap sufficient to satisfy all their needs.

Whether this scrap is actually there and where and in what quantities are moot questions to which no one, in this country or in Europe, may be said to have the answer. However, both because there is some possibility that there is scrap in Europe which might be brought here to ease our own shortage and because of the heavy scrap requirements set forth by the Marshall plan countries, this Department has been directed and is currently engaged in organizing a group of experts from the steel, foundry, and scrap industries, as well as from within the Government, to survey the European scrap picture on the site.

However, even if this group found large tonnages of scrap, it would not necessarily mean that it could be made readily available to steel makers either in Europe or in this country. One very great obstacle is the absence in Europe of national organizations comparable to the American scrap industry capable of collecting, processing, and transporting any quantity of scrap. Another is the inadequacy of existing equipment to carry on the above and to load scrap on board ships for carriage overseas. Solutions to both these problems would have to be found if any very great tonnage in addition to that now being used is to be brought out.

Finally, as far as bringing European scrap to this country is concerned, there is the problem of arranging for its purchase. Only scrap generated by the American Army—demilitarized matériel of war for the most part—is actually the property of the United States. All the rest, including rubble scrap in the American zone of Germany, is the property of the countries in which it is located. Any of this last would first have to be purchased from its present owners before it could be brought to this country and since most of the countries of western Europe consider scrap an expendable national resource they are understandably loath to permit its exportation.

This whole, highly complex problem is under constant study by the several Government agencies concerned to insure, as far as possible, that the greatest economic advantage is taken of this important raw material wherever it may be located—for the benefit of the United States and in the accomplishment of the purposes of the Marshall plan.

I trust that you will find this discussion to be of value and that we may have other opportunities to be of service to you.

Sincerely yours,

DAVID BRUCE,
Assistant Secretary of Commerce.

Mr. Speaker, as a member of the House Interstate and Foreign Commerce Committee, for some 30 days, in the months of September and October, I was privileged to visit 13 countries in Europe and the Near East.

As is often indicated and said, economic and political conditions in Europe are very serious. There are hunger, devastation, destruction, disorganization, and discouragement in many of the sections we visited. In my opinion, some plan or program of aid is justifiable for the peoples of Europe, recognizing the greatness of our country, are looking to America for leadership. I feel the legislation which has been presented to the House to aid Europe—the legislation we are considering as a stopgap measure—is warranted. I shall support it. It is my hope that the assistance we give the people of Europe will aid them to do something for themselves. Much good has been done when assistance enables a man to do something for himself—to make for himself and family a living. The same is true with reference to individuals within a country.

However, we should be reasonably sure that any help we give Europe will aid the cause of liberty, freedom, and democracy, and the ideal of us all—world peace. Moreover, we should be certain the people we help are endeavoring to help themselves by demonstrating the proper willingness to work. Furthermore the extent to which we endeavor to help Europe must be determined by our ability to help, our resources, and so forth.

Whatever course of action we follow, I am sure and certain America must remain strong, economically and otherwise. The hope of the world lies in the strength of America, in my opinion. As a Member of Congress during the past 9 years, I have voted measures to strengthen and keep strong America. This I expect to do in the future.

Agricultural Program

EXTENSION OF REMARKS
OF
HON. WILLIAM C. COLE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. COLE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. Stanley Faul, of Stewartsville, Mo.:

STEWARTSVILLE, MO., *December 4, 1947.*

Representative WILLIAM C. COLE,
House of Representatives,
Washington, D. C.

DEAR SIR: I am a farmer, living in De Kalb County, a member of the American Legion, also a member of the veterans agricultural class at Maysville, Mo., under Bob Hubble.

I have been deeply interested in the Government-bungling agriculture program. Last year, as an example of the bungling, the Government went on the market and purchased corn and wheat for export to the old country. Corn went up and up. Millions of sows went to town—lots of them had pigs in the stockyards—because the farmers couldn't see a possible chance of a gambling hope to make money in the hog game. A few of us held on. We have our fall pigs. Now we are paying $2.80 a bushel for corn, and wheat is out of this world to buy. Corn is going to $3, but where are hogs going? The Government caused the scarcity of meat by their policy of high grain exports. Now what is happening? Corn at $3 a bushel and, because of the narrow, short-sighted policy, meat is scarce. They want to roll meat prices back. I am warning you to warn the men in charge of this bungling policy to go slow on meat price roll-backs. Meat is scarce because of last year's short-sightedness. Now a roll-back will send millions of sows (bred sows) to market, and the meat-consuming public will starve for the delicious steak and ham steak. It will be like a dream that you have meat and awake to find you are starved for meat—but, alas, no meat.

I have 23 bred sows that I will gamble on if they allow the market to go up like, for example, the prices of cars, rugs, farm machinery have gone up. Why should the politicians take their spite out on the farmers. Most city people spend more money on shows and gasoline than they do on meat anyway. Men at the Ford Co. or Sheffield Steel Co. at Kansas City, Mo., make $11.35 a day. If we paid our men those wages, they would soon own the bank and the farm. I am not kicking on their wages but on the paternal love the Government has for these people. I recently asked a lot of farmers what they would do if corn went to $3 a bushel and the Government held prices of meat down, and the answer was unanimous—"we'll sell our sows." You know that would be the general situation over the country, and why wouldn't it? You say we would ration feed and sell it so farmers could make a profit. Mr. COLE, you are smart enough to know that would not work. Corn is scarce and there is enough demand to take care of all corn that is for sale—to keep their stock from starving, they'll pay black-market prices for grain. That's what happened under OPA—only the sucker got stung by selling his grain at OPA levels. Mother sold her corn under OPA while down the road they paid 20 cents a bushel more. A high trucking bill, I'd say.

Whatever you do on this price roll-back, do it now; be fair so we can save our shirts. Three-dollar corn and $25 hogs is a pants-losing proposition. I want to buy cattle but not until I know what you men in Washington are going to do—you might cause me to be in debt the rest of my life.

Why doesn't Secretary Harriman roll back freight rates and passenger ticket fares? They hiked their rates and fares almost 20 percent recently. In all his hate for meat and steel prices, he never mentioned his beloved railroad and how it contributed to inflation. Charity begins at home. The Government caused these high grain prices and now is trying to cover up on paper by rolling prices back.

The lug is not caused by farmers, at least not by the ones in your section, but by the city business itself. My sister purchased a new car recently. The dealer of one popular make car sells one out of ten legitimately—on the rest the price is hiked either by buying a later model car for $300 or $400 and selling it for $1,200 to $1,400 or by making more than the legitimate profit on the new car sales. People in Government don't holler about this, but let the farmers break a little ahead and the sky is blue with hot air. We still take an awful gamble to get what we get. One of my country friends went to the city to work. The first week he made $130 laying rugs. There must be a lot of velvet in rugs. The old hen wouldn't know her egg after the city guy got his lug out of her cheap egg and the same is so with anything we sell.

I believe you as our Representative should fight this roll-back as it will hurt the city fellow hard in the long run. Farmers can't raise free stock.

STANLEY FAUL.

National Reclamation Policy

EXTENSION OF REMARKS
OF
HON. JOHN PHILLIPS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. PHILLIPS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert an article taken from the Salt Lake Tribune of November 22, 1947.

Our colleague the gentleman from Utah, Hon. WILLIAM A. DAWSON, has called to our attention some obvious misstatements of fact regarding the action of the Eightieth Congress on reclamation appropriations.

The article follows:

DAWSON ANSWERS CHARGES BY MAW ON RECLAMATION

(By Harry J. Brown)

WASHINGTON, November 22.—"Judging by the speech he made before Oregon Democratic State committee at Portland, November 15, our Governor seems to be following the lead of Reclamation Commissioner Michael W. Straus and his chief in attempting to make a political football of our national reclamation policy," Representative WILLIAM A. DAWSON, of Utah, said Saturday.

The Congressman's comments were based on reports of Gov. Herbert B. Maw's speech which appeared in the November 16 Tribune. "If correctly reported," Mr. DAWSON added, "Governor Maw certainly was reckless with the use of both facts and figures, for what he said at Portland will not stand up when compared to the records of the Bureau of Reclamation or of Congress, which are official and presumably authentic."

Governor Maw, Mr. DAWSON recalled, told the Oregon Democrats that the people of the West know they have fared better in reclamation appropriations while his party was in control of Congress than they did at the past session, when House and Senate were both in Republican control.

PURE BUNK, NONSENSE

"Such a statement is pure buncombe and nonsense; it simply won't stand up," continued Mr. DAWSON. "As another good Democrat was fond of saying, 'Let's look at the record.' The Interior Department appropriation bill that was passed last session by the Republican Congress carried in new appropriations for reclamation a total of $93,367,038. In addition to that, according to the Appropriations Committee, there was a carry-over of unexpended reclamation money's amounting to $111,878,000, making a total available for expenditure during the present fiscal year of $205,245,000.

"What happened during the long years the Democrats were in control of all branches of the Government, including Congress? For answer I quote from figures supplied to Congress by the Bureau of Reclamation. In 1934, the first full New Deal year, the Bureau of Reclamation spent all told $24,651,833; the following year, when President Roosevelt began allotting relief funds to expedite reclamation work, the total expenditures for the year rose to $40,882,912."

WHAT IT TOLD CONGRESS

"Let's look at the remaining years of Democratic control of reclamation appropriations. Here is what the Reclamation Bureau told Congress it had spent, year by year:

1936	$49,849,120
1937	52,379,804
1938	65,405,810
1939	79,329,428
1940	96,365,934
1941	85,596,484
1942	91,438,942
1943	69,267,440
1944	54,587,242
1945	50,376,076
1946	64,362,688
1947 (estimated)	146,803,971

"Let Governor Maw contrast these figures with the $205,245,000 which is available for expenditure by the Bureau of Reclamation during the current fiscal year, by a decree of a Republican Congress, and explain how he substantiates his charge that the present Republican Congress has been niggardly, while Democratic Congresses have always been generous with reclamation funds.

"I'm afraid the Governor will have to eat his words. It should be noted in the figures here given that never under a Democratic administration did reclamation expenditures in any year get as high as $100,000,000 until last year, while more than double that amount is at the disposal of the Bureau this year."

Representative DAWSON also recalled that soon after President Truman went into the White House he issued his famous "freeze order" that forbade the Reclamation Bureau from spending all the money the last Democratic Congress had appropriated for reclamation; that this order stopped work altogether on most projects and slowed down operations on the few that were favored.

WHY IGNORE "FREEZE"

"If the Governor wants to inject reclamation into politics, why does he ignore the Truman freeze order and the set-back it gave reclamation during a year when the Democrats were in undisputed control of all branches of the Government?" queried Mr. DAWSON. "It was only when western Democratic Senators and Congressmen sat down heavily on him that the President, just before election, modified his freeze order. Was that playing politics with reclamation? Maybe Governor Maw will answer."

Looking to the future of reclamation, Representative DAWSON thought it appropriate that his governor should declare himself on the now widely advertised Krug 7-year plan. "Is Governor Maw in favor of the Krug plan? If so, is he aware of the fact that the Bureau of Reclamation assured Congress during hearings last spring that it would complete the Deer Creek project in 1951, while the Krug plan, according to the Secretary of the Interior himself, would postpone completion of that Utah project until 1954? Does Governor Maw favor slowing down construction of the Deer Creek project by 3 years? This is what the Krug plan would do. The Secretary's own data, made public at Phoenix, shows exactly that."

ONE MORE QUESTION

"I would submit one more question to Governor Maw," continued Mr. DAWSON. "Does he favor the early approval and adoption of the Central Utah project? It is not embodied in the Krug plan; that plan makes provision for no new project. On the other hand, when Secretary Krug was before the House Public Lands Committee on the 3d of last April and was discussing the feasibility of some projects, he argued strongly that interest collected on power sold on multiple-

purpose projects should be credited to the project on which the power was generated; that unless that were done certain projects would not be feasible. I asked the Secretary whether the Central Utah project, in his opinion, would be feasible unless it received the interest on deferred power payments. 'I am quite certain the project would be unfeasible if you could not use the interest component as a credit against the project cost,' he answered.

"Secretary Krug is a Democrat," said Mr. DAWSON in conclusion. "Governor Maw is a Democrat. If reclamation is to be dragged into politics, where it has never been heretofore since the reclamation act was passed in 1902, Governor Maw should not only disprove the official figures I have given, but he should, to Utah at least, explain which party is holding back further reclamation developments in Utah. Reclamation should never become a political issue, but if our Governor and his friends insist upon it, we are ready to meet the challenge."

Stalin, Good Fellow, Our Expense

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. WEICHEL. Mr. Speaker, with winter upon us thousands of people throughout the United States are unable to purchase coal because of the high prices and the shortage caused by shipping coal to foreign countries, especially the past shipments to England where the miners are not working hard like those in America. The Times-Herald, of Washington, D. C., just carried an item that the Department of Commerce is still postponing the date of banning exports of coal, even though poor people, old-age pensioners, and others who heat their homes with coal are unable to buy because of the high prices and shortages caused by exporting coal from continental United States. Yet with all of this the State Department approved and permitted on October 13, 1947, the Russian-named ship *Kapitan Vislobokov*, on October 25, 1947, the Russian-named ships *Akademik Krilov* and *Sukhona*, on October 29, 1947, the Russian-named ship *Michurin*, to leave the United States with cargoes of coal and coke for Stockholm. With the shortages at home and our people being short of fuel, yet two of these ships owned by the United States Government and paid for by the taxpayers of the United States, are being used by the Russians to carry coal from continental United States to other countries.

Mr. Speaker, by such conduct, Mr. Stalin is able to make himself a good fellow with other countries of the world in his effort to spread communism with the aid of the President of the United States giving the use of the United States Government-owned ships to carry coal away from continental United States when it is badly needed here at home. Surely, the Russians must smile to themselves when they can use the ships of the United States on which they fly the Red Russian flag to take away short commodities from the citizens of the United States and carry them to Europe as one of the favors of communism.

Mr. Speaker, I ask you, is that the common-sense method of stopping communism, while the President has called a special session of Congress demanding untold millions be given other countries to stop communism?

Progress Report to Members of the Joint Committee on Housing From Congressman Ralph A. Gamble, Chairman

EXTENSION OF REMARKS
OF
HON. FRANK L. SUNDSTROM
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. SUNDSTROM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a progress report to members of the Joint Committee on Housing from the Honorable RALPH A. GAMBLE, chairman, delivered at a dinner meeting at the Army and Navy Club, Washington, D. C., on December 8, 1947:

PROGRESS REPORT TO MEMBERS OF THE JOINT COMMITTEE ON HOUSING FROM CONGRESSMAN RALPH A. GAMBLE, CHAIRMAN

I. REALISTIC APPROACH

(a) Although the Joint Committee on Housing was authorized, under the concurrent resolution, to explore every ramification of this complex subject, limitations in time made necessary a simple, realistic approach.

(b) This approach was to ask each of you to give special consideration to a certain topic.

Senator WAGNER, who, I am sorry to say, was unable to be with us tonight, reports that, out of 500 questionnaires distributed by him in order to gather opinions on slum clearance, 20 replies have been received from governors, 30 from mayors, and 60 from prominent individuals. Mr. WAGNER'S assistant feels that he will need until the middle of January to complete his study.

Senator FLANDERS has had two assistants working for weeks on the costs of building materials. This may well be the heart of our problem. I understand that the Senator has drawn heavily from his experience in investigating the entire problem of inflated prices.

Although his absence in Europe prevented an early start, Senator CAIN has vigorously taken up the question of the effect of existing housing legislation on shortages and costs.

In practically every one of the cities in which we have held hearings, we learned that the municipality owns considerable areas of nonproducing land, with utilities brought to the curb. Some cities have assisted in solving their housing problem by donating this land, from which little tax revenue is obtained, to home builders, together, of course, with utilities. This points up the vital relationship of real-estate taxes to the housing problem. Senator TOBEY and I learned in Boston that the tax rates in New England have passed the prohibitive point, and you will be glad to learn that the Senator has written a treatise on how, in his judgment, we can best bring about, or at least make a start on, tax reduction.

From the outset, Senator SPARKMAN has been most helpful in developing the phase concerning disabled veterans, and I understand that he not only has specific suggestions but will supply witnesses for us at our forthcoming hearings in Washington.

I understand that Mr. TAYLOR has had a long-standing engagement to deliver an address in New Brunswick, N. J., tonight, and consequently will be unable to be with us.

Mr. MCMILLEN joined with Senator MCCARTHY in the first attack we made on building codes. Mr. MCMILLEN in his preliminary comments states that while codes may not at the moment be interfering with construction under Federal grants, they certainly are adding to the costs of private construction, and that if we can clean up codes, we can reduce building costs.

Like others of us who have been on the road, Mr. FLETCHER learned that there is a tremendous need for rental housing in urban areas and that multiple-unit construction is of fundamental importance as a means of meeting such needs.

As you have heard me say before, the three elements in our problem are men, materials, and money, and we turned the subject of money over to Mr. SUNDSTROM. He and I met with representatives of private capital in New York, and Senator MCCARTHY and I met with others in Chicago. Within the next week or so those of you who desire to do so are invited to join with me in conferences with representatives from some of the big insurance companies in Hartford.

I believe Mr. SUNDSTROM is convinced that we must find the incentives that seem to be necessary, not only to attract private capital in greater quantities, but also to interest it in rental housing, particularly for the low-income classes.

Mr. BOGGS undertook a study of the distribution of materials and I think must have proved his point in the first two or three cities in which we held hearings. It would appear that the supply lines have not yet been filled, let alone the stock piles.

Mr. PATMAN was perhaps the first to give us an impressive report on the need for rural housing, which he later amplified in hearings in which he participated.

Mr. RAINS was requested to look into the effects of purchaser pressure in driving up prices and increasing the demand for high-priced labor.

On the conclusion of my over-all report, I shall ask each one of you gentlemen to amplify my remarks about you and to give us the benefit of your thoughts as to where we should go from here. I shall then ask Senator MCCARTHY to sum up.

Just one more thing. In adopting the conference method, instead of the usual formal procedure, we substantially strengthened our cooperative approach. We have received many expressions of appreciation from the cities we visited.

(c) I have taken the position from the time you elected me chairman that a primary objective of our investigation and study is facts. There are reports and studies galore on housing and its various phases. If possible, I would like to have the Committee make a housing report to end housing reports.

At your place, you will find a folder which contains some of the material that has been gathered and prepared by our staff between times when they have been working on arrangements for hearings.

This includes a preliminary draft of an economic interpretation of the housing situation, some statistical data, copies of questionnaires which have been sent out and copies of questionnaires which it is now proposed that we send out.

I would appreciate your reaction to the proposed questionnaires within 24 hours because it will be necessary to revise and mail them almost immediately if we are to be able to present you with the results of the cross-check they are designed to provide.

One of the outstanding findings from our hearings to date is the divergence of opinion on the part of each of the major interests concerned with housing.

A conspicuous feature of testimony at hearings in 25 cities was the similarity of viewpoints presented by the local groups representing the same interests in each city. Each seemed to have a position derived from a common source. To a considerable extent each seemed to make a plausible case. Yet the divergence of views in most cases as between the different groups was conspicuous. I don't think we can say that we found a consensus.

The additional questionnaires we now contemplate sending separately to two or three persons of the principal groups directly concerned with housing should enable us to picture and present this diversity and lack of substantial unity on the basis of returns from about 150 cities.

II. HOME BUILDING ACCELERATED

(a) There is reason to believe that the very creation of this committee, the hearings it has held in 25 cities, and the scores of conferences held individually by committeemen or members of our staff, in all parts of the country, already have resulted in accelerated home building.

(b) Whereas on adjournment of the first session of the Eightieth Congress, it was doubtful whether 750,000 new dwelling units would be started in 1947, it now appears that starts by December 31 will total 860,000.

(c) This would be impossible were it not for the fact that the supply of materials is increasing and that the cooperative spirit shown by building trades union leaders is being reflected in increased productivity.

III. FIVE-YEAR MINIMUM PROGRAM

(a) As this figure of 860,000 units will not even meet our normal national housing expansion requirements, it probably will have to be increased by at least 50 percent for a minimum of 4 or 5 years, particularly in the multiple-unit rental field, if adequate shelter at lower than prewar costs to tenant as well as to owner is to be achieved.

(b) The housing need would appear to be so obvious that the only thing to do is to build and build until the condition is self-adjusted by the economic law of supply and demand.

IV. COOPERATION, NOT COMPULSION

(a) Testimony at our hearings indicates that more private capital, more materials and more productive labor, are necessary in order to overcome the housing shortage.

(b) Members of the committee were in general agreement from the outset, we believe, that we could make more progress through cooperation than through compulsion. At all the subcommittee hearings thus far held members, regardless of party, made it plain that while this Joint Committee on Housing is to be no witch hunt, neither is it to be a whitewash.

V. LABOR THE MOST IMPORTANT ELEMENT

(a) Of the three essential elements—money, materials, and men—labor, in the long run, is by far the most important. Although the index of union wage rates now stands at 147.4, as compared with 100 in 1939, labor costs in a six-room frame dwelling unit are now 69 percent of the total cost, as compared with 56 percent in 1939.

(b) From testimony and from personal observation by committee members, it is imperative that on-site labor productivity be increased. To this end Senator McCARTHY and I have been working with international officers of the AFL building trades, while in every city where hearings have been held subcommittees have discussed the problem with local union heads.

(c) Proof that this approach, predicated on friendliness and mutual respect, is sound, is found in a progressive reduction of defensive restrictions, in "the American will to work to produce," rather than simply to jack up pay through monopoly and cultivated overtime. Impressive evidence of the sincerity of labor's approach came from various quarters. In Cleveland, for example, a lathers' local which had barred Negro apprentices, even though there was a shortage of lathers, reversed itself at the insistence of the head of the Cleveland Building Trades Council and now conforms to the nondiscriminatory policy of the AFL building trades department in Washington. In supplementing his testimony at the New York hearing the head of the carpenter's local specifically stipulated anti-feather-bedding practices in the use of time-saving machinery, such as power saws. In Chicago the head of the building trades council went on record as to the willingness of painters to use spray guns and of all trades to erect prefabricated houses.

(d) Further proof is seen in the appointment by the president of the AFL Building Trades Department, at our request, of an AFL committee of six, bipartisan, and representative of various parts of the country as well as of principal home-building trades. The appointment of this AFL committee may be one of the most significant developments thus far apparent in our investigations.

(e) Highly skilled on-site labor merits commensurate high wages; high productivity justifies high wages. High productivity of on-site skilled labor will assure the success of a 4- or 5-year housing program, even though the other elements—money and materials—may fall somewhat short of the challenge which confronts them.

(f) It is the belief of Senator McCARTHY and myself that the same cooperation, through special committees, should be sought among the financial interests, material producers, and home builders as has already been established with labor, and I am taking steps toward this end.

VI. PRICES AND SHORTAGES OF MATERIALS

(a) Shortly after our election, Senator McCARTHY and I took up building-material shortages in the order of their relative importance.

(b) That the critical soil-pipe shortage was due to a protracted dispute between War Assets Administration and the Republic Steel Corp., as to which should bear the cost of repairing the blast furnace from which pig iron for much of our soil-pipe production was obtained, is beyond question. That this committee's intervention brought an adjustment within a few hours, encourages us in the belief that bureaucratic red tape can be cut and commercial interest subordinated to the public interest when Congress, as the body closest to the people, takes an active and direct hand. But this problem is not yet solved.

(c) In soil pipe, however, as in most other short or excessively high-priced building materials, our national export policy is involved. Pig iron cannot continue to be exported without lessening the supply available for soil pipe manufacture for domestic construction. A balance must be determined, else shortage in this one item alone could block our dwelling construction recovery.

(d) We have the promise of the nail-manufacturing industry that production in 1948 will be stepped up from 16,000,000 to 18,000,000 kegs. Hearings have revealed widespread black markets, drainage through legal and questionably legal exports, and what appears, to say the least, to be an astonishing confusion of War Assets Administration policies, whereby surplus nails either go first to the black market, then to the builders, or, if the builders get them first, it is only through outbidding the black marketers. If the committee can obtain the cooperation of War Assets as well as the manufacturers, black-market traffic in nails, at the expense of homeless American families, can be quickly stopped.

(e) The third most critical shortage was found to be in gypsum products. Investigation revealed it to be due to (1) export leaks, (2) black markets involving cleaning out retailers' stocks and diversion of carlot shipments en route, (3) accumulated demands for building repairs. Conferences with the industry stimulated production, and it is expected that the output in 1948 will be increased at least 25 percent over 1947—assuring ample supplies for an expanded home-building program.

(f) At this writing we have no satisfactory evidence that the situation in heating, piping, and plumbing fixtures has improved either as to prices or available quantities. The subject should be thoroughly investigated.

(g) Only in the lumber industry have we thus far failed to obtain either from the manufacturers and retailers or from our own investigators a satisfactory answer to the question, Why has the wholesale price index of lumber risen to 285.7 since 1939 (1939=93.2), whereas the price index of all building materials has risen to only 183.3 (in 1939 it was 90.5)? It may be necessary to examine our entire lumber-export checking machinery. It may be desirable—in the public interest—to look further into the profits of lumber manufacturers and also to establish to the committee's satisfaction that a retailer's service is necessary to mass construction of housing, particularly where some manufacturers own or control their retail outlets. We are personally convinced that the price of lumber can be reduced.

(h) On the east coast I was told, out on the west coast Senator McCARTHY was told of alleged export leaks, implying down-grading. It was also stated to us that logs from which a heavy percentage of No. 1 lumber would be obtained are bought at premium prices by the plywood manufacturers, and that the Army is one of the heaviest current buyers of plywood for home construction.

(i) As soon as Senator McCARTHY and I checked our views by phone, I called into my office Under Secretary Foster and Assistant Secretary Bruce, of the Department of Commerce, and also Dr. McIntyre, who has charge of export controls. At my request they held in abeyance plans which they had for the immediate dropping of all lumber export controls.

VII. IMPERSONAL CULPRITS

(a) The construction industry, next to agriculture, is our No. 1 business. Upon it rests all manufacture. No food can be processed, no material object fabricated, no labor can be housed, without a building of some sort first having been erected.

(b) Yet this giant is nonintegrated. It is not a science, in the laboratory sense that steel or textiles may be so regarded. And it still appears to be helpless in the face of two of the most variable, yet adamant, aspects of the human mind—prejudice toward mass housing production and indifference toward restrictive building codes.

(c) Local building codes, municipal ordinances, and certain state laws, unquestionably constitute the "impersonal culprits" in the housing shortage. Our investigations reveal that these archaic statutes or regulations, which should be everybody's business, too often have been only the "business" of some materials manufacturers, and some local labor unions. It should be said to the great credit of some of the unions that they are moving far more quickly than some of the manufacturers to remove from themselves the possible stigma of obstruction.

(d) The committee has made a fair start by encouraging the immediate substitution of performance codes for specification codes. Performance codes will place a premium on the development of new materials and more economical processes. They will at least

discourage some monopolies, and they certainly should encourage home construction and decrease its cost.

(e) In this work the committee has the helpful cooperation of numbers of organizations such as the American Municipal Association, the National Association of Building Officials, the National Association of Home Builders, and the Building Trades Department of the American Federation of Labor. It also has requested the cooperation of governors and mayors.

VIII. PUBLIC HOUSING

(a) We believe we have discovered the first steps out of the controversy over public housing. They are to be found in facts. Our committee has been directed by the Congress to help it lick the housing shortage. Public housing is a part of the problem, and consequently a part of the answer.

(b) We have called on the Bureau of the Census and the Bureau of Labor Statistics, which together constitute the most reliable sources of government information at our command, to supply us with the record of normal requirements for housing based on the number of families. They have projected the increase in the number of families up to 1960. On this basis of reasoning, it is possible to arrive at a defensible estimate of the economic shortage in housing, regardless of social standards.

(c) Public housing for social betterment of the lowest income classes is quite a different matter. The need for differentiation has required us to insist that witnesses make it clear what they are advocating and that they define the words they employ.

(d) At those hearings attended by the chairman or vice chairman, there appeared some earnest and sincere people who seemed to think that it was the Federal Government's responsibility to house the middle-class workers as well as the lowest class made up mostly of the indigent. In effect, some regarded housing and public housing as being synonymous.

(e) Some witnesses as well as some members of our subcommittee expressed themselves in favor of pending housing legislation. These views were placed in the record for your consideration.

(f) Speaking for myself only, it would not appear to me that there is any inclination to reject the proposition that some sort of housing assistance should be given in urban communities to the indigent and to the lower income group. And if this is true of urban populations, it is logically true of rural populations. The question is not so much one of a housing shortage as it is one of social betterment.

(g) In numbers of places, notably Los Angeles and Detroit, abuses of public housing were brought to the attention of subcommittees, and, in my opinion, should be investigated further.

(h) At our hearings and conferences there was evident a widespread conviction that, if public housing is to be paid for by Federal taxes, there will come a time (if it has not already arrived) when competition by cheap Federal loans, 100 percent insured loans, or outright Federal capital grants, will have a deadly effect on private capital and individual enterprise in the construction industry.

(i) In Indiana, Illinois, New York and elsewhere there were visible signs of the conviction that, as there is only one place from which Federal monies can be drawn, namely, local taxes, it follows that real responsibility for public housing should rest, not on the Federal Government, but on the municipality, or the State, or a combination of the two.

(j) Comment on public housing would be incomplete without reference to the fact that, in city after city, Communists were boisterous in their advocacy of more and more public housing. Public housing, rural or urban, on a sound basis, has nothing to fear from this committee, I believe, but it has much to fear from the ardent activity of the Communists.

IX. INDUCEMENTS TO PRIVATE CAPITAL

(a) If, among the three essentials of housing—money, materials, and men—men are the most important, it is nevertheless true that nothing can be done without money. The question is: Shall the money be Federal (obtained by taxes drained from earnings) or shall it be private capital created out of the savings of producers? I hope that the committee can be in no disagreement that, in furtherance of our Nation's role as defender of individual rights vs. State socialism, private capital is more desirable than public in emergency as well as permanent housing.

(b) Our hearings and investigations thus far disclose that:

1. There is an abundance of private capital.
2. Large amounts are going into speculative building for sale to owner-occupants.
3. Much smaller amounts are going into rental housing.
4. Virtually none is going into housing for the lower income groups.
5. Private capital could be induced, under certain conditions, to finance emergency low rent housing as well as housing for the lower income classes.

(c) It has been pointed out to us that:

1. No sound and permanent financing policy for housing is possible without first scrutinizing our national monetary policy.
2. If the Federal Government continues indefinitely its program of cheap money on an approximately 100 percent loan basis, the danger of inflation is extreme.

(d) Asked for suggestions as to what emergency inducements might be offered by the Federal Government to private capital, local officials, capitalists, mortgage bankers, etc., proposed among other things:

1. Accelerated rate of depreciation.
2. Abatement of Federal Corporation income taxes up to 2 or 3 percent.
3. Some form of yield insurance above the tax abatement figure.
4. Provision by the municipality of land and utilities.

(e) I offer no suggestion that local taxes be abated. To do so would be to further imperil the finances of many municipalities. At the same time consideration must be given to the lowering of local real-estate taxes, else other inducements to private capital may be largely nullified.

(f) Given the foregoing inducements, we were told, private capital could be substituted for Federal grants or subsidies, even in the lower-income field of renters.

(g) Extension of loan insurance under section 608 of the Federal Housing Act seems to be favored because a lapse in building at this stage of the emergency would have demoralized many dwelling construction projects. Nevertheless, the inflation potentialities of 608 are a threat which must be eliminated or guarded against at the earliest possible moment.

I earnestly request your judgment in this matter.

X. SUGGESTIONS

(a) Further hearings should be held between now and the end of the year, in 5 to 10 more cities.

(b) Opportunity should be given to materials manufacturers and dealers to bring about price reductions before full committee hearings are held in Washington early in January 1948.

(c) Further investigation should be made into certain situations, which are allegedly responsible for monopolies and black markets.

(d) Our export practices should be investigated further in the light of interim and long-term foreign aid.

(e) Cooperation similar to that now in effect with the A. F. L. building trades department should be sought with other elements essential to housing, such as finance, materials, producers, and home builders.

Developments Spell Doom for Truman's Economic Plan

EXTENSION OF REMARKS
OF
HON. ROBERT N. McGARVEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. McGARVEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by J. A. Livingston from the Business Outlook:

DEVELOPMENTS SPELL DOOM FOR TRUMAN'S ECONOMIC PLAN—ANTI-INFLATION PROPOSAL EVEN LACKS SUPPORT OF LEADING MEMBERS OF PRESIDENT'S CABINET

(By J. A. Livingston)

WASHINGTON, December 6.—You can now write off the President's 10-point anti-inflation program. Senator TAFT attacked it, but Truman's own team laid it low.

No legislative program could survive the mauling Secretaries Anderson, of Agriculture; Snyder, of the Treasury; Harriman, of Commerce; and Schwellenbach, of Labor, gave it in testifying before congressional committees. In addition, there was Chairman Eccles, of the Reserve Board, who brought forth a program all his own.

The Cabinet members talked like unbelievers. Not one was willing to pound the table and declare: "This is what the country needs. It's beyond politics. And if you don't give it to us we're in for a time."

BOUGHT, BUT NOT SOLD

Perhaps the fault runs back to the White House. Seven weeks ago, President Truman told a press conference that price control was a police-state tactic. Yet only 4 weeks later he was to ask Congress for authority to impose price controls, if necessary. Assumably, in the interim, the President bought a bill of goods from some one. But apparently he wasn't sold. And, apparently he didn't sell the men who had to sell Congress.

The President, himself, didn't work for it. When Truman wanted emergency aid for Europe, he called in congressional leaders, talked it over. He didn't call in the leaders to talk over the anti-inflation measures. The first they heard of it was when he delivered his message to Congress on November 17.

Not one administration representative was able to pull the President's 10 points into an understandable, unified whole. Edwin G. Nourse, Chairman of the Council of Economic Advisers, might have been able to do that job. Harriman wanted him to. But Nourse declined—on principle.

He argues that he is a professional adviser on economics, and therefore that he should not be put in the position of advocating a politico-economic program, even though, as in this case, the Council provided the basic ideas in the President's program. So, the program went to the Capitol unbefriended.

No bills had been prepared 2 weeks after Truman called for legislation. That never happened before. It hasn't happened in the past when Truman wanted legislation. Nor can Democrats beg off on the ground that this is a Republican Congress, that it's up to the majority party to provide the legislation. You can bet that if the Democrats

were enthusiastic, bills would have been offered, with sponsors aplenty.

The antiinflation program constitutes the first full-dress test of the Employment Act of 1946. And it's certainly not coming off well. Here was a law designed to put economics above politics, to bring the President and the lawmakers together on boom-and-bust matters. But both sides seem as far apart as ever. Is that always to be the Nation's fate when the President is of one party, the majority of Congress of another?

BILL OF PARTICULARS

When Congressmen questioned administration witnesses: "When would you feel it necessary to impose price controls or rationing; what standards would you apply?" replies were vague. Yet if the administration had a clear idea of what it wanted and why, such standards could have been stated. Not precisely, but at least specifically enough to give Congress a feeling of what was intended. A statement such as this might have been appropriate:

"We would not like to see wheat at $4 or steers at $45. We would not like to see the cost of living index, now around 164, at 175. If we saw those levels approaching, we'd certainly want to act. But we don't want to be hasty. So, in the legislation we're proposing, we want to set up a board representing the public, labor, industry, and agriculture.

"It would be something like the advisory board set up in the War Mobilization Act. We would take counsel with the board before reimposing price controls, wage controls, or rationing." That, at least, would have been reasonable and sensible—something that TAFT and other Congressmen couldn't kiss off as vague or authoritarian.

The administration witnesses had no monopoly on economic uncertainty or contradictions. Bankers who testified on the program declared that what the country needs is more production. Admittedly. But where are we to get it? The basic bottleneck is steel which is already at capacity. If we could rapidly expand steel output, which we can't, that would only expose other bottlenecks—in copper, lead, transportation, machinery capacity, etc.

STRIKE SLACK TAKEN UP

We've taken up production slack. We haven't lost many man-hours due to strikes this year (see chart). The ITU walk-out in Chicago is the exception rather than the rule. So with manpower operating virtually full tilt, along with steel, coal, electric power, and the railroads, the cry, more production, is unreal.

Somehow, at the end of the fifth decade of the twentieth century—only 14 years removed from the great depression—you'd think that we'd get around a table like mature men and try to work out a way to solve our economic problems.

We have the machinery for it—the Joint Economic Committee and the Council of Economic Advisers. I guess we haven't yet learned to use it. Or maybe, it's just that we elect a President next year.

The Wages-and-Hours Law Should Be Flexible

EXTENSION OF REMARKS

OF

HON. WALT HORAN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. HORAN. Mr. Speaker, during hearings on various appropriations bills before the first session of this Congress, I was amazed to learn that hundreds and probably thousands of Government employees were taking advantage of the shortage of labor and their 40-hour week to hold down additional part-time jobs. At the same time, the Government was forced to pay overtime charges to many of its employees in order to get the Nation's business done.

At that time, I expressed the feeling that the wages-and-hours law should be made more flexible so that, in times of extreme labor shortage such as we now experience, full production might be maintained without undue increase in the labor cost of production. This principle, I consider, should apply to private business as well as to Federal employees.

I fully appreciate that the wages-and-hours law was passed at a time when equity demanded that available employment be shared among as many workers as possible. We do not have such a condition today. The health and welfare arguments for a short workweek do not pertain when a man sees fit to work 10 or 20 hours at another job after finishing 40 at his regular stand.

Let there be no mistake about it—I do not by any means advocate the repeal of the wages-and-hours law; I consider the basic legislation very necessary for the welfare of the thousands of unorganized workers who have no collective-bargaining power. At this time, also, I feel that a rise in the minimum wage is in order.

I do believe, however, that no such law should be so rigid that it will not allow for adjustment to meet changing economic conditions. For that reason I am very pleased that the Committee on Education and Labor is considering means of adjusting the provision of this law so as to make it more flexible.

One of the better analyses of the problem is contained in an article by Mr. David Lawrence, as published in the Washington Evening Star for December 9, 1947, which, if there be no objection, I should like to include in today's RECORD.

It is also to me quite apparent that any lengthening of the maximum workweek probably will have to be accompanied by a reasonable increase in the minimum wage provision which would be reflective of the increased cost of living in a reasonable state of health and comfort for the average family. I hope the proper committees and the Houses of Congress will be fully prepared to act on these problems very early in the next regular session.

The article follows:

CONGRESS TO BE ASKED FOR PROGRAM TO CURE WORK SHORTAGES—MANY MEMBERS SEEK WAGE-HOUR LAW CHANGES TO AID OUTPUT GAINS

(By David Lawrence)

Congress soon will be called on to adopt a program to cure the work shortage which is one of the basic causes of present-day inflation.

Many Members of Congress are proposing that the wage-and-hour law be reexamined in the light of current conditions. When it was adopted in 1937, the Nation was still suffering from the effects of depression. The spread-the-work movement therefore was popular and the 40-hour week was adopted with all time over that limit to be paid time-and-a-half rates.

This was in the nature of a penalty against longer hours but it did not work always in the direction of compelling the employer to hire men on a new shift. Many jobs required only 1 or 2 or sometimes 3 hours more and it was not practicable to hire a whole shift for 8 hours. Where overtime was paid, it increased costs. As hourly rates rose, it added sharply to costs and forced prices higher.

PENALTY ON PRODUCTION

Today, with everybody crying for goods, the law penalizes increased production. It is an anomaly that has been allowed to go on because political courage to tackle it is lacking. The Truman administration, for instance, which has been excessively timid about proposing any reforms whatsoever in labor matters, has not come to grips with the overtime problem at all.

Actually labor unions are not too fond of the wage-and-hour law. Some of them opposed its adoption in the first instance. This is because labor-union tradition places the subject of the length of the work week as properly one for collective bargaining between employer and union in specific industries.

The answer made to this was that labor unions were still free to agitate for and strike for a shorter work week. In some industries, like printing, for example, there has been a 35-hour week and in some cases a 37½-hour week. The shortening of the work week has long since been separated from the idea of the health of the workers. It is a transparent device for getting wage increases. In Akron, Ohio, where 6-hour shifts are worked at the instance of the unions, many workers go from their jobs at the rubber factories to part-time jobs in other fields.

The Government has never taken any steps to insure that the health of workers be protected by limiting working hours and, so far as is known, no labor union has done so either—the worker can work at one job for 40 hours and at another for 12 hours more. Fifty-hour weeks are not the rule but it is surprising how many people work at two jobs—that is, for two different employers.

COULD AID UNION ORGANIZING

The unions would not lose much sleep if the present law were repealed. It would help them tremendously in their organizing strategy. As a matter of fact, an argument has often been made that the exercise of the power to fix minimum wages and maximum hours on a particular job prevents unionization. For the law takes care of the vast number of workers who do not belong to any union. Whenever the law can do things for workers that unions usually do, it makes the unions less essential.

A few advocates of a repeal of the wage-and-hour law have arisen but they are mistaken in their approach. The placing of a floor under wages is an effective way to prevent exploitation of a large number of unorganized workers. But the determination of what shall constitute the work week is something else. This could very well be left to collective bargaining but with a limit on the number of hours that could be worked before overtime rates would apply.

If Congress changed the law to make a 44-hour week permissive, it would enable unions to enter into agreements for 42- or 40- or 35-hour weeks dependent on changing needs and fluctuating conditions. If the spread-the-work principle is sound, it is important that flexibility be retained because a boom in one industry sometimes occurs at the very moment when there is depression in another.

The present law is too rigid and needs better definitions of the classes covered. The minimum rate could well be raised, too. It ought to be possible also for the rates of overtime pay to be adjusted so that those who want to work longer hours at straight

time may do so voluntarily and thus earn more money at the same job rather than be forced, as at present, to go to a second employer and work in a different trade.

Revision of the wage-and-hour law is essential to meet the shortage of manpower and work shortage today.

Camouflaged Relief

EXTENSION OF REMARKS
OF

HON. WALTER E. BREHM

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. BREHM. Mr. Speaker, if a bill guaranteeing direct aid to those needing it is reported to Congress with no strings attached, I will most certainly vote for it just as I have always voted for previous legislation which had as its objective the relief of human misery.

I charge that the vast majority of our present relief supplies are not going direct to hungry people unless those hungry people buy them. They are being sent to the politicians who run the various governments and they, in turn, either sell them through the stores to the people or they are side-tracked into the black market.

Just last year Congress appropriated millions for relief and we know that over $300,000,000 of this was used in Yugoslavia to mobilize and equip Tito's army. Tito is a Communist leader of a Russian satellite nation.

In order for a government to get American relief, the nation so aided must operate as a police state, the very thing which we are trying to prevent in America.

Is it not just a little ironic that Congress should be called upon to support a program of this kind under the guise of stopping the spread of communism in Europe, or anywhere else for that matter?

There is nothing new regarding Russia's technique in securing converts to communism or building up good will on the continent. She simply invites the folks of the countryside to a party of free sandwiches and free beer. They eat, they drink, they dance, and then go home in a happy frame of mind. Millions of dollars were not spent on propaganda to tell the peasants what a wonderful system communism is. I doubt if the word was even used at the party. Nevertheless those who attended, go home with something in their stomachs, and naturally they become sympathetic with such a program.

Our State Department on the other hand sets up a multimillion dollar program to broadcast the Voice of America. Its purpose is to convince hungry people that America is their friend. If you were hungry would you rather have canned speeches or canned food?

A cup of hot coffee or a glass of milk keeping company with a sandwich in the stomach of some hungry, discouraged individual, will do more to win him over to America's position than all the speeches, canned or otherwise, which have been or which may yet be made in behalf of some recipient politician.

No one is more willing to share his goods with hungry, destitute, friendly people than I am. However, when magnified relief needs are used to camouflage the real purpose of perpetuating a political party in power, as well as the granting of military loans, and I am asked to swallow it under the guise of helping cold, hungry, and homeless people, then that is laying it on just a little too thick.

I refuse to subject those whom I am honestly and conscientiously trying to represent to further and continued hardships of high prices and high taxes under the false premise that it is necessary to win the peace, when I am convinced that it is the highway to war.

We have learned from long and bitter experience that politicians will not administer relief supplies to the needy without injecting politics into their actions. Remember WPA and surplus commodities? Sure you do.

Why will not this administration agree to employ the various church groups, the Society of Friends, the Red Cross, the Salvation Army, or other capable and competent charitable organizations who are experienced in this type of relief work, to administer the program? Why is it necessary to maintain on the Federal pay roll thousands of persons to administer a program of this type, unless it be for political consideration.

It has been reportedly stated that Russia could take over the whole of Europe within 24 hours and also that Russia and her satellites have over 5,000,000 men under arms who could move at a moment's notice. Now if that be true, then I wish someone would explain how the passage of this bill or any bill proposing any method short of total war might deter Russia from moving, providing she decided so to do.

President Truman has stated in substance that our foreign-aid program is aimed primarily at defeating or destroying communism in Europe, and yet in the same breath he approves the program which permitted his administration to export almost $10,000,000 worth of supplies to Russia and her satellite nations in 1946, and a like amount during the first 7 months of 1947. No one has yet explained to me how we intend to defeat communism if we continue to send supplies and materials to the breeding ground of communism. This will only increase its potency for begetting a more powerful war machine.

If one is sincere he does not choke a person with one hand and attempt to administer artificial respiration with the other. Either this administration is for or against communism, and it should be consistent and not follow a program of appeasement one time and then later pretend to be tough, just because political expediency seems to indicate that it would be popular at the time.

Anyone who is so naive as to believe that the so-called Marshall plan will destroy communism is ignoring historical facts. Communism can only be uprooted and destroyed by righteous indignation and an uprising of the people against it. If we are going to lull nations to sleep on the false premise that by sending American dollars and American relief supplies to their country communism will be destroyed, then they will deliberately sit back and wait for it to happen. Only when they know that the salvation of their country depends upon their taking action will they act, just as France is now acting to throw the Communists out.

The nations of Europe should be taught how to help themselves. We will only make weaklings out of them and make them more dependent upon our generosity if we continue our present unrealistic program.

In my opinion, a strong German economy holds the greatest hope for the stabilization of Europe. I am sure that no one wants Germany to ever again become an aggressor military nation. However, when this administration permits German industrial plants to be wrecked and the equipment utterly destroyed instead of converting those factories to peacetime production, then it appears to me that they are formulating a plan which is bound to keep taxes high and goods scarce on our own domestic front. If ever the opportunity presented itself to literally beat swords into plowshares that opportunity exists in Germany today, but is being completely ignored.

The nations of Europe which need financial help should be granted that help so far as possible through loans from the World Bank, as well as from private sources, rather than out of taxes collected from the American public. They have assets and resources. Let them use this collateral to help themselves.

Mr. Speaker, in my opinion Congressman BUCK, of New York, properly inspected Europe during the past summer. He drove in his own car at his own expense a distance of 5,500 miles along the highways and byways of France. He did not talk to French officials but instead he talked with hundreds of ordinary people: storekeepers, farmers, mechanics, waiters, laborers, industrialists, white-collar workers, and so forth, who constitute a fair cross-section of the people who make up the French Republic. He was not met and entertained or wined and dined by royalty. He was not just shown the sights which they wanted him to see, but rather he saw with his own eyes, conditions first-hand, and from his own report I quote briefly as follows:

> When President Truman told this Congress that food in France is near the vanishing point he was badly misinformed. That statement just is not so. The fact is that food supplies there are adequate but not properly distributed.
>
> But as long as the United States continues its blind, heedless giving, no French Government will take the politically unpopular measures necessary to the solution of France's interior problems. Reliance on rich Uncle Sam is a far easier course.

Congressman BUCK discusses wheat, milk, oils and fats, petroleum products, cotton, and so forth, and gives what I consider the most concise, first-hand report that has been attempted on the floor

of this Congress. The President of France recently stated that there are more livestock in France today than there were prior to the start of World War II. Why then, you ask, are the American taxpayers called upon to contribute $23,000,000 as provided for in this bill, to furnish milk products, fats and oils to France? Congressman BUCK'S answer is readily understood. The farmer does not want the French franc because it has dropped too low in purchasing power. He wants things such as fertilizer and equipment. His government offers him only unstable francs, so the French farmer refuses to sell his food to his own countrymen. Should the American taxpayers subsidize a program of this kind?

Mr. Speaker, it is impossible to vote for this particular piece of legislation unless one is willing to obligate and bind himself to vote for all those steps which will follow, including the Marshall plan. It is impossible to take one without accepting all, and I for one refuse to obligate the American citizens to a scheme of this kind.

I realize that charges and countercharges have been hurled and will continue to be hurled regarding this legislation. The one of isolationism is pretty well shopworn, but still it has been and will continue to be bandied about by those internationalists who seem to be more concerned with foreign problems than they are with taking care of some of our own worthy and needy improvements, such as, improved welfare institutions, increased payments for the aged, blind, and handicapped, greater and more equal educational opportunities for all, improved highways, increased flood control, more adequate housing, and so forth.

Isolationism died forever in the middle of the Atlantic Ocean when Mr. Churchill apparently induced Mr. Roosevelt that America should again hop into Europe's war a second time.

Americans have the greatest record for charity of any people in the history of the world. Anyone who brands as isolationists those of us who are simply attempting to keep our own economy sound in order that we might lead the world to a better day, is simply trying to confuse the issue. We as a Nation are too warm-hearted and I may say gullible for anyone to brand us as isolationists and make it stick.

Remember our relief program in China wherein 75 percent or more of all the supplies which we so generously sent went into the black market and only those with money could get them? The same old group will still have their fingers in the pie.

I feel that if and until a program is offered which I know will put food into the stomachs, and clothing on the backs of hungry and cold men, women, and children, as well as bind up the wounds of the afflicted, that I just cannot permanently commit my people to such a nebulous hypothesis.

If the success of our present or any proposed foreign policy requires a regimented and planned economy in America, then it just cannot be an American foreign policy, bipartisan or otherwise.

I cannot help but feel in the final analysis that instead of thanking us for what we have done, that the nations involved will follow the pattern set after the First World War, and only condemn us for not having done more. This bill was certainly not drafted with the idea in view of how to win friends and influence people for America.

Mr. Speaker, for reasons given, and many more which I could cite, based on the experience and bitter disappointment of the past, I just cannot support H. R. 4604 and still keep faith with those who sent me to Congress.

American Merchant Marine

EXTENSION OF REMARKS
OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter addressed to Mr. Frank J. Taylor, president of the American Merchant Marine Institute, Inc., under date of December 5, 1947, by Judge John J. Burns, general counsel of the American Merchant Marine Institute, Inc.:

AMERICAN MERCHANT
MARINE INSTITUTE, INC.,
New York, December 5, 1947.

Hon. FRANK J. TAYLOR,
President, American Merchant
Marine Institute, Inc.,
New York, N. Y.

DEAR MR. TAYLOR: In view of some recent developments which may seriously affect the present and future status of member companies who now have or may in the future have operating subsidy contracts with the United States Maritime Commission, I am writing this letter for the information of the Institute's officers and members. A very brief review of the Merchant Marine Act, 1936, and operations thereunder, would appear to be relevant.

Passage of the Merchant Marine Act, 1936, followed a half century of unsuccessful attempts in this country to build up the American merchant marine. We had found both our merchant fleet and our shipbuilding facilities woefully lacking at the outbreak of World War I, and by 1935–36 we saw an ever increasing proportion of our foreign trade being carried in foreign bottoms. American seamen had less and less chance of employment on American flag vessels; American shipyards had practically no new vessels on the ways; shipyard labor, highly skilled, was drifting into other fields.

In section 101 of the Merchant Marine Act, 1936, Congress enunciated the following policy:

"SEC. 101. It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States insofar as may be practicable, and (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine."

This policy has been reaffirmed, in almost identical language, in the Merchant Ship Sales Act of 1946 (Section 2).

In the Merchant Marine Act, 1936, Congress recognized that an American steamship company, operating under the American flag and with citizen crews, faces costs far in excess of those met by its foreign competitors. To help offset the competitive advantage in favor of the foreign steamship operators, Congress granted financial aid both in the construction and in the operation of American flag vessels. In both cases this aid or subsidy is measured by, and cannot exceed, the difference between American costs and those of foreign competitors, and to a very great degree, all subsidy payments go, directly or indirectly, to American labor. The construction-differential subsidy may equal, but not exceed, the excess of American construction cost over the estimated cost of building the proposed vessel in a foreign shipyard. However, this construction-differential subsidy may never exceed 50 percent of the American cost of the vessel. The operating-differential subsidy may equal, but not exceed, the excess of American costs for certain items of expense over the estimated cost of such items if the vessels were operated under the registry of a foreign country whose vessels are substantial competitors of the American operator. The items of expenses normally considered in determining the amount of an operating-differential subsidy are: wages and subsistence of officers and crew, insurance, maintenance, and repairs not compensated by insurance.

In order to qualify for either construction or operating assistance an American steamship company must enter into a contract with the Maritime Commission whereby the company undertakes numerous obligations and subjects itself to numerous limitations and restrictions. While these obligations, limitations, and restrictions are set forth in Annex A, attached hereto, a clear understanding of the philosophy and function of the 1936 act cannot be had without an explanation of the statutory system under which subsidized operators must maintain reserve funds.

A steamship company receiving an operating differential subsidy must maintain a "capital reserve fund" and a "special reserve fund." In the capital reserve fund the operator must deposit an amount equal to the annual depreciation charge (figured on a 20-year life expectancy) on vessels on which subsidy is being paid. The operator must also deposit in this fund the proceeds of sale or other disposition of a subsidized vessel or the proceeds of insurance on her loss. From this capital reserve fund the operator may make disbursements to purchase new vessels or to pay notes secured by mortgage on existing vessels. The fund can be used for no other purpose.

In the special reserve fund the operator must deposit all annual earnings in excess of 10 percent. Moneys in the special reserve fund may be used by the operator (1) to reimburse his general funds for operating losses, (2) to make the required payment to the Commission of one-half of the operator's profits in excess of 10 percent over a 10-year accounting period (not to exceed the subsidy paid to the operator) and (3) with the approval of the Commission, after having reimbursed the Commission as in (2) above, to place money in the operator's general funds or to make a distribution to shareholders or employees.

On occasion it is not clearly understood that if a subsidized operator makes profits

in excess of 10 percent over a 10-year period, he must use such profits to reimburse the Government for subsidy payments received. In truth, of the 12 steamship companies holding operating-differential subsidy contracts with the Government, 7 companies now have in their special reserve fund, subject to recapture by the Government at the end of the 10-year accounting period, an amount equal to all subsidy received; the other five companies now have in their special reserve funds sizable amounts subject to such recapture. The gross amount of operating-differential subsidy paid to all companies holding such subsidy contracts since the enactment of the 1936 act is $49,000,000. Present official estimates show that of this amount approximately $28,000,000 will be reimbursed to the United States at the end of the respective 10-year accounting periods of the companies. The first accounting period for most companies will terminate on or before December 31, 1948. While the period may be considered abnormal, operating results pay tribute to the plan set up by the 1936 act by which aid is made available to assist an American-flag operator to meet competition from lower cost foreign operators, while any portion of such assistance found unnecessary over a 10-year period is reimbursed to the Government. The plan may well be considered national insurance against reverses which have in the past emaciated our merchant marine.

Pursuant to the 1936 act, holders of operating-differential-subsidy contracts entered into construction and replacement programs whereby the essential trade routes would be serviced by new and modern vessels. In the years immediately prior to the outbreak of war in Europe practically all shipbuilding in this country was for the account of the subsidized lines. These companies have built 289 new vessels since passage of the 1936 act, and, according to the latest Maritime Commission report, these same companies have purchased 98 vessels under the Merchant Ship Sales Act of 1946. Prior to the recent war the vessels of these lines were operating 62 essential services in the foreign commerce of the United States. In 1940, the last full year of prewar operation, vessels operated by the subsidized companies made 785 voyages on these essential trade routes. Their operating personnel and their newly constructed vessels, the finest in the world, were available for immediate war service. Their construction programs, inaugurated under the Merchant Marine Act, 1928, and carried out under the 1936 act, had created the nucleus of this country's great shipbuilding industry which so amazed the world with its wartime production. Unquestionably the Merchant Marine Act, 1936, is the greatest single legislative contribution to the war effort. Without its farsighted planning countless lives and considerable time would have been lost before this country's shipbuilding program, so essential to the armed services, could have materialized.

The Independent Offices Appropriation Act, 1948 (Public Law 269, 80th Congress), provided that, after meeting certain obligations therefrom, the balance in the Maritime Commission's construction fund, established by the Merchant Marine Act, 1936, should be carried to the surplus fund and covered into the Treasury. The Appropriation Act provided further that all receipts which otherwise would be deposited to the credit of the construction fund during the fiscal year 1948, shall be covered into the Treasury as miscellaneous receipts. The act limited to $10,000,000 the obligations from such construction fund during the fiscal year 1948 for the purpose of paying operating-differential subsidies. The Maritime Commission had estimated at $28,000,000 its obligation under existing operating-differential-subsidy contracts during the fiscal year 1948. Obviously, the amount appropriated, $10,000,000, is insufficient to permit the Maritime Commission to meet its obligations and to carry out the purpose and the mandate of the 1936 act. Present indications are that the amount required for the payment of operating-differential subsidies during the fiscal year 1949 will be approximately $50,000,000. The Bureau of the Budget is reportedly asking for only $30,000,000 on this account. The failure of the Bureau of the Budget to recommend an adequate amount for payment of operating-differential subsidies gives a clear indication of a lack of understanding of the purpose and operation of the 1936 act.

Even more important is the implication which might be drawn from other language included in the Independent Offices Appropriation Act, 1948. This language is as follows:

"Except as hereinabove provided no obligation shall be incurred against such construction fund during the fiscal year 1948."

A question has been raised as to what effect, if any, this provision may have on the Commission's authority to carry out or to renew or extend operating-differential subsidy contracts. In other words, does this language in the appropriation act reduce to an annual basis the long-range contract authority granted by the 1936 act? In my opinion the quoted language has no effect whatsoever on the contract authority granted to the Maritime Commission by the 1936 act and I do not believe that any serious contention will be made in this direction. Certainly the entire philosophy of the 1936 act is founded on a long-range program of shipbuilding and ship operation, one which obviously cannot be sustained if the operator's contract with the Government were to be limited to 1 year. Nevertheless, it seems essential that the question of the Commission's contract authority be settled immediately if the subsidized lines are to be enabled to carry out their existing plans for new ship construction. The simplest means of putting this question to rest would be to restore to its normal function the Maritime Commission's construction fund. The same purpose might also be accomplished by legislation or even by express language in a report of a congressional committee to the effect that the limitation on the annual appropriation was not intended and does not affect the Commission's long-range contract authority. These are matters which interested members of the institute will wish to give serious consideration.

The cyclical nature of the steamship industry has long been recognized—the thought is inherent in the statutory requirement for an accounting of the operator's finances at the end of each 10-year period. The present need of the individual operator is not the criterion at all. In normal times the American steamship companies, operating American-flag ships with American crews, cannot compete in foreign trade without the type of governmental assistance provided by the 1936 act, and unquestionably the next 10 years will see our merchant marine in dire need of such assistance because of the competition of foreign-flag ships on their trade routes. If, in the long pull, operating subsidies prove unnecessary, they will be reimbursed in full to the Government. If, however, the future shows that cost-equalization payments are necessary for continued operation, then the payments will have served the purpose for which they are intended—the development and maintenance of a strong American merchant marine. It cannot be overemphasized that payments under the Merchant Marine Act of 1936, in view of the naval auxiliary factor, are just as much a part of our national defense as routine national defense appropriations.

I will be pleased to discuss these problems at your convenience.

Very truly yours,

JOHN J. BURNS, *General Counsel.*

ANNEX A. OBLIGATIONS, RESTRICTIONS, AND LIMITATIONS IMPOSED ON SUBSIDIZED OPERATORS

I. The holder of an operating-differential subsidy contract assumes the following obligations and is subject to the following limitations and restrictions:

1. He must maintain a capital reserve fund and a special reserve fund into which reserve funds must go (a) all profits over and above 10 percent on the contractor's capital necessarily employed in his business; (b) proceeds of all insurance and indemnities on the loss of vessels; (c) proceeds of sale or other disposition of vessels; and (d) an amount equal to depreciation charges on the operators' vessels (sec. 607 (b), (c));

2. He may make withdrawals from these reserve funds only for limited purposes: (a) Payments for replacement or reconstruction of subsidized vessels; (b) payments for acquisition of additional vessels; (c) payments on notes secured by mortgages on the subsidized vessels; (d) reimbursement to the contractor for operating losses; and (e) with the permission of the Commission, payment into general funds or limited distribution as dividends or bonus (sec. 607 (b), (c));

3. He must man his vessels under wage scales and working conditions and provide living quarters prescribed by the Maritime Commission (sec. 301);

4. He is required to employ a higher percentage of citizen seamen than unsubsidized operators (sec. 302);

5. He must undertake a program of vessel replacement (sec. 601);

6. His accounts and records must be kept in accordance with regulations of the Maritime Commission (sec. 801);

7. He is prohibited from operating, directly or indirectly, foreign-flag vessels in competition with other American-flag lines (sec. 804);

8. He is prohibited from operating, directly or indirectly, in the coastwise or intercoastal trade (sec. 805);

9. Compensation paid to officials cannot exceed the $25,000 maximum fixed by the act (sec. 805);

10. He must repay to the Maritime Commission 50 percent of his profits over a 10-year period in excess of 10 percent of capital necessarily employed in the contractor's business as determined by the Commission, not to exceed the subsidies received (sec. 606);

11. He must personally maintain, manage, and operate the vessels, without assignment (sec. 608);

12. He is prohibited from employing affiliates to do certain accessorial work (sec. 803);

13. He must carry on subsidized vessels cadets and cadet officers being trained by the Government to become licensed officers of the merchant marine (sec. 216); and

14. He is required by the terms of the standard form of operating-differential subsidy agreement to operate his vessels only on prescribed routes and to make an agreed number of round voyages each year upon sailing dates and with ports of call approved by the Commission.

II. The recipient of a construction-differential subsidy assumes the following obligations and is subject to the following limitations and restrictions:

1. Vessel on which construction-differential subsidy is granted must be documented under the laws of the United States (sec. 503);

2. Vessel must remain documented under the laws of the United States for not less than 20 years, or so long as there remains due the United States any principal or interest on account of the purchase price, whichever is the longer period (sec. 503);

3. Vessel must be insured against such risks and in such amounts as the Maritime Commission may prescribe or approve, such insurance to be payable to the Commission or to the parties as their interest may appear (sec. 503);

4. Vessel must be operated exclusively in foreign trade (sec. 506);

5. Operator must employ a higher percentage of citizen seamen than unsubsidized operators (sec. 302); and

6. Value of vessel on requisition or purchase by the United States cannot exceed actual depreciated construction cost thereof less depreciated amount of construction-differential subsidy theretofore paid, or the fair and reasonable scrap value as determined by the Maritime Commission, whichever is the greater; such determination by the Commission is final. This limitation runs with the title to the vessel and is binding on all owners thereof (sec. 802).

Seventieth Anniversary of the Lynn (Mass.) Item

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the Appendix, I wish to include herein an editorial that appeared in the Daily Evening edition of the Lynn (Mass.) Item.

This newspaper that started from a humble beginning has established an enviable reputation in Massachusetts and is now considered among the leading newspapers throughout New England.

The readers, the advertisers, and myself are happy to congratulate and extend well wishes to this newspaper organization with the expressed desire that it will continue to be most successful in the future.

OUR SEVENTIETH ANNIVERSARY

It is fitting and proper for institutions, like individuals, to pause on important anniversaries in their careers for a bit of spiritual stocktaking and some meditation on the future.

Today, the Item is 70 years old. It has attained the Biblical fulfillment of "three score and ten," so far as age goes, but in spirit and vigor it is merely at the dawn of limitless potentialities of an expanding and dynamic institution.

The Item of today is a far cry from the four-page tabloid infant that first saw the light of day on December 8, 1877, yet the publisher's creed set forth on the front page of that original issue is as valid and applicable today as it was 7 decades ago:

"We shall endeavor to labor for the interests of the great public. We mean to be independent, to be fearless, and to be feared. Times like the present are not the time to falter; the goal of our ambition is on the upward path, and we have stepped upon it."

Newspaper publishing has become an increasingly complex and costly enterprise in the 70 years that the Item has existed as a daily, but the devotion to the service of the public which animated its first publisher and which over the years has brought it respect, faith, and success is still the guiding principle of today's management. The Item's most priceless asset—like that of every good newspaper—is good will. For 70 years the Item has sedulously sought to cultivate that good will and never more earnestly than at the present time. Without it, a newspaper is a sterile, worthless gesture.

Today, as they look back on 70 years of achievement, the men and women who make the Item possible are humble; grateful that the efforts of themselves and their predecessors have been so enthusiastically received in this community. For the Item considers itself an integral part of the community, sharing its ups and downs, its worries and triumphs, its prosperity and its depressions. As Lynn has grown from a modest community of 35,000 people in 1877 to the bustling metropolitan, highly industrialized city of today, so the Item has expanded from a modest, hand-printed sheet to a modern, complete, prosperous and influential daily, fully geared to the expanding demands of its territory.

On this, our birthday, we can best celebrate by assuring our readers and advertisers that we shall continue to be completely at their service in the years that lie ahead, and that we are still restless to improve the Item day by day and year by year and to prolong indefinitely that happy marriage of community and newspaper which has helped to make Lynn an enviable place in which to live and work and play.

European Wealth in United States of America

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from an article by a Washington columnist printed in the Washington Post of December 10, 1947, as follows:

EUROPEAN WEALTH IN UNITED STATES OF AMERICA

Congratulations to young GOP Congressman WALTER NORBLAD, of Oregon, for one of the soundest proposals in helping Europe to help itself. Most newspapers missed it, but NORBLAD has introduced a resolution calling upon the Commerce and Treasury Departments to make public all property in this country owned by foreign citizens and to identify the individuals who hold the property.

Of an estimated $27,000,000,000 worth of bank deposits, gold, stocks, bonds and other investments held by foreigners in the United States, about 50 percent—more than $13,000,000,000 worth—is in the names of citizens who would receive help through the European recovery program.

NORBLAD isn't asking that the United States seize these holdings—but he does think it would be a good idea for the governments which want help from us to see what they can do about getting some value from these holdings. He proposes that the few lucky European citizens who have wealth in this country, share with the American taxpayers the burden of helping the mass of Europe's people get back on their feet.

MERRY-GO-ROUND

Massachusetts' impeccable HENRY CABOT LODGE, JR., urged his colleagues to support a long-range program of aid to Europe.

"All I ask," he pleaded, "is that you keep open minds until we work out a bill for foreign aid."

JAMES KEM, of Missouri, doubted the Senate's ability to work out a practical long-range aid program.

"It shouldn't be a one-way street," LODGE agreed. "In return we should take scarce materials and air bases."

Eliminate Juvenile Delinquency

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. FOOTE. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I wish to include the following article by my distinguished colleague the Honorable JOHN DAVIS LODGE, of Connecticut, which appeared in the Bridgeport Life of December 7, 1947, entitled "Eliminate Juvenile Delinquency":

ELIMINATE JUVENILE DELINQUENCY—THE MEN AND WOMEN OF TOMORROW

(By Hon. JOHN DAVIS LODGE, Member of Congress, Fourth District, Fairfield County, Conn.)

Juvenile delinquency is a natural and habitual concomitant of war. Because of their age, the excitement of a country at war was just beyond the reach of our teen-age boys and girls. This led some young people to misbehavior and others to outright lawlessness. They too felt the pressure of war and were subject to its tensions. The disruptions of war disturbed their lives also and produced a sense of insecurity which can be cured only by intelligent and sympathetic action.

Just as the world is still suffering from the terrible impact of World War II, so the children of today feel the demoralizing forces which were set loose by the war and which have not yet been defeated. Although we were spared the destruction of our cities and the desolation of our countryside, the ravages of war are still very much with us. In no case do these ravages demand our attention more insistently, more urgently, than with respect to our children.

The best way of all to protect children from harmful community influences is to safeguard the security of the home. Economic security is a vital factor. So also is emotional security. An increased sense of security brings a strengthening of family ties.

Accordingly, the first object of the social services and welfare agencies should be to help the family to meet its economic and social problems; problems arising out of illness, dislocation of employment, absence of the breadwinner and the like. Facilities should also be available to supplement home care and to provide competent supervision when mothers are employed. Adequate health and recreational facilities should be furnished in order that the child should have a balanced program of activities with special attention to wholesome companionship and the proper use of leisure time. The educational opportunities provided should be such as to inspire confidence in the American idea of a free society based upon the will of the people, to the end that the child may grow up self-reliant. In other words, while the government must help it must not encourage reliance on government. The child should be taught that the basic ingredient of our system is that freedom and responsibility are inseparable; that self-control rather than government control is the essence of true liberalism; and that when the individual citizen transfers his responsibilities to the government he eventually sells himself into slavery. A confidence in the American system will increase the child's sense of security and tend to minimize any maladjustments.

Finally, in order that their lives should have a deeper meaning, the resources of religious guidance should be easily available.

The confidence and hope and love which this will bring will do much to eliminate a sense of insecurity.

This, then, is the touchstone of the child's life. The family, with all that this means, of comfort and warmth and tenderness. The family has for many centuries been the most important political unit in the life of a nation. So it was in ancient Greece and Rome. So it has been in those countries of Europe from which so many Americans came. So it has been in America. Destroy the family, and you will have far more than a problem in juvenile delinquency—you will have destroyed America. It is interesting to note that the Soviets, realizing the political importance of the family, attempted to destroy it soon after they came to power in Russia. That they did not succeed is a measure of the vitality of home life. The laws that we pass and the treaties that we sign will avail us little if the families of America are not preserved.

In cases where these preventive measures fail then the churches, the social services, the welfare agencies, the health and educational facilities, the juvenile courts, the recreational organizations and the police, should all come into play in a concerted effort to eliminate the destructive influences which hamper the happy growth of our children. All these services should join in a comprehensive community program directed at the problems which surround children and adolescents during these strenuous times.

Essentially, the functions of these various groups whether on a Federal, State, or local level, whether lay or ecclesiastical, are to supplement the functions of the family. This is at best a highly difficult task. It is a formidable challenge. For there is no substitute for the family.

The multifarious aspects of family life are in many instances so elusive, so imponderable, that it is impossible to reproduce the family environment artificially. We must do the best we can. Children who are physically handicapped or mentally deficient, children away from their homes, children living under difficult home conditions, children with special problems of personality and behavior, all these and many others need help from the community in order that they should be able to lead happy, useful lives. Deprivation and neglect and maladjustments during childhood will produce an increasing load of dependents and delinquents for the community to care for. But more serious even than this is the hard fact that unless we take effective measures to cure these afflictions we are bequeathing a terrible burden of responsibility to our children.

America cannot grow and prosper, America cannot exercise world leadership, America cannot fulfill her destiny as a seat of culture, if we do not help young people to adjust themselves to the modern world. America is the achievement of the American people. America will be what the children of today make it.

Hawaii and Alaska, Too

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to revise and extend my remarks, I should like to insert in the RECORD an editorial appearing in the St. Louis Post-Dispatch of December 8, which I believe is both timely and constructive on the question of statehood for Hawaii and Alaska.

The editorial follows:

HAWAII AND ALASKA, TOO

It is forecast that the Senate will take up and probably act favorably on the Hawaiian statehood bill soon after the regular session of Congress meets in January. With little or no opposition expressed, Senators TAFT and VANDENBERG and other Republican policy makers are said to be ready for a vote when the bill comes out of the Public Lands Committee. Some members of the committee are interested enough in speeding action that they may fly to Honolulu in the holiday period to settle any remaining questions.

Hawaii is entitled to first consideration since its statehood bill is under way in Congress, yet its advantage in time over Alaska should be only a short one. Alaska is vital to American defense. As long as the vast Territory is a stepchild, and that is exactly what it is in the American family, it will continue to suffer injustice. Without representation in the House and Senate, Alaska can get no adequate consideration for its needs. Its lone Delegate, who has no vote, cannot begin to keep up with all the hearings and committee meetings which pass on issues involving his constituents.

Siberia is only barely more than 50 miles across the Bering Sea from Alaska. The distance is so short that all the key spots are in danger of seizure by the Russians. There are other aspects of Alaskan life which will also get short shrift until this Territory with 90,000 American citizens becomes a State. But the issue of defense is enough in itself to win favorable action. The Sunday Post-Dispatch showed in detail how wide open we are to another Pearl Harbor through a "top of the map" attack.

Here is an issue on which a Republican Congress and a Democratic administration should get together without a trace of party differences.

Foot-and-Mouth-Disease Program

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report and recommendations of the Subcommittee on the Foot and Mouth Disease Program:

REPORT AND RECOMMENDATIONS ON FUTURE FOOT-AND-MOUTH-DISEASE PROGRAM

On December 26, 1946, the Department of Agriculture received reports of the outbreak of foot-and-mouth disease in Mexico. The disease is presumed to have been brought into Mexico by cattle imported from Brazil in violation of the Mexico-United States sanitation treaty.

On February 28, 1947, the Congress approved Public Law 8 (80th Congress) authorizing the Secretary of Agriculture to cooperate with the Government of Mexico in the control and eradication of this disease. The law was implemented promptly with ample appropriations and a campaign of eradication was undertaken.

That campaign has been under the direction of a joint Mexico-United States commission with the responsibility—so far as the United States is concerned—resting on the Department of Agriculture through its Bureau of Animal Industry, and on the Department of State.

Late in June, not entirely satisfied with the progress of the campaign, a committee of this Congress visited Mexico and spent a week inspecting the activities then under way. It was impressed by the need for a top-flight executive, one entirely free of bureaucratic restrictions and entanglements, to take over the direction of this campaign.

On its return to Washington the committee urgently recommended that there be created "the office of executive director of the campaign" to be filled by a man of "outstanding executive ability and experience" competent to "direct a campaign of this magnitude in all its ramifications and to bring about the speed, coordination, and efficiency which are absolutely essential to the success of this program." That recommendation has never been followed.

In spite of the slaughter of some 500,000 cattle and many small animals, the disease continued to gain ground until the Mexican Government—whose wholehearted assent is of course a necessary prerequisite to any activity on Mexican soil—notified the Department of Agriculture on November 25, 1947, that the economy of that country could not stand the immediate slaughter of the tremendous number of livestock which had by that time become infected or exposed to the disease.

Accordingly, on November 26, 1947, the Department of Agriculture announced a "modification" of its program. In plain words this meant abandonment, at least for the present, of efforts to eradicate the disease from Mexico by the slaughter and burial method which has several times conquered it in the United States and acceptance, instead, of a quarantine and vaccination program designed to control the disease so as to prevent its spread outside the present generally infected area.

On the same day the Committee on Agriculture announced a hearing beginning December 3, 1947, in which all interested parties were invited to participate, for the purpose of analyzing the threat to the livestock industry and the economy of this country presented by the failure of the eradication campaign, and to consider the best steps which might now be taken to keep the disease out of the United States.

Having considered carefully all of the evidence available, the committee makes the following recommendations:

RECOMMENDATIONS

1. That the campaign against foot-and-mouth disease in Mexico shall be conducted on the following basis: First, an all-out effort by both countries to hold a quarantine line immediately north of the present infected area, including a sterile zone as wide as possible south of such line in which all infected and exposed animals will be subject to immediate slaughter and burial, in order to prevent the spread of the disease into northern Mexico and the United States; second, extension and enlargement southward of that sterile zone as rapidly as circumstances will permit, with vaccination being employed by the commission only as an adjunct to quarantine.

2. That it shall be understood definitely by all participants that the program now undertaken is not an abandonment of the effort to eradicate foot-and-mouth disease from this continent but is merely a postponement of that effort until it can be undertaken and accomplished in a manner which is more acceptable to the Mexican people and tolerable to the Mexican economy.

3. That the best available scientists and economists be assigned immediately to research and study in Mexico and elsewhere on the disease itself, its prevention and control, and the effect of the disease and of proposed eradication methods on the economy of Mexico and the United States.

4. That there be created forthwith the office of executive director of this campaign and that this office be filled by someone of

outstanding executive ability, acceptable to the governments of both countries, who shall have sole and complete authority for the conduct of the campaign and who shall—insofar as the United States is concerned—be responsible only and directly to the Secretary of Agriculture.

5. That there shall be a congressional observer who shall work in coordination with the professional staff of the House Committee on Agriculture, whose duty it shall be to observe continuously and report to the Congress the progress of the program hereafter undertaken, with authority to see and examine all the books, records, and documents of the Joint Commission and of the Department of Agriculture pertaining to the campaign against the disease.

6. That the cost of the program hereafter shall be shared by the two governments on substantially the basis on which the campaign was being operated immediately prior to November 26, 1947.

7. That the program substantially as outlined herein shall be made the basis of a new agreement between the Governments of the United States and Mexico.

COMMITTEE ON FOOT AND MOUTH DISEASE OF THE COMMITTEE ON AGRICULTURE,
GEORGE W. GILLIE, *Chairman*,
SID SIMPSON,
ERNEST K. BRAMBLETT,
WALTER K. GRANGER,
EUGENE WORLEY.

Armistice Day Address

EXTENSION OF REMARKS
OF
HON. JOSEPH P. O'HARA
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. O'HARA. Mr. Speaker, my attention has been called by Judge Joseph J. Moriarty, of the Eighth Judicial District of Minnesota, to a speech made by Miss Betty Fossum, a student at the Central High School of Norwood-Young America, on Armistice Day of this year. Miss Fossum's speech is an exemplification of the thinking of our young people regarding some of the problems which confront us. She is to be congratulated upon having stated the problem so eloquently and succinctly.

Under leave to extend my remarks in the RECORD, I include the following speech:

We have gathered here today to honor the men who so gallantly fought and died that we may live in comfort. In a few moments we will pay silent tribute to these men. It is then that our thoughts turn to those who are absent.

If, by some miracle, these men could speak to us today I feel they would caution us about our methods of establishing world peace. Our world of today is one of friction and chaos. Fear overrules the world. People in all nations are hungry, cold, and homeless. In their simple way they appeal to us. Isn't it up to us to answer their appeals by sharing some of our material wealth?

Our Government is asking a small favor of us when it asks us to conserve food in the homes, restaurants, and in the school lunch rooms. Hereafter, may we let our conscience guide us.

After every war comes a period of readjustment when displaced persons must find new homes. America will have her share of these people. It is up to us to accept them, open the doors of our hearts to them, and teach them the American way of life.

Throughout our Nation today there is friction in various groups. Such evils as racial and religious prejudices should not be tolerated. Vicious inner circles are maliciously plotting against our democratic rights. We Americans should form a league of honor against these evils. Democracy has always been carried near our hearts, and let us continue to carry it there.

We, the young people, can hold our heads high for we are proud to be Americans. But we have a great responsibility—in our hands lies the future of America. It is never too early to learn good citizenship and good citizenship starts in the home communities. We must learn to respect one another's property and rights, and we must remember we all have the same privileges, for we are all created equal.

These men have made their appeal to us. They have stressed world peace, lasting peace, that they have not fought and died in vain. Can we fail them?

I quote from the Reader's Digest: "If there is righteousness in the heart there is beauty in the character. If there be beauty in the character there will be harmony in the home. If there is harmony in the home, there will be order in the Nation. When there is order in the Nation, there will be peace in the world."

Cure for Inflation: General Measures, Not Price Control

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. MACKINNON. Mr. Speaker, under leave to extend my remarks, I include an editorial from the Minneapolis Sunday Tribune, December 7, 1947:

CURE FOR INFLATION: GENERAL MEASURES, NOT PRICE FIXING

(By Arthur Upgren)

Practically everyone agrees the cost of living has been going up too speedily. We may properly worry also about a third inflation-boosting round of wage increases in a drive launched by the CIO. Yet I think we must avoid price control and rationing. The reason is that even worse distortions then are introduced into the economy. When one price is controlled, purchasing power is piled up in buyers' hands. It is used in other directions to cause still more inflation.

People who work in the lines that bear the heavy hand of price control try to escape. They try to find their jobs in uncontrolled areas. No raw materials flow into making the commodity whose price is controlled. They, like the workers, command a higher price over in the uncontrolled fields.

HOW IT WORKS

The more we control some prices, the higher all other prices go. That's inflation. In France the price of wheat was controlled to make bread cheap. But now the wheat there flows into anything but bread. It helps make meat for sale in black markets.

The trouble with price fixing is that it deals with symptoms, not causes. Two hundred years of economic history have proved the everlasting dangers of price fixing.

What is needed are sound plans to reduce the purchasing power the people are spending. That is a general measure. Price control is a specific measure. General measures do not upset price relationships. We go on having a free price system—easily the best as judged by today's price trouble everywhere else in the world.

Businessmen continue to make their price and cost calculations if we adopt only general measures. Workers, as consumers, then buy goods whose prices have not been juggled by specific measures. General measures can reduce purchasing power. As soon as output or productivity rises, general measures can be eased to allow a greater amount of purchasing power. That greater purchasing power can then buy that larger product.

How can general measures be adopted? What will be their effects?

SAVINGS IMPORTANT

One "general measure" is for the American people to increase their savings. Not spending helps hold prices down. Then the saver can spend later and get a lot more for his money. The Treasury and its Under Secretary, Daniel W. Bell, told us at the start of the war:

"If you don't save, all your money will go for higher prices.

"If you do save, you can buy all the goods there are, anyway, and have your savings, too."

The schedule shows how our savings rose. It shows, too, how they fell after the war, to cause the spending spree that gives us the inflation headache we are having.

The recent savings record of the American people is almost as bad as to make us say:

"We deserve the inflation we are getting. If we insist on spending before new, high production is realized, we're only wasting our money."

This applies to all of us. It even applies to industry and business. A survey of current business showed recently that business plans to try to spend $15,000,000,000 for plant and equipment this year. Last year it spent $12,000,000,000. Even $12,000,000,000 was a new all-time high by a good margin.

Business should spend for improved productivity—but not so much for expansion with no greater efficiency. Here is a job for the bankers who have been, and will be, lending to business.

OTHER MEASURES, TOO

Other general measures, too, can be adopted: Slowing down consumer credit, reducing business and commercial credit, reducing over-all bank credit, continuing high taxes. Increasing discount rates, too, will help very much psychologically in showing that banking authorities also agree we should be defended further against inflation.

It would be near tragic not to be "debating and adopting" these measures now. We propose to adopt the Marshall plan. We also hope greatly to enlarge housing. We may adopt other employment sustaining measures. All that in the way of employment-sustaining measures allows us to "boil down" our excessive inflation of prices of today.

In these ways we can produce a sound basis for a long-run period with the highest prosperity we have ever known. Fair and reasonable prices, shorn of inflation, are the cornerstone for that objective.

Consumer income and savings

[Figures in billions of dollars]

	Net savings of consumers	Consumer spendable income
1940	4	76
1941	10	92
1942	25	116
1943	30	132
1944	36	146
1945	29	151
1946	15	153
1947	11	[1] 175

[1] Based on 9 months.

Salaries of Postal Employees

EXTENSION OF REMARKS
OF
HON. FRANK L. SUNDSTROM
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. SUNDSTROM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter from Mr. Thomas F. Flanagan, publicity director of the New Jersey Affiliated Postal Employees Legislative Committee, concerning salaries paid postal service employees, together with a story on the high cost of living from the Newark Evening News:

NEW JERSEY AFFILIATED POSTAL EMPLOYEES LEGISLATIVE COMMITTEE,
East Orange, N. J., December 7, 1947.
Hon. FRANK L. SUNDSTROM,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I am enclosing the attached clipping from the Newark Evening News of December 3, 1947. As a representative of the New Jersey Affiliated Postal Employees Legislative Committee, which represents 10,000 postal employees in New Jersey, I wish to call to your attention the ever increase in the cost of living, especially in the area of your congressional district. This clipping proves that the Newark (N. J.) area is the highest in the country according to the latest data available.

On behalf of the 10,000 faithful postal employees in New Jersey, the letter carriers who deliver the mail, the postal clerks who sort the mail, the railway mail clerks who keep the mails moving in transit and the postal supervisors who see that all functions of the great mail services are carried out in an efficient manner I plead with you and through you with the Members of Eightieth Congress to act favorable on a substantial basic salary increase for all these faithful employees. Our salaries are fixed by Congress and we must depend on Congress to act in our behalf. I do hope that you will use your good graces of your office to influence the House Committee on Civil Service and Post Offices to take early action on a basic salary increase to meet this ever increase in the cost of living.

We will appreciate anything that you can do to be of help to us in the postal service. We will appreciate anything you can do for us in this Congress. With best wishes to you, I remain,

Sincerely yours,
THOMAS F. FLANAGAN,
Publicity Director, New Jersey Affiliated Postal Employees Legislative Committee.

[From the Newark (N. J.) Evening News of December 3, 1947]

CITY SETS HCL PACE—TOPS UNITED STATES WITH RISE OF 3.7 PERCENT IN MONTH

Newark had the doubtful distinction of experiencing the biggest monthly jump in living costs in the country—3.7 percent—according to the National Industrial Conference Board's latest consumer price index.

The jump, as recorded in mid-September over the previous month was 1.6 percent for the Nation as a whole. Detroit had the lowest increase—0.3 percent. Close behind Newark for the price skyrocket sweepstakes came Macon, 3.3, and Minneapolis, 2.9.

The biggest jump here, of course, was in food, which rose 5.6 percent in a single month—enough to make almost any housewife dizzy. Sundries were up 3.6 percent, housefurnishings 3.1 percent, fuel 0.7 percent, and clothing 0.3 percent. Only housing showed no change.

FOOD UP 24.6 PERCENT

As compared to a year ago, food costs here are up 24.6 percent, housefurnishings 13.9 percent, and sundries 8.9 percent.

The jump for a year in Newark was 14.3 percent, taking 1923 as a base. Figuring August 1939 as a base, the index had shot up to 154.6 in September, as compared to 149.1 the previous month and 135.3 a year ago.

The National Industrial Conference Board is the only non-Government agency which gathers consumers' prices for the country as a whole. The full name of its survey is Index of Quoted Retail Prices for Consumers' Goods and Services Purchased by Moderate-Income Families.

Rationing of Food and Fuel

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. PHILBIN. Mr. Speaker, I am inserting in the RECORD today two articles from the New York Herald Tribune which ought to give Members of this body food for thought.

The first is an article entitled "Congress Gets Bill To Ration Food and Fuel," and the second is an article headed "Russia to end rations by January 1, cut prices, 'consolidate' ruble."

While I am not unfamiliar with the chicanery and misrepresentation, cheap propaganda and patent deceit, of advocates of the Soviet system, yet there is something not only paradoxical but ironical about the fact, if it is true, that Russia should be terminating rationing and economic controls and reducing prices at a time when the American people are suffering from the highest prices in history and this Congress is considering the reestablishment of rationing and price fixing.

The situation illustrated by these articles indicates the urgent need of immediate action by this body to deal with our own social and economic problems along democratic lines, and not along totalitarian lines.

The articles follow:

CONGRESS GETS BILL TO RATION FOOD AND FUEL—HARRIMAN OFFERS PLAN TO ALLOCATE SCARCE ITEMS, EXTEND EXPORT CURBS—WOULD PERMIT UNITED STATES TO BUY FOOD CROPS—REPUBLICANS ARE COOL TO PROPOSALS, WILL PRESS FOR VOLUNTARY PROGRAM

(By Raymond J. Blair)

WASHINGTON, December 9.—A sweeping administration bill to authorize consumer rationing of food, fuel, and other items, priorities, allocations, and inventory control for scarce commodities, export-control extension, and Government purchase of entire food crops was given to Congress today.

The measure is the first concrete piece of legislation submitted by the administration to support parts of President Truman's embattled 10-point anti-inflation program since he presented it to a joint session of Congress November 17.

The bill was placed before a Senate Judiciary Subcommittee by W. Averell Harriman, Secretary of Commerce.

It covers in one stroke 4 of the 10 points in Mr. Truman's program. Administration officials are preparing suggested legislation to carry out the other 6 points. These are: control of consumer and bank credit, regulation of speculative trading on commodity exchanges, marketing of livestock and poultry at lower weights, expansion of the voluntary food-conservation program and encouragement of greater foreign food production, rent control, and selective price ceilings, and such wage ceilings as are necessary to maintain them.

CROP PURCHASE SUGGESTED

Although the administration draft stated specifically that it did not authorize the "direct establishment" of maximum prices, it developed that the requested authority to purchase entire food crops would enable the Government to fix the prices of these crops and thus exert indirect price control upon consumers. This was brought out in questioning of Adrian Fisher, Commerce Department Solicitor, by Senator JOHN S. COOPER, Republican, of Kentucky, the subcommittee chairman.

The initial reaction of Senator COOPER and other Republicans was that the requested grant of authority was far too broad. Republican leaders, therefore, proceeded with drafting their own program of voluntary price reductions and allocations of scarce commodities. Senator ROBERT A. TAFT, of Ohio, chairman of the Senate Republican policy committee, announced that House and Senate Republican leaders would hold another closed meeting on their program tomorrow. The leaders launched the program at a session last week.

REPUBLICAN PROGRAM

The Republican plan, being pushed as an alternative to Mr. Truman's, is based on giving the administration sufficient funds to promote a voluntary industry program of reducing prices and sharing scarce goods. Presumably, labor also would be called upon to hold down its wage demands.

The administration has told Congress it will try voluntary steps first before resorting to controls, but it is opposed to the Republican emphasis on voluntary means alone.

Secretary Harriman said today that voluntary cooperation by industries would solve most of the problems, but contended that mandatory powers were needed to force uncooperative firms into line to protect them against contractual commitments and maintain a competitive economy.

The heart of the Republican program is to amend the antitrust laws so as to protect from restraint-of-trade prosecution firms which enter into price-fixing or allocation agreements after consultation with the Federal Government.

The administration bill contains such a clause. It authorizes Government officials to try to promote voluntary agreements with a view to averting the use of mandatory powers. Then it adds:

"Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act."

Senator COOPER, whose subcommittee had been considering only legislation to extend export controls and Federal authority to allocate a few scarce goods, said he was "overwhelmed" by the scope of the administration bill. He stated that it would have been possible to act on the export-control legislation before the expected December 19 Christmas

recess, but added that the broad bill presented by Mr. Harriman could not be considered before that date.

The bill would do the following:

1. Authorize the President to apply priorities when he found that prompt filling of a contract was needed for production of items affecting industrial production or the cost of living or essential to carrying out the foreign aid programs.

2. Authorize, for the same reasons, allocations of these commodities to the most essential users: tin and tin products, antimony, cinchona bark, quinidine, nitrogenous fertilizer materials, grain and grain products, rice and rice products, dried beans and peas, fats and oils of vegetable, animal or marine origin, fatty acids, margarine, soap, soap powder, livestock, poultry and their products, milk and milk products, and freight cars and other railroad facilities.

3. Provide power for consumer rationing through this allocation authority.

4. Empower the President to restrict and control inventories of scarce commodities.

5. Authorize these allocations, priority and inventory controls until March 31, 1950, unless ended earlier by Congress.

6. Extend export controls, which expire February 29 until March 31, 1950.

7. Provide for quarterly reports to the President and Congress on operation of the controls.

8. Empower the Commerce Department, when licensing exports, to give preference to firms which have the lowest prices, and to fix export premiums. This authority is designed to attack what President Truman has charged is "profiteering" in the export trade.

The proposal of Marriner S. Eccles, chairman of the Federal Reserve Board of Governors, to require all banks to establish an additional reserve was opposed as impractical and inequitable by Edward E. Brown, chairman of the board of the First National Bank of Chicago and president of the Federal Reserve Board's Advisory Council. He appeared before the Senate-House economic committee.

The House Banking and Currency Committee was told by J. M. Mehl, Chief of the Commodity Exchange Authority, that it probably would not be necessary to raise margin requirements on grain futures above 33⅓ percent now, even if Congress grants such authority. This is the present margin requirement. Mr. Mehl said he would leave this figure alone, "until there is evidence of speculative influences developing."

RUSSIA TO END RATIONS BY JANUARY 1. CUT PRICES, "CONSOLIDATE" RUBLE—STORING OF MATERIALS AND FOOD RESERVES AGAINST ANY EVENTUALITY STRESSED

(By Joseph Newman)

Moscow, December 9.—Georgi M. Malenkov, a member of the Politburo of the Communist Party, announced in a statement published here today that rationing will be abolished in the Soviet Union this year. The announcement is of great interest and importance throughout the Soviet Union.

He made two other important announcements bearing on developments in the Soviet economy by the end of this year: that prices are to be reduced and that the Soviet currency is to be "consolidated."

Mr. Malenkov's disclosures of economic plans to be carried out by the end of this year (which means within the next 3 weeks) were contained in a report he made at the founding of the international Communist Information Bureau (Cominform) in Poland last September. The text of his report filled two pages of today's four-page edition of Pravda, Communist Party newspaper.

With Andrei A. Zhdanov, another member of the Politburo, Mr. Malenkov was one of two Soviet representatives at the founding of the Cominform by the Communist Parties of nine European countries. His report is comparable in importance to the one made at the same time by Mr. Zhdanov, who announced the division of the world into two blocs—imperialist and anti-imperialist—and called for international action to undermine the Marshall plan.

DEFENSE MEASURES STRESSED

Besides announcing the end of rationing and changes in the currency, Mr. Malenkov made the following points:

1. The current 5-year plan seeks to develop further the defensive capacity of the Soviet Union and to supply the Soviet armed forces with the latest military technology.

2. The 5-year plan is being revised to increase the development of certain industries.

3. Tremendous importance is attached to storing material and food reserves required for overcoming all sorts of difficulties and as a true guaranty against eventualities of all kinds.

4. In view of the current international situation the Soviet Union cannot count on the importation of considerable quantities of equipment from abroad, and therefore efforts are being made to establish a greater measure of self-sufficiency.

5. The Communist Party of the Soviet Union is now concentrating on improvement of the quality, instead of the quantity, of its membership, which increased during the war from 3,800,000 to 6,300,000 at present.

6. Recently the party has unleashed a resolute campaign against various manifestations of servility to the bourgeois culture of the west. * * * Survivals of these old capitalist notions are now being utilized by agents of American and British imperialism, who are sparing no efforts to find, within the U. S. S. R., support points for their espionage and anti-Soviet propaganda.

7. The Central Committee of the Communist Party is now preparing a new party program because the present one has been long obsolete, and is making changes in the charter of the party.

8. The foreign policy of the Soviet Union and democratic countries is directed toward undermining imperialism. * * * The ruling clique of American imperialists * * * is preparing new war plans against the U. S. S. R.

9. The class struggle has now been shifted to the international arena and here our party is called upon to try its weapons in battles against the cunning businessmen of bourgeois politics.

10. The Communist Party of the Soviet Union is selecting and training cadres capable of assuring that the party line is followed in foreign policy.

Mr. Malenkov noted that the successful Soviet harvest had provided "conditions for abolishing the ration-card system in the Soviet Union this year." He said the Soviet state can now return to normal commodity circulation and the general development of production and consumption. The agricultural drought last year, he said, made it necessary to postpone derationing until this year.

Mr. Malenkov announced that the Soviet state already has taken steps to abolish the current multiple-price system in preparation for derationing.

Since the German invasion of Russia in 1941 and the institution of rationing, about four different price levels have been in force here:

1. For rationed food and clothing. These are the lowest prices.

2. For unrationed food and clothing sold in state stores at what are called commercial prices. These are usually the highest prices.

3. For food and clothing sold by cooperatives. These prices are below the commercial but higher than the rationed prices.

4. For foodstuffs sold in the open market by peasants. These prices fluctuate in accordance with supply and demand.

Foods still being rationed are bread, cereals, meat, fats (butter and oils), sugar, tea, and salt. Other rationed goods are matches, shoes, rubbers, cloth, knitted goods, and clothing.

According to Mr. Malenkov's statement, all these goods will be derationed in the next 3 weeks and will be sold at uniform prices in state stores. Since last year, when rationed prices were increased, commercial prices were reduced. The new, uniform, unrationed prices will be fixed at a point which closes the present gap between rationed and commercial prices.

Politics or Economics

EXTENSION OF REMARKS

OF

HON. HARVE TIBBOTT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. TIBBOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include the following editorial from the Johnstown Tribune, Johnstown, Pa., December 3, 1947:

POLITICS OR ECONOMICS

The worst feature of the present impasse in Washington is the prevailing confusion between politics and economics. Each side is looking past the immediate threat of inflation to the Presidential elections less than a year from now.

As an example, President Murray and his vice presidents of the CIO have announced their support of another round of wage increases early next year. On the face of it, that is a purely economic question. In fact, the CIO is notoriously political-minded, and has already made it plain that it intends to support President Truman in 1948. How much of its conclusion was dictated by economics, and how much by a desire to discount Congress and if possible stampede it in the direction Mr. Truman has chosen?

A short time ago Walter Reuther, president of the United Auto Workers, one of the biggest CIO unions threatened wage demands unless prices were rolled back 12 percent. It was evident then, and is evident now, that a roll-back of prices cannot be expected early next year. The administration has no such hope, even if Congress gives it every law it has asked. Therefore it will be just as well not to gamble that anything Congress can do will prevent the third round of wage demands.

As for the administration's plans, they still give no evidence of workability. Secretary of Commerce Harriman told a House committee this week that "if we should wait too long, Congress may well be faced with the hard choice between disastrous delay and a hasty, ill-considered law." But the chairman of the committee, Representative JESSE P. WOLCOTT, of Michigan, said: "I have been sitting on this committee since 1932, and I have yet to hear a program as vague as this presented to us. I wouldn't know how to write a bill to carry out your purposes without giving you blanket powers."

Despite all its efforts, Congress has been unable to draw from administration spokesmen anything except the broadest generalizations. The authority they ask would be merely a delegation of the authority that Congress possesses, without the remotest idea of how or why or where it would be exercised. That is not lawmaking. It is the reverse—an abdication of the place that Congress holds as a coordinate branch of government.

Europe's Wealth in United States

EXTENSION OF REMARKS
OF
HON. WALTER NORBLAD
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. NORBLAD. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include therein the following editorial from the News-Sentinal of Fort Wayne, Ind., of Monday, December 8:

EUROPE'S WEALTH IN UNITED STATES

Will Congress, as it considers sending $20,000,000,000 abroad to finance the Marshall plan, overlook the fact that over-all foreign holdings in America total $27,000,000,000?

The Administration has disclosed officially through the National Advisory Council on International Problems, that gold holdings of foreign countries in the United States alone total $14,000,000,000. Short-term deposits and long-term stocks, bonds, and other investments amount to $13,000,000,000, according to the NACIP.

This is the first statement of foreign holdings we have seen recently. It should throw an entirely different light on the problem of appropriating American wealth to foreigners owning such vast resources in this country.

The $27,000,000,000 figure, incidentally, surpasses by nearly 10 billions the earlier disclosures of an independent survey made by the North American Newspaper Alliance. Its total of gold and investments secreted in this country by foreign citizens was $17,000,000,000.

What is the extent of holdings by citizens of the 16 nations which banded together to ask for the Marshall plan hand-out? The Government says its $13,000,000,000, which is only 3 billions less than the minimum of 16 billions these countries say they must have.

That isn't the extent of their North American holdings. Another $2,000,000,000 is held by Canada and Newfoundland and approximately $11,300,000,000 by other countries.

Senate Finance Committee spokesmen said that while the earlier NANA revelations seemed startling at the time, they actually were highly conservative in contrast to official reports.

There are other things Americans would like to know. What portion of the United States wealth is held by governments and what portion by individuals? How much revenue is thus realized? If the amount is considerable, to what extent, if any, is it being invested in rehabilitated business enterprises in Europe?

Part of the answers may come if Representative WALTER NORBLAD, Republican member of the Finance Committee, wins approval for his joint resolution requiring the Treasury and the Commerce Department to list owners of foreign holdings and all related information within 30 days. This ought to be in the hands of Congress before it acts on any European recovery plan.

It will be noted that it was Representative NORBLAD, a rival party spokesman, and not the administration, who released the report. The Oregonian demands legal steps for forcing use of at least a part of the huge hoard of European wealth in effecting the Continent's recovery.

Much ado has been made of the Marshall plan provision that the beneficiaries must demonstrate ability to help themselves as a condition of assistance.

Here, then, is the acid test of how much the 16 nations want to realize help from their own resources.

"But," it may be said, "using resources of individuals would be confiscation."

Let's see. One of the big arguments for the Marshall plan is that this country is so rich and well off that it can easily afford to give aid. To some extent, this Nation can. But the $20,000,000,000 program would entail sacrifices and foul up our economy. Before that's done, isn't it logical that western Europe should first draw on its own resources, private or Government-owned? Otherwise, the American citizen will, in effect, be subject to the legalized confiscation that comes with excessive taxes, higher prices, and further scarcities of vital commodities.

Truman Is Talking Us Into a Meat Famine

EXTENSION OF REMARKS
OF
HON. GLENN R. DAVIS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. DAVIS of Wisconsin. Mr. Speaker, the farmers of my district—and it is an important agricultural area—are concerned with the President's threat of rationing and price controls, and with what those messages will do to the already short supply of food. Many farmers already have begun to curtail operations.

Mr. Speaker, I include a letter which I have received from a constituent in my home county, which is an indictment of the wasteful and contradictory farm policy of this Administration:

PLEASANT VALLEY RANCH,
Elm Grove, Wis., December 4, 1947.

Representative GLENN R. DAVIS,
House of Representatives,
Washington, D. C.

DEAR SIR: President Truman's threat of rationing and price roll-backs is seriously discouraging food production. Why don't you check with a number of farmers to find out how much they are curtailing their operations as a result?

We think an accurate survey would show an alarming decline. This is partially due to the short corn crop and poor prospects for winter wheat, but fear of rationing is making it acutely worse.

Truman is talking us into a meat famine. The hoarders already are buying up meat. You can show the people where the blame really belongs by revealing the damage that ration and roll-back threats are doing.

If you get the facts, the tables will be turned and Truman will be over his own pork barrel. The only conceivable way to head off high prices and critical food declines is to encourage farmers to produce.

Corn is short, but to counterbalance it, we have one of the best hay and protein feed crops in history. Humans can't eat hay. Livestock feeders can convert it into milk and meat and conserve on grain—if rationing and roll-backs are not on their list of worries.

Further, if you will investigate the Federal Government's own meat graders, you will find that they themselves are the cause of wasteful cattle fattening—by insisting on an overfat carcass for prime and choice grades. Tender, tasteful meat can be produced with half the corn required for prime beef—and housewives like it better. The United States meat grading system is itself encouraging a lard-type beef, like the old lard-type hog, which is wrong and wasteful.

Cordially yours,

CARLTON D. STODDARD.

Benefits Versus Costs in Federal Spending

EXTENSION OF REMARKS
OF
HON. ALBERT RAINS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. RAINS. Mr. Speaker, Senator JOHN SPARKMAN, of Alabama, delivered an address on December 4, before the Congress of American Industry, in New York City, on the subject Benefits Versus Costs in Federal Spending. I commend this address to the attention of the Members of the House.

Gentlemen of the Congress of American Industry, the topic which you have given me the privilege of discussing with you—Benefits Versus Costs in Federal Spending—has a certain ring of familiarity. I remember that this topic was discussed frequently in the debates of the Eightieth Congress. One would find much about it in the pages of the CONGRESSIONAL RECORD. In fact, it seems safe to say that the bulk of the pages of the CONGRESSIONAL RECORD for 1947 deals directly or indirectly with this subject.

In your invitation to me you suggested that I outline what I believe to be "social values attainable through liberal exercise of Federal Government spending powers." Perhaps first of all we had better take a look at that word "liberal" which means so many different things to different people. You may remember Kipling's story of the man who invited all the animals in the world to a feast. He assembled thousands upon thousands of tons of food of every sort, whereupon one big animal rose up out of the depths of the sea, swallowed all the assembled food at one mouthful and grumbled at the stinginess of the meal. On the other hand there was the Scotchman who woke up one morning and said to his wife, "Maggie, it's ma birrrthday! Spare na expense! Gie the canary birrd another seed!"

I believe too that in considering this subject we should keep in mind the simple definition that Government exists for the purpose of doing those things for the common good which could not be effectively done by individual citizens or States acting separately.

LIBERAL VERSUS WASTEFUL SPENDING PROGRAM

In my opinion, liberal spending means a program that avoids both extremes, that of extravagance and that of parsimony. It should be measurable by many of the criteria by which sound private investment is measured. Such criteria include examination of the soundness of the objective, the wisdom and efficiency of administration, and an evaluation of the results obtained in the light of the expense incurred. In making such an evaluation there is one fundamental difference between Government and most private spending. While many governmental projects are self-liquidating and, therefore, may be assessed on an accounting basis, others find their justification in social values that increase the productivity and wealth of the Nation as a whole, but cannot be measured by a dollar-and-cent yardstick.

It should be particularly emphasized that liberal spending does not mean wasteful spending. It is my understanding that my good friend and distinguished colleague, Senator BYRD, for whose ability, industry, integrity, and sincerity I have the greatest admiration, is to speak to you on this same topic. He will doubtless call to your attention many instances of overlapping and duplication of work in the Federal Government structure. This is an extremely important

problem which has engaged the attention of succeeding administrations over a long period of years. It will be a continuing problem just as organization and administration are continuing problems in any large business, Government or private.

The Congress achieved some success in streamlining itself through the Reorganization Act of 1946 and should show further improvements as the new changes are understood. A nonpartisan commission is studying now to make suggestions as to how the executive branch may be reorganized so as to avoid unnecessary duplication of work in its several agencies. These are good signs. Certainly, in the performance of the Government's business waste should be reduced to a minimum, and excessive personnel should be removed from the pay rolls. A sane spending program does not preclude either.

GOVERNMENT SPENDING PROGRAM AS OLD AS GOVERNMENT ITSELF

At the outset it should be realized that the American people have shown social consciousness for many years. Contrary to current opinion held by some, the Government-spending program is not a fad that has developed overnight or even with the advent of the so-called New Deal. Our Government's efforts to take care of its citizens and to promote projects of national benefit are as old as the Government itself.

Let us take a quick backward look at the development of Government spending as it has adapted itself to the changing needs of our country, and the evolution of our social and economic institutions. From the earliest days of our Republic the Federal Government took responsibility for national survival and security. An early step in meeting the needs of a young people was the establishment of the Post Office Department in 1794. Federal spending for internal improvements, such as highways and canals, was the subject of early and bitter debate on constitutional grounds. President Madison vetoed such a bill in 1817. Large-scale Federal spending on highways did not take place until passage of the Federal Aid Road Act of 1916. By that time the problem to be dealt with had changed. Development of the automobile, the rapid settlement of the country, and the tremendous growth of the industrial life of our Nation had made interstate highways a matter of national concern. Indeed, all forms of transportation have rightfully come to be considered matters of national importance. The Federal Government, and also the State and local governments gave huge grants of land, as well as subsidies and other favors, to the railroads of the country. This use of Federal property, like the Homestead Act of 1862, brought the inestimable social gain resulting from the opening up of the continent to settlement, thus contributing to the phenomenal growth of productive wealth which has characterized our history. The construction of canals, the improvement of rivers and harbors, the undertaking of such projects as the Panama Canal, the Mississippi River improvement, and the intercoastal waterway have all been projects of the Federal Government. We have come a long way from the thinking of an earlier day in this respect. A need was there, and the need was met.

GOVERNMENT SPENDING FOR PUBLIC EDUCATION ONCE DENOUNCED

Free public education was bitterly condemned as socialistic at the time of its adoption. Now it is recognized as one of our most priceless possessions. While the financing of education has been thus far a responsibility borne almost entirely by the States and local communities, the Federal Government played a part by enacting the Morrell Land Grant College Act in 1862 under which millions of acres of land were granted to promote education. Sixty-nine such colleges were established. Today members of both major political parties, recognizing the need for equalization of educational opportunity among our citizens, are advocating Federal aid to the States for general education purposes.

COMMON NEEDS REQUIRE GOVERNMENT EXPENDITURES

In these, and numerous other instances, it will be seen that action was taken in response to a need and not because of some theory of planning or in order to centralize power. We have become a great Nation because we have kept ourselves flexible; because we have kept marching forward. Yet, at all times in our history there have been those who lagged a little behind the procession.

PRESERVATION OF NATURAL RESOURCES LED TO NATIONAL AID PROGRAMS

As we look back at the pattern of our evolution, we see that almost all the programs of today have their roots in earlier developments. For example, as our irreplaceable natural resources began to be seriously depleted, we undertook measures for their conservation and improved use. In 1839 Congress gave the first appropriation for agricultural research. The Bureau of Biological Survey was established in 1885; the Bureau of Animal Husbandry in 1884; the Bureau of Fisheries in 1871; and the development of agricultural experiment stations in the various States was authorized by the Hatch Act of 1887. The Bureau of Chemistry and the Bureau of Soils were created in 1901. All of these programs were undertaken in recognition of the social values to be obtained by helping to improve agricultural activity and to conserve our resources by means of governmental research and technical help. From these beginnings have blossomed our soil conservation program and our many valuable research programs of today.

As early as 1891 Congress set aside 2,500,000 acres of land for forest reserves. In 1901 the Bureau of Forestry was established, which became in 1905 the Forest Service of the United States. A great movement for reclamation and irrigation based on the Reclamation Act of 1902 was undertaken during the Presidency of Theodore Roosevelt. The social value of all these measures was recognized as contributing not only to our national prosperity but to our very survival. It was recognized also that these problems could not be successfully met by individuals acting in their private capacity. They were of national scope.

CONSERVATION OF HUMAN RESOURCES IMPORTANT GOAL

As our country developed and as our whole system of production, both agricultural and industrial, became less a matter of individual skill and more a matter of mass production scientifically organized, new problems arose. Just as in the pioneer days when we did not recognize that our natural resources would not last forever unless conserved, so did we not at that time foresee the problems of individual security which a more mature economy would present. However, conservation of our human resources was a natural step to succeed measures for the conservation of soil resources.

Serious dislocations in our economy resulted in the Federal Farm Loan Act of 1916 and the Agricultural Credits Act of 1923. Such precursors of our present farm-support program came because it had been found that the welfare of individual farmers was of vital importance to the welfare of the Nation as a whole, and that changed conditions had made impossible the solution of the problems of the farmer on an individualistic basis.

OUR NATION NOT STATIC; PROGRESS REQUIRES CHANGE

These examples that I have cited seem to me to demonstrate that the scope of our objectives has progressively widened in response to definite needs and problems. The pattern of change has been gradual, far antedating the programs of the New Deal. Moreover, the direction of the change has corresponded to the general direction of man's evolution. I call your attention to the fact that we began by talking about considerations of mere survival, from which we quickly moved to considerations of the well-being of our material assets, and now we are talking about the well-being of our human assets. We have in recent years developed Federal programs for health, recreation, full employment, for fair wages and good working conditions, for adequate housing. Our programs for extension of electricity in rural homes and for the multiple-purpose projects in our river valleys have been motivated by the desire both to increase productivity and to increase cultural opportunities. Similarly man through the ages has struggled first for survival, then for material prosperity, and gradually for higher moral and spiritual values. The scientific developments of the last few years have confronted us with a new necessity for moral progress. If we are able to meet this challenge as the world becomes more stabilized, we can dare to hope that a smaller proportion of our budget will need to be spent on national defense and that we can then devote a greater proportion of our expenditures to productive uses.

However, we must come back to the immediate and practical problems of today. Are these Federal programs costing us more than we can afford?

THINKING OF RECENT CONGRESS

Evidently those in charge of the recent Congress think not. During the Eightieth Congress many verbal blasts were let loose at the so-called socialistic legislation of the last 14 years, and yet I do not recall that any Congressman or Senator openly advocated the repeal of a single law passed during President Roosevelt's term of office. It is true that a partially successful attempt was made to cripple some of the essential services by denying adequate appropriations, but this roundabout procedure of circumventing the laws of Congress is, to say the least, a refusal to face the issues squarely. In fact, one congressional leader of the majority party was careful to claim as the first session came to an end that no social gains made during the last few years were lost.

Some of you who followed closely the record of the Eightieth Congress perhaps recall the sharp disagreement between the two Houses on the question of expenditures for soil conservation, school lunch, and farm tenant loans under the Farmers Home Administration. In its efforts to make a large and what turned out to be an unattainable budget cut the House had voted to abolish or severely limit each of these programs. The Senate refused to accept the House decision and instead recommended figures very close to those of the President's budget. A joint committee was unable to reconcile the differences and the House voted to adhere to its original decision. When the matter again came before the Senate, on three separate roll calls there was not a dissenting vote on either of the motions that the Senate insist that its larger appropriations be accepted by the House of Representatives.

This one instance is proof that in our efforts to provide essential services necessary to maintain the dignity of our citizens, we accept tomorrow provisions which seem today by many to be contrary to our democratic way of life. When these measures were first advocated they were considered by some to be socialistic. A few still think they are. I do not believe, however, that many of us would term socialistic the entire membership of the United States Senate, Republicans and Democrats alike, who voted unanimously on roll calls for these activities.

It is now obvious that this legislation is only further evidence of the flexibility of the Constitution in enabling our Government to meet more adequately the needs of its citizens.

While it is true that no new social legislation was enacted during the last session, much was introduced. In my opinion, there will be new social legislation passed in several fields in the next regular session of Congress. No less an authority than Senator TAFT, policy maker for the majority party and an avowed candidate for his party's presidential nomination, has affirmed that the Federal Government must play a wide and substantial role in the whole range of social welfare and social security. In some of his campaign speeches throughout the West a few weeks ago he even came within shouting distance of the New Deal objective of using Government to achieve social security for those who cannot achieve social security for themselves.

APPLY THE YARDSTICK OF PRACTICALITY

Let us examine a few programs of unquestionable value which were so strongly opposed at one time and which still are threatened by a few perennial snipers. During the war period our farmers were urged to produce to the utmost food, fiber, and vegetable oils. Although the war is over, the need of the world for food is still as great as ever. Millions of people depend upon our production to save them from starvation. This all-out effort has inevitably meant unusual depletion of the soil from which, even in prewar days, fertility was being drained off year by year. The dollars-and-cents value of the soil-conservation program is demonstrated by the results of a careful survey made by the Soil Conservation Service in 1945 which compared conservation-treated farms with similar farms on which an average of only about half as much conservation work had been done. The results showed that the conservation-treated farms had an average income of $7,332, compared with $5,959 for comparable size farms not so treated, or an average of $4.90 an acre more. Moreover, it has been estimated that soil erosion has cost the country up to $14,000,000,000 since 1933. This figure includes direct cost to farmers, silting of reservoirs and harbors, flood damage, damage to highways and transportation facilities and other measurable costs. It does not include such items as reduced purchasing power, reduced tax value of eroded lands or impairment to health and community welfare. In the same period the Soil Conservation Service has spent $480,000,000 in its fight to stop the waste of our one basic and absolutely essential resource—the soil. From the results attained with this expenditure it seems that an even greater effort would be justified in order to put a stop to the devastating and irreparable waste that still exists on much of our farm land today.

It may be argued that soil conservation is the sole responsibility of the owner of the land. Experience has taught us that while this philosophy sounds good, it accomplishes little. Soil losses in the United States total more than 5,000,000,000 tons annually. About one-fourth of the arable land in this country is already ruined. In a normal production year erosion by wind and water removes 21 times as much plant food from the soil as is removed in the crops sold off this land. Soil conservation is the Nation's business and as such must be attended to by Federal encouragement and direction. The dust clouds which depleted the topsoil of large parts of Kansas, Texas, Oklahoma, and Colorado in 1934 are threatening again. If they return they can be as portentous in their meaning as were the clouds which rose from the atomic bombing of Hiroshima. I, for one, do not want to be a party to the sure ruination of this country by refusing to take steps to avoid further soil depletion.

May I point out here that at least part of the midwestern plains that suffered the tortures of the "dust bowl" in 1934 is no longer afraid. This is because of the expenditure by the Federal Government of a little money and a little effort a few years ago. The proposal by President Roosevelt of a shelter belt met with widespread criticism and opposition. The Louisville Courier-Journal in a recent editorial says:

"Cynics scoffed that the trees would never grow in that arid soil. People in general were skeptical over a scheme to pin down the soil in an area as vast as a Roman emperor's dream. There is not much talk about the shelter belt these days, but nobody laughs at it any more. It has worked."

The cost to the Federal Government was $15,000,000. A quarter billion trees were set out, of which 90 percent survived. As with most Government programs, now that it has proved itself it has been accepted. The Courier-Journal proceeds:

"Acceptance of the program has been quiet but decisive. The conservative magazine Business Week notes that 'many farmers credit the shelter belts for the fact that they are still on their land today.' It describes the benefits in this way: 'The shelter belts have modified winds and kept crops from blowing out of the ground or being smothered by dust; they have curbed soil erosion, conserved ground moisture on protected fields by checking evaporation, improved soil fertility, and possibly increased rainfall. They have brought millions of birds to attack insect pests.'

"Nobody knows how many square miles of farm land have been saved by the shelter belts, and how many more have materially benefited. Statistics are colorless things anyway, compared to the evidence of our own eyes. A trip through the midwestern plains is a revelation, for there across many hundreds of miles is fresh green evidence of restored land, happy and productive, saved for the Nation from hopeless waste."

Forest conservation is another essential program which is the business of all the people. This program is, of course, allied with that of soil conservation. A recent survey by the United States Forest Service showed that in the past 36 years our total volume of standing saw timber has decreased 44 percent. The present annual drain on our saw timber is 50 percent in excess of annual growth. Overcutting of the forests was enormously and necessarily increased during the war. Now three-fourths of all private commercial forest land is divided into holdings which average only 62 acres. The cutting practice on such small holdings is reported as from poor to destructive. Nationwide standards for forest regulation, development of a sustained-yield basis of cutting, and the adequate protection of our publicly owned forest lands are of urgent and immediate need.

The great bulk of the distressed farmers and unemployed agricultural workers are concentrated in regions where the resources of the area have been wrecked by erosion and deforestation. And yet today less than 1 percent of the Federal budget is spent on conservation. History clearly shows that a sure road to a Nation's collapse is refusal to conserve its natural resources.

Another highly desirable and self-liquidating program is the insurance of bank deposits. On September 9 of this year the Chairman of the Federal Deposit Insurance Corporation announced that reduction of the national debt had been accelerated by retirement of more than half of the capital initially subscribed to the Corporation. The sum repaid amounted to $146,595,250, retiring in full the $139,000,000 originally subscribed by the Federal Reserve banks and $7,500,000 of the $150,000,000 subscribed by the Treasury. The remainder of the original capital will be retired in annual sums. Note that the country is now well into its fourth year without a bank failure. I venture to say that few would now abandon this program, which at its inception was fought by many bankers and businessmen.

I could give you many other illustrations of the practical value of Federal programs. I could detail for you the lowered farm production costs and the increase in land values resulting from the REA program which has brought electricity to thousands of rural homes and farms. Not only is the REA program ahead in self-amortization, but it has pointed the way for private power companies to serve rural areas—a venture which the private companies had almost completely neglected. Despite the opposition and protests of most of the private companies to the REA program, there is much evidence to support the belief that the program has been a boon to private electrical companies. There is room for further expansion of rural electrification and, at the same time, larger sales of electricity by private companies.

I could describe the self-liquidating power projects and the great reclamation projects of our Western States. I could mention the great TVA project which contributed tremendously to the winning of the war. I could point out the farm-tenant-loan program which is ahead in its payments to the Federal Government for the money loaned to enable farm tenants to become farm owners. But time will not permit an examination of these programs one by one. Suffice it to repeat that the Eightieth Congress made effort to repeal outright neither such measures as these, nor any of the great programs of human welfare legislation developed during the years of the New Deal. This seems a clear indication of a general public recognition of the value of these programs.

COOPERATION BETWEEN FEDERAL AND STATE GOVERNMENTS

There are two important controversies about which discussions of Federal expenditures so often center. The first of these is the division of responsibility as between the Federal Government and the States and local communities. The second is the over-all size of the budget.

Cooperation of the various governmental units is essential to a democratic solution of the first problem. A judicious balance between Federal and State controls should be maintained. Where Federal financing and supervision is employed, administration should be decentralized as far as practicable and local advisory committees should constantly supply the grass-roots thinking which will keep such programs close to the people. Where funds are granted to the States on a matching basis, provision must be made for adequate standards of use. Again, we must seek a middle course, avoiding Federal dictatorship but maintaining the broad national interest.

HOW MUCH CAN WE AFFORD TO SPEND?

With regard to the over-all size of the budget, it is clear that this should bear a relation to the size of the national income. If our expenditures serve to maintain purchasing power and productivity on a high level, a large budget can be justified. Certainly it has been proved clearly during the course of the efforts to cut the present budget that we cannot return to the prewar level of spending. Not only have costs risen, but we are committed to many new items of expenditure. We are maintaining the armed services at a level greatly higher than prewar size; we have very large expenses related to the veterans program; we have commitments of increasing size and urgency for foreign rehabilitation and emergency aid.

Even a casual analysis of the items of present government expenditures should convince anyone that we can never revert to

the budget figures of prewar days. A comparison of 1940 and 1948 budgets, representative of prewar and postwar years, gives illuminating information.

	1940	1948
Approximate total of budget	9.2 billion	37 billion.
5 chief items of expense:		
1. National defense	1.5 billion	10.4 billion.
2. Veterans	0.5 billion	7.5 billion.
3. Interest on national debt	1 billion	5.1 billion.
4. International affairs and finance (does not include present proposed interim aid)	50 million	4.3 billion.
5. Refund of tax receipts	91 million	2.1 billion.
Total dollars of above items	3.1 billion	29.4 billion.
Percentage of total budget of above items	34 percent	79 percent.
Total dollars of other items	6.1 billion	7.6 billion.
Percentage of total budget of other items	66 percent	21 percent.

I do not think many of us are willing to reduce appreciably our expenditures for national defense until there is more stability in world conditions. Care for veterans will grow rather than decline. The interest on the national debt, four-fifths of which is due to World War II, is stationary except as the debt is reduced. We are committed to more international expense instead of less. Not many businessmen will advocate the discontinuance of the refund of tax receipts. Then, gentlemen, why need we talk of a pre-war budget? In the remaining approximately seven and one-half billion dollars of the budget are included all the services and expenses of the Government not named in the five items listed above. The atomic energy program is part of this amount. Road building, reclamation, hospital construction and other necessary programs discontinued during the war are also included. The increased cost of all these items over the pre-war cost is largely due to salary and material rises.

Thus, it is significant to note that present-day Government expenditures are comparatively the same as prewar except the added expense brought about by war. Economies relating to efficiency can and should be made. But the times are too critical to permit us to risk the stability not only of our own economy but the peace of the world through injudicious slashing. Within limits we can postpone certain undertakings, such as the building of new post offices and certain other public works which can be reserved as a cushion against depression. Even the United States Chamber of Commerce in its recommendation a few days ago came around in support of this proposal, although individual Chambers of Commerce will continue to ask for their own projects. But we should beware of cutting back on programs and services which are needed in good times as well as in bad. Among such programs are flood control, soil conservation, health programs, REA, and research.

RESEARCH

Because of new needs, I want to emphasize particularly research. The importance of research, long recognized in specialized fields, is becoming understood more clearly than ever before. A Gallup poll of October 9 addressed itself to the question of the advisability of an annual governmental expenditure of $2,000,000,000 for various kinds of scientific and miltiary research. Seventy-six percent of those queried thought this a good idea and 50 percent said they would be willing to pay more taxes to make this expenditure possible. Businessmen were among those who most strongly favored this proposal.

The importance of research has also been recognized in the establishment of the President's Council of Economic Advisers, charged with studying the condition of our economy as a whole. The same concept may be applied fruitfully to studies of segments of our economy. For this reason I have joined with several other Senators in introducing a bill which would provide Government aid in the form of studies and technical advice in the industrialization of underdeveloped areas. These areas are to be found in all sections of the Nation. The reorientation of such areas so that they would contribute more fully to our total national prosperity is an important task in our postwar reconstruction.

To sum up, gentlemen, a liberal spending program is desirable in government as in business to the extent that it brings results. As a Nation, we have recognized this throughout our history. We have been flexible in adapting governmental programs to changed needs and circumstances. Recent years have brought more rapid and far-reaching changes than the world has ever before seen. We must continue to meet the challenge with foresight, imagination, and vigor. Business leadership can make an outstanding contribution as it addresses itself to constructive action and forward-looking goals. The spirit which developed the greatest technology that the world has ever known can bring equal ingenuity to bear upon the complex social and economic problems of this postwar era. New concepts will be required; new experiments will have to be undertaken. In the business of government let us be hard-headed but daring, prudent but far-visioned. This is the mixture of practicality and idealism which is needed now more than ever. This is the American tradition which has made our country great.

Aid for Devastated War Areas

EXTENSION OF REMARKS
OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. BRYSON. Mr. Speaker, I have been greatly impressed by the generosity of our people generally in making contributions in money, clothing, and food to the unfortunate of the devastated war areas.

Those of us who live in the South and are descendants of Confederate soldiers probably have greater sympathies for those in distress than those of you who are descendants of Federal soldiers who participated in the War Between the States.

Our own fair Southland was overrun, comparatively speaking, as badly as any of the countries in which recent wars have been fought. The courage of the Confederate soldier, which had sustained him against overwhelming odds in battle and by which his family survived, ultimately restored our section to its present state of prosperity.

Our people are contributing generously to the Friendship Train and through other collecting and distributing agencies of food, clothing, money, and other substances which will sustain life and, we hope, bring some degree of happiness. I cannot, of course, enumerate the many outstanding contributions which are being made. Oftentimes the widow's mite is given in a better spirit than larger gifts.

From my home-town paper, the Greenville News, I clipped the following story:

MILLION YARDS OF CLOTH ARE DONATED BY MILLS FOR EUROPE

One million yards of cloth have now been contributed to Europe's destitute women and children by American textile mills, it was announced here last night by the American Cotton Manufacturers Association.

In making its announcement, the association indicated that the total of cloth thus far donated was, roughly, equivalent to the yardage needed to make 400,000 women's dresses, although it was noted that not all the goods were of a type suitable for this purpose.

The program was initiated in late October when appeals went out to all members of the trade group asking that they give one-twentieth of 1 percent of their 1946 sales for relief of acute suffering in the devastated countries of Europe. In the 6 weeks which have intervened, excellent response has been received from scores of plants.

Final distribution of the cloth is being handled by the American Friends Service Committee, a Quaker organization, and shipment is being made by individual mills to the Quaker warehouse in Philadelphia, from which point overseas shipment is made.

A wide variety of goods has thus far been donated, including sheeting, print cloths, poplin, seersucker, broadcloth, drills, twills, denim, duck, and birdseye. In addition to these items, one mill has contributed several thousand suit . of children's underwear, subsidiary corporations of another have pledged dresses and other items of women's apparel and a third mill has made a substantial donation of turkish towels.

Mills which have advised the association of contributions include the following:

Arcade Cotton Mills, Rock Hill; Blair Mills, Belton; Clearwater Manufacturing Co., Clearwater; D. E. Converse Co., Glendale; Easley Cotton Mills, Easley; Industrial Cotton Mills Co., Inc., Rock Hill; Jackson Mills, Wellford, and Joanna Textile Mills Co., Goldville.

Norris Cotton Mills Co., Cateechee; Plymouth Manufacturing Co.; McColl; Reeves Bros., with plants in Chesnee, Greenville, Spartanburg, and Woodruff, and Bessemer City, and Rutherfordton, N. C.; J. P. Stevens Co., with plants in North Carolina, South Carolina and Virginia; United Merchants and Manufacturers, Inc., with plants in Georgia, South Carolina, Connecticut, and Massachusetts; Wellington Mills, Inc., Anderson, and Woodside Cotton Mills Co., with plants in Fountain Inn, Greenville, and Simpsonville.

Mr. Speaker, I hope that the contribution made by the textile interests, a large portion of which is in our section of the country, will be emulated and followed by other industries. It will be observed from this statement that cloth for 400,000 dresses has been contributed to those who are naked and cold.

Is the Marshall Plan "Operation Rat Hole?"

EXTENSION OF REMARKS
OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to revise and extend my remarks in

the RECORD, I wish to include the following article which appeared in the Saturday Evening Post of November 29, 1947:

IS THE MARSHALL PLAN "OPERATION RAT HOLE"

(By Will Clayton, as told to Beverly Smith, Washington editor of the Saturday Evening Post)

(From the Man Who Knows: Former Under Secretary of State Will Clayton, who continues in the capacity of special adviser to Secretary of State George C. Marshall, is probably better qualified to pass judgment on the Marshall plan than any other American. In this article he reveals findings which are based on the 4½ months he spent overseas directing the first steps of implementing the plan. Before he was drafted into Government service because of his unique knowledge of world economic affairs, Clayton was chairman of the board of Anderson, Clayton & Co., a $50,000,000 firm, the largest cotton brokers in the world.—The EDITORS.)

The doubts of those who are skeptical of the Marshall plan are summed up in the caustic question: "Is this 'Operation Rat Hole'?" It is a heartless phrase, applied to a situation involving the hunger and near despair of 270,000,000 human beings in western Europe. And yet it is a fair question. Americans have every right to ask it. It goes to the essence of the matter.

Here is a proposal that we hand over to Europe, during the next 4 years, goods and money in the neighborhood of $20,000,000,000. Some of it may be in the form of gifts or grants, some in the form of loans. Much of it will not return to America in any tangible form. This great outlay will not be just a bookkeeping transaction. It will represent a certain continuing strain on our economy, a certain sacrifice on the part of individual Americans. There is no use fooling ourselves about that.

The American people, as I know them, will not refuse to make such a sacrifice if they believe a great constructive goal can be attained. They will shrink from it if they believe that our aid will be frittered away by the recipients, leaving Europe as badly off as before, and yielding no permanent good to America and the world.

My own opinion is that the Marshall plan, adequately financed and competently administered, will succeed; and that its success will yield priceless dividends in world peace and security—which also means American peace and security—in comparison with which the cost of the plan will be insignificant.

In simplest terms, it is a proposal that America help western Europe to save herself from economic and political collapse; that we enable these people to continue to eat and work until they can stand on their own feet.

If the plan succeeds, the entire international sky will brighten like magic. With the 16 nations of western Europe restored to health, production and cooperative trade, the world will achieve a new stability which only a madman would attempt to upset.

Yet it must be admitted that success is not certain. This is a risky enterprise. It is something new and strange. As said by the London Observer, "In the whole history of the world, no continent has ever offered to save another from economic catastrophe." It is a task desperately difficult and complex. Most Americans, and even many Europeans, do not realize how close Europe is to a general break-down.

The task will require much from both America and Europe. On our part it will need a combination of understanding, firmness, and tact. We must not only send Europe food, fuel, and raw materials; we must give them something of ourselves. These people are just beginning to recover from great shock. We must be prepared to help them morally and spiritually, and to share with them the new production techniques and new business ideas which we developed while they were under the direct blast of war. In a sense, and for a while, we must stand ready to lead them by the hand. I remember from childhood the verse of James Russell Lowell: "The gift without the giver is bare." All this will bring big returns to us, both in material and spiritual things.

On the other hand, we must insist on certain wise but tough conditions and stand firm for their observance. For if any country willfully fails in its commitments or wastes the working capital provided, it will not only be taking unfair advantage of us and its neighbors but will be jeopardizing the success of the entire recovery program.

Europeans, for their part, must also have understanding if the plan is to succeed. America does not want any hosannas of gratitude, but we are entitled to a fair appraisal of the burden we are assuming, and of our motives—which I take to be a mixture of ordinary human decency, our old tradition of helping friends in distress, and an enlightened self-interest—shared by Europe—in the rebuilding of a free, prosperous, and secure world. Insofar as Europeans swallow the Communist line, which depicts us as a lot of greedy imperialists, dumping surpluses in order to prevent an American depression and to enslave Europe to the dollar sign, the entire program will limp. Men who believe that are not going to do the kind of work which recovery requires. Only if Europeans catch the spirit of this program, feel the pull of this mighty effort in friendly cooperation between countries and continents, will they be able to fulfill the great commitments which their governments have made on their behalf.

These commitments, agreed upon by the delegates of 16 nations meeting in Paris, constitute the best answer we have to the question of whether this program is Operation Rathole. They are Europe's reply to our offer of aid, her promise of good faith and self-help. They set forth an unprecedented schedule of production, stabilization, and mutual cooperation. I doubt if most Americans realize what extraordinary efforts the 16 countries are thus pledging. For example, in production these European countries are planning, during the next 4 years, an expansion from present levels on a scale comparable to that achieved by the United States under the war pressures of 1940 to 1944.

The long-range value of the Marshall plan to all concerned depends largely upon these various European commitments—their extent, their feasibility, their probability of performance. But before discussing the background and detail of these, I would like to go back to what I said about the risks in this enterprise.

I have said that the success of the plan is not certain. There is a possibility that our objectives may not be attained. But never forget that we must judge it in terms of the alternative. If we were to say to Europe today: "We are very sorry, but we cannot give you any further assistance," then we know what would happen in Europe. There is no uncertainty about that. The grim downward spiral, in which each critical shortage begets other shortages, would move faster. Spots of starvation would appear and spread as panic drove remaining food supplies into hiding. Shortages of coal and raw materials would progressively shut down the powerhouses and factories. Disorder, riots and chaos would follow.

In such a situation, it would seem inevitable that communism would take over in both Italy and France. The Communist Party is in the minority in each of these countries, but is headed by leaders trained in the technique of street fighting, revolution and the seizure of power in emergencies.

This would, in turn, leave the smaller countries of Europe isolated and helpless. They live by trade, and the Communists would have the power of shutting off that trade. This would bring Communist domination of the entire European Continent. England, even if it could resist the Communist tide, would be driven into some form of authoritarian or totalitarian government.

The result would be to leave the American continent as a relatively small and precarious island of freedom in a chaotic and increasingly hostile world. An island able to take care of itself, perhaps, but only at the expense of ever-increasing governmental controls and authority to meet the outside pressures—controls and authority which could, in the end, mean basic change in our Constitution and Bill of Rights.

I do not like this somber chain of reasoning. It has an incredible, alarmist sound, especially in the atmosphere of a cheerful, busy America. But I cannot, testing each link against the tragic realities of Europe today, find any escape from its logic.

How did Europe fall into this state, and why does the crisis suddenly deepen now, more than 2 years after the fighting stopped?

The truth seems to be that no one realized, at the war's end, how deep were the hidden wounds of the long conflict. Everyone knew the outward damage: the millions of persons slain, the cities destroyed, the shipping sunk, the railways and bridges broken, the machinery worn or obsolete, the fields long starved for fertilizer. But observers underestimated the damage to what might be called the nervous and circulatory system of the European economy.

Western Europe, because of the density of its population, has not in recent times been able to feed and clothe itself from its own soil. It has made up for this by its specialized industrial and agricultural skills, and by a highly developed and delicate mechanism of international trade, dependent upon the smooth flow of goods and services. And a considerable portion of its raw material imports was paid for by tourist expenditures, by shipping, banking, and insurance services, and by foreign investments built up over the centuries.

The long years of war destroyed this complex network of relationships. In the first surge of hope after the war this was not fully grasped. Europe went feverishly to work to repair the outward damage. In this she was helped greatly by the United States. The final shipments of lend-lease, the supplies of UNRRA, the loan to England, the loans of the Export-Import Bank—all these contributed to the initial recovery.

At first the recovery went even faster than after World War I. By the fall of 1946 it seemed that most of the countries of western Europe were safely on the upward road. Then things went wrong. The hidden damage began to show.

It was like a man who has been injured in the bombing of his home, and at first does not know how badly he is hurt. He runs about, pulling others out of the wreckage, binding up his outward wounds, reassuring the children, cleaning up the rubble. And then, a couple of hours later, he staggers toward collapse from delayed shock.

Something of the sort was beginning to happen to Europe last winter. There were other factors: the prostration of Germany; the failure of food and raw-material imports from eastern Europe within the Soviet orbit; the lack of sustenance from troubled areas of the East Indies and southeast Asia.

And then, as a final calamity, the weather of the winter of 1946–47—the most dreadful in recent memory. Cold which froze the seeds in the ground and exhausted slim coal

reserves: blizzards which blocked transportation; floods which washed away topsoil and drowned livestock in the valleys.

By late spring the full desperation of Europe's situation was becoming apparent. On June 5 Secretary of State George C. Marshall made a speech at Harvard University. This was the formal genesis of the so-called Marshall plan, which began as a suggestion or proposal made by Mr. Marshall to Europe, which took on a tentative outline in the report drawn up by a committee from 16 European nations, and which now awaits action by the Congress of the United States before it can become a definite plan or legal course of action.

Secretary Marshall said, "Europe's requirements for the next 3 or 4 years of foreign food and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character. * * * Before (however) the United States can proceed much further in its efforts to alleviate the situation and help start the European world on its way to recovery, there must be some agreement among the countries of Europe as to the requirements of the situation and the part those countries themselves will take in order to give proper effect to whatever action might be undertaken by this Government. * * * The initiative * * * must come from Europe."

Within a few days Foreign Minister Bidault, of France, and Foreign Secretary Bevin, of Britain, met in Paris and invited Foreign Secretary Molotov, of the Soviet Union, to join them in a discussion of the Marshall proposal. At this time several countries in the Russian orbit, such as Finland, Poland, Czechoslovakia, and Hungary, seemed eager to join in the plan. Subsequently Molotov denounced the plan and quit the conference. Thereupon the Russian satellite countries, taking the cue from Moscow, declined to participate. Ever since that time the Communist propaganda line all over the world has excitedly denounced the plan as a dastardly American trick.

So far as Russia's aims are peaceful and nonexpansionist, she has nothing to lose and everything to gain from the restoration of a prosperous Europe. So far as Russia's aims are to infiltrate the countries of western Europe and take them over from within as chaos develops, the Marshall plan is a barrier to all her designs. This, because Russia's technique is to bore from within, under conditions of hunger and economic disintegration. Thus, from the bitter Communist opposition to the plan, we can draw only one reluctant conclusion as to the present line of thought in the Kremlin.

With the Russian orbit out, Britain and France now issued invitations to 16 nations of western Europe to meet in Paris in July to work out a reply to Secretary Marshall's proposals. These countries were: Austria, Belgium, Britain, Denmark, Eire, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, and Turkey. Their delegates formed the Committee on European Economic Cooperation—or CEEC—to draw up an economic program for themselves and western Germany.

In the summer Europe suffered new blows. While I was working there during those months I usually traveled by plane. I remember being surprised, and at first pleased, by the fact that the planes were never delayed by bad weather. Day after day, week after week, the sun blazed in a cloudless sky. Gradually I realized what was happening. The weather was beautiful—and terrible.

For this was drought. A withering drought which, following upon the dreadful winter, has brought millions of persons within measurable reach of starvation. In France, for example, the drought, combined with other factors, produced the lowest wheat yield since Napoleonic times.

The sun was a smiling mask, sometimes deceptive to the American visitor. I am sure the conscientious Congressmen who studied European conditions during those summer days will make allowances for this. The sun gave pale cheeks and pinched faces an illusory glow of health. It warmed homes which had been icy for half a year. A European who might have no adequate clothing against the winter cold seemed decently enough clad, in his neat shirt and trousers, as he walked in the warm Sunday sunshine.

There were omens for the observant visitor. In European cities before the war the characteristic sound in the predawn hours was the rumble of farm vehicles carrying their produce in to the central markets. The streets are almost silent now. The stream has become a trickle. Even when the farmer has food to spare, he is reluctant to take it to the city, because he has lost faith in the currency. He cannot buy with it the things he needs. He would rather feed his produce to his farm animals, or sell it at inflated prices in the black market, or swap it to the city people who trudge out to his farm with clothes or household goods to exchange.

An American visitor might note that the elevator in his hotel had stopped. A minor inconvenience. But if he inquired further he would find that the electric power in an entire section of the city had been cut off because of lack of coal; that factories had had to suspend; that the hospital operating rooms were using emergency equipment; that the cold-storage plants were warming up, threatening precious food reserves; that the textile mill had closed; that the worker could not get his only pair of shoes repaired because the shoemaker's electrical equipment had stopped.

And thus in the brilliant summer weather Europe continued into its downward spiral. Each shortage begets other shortages. Not enough food for the miners—they can't dig as much coal. Not enough coal—you can't make enough steel. Not enough steel—you can't make enough farm implements to cultivate food or enough freight cars to transport your coal and steel. Not enough coal, and you can't operate your synthetic-nitrogen plants to make the nitrogenous fertilizer for fields neglected since 1939.

During these same summer days, in the spacious old Grand Palais, delegates of the 16 nations sat in unprecedented conference. They worked feverishly, for time was short. I cannot say that the ancient jealousies of Europe were completely forgotten or that nationalistic self-interest was entirely submerged. I do say that the various countries worked together with a rare degree of objectivity and mutual good will and attained an amazingly wide general agreement. Their historic report, with its voluminous appendices and supporting bales of statistics, has been under checking and analysis, this fall, by the President's Committee on Foreign Aid and by various congressional committees.

I would like here to touch on merely a few high points of this report. Let's look first at the two most vital elements of all: food and coal. In the years 1934-38 this area of western Europe produced an average of 210,000,000 metric tons of the basic foods—including cereals, bread grains, potatoes, sugar, meat, milk, oil, and fats. This year it is producing only 179,000,000 tons, for a population larger than it was 10 years ago. The deficit is 31,000,000 tons of food.

In 1938 this area produced 552,000,000 tons of coal. This year it is producing 439,000,000 tons. The deficit is 113,000,000 tons of coal.

The shortage of food and the shortage of coal, added together, have a conservative value of $6,000,000,000. Europe, in its present state, hasn't the gold, the dollars, or the exports to buy these things.

And these are only two of the short items, though they are the most basic.

With the Marshall plan, and with all-out efforts on their own part, the 16 nations say that they can and will, by 1951, raise food production to 222,000,000 tons, and coal production to 584,000,000 tons—figures somewhat above prewar in total, but somewhat less than prewar on a per capita basis.

In addition to this coal increase of about 33 percent above present levels, western Europe plans to increase its steel output 60 percent—perhaps overoptimistic—and power output by 39 percent by 1951. In America, from 1940 to 1944, we increased coal output by 34 percent, steel output by 31 percent, and electric power by 61 percent.

You will note that the scale is comparable, and that the Europeans will have to work without the dramatic incentives of war.

This production increase is vital to the success of the plan. Just as vital are the commitments of the 16 nations to stabilize their currencies and cooperate with one another in lowering artificial trade barriers. As Congressman CHRISTIAN A. HERTER and his committee said upon their return from Europe, "No program of American aid can achieve the objectives desired unless each country sets its own house in order to a maximum of its ability and cooperates with its neighbors in such a way as to obtain for all the fullest use of existing or potential resources."

Personally, I do not believe the production targets can be reached unless the various countries restore the value and function of their money. I have studied the function of money during my entire business life, but never until I observed the Europe of today did I quite realize how basic it is to the entire economy, to production, exchange, and distribution.

This commitment by the 16 nations to straighten out their finances and stabilize their currency will be one of the hardest of all to carry out. It will take will power, sacrifice, and courage. It will be especially difficult for those governments which are not very strong or stable. They will need our friendly help, and some pretty firm insistence on our part, to carry this through without losing the support of their own people. Yet if we push them too hard we are bound to hear the cry of "imperialist domination." Only a nice balance of wisdom, firmness, and tact will do the job.

As to cooperation, the 16 countries pledge themselves, first: To abolish as soon as possible the abnormal restrictions at present hampering mutual trade; and, second: To aim at a sound and balanced multilateral trading system.

In addition, many of the countries have formed themselves into study groups, which are now at work, to plan the formation of customs unions somewhat on the model of that set up between Belgium, the Netherlands, and Luxemburg—the so-called Benelux.

The first steps were taken toward the freer flow of persons from country to country. France and Italy are trying to make arrangements by which workers in Italy, where there is now an excess of population, can go to France, where there is a shortage.

Cooperative plans were also begun to expand electric power without regard to national frontiers; to standardize mining machinery and railway cars; to create an international pool of freight cars; and to interchange information on the steel-expansion programs.

The promises of European cooperation, to an American accustomed to a free-trade area spanning a continent, do not seem either as specific or as far-reaching as might be desired. But against the European background of jealous compartmentation, they will be a mighty stride forward if they are carried out boldly and in good faith.

Can all these commitments be carried out? Can the great goals of the Marshall plan be attained? I believe that they can if America does her part with understanding and administrative competence, adequately and on time; and if the people of Europe, as well as the governments, realize what is at stake for themselves and the world.

The West Has Not Forgotten

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. HORAN. Mr. Speaker, in the November 17, 1947, issue of Newsweek magazine, in the column designated "Washington Trends," there appeared the following report, which I have learned was forwarded to the magazine's Capitol reporters:

Western resentment against reduced appropriations for reclamation projects is dying down, Republican strategists feel. Hence they will be less likely to restore them next year.

Having spent nearly 3 months of this summer and fall touring the West, and having escorted three different congressional committees over the Columbia Basin project during that time and having talked with literally thousands of westerners who are vitally interested in this matter, I addressed a letter to the editor of the magazine, questioning the authenticity of the statement above quoted. The letter follows:

NOVEMBER 19, 1947.

The EDITOR, NEWSWEEK MAGAZINE,
New York, N. Y.

DEAR SIR: Since returning to the Capitol I have yet to meet one of the Republican strategists who feel that Western resentment against reduced appropriations for reclamation projects is dying down, as reported in Washington Trends, November 17. If there are such, they are not in harmony with the announced positions of most committee chairmen whose groups inspected Western projects during the recess.

Fortunately, most Congressmen are growing beyond the pork-barrel attitude toward reclamation and are realizing what a critical situation is facing the United States if a sound and continuing program of reclamation and soil conservation is not maintained. At a time when we are wearing out some 5,000,000 acres of cropland annually and jeopardizing the value of another 100,000,000 through overtilling to provide food for Europe, Americans can afford to accept no other position.

The need for reclamation is just beginning to be met. During fiscal 1948, only 87,300 new acres will be brought into production through irrigation, with supplemental water brought onto 283,000 acres now under cultivation. To bring the million-acre projects like Columbia Basin, Central Valley, Colorado-Big Thompson, and Palisades into production, steady construction schedules financed by regular appropriations are vitally necessary in the next half dozen years.

The people of the West are acutely conscious of these things. They have lowered their voices for the time being because they believe the statements made by congressional leaders this summer that money for completion in an orderly fashion should and will be appropriated. Additionally, they fully expect to repay the Government every dollar advanced them for these projects—and they are conscious of the tremendous increase in Federal taxes they pay as result of the newly created wealth.

The resentment may be dying down—but only because Westerners are hoping they have convinced Congress that the future of America's agriculture is no longer a partisan proposition.

Sincerely,

WALT HORAN,
Member of Congress.

This is the reply I have just received from Mr. Edward W. Barrett, editorial director of Newsweek, which I think will be interesting to all who believe in the reclamation program and who understand its importance in stabilizing our precarious position in the world agricultural crisis we face today:

DECEMBER 7, 1947.

The Honorable WALT HORAN,
The House of Representatives,
Washington, D. C.

DEAR MR. HORAN: Thank you for your letter of November 19, which we have delayed answering until we could do some rechecking with the original source of the item.

Our Washington bureau insists that this information came directly to them from top congressional leaders, giving impressions they had gained while traveling in the West and Midwest.

Assuming you have no objections, we now plan to use excerpts from your letter in our letters column.

Sincerely yours,

EDWARD W. BARRETT,
Editorial Director.

Mr. Speaker, I cite these letters here for the simple purpose of notifying any Members of this Congress who think otherwise that the people of the West and their friends throughout the country are more convinced than ever of the necessity of saving our Nation's most valuable resource—their land—and of making thousands of acres of new land available as quickly as possible to implement our foreign-aid program.

The western subcommittee of the Joint Committee on the Economic Report, disturbed by reports from reliable sources to the effect that our food production programs during the war and postwar years have been using up our crop lands faster than they have been replaced, is presently working on a proposal I have submitted for speeding up, rather than retarding, the reclamation program, so that as much new land as possible can be brought under cultivation in time to aid in reaching the food production levels necessary to help Europeans and still guarantee an adequate diet for our own people.

I am confident that the regular second session of this Congress will vindicate the judgment of western people that our leadership has gained, through the several investigations and inspections held in recent months, a new appreciation of the role reclamation plans in our national picture and of the necessity for keeping faith with the millions who have staked their future on the steady, orderly development of America's remaining frontiers.

The Refugee Problem

EXTENSION OF REMARKS
OF
HON. FRANK L. CHELF
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. CHELF. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

PREPARATORY COMMISSION
FOR THE INTERNATIONAL
REFUGEE ORGANIZATION,
Washington, D. C., December 5, 1947.

The Honorable JAMES G. FULTON,
Representative from Pennsylvania,
House Office Building,
Washington, D. C.

MY DEAR MR. FULTON: At the time of the meeting with the press and your special subcommittee to present your report on the displaced persons and the International Refugee Organization I was able to secure about 30 copies of this report, 10 of which were immediately airmailed to the executive secretary PCIRO, Mr. William Tuck, at Geneva, Switzerland.

A study of the report by this office indicated its excellence and comprehensive coverage and the value of this document and the demand for it by various agencies both in the United States and abroad was apparent. I therefore requested that 300 copies be held for this office and that they would be called for shortly. The 300 copies were set aside for this purpose. Following this action a cabled request from PCIRO headquarters was received asking that 10 additional copies be forwarded air mail with 90 to follow by straight post.

Upon making arrangements to pick up the 300 copies of the report which had been reserved for this office I have been informed that through oversight they together with all other available copies were issued to meet other demands for them.

I realize that this unfortunate situation is largely the fault of this office in failing to immediately pick up these documents when they were available. However, I am presently concerned in whether some action can be taken for a further reproduction of this report to meet the very substantial demands that have already developed and will continue to develop for this publication, not only by this office but by innumerable agencies and individuals.

This report, for the first time, presents a clear, comprehensive, and fair statement of the displaced persons' problem and the International Refugee Organization under a single cover. The value of such a report by a committee of the United States Congress is immeasurable and is only limited at present by lack of sufficient copies to give it the distribution it warrants.

I appeal therefore to you in the hope that a second printing of this report may be made and I will be most grateful for any action you find it possible to take in the matter.

Very sincerely yours,

W. A. WOOD, Jr.,
Major General, United States Army, Retired, Chief, PCIRO, Washington.

INTERNATIONAL REFUGEE ORGANIZATION,
OFFICE OF SPECIAL REPRESENTATIVE,
December 1, 1947.

The Honorable JAMES G. FULTON,
House of Representatives, United
States Congress, Washington, D. C.

MY DEAR CONGRESSMAN: I have just finished reading the splendid report of your committee on displaced persons. It is by

far the most thorough and understanding statement of the refugee problem that has appeared. I am in particular agreement with your conclusions and recommendations, which furnish a clear guide to our Nation, our Congress, and to the International Refugee Organization in the steps to be taken to achieve an early and practical solution of the problem.

The energy and intelligence with which your committee approached the examination of the refugee situation was most heartening and refreshing to us all.

I am sure that your work will have far-reaching and valuable results.

Will you please remember me to JAVITS and CHELF, also Besterman and Roman. It was a great pleasure for me to be with you, and I hope that I can see all of you again before long.

With my high regards and best wishes, I am,

Sincerely yours,

JOHN S. WOOD,
Major General, United States Army, Retired, Special Representative, International Refugee Organization.

Public Business Is the People's Business

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. MACKINNON. Mr. Speaker, when it was first reported in the press of the Nation through the outstanding newspaper work of Nat S. Finney of the Minneapolis Star and Tribune that the administration was undertaking to promulgate regulations imposing secrecy restrictions with respect to the transaction of ordinary everyday governmental business, I was astonished. In fact, I did not believe it. I recognized that agencies such as the War Department, the Navy Department, the State Department and the Atomic Energy Commission that habitually dealt with matters of national defense involving the essential security of the United States must necessarily, in the interest of national security, maintain some matters in confidence and away from the prying eyes of foreign agents. But, I concluded, there must be something erroneous about the report that the Government was seriously proposing the imposition of similar secrecy regulations with respect to the transaction of ordinary governmental business.

However, I am now compelled to confess that an investigation by me has disclosed the truth of the charges made in the newspapers with respect to this matter. An attempt was made by the administration to impose secrecy and restrictive regulations on the activities of departments not concerned with national security, and on matters not directly concerned with national security.

Under leave to extend my remarks, I include an editorial further analyzing this situation, which appeared in the Minneapolis Sunday Tribune on December 7, 1947. This editorial should have the thoughtful consideration of every American. In this editorial it was charged "that the Truman administration proposes to handle the public business as if its relation to the American people were that of lawyer and client." If additional support is necessary on this particular point, I want to give it. I want to state that since coming to Congress I have heard this very argument made by substantial governmental officials in the present administration. The implications of such contention would have very far-reaching consequences upon the public. I feel that the press has made a noteworthy contribution to the American people and to American liberties in ferreting out this attempt to deprive the public of essential knowledge of the activities of their own Government.

PUBLIC BUSINESS IS THE PUBLIC'S BUSINESS

Postponement of action on President Truman's plan to blanket domestic government business with military secrecy is not a satisfactory answer to countrywide protests against the plan.

The men who created the plan should be rebuked.

The scheme should be publicly killed.

The Nation should be given real assurance that habits of secrecy formed during the war are being broken, not spread and confirmed.

Reasons why finis should be written to the scheme, in a way that is public, drastic, and embarrassing, are supplied by the Truman administration itself.

The security advisory board, which drew up the scheme, stands convicted, by its own acts, of trying to slip the plan into effect without public debate or the least color of legislative or executive authority.

By the clearest implication, President Truman approved what the board had done in putting secrecy rules into effect at the Veterans' Administration.

He stigmatized the newspapers of the Nation for discovering what had been secretly done, and he supported untrue assertions of the SAB that the scheme was in a preparatory stage.

It took the testimony of Hamilton Robinson, New York attorney who is chairman of SAB, to reveal fully that the Truman administration proposes to handle the public business as if its relation to the American people were that of lawyer and client.

Robinson told the House committee on executive expenditures that secrecy rules are already in effect in most Government departments, and that all his board proposed to do was to standardize them in a military-type pattern. He made this statement under oath.

Neither Congress nor the President has authorized any such rules. Executive departments have simply seized the power to decide what the public shall and shall not be told about the public business. That is the effect of what Robinson said—and anyone who has dealt with the executive branches since the end of the war knows it is the truth.

Robinson gave the House committee a clear demonstration that he cannot understand the simple fact that in a democracy the public business is the public's business.

Every development since disclosure of the Veterans' Administration's secret secrecy regulations has supported the conclusion that the Truman administration means to lock public business away from the public by open action, if it can, or by secret action if the public resists.

This purpose has become so apparent that David E. Lilienthal, Chairman, and W. W. Waymack, member, of the Atomic Energy Commission, have publicly warned against it. They see the danger of creeping secrecy to democracy because they have learned, through the lack of it, the value of public understanding to a Government agency.

The Truman administration's obstinate insistence that secrecy shall surround the public business is dangerous because it is completely at odds with the heart of the democratic idea.

It is dangerous because it is dead wrong—not a little wrong, or part wrong and part right, but dead wrong.

Dead-wrong ideas, the world has learned, are easier to sell than ideas that are just a little screwy.

Democratic government works because Americans are overwhelmingly conscientious, trustworthy, and patriotic. It works for a good deal the same reason that department stores are never put out of business by shoplifters—the habit of honesty is too universal.

This secrecy scheme rests on the assumption that Americans are not to be trusted to know what their Government is planning.

It assumes that the man who gives his vote to a public official is less trustworthy than the public official who receives that vote.

It assumes that a citizen will injure his neighbor by loose talk about rightfully private matters, but that a public official won't.

If the Truman administration believes these things, let its leader say so.

If it doesn't, let it purge itself beyond the shadow of a doubt.

What Makes Communists

EXTENSION OF REMARKS
OF
HON. ALBERT RAINS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. RAINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I attach herewith an editorial entitled "What Makes Communists," which appeared in the Birmingham News on Friday, November 21, 1947, which I think will be interesting reading to all Members of Congress:

WHAT MAKES COMMUNISTS

In many countries there doubtless is a very small number of men and women infatuated with the idea of state control and domination and desirous of exercising such authority or deluded by the notion that the all-powerful state is the answer to mankind's problems. Such people actively take up communism or some other form of totalitarianism. Some of them are capable of becoming fanatical about controlling their fellows in all sorts of ways.

But persons of this inclination are relatively very few. Most people want strictly limited government. They want individual freedom to the greatest feasible extent. They want individual dignity and plenty of opportunity for the use of personal initiative and the development of personal capacities. That is so in many other countries—perhaps even in all other countries—in addition to the United States. Certainly there are vast numbers even in Russia who have not liked the ruthless regimentation of communism.

When pressures upon human beings become sufficiently acute, however, they may turn to any sort of government—to the totalitarian zealots, if they seem to hold any promise of relief. Even in France and Italy, as now may be seen, many have already turned in that direction. It is hopelessness—desperation—that prompts them.

It is not easy to conceive of the effect of hunger and hopelessness when we think of

them in connection with masses of people. We have to think in terms of particular individuals in order to obtain anything approaching an adequate emotional and mental awareness of the meaning of acute want and near despair.

From Berlin, a Birmingham dentist who served in the American Army during the war has received a letter that conveys a profoundly moving realization of what conditions in Europe now mean for millions of persons. The letter was written by a German who was captured by our men. He was severely wounded in the face. The Birmingham dentist operated on him and observed him over a considerable period. Now this man appeals to this Birmingham citizen. He writes in English:

"The great anxiety, the hard sorrows for my family, forces me to take the pen in my hand, as I know of no other way. We have often lost the courage to live, and only the belief in mercifulness and charity gives me the courage in trustfulness to turn to you with a request. In all the past hard years the Holy Writ has often given me consolation, as now in my great despair, the belief in your great kindness gives me the hope that my request will be heard, especially as I do not beg for a gift or a present.

"I am an artisan (artist), violin virtuoso, married, and father of two dear little girls 6 and 7 years old. My dear wife expects a baby, and since about 7 weeks she suffers often with prolonged fainting fits, as a result from acute anemia and weakness of the heart, caused by the long, hard time of hunger and in the failure of fat, albumen, and vitamins. As she is very infirm and tired through the shortage of food, her condition causes me much anxiety and great sorrow.

"As in spite of great help from the United States of America garrison, so many people die from weakness and hunger. I ask myself with anxious heart what will happen to my wife. How shall she bear the heavy time of birth, when her strength gives way now? What shall happen to our expected baby, of whom, in spite of hard times, we are looking forward to with much pleasure, when the mother is already now weakened from undernourishment? In a time when so many women in normal condition suffer * * * how is it possible for a pregnant woman to exist?

"My youngest daughter Gertraude is also ill since a few weeks and cannot properly recover for want of nourishment. It is hard indeed for anyone to make progress in regaining his health when food is scarce. I am sure you will be able to feel how heavy our heart is, and how it hurts when the children cry for hunger and one has nothing to give them.

"For some time now, people who have relations in the United States of America receive food parcels from them, but as I have no relations in the United States of America and in spite of that fact know that it is necessary to give my dear ones more food. * * * I beg you with deepest feeling to lend us $10 for 1 year. I promise faithfully herewith to repay this sum in the forementioned time, as in the next year I shall undertake a concert tour through the United States of America. With these $10 will you please be so kind and pay for a CARE food parcel for us? * * * Will you please let this parcel be sent to my address?

"In the great hope and in the belief in your charity and your generosity, I beg you once again from my deepest heart, help us, do not let my request remain unheard.

"With the greatest thankfulness."

This came from a German. But what hope can there be of a peaceful Germany, a peaceful Europe, if such cries are unheard? After the last war desperate Germans turned even to Hitler.

There are such hungry and desperate people in other European countries. That is why our Government is striving so hard and so urgently for the rehabilitation of Germany and of Europe.

The alternative is the danger of further surrender to some form of totalitarianism that promises bread and opportunity by governmental force. In such situations communism or fascism can be born.

The Marine Corps and the National Security Act

EXTENSION OF REMARKS

OF

HON. GEORGE W. SARBACHER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. SARBACHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article appearing in the Marine Corps Gazette, issue of October 1947.

I believe this article is one of the most clear-cut and concise explanations of the Marine Corps function under the recently passed National Security Act of 1947, commonly known as the unification bill:

THE MARINE CORPS AND THE NATIONAL SECURITY ACT

(By Lt. Col. James D. Hittle)

The National Security Act of 1947, more commonly known as the unification bill, has already taken its place among the basic laws of the land.

In addition to those provisions of the bill concerned with national economy and foreign policy, and the Central Intelligence Agency, the new law contains provisions of interest to personnel of the armed services. Its provisions with regard to the Marine Corps are particularly significant.

This new law prescribes the basic functions of the major elements of the armed services. Such provisions in the law are, in effect, a directive from Congress to the armed services, stipulating the purpose for which the larger elements of the Nation's fighting forces are created and supported. Legislation of this nature is not altogether an innovation. Frequently in the past Congress has prescribed functions for various parts of the armed forces. But never before in our legislative history has any Congress so intelligently and deliberately set forth within one law the basic functions of the armed services. Congressional action in this respect was in harmony with the legislation's intent to eliminate unnecessary duplication within the armed forces and to prevent intraservice disputes over the performance of certain functions.

Within the armed forces each subordinate echelon deserves a clear-cut directive or order when a mission is assigned. Thus, it is consistent with sound military procedure that the armed services as a whole, charged with the protection of the Nation, should receive a "directive" from Congress—the higher authority—stating clearly the functions that each major element of the services will perform in accomplishing the common mission of all the armed services.

The National Security Act of 1917 prescribes the general functions for the Navy, Naval Aviation, the Marine Corps, the Army, and the new Air Force. That portion of the act pertaining to the Marine Corps reads as follows:

"The United States Marine Corps, within the Department of the Navy, shall include land combat and service forces and such aviation as may be organic therein. The Marine Corps shall be organized, trained, and equipped to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. It shall be the duty of the Marine Corps to develop, in coordination with the Army and the Air Force, those phases of amphibious operations which pertain to the tactics, technique, and equipment employed by landing forces. In addition, the Marine Corps shall provide detachments and organizations for service on armed vessels of the Navy, shall provide security detachments for the protection of naval property at naval stations and bases, and shall perform such other duties as the President may direct: *Provided*, that such additional duties shall not detract from or interfere with the operations for which the Marine Corps is primarily organized. The Marine Corps shall be responsible, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Marine Corps to meet the needs of war."

The first sentence of the new law gives legal recognition to the Marine Corps, perpetuates its relationship to the naval service, and directs that the Marine Corps shall include combat, service, and aviation elements. This guarantees that the Marine Corps shall continue to be a balanced fighting force, possessing its organic aviation and service units.

The second sentence of the Marine Corps section of the bill is of key importance. It states: "The Marine Corps shall be organized, trained, and equipped to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign." Thus, the law now recognizes and directs that the maintenance of fleet marine forces is the fundamental function of the Marine Corps. Such a stipulation is wholly consistent with the concept of the Marine Corps, which, for the last quarter of a century has pioneered and specialized in amphibious operations. It is in the concept of the fleet marine forces that the amphibious character of the Marine Corps finds its most convincing emphasis. True, the Marine Corps since its earliest days has engaged in amphibious operations. Also, the fact cannot be disputed but what the marines, in the years following World War I, developed the amphibious knowledge which in World War II proved to be prerequisite of victory in global warfare. Yet the fundamentally amphibious nature of the Marine Corps, so apparent in fact and action, was not recognized in the basic laws governing the armed forces. Neither the National Defense Acts of 1903, 1916, nor 1920 even mentioned the Marine Corps.

Unrecognized by previous basic defense legislation, the role of the Marine Corps as an amphibious force in the application of the Nation's naval power is now not only recognized in law, but the law makes it mandatory that fleet marine forces shall be a part of our armed forces. This, incidentally, is the only instance in which the National Security Act of 1947 makes any provision for the existence of an operating component of any of the armed services. Clearly, it was the intent of those who wrote the National Security Act that "fleet marine forces of combined arms," should be recognized by law and legally incorporated into the basic military structure of the country. To assure that these fleet marine forces would not deteriorate into lightly armed battalions or regiments used solely for landing

parties, the law stipulates that the fleet marine forces shall be forces of combined arms (tanks, artillery, and so forth), and supporting air components, thus assuring the continued existence of a Marine Corps capable of major combatant effectiveness.

Specific reference is made in the employment of fleet marine forces in the defense of advanced naval bases. Thus, the defense of advanced naval bases—a special aspect of amphibious operations pioneered and developed by the marines—is a function assigned to the corps by law.

In an even broader sense this portion of the bill relating to the fleet marine forces contains what is probably the most important passage affecting the conduct of future wars by the armed forces of this Nation. The key phrase is that referring to "the prosecution of a naval campaign." Statutory recognition of the naval campaign is of historic significance in the development of our national military thought. The concept of the naval campaign—a series of operations that are predominantly naval in character—is in its modern sense a purely American contribution to the art of war. The naval campaign is the forceful application of naval power in accordance with another American contribution to modern war—the theory of the balanced fleet. The balanced fleet, consisting of naval surface, undersurface, naval air, and naval landing forces, is a combat entity, capable of exercising naval power in the most forceful meaning of the term as used by Mahan. It is a well-coordinated team of aviation, landing units, and surface forces habitually trained to operate as an all-naval team under common doctrine and subject to unquestioned naval command.

This congressional affirmation of the naval campaign is, in turn, a statutory recognition that naval power—with its forceful application by the balanced fleet—is still, and for the foreseeable future shall continue to be, a fundamental instrument of our national security. Such congressional action was unquestionably based upon what some experts are altogether too prone to overlook—that we are still a maritime nation, bounded largely by the seas, and that our national security is, in the final analysis, dependent upon control of the seas.

The Pacific war demonstrated that the naval campaign, based upon the balanced fleet, is the true expression of naval power in its most forceful sense.

Fleet marine forces of combined arms are the unique attributes of our naval organization. Consequently, it seems to be more than a matter of coincidence that Congress should choose the section of the Security Act pertaining to the Marine Corps in which to give statutory recognition to the naval campaign.

The third sentence of the section states that: "It shall be the duty of the Marine Corps to develop, in coordination with the Army and the Air Force, those phases of amphibious operations which pertain to the tactics, technique, and equipment employed by the landing forces." This has the effect of congressional mandate that the Marine Corps shall have a major role in all future amphibious development. Most certainly, the corps is not to be the only agency within the armed forces responsible for the development of amphibious tactics, technique, and equipment, but at the same time the corps is designated, by statute, as a developing agency, thus assuring the corps that it will be able to continue its progress in the field of amphibious operations. Since amphibious operations may involve the employment of airborne units, the amphibious development activities of the corps will permit continued progress in the utilization of aircraft as a means of transporting landing force units.

Indeed, it is noteworthy that the only instance in which the National Security Act of 1947 makes reference to amphibious operations, with respect to either operating forces or development activities, is the section of the law pertaining to the Marine Corps. In this respect the law continues the precedent by which the Marine Corps has been the focal influence in the evolution of modern amphibious doctrine.

Also, the new law assigns the Marine Corps the traditional functions of providing detachments and organizations for armed ships, naval stations, and bases. This is a reaffirmation of such functions originally assigned the corps by law in 1798.

In addition to these specific functions, the corps may be assigned such additional functions as the President may direct. Accordingly, marines may still, as provided by previous law, be assigned for duty with the Army, or such other functions as are not specifically prescribed by law. There is but one restriction placed on Presidential assignment of additional duties. The law states "that such additional duties shall not detract from or interfere with the operations for which the Marine Corps is primarily organized." Thus, Congress pointedly insists that, regardless of what additional duties are assigned, such additional duties shall not endanger the fundamentally amphibious character of the Marine Corps.

Under the new law, the Marine Corps Reserve will continue to be a major factor in the expansion of the corps in event of a war. Such statutory recognition of the Marine Corps Reserve, as well as a guaranty of its continued existence, is contained in the portion of the law stating that "the Marine Corps shall be responsible * * * for the expansion of peacetime components of the Marine Corps to meet the needs of war."

In way of summation it can be seen that under the National Security Act of 1947 the Marine Corps is now by law assigned a major status within the armed forces of the Nation. The traditional detachment and garrison duties are reaffirmed. Of transcendant importance is the fact that the amphibious character of the corps is legally recognized. The concept of naval campaign, in which the fleet marine forces find their logical justification, is recognized as a fundamental feature of our Nation's sea power. Specifically, fleet marine forces of combined arms are accorded statutory status, and the corps is assured a prominent role in future amphibious development.

The National Security Act of 1947 has been authoritatively described the most important legislation of its kind in the Nation's history. The accuracy of this description cannot be questioned from the standpoint of the Marine Corps.

Congressman Philbin Paints Harrowing Picture of Conditions Overseas

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EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein an article from the Clinton Daily Item which contains the substance of a statement I made upon my return from an extended European inspection tour.

The article follows:

CONGRESSMAN PHILBIN PAINTS HARROWING PICTURE OF CONDITIONS OVERSEAS AND SAYS IT IS OBVIOUS THAT THE UNITED STATES CANNOT AFFORD TO FEED, CLOTHE, AND SUPPLY EUROPEAN NATIONS INDEFINITELY

Returning from his extended tour of Europe, Congressman PHILIP J. PHILBIN, of Clinton, member of the powerful House Armed Services Committee, today painted for the Item a harrowing picture of the conditions he observed.

The Clinton Congressman says:

"Governmentally, socially, and economically," Congressman PHILBIN stated, "most countries of Europe are in a deplorable state. Only Ireland, Denmark, and Switzerland apparently enjoy satisfactory subsistence standards. Belgium and Holland are in fairly good shape.

"In other countries many people are living dangerously close to mere survival, with daily rations barely capable of sustaining life. Germany is prostrate. The nation is divided into various military zones, under which the economy of the nation, once self-sustaining, is not able to function. This puts the burden of helping to feed large numbers of people, including pitiable victims of persecution and war who are located in and out of displaced persons camps, upon our Army.

"It is nothing unusual to see women and children in the occupied zones going barefoot through the streets or about their daily work.

"Coal and fuel are in very short supply everywhere in Europe and this has crippled industry and transportation and also threatens hardship during the winter months. In our occupied zones, if it were not for the excellent work of the Army in keeping up morale, maintaining public order, encouraging the resumption of normal business and, to a large extent, helping to feed the indigenous population, conditions would be much worse. Both officers and men of the Army have full realization of the gravity of their tasks and are carrying them out in the main with fine spirit, sound judgment, and efficiency.

"I was particularly impressed with the work of Gen. Thomas F. Bresnahan, of Fitchburg, commanding officer, at Bremerhaven. Though the zone of his command was severely stricken by intensive wartime allied bombing and is in large part literally a shambles of ruin and wreckage, General Bresnahan has achieved splendid results in restoring morale and economic activity and in ministering to the needs of the indigenous population and the displaced persons who are sent through his port. On the whole and in most every respect our military commanders, officers, and enlisted men are conducting themselves with great credit but it was especially gratifying to observe an outstanding soldier from Massachusetts performing such conspicuous and valuable service.

"A natural, but very distressing incident of food and clothing shortages is the black market which thrives in many places in Europe, to the great detriment of ordinary people who have not the wherewithal to pay excessive prices for necessaries of life.

"Strict rationing programs legally in force have not succeeded in checking black market operations which exist not only in articles of food and clothing but also in dollar exchange. Everyone wants dollars. Severe penalties are imposed in France, for example, for purchasing francs over and above the quoted rate which can be easily done because of the anxiety of people to secure American dollars, but this has not served to control extensive dealings in dollars and other desirable currencies (Swiss franc and Dutch kroner) which, of course, adds to existing scarcities and promotes price inflation.

"England has also inaugurated very strict exchange regulations. Commencing October 1 it became practically impossible for anyone to take more than a nominal sum of money in pounds out of that country though hundreds of thousands of young Englishmen are seeking opportunity to migrate. The food and fuel wants in England are extreme and deplorable. Strikes and political controversy have stifled coal production. Export requirements seriously deplete essentials of life.

"Ireland was truly refreshing. There great physical beauty of surroundings, a bounteous nature, industrious habits, and the profound Christian faith and fortitude of the people combine to provide good wholesome living, orderly government and a happy contented citizenry. There is no discoverable communism or radicalism in Ireland and everyone has enough to eat, adequate clothes and shelter.

"Coal shortages exist but the Irish are effectively substituting peat to heat their homes and buildings. Warm of heart, they are generously sending food and supplies to other stricken nations. Their program for aiding displaced persons is considered the best yet in operation. I was very much impressed and touched by the placidity of spirit, tolerance, and friendly, neighborly attitude toward other nations and people which I found in Ireland because it was in such sharp contrast with the chaos, hate, passion and skepticism I observed in some other places.

"Collectivism in one form or other accompanies the privation and starvation which stalk over the Continent. Left-wing philosophy and left-wing government based on cynical materialism seem to be the rule in many countries and repressive measures aimed at capitalistic institutions and free enterprise are adding to the confusion and want by discouraging incentive and preventing production. Radical, antidemocratic concepts and practices are putting Europe deeper in the mire of stagnation.

"Because of the activities of these collectivist governments peoples of several countries are hampered in pursuing their regular work and literally millions helpless before actual or impending regimentation, are marking time waiting for the paradise which has been promised them by rabid Marxist, or Socialist political reformers.

"The frantic desire to migrate to the United States or some other western country is found everywhere and large numbers of aggressive, ambitious young people as well as the indigent and the starving are striving eagerly to escape from the welter of confusion and want which spreads over the Continent.

"In general, social, political, and economic conditions are so bad, morale so low and the spirit of the people so demoralized by privation, want, and radical agitation throughout much of Europe that it is very difficult to suggest workable panaceas or remedies.

"Our Government officials of high rank, including many of those of the armed forces, as well as many Members of the Congress, Committees of which are studying the situation who have visited stricken areas outside the iron curtain, are seeking some solution, trying to find some way by which we can aid the starving and the suffering and revive the languished commerce and industry of many afflicted nations.

"The Marshall plan, which has already been outlined, is being given careful study and full report will shortly be available to Congress and the public. Up to this time the nations concerned seem to be more anxious for additional large cash gifts and huge food and material shipments without conditions or restrictions than they are receptive to concrete measures for economic renovation and rehabilitation.

"It would appear that unqualified cash outlays by the United States, or for that matter unconditional shipments of food and materials will never adequately answer these problems. Whatever its form, we must be sure that the relief extended goes to the right places and is not misappropriated or misapplied.

"Fundamentally Europe must get back to work, back to sanity, back to stability in government as well as economic activity. Russian interference in the affairs of other nations must be stopped.

"Undoubtedly our people are willing to lend a helping hand, certainly willing to do whatever we can consistently with our own means and resources to alleviate the terribly compelling want and hunger which besets so many poor, unfortunate victims—women, helpless children, and aged and infirm—throughout Europe, and try to revive and restore waning or defunct economies.

"I think that in extending this help we shall have no desire to interfere in any way with the sovereignty, self-government, or internal economic affairs of any nation. On the other hand, it would be foolhardy to turn over any of our resources whether money, materials, or foodstuffs, as we have done in the past, to some nations, obsessed by ideologies, who will use them not so much for the constructive purpose of rehabilitation and readjustment as for the continuance and strengthening of radical reform, social experimentation, and socialistic or communistic programs hostile to our own Nation and to the cause of democracy.

"It is necessary that before extending further huge grants of money and materials we should first make a careful appraisal of our own resources and needs and financial condition. We have serious shortages of some essentials and very high prices in our own country which we cannot afford to aggravate, which, in fact, we should reduce.

"We have a stupendous national debt and a very high level of wartime taxation which continue to impose burdens upon our industry and people. In answering the call of humanity, in seeking to alleviate the plight of the hungry and afflicted of stricken lands, as I believe every American wants to do, we must make sure that we do not disorganize and disrupt our own economy, that we do not impose further grave burdens of taxation and inflation upon our productive system, txpayers, and people which they cannot stand, and be certain that we are not dispensing relief, economic resources, financial aid, and material assistance to further and advance the plans of radical-minded political leaders or governments who, in turn, may well use these great assets to work detriment and harm upon our institutions, prosperity, and security.

"Obviously, the United States cannot afford to feed, clothe, and supply European countries indefinitely. We cannot afford to sustain hostile, antidemocratic, anti-American totalitarian systems anywhere. It is said that communism breeds and thrives on hunger and want and that may be so, though its greatest gains to date have come through coercion.

"But it is idle to believe that the furnishing of money, food, clothing, and materials of itself will ever prevent or dissipate communism. In fact, if these are dispensed by pro-Communists and Socialists they will give an apparent vitality to collectivism which it does not intrinsically possess and will serve to strengthen such systems in the minds of the masses of the people.

"Europe must by all means, and primarily, show the will and purpose for recovery. There must be a spiritual regeneration. In many cases Europeans have voted themselves into radical government as a matter of choice and there is certainly no way that we can interfere with free elections. Lamentably, some elections have been tainted with totalitarian conspiracy and fraud.

"Actual aggression and ideological penetration in foreign countries are also matters difficult to control adequately unless we want to chance involvement in another war, or unless we are willing in the first instance to adopt drastic economic measures in conjunction with other democratic-minded nations of good faith to check these outrages, outlaw the transgressors against international morals and law from world commerce, and intercourse and work earnesty as we should do for a really effective, revamped international agency unhampered by the obstructive veto power of a single nation to secure peace, and political and economic stability. We must not further appease or strengthen communism or any other anti-American philosophy or government.

"It is a time for firmness and decisive action to protect our own Nation and all that it means. We must let no nation, however powerful, cajole or bluff us into the sacrifice of our sacred principles and our own interests.

"As matters now stand, the President and the Congress are preparing to implement our humanitarian program for relief of hunger and starvation abroad as rapidly as possible. Substantial temporary measures are already in effect and much is already being done to help afflicted peoples. These efforts merit our steadfast support. Complete data and official reports will soon be at hand and then we can determine as a Nation what further financial and material assistance we can prudently and reasonably render without bringing disaster upon ourselves and define strictly the circumstances and conditions under which long-term relief and rehabilitation measures should be effected. We can also continue our efforts to help feed, sustain and resettle the displaced persons, the persecuted, and the homeless, who are wandering over the face of the earth without refuge or sustenance.

"Meanwhile, if we would read clearly and interpret intelligently the plain, uncontrovertible lessons of history and the inescapable distressing facts of the present, including the revival of the Communist Internationale, we will first of all renew our determination zealously to protect our own national security and protect our own governmental and economic systems and democratic way of life from the ravages of destruction, decadence, and want which war and radicalism have worked over such a large part of the earth.

"We must not for any reason permit our Nation to be drawn into the vortex of ruin and dissolution that engulfs so many other nations. We must fight militantly against subversion at home.

"A visit to war-torn, socially upset, and economically disordered Europe, which I wish every American could take, evokes deepest sympathy for the homeless, distressed, impoverished, and hungry. It brings strongest resolution to help in every feasible practical way.

"It also sustains firm faith in the morality, soundness, and working efficiency of our great free democratic institutions which, through respect for the dignity and worth of the individual and regard for basic Christian principles of law, freedom, and justice have made our Nation the most prosperous and our people the most happy and best-provided-for in the whole world.

"Let us all humbly thank God for America and ask for His continued help. For without America, and what she stands for, surely the shadows of darkness will fall over the earth."

The Clinton Congressman returned from Europe on the steamship *America*, and was accompanied by Dr. Lawrence F. Burke, of this town, and Congressman Buck, of New York. Secretary of the Treasury Snyder, General O'Hare, General North, Colonel Biddle were among officials who returned on the same ship.

Defeatism in Congress

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following comments by Robert L. Norton appearing in the Boston Post of December 8, 1947, entitled "Defeatism in Congress":

DEFEATISM IN CONGRESS

(By Robert L. Norton)

WASHINGTON, December 7.—Considering the Communist insurrection in France and the stalemate at the Foreign Ministers Conference in London over the German and Austrian peace treaties, it is somewhat dismaying to note the defeatist tactics being employed in Congress to delay and chisel the interim-aid program for European relief.

LENDS AID TO REDS

This opposition, evidenced in the House debate, is not of a decisive character as affecting final action, but it, nevertheless, does serve to lend aid and encouragement to the Soviets in their planned anarchy in France and Italy.

The murderous rioting, the crippling of transportation, and the creation of chaos cannot be viewed in any other light than an organized attempt dictated from Moscow to seize the French Government. It is not the "cold war" which we talk about in this country, but was in its true sense, with the deliberate purpose of fomenting revolution. The Soviet objectives might be as easily attained through the process of sabotage as with the use of armed forces.

MUST STAND FIRM

There certainly can be no misunderstanding the fact that the Red insurrection is aimed to kill the Marshall plan in advance and to make stopgap aid ineffective, since this is openly avowed by the Soviets. Therefore, if we are to face up to the realities and disregard the evasive reasoning and soft pedaling of some Members of Congress, the present crisis in France can only be regarded as making war on the United States of America.

Nothing could be more unfortunate in this real crisis than the weakening of our foreign policy by not standing up to the Soviet onslaught. Any reduction of the amount set for interim aid by the House would certainly be so construed by the Schuman ministry which apparently has not yet gained a firm grip on the situation in France. It is the key battle, the results of which will determine whether our long-range policy in Europe is to be ditched before it gets under way. It's a test of Soviet strength and of our own determination to stand firm against the challenge.

NO TIME TO QUIBBLE

The possibility of an armed show-down in France is not to be disregarded. This is the measured judgment of many House Members who observed the situation in France at first hand during the recess of Congress. It does not represent an alarmist viewpoint. In the cloakrooms of Congress, one hears a much franker discussion of what may be the alternative facing this country if the economic and political power of the United States of America fails to restore stability to western Europe than in the public debate.

With the Soviets succeeding in bringing about chaos in France, the question naturally asked is why we should go ahead with the expenditure of some $20,000,000,000 if it appears that this help contemplated under the Marshall plan would prove ineffective. Would it not be thrown away?

It is at best a calculated risk, as Assistant Secretary of State Lovett explained to the House Committee on Appropriations. But just how justifiable the risk will be, as far as the Marshall plan is concerned, will depend upon the outcome of the struggle in France during the next few months. This is not the time to falter and quibble in the support of the initial move which is contained in the stop-gap aid program. Anything but an overwhelming decision favoring this appropriation by Congress would display a weakness which surely would be highly gratifying to Russia.

Otherwise, consider today's example of Soviet propaganda misrepresentation from the Moscow radio, broadcasting in Germany to Austria: "In the United States there is no real electoral freedom. The nomination of candidates is monopolized by two parties. The voices of all other parties are hopelessly drowned in the noisy election duel between the two old parties, which is a sham fight rather than a real one.

"The parties in the United States have no members and no subscription. They have no local branches.

"All election campaigns have the character of a commercial stunt organized by a highly paid expert, aided by bribed reporters. In order to get their candidate in, the monopolists are lavish in their support of the campaign."

It hardly seems necessary to observe that, in the Soviet elections, there is only one party—the Communists. The voters mark for Stalin, or else. Also, it is to be noted that the Communist Party is still on the ballot in this country and entitled to participate in a free election along with Republicans and Democrats.

The Pardon of Curley

EXTENSION OF REMARKS
OF
HON. DONALD L. JACKSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. JACKSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Santa Monica (Calif.) Outlook:

THE PARDON OF CURLEY

We want to be fair to Boston's mayor, James Curley, and to President Truman who has let him out of prison with a pardon after serving 4 months of a 6 months' minimum sentence. It may be that Curley really was taken in, as he claims, by a smart confidence man who used the name of this idol of the Boston Irish to sweeten his racket, and used the United States mails to tell the suckers what profits they could make in wartime by joining him and Curley. But what was Curley's motive in being used, if not to line his own pockets? And wasn't it wartime and he a trusted public official, the former mayor of Boston and Governor of Massachusetts?

We want to be fair to Mr. Curley, who is 73 years old and reportedly suffering from diabetes and a heart condition. But the case smelled to high heaven at a time when American boys were dying to stop Hitler and Hirohito—and when Curley's Boston machine was needed by the Democratic Party to help win a fourth term. They had to do something about Curley, after that election was won, to get rid of the smell. So they tried him on the charge of conspiracy to use the mails to defraud. Not a nice charge against a high public official, and we may be sure that it would not have been brought if the facts had not been damning.

We want to be fair to President Truman. In ordinary circumstances it might be an act of merciful nobility to pardon an elderly man, suffering from a serious malady, who had served most of his short sentence. But along with Curley the President pardoned another disgraced former official who was in for the same offense and is apparently in sound health. So it will hardly do to say that the President's tender heart was melted by compassion for a sick man, by that and nothing else. Especially when Curley is not too sick to make a beeline to Boston and announce that he will resume the duties of the mayoralty office which has been kept open for him by the faithful party hacks of the well-oiled Curley machine.

We want to be fair to President Truman. But isn't it a remarkable coincidence that Curley rules Boston and that the Democratic Party is going to have to carry Boston by a whopping big vote in 1948 to win the State of Massachusetts? And, speaking of that, when Mr. Truman pardoned all that gang of Pendergast henchmen who were doing time for wholesale vote frauds in Kansas City, was it because they had diabetes and a heart condition?

Wanted in these United States: A return to simple honesty and probity in high office—especially in the greatest office in the world.

Shipments to Russia

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New Hampshire Morning Union, of Manchester, N. H.:

SHIPMENTS TO RUSSIA

As usual voices are raised in the United States in support of the insane policy of shipping raw materials, heavy machinery, and machine tools to Russia to help build up her military strength.

These voices sound suspiciously like those raised before Pearl Harbor in favor of selling scrap iron, steel, oil, and other products to Japan when she was already on the warpath in China. Against the petty reasoning of that time, the grim fact now stares us in the face that we helped to build up Japan's military strength for an attack on ourselves and that our own scrap iron and steel were used later to kill our own boys.

Are we going to repeat this costly error, this time with Russia, when the evidence of our past folly is so clearly written before us?

There are times when common sense speaks so loud that opposition to its dictates becomes trivial. This case of shipments to Russia is one of those times. Against the voice of common sense, the arguments raised in support of these shipments have the clear ring of quibbling appeasement.

For instance, we are told by James Reston in the New York Times, and by some other newspapers, that the amount of goods going to Russia has been magnified. In reality, it is said, these shipments total only about 1.1 percent of our total exports, and about double our imports from Soviet Russia. What has that got to do with it? If a policy

is wrong and dangerous, it is still so although conducted in reduced form.

We are told that actually the shipments to Russia are not real, because the bulk of what is being transferred was purchased by the Moscow government for cash and stored in this country to be shipped as transportation became available. What kind of hocus-pocus is this? Are shipments any the less real because they were bought for cash and stored for later transportation?

We are told that we are getting the benefit of certain important imports from Russia that would be cut off if we ceased shipments to that country. Are not these materials available elsewhere, and does their advantage offset the destructive influence of helping to increase Russia's military strength?

Finally we are told that if we cut off shipments to Russia, we will invite the retaliation of not only Moscow, but also Russia's satellites in eastern Europe, and that the Marshall plan will be weakened thereby.

This argument reveals a fallacy that lies behind the whole chain of reasoning of the defenders of shipments to Russia. This is the silly notion that Russia is not hostile and that somehow peace and understanding must be reached with her. This is to overlook blindly Soviet opposition to every effort to achieve world peace and to aid the reconstruction of Europe. It is to overlook sinister and lying Soviet propaganda against the United States, and Moscow's avowed purposes of aggression. It is to overlook the fact that Moscow has decreed the wrecking of the Marshall plan, and that it is now filling France and Italy with chaos in the attempt to smash the economy of western Europe.

No! There must be no return to Munich! The purposes of the Soviets are plain, and nothing but the most arrant folly could induce us to continue shipping them materials that build them up as a potent antagonist. Every American hopes that the Soviets will change their purposes and decide to live with other peoples, but until they do, common sense leaves no other course than to stop selling them the intricate and complicated machines they need to become strong.

Foreign Aid

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. WOODRUFF. Mr. Speaker, under permission to extend my remarks in the RECORD, I include therein the following letter from a highly intelligent and patriotic citizen:

CORNELL UNIVERSITY,
DEPARTMENT OF HISTORY,
Ithaca, N. Y., November 28, 1947.

The Honorable ROY O. WOODRUFF,
House of Representatives,
Washington, D. C.

DEAR MR. WOODRUFF: Will you permit me to convey to you my opposition to the program of foreign aids.

When such gifts have brought us to the point that the President considers it expedient to ask Congress to make him the head of a police state, is it not evident that the issue at stake is the survival of American institutions?

For an independent state to give away vast sums of money to foreign countries is so unnatural, so contrary to all past experience and practice, that one has to conclude that such a course will soon terminate in the destruction of the country that follows it.

If Congress is to rush forward and give to foreign countries $600,000,000 whenever street fighting occurs in some distant land, it is to be presumed that the Communists will be only too glad to oblige by staging such commotions, with the object of draining the United States of its means and substance.

There are now on our list of countries 20 states with a combined population of 842,000,000 souls. If Congress should give these 20 countries eight and one-half billions every year, such gifts would amount to about 3 cents a day per person.

Experience has proved that it is impracticable to limit such gifts to a few countries. If a modest sum is given to all, the money will be spread so thinly as to have no appreciable effect, except on the United States. If large sums are given to so many countries (almost without exception the most densely populated countries in the world), the effect would be ruinous to the United States.

Whatever may be said for the program of foreign aid, there seems to be no justification whatsoever for haste, stampeding, and steamroller blitzkrieg methods. The problems of the outside world have been centuries in the making, and they will no doubt be with us for generations to come.

Thanking you for your consideration of my views on this question, I am,

Sincerely yours,

CURTIS P. NETTLES,
Professor of American History.

Language Hollywood Understands

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. PRICE of Illinois. Mr. Speaker, the best way "to combat Hollywood's canned contamination is at the box office," the Right Reverend James A. Griffin, D. D., bishop of the Springfield, Ill., diocese, states in a letter prepared for reading in all diocesan churches on next Sunday when the Legion of Decency pledges will be renewed.

Under leave to extend my remarks, I herewith include the text of Bishop Griffin's message as reported in an Associated Press dispatch in the Alton (Ill.) Evening Telegraph, December 9, 1947. It follows:

"All of us are familiar with the technique employed by communism in Europe. It has been called in picturesque journals packaged revolution, and consists of strategic coups d'etats formulated and prepared in Moscow or some other Red center, then smuggled within the frontiers of other countries.

"Now, Hollywood, always with an eye to modernization and efficiency, spurns the antiquated package technique. Hollywood believes in the canning process. And so Hollywood's canned contamination finds its way into the cities and villages of America.

"In these cans are thousands of feet of movie film, coiled like serpents, ready to pour their venom into the souls of our children. No equivalent of a Pure Food and Drug Act has been adequately phrased to check this evil."

The bishop said that "the decent producers and authors in Hollywood are tremendous forces for good."

He urged Catholics not to patronize films classified by the Legion of Decency as "C" or condemned, or those classed "B" or objectionable in part.

"This evil influence—immoral motion pictures—tries to squeeze itself into the armor of freedom of speech and expression, but its usurpation of this protection still leaves vulnerable spots exposed—the box office.

"The defenders of decency must strike one telling blow after another—at the box office."

Full Operation Due by Some Distillers

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Journal of Commerce of December 11, 1947:

FULL OPERATION DUE BY SOME DISTILLERS—INDUSTRY FOUND UNABLE TO AGREE ON FURTHER GRAIN-SAVING PLAN

WASHINGTON, December 10.—Some liquor distillers are heading for full-blast operation as soon as the voluntary shut-down of the distilleries ends on Christmas Day, it was learned today.

During a stormy meeting yesterday of the distillers coordinating committee of the cabinet food committee, one large distiller completely rejected the proposal of another group of distillers for a voluntary allocation plan, while still another very large operator advised the committee that it refused to be bound by its recommendations.

UNABLE TO AGREE

The impossibility of getting the distillers to agree to a common voluntary allocation program, as previously stated by Secretary of Agriculture Clinton P. Anderson, was borne out during yesterday's meeting.

Following the meeting, unconfirmed reports received here stated that some distillers were ordering substantial quantities of grain and malt in anticipation of full-scale operations during January.

One of the big four distillers was today reported to have advised its west coast distributors to order full lots of liquors because it anticipated unrestricted production, while still another was said to have advised its plant managers to prepare for January operations on a broad scale.

Failure of the distillers to agree on a voluntary program yesterday was high-lighted by the fact that there now seems to be disagreement between the Government representatives on the committee.

CLASH OVER SAVINGS

While James A. Stillwell, executive director of the voluntary food conservation program, is reported to be holding out for no more than 2,500,000 bushels of grain for the distillers each month, Department of Agriculture representatives are said to believe that 3,500,000 bushels would be all right.

During the meeting the Distilled Spirits Institute, represented by its executive-secretary, Howard Jones, proposed that each distiller be permitted to use 45 percent as much grain per plant as was used during the 4-month period December 1946, through March 1947, with a minimum allocation of 6,000 bushels per plant.

WOULD END MARCH 3

This program, DSI proposed, should run from December 25 to March 31, at which time it should be reconsidered in the light of existing conditions and extended if it were still needed to conserve grain.

During the December-March period the industry consumed roughly 30,000,000 bushels of grain, which would mean that if the 45-percent formula were adopted the industry would be permitted to consume grain at a monthly rate of around 3,500,000 bushels.

OPPOSED BY PUBLICKER

Publicker Industries, Inc., of Philadelphia, immediately opposed the program and let the committee know that it would not agree to any voluntary allocation program operating on a historical basis. This basis, the Publicker representatives maintained, as they had in court over a year ago, would strengthen the domination of established interests and would keep out newcomers.

On top of this development, the committee received a telegram from one of the "big four" distillers stating that its representative had attended previous meetings of the committee only as an observer, and refusing to be bound by the committee's recommendations.

The committee then finally agreed that the Department of Agriculture should develop a program, which is to be communicated to all distillers on Friday.

On December 16 the distillers have been invited to come in and discuss this program, or telegraph their acceptance or rejection of it, to the committee.

Meanwhile, a bill to control use of grains is pending in Congress but no action is expected before Congress adjourns December 19 for the Christmas holiday.

The Red Mass

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following sermon delivered by the Reverend James M. Gillis, C. S. P., at the annual red Mass of the Catholic Lawyers Guild of the diocese of Brooklyn. The Right Reverend Monsignor William T. Dillon, president of St. Joseph's College for Women, is the spiritual director of the guild, and Howard Seitz, Esq., president.

RETURN MORALITY TO COURTS IN UNITED STATES, FATHER GILLIS URGES—CITES ADULATION OF GODLESS LECIST AT ANNUAL MASS FOR LAWYERS, JUDGES—MONSIGNOR HOAR CELEBRANT—ST. CHARLES BORROMEO'S IS CROWDED; SPONSORED BY LAWYERS GUILD

TEXT OF SERMON

The text of Father Gillis' sermon follows:

"A French Communist of a century ago, remembered chiefly for his apothegm 'All property is theft,' made a much more significant observation when he said, 'at the base of every political system we find a theology.'

"I call this observation significant. It might have been profound. We find not theology but God. Communists of our day have achieved that deeper insight; the object of their attack is not theology or theologians, not the clergy or the church or religion, but God.

"When a smaller movement somewhat similar to communism was on in France in the 1870's Gambetta sounded the slogan 'Clericalism! There is the enemy!' The Soviets are not so squeamish. 'God,' they say, 'is the enemy.' Their atheistic organization was called not a League of Skeptics or of agnostics, nor like that of more shifty atheists in this country a 'Freethinking Society,' but plainly and boldly the 'Anti-God League.' It has ostensibly been dissolved, but so was the Comintern, ostensibly.

"Some observers of the communistic phenomenon, being perhaps purposely self-blinded, persuade themselves that the atheism in communism is a mere adjunct, unessential, temporary. It is not accidental; it is, as we say 'of the essence.' It is no passing phase; it is permanent. The ultimate objective of Soviet attack is not capitalism; not even Catholicism, but God.

"Another misunderstanding on the part of certain not-too-intelligent observers is that the war on God concerns only religion, which they take to be but one phase of civilization. If communism were to triumph, they admit, the Pope would be assassinated, the hierarchy and the clergy hounded and slain; the church would go underground (metaphorically if not literally), pious people would for a time lament, and then perhaps forget. But all other activities of civilized life would continue, modified, no doubt, in some respects, but substantially the same as before.

SOME WOULD REJOICE

"The seventy or eighty million people in our own country who have not sufficient religious conviction to admit church membership, and with them we know not how many millions of neutrals and indifferentists elsewhere, would enjoy a certain unconfessed satisfaction because the church, an irritant and a tacit rebuke, had been removed. The attack on God causes them no anguish, for their bond with God has long since been extremely tenuous.

"They would, so they think, be like the citizens of a kingdom whose king had been deposed to make way for a new form of government. The things in which they have a real interest, politics, science, the arts, literature, would continue. The physical sciences, which, as Laplace told Napoleon, need not the hypothesis of God, would flourish. The art of painting, which has been drifting away from the classical, not to say mediaeval standards, would receive a new impetus toward the modernistic and the futuristic. So would all the arts.

"Literature in all its forms, fiction, drama, poetry would shake off its few remaining inhibitions. Medicine would make swifter progress. Are there not many atheist physicians and surgeons?

"To come to the matter that most concerns this asembly, how could the science of jurisprudence, the practice of law, and the administration of justice suffer if the Communist revolution were to suceed in its primary objective, the abolition of religion and the destruction of the very idea of God?

"The answer to that question involves a slight dip into metaphysics, the science that is thought difficult because it deals with realities beyond the range of the eye or the ear, outside the grasp of the hands. But let us see if we can make it simple.

GOD IS BEYOND DESTRUCTION

"God is no king. He sits on no throne. The throne of God is a figure of speech like the battlements of heaven, the pearly gates, the streets of gold, and the rest. It is childish, therefore, to speak of dethroning God, abolishing God. God is not a man who can be snatched from His throne, or like the fugitive king of France who was arrested at the border, brought back, tried, jailed, guillotined to make a Parisian holiday.

"God is being. God is truth, justice, right. He is, in the phrase familiar to all philosophers since Socrates, the Good, the True, the Beautiful.' God is the absolute and the ultimate; alpha, the beginning, omega the end.

"Atheists complain of the superstitions of believers, but we have no superstitions to equal theirs. 'Vous incredules, les plus credules,' said Pascal. Unlike them, we cannot believe that God can be done away with and all else remain. It is like saying that you could kill a man but that his heart and brain, his body and his members would still live; or that you could destroy the universe, and yet the earth, the sun, moon, and stars would remain. God is all; if He goes, nothing remains. If God goes, there goes with Him good, truth, beauty, justice, being, all.

"Certain opponents of God, in the open or in secret, within or without the Communist movement, have recognized the identity of God with the good, the true, the beautiful, and have set to work to rid the world of Him by corrupting, debasing, and so destroying the good, the true, and the beautiful.

"In contemporary art, for example, there is the deliberate cult of ugliness. The ultramoderns try to persuade us that the obscene, the indecent, the grotesque is beautiful. There are also composers and performers of modern music who reject with scorn the majestic symphonies and harmonies of Bach, Beethoven, Brahms, Liszt, Mozart, and ask us to accept in their place a sophisticated, degenerate adaptation of the savage rhythm of the jungle.

BOTH MAD AND DIABOLICAL

"In literature there is just now a vogue for what is base and sordid, as if nothing noble or pure or holy were to be found in men and women. Even worse, perhaps, there is in certain highly reputed authors the purposeful cult of unintelligibility. Efforts are made not only by the lunatic fringe of the intelligentsia but by famous writers to demonstrate that meaning need have no place in literature. This is intellectual nihilism. It may be madness, but if it be madness, there is diabolism in it. The ultimate aim is to destroy logic. One of the names of God is Logos.

"Now all this may seem remote from the subject we have in mind today. But the attack upon God as beauty and truth and good is of a piece with the attack upon God as justice and right. In the science of jurisprudence, in the practice of law and the administration of justice we are concerned with God as justice and right.

"Now the pity of it is—and the tragedy—that there are leftists who have done all they could to degrade the ideas of justice and right and that among them are a few at the very top of the profession.

"Of one of them it has been said by the dean of what is perhaps the most renowned law school in America: 'He has done more than lead American juristic thought of the present generation. Above all others he has shaped the methods and ideas that are characteristic of the present as distinguished from the immediate past.' The great man's peer—perhaps his only peer in the other land where the Anglo-Saxon tradition of law has prevailed—has said of him: 'What he has done for the common law, taking it broadly and apart from obvious technical differences, is much like what Savigny did for modern Roman law.'

"Such eulogies could be multiplied indefinitely. But I shall quote only one more. It is that of a Justice of the Supreme Court of the United States who said of his illustrious companion on the bench: 'He is today for all students of the law and for all students of human society the philosopher and the seer, the greatest of our age in the domain of jurisprudence and one of the greatest of the ages.'

QUOTES ATTACKS ON GOD

"What then is the attitude of this paragon of lawyers, judges, philosophers on justice and right and law and truth? You all know whom I mean and you are familiar with his views, but I shall hastily recapitulate them as a preliminary to a conclusion in

line with my main theme, the attack upon God. It shall be mostly in his own words or those of his friendly interpreters. If I add a few words of my own it shall be only by way of amplification.

"Here then is the great man's mind. 'Truth is only what I cannot help thinking.' What I cannot help thinking is truth for me; what another man cannot help thinking is truth for him. If there be irreconcilable disparity between his truth and my truth, there can be no way of resolving the disparity. Truth exists only in the individual mind. There is no truth outside the mind, to which truth as seen within may be referred for correction.

"As with truth, so with justice and law. There is no metaphysical standard of justice. If my concept of justice differs from that of the majority of my fellow citizens they may attempt to coerce me into accepting their concept. If I resist coercion I must suffer the penalty. 'Justice,' said Hobbes in Leviathan, 'Justice is what the state says it is.'

"In a democratic community justice is what the majority declares it to be. The citizen haled to court and convicted may protest the injustice of the summons and verdict. The judge may agree with him and disagree with the majority. But nothing can be done about it. The prisoner at the bar and the judge on the bench are both victims of public opinion.

CITES POWER OF MAJORITY

"If there be agitation against the law as unjust, no reference may be made to a higher law or a purer justice beyond and above the present law. Reform of the law, if it come, will be only a change in the will of the state, or in the mind of the majority. There can be no certainty that the new law is nearer than the old to absolute justice.

"As for law, it is 'only that which I might expect a jury to enforce.' There is no natural law, recognizable within the mind of man but reflecting a higher law in a mind beyond and above the mind of man. There is no such higher law and no such superior mind.

"It follows, therefore, that man has, strictly speaking, no 'rights,' still less inalienable rights, bestowed upon him by a source higher than himself and outside the state. There is no source beyond the state. There is no absolute. The place of the absolute is occupied by the state. A man has, therefore, only such rights (improperly so-called) which he can vindicate for himself, or which the states sees fit to vindicate for him as its beneficiary.

"The state giveth and the state taketh away. The state may be a dictatorship or a democracy. In either case its will is law. The individual has no rights that a ruler, a bureaucracy, or a majority of his fellows is bound to respect. 'Since there is nothing sacred about an individual life, neither is there anything sacred about a majority. * * * But there is something singularly convenient about a majority. * * * The first convenience of the majority is that it is powerful. * * * Nothing so adds to the dignity of right as power enough to make itself triumphant.'

ATHEISM JUSTIFIED NAZISM

"In the relations of one state with another the only arbiter is force. 'When the Germans in the late war disregarded what we call the rules of the game, there was nothing to be said except: We don't like it and we shall kill you if we can.' Appeal to some higher rules of the game, above the Germans and above ourselves, would introduce both metaphysics and ethics into the international relations.

"But metaphysics and ethics, as we have seen, have no part in law, or justice, or right, and they must not be introduced into the question of war and peace.

"But we must return to our theme and conclude. These astounding negations of the eminent American jurist are, in effect if not by intention, an attack upon God. To put it conversely, his rejection of God made it necessary for him to deny the existence of transcendent right, justice, law, truth. That denial involves logically the denial of anything on earth corresponding to those words. He was keen enough to see the consequences and honest enough to proclaim them.

"That he lacked belief in God is often evident in his voluminous writings. One sentence will suffice. It is from a letter to a friend with whom he exchanged opinions over a period of 60 years: 'We know nothing,' he said, 'of cosmic values and bow our heads—seeing reason enough for doing all we can and not demanding the plan of campaign of the general—or even asking whether there is any general or any plan.'

"Five years later, when death seemed near he wrote: 'I am too skeptical to think that what I have done matters much, but too conscious of the mystery of the universe to say that it or anything else does not. I bow my head, I think serenely and say, "O Cosmos—Now lettest thou thy ganglion dissolve in peace."

"'Thy ganglion!' It reminds one of Haeckel's equally base concept of man as a 'placental mammal,' of no more importance in the scheme of things than the 'microscopic infusoria' in the green slime of a stagnant pond.

"The rejection of God involves not only the repudiation of the good, the true, the beautiful; law, justice, right—and be it now added, mercy and love—but the denial of the existence of any being properly entitled to be called man.

"If God goes, all goes. It is the determination not only of dictators but of those who should be the enemies of dictators, scholars, legists, jurists to see to it that God shall go. It is our duty to see that God remains."

Red Army in Rome

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following powerful, realistic editorial, which distinctly has in mind the national interest of our country, appearing in the Boston Post of December 9, 1947, entitled "Red Army in Rome":

RED ARMY IN ROME

To those Congressmen who are now quibbling over the relief program for Europe the story of the Red Army marching through the streets of Rome might well be a warning that time is running out fast if Europe is to be saved from Russian domination. According to the report, advance notice had been given to the Italian Government that the Reds would parade, but such an alarming demonstration of their military strength by massing 20,000 of their shock troops through the streets of Rome had not been expected.

These 20,000 men were not bearing arms, but they were in uniform and marched in military formation past the Communists' leaders who had taken up reviewing stand positions at the Tomb of the Unknown Soldier. The ability of the organization to summon and transfer this large body of troops from distant points in Italy, from Trieste, Milan, Turin, Genoa, and other northern cities startled the citizens of Rome, who, naturally enough, thought it meant another seizure of the Government, similar to that staged by Mussolini in the "march on Rome" in 1922, when the Fascists took over control of the Government. How well prepared and how well financed was this movement is indicated by the fact that they were well supplied with motorized transportation, thousands of them having ridden all night in big 100-passenger buses.

That open warfare did not break out was apparently due to the policy adopted by the government of keeping the police and the army off the streets so that no collision might take place between the Reds and the government forces. That prevented open warfare for the time being. But how long can this truce be maintained? It is estimated that the Communist partisans now number some 260,000, which is well above the figure of 250,000 to which the Italian Army is limited by the peace treaty.

Patience by the Italian Government at this time may be a virtue, but when these Reds march through Rome shouting "Long live Stalin" and "Death to De Gasperie," the Italian premier, patience may be strained to the breaking point. The time may soon come when the Italian Government may decide that the "whiff of grapeshot" with which Napoleon cleared the streets of Paris becomes more effective in bringing about order. For the Red Labor Party has announced its policy of "keeping all workers mobilized" and "to intensify agitation for a general strike."

Evidently the Reds, having taken a partial beating in France, are now concentrating upon Italy where they appear to have greater strength in proportion to the total population. Furthermore, the French Government, not being limited by peace treaties, has the power to call out reserve troops and has twice in the past several weeks called additional reservists to the colors in order to be prepared to beat back any more serious demonstrations by the Reds.

The question of whether these Red demonstrations will be followed by more serious disturbances up to the point of open civil war, of course, lies entirely in the lap of Mr. Stalin. But how he will decide also lies probably in the lap of the American Congress. If sufficient aid and support is supplied quickly to France and Italy, Mr. Stalin may decide that further action on his part is too risky and that he had better bide his time for a more favorable opportunity to go ahead with his program of taking over the whole continent of Europe.

Meanwhile, all we can hope for is that the peoples of France and Italy, for whom our boys fought so desperately on the beaches at Anzio and Normandy, will come to realize in greater numbers that America is still their best friend and that Stalin is a worse menace than was Hitler.

Cleaning Up the Movies

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to revise and extend my remarks, I should like to include in the RECORD an editorial appearing in the East St. Louis (Ill.) Journal of December 8, 1947. The stand that the American people have taken on nonpatronization of theaters showing vice and crime in a

glorified light has at last brought the motion-picture industry to the realization these kind of films are not wanted.

The editorial follows:

CLEANING UP THE MOVIES

The effort of the Catholic Legion of Decency and other groups to force Hollywood to clean up its product is gaining some rather spectacular ground.

Forever Amber is being withdrawn for changes in line with moral criticism of the picture; the British movie, Black Narcissus, already has been altered in conformity with protests of the Catholic Church that it reflected unfavorably on the religious life.

Now comes announcement by the Motion Picture Association of America, which includes all the Nation's leading film producers, that its members will refuse to distribute any more films glorifying gangster names and criminal practices. The action was a result of the protest of various women's organizations against the projected production of a movie carrying the title "Al Capone." Also on the distributors' blacklist are the titles "The Capone Story," "How We Trapped Al Capone," "Dillinger," "Roger Tuohy, Gangster," "This Gun for Hire," "The Murder Ring," "Ladies of the Mob," and "Born To Kill."

Once before, in the early 1930's, the Legion of Decency forced a major change in the moral tone of the American movie by hitting the producers where it hurts most—in the box office. The mere threat of another such blow is proving enough to bring the industry into line this time.

A Good Friend of Washington

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. LARCADE. Mr. Speaker, in the Washington Evening Star of this date there appeared an editorial paying tribute to my colleague the gentleman from Louisiana [Mr. HÉBERT] for his service for 7 years as a member of the District Committee of the House of Representatives. Under leave to extend my remarks in the RECORD, I include the editorial referred to, as follows:

A GOOD FRIEND OF WASHINGTON

It is too bad that Representative HÉBERT, of Louisiana, is resigning from the House District Committee. He has been a valuable member because of the consistently helpful part he played in working for the best interests of this city.

In a service on the committee of about 7 years he sponsored much local legislation and took a leading part in writing it into law. His bill to broaden the Commissioners' powers of regulation, which he correctly regarded as one method of diminishing the volume of routine matters sent to Congress, became one of the important local statutes enacted in recent years. He initiated a series of bills affecting penal and welfare matters in Washington and the forceful efforts he made in behalf of the law for medical treatment of alcoholics, as a substitute for repetitious jail sentences, should produce beneficial results for years to come under wise administration. He directed a local police investigation that was marked by its fairness and constructive results.

In a letter he has written to Commissioner Young, Mr. HÉBERT speaks of the fact that he has benefited from service on the District Committee in a manner that would have been impossible without the knowledge thus gained of his Nation's Capital. Were it not for his appointment to another committee he would remain. This is the attitude toward District Committee service which has developed so many fine friends of the Washington community in Congress who are working to make it a better city and a finer Capital. Though leaving the committee, Mr. HÉBERT's knowledge of municipal affairs and his continued interest will remain helpful.

Resolutions of the American Legion, Department of North Dakota

EXTENSION OF REMARKS
OF
HON. CHARLES R. ROBERTSON
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. ROBERTSON. Mr. Speaker, it has long been tradition that the American Legion has stood the champion of many national and international questions, and in all cases their championship has reflected the finest in our American thinking. Under unanimous consent, I include herewith three resolutions from the American Legion, Department of the State of North Dakota, from its twenty-ninth annual convention:

Resolution 16

Whereas the Veterans' Administration, in response to congressional curtailment of services, has seen fit to drop allowances for travel for itinerant contact officers; and

Whereas such officers are rendering a great service to rural veterans in North Dakota: Therefore be it

Resolved, That the American Legion, Department of North Dakota, petition the Veterans' Administration to reinstate such service, and that copies of this resolution be sent to our Senators and Congressmen as well as to the Veterans' Administration.

Resolution 6

Be it resolved, That the American Legion, Department of North Dakota, in convention assembled do request that a full and fair investigation of the disposal of such building materials and petroleum products and farm machinery be made, and that if such practice of shipping vital building materials and petroleum products and farm machinery in short supply in the United States be found to exist, that we urge proper legislation by our Congress to immediately halt shipment to foreign countries of vital building materials and petroleum products and farm machinery, to the end that there be made available to our veterans immediately materials from which to construct homes for their families, and also for the purpose of conserving the vital natural resources of our country; be it further

Resolved, That a copy of this resolution be forwarded to each and every one of our Representatives and Senators in the Congress, and to the national headquarters of the American Legion.

Resolution 8

Be it resolved, That we, as members of the American Legion, Department of North Dakota, in convention assembled, ever mindful of our duties as citizens and of our solemn obligation and determination to promote peace and good will on earth, and to sanctify our comradeship by our devotion to mutual helpfulness and understanding, do hereby give our sincere effort and pledge our hearty support to any and all programs having for their purpose the voluntary enlistment of personnel to fill the ranks of our Army, Navy, Air Corps, National Guard, and the organized Reserve; and be it further

Resolved, That we memorialize the National Congress, setting forth the needs of our national defense forces and requesting and insisting that the program as announced by the American Legion providing for universal military training be immediately adopted and placed into operation, this to the end that we, as Americans, may speak with force and through strength maintain the peace of the world.

Forty Years a King

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. DONOHUE. Mr. Speaker, under leave to extend my remarks, I should like to include an editorial from the Worcester (Mass.) Evening Gazette of Tuesday, December 9, 1947, which is deserving of wide publicity. This article is a tribute to a great king, a great country, and a great people.

Since the earliest days of this country's founding no racial group has surpassed the Swedish people in their loyalty and devotion to American ideals.

In my home city of Worcester the Swedish people through the years have been foremost in contributing to the social, civic, and economic advancement of the community.

From our own knowledge and admiration of our fellow Swedish-Americans we can all well understand why, in a world of unrest, the Swedish Nation remains a rock of fundamental stability.

The editorial follows:

FORTY YEARS A KING

The fortieth anniversary of the reign of King Gustav V, of Sweden, celebrated yesterday, is of interest to all the people of Worcester because of the respect in which we all hold our fellow citizens of Swedish descent. Not only do these form a substantial portion of our population, but they are so closely associated with the city's industrial, social, and civic life, that they are indeed a vital element in its economy, its democracy, and its neighborliness. Their attachment to the country of their race is based on a pride in its sturdy and righteous qualities, and this pride all, with neighborly friendship, are happy to share.

The visits of members of the Swedish royal family, and honors conferred on some of our citizens by the royal family, have strengthened this sentiment, as has the gracious gesture of the King in volunteering to embroider an altar cloth for the Trinity Lutheran Church here. Not only the members of the churches forming the new Trinity parish, but all the people of the city, look forward to the completion and dedication of this devotional work of art.

But there is a greater significance in this anniversary than these local and parochial interests. In the midst of a changing political world, the reign of a monarch who has held the loyalty and love of his people for 40

years represents a fundamental stability. That stability is reassuring for all who are hopeful that the world will find firm bases of security. For King Gustav has not been merely a mute figure in a palace. He has been a leader. The politics of his governments might change, according to the will of the Swedish people, but their ideals of loyalty and dignity, and of their place as one of the important peoples of the world, have been embodied and led by this resolute heir of an ancient tradition of dignity and leadership.

In their monarchy, and under Gustav V as King, the people of Sweden have had a chart, and a firm hand to follow it, among the shoals of change. Under his leadership they have been able to demonstrate that however much ideas may change, ideals remain constant.

Their King is now approaching the age of 90. It is not in nature that he can be spared to them for many years more, but he has been with them through many troublous times. His example, his council, and his influence have become part of their history. They will not forget.

Fighting Inflation: A Two-Front Challenge

EXTENSION OF REMARKS
OF
HON. JAMES C. AUCHINCLOSS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. AUCHINCLOSS. Mr. Speaker, it is with a great deal of pleasure that I append to my remarks a speech made on a recent occasion by Lewis H. Brown, chairman of the board of the Johns-Manville Corp. Mr. Brown is a comparatively young man who has attained his high position through his own recognized ability. He is an American of the finest type, having been born in the western part of our country, and he knows what it is to work with his hands as well as with his brains. Recently Mr. Brown made a survey and report on western Europe and Germany which I wish would be read by every Member of the Congress. In this speech he makes specific suggestions for waging the fight against inflation and makes a clear distinction between political and economic measures. Mr. Brown's views are sensible and sound and what is more, they are workable and would be effective. I hope my colleagues will all read this truly remarkable speech. It follows:

During the past 4 months I have had the opportunity to talk to more than 10,000 business men on the question of Germany's political and economic recovery.

In my report on Germany I outlined a plan to prevent the revival of German militarism, to get Germany off the backs of the American taxpayers and to start her on the road to recovery. I also suggested several ways that the United States could render assistance in the recovery of France and Great Britain.

Since my report to General Clay was summarized in recent issues of Collier's and Newsweek and is now available in the bookstores under the title, "A Report on Germany." I do not want to repeat here today the same ground covered in those reports.

I think it is now widely accepted that there can be no recovery of western Europe without at least western Germany's recovery, for Germany is the heart of industrial Europe. And until western Europe recovers there can be no political and economic stabilization of the world.

When I prepared my report on Germany last summer it was common knowledge in Europe that Communist Russia would not cooperate in any way to bring about the political and economic stabilization of western Europe. Her policy was then and is now to thwart any European recovery program and to prevent the unification of Germany on any other terms than her own.

With this in mind I suggested last July that we could expect no cooperation from Russia at the London Conference and therefore should proceed to unify the three western zones of Germany as a basis for western Europe's recovery.

The convening of the Foreign Ministers in London last week has not changed the basic picture. If anything, the Communist-inspired disorders and uprising in France and Italy give us further proof of Russia's determination to upset the European apple cart.

Under the circumstances, we should be realistic. For we have a big stake in the recovery of Germany and western Europe. We should proceed without delay to unify the three western zones of Germany. Until that is done we will simply be pouring more of the American taxpayers' funds down a rat hole as we continue to carry Germany on our backs.

Whatever help we give should be provided on a declining basis. By that I mean it should be substantially reduced each year over the next 5 or 6 years with the ultimate objective of having Europe stand on her own feet. Our aid should definitely be in the form of incentives to produce and should not be in the form of another dole or boondoggling operation. I think we are all agreed on that.

With that brief background I would like to discuss the effect such aid to Germany and to western Europe may have on the economy of the United States and what may happen if we fail to pursue a consistent, constructive, and realistic policy. If we realize the pitfalls ahead of us perhaps we will have the common sense to avoid them. Or, if we cannot avoid them, perhaps we can minimize them to some extent.

The gravest threat to our economy will be the adoption or continuation of policies which unnecessarily increase the inflationary trends that are already only too obvious. Most of us recognize these postwar inflationary pressures and realize they require Government action. In a political year, it is particularly difficult for those in political office to take any steps that might alienate the support of a certain group even though the country as a whole would benefit by that step.

Yet the times call for such action. Fighting inflation is a two-front challenge. It calls for statesmanship of the highest order if we are to assist Europe and at the same time keep under control the inflationary pressures which have already caught us in a vicious spiral.

When we abandoned controls we moved forward. We cannot afford to move backward now by again imposing controls and restrictions which retard production or discourage the investment of capital in new ventures or improved tools.

Such controls are definitely inconsistent with what we are trying to do to start Europe on the road to recovery. Instead of leading Europe out of her economic and political chaos we would be setting a poor example by adopting the same economic planning that is holding back Europe today. It is a matter of record that the planned economies of Europe have failed to make anywhere near the substantial recovery from the war that we have made here.

How the administration will deal with prices in general, with farm prices in particular, with purchases of food and supplies for Europe, with interest rates, wages, credit, taxes and the budget should be of deep concern to all of us.

The policies which the administration will adopt in the immediate period ahead can bring about a most serious inflation. Or they could help to restore a balanced economy. Or they could readily tailspin us into a severe depression.

At the moment the administration is again contemplating price and wage controls. In my opinion, this is a false solution to the problem. Price and wage controls are necessary in wartime. They have no place in our peacetime economy.

We should let supply and demand determine both prices and wages. Prices of raw materials, food, wages, and finished goods in the United States, should be left free to perform the most important of their historic functions, namely, to stimulate production and to permit competition to bring more value for the money.

The fact that our markets have been freed of most controls is why the United States has become the food basket of the world and the main reliance of millions of starving people abroad.

In 1946 we made the historic decision to abandon price controls, government rationing, allocations and many other measures which are necessary in war but which in peacetime are trappings of socialism. But every country in Europe has continued controls of some sort or another. We now produce 40 percent more food than before the war and our factories are turning out from 85 to 90 percent more physical output than before the war.

Where is there any other country that can come even within hailing distance of our production records? Most other countries are still below prewar levels of production.

We in this country have balanced supply and demand by letting prices rise to stimulate an increased supply. That is why we have surpluses to ship to Europe. But in Europe the planners have attempted to balance supply and demand by rationing supply and attempting to reduce demand. Instead of surpluses, there is in Europe underproduction, refusal of farmers to sell at fixed prices, austerity and outright hunger in the cities.

Admittedly a free market does not work to the complete satisfaction of everybody, but for the national economy it works vastly better than letting bureaucrats dream up prices from swivel chairs and enforce them on the producers.

Yet there is no doubt that rising prices can become dangerous when they pass the point where they increase production and go into an inflation spiral. It is for that reason that the Government should throw its full weight into the balance to check wage increases that do not help the employees but simply raise prices further.

From the day Japan surrendered to the present time our Government has used all of its power to maintain and increase food prices and to increase wages. The responsibility for the inflation that has already taken place must be laid on the doorstep of the administration.

There are a number of factors that have caused high food prices in the United States. First and perhaps most fundamental, is the enormous manufacture of money during the war through deficit financing, accompanied by the war boom, full employment, and the need to fill the delayed wartime demand for goods.

Among other factors causing high prices are the export boom and the short corn crop.

There is a further reason which, under present conditions is unjustifiable at this time.

Prices have been boosted by Government price-pegging operations and by extremely

heavy procurements of foods at the wrong times or by wrong procedures.

The entire legislative program for raising food prices and putting a floor under agricultural prices by Government subsidies should be placed under review. This program was the product of the low-price era during and after the depression of the thirties and the Stabilization Extension Act of 1942. Now the problem has changed drastically from once very low to present very high agricultural prices.

For example, the Commodity Credit Corporation is still compelled by law to support prices of certain farm products at 90 percent of parity. As a result of these legislative obligations, the CCC has entered the market and bought up large amounts of such farm products as potatoes, eggs, and so forth.

You may recall that last year substantial Government funds were used to buy up potatoes. They were then piled in heaps and saturated with kerosene to render them unfit for human consumption. This is a vicious form of "ploughing under" that takes us back to the worst traditions of economic planning during the great depression.

Only recently Senator MCCARTHY, of Wisconsin, reported that the Army had purchased 1,600,000,000 pounds of sugar at a price of $1 a hundred pounds above that quoted on the world market. The Army replied that it was buying sugar on the recommendation of the State and Agriculture Departments. It did not disclose the amounts. Senator MCCARTHY declared that he did not "know what right the Army had to help raise the cost of living when the administration is attempting to curb inflation."

In short, Government price operations have repeatedly worked against the interests of the consumer who is valiantly attempting to hold the cost of living within reach of his pocketbook by shifting from high-priced to somewhat lower-priced foods. Instead of allowing the consumer to buy when food prices are declining, the Government enters the market with the taxpayer's funds as the taxpayer's main competitor. Obviously there is something wrong somewhere.

Purchasing for export at the wrong time has also helped materially to make prices unnecessarily high. Recently the Commodity Credit Corporation made very heavy purchases of wheat in the open market. In a 4-week period about 58,000,000 bushels of wheat were acquired in addition to purchases of flour.

I have not yet seen a denial from Washington that $19,000,000 of wheat was bought by a Government agency on 1 day with the result that wheat rose $1 a bushel in 1 week.

Is it necessary for the Government to buy in this fashion when such purchases constitute the marginal amount that is sure to make the pitcher overflow?

Cannot more discretion and good sound purchasing sense be used?

At times it seems as if the Government, although compelled by law to buy, performs its purchasing function in utter disregard of what happens to prices and to the cost of living of the consumer-taxpayer whose sweat furnishes the money.

I do not recommend the abolition of price floors under farm products. But I do recommend their suspension for a year or two at a time like this. The marginal demand for food resulting from exports abroad is too much of a threat to the buying power of the American housewife's pocketbook unless procurements are skillfully handled.

I do not criticize the Government purchases of food for Europe. I strongly favor the export of food under a program which will utilize it as an incentive to start Europe on the road to self-support.

What I do criticize is the way purchases of food for Europe are handled, the way the Government has continued to support food prices when demand exceeds supply and the way the Government has continued to apply depression and wartime remedies when the depression is long past and the war is over and we have an inflationary boom.

Unfortunately it appears that when the Government finally hears the voice of the people crying out in protest against high prices the only remedy the Government can think of is to apply wartime controls to peacetime conditions.

What is really needed is for the Government to make intelligent use of some of the peacetime measures it has forgotten to use. Moreover, the Government ought to stop doing some of the things that cause inflation. These things may have been beneficial at the bottom of the depression but are positively detrimental at the peak of an inflationary boom.

What is needed are some gentle deflationary pressures.

Once the Government gave evidence of a clear understanding of the right way to deal with the causes of the problem there would be a good chance of getting a large measure of voluntary cooperation from businessmen. This cooperation would help to stop the inflationary spiral that is just as dangerous to business as to labor, the farmer, and the public. But businessmen cannot do this until Government first does its part.

But when the Government does everything it can to increase farm prices and then encourages one wage increase after another because food prices are raising the cost of living, business cannot be expected to do more than it has done to keep prices down.

However, it does little good to merely criticize the Government. Even though the President—in matters of economics—seems to accept the advice of the managers of politics rather than that of the managers of finance and business, we must remember that it is still our Government and it is up to us to continue to urge sound and constructive measures.

If sound measures are not adopted, then, when economic trouble develops later the record will be clear that the blame lies with what has been done by the Government and not with what has been done by business.

Let us risk the danger of oversimplification in an effort to state what ought to be done by Government, farmers, bankers, labor, and business.

Let us first determine where we were in the inflationary spiral 28 months after World War I on Armistice Day, November 11, 1918. Wholesale commodity prices in those 28 months had risen 16 percent and were about 135 percent above prewar. Then came the 1921–22 recession after which wholesale prices stabilized for a long period of years at roughly 45 percent above prewar.

Compare what happened after this war. In the 28 months after VJ-month—August 1945—wholesale commodity prices have risen over 50 percent instead of a mere 16 percent as after the First World War. Moreover, 28 months after the First World War prices were close to a peak and it was only a few more months to the downturn. In the present period, however, the spiral has taken a new violent turn upward and no downturn is as yet in sight.

Even in relative purchasing power, the farmer is about 6⅔ percent better off than before the war and the factory wage earner, in spite of the rise in living costs, is 25 percent better off.

The rest of the population is either no better or no worse off than prewar.

This economic imbalance is just as great a danger to our continued prosperity as was the imbalance existing in 1928 when the relative purchasing power of the farmer and the laboring man was on the down side.

The other great danger is that the inflationary spiral threatens to go on and on while the Government prescribes political remedies for an economic disease.

What are the right remedies? In my opinion, here is what should be done, and done now:

1. Food prices must be turned downward. We should not try to do this by restoring Government price controls. Such controls merely choke off production, create shortages and bottlenecks, and set up black markets. Instead of controls, the Government should suspend for 2 years all of the depression measures, subsidies, and price parities designed to get farm prices up and keep them up.

2. Where the Government buys for export or lends money to foreign countries which in turn buy in our markets, the major purchases should be made under a centralized purchasing control agency. This agency would receive the cooperation of the top experts from business in each commodity. Thus, our Government, in buying, would minimize its competition with the housewife and our money loaned abroad would be used so as to least disturb the stability of domestic prices.

3. Instead of the Government trying to control prices, wages, and allocate commodities internally in peacetime, the Government should take full responsibility for allocation of materials in short supply for shipment abroad. This can be done through export licenses—a system of control still in effect.

4. The Treasury and the Federal Reserve banks should bring about mild deflationary pressure by simply stopping the depression and wartime policy of holding interest rates down. Letting interest rates rise would give investors an inducement to again put their money into long-term securities. With moderately higher interest rates the Government could begin to get some of the war-created deficit money out of the banks and into the hands of real investors, thus siphoning off as much as possible of this money supply which in the current market tends to bid up prices of goods. Such mild measures gently applied would also tend to tighten bank credit and thus put a brake on the inflationary spiral.

5. Just as soon as these measures by Government had turned food prices downward, then the President, the Cabinet, and Congress must take a firm stand against any further wage increases. Once food—the main item in the factory worker's budget—turns downward, then the leaders of organized labor will, I believe, cooperate by agreeing with the Government to forego demands for wage increases for at least 1 year.

6. On the basis of a year's moratorium on wage increases, the Government could then ask basic industries to stop price increases for a year. Since the spread between factory prices and retail consumer prices is abnormal, the Government should ask all distribution and retail businesses to reduce prices wherever possible as their contribution to stopping the inflationary spiral.

7. While maintaining an adequate national defense and giving necessary support to the Marshall plan, Congress should insist upon at least a $2,000,000,000 reduction in Federal expenditures as compared to this fiscal year, at least a $3,000,000,000 reduction in the Federal debt from surplus, and, finally, a tax reduction through community-property measures and any other tax-reduction methods compatible with a balanced budget. The community-property tax measure should be made effective as early as possible next January. Reduction in expenditures and in the Federal debt, together with tax-reduction measures, would help put a mild damper on inflation and at the same time leave the average housewife a little more of the family pay envelope to get into balance with the cost of living.

8. With these measures and a free market in effect, instead of Government price and wage controls, the Government and the press should urge housewives and all purchasers to avoid wherever possible buying commodi-

ties in short supply and to switch to commodities where the supply is better and prices are being lowered.

I am sure that if statesmanship prevails it will be possible under this program to ease the inflationary pressures due to ill-timed, inefficient Government purchases, parity and subsidy farm-price policies, low interest rates, wage increases that are nullified by accompanying high prices and unrestrained granting of credit.

Statesmanship is also needed to adopt and follow through with a sound, constructive tax policy, a policy that calls for a reduction in taxes as a result of increased efficiency and economy in Government while at the same time spending for absolutely necessary purposes.

If our foreign aid is given wisely and is of a nature that stimulates production in Europe, there is no doubt that we can help to get western Europe started on the road to recovery. A restored western Europe will not only be a bulwark against the westward march of communism but will be a potent factor toward the political and economic stabilization of the world.

If we are to avoid serious economic repercussions in the United States as a result of superimposing our foreign-aid program upon our already inflated economy, we must boldly tackle the problem and set aside partisan politics.

As I have said, the critical times in which we live require statesmanship of the highest order. Inevitably, such a program will not please everybody, but, in my opinion, it is required by our national interest.

Freedom Train Visit to Boston

EXTENSION OF REMARKS
OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following speech made by me at a luncheon conducted by the Advertising Club of Boston in the Hotel Statler, Boston, Mass., in connection with the opening of Rededication Week in Massachusetts and the visit to Boston of the Freedom Train:

Mr. Chairman, distinguished and invited guests, ladies and gentlemen, at the outset I wish to express my gratitude to all of the officers and members of the Boston Advertising Club for your invitation to join with you in your contribution to the program of Rededication Week.

The advent of the Freedom Train in Boston, carrying with it the tangible evidences of the enshrinement of our democratic ideals, furnished to each of us a golden opportunity to look upon the handiwork of those who secured for us the blessings which we now enjoy. Since many of the sentiments in those priceless documents found their origin in the atmosphere of liberty, which has always been characteristic of Boston and vicinity, we of Boston and of Massachusetts take a special pride in the visit of the Freedom Train, and we shall need no urgent plea to our people to reacquaint themselves by seeing the historic documents while they are in our midst.

The assembly of any representative portion of our citizenry—no matter what the occasion—is always a good and wholesome thing.

It becomes more so when a group of public-spirited citizens like yourselves take the time and make the effort to gather together and pay tribute to the basic charter of liberty, which guarantees, as stated in the language of article I of the Appendix to the Constitution, "the right of the people peaceably to assemble."

It is indeed a sobering thought to realize that in many parts of the world today the right of assembly—and all the other host of precious rights which some Americans indifferently take for granted—are denied to whole nations of people.

Even more than 2 years after the end of a terrible war, fought ostensibly to vindicate those rights, we are faced with the frightening fact that their free exercise is denied and extinguished by the ruthless and unbridled use of dictatorial power.

In those nations behind the "iron curtain," where the puppets and the puppet masters are unrestrained by the laws of God or man, the people assemble only by leave of, or at the command of, their masters, and then only in fear, and to do their master's will.

If they have constitutions, they are not charters of liberty, but devices for control, domination, and exploitation.

If they have bills of right, they are not respected and held sacred, but subject to suspension and even abolition at the arbitrary will of the rulers.

And the dignity of man and the doctrine of inalienable rights in those lands are empty phrases, because a creature of the master state has no dignity, and his rights are the permissive grants of the master.

It is because of all these things that I can truthfully say "it is good for us to be here."

We need, more than any other people, the inspiration of rededication.

Having by the grace of Almighty God, emerged victorious from two world-wide holocausts, we have not suffered the deprivation of any of our liberties, and, as a result, some Americans have grown callous to their preciousness.

We declaim and exult in our rights and blandly forget that they entail solemn obligations of citizenship.

We glory in the vigor and vitality of our priceless American heritage, and supinely allow it to become emaciated by the virus of hatred and prejudice, and the cancer of civic indifference.

We are the proud inheritors of a system of government the like of which has never been devised by any other people on earth, and we stress and insist upon our right to criticize it, as we should, but sometimes the criticism goes to the utter exclusion of any defense of its unique virtues.

I do not make these indictments lightly. As a matter of fact, I regret that it is necessary to assent to their truth. Personally, I would much prefer to believe that our civic consciousness, our national integrity, and our vigilance for Americanism were beyond reproach.

But there is evidence that does not permit such belief.

Millions of our citizens do not even make the effort to vote in national and local elections.

Can it be denied, then, that there is an urgent and compelling need for rejuvenation of our civic consciousness?

But personal neglect of civic duty on the part of some is not the only indication of our lack of appreciation of the American heritage.

Far more deadly is our lackadaisical attitude toward the manifestations and eruptions of un-American conduct in our social and civic life. These range all the way from overt acts of hatred for minority groups to so-called intellectual skepticism concerning the worth and validity of our institutions.

The breeders and disciples of hatred, bigotry, and prejudice must be stamped out of our midst. That is the duty of all of us, the duty of all leaders of religion.

We must bear in mind that lack of protest against any deprivation of civil rights—either those of any individual or those of any group—means acquiescence in un-Americanism.

And what can be denied one person or one group by the prejudice of the dominant majority today can be denied to another or to any group tomorrow.

The overriding need, then, is for vigilance.

Vigilance to prevent the rise of racial prejudice.

Vigilance to prevent the growth of religious bigotry.

Vigilance to prevent the development of class hatred.

For these three things are festering diseases which will waste the fiber of America and destroy the sinews of her strength.

Our vigilance must be accompanied by tolerance—the tolerance of understanding, the tolerance of brotherhood, the tolerance that permits man to live in dignity and peace.

We must be intolerant only of social, racial, and religious intolerance.

Another manifestation of typical American indifferentism is lack of awareness of the more subtle attacks upon our ideals and institutions.

I think we will all agree that of the precious freight of documents in the forthcoming Freedom Train, the Declaration of Independence and the Constitution of the United States, are the most hallowed symbols of our political and legal freedoms.

While the documents themselves are symbols, the doctrines expressed in them are the basis upon which the whole structure of government is founded.

The natural law concepts of the Declaration of Independence were, and are today, the American challenge to tyranny. No individual and no nation can depart from the law of God without ultimately meeting disaster.

The justice of the preamble to the Constitution is not an abstract theory but a goal and an ideal to which we have been constantly striving.

The fine balance which the political and legal wisdom contained in these two documents has produced is the secret of the success of our democracy.

Because of it we have avoided the error of the political philosophy which teaches that the common good is completely subordinate to the individual good.

That would be anarchy.

Also because of it we have avoided the delusive doctrine that the individual good is completely subordinate to the common good.

That would be totalitarianism.

We have adopted the middle course—and that is democracy.

Yet, only the other day I read a polemic from the pen of a brilliant, highly educated associate editor of one of our leading and most respected journals, in which he stated that the higher law of the Declaration was formulated by Thomas Jefferson "under the necessity of justifying open rebellion against the law of the land, act of treason, and the breaking of the oath of allegiance to a lawful sovereign."

A little further on the same author asserts that "As to the theory of the inherent and inalienable rights bestowed by the Creator, I consider it sheer, convenient nonsense, in just about the same category as the other eighteenth century French assumptions concerning the natural man and the noble savage."

It is not my purpose to quarrel with the writer of these cynical comments. My own brand of tolerance concedes to him his right to his own brand of skepticism.

It is evident, however, that if the hope for our future lies in a choice between the faith of the founding fathers and the skepticism of modern-day intellectualism, it would be crass folly to place our reliance in a philosophy that denies natural rights and characterizes democracy, as does the same author, as

nothing more than "obedience to the public will."

It is that faith of the founding fathers to which we must return.

Reaffirmance of that faith is essential to our survival.

You are all aware that there is a conflict of legal, moral, and governmental ideologies raging in the world today.

In the political arena, this conflict is between the idea of the free nation and the idea of a puppet, slave state—of the dignity of the human being—of man, or the modern totalitarian state supreme.

In the economic arena, the conflict is between the philosophy of free enterprising and competitive capitalism of individual initiative, and that of controlled, state-dominated communism.

In the social arena, this conflict is between the rigidity of a state-enforced proletarianism and the fluid intercourse of a society of free citizens.

In the religious arena, this conflict is a struggle of survival between a civilization built upon belief in God and the traditions of His heritage and an alien civilization based upon the philosophy of atheistic materialism; of love or hate.

There is no room for debate upon the question of where we shall stand. If world order is to ensue from this period of postwar adjustment, such ordering must come from law and justice, and not from power and force.

Each of us can contribute to that ordering by accepting and performing the obligations of our heritage.

We can do it by an alert and active participation in the processes of democracy by fulfilling the duties of American citizenship.

We can do it by increased awareness of an appreciation for our individual rights and liberties.

We can do it by acting, thinking and living as Americans with justifiable pride in our past and in our accomplishments as a people, and looking with confidence to the future.

We can do it by recognizing our obligation to the world to maintain our free institutions as an example of democracy preserving the rights and dignity of the individual.

We can do it by rededicating ourselves to God, to our country, to the Constitution, and to the service of our fellow men.

NEWSOME & CO., INC.,
Boston, Mass., October 10, 1947.

Congressman JOHN W. MCCORMACK,
Dorchester, Mass.

DEAR CONGRESSMAN MCCORMACK: I am taking this opportunity to tell you how much I enjoyed your fine address to the Advertising Club last Tuesday on the occasion of Rededication Week. Also, I want to thank you for letting us have your own copy of the speech for the newspapers.

Enclosed please find the original as well as a new copy which I was happy to have made for you. You will notice that the fresh copy includes some of your extemporaneous remarks not found in the original.

Sincerely yours,

PAUL A. NEWSOME.

Socialism and Communism

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. DONDERO. Mr. Speaker, under leave granted by the House to extend my remarks in the CONGRESSIONAL RECORD, I include therein an editorial by Hamilton Fish in Today's World showing the difference between socialism and communism. It is a short analysis of the two theories, and I commend it to the reading of my colleagues for the information it contains:

THE DIFFERENCE BETWEEN SOCIALISM AND COMMUNISM

(By Hamilton Fish)

It is surprising how little the American people know about the fundamental principles of socialism and communism, and the difference between the two. Ask any of your friends and you are apt to get an evasive answer.

One-half of Europe is under the Communist control of Soviet Russia and most of the balance of Europe is under the rule of Socialist governments, including the two most powerful western powers, Great Britain and France. The Socialists of Europe are, generally speaking, antireligious as are most Marxists, particularly in France, Italy, and Germany and to a lesser degree in England. The economic aspects of socialism and communism are very much the same. Both these social and political ideologies are derived from the same source—the Manifesto on Communism by Karl Marx, published in 1848. This is a statement of fact that will not be denied by either the Socialists or Communists.

It is of the utmost importance that the American people understand the aims, purposes, and principles of both the Socialist and Communist parties.

The Communists claim that socialism is the first step or stage in building a Communist state. Both socialism and communism are opposed to our American system of free enterprise and private ownership of property. They both advocate government control and operation of industries, transportation, and distribution systems. For 30 years Soviet Russia has carried out a socialist program under a terroristic dictatorship. The results have been the destruction of liberty and freedom and the creation of a police state honeycombed with concentration camps and supported by human slavery. Charles Sumner aptly said, "Where slavery is, there liberty cannot be, and where liberty is, there slavery cannot be."

Most Socialists will approve of the huge concentration of governmental powers and the seizure and control of means of production and distribution of goods that have occurred in Soviet Russia. They find no fault with the establishment of a Socialist state there. What many right-wing Socialists balk at is the abolition of democratic processes under the Soviet totalitarian state.

What the American people should understand is that the economic aspects of socialism and communism are alike as two peas in a pod.

The Socialists deplore the brutal and bloody Communist direct-action tactics instead of their professed evolutionary one, by the ballot instead of by the bullet and force and violence. To most Socialists the oppressive Communist totalitarian dictatorship is contrary to their fundamental beliefs in freedom and democratic concepts of government. Nevertheless, the various steps taken by the Soviets to transfer the ownership of industries to the state meet with their qualified approval. That is precisely what the Socialists would undertake to do if elected to power in the United States, just as they are doing in England and France today, and thereby ruining the economies of both hitherto prosperous nations.

The Socialist Party of the United States in its declaration of principles stated a quarter of a century ago that its purpose when in power is "to transfer the ownership of industries to the people (government), beginning with those of a public character, such as banking, insurance, mining, transportation, and communications."

That is what the Socialist Labor Party has already done in England except for insurance, which will probably come next.

Karl Marx, the god of both the Socialists and Communists, was most explicit in favor of "centralization of credit in the hands of the state by means of a national bank with state capital and an exclusive monopoly."

Lenin, the father of modern or oriental communism, understood what the control of the banks by the government really meant. He said: "One state bank as huge as possible, with branches in every factory, is nine-tenths of the Socialist apparatus. * * * Through the nationalization of the banks, they—the small businessmen—may be tied hand and foot."

The British Socialist leader, G. D. H. Cole, was forthright in his explanation: "Before a labor government nationalizes any industry it should first nationalize the banks. With the banks in our hands we can take over other industries at leisure."

The British labor government has been in power several years and has demonstrated its capacity to undermine and wreck the system of free enterprise that made the British Isles the center of world trade and banking. That formerly robust and prosperous nation in the short space of 2 years has been laid low economically and financially by the incredible follies and incompetence of the labor government and its Socialist program.

The coal mines, which have been the foundation of British economic expansion and wealth, have all closed down while the miners live on family subsistence pay and indulge their sporting proclivities in training and racing whippets.

We have gone a long way in the United States down the dismal trail of collectivism. The terrible example set by communism in Soviet Russia and the tragic failure of socialism in Great Britain should call a halt to further attacks on our American system of private enterprise based upon private initiative and reasonable profit which has made our country the richest, most prosperous, and freest in the world. It has also made our American wage earners the best paid, the best housed, the best clothed, the best fed, the best educated, and the most contented and free. Half the population of Italy, Germany, and Great Britain would migrate to the United States if we would let them in, and 75 percent would flee from Soviet Russia and its satellite countries if they knew how to escape from the terror and brutality of these slave and police states. Whole nations have made and will make mistakes and have been compelled to turn back or turn aside. It does not follow that because some industries can be socialized that all industries can.

There is no desirable social or industrial reform in the interest of the people that cannot put into effect through our republican system of government, instead of turning to the radical principles of Karl Marx, founder of both the Socialist and Communist Parties. There is no need for either of them in free America.

Early last month, Winston Churchill in addressing a Conservative Party convention declared: "The machinery for the totalitarian grip on British society is being built up and perfected. One could almost wonder whether the government do not reconcile themselves to the economic misfortunes of our country, to which their mismanagement has so notably contributed, because these misfortunes give a pretext for establishing even more controls and ever larger bureaucracy. They make mistakes which make things worse. As things get worse they claim more power to set them right. Thus they move nearer to the scheme of the all-powerful state in which the individual is a helpless serf or pawn."

The wartime Prime Minister put his finger on one of the main difficulties or sore spots when socialism is actually applied. It requires either the Soviet type of ruthless Communist police state or a drastic totalitarian Socialist government to make it halfway workable. No matter how altruistic the Socialist remedies or reforms may sound, they are ineffective unless labor and the people are strictly regimented by the government. This invariably means the loss of personal liberty and economic freedom for both labor and the people. Until the average citizen, whether British, French, American, or any other nationality, grows wings and is willing to be regimented and ticketed by the state without coercion, neither socialism nor communism will work. The only alternative is a totalitarian state with all its enforcement apparatus, even including concentration camps as in Soviet Russia.

This Frankenstein of state socialism or Soviet communism requires a government based either on austerity or terror and the consequent loss of human freedom which hitherto has been the goal of all free nations.

Despite the fact that Britain won the war militarily, it has lost it by adopting the principles of national socialism, which requires a totalitarian state to be made effective.

The Conservatives in England today might well quote from Goethe, who said: "I hate bungling as I do sin, but particularly bungling in politics, which leads to the misery and ruin of many thousands and millions of people."

The proof of the pudding is the eating. The proof of 30 years of communism is the lack of eating and the lowest standards of living of any nation except China and India. Two years of Socialist government in England and France have brought about a stagnation of production and the decline of trade and living standards.

Speaker JOSEPH MARTIN said a mouthful of truth when he announced recently that a majority of Americans want to help Europe but think it is high time Europe was going to work and beginning to help itself. The American people want to know when are the Socialist governments of Britain and France going to increase production by increasing hours of labor, instead of our footing the bill for increased wages and less work. Speaker MARTIN is one of the most influential leaders in the Republican Party and is the choice of Today's World for Vice President in case of the nomination of General MacArthur or General Eisenhower for President on the Republican ticket.

Today's World favors spending a billion dollars of our Government's funds to supply the starving people of Europe with food and necessities of life including clothes and medicines, but not $1 to underwrite and keep in power Socialist governments in England, France, or any other foreign nation.

We are doing a disservice to the people of these nations by spending our wealth to rivet socialism on them. Its disastrous and ruinous effect on the economies of these nations and their people would soon result in an overwhelming repudiation by their own voters, if we stopped bailing out foreign Socialist governments.

Price Control

EXTENSION OF REMARKS
OF
HON. PARKE M. BANTA
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. BANTA. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Farmington (Mo.) Press of December 5, 1947:

See where Congress is debating over whether or not it should reimpose price controls to halt the constantly rising price trend. We might put in our two bits worth by saying that the only way to hold prices down is to have a plentiful supply. And if Congress would quit giving all our food and merchandise to Europe we would have a sufficient supply to meet the demand in this country and prices would stabilize.

Naturally, we don't want to see anyone starve to death. But these Frenchmen, Englishmen, Italians, and so on wouldn't be so hard up for food and clothing if they would quit having revolutions, strikes, demonstrations, etc., and get down to work. If they worked as hard as the average American citizen, they would soon be on their feet again. But why should they go to work as long as they can make us sucker enough to support them. Russia doesn't give them anything, yet our Government is afraid they might become friends of Russia if we don't kick in. How about playing a dirty trick on the Russians and let them have all of Europe.

Why Italy Requires Prompt Help

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. DONOHUE. Mr. Speaker, under leave to extend my remarks, I wish to include the following very timely and thought-provoking editorial entitled "Why Italy Requires Prompt Help," which appeared in the Evening Gazette of Worcester, Mass., Tuesday, December 9, 1947:

WHY ITALY REQUIRES PROMPT HELP

Sunday's Communist march in Rome was no "march on Rome"; that is, it did not seize the government in the manner of the Fascist Blackshirts of 1922, nor did it openly threaten to do so. But it was a sharp and ominous gesture just the same.

Only a few hundred Partisans had been expected for a week-end convention. Instead, between 20,000 and 30,000 arrived from the industrial north and paraded grimly in unarmed but precise military units. They had obviously been well drilled, and Communist insignia decorated a motley attire that included Russian fur hats, American army jackets, and Italian army uniforms. The paraders had been driven long distances by night for a plain attempt to cow Premier Alcide de Gasperi and his Christian Democrat government.

Whether or not the vigorous Schuman government's measures in France have led the Communist drive headquarters at Belgrade to switch the main pressures to Italy, Sunday's march in Rome had been carefully staged and timed. For the twenty-thousand-odd Communists, under their commissar commanders, were supposed to be a sample of an estimated 380,000 similarly organized and ready. The parade was a demonstration of the Partisans' ability to mobilize under orders. It was accompanied by a burst of anti-American and pro-Soviet propaganda in such Communist papers as L'Unita. It came on the heels of a Communist ultimatum, threatening a general strike and other outbreaks unless the government, by tonight, punishes police who put down a Communist riot at Primaville, near Rome, last Friday. There is not the slightest doubt that such an ultimatum is aimed at political upset rather than economic or social justice.

Italy is second only to France on the list of European prizes coveted by the Communists, and may be even more susceptible to Communist pressures. The country has 2,200,000 Communists, who rounded up 4,000,000 votes for 104 assembly seats in the 1946 election. That 20 percent of assembly seats, however, has never carried enough power so that the Communists can hope to win Italy by democratic processes. Their exclusion from the De Gasperi Cabinet last June forced them to resort to violence.

The yardstick of De Gasperi's strength will be the firmness with which he rejects the ultimatum. He does not possess much military power to face the 280,000 Partisans. Italy's police and army are limited by the peace treaty to 250,000, of which most units must watch the Yugoslav border. But the government has political shrewdness, and the Premier's move to enlist a couple of small moderate left parties in his ranks is a good sign.

This week may tell the story. For at midnight next Sunday, 30 days after the September 15 treaty ratification, the few remaining Allied troops must be out of Italy. The Communist leaders, Longo and Togliatti, are well aware of that. What the United States will do if De Gasperi asks American troops to remain is uncertain. It is certain, however, that the situation in Italy requires the psychological, as well as economic, bracing of prompt action on emergency aid from this country. The march in Rome last Sunday was evidence enough.

Brake on Housing

EXTENSION OF REMARKS
OF
HON. CARL ALBERT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. ALBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post, Washington, D. C., of November 26, 1947:

BRAKE ON HOUSING

One segment of the housing program is grinding to a stop for want of legal authorization. The amount of mortgage insurance which the Federal Housing Administration can grant under title VI—emergency housing for veterans—has been limited by Congress to $4,200,000,000, and that maximum was reached about 10 days ago. Congress extended this authorization just before taking its summer recess, but it underestimated the demand for mortgage insurance of this type. Now it must act again with great speed if the building of homes for veterans is not to be seriously curtailed.

The importance of this aspect of the housing program may be seen from fact that approximately 30 percent of the new private housing currently placed under construction is being financed under FHA title VI insurance commitments. It is this title which gives special encouragement to large-scale construction of low-cost housing both for sale and for rent. The country is fortunate in having builders give special attention to housing of this type, although, of course, it does not take the place of low-rental public housing for families that cannot afford to pay for decent private dwellings of any kind. The hopeful momentum that has been attained in private low-cost housing is likely to be lost, however, unless

Congress acts quickly to extend the FHA's authorization.

Congressman SMATHERS and Senator SPARKMAN have introduced a bill to extend FHA's authority under title VI by a billion dollars. On the House side this bill has gone before the Banking and Currency Committee, of which JESSE P. WOLCOTT is chairman. In our opinion that puts a heavy responsibility on Representative WOLCOTT. The bill is not likely to be controversial. Yet it will need energy and push behind it if the veterans' housing program is to avoid a tragic bogging down. We think Mr. WOLCOTT ought to call an immediate hearing and report the bill out so that it may be passed at the extra session.

The Panama Canal in the Atomic Age

EXTENSION OF REMARKS
OF

HON. DAVID M. POTTS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. POTTS. Mr. Speaker, in accordance with permission unanimously granted to me today to extend my remarks in the Appendix of the RECORD, I insert a radio address made by me on the subject entitled "The Panama Canal in the Atomic Age" over the American Broadcasting Co. network, Monday, December 8, 1947.

The gist of my radio address was conveyed to the people of the eastern seaboard by television Tuesday evening when I participated in the Walter Compton news program over television stations WTTG in Washington and WABD in New York.

The radio address follows:

Friends, as you all know by now, the President of the United States has transmitted to the Congress a recommendation that the Panama Canal be converted to a sea-level canal. This request, if acted upon by the Congress, will cost approximately 2½ billion dollars. We may well ask ourselves why the Congress and the people of the United States are being asked to provide funds at this time for the Canal.

The answer is quite simple. The report of Gov. Joseph C. Mehaffey, of the Canal Zone, and the Administration's transmission of the same reflect a profound anxiety as to the vulnerability of the Canal in event of any emergency. May Almighty God forbid that a new holocaust—a new war—be visited upon us, but we are not children and brutal as it is, we must face reality in this Atomic Age.

We know now, but it could not be disclosed then, that as the year 1939 and the war in Europe approached, the United States had become, and is now, profoundly apprehensive about the Panama Canal—not only as to its defense, but also as to its capacity to accommodate the extra large battlewagons then being built for our Navy. You see, when the Canal was built, the locks were made 110 feet wide. At that time that width was considered more than ample to cover the needs of our Navy for many generations. However, naval building changed so greatly in the interval between the two World Wars that by 1939 we had naval vessels having beams greater than 110 feet. These ships could not transit the Canal. Incredible as it may seem, these ships had to go around Cape Horn at the tip of South America to get to the Pacific from the Atlantic or vice versa. They were thus subjected to greater danger from enemy submarines as well as delay in getting into action in the Pacific theater of the war. So far as these ships were concerned, the purpose of the Canal, which was to expedite the transit of ships between the Atlantic and Pacific Oceans, was defeated. We can only speculate on the number of lives lost, directly and indirectly, as a result.

A third locks project designed to accommodate these giant men-of-war was undertaken with a rush. However, the war engulfed us long before its completion. This project was discontinued because of the urgency of vital materials for other war purposes. The problem should have been tackled by previous administrations long before the advent of war forced its postponement.

The experiences of World War II indicated the need of reconsidering our interoceanic needs in peace and in war. As a result, the Governor of the Canal Zone was charged by an act of Congress with making a comprehensive review and study, with approximate estimate of costs, of the means for increasing the capacity and security of the Panama Canal to meet future needs of interoceanic commerce and national defense. He was also to make a study to determine whether a canal or canals at other locations, including consideration of any new means of transporting ships across land, might be more useful to meet the future needs of interoceanic commerce or national defense than can the present Canal with improvements. This is the report which has now been transmitted by the President to Congress.

It has been estimated that the Canal will not be taxed to capacity by commercial ships desiring transit for many years. Consequently, present consideration of Canal improvements is impelled principally by reasons of national defense, especially since the advent of the atomic bomb.

Of course, the Canal, as it exists today, could be wiped from the face of the Isthmus of Panama by bombardment from atomic missiles. We all know this. The question before us, then, is, What can we do to establish effective measures of defense? This is the problem which is posed by the Governor's report, and this is the issue upon which we must bring to bear our most expert knowledge and judicious consideration.

To assemble scientific data on canal building and narrow channel navigation, the David Taylor model basin was erected at Carderock, Md. There Panama Canal conditions are simulated—everything except the weather. Scientific data thus collected will to a very large extent be useful for canal building in any part of the world.

In addition, a model sea-level canal has been built at the Canal Zone at a cost of $180,000. This model is testing the effect of the introduction of currents if the Canal should be made sea level.

It has already been concluded by the engineers examining the problems that either a lock canal or a sea-level canal would satisfy the needs of interoceanic commerce and the needs of naval vessels. But it has also been agreed that a lock canal cannot be designed and constructed to give absolute security against loss of the waterway or to provide as great a degree of security against traffic interruption as the comparatively invulnerable sea-level canal. However, the sea-level project will be substantially more costly to develop. Accordingly, Congress will be required to balance security factors against comparative costs in determining what expansion plans will be approved.

Even before the report of the Governor of the Canal Zone was submitted, as required by law, the House Subcommittee on the Panama Canal, of which I have the honor of being chairman, gave intensive and extensive attention and study to the problem in its many complex and important phases.

The members of the subcommittee in April of this year went to the Canal and after a period of the most exhaustive and detailed examination drew up a report. This report was filed with the House of Representatives on July 2, 1947, and in it is contained the thoughts and conclusions of the members of the subcommittee. This report makes no recommendations as to what particular form the reconstruction of the Canal should take nor does it make any recommendations regarding alternative sites for the Canal. However, it is upon the basis of the facts contained in this report that the legislation, which will make possible the reduction of vulnerability to attack upon the Canal, will be drawn up for submission to the Congress. This report, then, is much more fundamental in character than either the Governor's report or the President's endorsement. It is definitive precisely because it will be the instrumentality which will be utilized by the Committee on Merchant Marine and Fisheries in its effort to produce the necessary legislative program affecting the Canal.

The term "sea-level" canal means to the layman that a ship comes from one ocean, sails into the canal at one end, and out the other into the second ocean. That, however, is a misconception. The Atlantic Ocean has a 2-foot tide; the Pacific Ocean, a 20-foot tide. It is only when there is a meshing of tides during the day that the Canal would be truly sea level. That would only be about 30 percent of each day. At other times a tidal lock would have to be used to control the difference of 18 feet in tide levels.

Many naval experts, in turn, prefer the present type canal—a lock canal—as the best from a navigational standpoint and safety to ships in transit.

Contrary to popular belief, navigational hazards do exist in the Canal of today, which has experienced many accidents and some sinkings. It is said that the sea-level canal will aggravate these perils and would also involve a tremendous expenditure of funds. On the other hand, it would make the Canal less susceptible to complete uselessness in the event of attack.

Let us consider together for a moment some matters which will have to be considered in determining the nature of the improvement.

Navy men say that if the Canal is made sea-level, tidal currents will be introduced. Navigation thus will be made more difficult and therefore some naval officers say it can be expected that accidents will be multipled.

You will recall that the bed of the Canal proper is 85 feet above sea level. It is the function of the locks to raise and lower ships in transit between the Atlantic and Pacific Oceans. If the locks were blown to bits, the waters of the Canal would promptly cataract into the oceans leaving behind a muddy mountain pass.

To make the Canal sea-level, it will have to be dug down an additional 85 feet the entire distance of the Canal and through the Continental Divide, that range of mountains running down through Central America.

Severe and many slides were experienced in Gaillard, formerly Culebra Cut, which runs through the Continental Divide, caused by the excavation when the Canal was built. If it is dug down an additional 85 feet, and the mountains on both sides made that much higher with a consequent greater weight and pressure on the sides of the cut, it is likely that the slides will be more numerous and intensive and a hazard to navigation.

Occasionally islands are pushed up from the floor of the Canal, creating a continuous dredging operation. These are brought about by the great weight of the mountains on the sides of the Canal pressing in on it, the tendency of which in the settling process is to push these islands up in the Canal. If it is dug down an additional 85 feet, it is also likely that many more of these islands will be created.

If it is to remain a lock canal, the question of lock width will have to be given serious consideration. This in turn will depend on what the best minds in naval engineering can foretell will be the nature of naval architecture and construction over a long period of time.

The committee has also reported on suggestions concerning the advisability of building a canal or canals at other sites in Central or South America or both. In all cases it must be kept in mind that the defense of the Canal is not a problem which can affect the United States alone, but, on the contrary, it is quite apparent that every nation in this hemisphere has the most vital concern in seeing established a canal system which not only will be able to transit ships plying the seas in times of peace, but also one which will offer the maximum possible security in times of war. And one, moreover, which will in itself be a mighty bastion against sudden and violent aggression. For their own protection, therefore, it is quite reasonable to suppose that every nation in this hemisphere and especially those contiguous to the Canal will cooperate in their own interests as well as for the interests of all the Americas.

I think we are all very grateful to the American Broadcasting Co. and to its representatives Michael Roshkind, Thomas Vellotta, and Bryson Rash for their civic-mindedness in making this time available as a public service so that the people of America may be better informed about and act intelligently upon this tremendous project for our national defense.

Why Build Airports? Taxpayer Asks

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. VAN ZANDT. Mr. Speaker, sometime early next year the House will be called upon to consider appropriations for the activities of the Civil Aeronautics Administration, especially the item concerning airport construction and the maintenance of airport-control towers and other facilities.

When Congress considers this appropriation it is my fervent hope that serious attention will be given to the unfair competition provided for the railroads of America arising from the practice of financing the construction and operation of airports and airways at the expense of the taxpayers of America.

When the question was before the House early this year of appropriating funds for governmental maintenance of employees in airport-control towers in certain airports I took the opportunity to point out that if funds of the Federal Government were used to provide personnel to operate the control tower at Washington Airport why should Congress refuse to appropriate funds to operate the signal tower that controls the daily arrival and departure of hundreds of passenger trains at Union Station, Washington, D. C.

So that Members of Congress may realize that the taxpayers of America are interested in this unfair competition, I am making part of my remarks the following, and appearing in the November 30, 1947, issue of the Beacon Journal, Akron, Ohio:

WHY BUILD AIRPORTS? TAXPAYER ASKS

EDITOR, BEACON JOURNAL:

Optimistically assuming that our form of government is still democratic enough to permit freedom of speech and press, and being an interested reader of the Beacon Journal, as well as a taxpayer, will you bear with me while I take advantage of the democratic principle to which I have referred?

On November 12, I devoted an hour or more after dinner in poring over my tax bills. Finding no solution to my pressing financial problems, I turned, for solace perhaps, to the pages of the Beacon Journal. Did I hope there to find some news, some inkling that the spiraling costs, the ever-increasing taxation, would take a downward trend?

On the contrary, my troubles increased and my apprehension grew to such an extent that I felt compelled, for my own salvation, to join the ever-growing army of citizens who are rebelling against further exploitation.

My fears were multiplied because of two different news articles in your issue of November 12. One of them castigated the railroads for not building a new station in Akron. The other was a dramatic, all-out plea to build a new and better home in Akron for the air lines—at the taxpayers' expense.

I carry no torch for the railroads, but is it not about time that some citizen of this country ask somebody why we should demand, as you have done in rather violent language, that the railroads build us a new station while, in almost the same breath, your article demands that we, the homemakers, are asked to donate a portion of our own earnings to build a landing field for the air lines?

Just what is the angle here? Why must I pay out my money so that a plane can land in Akron, and not for a train to serve this city? The air lines published glowing post-war forecasts about what they were going to do for us in peacetime, but those long-haired planners failed to state that you and I would foot the bill. I am convinced that the immense contribution of planes to the winning of the war led to fantastic notions of their preeminence in peace. But whether they are notions or not, I, for one, cannot afford to finance their ambitions.

Furthermore, I think your caricature of the railroads is in poor taste, and certainly overlooks America's vaunted principle of fair play. Not so long ago, in the press, in the Halls of Congress, and throughout the country, the railroads were lauded as saviors of the Nation. Once again, as has happened so often before, they have become the peacetime football.

Our memory is short. And our scheme of things seems out of balance. We build highways for the trucks, runways for the planes, but our railroads not only build their own right-of-way, but, through heavy taxation, build many of our schools.

R. E. B.

Put Foreign Aid on Business Basis

EXTENSION OF REMARKS
OF
HON. PARKE M. BANTA
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. BANTA. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Rolla (Mo.) Daily News of December 8, 1947:

PUT FOREIGN AID ON BUSINESS BASIS

The President's Committee on Foreign Aid is to be congratulated upon its recognition of the fact that European recovery depends, primarily, upon the efforts of the Europeans themselves and that the most the United States can do is to assist slightly in accomplishing the end desired. Especially commendable is the definite statement that the committee "regards as nonsense the idea which prevails to a considerable degree in this country and abroad, that we need to export our goods and services as free gifts, to insure our own prosperity." It is to be hoped that, now that the committee has brought out this economic truth so forcefully, Members of Congress will no longer give heed to the notion that export of our surplus is necessary to prevent depression.

Another important truth brought out by the committee is that any sound export trade is dependent upon a return flow of goods or services. If we sell abroad, we must likewise buy abroad. Failure to recognize this truth has led to the adoption, by our own and foreign countries, of many absurd restrictions on trade. Let us send to Europe what she needs, and pays for, after our wants are provided, and let us buy from them, and pay for, what we need of our output. That's good business.

The Gentleman From Illinois

EXTENSION OF REMARKS
OF
HON. WILLIAM G. STRATTON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. STRATTON. Mr. Speaker, this month is the one hundredth anniversary of the coming of Abraham Lincoln to the House of Representatives.

The following interesting article by Charles L. Allison, a resident of Lincoln's home town of Springfield, Ill., has just appeared in the Optimist magazine, and I believe this an appropriate occasion to insert this article in the CONGRESSIONAL RECORD:

THE GENTLEMAN FROM ILLINOIS—LITTLE-KNOWN INCIDENTS IN THE LIFE OF A SOLEMN-FACED, GAUNT MAN WHO FIRST APPEARED IN WASHINGTON, D. C., 100 YEARS AGO THIS MONTH

(By Charles L. Allison)

A hundred years ago this month there appeared in the National Capitol for the first time a solemn-faced, gaunt man in his thirty-seventh year, his great height of 6 feet 4 inches intensified by his funereal black stovepipe hat.

He had come to Washington to represent the Seventh Illinois District in the House of the Thirtieth United States Congress. Lone Whig Member from that important Prairie State, this gentleman from Illinois was Abraham Lincoln, the rail splitter, whom destiny was to recall to Washington 14 years later for a greater and more significant assignment in history, the role of President of the United States in its crucial period of civil strife.

Although hailing from comparatively frontier country and still years away from the immortality now accorded him by liberty-loving peoples everywhere, the new House Member was no green backwoodsman

of untried ability. Already carved into his beardless features were years of hardship, toil, and sacrifice in Kentucky and Indiana and later in Illinois. With less than a year's formal schooling, he had, through the miracle of self-education, become a lawyer, public speaker, and politician.

With him now was another driving, compelling force, his wife of 4 years, Mary Todd Lincoln, a daughter of a Lexington, Ky., banker, and their two sons, Robert Todd Lincoln, born in 1843, and the infant, Edward Barker Lincoln born in 1846.

Behind the newcomer were his early successes as a frontier circuit-riding lawyer and 8 years as a member of the house of the Illinois General Assembly. There, he had won renown for engineering the transfer of the Illinois State Capital from Vandalia to Springfield.

Washington, with its unpaved streets, filled with roaming pigs, was not much different than the Springfield he had left a few weeks earlier as Congressman-elect, except that Washington was ten times larger. Congress, he found, resembled the State legislature, except that the intrigues were more complicated and the personages were much more important.

As contemporaries in the House and Senate, Lincoln had such men as John Quincy Adams, the former president, then in the House; Horace Greely, the editor; Daniel Webster, with whom he was to breakfast frequently; Andrew Johnson, who was destined to succeed Lincoln in the White House following that ill-fated night at Ford's theater in April 1865; Jefferson Davis, later to become President of the Confederacy; John C. Calhoun, Lewis Cass, Thomas Benton, and Stephen A. Douglas, one of the six Democratic House Members sent by Illinois to round out its 7-man delegation.

Singularly, this Douglas, who loaned him money in at least one impecunious period in Washington, was the same "little giant" who in later years was to catapult Lincoln into the White House by means of a series of famous debates on slavery.

In the ensuing 16 months he served as Congressman, Lincoln not only associated with these men, but * * * keen student that he was * * * the future President of the United States observed and studied them to good advantage, as later events proved. During his campaign some of the Whig supporters raised $200 for his expenses, a sizable fund in those days. After his election, the Congressmen-elect returned all but 75 cents of these funds to his supporters, with this statement:

"I did not need the money. I made the canvass on my own horse; my entertainment, being at the houses of friends, cost me nothing, and my only outlay was 75 cents for a barrel of cider, which some farm hands insisted I should treat to."

Although elected in early August 1846, it was not until October 1847, that he set out for his new duties. The Illinois Journal (forerunner of the present Illinois State Journal) for October 28, 1847, carried this item:

"Mr. Lincoln, the Member of Congress-elect from this district, has just set out on his way to the city of Washington. His family is with him; they intend to visit their friends and relatives in Kentucky before they take up the line of march for the seat of government."

And "line of march" it was * * * by stagecoach, boat and rail * * * from Springfield to Lexington, Ky., thence up the Ohio River and over the Alleghenies to Washington.

Apparently the Lincoln family arrived in Washington on December 3, 1847, for on that day he wrote to "Friend Smith" (assumed to be Robert Smith of Alton, Ill.): "This is my first day at this place * * *."

LINCOLN THE STORY TELLER

It is duly recorded that the Lincoln family first stayed at the Brown Hotel in Washington, one of four hostelries then afforded by the community of some 40,000 persons, 25 percent of whom were Negroes.

Historians, however, make more mention of Lincoln's presence at the boarding house of a widow named Spriggs, in Duff Green's Row, near the present site of the Library of Congress. Among the boarders were seven other Congressmen, and while these worthies must often have argued politics, the listeners were more impressed with the Illinoisan's wit than with his profound observations.

A young physician who ate there, Samuel C. Busey, described Lincoln in these words: "When about to tell an anecdote during a meal he would lay down his knife and fork, place his elbows upon the table, rest his face between his hands, and begin with the words 'that reminds me.' Everybody prepared for the explosions sure to follow."

When the Thirtieth Congress convened for its first session on December 6, 1847, Lincoln was assigned to the Committee on Post Offices and Post Roads and to the Committee on Expenditures of the War Department.

The Whigs were opposed to the war with Mexico, then drawing to a close, accusing President James K. Polk of having provoked it. Lincoln, as the only Whig from Illinois, was one of the ringleaders in the movement to fix the spot on which the first bloodshed occurred, hence historians record his measure as the "Spots resolution."

The Appendix to the Congressional Globe, forerunner of the present CONGRESSIONAL RECORD, for the Thirtieth Congress, shows that Lincoln in his maiden speech in the House on January 12, 1848, less than 5 weeks after he took his oath of office, discussed the resolution which declared that the war with Mexico "was unnecessarily and unconstitutionally commenced by the President" (Polk). He concluded with these words:

"As I have before said, he (Polk) knows not where he is. He is a bewildered, confounded, and miserably perplexed man. God grant he may be able to show there is not something about his conscience more painful than all his mental perplexity."

The rail splitter's position on the war with Mexico was deeply offensive to his constituency. His law partner in Springfield, William Herndon, wrote gloomy letters about the political disfavor he was winning, inasmuch as the war had been popular with the people because the fruits included a veritable empire in the Southwest.

One opposition paper in Illinois denounced Lincoln in an article entitled "Out Damn Spot," and a mass meeting in another community resolved "that this Benedict Arnold of our district be known here only as the Ranchero Spotty of one term."

Meanwhile, in Washington, Lincoln won a reputation as an eccentric because of his practice of wrapping borrowed library books into a blue bandana handkerchief, looping the bundle over the end of his cane, carrying his cane over his shoulder like a squirrel rifle, and striding across the Capitol Grounds.

LINCOLN THE BOWLER

Although known as a profound student, Lincoln found time for occasional relaxation at the nearby bowling alley of James Casparis. Busey, the young physician who was so impressed by Lincoln's story telling at the dinner table, also watched him in these lighter moments, describing the gangling Illinoisan as an awkward bowler, who "played the game with great zest and spirit, solely for exercise and amusement, and greatly to the enjoyment and entertainment of the other players and bystanders." That Lincoln must have played the game with zest is indisputable, since he was a man of tremendous strength, so great that he could easily lift 400 pounds with his bare hands.

Lincoln gained a reputation as a wit in Congress, being one of those Members who frequented the House post office, a small room where Members congregated and swapped yarns. One historian of that time writes:

"His favorite seat was at the left of the open fireplace, tilted back in his chair, with his long legs reaching over to the chimney jamb. He never told a story twice, but appeared to have an endless repertoire of them always ready, like the successive charges in a magazine gun, and always pertinently adapted to some passing event."

A newspaperman wrote: "By New Year's he was recognized as the champion story-teller of the Capitol."

Mrs. Lincoln and the two boys soon returned to Lexington, Ky. Under date of April 16, 1848, we find Lincoln writing to his spouse:

"I thought you hindered me some in attending to business, but now having nothing but business * * * no vanity * * * it has grown exceedingly tasteless to me. I hate to sit down and direct accounts, and I hate to stay in this old room by myself * * *."

It was in this same letter that he wrote:

"All of the house, or, rather, all with whom you were on decided good terms, send their love to you. The others say nothing. Very soon after you went away I got what I think was a very good set of shirt-bosom studs * * * modest little ones, jet set in gold, only costing 50 cents apiece, or $1.50 for the whole.

"Suppose you do not prefix the 'Hon.' to the address on your letters to me any more. I like the letters very much but I would rather they should not have that upon them. It is not necessary, as I suppose you thought, to have them come free.

"Are you entirely free from the headache? That is good * * * considering it is the first spring that you have been free from it since we were acquainted. I am afraid you will get so well and fat and young as to wanting to marry again."

The Presidential election of 1848 held Lincoln's attention. As a Whig, he was one of the early supporters of that party's candidate for the Presidency, General Zachary Taylor, whose popularity had grown as a result of his military successes in the war against Mexico. In June of that year, Lincoln was a delegate to the Whig convention in Philadelphia which nominated him.

NOMINATION PLEASES LINCOLN

Gratified over the nomination of "Old Rough and Ready," Lincoln made a stump speech in his behalf in Congress the very next month, a speech so filled with sarcasm against the Democrats that the Baltimore American characterized Lincoln as a "very able, acute, uncouth, honest, upright man and a tremendous wag withal," describing his speaking habits as follows:

"He would commence in his speech far up one of the aisles, and keep on talking, gesticulating and walking until he would find himself at the end of a paragraph, down in the center of the area in front of the clerk's desk. He would then go back and take another head, and work down again. And so on."

By agreement with his party, Lincoln was not a candidate for re-election, and was in Washington during the election, to name his successor on August 6, 1848. The Whig nominee, Stephen T. Logan, was defeated by the Democratic candidate by a vote of 7,201 to 7,095.

Six days later the first session of the Thirtieth Congress adjourned. On September 9, Lincoln departed for New England where he barnstormed in behalf of General Taylor. The future President made a tremendous hit in Massachusetts visiting Boston, Cambridge, Lowell, Worcester, and

Dedham. Of one speech, George H. Monroe, a young Whig, made this observation:

"He was as sober a man in point of expression as I ever saw. In the cars he scarcely said a word to one of us. He seemed uneasy * * * I should say the atmosphere of Boston was not congenial to him. We took him to one of the most elegant houses in the town of Dedham, and here he seemed still less at home. The thing began to look rather blue for us. When we went over to the hall it was not much better. It was a small hall and only about half full; for Mr. Lincoln had not spoken in Boston yet, and there was nothing in his name particularly to attract. But at last he arose to speak, and almost instantly there was a change."

PLATFORM ABILITY

"His indifferent manner vanished as soon as he opened his mouth. He went right to work. He wore a black alpaca sack and he turned up the sleeves of this, and then the cuffs of his shirt. Next he loosened his necktie, and soon after he took it off altogether. All the time he was gaining upon his audience. He soon had it as by a spell. I never saw men more delighted. His style was the most familiar and offhand possible. His eyes had lighted up and changed the whole expression of his countenance. He began to bubble with humor. But the chief charm of his address lay in the homely way he made his points. There was no attempt at eloquence or finish of style; but for plain pungency of humor, it would have been difficult to surpass his speech. The speech * * * ended in a half hour. The bell that calls to the steam cars sounded. Mr. Lincoln stopped instantly. 'I am engaged to speak at Cambridge tonight and I must leave.' The whole audience seemed to rise in protest. 'Go on! Finish it!' was heard on every hand. One gentleman arose and pledged to take his horse and carry him across country. But Mr. Lincoln was inexorable."

From Boston the rail splitter entrained for Albany where he conferred with Thurlow Weed, Whig boss of New York, and the Vice Presidential candidate, Millard Fillmore. Traveling by way of the Erie Canal, he went to Buffalo, visited Niagara Falls, rode a lake steamer the length of Lake Erie, and then continued overland to Chicago and southwest to Springfield. Back home, Lincoln was quick to detect the sentiment against him. He later returned to Washington for the opening of the second session of the Thirtieth Congress, which began on December 4, 1848.

ANTISLAVERY BILL

Lincoln, who said he must have voted "as good as 40 times for the Wilmot proviso," which provided that all territory won from Mexico should be nonslave, on January 10, 1849, introduced a bill to abolish slavery in the District of Columbia. Subsequent to Lincoln's action, John C. Calhoun, of South Carolina, issued his famous warning to the Members of Congress that the South knew what to expect if it remained idle. He did not name Lincoln in this appeal but referred to him as the "gentleman from Illinois."

The Thirtieth Congress took its sine die adjournment at 7 a. m. on March 4, 1849, having worked all night in an effort to finish its business.

One of his last official acts was to attend President Taylor's inauguration, where his hat was stolen, an incident that forced him to walk home through the streets of Washington, bareheaded, at 3 o'clock in the morning.

Lincoln returned to Springfield, but was back in Washington the following June in an unsuccessful quest for the appointment as commissioner of the land office.

Failing in this, Lincoln went back home to resume his practice of law and to prepare for a greater destiny.

A Little Cloud Out of the Sea

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. PATMAN. Mr. Speaker, permission having been obtained, I am inserting herewith an address delivered by the Honorable Clinton P. Anderson, Secretary of Agriculture, at Everett, Wash., December 11, 1947, at a special meeting of farmers and representatives of farmer cooperatives of Washington, Oregon, and Idaho on the subject entitled "A Little Cloud Out of the Sea."

Secretary Anderson was introduced by the Honorable HENRY M. JACKSON, who so ably represents the congressional district in which Everett, Wash., is located and who is also known as one of the best and most effective friends of farm cooperatives.

The address is as follows:

Like Elijah's servant in olden times, I have been scanning the horizon. Like him, I must report that "There ariseth a little cloud out of the sea, like a man's hand."

The cloud seen by Elijah's servant was the forerunner of a terrible storm. The cloud I see arising bodes no good. It may be the forerunner of an all-out assault upon the farmer cooperatives of this country.

I have come here to counsel with you about the approaching storm.

I have come here because I believe in farmer cooperatives. It is time for all of us of like mind to reaffirm our faith.

Already the winds of dissension are blowing. The calm is over. After all these years, in which farmer cooperatives have found a firm place in the competitive free-enterprise system of this country, suddenly there arise adversaries who would restrict your rights to cooperate in a business way. So far they have not attacked the right of neighbors to share work—to help each other harvest or build barns—but they don't want neighborliness carried to extremes. Extremes, of course, are transactions that involve money, such as selling farm products or buying farm supplies. You mustn't do anything for yourselves that somebody else wants to do for you—for a price. That seems to be the logical conclusion of the arguments you hear.

Now, it's all right with me—and I know it's all right with you—if some people want to make that kind of an argument. We don't even worry too much if those who oppose cooperatives speak their pieces to vast audiences night after night. We have free speech in this country—freedom to speak, which carries along with it a right that is exercised too infrequently—the right to remain silent. Perhaps we who believe in cooperatives use our right to remain silent too much. Perhaps we have been too complacent in our belief that the fight for farmer cooperatives has been won, that they have proved their right to a place in the business community, that they are no longer a public issue.

Yes; evidently we have been too complacent, for the opponents of farmer cooperatives—made bold by the sound of their own words and by a well-stocked treasury—have begun a new assault. They now seek political action. Unfortunately, they have been able to use a congressional committee as their forum in which to raise their political issue.

This, of course, is an old technique. It works like this: You don't come right out and say you're against whatever it is you're against—farmer cooperatives, for example. You pick out some particular thing about it that is not widely understood and has some dramatic appeal, and you make sure it ties in with a particular objective of the party in power—an objective like reducing taxes, for example. You harp on the one thing you've picked out. Just, for example, you might say that farmer cooperatives under certain conditions are exempt from Federal income tax and you don't think they should be. You harp on that one thing, but of course you can't take time to spell it out all the time, so you just talk about "tax-free cooperatives." You buy newspaper advertising. You talk it on the radio—either in time you buy or in time you can get for free. You "sell" it to friendly commentators and editors and others who might influence public opinion. You "sell" your argument by mail, at meetings and cocktail parties, and in printed literature. Oh, yes; I almost forgot. You set up an organization with an important-sounding name so that your literature and all your doings will sound like the voice of the people. You make as much noise as you can, and then you go to a friend who heads a congressional committee, and you say, "Look, here's a matter you ought to look into. Where there's smoke there's fire." And the committee chairman says to his committee, "Where there's smoke there's fire, we'd better investigate." Even those who know the facts can't refuse to hear the facts except in rare circumstances. And so they investigate, and the people who have been making all the noise have their arguments all ready. They're really on the offensive now, and they've got their opponents on the defensive—exactly as planned.

In any argument there are always honest differences of opinion. That gives you a chance to step in and say, "See, I told you so. These people want action. They have found a party that can give it to them."

Thus is born a hot political issue. I shouldn't say born—manufactured is the word—manufactured synthetically.

Thus have our farmer cooperatives come under attack. The opening gun has been fired. The adversaries—many of whom have not seen fit to make public their names—still have the offensive. Their next maneuver is concealed by the smoke of their propaganda barrage. But it's coming—make no mistake about that.

Do you want to fight it out?

Are your cooperatives worth fighting for?

If your answer is yes, I'm with you. In a show-down, we're either for a thing or we're against it.

I want to say again in plain language that I am for farmer cooperatives.

I want to say just as plainly that the Truman administration is for farmer cooperatives.

I say that with the specific authority of President Truman himself.

Harry S. Truman, as one writer has put it, "grew up between the plow handles" on a farm in Missouri. He knows what it is to make a living on the farm. He knows how cooperatives have helped farmers to make a decent living and to preserve their economic independence. I told him I was coming out here to meet with you people. He asked me to bring his best wishes and to tell you to stay right in there and pitch for the cooperative principles you believe in.

As I said in the beginning, it is time for all of us who believe in farmer cooperatives to reaffirm our faith.

Vague generalities will not do. Therefore, in the remainder of my time, I want to do two specific things: First, I want to tell you the reasons I believe in farmer cooperatives as a part of the American way of life; and second, I want to give you a few observations about the future of our cooperative enterprises.

The first reason for my belief in farmer cooperatives is that I am deeply devoted to

the American system of free enterprise. In this whole Nation there are only 10,000,000 individual enterprisers apart from corporations, and more than half of those individual enterprisers are farmers. So it is that the farmers are the very backbone of our individual free-enterprise system. That's the way we want it. That is America.

Some would have you believe that when farmers join together in a cooperative enterprise they are no longer engaging in individual business. "Collective" is the word sometimes used to make the cooperative seem odious. I deny that a farmer carrying on part of this business through a cooperative is any less an individual enterpriser than his neighbor who does not belong to the cooperative. I assert that cooperation is simply a tool that farmers use to maintain their individual way of life, a means of applying modern business methods to farming. I assert that the farmer who belongs to a cooperative is just as much an individual free enterpriser as any single merchant or partnership of merchants in town, and he's certainly as much of an individual enterpriser as the usual impersonal corporation. When you form or join a cooperative, you do so for one reason—group service, not group profit. If your problem is credit, you may join a farm-loan association. If you are dissatisfied with the price you have to pay for marketing services, you may organize or join a marketing association that enables you to perform the marketing service instead of paying others to do it. If you think you can save money or get better merchandise by purchasing your farm supplies directly as a group, you can take part in a purchasing association. Perhaps you want one organization to perform several services. And that's all right. The point is that your cooperative is a nonprofit organization. It's your service agency that helps you carry on your individual free enterprise for your own individual profit. So I say that the cooperative is an aid to individual free enterprise and just as American as the family farm it helps to preserve.

How it is that anybody ever pays any attention to the wild charges made against farmers' cooperatives I don't know. You hear it said or implied that there's something left wing about cooperatives. I get a laugh just trying to imagine Republican Senator CAPPER as a left-winger, and as you know the Capper-Volstead Act which Senator CAPPER steered through the Congress is often called the magna carta of the farm cooperatives—the farm co-op bill of rights.

You hear it said that there's something communistic about cooperatives. And in answer to that I might point to Sweden the middle way, or to other Scandinavian countries where cooperatives have flourished and where communism has found less fertile ground in which to develop than in many other parts of Europe. I recall with a great deal of pleasure a visit to the beautiful Dalecarlia area of Sweden, which was my father's home before he came to America. I visited some of my people there. And I had a chance to learn a little bit about the cooperatives which they have used so extensively for so long. I can say, as probably many of you can say because of your experience and Scandinavian family ties, that individual enterprise and liberty flourish strongly with the help of cooperatives.

In our own country the farm co-ops attract a great many progressive people; and some of the most conservative people I know are among the strongest boosters for co-ops. If there's any radicalism in the American farm cooperative movement, I have yet to discover it. Of all the nonsense written and spoken about cooperatives, the charge of left-wing tendencies is by all odds the silliest. At the same time, let us recognize that cooperatives do not lend themselves to the other political extreme—fascism. It would be well to remember that Hitler killed the cooperatives in Germany because they did not fit into his totalitarian schemes.

My second reason for being a strong believer in farmer cooperatives is closely related to my devotion to individual free enterprise. It is my belief in the family farm. We are now, and for some time we have been, confronted with a trend toward fewer and bigger farms. I regard this as inevitable to a certain extent. We are becoming more efficient. Three people can now produce more than four could produce just before the war. If we are to make the most of our new machines and methods, we have to have more land and higher investment per worker. Otherwise, more and more farm people will become underemployed. But the trend toward fewer and bigger farms is not necessarily a trend away from the family-type farm. It is one thing to have family farms growing larger and continuing to compete. It would be quite another thing if the family farm could no longer compete but had to give way to gigantic factory-type units.

I have pointed out before, and I say again—because I believe this is an extremely important fact—that our family farms are competing in a world of economic giants. Think of the biggest family farm in your neighborhood. How does it compare with the company that manufactures the machinery used on the farm, with the company that makes the trucks, with the companies that make the household goods such as soap and light bulbs, and the shoes and overalls? How does it compare with the company that processes the wheat, the meat, or the fruit and vegetables? We do have many small businesses comparable in size to the farm. But in large measure our economic power is concentrated. In 1946 the 200 largest manufacturing corporations controlled nearly half of the total assets of all the manufacturing corporations in the country. Economic giants have an advantage in mass production and mass sales methods; they rule vast domains of natural resources; they have power.

Now, the farmer is essentially a manufacturer; he is a producer of goods. But he does not have the advantages of a big organization. He buys from powerful giants. He sells to giants. How does he compete?

A young fellow named David once contested a giant named Goliath—with rather notable success. But it should be noted that David's feat was not accomplished with bare hands. He had a sling-shot or something of the sort and a very considerable skill in using it. I do not for one moment suggest that the way to get along with economic giants is to give them the David treatment. Many of the giants are useful contributors to what we call the American standard of living. What I do suggest is that the little fellow must have the means to equal or surpass the performance of the giant.

Law and ingenuity are better than force.

In this country we have some traditions and public policies embodied in law which encourage family type farming. I suppose that to some extent these are expressions of sentiment. But to a greater extent they express a fundamental concept of the democratic way of life. We dislike the idea of a landed class or of corporate giants employing the tillers of the soil. We think families of small freeholders are good plantbeds for the propagation of freedom and democracy. So, as national policy, we try to keep the rules of the game fair to the family farm. And important among the laws for that purpose are those which guarantee the rights of farmers to do business cooperatively and which give positive encouragement to cooperatives.

Do we want to change all this? Have our ideas about democracy and the family farm been changing? I don't think so. The people of this country can change or kill any law at any time they choose. They can kill farmer cooperatives at any time. Some misguided or avaricious people would have them do so.

"There ariseth a little cloud out of the sea, like a man's hand."

We who believe in farmer cooperatives must give the people the facts.

Some of our adversaries would have people think there is something new and secret about the Federal Government's encouragement of farmer cooperatives. Let's see what the real situation is. In 1898 a Federal corporate tax law was enacted that stated the tax did not apply to agricultural organizations operated for the mutual benefit of its members. In 1916 the income-tax law also exempted farmer cooperatives. These exemptions have since been continued and spelled out. Present revenue laws provide exemptions from corporation income taxes and stamp tax on capital stock or bonds or any such certificates of indebtedness.

In 1916, also, the cooperative land-bank system was established in the Federal Farm Loan Act.

In 1921 the Packers and Stockyards Act assured cooperatives the right to pay patronage dividends, and this right was protected later in the Robinson-Patman Act dealing with price discrimination and in the Bituminous Coal Act.

In 1922 the Capper-Volstead Act freed farmer cooperatives of fear of involvement in antitrust laws provided they meet certain requirements.

In 1926 the Cooperative Marketing Act authorized Department of Agriculture service to farmers' cooperatives. In 1929 the Agricultural Marketing Act provided funds for loans to them. In 1933 the Farm Credit Act provided for 13 banks to make loans to farmers' cooperatives and also provided for the cooperative production credit system. Since 1935 farmers have been able to use the cooperative method to bring electricity to their farms whether the giant utility companies were ready or not—and REA today is one of the most useful agencies in the Government.

That in brief is the history of Federal legislation on farmer cooperatives.

It is spread out in full view on the statute books, and it developed during a good many different political administrations in response to widely varying farm problems.

Let me point out also that a number of State statutes providing for the incorporation of cooperatives antedate the first Federal legislation and that the cooperative movement in this country began long, long before. The first organized cooperative in this country began operations in 1752—a full generation before the American Revolution. It was a mutual insurance association called The Philadelphia Contribution for the Insurance of Houses and Loss by Fire. Benjamin Franklin and other future signers of the Declaration of Independence were among its founders. The association is still doing business.

Early farm cooperatives included a livestock shipping group in Ohio in 1820, a cheese factory in New York in 1851, and a creamery in the same State in 1856, mutual irrigation associations in Utah and California in 1860, and a grain-marketing association in Wisconsin in 1875. In the seventies and eighties the Grangers and Farmers' Alliance gave farm cooperation organized support, and later farm organizations have followed suit.

So much for history. I simply want to observe from this that those who attack farmers' cooperatives are attacking something which is fundamentally American—as American as the Declaration of Independence and as democratic as the temporary cooperatives called husking bees and barn raisings.

I have said I am for farmer cooperatives because they serve the cause of individual free enterprise and protect the family farm.

I am also for them because of the many definite contributions they make to the general community.

Cooperatives have enabled producers to build a closer link with consumers by pioneering in improvement of the quality of farm products offered to the public. They have set higher standards and promoted better methods of marketing. They have helped and are helping to change the old rigid price structure in farm-commodity markets so that true quality of product can be reflected in returns to producers.

They enable the producer to maintain some control over the sale of his product instead of having to take the first offer of the local market.

Cooperatives have pioneered in helping farmers get good farm supplies at reasonable cost and in helping to improve the quality of fertilizer and seeds.

They have earned the reputation of providing price and quality yardsticks by which all people can judge the merchandise in the market place. They reduce or hold down handling charges on products bought and sold.

They provide a forum for full and free discussion of economic problems. In co-op meetings many farmers have their best opportunity for free discussion of public policies.

Farm cooperatives provide an essential mechanism for the operation of various Federal-marketing agreements that have proved beneficial to both producers and consumers.

They have been pace setters in the farm-mortgage field and have pioneered with the budget loan for production purposes.

In passing, let me remind you that your cooperative credit facilities are frequently attacked. So far there has been little beating of the propaganda drums on this matter; the drums have been reserved for the tax issue. But a few master minds in the banking business have, in staid, conservative, professional utterances, been of the opinion that the sound, solvent private banking institutions could very well handle all of the sound farm-mortgage credit that our sound, solvent farmers might require. The aforesaid being true, now therefore might it not be considered possible that cooperative farm-mortgage credit is at this time unnecessary. All of which is the sound way of saying, "Come on, boys, let's cut the throat of this cooperative credit thing before times get bad again."

Fortunately, most bankers have more sense than that. Most of them remember how the cooperative credit system bailed out their boat when they were about sunk with farm mortgage paper. Most of them know that country banks are stronger today than they were after the other world war, and that part of their increased strength is due to our cooperative credit system. After the other war, country banks held most of the farmers' paper, and when depression started they had to press for liquidation. Today the country banks have the heavy end of their assets in Government securities, and our rural credit structure is strong.

Nevertheless, cooperative farm credit has come under attack, and you will probably hear more about it before you hear less.

Those of us who are for the farmer cooperatives had better be prepared.

This brings me to my observations about the future of our cooperative enterprises.

The cloud I see on the horizon is still no bigger than a man's hand.

We are not beaten. We have scarcely begun to fight.

Let us look on the attacks as a challenge and an opportunity. Every farm co-op in this country owes its existence to problems which had farmers sufficiently worried to take up group action.

I have tried to tell you today why I believe in farmer cooperatives. It has been a good exercise for my own thinking, and I heartily recommend the same exercise to you. Think what it is that you value in cooperation, and tell others. Co-op members have been lax in this. In a co-op, you can't let George do it. In a co-op there isn't any they—there's only a we. You may have a manager, and he may have a staff, but they're not the co-op. The members are the co-op. Let's remember that.

When the tax issue came up, the apple growers association over in Hood County, Oreg., took pains to point out that it is not tax-free, as the propaganda experts would have the people believe. On the contrary, it stated, the association is the second-largest payer of property taxes in the county, and pays seven other taxes, too.

That's all to the good. But you don't have to wait for a crisis to begin telling your story.

I also recommend continuous self-appraisal and criticism within every cooperative. Let us not complacently assume that we are completely righteous because we are a farmers' co-op. A co-op justifies its special place in our society only if it fully lives up to its responsibilities. The co-op is not just another business. If it becomes that, it is not a true co-op. The whole history and legal status of the farmer cooperative in this country are bound up with the fight against monopoly, the battle against problems which farmers as individuals cannot meet, the drive for progressive business methods, the struggle to maintain freedom for the little guy. Justify your existence through service. Keep pioneering. If farm co-ops had not pioneered in the past, we wouldn't have them today, and we probably wouldn't even have the legal right to cooperate. In my opinion, if co-ops don't continue to pioneer, they will die.

In recent testimony before congressional committees on long-range agricultural policy, Department of Agriculture representatives expressed the belief that cooperatives should have an important place in the agriculture of the future. They urged certain extensions of the farm cooperative field. The Department committee which studied this matter recommended that Congress grant legislative authority to broaden the basis of credit for forestry cooperatives and to encourage use of the cooperative pattern in forest conservation. The committee also suggested that the Department be given an opportunity to do a better job in research, service, and education in the field of agricultural cooperation. The committee further suggested continued vigilance against legislation which would interfere with farmers' rights to cooperate, or would handicap cooperative activities, or would cripple the cooperative credit system.

Whether these suggestions will be accepted I have no way of knowing. It depends to a large extent on your interest and your activity.

Cooperatives on their own initiative can do one thing to strengthen their credit system. It is time, I think, for you to acquire more of the stock of the banks for cooperatives, either through purchase of capital with cash or by leaving the savings accruing to you to be used for capital purposes. This should be done carefully, with regard for the stability of the banks. The objective should be to retire the Government capital in the banks completely and to provide a sound, permanent, and flexible credit base, so that the banks for cooperatives can obtain a large portion of their lending funds from the investing public.

I recommend this to your consideration as a forward-looking course of action. The Farm Credit Administration believes this action should follow a carefully developed procedure, and I hope you will discuss the matter with the Farm Credit people.

My final observation concerns the responsibility of the American farm cooperative in meeting the present perils to world peace.

So far there is no peace settlement. The agriculture and industry of war-torn areas are still bleeding—unable to build the firm economic base on which the structure of lasting peace can be built.

President Truman has asked Congress to provide special emergency aid to three European countries and to shore up our own economy to meet the dangers of inflation. He will soon present a long-term program through which we can aid the economic rehabilitation of Europe.

American food fought for freedom through the long years of war. American food still fights for freedom. In time of war food was one of many weapons. In the building of peace it is the primary tool.

Like Atlas carrying the world upon his back, the American farmer carries on his shoulders tremendous responsibility for the future of all mankind. The hungry and oppressed across the oceans, and the anxious people of our own land, turn their eyes to the American farmer. How much grain can he conserve? How much can he produce?

Now, if ever, is the time to prove again the value of agricultural cooperation.

Through your livestock marketing cooperatives, you can yield great influence to bring down and hold down the market weight of your hogs, to market beef with less finish, to spread the word about all grain conservation methods that fit your local conditions at this particular time.

Your grain co-ops can help prevent waste through careful handling, through an intensified fight on insects and rats, through all the ways in which people can work together to save grain.

Your State colleges have been given responsibility for education in the ways of saving grain and in the "why" of the program. Give them a helping hand. Even to let the college people know you back up their effort is a help to them. But you have the means to do much more.

Let every farmers' co-op stand out as a leading force in behalf of the homely tasks as well as the lofty aims while we, the people of the United States, press on toward peace and security. Cooperate for this, the greatest of all our objectives, as you are in the habit of cooperating for your personal goals. Let the Nation see once more the truth in the old proverb that "three helping one another will do as much as six men singly." Let the Nation see, through the example of the farmers, that this is true in great affairs as well as small.

Those who know from experience what cooperation means have something major to contribute to a sick and disordered world whose dire need is for cooperation.

The planning, the work, and the fighting that gave us victory and a new chance for a better world—all that was not in vain. But neither has our effort been fully compensated.

Only when we have secured the freedom and order and peace for which we fought will we have been paid in full for the pain, the sweat, the long labors of our people—only then will our task be done.

Hawaii, Training Ground for Democracy, Inspiration to Chinese

EXTENSION OF REMARKS

OF

HON. JOSEPH R. FARRINGTON

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. FARRINGTON. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include therein an article from the Shanghai Post and Mercury of November 21, 1947, by J. K. Choy, an American of Chinese ancestry,

who was born and received his education in Hawaii. The article follows:

HAWAII'S CHINESE—THEY HAVE CONTRIBUTED TO DEMOCRACY

(By J. K. Choy)

The granting of statehood to Hawaii represents the fulfillment of a normal and natural process in the best tradition of the United States as a melting pot of the world. It is the official recognition by a great nation of the political maturity long ago reached by the Hawaiian Islands. Hawaii's new status has been won through the efforts and contributions of people of diverse national, racial, and cultural backgrounds. Hawaii today is beyond the stage of a sociological experiment; it is an actuality that is demonstrating, day after day, the interdependence of diverse ethnic groups of one another and the practicability of those groups living and working together in harmony and peace. This is living democracy.

To take one ethnic group and briefly survey its role in the history of the Hawaiian Islands, we may consider the Chinese.

Numbering 29,000, the Chinese people in Hawaii make up about one-tenth of the population. They represent one of the smaller Chinese communities overseas. The history of their immigration is similar to that of other peoples in the islands and also to that of their brethren in the United States.

However, we must note one significant fact in their immigration which differs from that of the Chinese immigrants to the mainland of this country, and which may well be the explanation to the comparatively more favorable position they now hold in Hawaii. The fact is that Hawaii was an undeveloped land when the Chinese first came, and so although they had to start from scratch as did other immigrant groups, they enjoyed equality of economic opportunity. Contrasted with Chinese immigrants on the mainland, they had a freer and more equitable chance to develop themselves and to compete for the resources of the land. With their sense of economic security thus established, they set up permanent homes in Hawaii, whereas the contrary is still true with most Chinese communities on the mainland. The Hawaiian Chinese felt at home in Hawaii, and as a result, they have the incentive to devote their full energies to the development of the community and its people.

This feeling of belonging, together with its psychological ramifications are prime factors in the success of Chinese settlement in Hawaii and the large contribution they have made to the development of the islands. These are factors which only true democracy can offer and which must be extended upward and downward for the well-being of any immigrant group.

Nor is this democratic spirit confined to the islands, for its influence is felt far and wide and is responsible for much of the democratic changes that have come about in recent Chinese history. The Hawaiian Chinese have directly or indirectly done much in the spreading of this spirit to China. The Chinese Revolution of 1911 led by Dr. Sun Yat-sen, which overthrew the Manchu dynasty and established the Chinese Republic of today, was intimately associated with Hawaii. Dr. Sun's first contact with western civilization took place in Hawaii where he attended the Iolani High School at the age of 12. The contrast between the despotic Manchu reign and the easy-going democracy of the west made a deep impression on the young man. Later in his career as a revolutionist, he many times sought the political protection of Hawaii from the Manchus. The Chinese people there still love him as their own, so many times had he gone to them for help and so many times had they contributed to his efforts and the cause of the Chinese revolution.

During the same period Chinese reformists like the great scholars, Liang Chi-Chiao and Kang Yu-Wei, who worked for constitutional government in China, more than once took refuge in the islands from the Manchus. They were the founders of the first political party of China, the Democratic Constitutional Party, which to this day works against despotism and dictatorship. Their present leader overseas is Lee Dai-Ming, a Hawaiian Chinese, who is active in the present "reform movement" in China. Thus Hawaii has played an important role as a school of democracy for the Chinese people.

Countless other young Chinese Hawaiians have contributed their service to China, bringing with them their experiences of democracy across the ocean. For there have been six members of the Chinese Cabinet since the establishment of the Chinese Republic in 1911 who have lived or taken political refuge at one time or another in the islands. It is significant that in comparison with the South Seas and other parts of the world where millions of Chinese reside, Hawaii has been the only training ground for Chinese cabinet ministers.

In profession and in commerce the Chinese also hold many leading positions in the society of Hawaii. A few of the prominent citizens are Dr. Fred K. Lam, physician, who has done much to fight for the immigration rights of the Chinese people in Hawaii; Mrs. H. C. Chan, the Chinese lady lawyer who is in charge of small estates for the court in the Territory of Hawaii; and Dr. W. K. Chang, the well-known surgeon, who brought more babies into the world than any other of his colleagues in the medical profession. There is Nick Char, the fighting lawyer, whose courage in the fight for the rights of the underprivileged deserves mention.

In the commercial field we have Mr. C. S. Wing, founder and president of the Wing Coffee Co., who has helped to establish a place under the sun for the famous coffee produced in Kona; Mr. C. K. Ai, the grand old man in business, who has been furnishing lumber from the mainland for the building trade in the islands for the last 40 years. C. Q. Yee Hop is another old-timer who for the last 40 years has supplied in large scale the best meat and vegetables for the population. There are bankers like K. M. Ching, of the Chinese American Bank, who is also an expert in agriculture.

Democracy comes through practice and participation. Hawaii offered its immigrants equal opportunities, and the immigrants demonstrated their ability to make use of those opportunities and put democracy to work, both in the island and wherever they go.

Statehood of Hawaii, for the Hawaiian Chinese people, is an expression of democracy. Their forefathers left their homeland because they believed in democracy; subsequent generations have been participating in its processes. Now that Hawaii will become a full member in the United States of America, we can look forward to further contributions from the Hawaiian Chinese toward the advancement of the democratic ideals on which this Nation is built.

Ten Billion More for Britain, Says Peter Edson

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, under leave to extend my remarks, I am including an article which appeared in the Washington Daily News as of December 9. It seems quite obvious that the Democratic administration is determined to furnish relief in dollars or goods to all the world in spite of serious shortages and a continued rise in the cost of living. Mr. Truman must take the responsibility for stoking the boilers of inflation.

The article follows:

TEN BILLION MORE FOR BRITAIN

(By Peter Edson)

The state secret of how much Marshall-plan aid is scheduled for Britain will be let out of the bag soon. The British will want nearly $10,000,000,000 over the next 4 years.

Requirements from the United States will be around $5,800,000,000. From Canada and the rest of North and South America, $4,200,000,000. The United States probably will be asked to furnish dollars for a large part of this latter amount.

Senate and House leaders who opposed the original $3,750,000,000 loan to Britain are laying for exact figures on new British requirements. They have charged that much of this first loan was wasted and allowed to go down the drain. If cuts are made in the Marshall plan for economy's sake or for political reasons, the critics of European aid believe that reductions can be made in the British lion's share.

Exact amounts for British requirements will be revealed when the President's message and State Department documents supporting the long-range European Recovery Program go to Congress. They will give country-by-country estimates for the 16 cooperating European nations and western Germany.

In the initial Paris report of the 16 nations a country-by-country break-down was given for only the first year of operations under the Marshall plan. Of total estimated requirements for $9,200,000,000 worth of imports from North and South America, Britain's share was given as $2,630,000,000—roughly 28.5 percent.

Why the British have been so reluctant to give out estimates on their requirements for second, third, and fourth years has puzzled many Washington observers. Fear of stirring up anti-British sentiment may be one reason. But since the figures were bound to come out eventually, nothing particular seems to have been gained by trying to cover them up. On the contrary, failure to lay the cards on the table may have stirred up suspicion and antagonism.

One reason given for not releasing 1949–51 estimates is the desire to present the Marshall plan as a European recovery job covering the whole continent. It was hoped to avoid the impression that the plan was for scattered and uncoordinated aid to 16 nations individually.

Another factor in not making detailed estimates for the last 3 years of the plan was the difficulty in predicting what the price, supply, and political situations would be that far ahead.

Because of price changes up or down, good or bad weather, congressional cuts, and world upheavals, final figure for Britain for the whole 4 years may vary considerably. It may be as high as $15,000,000,000 or as low as $5,000,000,000.

Part of the total will be on a loan basis, part an outright grant. But it should be noted that repayment of the original $3,750,000,000 loan is not due to begin until 1952. Repayment in 50 years is called for, with interest at 2 percent when the British can find the dollars. When they can't, interest is waived.

In the best possible light, future advances to Britain have to be considered as investments to keep the British going so they can eventually pay off their debts by A. D. 2000.

Investigating Committees of Congress

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following bill which I introduced on November 24, together with an editorial from the Toledo Blade and one from the Washington Post regarding this bill:

H. R. 4564

A bill to prescribe the procedures of investigating committees of the Congress and to protect the rights of parties under investigation by such committees

Be it enacted, etc., That it is hereby declared to be the purpose and policy of the Congress that all legislative committees and subcommittees shall conduct their proceedings with the utmost fairness to all who may be affected by them and shall make every effort to avoid the abuse of their proceedings as a forum for the making of charges detrimental to the persons involved, which are not supported by convincing evidence. To this end the following specific regulations are prescribed.

SEC. 2. (a) All witnesses at hearings of the committees, whether public or private, shall have the right to have the aid and assistance of counsel and such other assistance as may be necessary to protection of their rights and to a full and fair presentation of the matter under investigation.

(b) Every witness who testifies in a hearing shall have a right at the conclusion of his testimony either to make an oral statement or at his option to file a sworn statement which shall be made part of the record of such hearing, but such oral or written statement shall be relevant to the subject of the hearing.

(c) If a committee or any member thereof shall make public any report furnished to it by its staff or others, or if any witness shall make, by oral testimony or documentary evidence, any statement reflecting adversely upon the character or reputation of any other person (including governmental officials or employees) the committee shall either at once strike such material from the record or shall grant to the person referred to an opportunity to cross-examine the persons responsible for the report or making the statement, and to present countervailing evidence. Such cross-examination and evidence shall be relevant to the interests of the individual who is involved, and may be subject to such reasonable limits of time and duration as the committee may impose. In addition, the persons concerned shall have the right, but unless subpenaed shall have no obligation, to file with the committee any denial, defense, or explanation they may see fit and they shall have the right to testify in person.

SEC. 3. The Congress hereby reaffirms the right and the duty of the press to comment on the activities of the Congress and individual Congressmen, whether favorably or adversely, and declares that it is contrary to this fundamental principle of a free society for editors, publishers, and reporters to be called into question before any committee of Congress unless it is deemed essential by a full committee to the conduct of a legislative inquiry. And it is further declared to be the policy of the Congress that, except at his own request, no reporter, editor, or publisher, shall be called to testify before a committee to be questioned concerning any publication by him, unless upon vote of a majority of the committee or subcommittee before whom he is called to testify: *Provided*, That no such person shall be called before any committee or subcommittee having less than five members.

[From the Toledo (Ohio) Blade]

MARKING OUT THE FIELD

The bill which Representative HELEN GAHAGAN DOUGLAS, of California, introduced this week to define the scope and standards of congressional investigating committees is the first sensible attempt to bring order out of the chaos which followed the most recent hearings of the House Committee on Un-American Activities.

In general, Representative DOUGLAS' bill would set up standards of conduct for congressional committees; and guarantee to witnesses the right to answer charges brought by committees. That makes good sense, no matter how you view what the Committee on Un-American Activities and other similar groups have done in the past.

Surely these committees should have certain responsibilities, in addition to their privileges. And witnesses called before them ought to have legal opportunity to answer charges made by the committees. Whether or not there have been violations of constitutional rights in the past, there should be definite guarantees that such violations cannot be committed in the future.

Congressional committees operate at present largely under rules of their own making. The result has been something like a sandlot football game in which the field is unmarked and the rules are dictated by the biggest boys involved in the game. In most instances, committees have exercised particular care to avoid any question of propriety. But there has been no way to check those groups which have been less scrupulous.

Had there been set standards, such as those now proposed by Mrs. DOUGLAS, when the Thomas committee launched its investigation of Hollywood Communists, there could have been no justification for the excesses committed on both sides. The extravagant charges and countercharges were possible only because no one was sure what such committees can legally do and what they may not do.

In proposing that this field be marked out clearly, Mrs. DOUGLAS is on firm ground. There will be some disagreement concerning the standards of conduct for such committees. But as soon as those differences can be ironed out, her proposal should be enacted into law.

[From the Washington Post of December 4, 1947]

INVESTIGATIVE PROCEDURE

The extremely important work performed by congressional investigating committees has sometimes been marred by excesses in the exercise of their authority. Now and then, indeed, as in the case of the House Committee on Un-American Activities, these excesses have amounted to gross abuse of the power delegated by Congress and have resulted in grievous injury to the reputations of innocent persons. Some regularization of investigative procedure has become imperative both for the safeguarding of individual rights and for protection of the prestige of Congress. Representative HELEN GAHAGAN DOUGLAS has sought to provide this regularization in a bill introduced last week which would prescribe the procedures of investigating committees while still permitting them the latitude requisite to their effective operation.

Mrs. DOUGLAS' proposal would impose three elementary restraints upon committee conduct. It would assure every witness, in the first place, "the right to have the aid and assistance of counsel" and "a right at the conclusion of his testimony either to make an oral statement or at his option to file a sworn statement which shall be made a part of the record of such hearing." The legitimate work of committees could in no way be impeded by such obvious concessions to fair play. But the denial of these "rights" by such committees as the one investigating un-American activities have made necessary the stipulation of what ought to be taken for granted.

The same can be said respecting Mrs. DOUGLAS' second provision—in our view the most important in her bill. It stipulates that when the reputation of any person is damaged by any report issued under the committee's imprimatur or by any testimony or evidence presented to the committee, the person referred to shall have a chance to present countervailing evidence and to cross-examine his detractors. This seems a more effectual remedy than that proposed for the same purpose by Representative PRICE—to make "privileged" the rebuttal statements of persons assailed in committee hearings. Again the House Committee on Un-American Activities must be cited as the outstanding exemplar of the need for protection of this sort. Time and again during its headlined Hollywood hearings, it permitted witnesses to defame persons not present, without requiring a shred of evidence to support the defamation and without affording the victims any opportunity of rebuttal.

The third provision of the Douglas bill is narrower in application, needlessly so in our opinion. It stipulates that a newspaperman should not be called to testify before a committee concerning any publication by him "unless upon vote of a majority of the committee or subcommittee before whom he is called to testify, provided that no such person shall be called before any committee or subcommittee having less than five members." This strikes us as so reasonable a provision that we should like to see it extended to all citizens, whether newspapermen or not. Star-chamber hearings before arrogant committee chairmen acting without the knowledge or consent of their colleagues are an outright perversion of the investigative process.

Cargo for Russia

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. WEICHEL. Mr. Speaker, while the Congress is in special session, called by the President for the avowed purpose of keeping down communism in Europe and keeping down prices, the Secretary of Commerce is continuing to permit commodities of every kind and description to go through to Russia, making our own supply scarcer and the prices higher. On November 18, 1947, while the House was in special session at the call of the President demanding hundreds of millions of dollars to stop communism, the Russian-named ship, U. S. S. R. steamship *Mikhail Kutuzov*, owned by the Government of the United States, being the former United States flagship named *Graham Taylor*, left the Atlantic coast for Russia with electrical machinery and

apparatus, car wheels, construction machinery, metallic working machinery, and other items, as follows:

Russian steamship "Mikhail Kutuzov"

(Cleared from New York Nov. 18, 1947, for Odessa)

Principal items of cargo and value:

Sisal rope	$43,439
Other nonmetallic minerals	19,952
Railway car wheels	59,000
Electrical machinery and apparatus	634,030
Engines, turbines, and parts	56,604
Construction and conveying machinery	82,534
Mining, well, and pumping machinery	267,162
Metalworking machinery	594,361
Other industrial machinery	656,971
Agricultural machinery and implements	307,555
Automobiles, parts, other vehicles and parts	239,550
Chemical specialties	6,942
Scientific and professional instruments, apparatus, and supplies	249,280
Commodities exported for relief or charity	1,954
Miscellaneous commodities	12,123
Lend-lease: Mining, well, and pumping machinery	11,475
UNRRA: Miscellaneous commodities	26,520
Total	3,269,452

And, further, on December 4, 1947, the Russian-named ship U. S. S. R. steamship *Novorossisk* owned by the Government of the United States and formerly the United States flagship *Edward Eggleston* left Longview, Wash., on the Pacific coast for Russia, with cargo as follows:

Cargo laden on the U. S. S. R. steamship "Novorossisk" (former "Edward Eggleston") at Longview, Wash.

	Weight	Value
17 cases of spare parts for can making machine	*Pounds* 38,581	$154,090
276 boxes of spare parts for Diesel engines	32,945	110,815
1,000 pieces of sheet steel piling	3,669,559	153,291
1,982 pieces of tie rods, turnbuckles, and nuts	1,615,070	113,718
26 pieces of head cone crusher and spares for crushers fork	279,761	81,818
12 crates of jaw crushers and spares	56,570	16,105
5 boxes of crane steam locomotive, in bond from Canada	240,260	40,000
2 boxes of clamshell buckets, in bond from Canada	8,400	3,000
414 cases of complete dump trucks	2,002,385	228,178
16 cases of electrical testing equipment	3,690	8,740
18 pieces of flotation machine and electric motors and spares	55,740	15,590
2 boxes of filter presses and spares	1,364	615
11 boxes of spectrograph equipment	2,965	5,735
10 boxes of steel dredge pumps	71,650	19,299
20 spare parts for Marion model 840 machine	59,874	39,882
15 pieces of complete stone crusher	148,325	53,111
1 box of impellers for turbine pump	250	1,402
62 pieces of electric shovels and spares	116,694	33,111
20 boxes of steel vertical pumps and spares	124,340	32,239
2 boxes of deep-well turbine pump and spares	1,650	1,068
33 pieces of Symons standard cone crushers	184,195	81,280
10 packages of model 480 power shovel and parts	37,360	18,994
17 boxes of slurry pumps and spares	39,572	13,564
95 pieces of ore-crusher parts	97,784	41,539
69 pieces of deep-well turbine pump and parts	27,315	9,893
21 boxes of engine parts	3,546	23,819
21 drums of steel grinding balls	39,900	1,741
96 boxes of drill rods	100,586	30,676
16 cases of electrical equipment	3,478	10,129

Cargo laden on the U. S. S. R. steamship "Novorossisk" (former "Edward Eggleston") at Longview, Wash.—Continued

	Weight	Value
2 cases of motor generator set and parts	*Pounds* 2,180	$2,329
8 cases of pumps, motor and parts	30,000	43,532
2 boxes of spare parts for shovel	490	471
18 pieces of crawler chain shovels	197,135	57,983
276 boxes of continuous drill rods	256,222	80,152
8 boxes of electric motors and switches	3,240	1,681
136 pieces of manganese steel feed and shell liners	116,403	17,356
1 cases of motor and drive assembly for Wemco Lohead conditioner spare parts and (2) deep welded steel tanks	14,690	2,786
59 packages of core drill rods	82,030	24,435
101 packages of march ball mill and spare parts	298,903	69,655
92 boxes of drill rods	84,955	25,259
4 cases of pumps	10,060	14,000

Mr. Speaker, this is all in the face of nearly $300,000,000 worth of exports to U. S. S. R. during the period from June 1946 through September 1947, and further in addition to $563,000,000 exports in 1945, of which only $26,000,000 were commercial, the rest being gifts, of nearly $400,000,000 in 1946 of which $64,000,000 were commercial and the rest being gifts; and of nearly $114,000,000 from January 1947 through September 1947, of which $66,000,000 were commercial and the rest being gifts, Mr. Speaker, flaunting to the public such exports to Russia making our supply short and the prices high and the President demanding special aid to stop communism, it is inconsistent with the call of the special session by the President to have his appointees go merrily on sending goods to Russia even in the ships owned and paid for by the taxpayers of the United States and ships Russia does not return.

A Debauched Currency and Its Responsibility for High Prices and Economic Chaos at Home and Abroad

EXTENSION OF REMARKS

OF

HON. JOSEPH P. O'HARA

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. O'HARA. Mr. Speaker, high prices are recognized as America's No. 1 problem. The American people are sorely disturbed at the economic chaos at home and abroad, and at the prospect of a return to regimentation and price controls. They want to know what has happened to their money—why their dollar buys only about one-third of what it bought a few short years ago. There is nothing mysterious about this dollar depreciation. Karl Marx said, and Lenin demonstrated, that "The surest way to overturn the social order is to debauch the currency"; and so persistently has the New Deal administration pursued its course that the dollar and all fixed dollar-value securities, including savings, pensions, and life insurance, have lost 63 percent of their value since 1933. Naturally it requires more of these depreciated dollars to buy the necessities of life and other commodities.

The methods employed by the debauchers of our currency, and a remedy to end this intolerable situation, are explained in a House committee print just off the press which has received much favorable comment in leading newspapers throughout the Nation. I include the following quotations from the Chicago Daily Tribune; Washington (D. C.) Times-Herald; Salt Lake Tribune; Dallas (Tex.) Times-Herald; and Charleston (S. C.) News and Courier for the information and thoughtful consideration of my colleagues and the American people, under the leave to extend my remarks in the RECORD:

[From the Charleston (S. C.) News and Courier of November 23, 1947]

SOUND MONEY: A CURB ON WAR

If it were possible to make a book on money a best seller so that everybody would be reading it and discussing it, wars and depressions would be eliminated. All wars are economic. All depressions are the result of unsound economic and monetary policies.

Until the administration repeals the Bretton Woods Monetary Agreement, the Reciprocal Trade Act, and Public Law 84, all talk of stopping inflation will be so much eyewash. Public Law 84, enacted in 1945, depreciated the dollar 37½ percent caused commodity prices to advance 60 percent, and is responsible for the vicious inflation and the resultant demand for higher wages.

It is a well-planted fifth column in our country that has blamed the free-enterprise system for our depression when it is the Government that is to blame.

High prices at home, economic chaos abroad, and threats of world war III can be attributed largely to the fact that we have permitted knaves and fools to so debauch our currency that in the short period of 13 years our dollar and all fixed-dollar-value securities have lost 63 percent of their value.

The world needs stabilization of currencies more than it needs our dollars. Sound money is the first requisite for peace and economic recovery. The United States alone has the power to give that stability by adopting a sound monetary system. This can be put into operation in 90 days and will cost us nothing.

Karl Marx said, and Lenin demonstrated, that the surest way to overturn the social order is to debauch the currency. It can be done in such a way that not one out of a million will see it.

It requires $2.71 to buy what could be bought for $1 prior to 1934. Your $10,000 life-insurance policy has a value equivalent to $3,687.50 prior to 1934. Your $50-per-month pension has a purchasing power equivalent to $18.43¾ prior to 1934. A $10 daily wage of today has a purchasing power equivalent to $3.68¾ prior to 1934.

Where have I gathered this information? From a book that could become a best seller, if our congressional leaders in Washington would appropriate moneys to put this book into the hands of every honest-to-God American. Inflation, depression, and world war III would disappear overnight. Russia, the greatest hoax in all history, would be at an end. Russia knows her only "out" is to keep the United States busy with Europe so she can overrun Asia and seize the rich rubber, tin, and oil resources of Asia and the Middle East.

The name of this book, Money Makes the Mare Go, by John McBride, clerk of Commit-

tee on Coinage, Weights, and Measures, printed for the use of the Committee on Coinage, Weights, and Measures, House of Representatives, United States Government Printing Office just off the press.

When you write for this book you may be told only 1,000 copies were printed.

But you cut this letter out and send it to your congressional leader and ask him if he will not do all he can to get a printing so you can have a copy. After you read it you will be a red-hot American and you will do your best to get your congressional leaders to get this book published and placed in the hands of all Americans.

And before I close I want to reveal another fifth column and that is the income tax. Those who are interested may write for a copy of From Solomon's Yoke to the Income Tax" by Frank Chodorov, Henry Regnery Co., Hinsdale, Ill., 25 cents, also just off the press.

If we can get the truth to the American people the day will never come when there will not be enough junk in this country to interest a junk dealer.

Rev. HENRY F. WOLFE,
Sacred Heart Parish.

CHARLESTON, S. C.

[From the Washington (D. C.) Times-Herald of November 13, 1947]

MONEY

(By Frank C. Waldrop)

Next to life itself nothing is so essential to mankind as money. You can neither be born nor can you die, without it You cannot advance without it nor can you escape it even in retreat. Money, it is the greatest invention in all human history.

It overpowers all enemies. It survives all friends.

Neither religion nor politics nor war nor peace nor virtue nor evil has ever conquered money.

Money is not only the most powerful of all human inventions, but also the most ruthless enemy of fools. It leaves the company of fools in a hurry and will have no truck with them.

We all know these truths, yet all of us try to deny or distort them. And for all of its importance to us, how many ever really try to understand money and its place in life?

For instance, it is a common habit to profess hatred of money and to cite money as an evil companion. It is not money that is an evil companion.

It is man's use of money that can be evil. Money, like any other powerful agent, can be a terrible evil in its effects if the intent behind its use is evil.

Just so, money can be the most powerful of all agents for good. Money was the universal weapon of our forefathers in making this country what it is, our inheritance of might beyond all other people of history.

There were many other weapons for the building of our inheritance, but none so tireless, so ingenious, so useful in all campaigns in all ways at all times, as money.

It begins to be time, therefore, for us to put a little effort into thinking about the nature of money. What is it and why is it so powerful?

There never will be a full answer to those questions. But some facts are easily told and can be easily understood.

First, money counts because it is symbolic of command over energy and goods.

Without it you cannot have civilization. You cannot even have anarchy. You can only have a return to the apes. No people this side of the apes have yet found a way of living together without money.

The better the money then the better the civilization that it serves. Money is "better" or "worse" according to how near it comes to representing accurately the measure of goods and services it is claimed to measure.

A dollar is as good as that which it buys for you.

Not so good these days; is it? Why not, and whose fault is that?

Back in 1933, when gold was taken away from the people of this country, the administration in power made a flat promise that we would none of us lose by the deal. In fact, the reverse.

In fact, among the many things Mr. Roosevelt set out to deliver was a dollar that would buy the same measure of wheat 20 years later as it would buy in 1933—an absolutely fixed value kinship between money and goods.

If he had been able to deliver that, he could be forgiven his multitude of other errors and false promises 10 times over. But he didn't deliver.

In opposite fact, his meddlings unhinged the dollar from value so completely that generations not even to be born 20 years from now will still be suffering the consequences.

Well, he wasn't the first statesman to be less able at making money do what he wanted it to, than at getting rid of money. Nothing is harder than to make money do what you want, nothing easier than to drive money into doing what you don't want.

Some very fascinating evidence on that subject has just come to hand from Capitol Hill. The House committee on coinage, weights, and measures of the Seventy-ninth Congress assigned its clerk, John McBride, to write a history of the money manias of the world these last few years.

It is not dull reading. Quite the opposite.

Mr. McBride, who is a westerner, a miner, and, as you might guess, a believer in "hard money" provided it is made of gold and silver, has finally turned in his report.

The title is "Money Makes the Mare Go."

You can argue with Mr. McBride if you like as to whether paper currency ought to be subject to exchange anytime for either gold or silver according to individual taste. It's not so simple an issue as it looks.

But it is hard for anybody to argue that the monetary history of the past 20 years reflects much credit on the brains of the people who have claimed custody over the valuation of money.

It is plain to anybody who has been to the grocery store lately that something is wrong with the alleged experts' management of money and has been for some time.

The report to the House Committee on Coinage, Weights, and Measures tells you some facts about that in language anybody can understand. It is worth reading and you can get it at the Government Printing Office for two bits or thereabouts.

Meanwhile, items from it will be reported in this space from time to time just as reminders, but nothing less than the full item will really do justice to your interest, if you have interest.

And if you don't, then quit kicking at prices, taxes, and other consequences of the Government's money management.

And it's no good pointing at somebody else. We people in the U. S. A. are responsible for the kind of government we get.

[From the Salt Lake City Tribune of November 18, 1947]

SOUND MONEY HELD PROTECTION AGAINST COMMUNISTIC INROADS

(By The Shift Boss)

John McBride, clerk of the House Committee on Coinage, Weights, and Measures, has written a book entitled "Money Makes the Mare Go," which, incidentally, any citizen can obtain by writing to his Congressman or Senator. It is a revealing piece of writing and compilation of facts. Some clue as to its expositions may be gained from its foreword, which says, in part:

"Governments operating under a regimented economy know they can never successfully compete with a free competitive economy. They must either emulate us, destroy us, or face revolution at home. Their more intelligent leaders were inclined to emulate us until our internationalists and left-wingers—more vociferous than numerous—misled the more fanatical Communists into believing that they represented majority public opinion of the United States."

SUGGESTS CURE

"If we would preserve our American way of life, the first and most essential requisite is a sound world economy and a sound monetary system. The very antithesis of sound money and a sound economy is the so-called managed economy and managed currency now being perpetrated in the most vicious form by that unholy triumvirate, the Bretton Woods Monetary Agreements, Reciprocal Trade Act, and Public Law 84. These are the vehicles on which the internationalists are riding to power.

"Introduced and passed as three separate and apparently unrelated pieces of legislation, they fit together like the parts of a jigsaw puzzle to create a financial superstate—an international OPA, financed by us but controlled by debtor nations—which will dominate and rule the world through the control and manipulation of money, trade, and credit.

"Unless these three acts are speedily repealed or drastically changed, they will destroy domestic economy, siphon away our wealth, and precipitate an economic collapse from which we may never recover."

BOOK EXPLAINS

Serious statements but interestingly and dramatically justified in the author's mind in his book, which must be read to understand his recommendations on how to meet the threat he outlines. And his preface goes a step further:

"This remedy can be made operative in 6 months. If we fail to adopt it, all present frenzied efforts to achieve permanent peace, recovery, full production, and full employment are just so much sound and fury signifying nothing."

[From the Salt Lake City Tribune of November 19, 1947]

SOUND MONEY PLEA RECOUNTS FABULOUS IDAHO MINE STORY

(By the Shift Boss)

In his plea for sound monetary principles and sound economy, Money Makes the Mare Go, recommended for reading (the book is free) in this column recently, John McBride, clerk of the House Committee on Coinage, Weights, and Measures, illustrates one of his points in a manner particularly understandable to western miners and westerners in general.

Discussing current Government pouring of funds into Europe, the author said:

LOST AT POKER

"Years ago, we had a rather odd character out in Idaho, a prospector named Norton. He discovered a fabulously rich gold mine near Custer Mountain in the Yankee Fork mining district. The ore was high grade, assaying up to $10,000 per ton; and in a short time, he had taken out more than half a million dollars in gold.

"Norton called his mine the Charles Dickens, and the proudest boast of other prospectors in reporting a new strike was that 'it is as rich as the Dickens.' Norton was inordinately fond of playing poker; and when those invited to join him in play demurred because they had no money, Norton promptly

staked them and sat down to play against his own money. He died in the poorhouse."

DRAWS COMPARISON

"But before you laugh at this true story of the impractical and improvident Mr. Norton, stop to consider that your Government is now engaged in an international poker game with nations staked by the American taxpayers. Norton at least had the virtue of gambling with his own money, but we are gambling with the money of our people, the safety of our country, and the peace of the world. And we haven't as much of a chance to win as Mr. Norton had because, in addition to playing against our own money, the international racketeers, with whom we are playing are filching marked cards from a cold deck."

Whether or not one agrees completely the comparison is crystal clear in the West.

[From the Chicago Daily Tribune of November 17, 1947]

UNSOUND MONEY BRANDED CAUSE OF DEPRESSIONS—FREE ENTERPRISE ABSOLVED IN HOUSE GROUP REPORT

WASHINGTON, November 16.—Unsound economic and monetary policies of the Government rather than any failure of the free-enterprise system are to blame for depressions, according to a report released today by the House Committee on Coinage, Weights, and Measures.

The report, drawn up by John McBride, committee clerk, and printed by the Government Printing Office, has been in preparation for almost 2 years and consists of a history of money and a digest of statements of various world fiscal authorities. The report has not been acted upon by the committee; it was submitted for the group's use in considering future legislation.

"In their effort to replace free enterprise with a regimented economy," it asserted, "the most potent argument for our fifth column has been that free enterprise is to blame for booms and busts—for periods of depression and large scale unemployment," the report stated.

HOLDS STABLE MONEY VITAL

"Government, not free enterprise, is to blame for depressions because of unsound economic and monetary policies forced on business by Government. All efforts of the administration and Congress to stop runaway prices and bring peace and economic stability to the world are doomed to failure until a sound, stable, dependable monetary system is adopted.

"All thoughtful citizens will approve of the administration's statement that, 'Inflation must be stopped before it is too late.' But before any constructive action can be taken, it must be recognized that Public Law 84, enacted in 1945, depreciated the dollar 37½ percent, caused commodity prices to advance 60 percent, and is responsible for the vicious inflationary spiral of rising prices and resultant demand for higher wages."

Public Law 84 was an amendment to the Federal Reserve Act reducing from 40 to 25 percent the amount of gold certificates required of Federal Reserve banks as a reserve for Federal Reserve notes. This enabled the banks to increase their reserves in Government bonds, which, according to many competent authorities, cheapened the currency.

TELLS DROP IN DOLLAR VALUE

McBride said that in 13 years our dollar and fixed-dollar securities have lost 63 percent of their value. He declared that the crying need of the world is for stabilization of currency rather than for dollars.

"Sound money is the first requisite for world peace and economic recovery," the report said. "The United States alone has the power to give that stability by adopting a sound monetary system. This can be put into operation in 90 days and cost us nothing."

The report explained a sound monetary system is based on money which will serve as a permanent standard or measure of value. The dollar was depreciated 41 percent in 1934 and was further devalued by the lowering of Federal Reserve requirements, the report noted. Congress could open the way for a sound system by passing legislation to outlaw future attempts to tamper with monetary standards, the report said.

WARNS AGAINST ANARCHY

"Will we take this common-sense course, or will we continue to pour billions down 'operation rat hole' until the economic structure of the world collapses and the entire world is swept by ungovernable anarchy?"

"Operation rat hole" is a term used frequently here to cover all schemes for pouring more American money into Europe.

The report states that for years there has been "a national and international conspiracy, well-financed, and cunningly directed, to pillage our country and overthrow our system."

McBride holds that the conspirators are a strange alliance of Communists with Wall Street and London financiers. He asserts that one group—the "so-called intellectuals, fellow travelers, Communists, self-designated 'great liberals,' left-wingers, and political opportunists"—would set up a financial superstate to control money, the value of money, credit, production, profits, and wages.

The other group of pure Communists would set up a totalitarian state to be "absorbed as a vassalage in a world superstate in which we would be outnumbered and outvoted 15 to 1."

"We must not permit ourselves to be propagandized into voting billions of dollars to keep western Europe from becoming Communist," the report said. "The people of Europe realize that Communist Russia is the most tragic hoax in all history; her own people are restless and disillusioned; the Balkans seething with revolt.

"Russia's arrogance, insolence, and synthetic belligerence do not reflect confidence but desperation and fear on the part of her leaders. It has always been the practice of tyrants and dictators to manufacture a war to scare and frighten people into docility when their failure to solve internal social and economic problems has led them to fear for the perpetuation of their power."

[From the Dallas (Tex.) Times-Herald of November 17, 1947]

UNITED STATES POLICIES BLAMED FOR DEPRESSIONS

WASHINGTON, November 17.—Unsound economic and monetary policies of the Government are to blame for depressions rather than any failure of the free enterprise system, according to a report released by the House Committee on Coinage, Weights, and Measures.

The report, prepared by John McBride, committee clerk, and printed by the Government Printing Office, has been in preparation for almost 2 years and consists of a history of money and a digest of statements of various world fiscal authorities.

"All efforts of the administration and Congress to stop runaway prices and bring peace and economic stability to the world are doomed to failure until a sound, stable, dependable monetary system is adopted," the report states.

DOLLAR DEPRECIATED

"All thoughtful citizens will approve of the administration's statement that, 'Inflation must be stopped before it is too late. But before any constructive action can be taken, it must be recognized that Public Law 84, enacted in 1945, depreciated the dollar 37½ percent, caused commodity prices to advance 60 percent and is responsible for the vicious inflationary spiral of rising prices and resultant demand for higher wages."

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Congress of American Women and Comintern Ladies Aid

EXTENSION OF REMARKS
OF
HON. FRED E. BUSBEY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. BUSBEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of a letter I directed today to the Honorable Tom Clark, United States Attorney General, and an article entitled "Comintern Ladies Aid" which appeared in the magazine Plain Talk of July 1947:

DECEMBER 11, 1947.

Hon. TOM CLARK,
United States Attorney General,
Washington, D. C.

DEAR MR. CLARK: On December 7, 1947, I received the following telegram from Rheua Pearce, Congress of American Women:

"As mothers and homemakers faced with a very serious problem, we are coming to Washington on Tuesday, December 9, to talk with you, our Representatives. Our organization represents 35,000 women from Chicago area. The delegation will include representatives from other organizations speaking for the women of Chicago."

Rheua Pearce is president of the Chicago Chapter of the Congress of American Women with offices located at 203 North Wabash Avenue.

In order to save their time and be as helpful as possible, I arranged for the following women who were in Washington from Chicago, in accordance with the telegram, to meet with Representatives THOMAS OWENS, ROBERT TWYMAN, RICHARD VAIL, and myself, at 4:30 the afternoon of December 9 in the office of Congressman RICHARD VAIL. The delegation consisted of the following: Mrs. M. M. Robin, 3541 Van Buren Avenue, Chicago, Chicago Federation of Consumers; Mrs. Irene M.

Gaines, 3262 Vernon Avenue, Chicago, Illinois Association of Colored Women; Mrs. George Winsberg, 1322 South Fairfield, Chicago, Emma Lazarus Division of Jewish Peoples Fraternal Order; Mrs. Grace D. Wells, Illinois Association of Colored Women; Mrs. Margaret Hayes, Chicago, Chicago N. D. A. of C. Clubs; Mary Andelman, 709 Cornelia, Chicago, Congress of American Women, Chicago; Anita Wolfson, Chicago, Congress of American Women, Chicago; Eva Levin, Chicago, Congress of American Women, Chicago.

This delegation, in addition to representing the Congress of American Women, claimed to represent the following organizations: Young Women's Christian Association, Progressive Citizens of America, Federation of Settlements, American Veterans Committee, International Workers Order, Chicago Association of Colored Women, National Association for the Advancement of Colored People, Illinois Association of Colored Women, Chicago Chapter of Negro Organizations, Victory Group of Consumers Civic Organization, and Chapter of Jewish Peoples Fraternal Order.

I have checked with the office of the Clerk of the House of Representatives and find that the Congress of American Women is not registered under title III of Public Law 601, known as the Federal Regulation of Lobbying Act. Section 307 of this law reads as follows:

"SEC. 307. The provisions of this title shall apply to any person (except a political committee as defined in the Federal Corrupt Practices Act, and duly organized State or local committees of a political party), who by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

"(a) The passage or defeat of any legislation by the Congress of the United States.

"(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Congress of the United States."

Information I have in my files shows that the Congress of American Women is the United States branch of a foreign-inspired conference of the Womens International Democratic Federation, and that it is in fact a Communist-controlled front organization.

I, therefore, formally request action on the part of the Department of Justice in reference to this outright violation of the Federal Regulation of Lobbying Act and further information as to the prospect of this organization being formally cited by your office as a subversive organization.

Very truly yours,

FRED E. BUSBEY,
Member of Congress.

[From Plain Talk for July 1947]

COMINTERN LADIES AID

(By Suzanne La Follette)

Wrapped in mystery is the origin of Stalin's ladies' auxiliary, the Women's International Democratic Federation, which suddenly sprang into being in war-shocked Paris 6 months after VE-day with a full-grown planetary membership of 120,000,000. At least that was the inside figure which the well-informed Daily Worker announced on December 23, 1945.

The head of the United States branch of this colossal Moscow front is Dr. Gene Weltfish, a scientist and former member of the faculty of Columbia University. Dr. Weltfish has never volunteered any clarification of the federation's apparent parthenogenesis. But last month, in addressing a convention of her branch, the self-styled Congress of American Women, she did announce, according to the New York Herald Tribune of June 7, that the parent organization has expanded to a membership of 81,000,000 women in 44 countries.

Now Dr. Weltfish, who attended the Paris conference where the Comintern Ladies Aid was first launched, may have been ignorant of the Daily Worker's claim of 120,000,000 members. But as one of the founders, she surely knew the official figure, released in the New York Times on December 1, 1945, which claimed that the federation represented 81,000,000 women in 35 countries. How that figure had expanded to 81,000,000 by June 1947 is one of the little mysteries of Communist mathematics.

Such juggling of astronomical figures is but one index to the character of the organization which would mobilize the women of the world for peace and justice. The record of Dr. Weltfish as a Communist fronter and party-liner is another index. Her urging of American women "to assume their political responsibilities before it is too late to alter the dangerous course our country is being steered into by the Truman doctrine" is a familiar echo of the Moscow refrain heard the world over in recent months.

High-sounding indeed was the name of the organization to which the Paris conference of November 1945 had so mysteriously given birth. The Women's International Democratic Federation (WIDF) was a label designed to stir legitimate hopes and to lure innocents. Few realized that the American women who attended the Paris conclave and later set up its affiliate here were, almost without exception, consistent followers of the Communist Party line. Nor did many Americans associate the "Mrs. Elizabeth G. Flynn" of the United States delegation with Elizabeth Gurley Flynn, a member of the national committee of the Communist Party, United States of America, and columnist on the Daily Worker, who later became a vice president of the Congress of American Women (CAW).

Now, through a special membership drive, the CAW is launching a country-wide effort to draw idealistic—but credulous—women into its fold. It will try especially to reach workingwomen, Negro women, and women veterans. Dr. Weltfish stated that the organization already has a "membership representative of over a quarter of a million women in the United States." That this figure comes from the same mathematical primer as the official 81,000,000 membership of the parent organization goes without saying. According to that primer, of the world's 1,000,000,000 females of all ages, 1 out of every 13 is represented by this Communist "front." Perhaps all the women in Soviet government-controlled trade-unions are automatically included in the statistics. Of course, no Russian woman has anything to say about it—except possibly the bemedalled and uniformed women commissars whom Stalin sent to Paris to officiate at the christening of the Comintern's feminine offspring.

The "happy lot" of the Soviet woman has proved the main inspiration for the work of both the WIDF and the CAW. Elizabeth Gurley Flynn, describing the Paris meeting of the WIDF in the United States Communist magazine, Political Affairs, applauded "the tremendous progress" of women in "the only Socialist state as yet in existence." She urged that "we should use this example of the country of socialism to demonstrate to American women that Communists actively champion the rights of women * * * which bourgeois democracies grant them only piecemeal after tremendous struggles."

The well-known fact that Soviet women have won a new status under the Communist dictatorship—a status which permits them to toil as miners and bricklayers, as street-cleaners and hodcarriers; to stand in queues for hours before and after work in quest of bread for their children; to vote for only one party and one list of candidates; and to enjoy the privilege of raising children in slave-labor colonies—all this has been passed over in silence by the Flynn-Weltfish propaganda mill.

The creation of a powerful international women's movement has been a Soviet aim since the beginning of the Bolshevist regime. As far back as 1920, Lenin told Clara Zetkin, the grandmother of German communism, that "real freedom for women is possible only through communism. * * * We need appropriate bodies to carry on work amongst them; special means of agitation, and forms of organization. That is not feminism; that is practical, revolutionary expediency."

The organization that is working to turn Lenin's design into reality has close connections with Moscow's other international fronts, the World Federation of Trade Unions and the World Federation for Democratic Youth. Like them, it originated in Paris, where Jacques Duclos, secretary of the Communist Party of France and recognized mouthpiece of the Comintern, laid down the new aggressive postwar Soviet line. The Union des Femmes Francaises, which initiated the WIDF, is Communist-dominated. Eugénie Cotton, who was refused an American visa because of her pro-Communist activity, became president of the WIDF.

Members of the WIDF executive committee incude Ana Pauker, of the Central Committee of the Communist Party of Rumania, who directed the brutal purges of liberals in her country; Dolores Ibarruri, known as "La Pasionaria," Spain's leading woman Communist; and Tsola Dragoicheva, who has been called "Bulgarian Lady Executioner" for her activities as general secretary of the Communist Party of Bulgaria. A number of Tito's women guerrilla fighters were delegates to the Paris conference. The U. S. S. R. delegation of 40 women was the largest from any country and included two official Soviet deputies.

There were some delegates who took the announced program of the federation at its face value. They even dared to oppose the Communist steam roller. Thus Madame Sedoux, a representative of France, sought to aline the newly organized women's movement not only against fascism, but against totalitarianism of every color. She and two delegates who supported her were expelled from the conference. Also squelched was the suggestion of an Australian delegate that the slate of candidates for permanent executive office be submitted to the members of affiliated organizations in the various countries.

In the fall of 1945, when few Americans could get passage overseas, Elizabeth Gurley Flynn and her covey of United States women delegates flew to Paris. Now holding prominent positions in the CAW, these women have all been supporters of Communist-front movements. Dr. Weltfish signed the statement in defense of the Communist International agent, Gerhart Eisler, and has condemned American policy in China, Greece, and Spain in orthodox Soviet fashion. She is coauthor of a pamphlet, Races of Mankind, which glorifies the Soviet Union, and has also sponsored various "fronts." Mrs. Muriel Draper, executive vice president, has been acting as executive secretary of the women's committee of the National Council for Soviet-American Friendship, and spoke on a Daily Worker radio program. She is a confirmed party liner.

It was Mrs. Draper and Dr. Weltfish who, at a meeting in Moscow of the executive committee of the WIDF in October 1946, presented resolutions demanding disarmament of the United States and denouncing the "reactionary forces" in their country, which they said were aided "by the tyranny of the

press and the syndicates." Again on Soviet territory, though in the United States of America, Mrs. Draper was chairman of a meeting held in the Soviet Consulate, New York City, on March 7, 1946, to celebrate International Women's Day, a Communist holiday. Incidentally, the group has not so honored any other foreign consulate.

Chairman of the WIDF'S Committee on Child Welfare and a vice president of the CAW is Mrs. Elinor S. Gimbel, who has supported numerous Communist fronts. At the June meeting of the CAW, she stated that the children of Europe, Asia, and Africa "need food, clothing, school supplies, medicine, toys, and a feeling of democracy." True as this statement is, one wonders whether the brand of democracy advocated would be Soviet-style, which is admired by the CAW just as invariably as American democracy comes under their critical fire.

Others prominent in the organization are Ruth Young, who was a Communist Party convention delegate in 1945; Thyra Edwards, formerly a member of the Young Communist League, who conducted tours to the Soviet Union; Dr. Bella V. Dodd, a member of the National Committee of the Communist Party, U. S. A.; and such well-known fellow travelers as Henrietta Buckmaster, Mary Van Kleeck, and Florence Eldridge (Mrs. Fredric March).

The CAW has recently moved its headquarters to 144 Bleecker Street, New York, the address of the United States Committee for the World Youth Festival, which is being conducted in Prague by the revived Young Comintern. The June conference of the CAW met in Holy Trinity Church, Brooklyn, of which the rector is the "Red Reverend" William Howard Melish, vice chairman of the National Council for American-Soviet Friendship. Mrs. Melish is president of the CAW's Brooklyn chapter.

The cooperation of the CAW with other organizations is limited to well-known Communist fronts. It has had no dealings with the established non-Communist women's groups in the United States. In fact, it effectively scuttled an attempt to organize a bona fide International Assembly of Women. At the preliminary meetings held in New York last October American party liners and Communist delegates from overseas formed a tight bloc which insisted that the group work through the WIDF rather than set up its own central bureau for the exchange of international information among women. The meeting adjourned without having formed a continuing committee.

With fanatical persistence the disciplined pro-Communist women make sure not only that possible rivals fail to get a finger in the international pie but that the plums will be dished out to themselves. It is an ominous fact that they have secured consultant status for the WIDF with the Economic and Social Council of the United Nations.

The emblem of the WIDF and its American affiliate is a dove of peace holding an olive branch. Much has been said by the CAW about the menace to peace of America's "Fascist-minded monopolies," "imperialist aggression," and failure to share with Russia the secret of the atom bomb. But the group has a sizable blind spot when it comes to the encroachment of Soviet totalitarianism upon the freedom-loving peoples of Europe and Asia.

The slogan of "peace" exploited by the Congress of American Women is befuddling many sincere feminists. Our leading newspapers have given the WIDF much free publicity, and have characteristically taken little trouble to expose its real nature. Yet even a cursory examination of the facts is sufficient to unmask the organization as the Kremlin's "ladies aid," designed to perform a vital function in the secretly restored Comintern.

Handicapped Citizens

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. ANGELL. Mr. Speaker, one of the outstanding citizens of my district is Mrs. R. E. Bondurant who throughout her lifetime has performed a great service for the handicapped citizens of the Nation. Mrs. Bondurant has been most diligent in sponsoring legislation, programs, and community service for the blind and other handicapped people who are at a disadvantage in meeting the problems of life. No one in my State of Oregon has done more for these underprivileged persons in need of assistance in fitting them to meet the responsibilities of life and relieving them of some of the burdens resting upon them.

Mrs. Bondurant has now as one of her projects the education of underprivileged persons and particularly affording them the opportunity to perfect themselves in skills and crafts so that they may not only provide for their own care and upkeep but give worth-while contributions to the economy of our Nation. Mrs. Bondurant has recently opened in the city of Portland, in my congressional district, a craft shop where the products made by the handicapped are offered for sale, by means of which these handicapped citizens are enabled to earn a livelihood. This project is a worthy one and is under the sponsorship of the Oregon State department for vocational rehabilitation and the Oregon chapter of the National Society for Crippled Children and Adults.

I include as a part of these remarks an article by Mrs. Bondurant in the Portland (Oreg.) Journal of Friday, December 5, 1947, explaining this outstanding service in which she plays such an important part and to which she gives her time without monetary recompense. The article is as follows:

SHOP FOR HANDICAPPED

(By Mrs. R. E. Bondurant)

Oregon's thousands of home-bound persons, having lost some of their faculties but none of their courage, are building better "mousetraps"—and a myriad other types of hand-made, high-grade articles as a means of continuing as useful citizens, supplementing family income and otherwise demonstrating to themselves and friends that they've still got what it takes to help make the American system of a free enterprise work.

So successful are the men and women who make such a wide array of useful items, toys and handicrafts in their own homes that Oregon would be crisscrossed many times with paths to their doors by persons seeking the figurative "better mousetraps" were it not that efforts are being made to establish a full-time, year-round store in Portland as a State-wide outlet for the results of their imagination, industry, and skills.

The first step in the major project was taken about a month ago during the third annual observance of National Employ the Physically Handicapped Week, when one of Portland's large, downtown department stores donated easily accessible space for an exhibit and sale of hand-tooled leather purses and billfolds, slippers, toys, aprons, jewelry, lamps, plastic vases, and many other items—embroidery, lace, and sundry equally high-grade and compelling products. Long before the week ended, it appeared that the next step—the establishment of a permanent store—should be taken at once in order that this fine merchandise be made available to Christmas shoppers who pride themselves on the personal touch in their gifts.

Search was made for downtown space suitable for a craftshop for Oregon's handicapped and home-bound producers. The problem of availability of any space was bad enough, but suitability proved insurmountable, at least for the time being. Rather than be completely stymied, high-priced quarters were rented even though well out of the main shopping stream, in the hope that newspaper and radio publicity, together with enthusiastic word-of-mouth reports would reach enough potential supporters of the craftshop to raise it to a self-sustaining, nonprofit basis. It is the writer's hope that between now and the first of the year this sales outlet for products made by home-bound persons can be moved from its present location at 1325 Southwest Washington Street to more suitable space convenient to shoppers.

Under the sponsorship of the State department for vocational rehabilitation and the Oregon chapter of the National Society for Crippled Children and Adults, the craftshop for the handicapped is a basically sound idea.

I purposely have made no mention of disabled American veterans in connection with the new craftshop, mostly because their needs, when home-bound, are identified with the thousands of handicapped persons so urgently demanding an outlet for the products of their ingenuity and industry. Won't you help them, veterans and civilians alike, by visiting the craftshop between now and Christmas? By so doing, you not only will find better "mousetraps" but you also will help beat a new path to the collective door of Oregon's handicapped workers.

This Aid Continues America's Mighty Effort Toward a Satisfactory and Enduring Peace

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. MURDOCK. Mr. Speaker, I voted in support of the interim-aid bill, H. R. 4604, which the House passed today by a voice vote, but I have had so little to say during the many hours of debate that I take advantage of this leave to extend my remarks in order to express myself briefly on the bill. While there may be some features I could object to, I am satisfied with the amount of money which the House committee wrote in the authorization, and of course I am entirely in sympathy with and favorable to the intent and purpose of this bill as I understand its purpose.

I have heard the prophets of gloom predicting dire consequences to our own economy if this bill should become law. I am less inclined to heed these dismal prophets as I have heard them make

similar dire predictions many times before, even while we were trying to prepare our country on the eve of a terrible war. I recognize that there is some danger to our basic economy inherent in this move, but I feel that we must take certain fairly definitely known hazards rather than risk a greater hazard in any conceivable alternative.

Many of my colleagues have enumerated the tremendous sacrifices in blood and treasure which America has paid in recent years to win this war of survival. I do have some conception of that price, and that fact makes me willing to pay a relative high price to win the peace. Therefore, I think the vast investment in peace which we have already made and which we are making in this bill and which we are contemplating in additional measures are worth the price if together they give us a fair chance to win the peace. All life is a hazard, and that is true of the life of a nation. We did not hesitate to take long chances when it was a question of physical survival. We should not hesitate now when the decision is equally critical.

I was very much interested in the proposals made today in the two amendments offered by the gentlemen from Texas, Mr. GOSSETT and Mr. POAGE. I thought on first hearing those proposals that they sounded sensible, for I do want the peoples of the Old World, for whom we have done so much and sacrificed so greatly, to know of America's part in bearing the burdens of this great conflict. I have all along supported the Voice of America. I think it is very foolish of us if America's efforts are not fully made known throughout the world.

I have heard so many political opponents of the administration declare that the real America and her generous spirit have not been made known to the peoples of the Old World. Well, now, certainly America ought to have a great reservoir of good will abroad because of our humane intentions and sacrifical efforts, if the truth about us is known. However, these two proposals were turned down today on the ground that the agencies administering this relief are given authority to tell the world about our efforts. Surely the majority, even of this Republican Committee, cannot have such utter lack of faith in all of the administrative branch of our Government to deal with such matters effectively when they pass over an opportunity to direct how information concerning America shall be dispensed along with our aid. If there has been any failure in this respect in the past, it must be remedied in this program.

Opposed to Bypassing Antitrust Laws

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks, I include the following telegram from George J. Burger, director in charge of the Washington office of the National Federation of Small Business, Inc.:

WASHINGTON, D. C., *December 11, 1947.*
Hon. ESTES KEFAUVER,
House Office Building,
Washington, D. C.:

This is to call to your attention the joint resolution to check inflation as reported in Nation's press today, and particularly that part of the resolution, "Parties to any agreement approved under the section are hereby relieved from the operation of the antitrust laws, etc." The federation, having the largest individual membership of any business organization in this Nation, and speaking for that membership, strenuously opposes any bypassing of antitrust laws. The federation's position in this respect was made known in its opposition to the Reed-Bulwinkle bill, which provided for the same exemption. The federation's position was made definitely known in its testimony before the Joint Committee on Economic Report, July 14, requesting and urging all-out enforcement of antitrust laws. We call to your attention testimony of the Assistant Attorney General before the Senate Civil Service Committee, February 13, 1947. In substance he stated that for 35 years or more the administrations have been giving lip service to the enforcement of antitrust laws. The federation, speaking for small business, is committed to oppose any weakening or bypassing of antitrust laws, and we see no justification to commit this to be approved by the Government. Please make known our views to the Congress. It is most urgent. You are privileged to quote the full message.

GEORGE J. BURGER,
Director in Charge, Washington Office, National Federation of Small Business, Inc.

The Farm Program

EXTENSION OF REMARKS
OF
HON. GEORGE D. AIKEN
OF VERMONT
IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. AIKEN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address which I delivered at the annual banquet of the Farmers Union Grain Terminal Association, at St. Paul, Minn., on December 9.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In speaking before this cooperative tonight, I am addressing some of the most important people in world affairs today.

The American farmer more than anyone else in this critical period in history is influencing and shaping the economic and political destiny of nations.

Hunger is the great breeder of revolution. Hunger is the great destroyer of liberty. Hunger has toppled kings from their thrones. It has prostrated economies. It has caused multitudes to grasp in desperation at the promises of false prophets. It has bred war.

Many nations are today on the verge of political and economic chaos. Only relief from the fear of hunger and famine can avert catastrophe for some of them. The American farmer offers the only hope for providing that emergency relief.

Through the exports of food raised on the farms of North America, a degree of stability has been maintained to date by governments of Europe.

Only by maintaining stable governments in other countries has the foreign market for American manufactured goods been maintained and the employment of over 60,000,000 persons in the United States made possible.

There are still those who say, "Let the rest of the world shift for itself. Let us keep America an island of unprecedented prosperity in a world of chaos, poverty, and war."

What a ridiculous attitude that is.

How can anyone really believe that the 7 percent of the world's people living in the United States can forever remain prosperous and rich in a chaotic, poverty-stricken, and highly scientific world?

After recently traveling 6,000 miles throughout this Nation of ours, I have become convinced of one thing—that the American farmer harbors no such illusion.

He knows that unless harmonious working agreements among nations prevail; unless the world can be rid of the fear of famine, pestilence, tyranny, and war, that the prosperity now being enjoyed in this country cannot long be sustained. The American farmer is willing to strain his efforts to the limit to produce the grain, the meat, and other products so necessary to attain this stability.

In talking with a small group the other night, I mentioned the fact that the farmer is willing to go the limit in order to feed the people of Europe.

One member of the group responded with a rather derisive laugh, the inference being that the farmer was, of course, willing to feed Europe because it meant money and profits to him.

He ignored the fact that American grain today is sold to Europe for much less than the price of grain produced in South America.

He ignored the fact that the farmers have contributed thousands of tons of food without any recompense whatsoever, and he ignored the fact that the great majority of farmers in America have had their production costs greatly increased because of shipments abroad.

It evidently did not occur to him that the farmer looked beyond immediate and temporary high prices in his outlook on world affairs.

I fear that the snap judgment of this man on American farmers is too prevalent in some quarters.

The wonder is that there are not more people like this considering the vigorous and vicious campaign which is constantly being conducted for the purpose of putting the farmer in a false light.

You and I know the forces that are responsible for this campaign, conducted through magazines, on the air, and even before committees of the Congress.

We know how difficult it is for agriculture to get into print in some great publications, except in a biased or misleading sense.

It is a great tribute to the American people as a whole that more of them have not fallen for the propaganda designed to misrepresent farmers.

It is to the everlasting credit of our industrial workers that not one of their leaders, so far as I have been able to determine, has attempted to put the blame on the farmer for the unprecedented high cost of living which exists today.

They seem to know, as we know, that the campaign against farmers is designed to promote class antagonism between those who work in the factory and those who work on the farm, and to divert attention from some of the real culprits that contribute to the high cost of living.

I am not attacking American industry. As a whole, industry is as conscientious as other

groups, but there are monopoly-seeking elements of industry and commerce that know no scruples; that seem willing to stoop to any level to satisfy their lust for power or money. They are determined to break the strength of organized agriculture at any cost, by any means.

They would deny the farmer the right to market his grain and other crops except through channels which are controlled, and all too often exploited, by monopoly seekers.

They would deny the farmer the right to purchase his gasoline and oil except at a price above that which he should pay.

They would deny the 3,500,000 farmers who are still without electrical energy the privilege of getting that light and power except by paying tribute to the private utilities which are controlled, body and soul, by eastern financial interests.

They oppose the development of the Great Lakes-St. Lawrence seaway, which would give farmers in the Northwest access to world markets without paying a transportation bonus to the railroads.

They would destroy the Tennessee Valley Authority and all it has accomplished for the good of all people.

They would prevent the development of the natural resources of America unless the people pay monetary tribute to a small group for the privilege of using these resources.

They systematically propagandize the small merchants and businessmen of America in their efforts to weaken the ranks of the farm people of our great Nation.

They spend millions of dollars on radio programs and newspaper advertising. They hire a horde of so-called experts to try to substantiate, spread, and give credence to their one-sided, and often false, contentions.

They infiltrate into the membership ranks of thousands of organizations. This not only keeps them informed as to what is going on but enables them in many cases to actually control these organizations and their policies.

They retain any legal talent which might make trouble for them, if they can. They maintain extravagant lobbies in Washington and State capitals. They furnish speakers to spread insidious propaganda to churches, chambers of commerce, and patriotic organizations free of cost to those unsuspecting organizations.

They plant their stooges in cooperative meetings from coast to coast and they hire full-time henchmen to work against the friends of farmers in Congress and State legislatures.

They collect millions of dollars from corporate interests, commodity gamblers, and financial manipulators in order to carry on their campaign against the farmers. They do not pay one dollar of tax on the huge sums which they collect for this purpose.

In fact, they not only do not pay a dollar of income tax on these collections, but the contributor is actually permitted to deduct the amount he gives from his own income in making his personal return.

Why should organizations established for the express purpose of creating class prejudice be permitted to avoid the payment of taxes on millions of dollars contributed for this purpose?

A financial statement of every farm cooperative in America can be readily obtained. A financial statement of the affairs of nearly every labor union can be readily obtained.

Organizations set up for the purpose of weakening both agriculture and labor not only do not make financial statements available to the public, but resist all efforts to bring the source of their funds out into the light of day.

The Congress of the United States should require the National Tax Equality Association and other power seeking class organizations to make full and open financial reports, and to pay taxes on their enormous cash incomes.

If those groups which constantly wage war on American farmers are not curbed but should succeed in their selfish objectives the food production of our Nation will be seriously impaired.

History has shown that when a nation's source of food supply and of raw materials becomes weakened, the nation itself cannot long remain strong.

If the United States is to remain economically secure and politically democratic, we must maintain agriculture at its present strength and increase that strength as fast as possible.

We must eliminate international trade barriers as rapidly as we can, but until the time comes when a means of preventing war has been devised and the world has worked out feasible economic agreements, America must never become dependent on overseas countries for its food, shelter, and clothing.

Our agriculture can be kept strong only through maintaining our most precious heritage, the land itself, and by having that land operated by a strong and virile people.

Five hundred thousand boys and girls annually leave American farms to engage in other occupations. The farm, therefore, is not only the source of our food and fiber supply, but is also the source of strong young citieznship needed to contribute to the leadership and the industrial strength of our cities. Character is one of our greatest farm crops.

It is vitally important that we keep the right kind of people on our farms. If we are to do this it is necessary that we assure them of a living income.

It is not enough for the per capita income of farm people to remain at less than half the per capita income of city people. Such an inequitable income will not suffice.

We must continue our efforts until farmers in America are assured parity of income with other people.

It has been my privilege to be chairman of a Senate subcommittee authorized to study the needs and trends of American agriculture and to develop a long-range program. This study was authorized by a resolution introduced by your own junior Senator from Minnesota, Senator ED THYE.

We will not be satisfied with any program which does not bring us nearer the income level of all people than we have heretofore been.

Farm people are entitled to good schools, good hospitals, good roads, and good living, just as much as any other people are.

We realize our interdependence with other sectors of our national economy, particularly with those who are gainfully employed in industry, but we are within our rights when we insist upon equality of opportunity and equality of living standards for our families.

We cannot be selfish in this matter. We must seek only that which is properly ours.

Our fortunes, quite properly, should rise or fall with other groups engaged in commerce, industry, labor, and the professions.

No one group can long maintain a high level of prosperity alone. We are concerned not only with the income of these others. We must also insist that they too have high levels of health and education and the enjoyment of life.

We must never again let millions of people in the cities of this great Nation go hungry while food rots on the farm.

We must insist upon adequate levels of diet for all, not only because it makes for a stronger people in our Nation, but because it will actually pay cash dividends.

We must support measures to provide full employment for the working people and full operation for our factories and industrial plants.

We must support an adequate minimum-wage level for all workers.

We must extend the benefits of social security to the 26,000,000 workers including farmers who are now contributing to the costs but receiving none of the benefits from this program.

We must stand ready to adapt our agricultural practices to the needs of the Nation as a whole and to shift our production whenever these needs become clearly apparent.

We must encourage cooperation with other groups and unity among ourselves.

An unorganized agriculture would soon result in an economic peasantry and a weakened Nation.

There are too many who today would prey upon agriculture regardless of consequences to their country.

There are too many who are too self-satisfied with present conditions and their present status in society. They are the advocates of scarcity and high prices.

They lack foresight and are afraid. Afraid to make changes in an expanding world and completely blind to the consequences if we fail to do so.

Farmers must organize and stand by their organizations. I refer especially to cooperatives which have brought to the American farmer a high degree of independence and a higher standard of living. The cooperative is free enterprise in action. Contrary to what a few representatives of selfish interests have charged, the cooperative is one of the highest examples of private initiative.

Farm cooperatives have come in for increasing public discussion during recent years. They have been too successful to suit the speculators and profiteers. As farmers well know, a major aim of the cooperative is to give its farmer members the best possible service at the lowest possible cost, whether it be in the field of marketing, purchasing, or other business services. The more nearly it attains that major aim, the more it will draw the fire of its opponents.

Recent attacks in the public press—and elsewhere—provide convincing evidence of the effectiveness of our farmer cooperatives.

You, of the Farmers Union Grain Terminal Association, are to be complimented on the splendid progress made by your organization since 1938. The growth from the few million bushels handled in your first business year to the enormous volume in 1946–47 gives concrete evidence of your effective merchandising job. The savings made every single year since organization, and the very substantial equity you have built up through your system is almost beyond belief.

The history of cooperative grain handling in the Twin Cities is evidence of your persistence in support of a worthy cause—higher incomes and better living for the farm families of the Northwest.

You are familiar with the attempts of the opposition to hamstring or destroy cooperative institutions in the last session of Congress. It is certain that their efforts will be continued. We must be prepared to fight such moves.

We must protect the farmer's right to organize and to conduct his affairs cooperatively at all costs.

Let American agriculture break down and we would soon find ourselves in the position of many old world nations. Keep agriculture strong and healthy and the United States will retain its position of international leadership.

Through our organizations we can remain strong. We can beat off the efforts of those who would reduce our farmers to a dependency level.

Let us work for agriculture and an expanding economy on a broad front.

Let us unlock the great St. Lawrence River and utilize its navigation and power resources. To complete the development of this deep-water channel would make seaports out of Duluth or Chicago or Detroit so that ocean-going vessels of the United States and of the world could ply the waters of the Great Lakes transporting the life-giving wheat and meat of the great Northwest, or the manufactured products of our central cities, to the

far corners of the earth. These vessels could bring back to us cargoes of oil, lumber, or ore so that our own exhaustible resources may be conserved and protected.

The power now going to waste in the rushing waters of the St. Lawrence would provide at low cost a vast amount of additional energy that is needed so badly to turn the wheels of expanding industry and to light the farms and homes that are either without power now or are paying rates that are much too high.

Let us develop also our other great resources—especially the Missouri River system—thereby generating cheaper and more abundant power, holding back floodwaters, storing water with which to bring new life to parched fields, protecting us against future dust bowls, and making greater water transportation facilities available for the future welfare of our Nation.

We cannot take a narrow view of these developments and look upon them purely in terms of local benefits, as they may affect one State or one region. There are 48 States in our Union and the welfare of each is inextricably linked with the fortunes of all.

We in this country can produce enough to meet the needs of our increasing population and our growing economy and still be able to help the more unfortunate in other lands.

Agriculture must remain politically strong if it is to be economically strong.

Farmers have it within their power to beat down the attempts of ruthless monopoly seekers who would control them.

The people of America speak many languages, but there is one language that the elected representatives of the people understand better than all others and that is the language spoken by the voter at the polls on election day.

The health and happiness of every human being depends upon a bountiful production of food and fiber. The farm program for the future is far too important, too, vital to us all, too essential to the peace of the world and the existence of mankind to be manipulated by selfish elements of society or to be tossed into the maelstrom of partisan politics.

Regardless of our political beliefs we must unite our efforts in going forward to a richer, healthier, and more secure era for the American farmer and for our country.

Pay Increases for Federal Employees

EXTENSION OF REMARKS
OF
HON. WILLIAM LANGER
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me yesterday.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR LANGER, STATION WWDC, THURSDAY, DECEMBER 11, 1947

The other day I received a letter from a man in Baltimore referring to the Langer-Chavez salary bill which would grant a $1,000 increase in pay to each man and woman in the Government service.

My correspondent asked me if I were making some sort of preelection promises, and whether this bill was in support of my promises. I replied to my friend that I have no campaign at hand and, therefore, it is unnecessary for me to make any campaign promises. I am not running for office. I still have more than 5 years before my present term expires and, therefore, there cannot be the slightest touch of politics in what I am trying to do.

My primary interest is to keep Government employees abreast of their economic needs. They are not responsible for the runaway prices and crazy economy in which we are living today. They are merely trying to be substantial citizens, just as you and I, and to discharge their obligations to their loved ones and their neighbors.

It should be recalled at the outset that a Government employee surrenders certain of what are regarded as commonplace prerogatives of those in other segments of our population when they enter upon Government employment. Even before the Congress inserted no strike provisions in appropriations acts, Government employees already had voluntarily surrendered what might have been regarded by some as a right to strike, and as we look across the waters today and notice the condition in which some nations find themselves, beset by one strike after another from the forces which are in open defiance of their constituted governments, pitting their strength against the government authority, and in some instances showing superior power and force, we cannot possibly underestimate what it means in our country to feel and be secure against strikes directed at the Government.

The Government employee further is required to prove his loyalty to his Government and here again, such condition of employment does not obtain in private industry or business. Outside the Government a man thinks and does very much as he pleases so far as ideologies are concerned, and if they are not too obnoxious to the employer, the individual carries on in his own manner and if he desires to harbor disloyal feelings there are not a great number of laws which forbid it.

And so, I am pointing out a few of the limitations under which a Government employee must operate, and to which he must conform—before we even get into the salary and retirement phase of the discussion which I plan to take up tonight.

My research indicates that $1,000 is yet a modest amount when we are confronted with the actual facts. I find that, all things considered and in line with what has taken place in industry, the Government employee should receive approximately $1,160 and not $1,000. A very substantial brief can be built on this statement.

In order that there be less prospect of the salary legislation, both for those in the postal service and those under the Classification Act of 1923, deteriorating into a discussion on the part of thoughtless persons who might claim political partisanship, I invited Senator CHAVEZ, our ranking minority member on the Civil Service Committee, to join me in presenting these wholesome bills. Senator CHAVEZ, always a true friend of the Government employee, believing that morale at all times should be promoted, readily collaborated in this legislation—and so we can now call these bills the Langer-Chavez measures, just as we refer to the pending retirement provisions as the Langer-Chavez retirement bill.

As a matter of fact, the Government is giving substantially the same services to its people today as it was several years ago, and is being required to operate with less personnel. This means that the remaining employees must carry about the same work load as they formerly did, but with fewer persons to help perform the jobs. So, we are requiring more of the Government employee today than we formerly did, and we are leaving him dangling by his economic eyebrows and at the same time, there are those who want to know why we should give the Government employee any more money.

It is true that the Congress has granted two pay adjustments in recent years. One of these was the first since 1925 for the postal employees, and served to correct some of the maladjustments so long existing.

Promptly, the Government abolished overtime and reduced the employees "take-home" pay. At the same time, the Government has permitted prices to go sky high. This simply means that Government employees now have to meet inflated costs with deflated incomes. Senator CHAVEZ and I are merely trying to get some degree of parity in the Government service with that prevailing in industry. There has never been a time when this has happened. There were Little Steel formulas, and there were all kinds of wage concessions during the war dating back to January 1, 1941, but not for the Government employee. He was left to suck his thumb and wait until 1946 for belated relief—out of all proportion to what had taken place in industry.

And so, I feel privileged and proud to have this opportunity to do my part to adjust the Government pay scales, in some degree, and in the direction of sane discussion.

You do not hear a great deal of public discussion in Congress on the salary legislation. I can assure you that the atmosphere is heavily charged privately with discussion of the need of doing just what these bills call for.

Now I want to talk to you about the retirement legislation.

When an employee retires after having spent his working lifetime with the Government, there are but a few remaining years in his life. We become concerned, however, about where the Government money is coming from for these few years, although it is very little when compared with the salary that he has received.

It would seem more logical to do a little more worrying about our active employees. They should be fitted into the jobs they like best, given supervisors who are well qualified and have a warm fellowship feeling for their helpers. They should be ready and willing to utilize such improvements as employees in the lower levels are able to suggest. We need the fullest information possible from our employees who leave the service both for retirement and other reasons. We need to spot light incompetence, particularly in the supervisory levels, for it is here that costs can be heaviest and greatest injury inflicted on workers' careers not to mention the damage done to the Government service as a career.

There can be little question that where there is a job to be done and a contented group of employees is doing it, the Government is getting its money's worth. In a pleasant situation we would expect a few retirements at the earliest age at which retirement is permitted.

My attention was recently called to the disparity in retirement and survivor benefits between the civil-service retirement and the Foreign Service retirement systems. Under the latter the average retirement benefit is approximately $3,000 as compared with less than one-third that amount for employees who have been retired under the civil-service system. The average widows benefits under the Foreign Service is more than 20 percent larger than is now being paid to the civil-service retired employees. It is approximately twice as much as the widow will receive under either S. 637 or H. R. 4127.

It is pertinent at this point to call attention to the fact that employees of the Foreign Service system contribute 5 percent of their salary as compared with 6 percent under the pending retirement bills. I do not object to the benefits under the Foreign Service plan but do object to the small and inadequate retirement benefits under the civil-service plan.

Every man with a family working for a salary has worries as follows:

1. Sufficient income to provide the necessities of life for him and his family.

2. Some protection for his dependents in the event of his death.

3. Security for time when he is no longer able to work, due to advanced age or disability.

It was the general practice among foreign countries long before the war to make ample provision for their public employees in all three situations. There is no question but that this was the correct policy and it is a mystery why dependents of our employees have been so long neglected in our country.

We talk of risks. There are business risks, venture capital, crop risks, and the probability of success in new lines of business, but we hear too little discussion of the risk of mothers and widows in rearing the future generations. In a well-balanced society we must attend to the rearing of future generations, whether the widows of children are those of public employees or not. It is commonly regarded as part of the employment system in private industry as well as in government. Conservation and development of the Nation's human resources needs to be foremost when we think of conserving the Nation's resources.

I am receiving evidence all the time that many of our employees are not able to work for physical reasons. Yet, they continue in some fashion, because our laws and rules tell them, in effect, that if they retire on disability, as they may, they will forfeit their rights to reemployment with the Government in the event of their recovery, and, furthermore, we will check on them annually to make sure that their disability annuity is discontinued if they should recover.

It is a reasonable assumption that many of our employees are needlessly dying and their dependents left in distressing circumstances because of our numerous requirements, restrictions, and failure to take into account the all-important human equation.

Certainly, if we live long enough we will reach the old-age stage. I do not think that old-age should carry a penalty. I believe that a Government employee has the same right to reach old-age as any other of our citizens. I do not favor Oslerism. I do not think he must be hated because he grows old. I feel that some of those in the Senate who have been opposing the passage of the Langer-Chavez retirement bill likewise are opposed to old-age, dependent widows, and little children.

We should do everything we can to avoid returning to the good old days of the law of tooth and claw and survival of the fittest.

The Langer-Chavez retirement bill will go a great distance toward giving us better government, and to prove that the expressions of an appreciative Uncle Sam will not be lost by providing a humanitarian return on the investment by the Government and the beneficiary and his dependents under the civil-service retirement system.

I leave with you a letter I received recently, which tells its own story:

"My husband died almost 3 years ago after over 30 years in the Railway Mail Service. After his long illness and death, I used every cent I had to pay hospital and burial expenses.

"Since then I have had a hard time getting along. I do have my small house that my husband and I both worked hard to pay for, but the only income I have now is rent from a bedroom.

"If something doesn't turn up, I will have to sell my home. I cannot work because of poor health."

I ask you if some Senators are right in their opposition to old age and in their support of poverty?

The Taft-Hartley Act

EXTENSION OF REMARKS
OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. MARTIN. Mr. President, on November 13 last, at Harrisburg, Pa., the distinguished junior Senator from New York [Mr. IVES] delivered a very appropriate address on the Taft-Hartley law. I ask unanimous consent that the address be printed in full in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY UNITED STATES SENATOR IRVING M. IVES ON THE TAFT-HARTLEY ACT BEFORE THE COUNCIL OF REPUBLICAN WOMEN OF PENNSYLVANIA ON THE AFTERNOON OF THURSDAY, NOVEMBER 13, 1947, AT HARRISBURG, PA.

I appreciate greatly this opportunity to speak to the Council of Republican Women of Pennsylvania. When your distinguished Senator and my very good friend, EDWARD MARTIN, enthusiastically seconded your kind invitation, he specified that I should speak on the Taft-Hartley Act. I am glad to do so.

As you know, the Taft-Hartley Act deals with the subject of labor-management relations and is termed the "Labor-Management Relations Act of 1947." No single piece of legislation considered during the last session of the Congress aroused more controversy than did this measure. Never to my knowledge has so important a legislative measure been so maligned, misrepresented, and misunderstood.

Many who opposed it denounced it bitterly as a slave-labor law. On the other hand, many felt that the so-called abuses of labor should be curbed, and some of these people were of the opinion that an even more drastic measure was desirable.

As a member of the Senate Committee on Labor and Public Welfare, I subscribed to neither of these extreme views. Nor do I feel that most of my colleagues who voted for the Labor-Management Relations Act of 1947 have shared these attitudes. I believe that it is our duty as Republicans—yours and mine—thoroughly to explain this legislation, sponsored by a Republican Congress, to all the people of your State and my State and of the Nation generally.

The results of a survey made several months ago by an independent research organization are significant. This survey was conducted among a representative cross section of workers, both union and nonunion, to determine their attitude toward various provisions of the new labor law. In line with my own experience with hundreds of communications received at my office, the majority of workers questioned were against this new labor law.

But the results of the polls taken in this survey produced an extraordinary and striking anomaly.

When the union members were asked whether they favored preventive measures to eliminate Communists from holding union offices, 77 percent of them favored such preventive measures.

When the union members were asked whether they favored a requirement that unions make financial reports, 85 percent indicated their approval.

Fifty-four percent of the union members expressing an opinion registered opposition to the use of union funds for political contributions or expenditures.

Seventy percent of the union members favored delay in strikes in industries vital to the country's welfare. These union members, moreover, favored the temporary prevention of such strikes through a court order obtained by a Government agency.

Seventy percent of the union members were in favor of requiring unions to give 60 days' notice before going out on any strike.

Seventy percent of the union members agreed that unions, as well as employers, should be subject to lawsuits for breach of contract.

Sixty-one percent of the union members felt that employers should be granted the same freedom of speech as that given to unions and employees.

Seventy-four percent of the union members indicated that they favored the check-off of union dues by employers only after obtaining the consent of the workers.

Seventy-seven percent of the union members indicated that they favored the establishment of a union shop only after a majority of all the employees had voted in favor of it.

Fifty-two percent of the union members expressing an opinion felt that the closed shop itself should be outlawed.

Among the nonunion members who were polled in this same survey these affirmative percentages for the most part were even greater, and the affirmative average of all workers polled was decidedly overwhelming.

These 10 matters on which this poll was taken constitute the essence of the Taft-Hartley Act. As I have indicated, the union members themselves were in favor of every one of them. And this result also confirms the sentiment expressed in many hundreds of communications received at my office.

Therefore, when I stated that opinion on the Taft-Hartley Act contains an extraordinary and significant anomaly, I was not exaggerating. I was merely emphasizing that this law has been the subject of the grossest and most vicious kind of misrepresentation and misinterpretation on the part of those opposed to it.

The results of this poll obviously offer a sharp contradiction to the charges that the Taft-Hartley Act is a "slave labor law." These results show, moreover, that the hostility toward this act on the part of workers, union and nonunion alike, has been occasioned principally by false assumptions, resulting from a lack of proper and sufficient information and from calculated misinformation concerning the provisions of the act itself.

In these remarks I shall give my views concerning certain important provisions of the new law, a number of which have received thus far too little attention, due to the catch-phrase and slogan campaign which has been waged against it. I shall confine myself for the most part to the action taken in the Senate.

It is only fair to state, however, that the House Committee on Labor and Education, which was also charged with the consideration of this type of legislation, duplicated in large measure the efforts of the Senate Committee on Labor and Public Welfare, in an all-out attempt to obtain all the facts possible from all interested parties who could be heard by the House Committee.

Shortly after the Congress convened in January these two committees began to sit daily, listening to complaints, suggestions, and recommendations from public officials, employer groups, labor-union leaders, labor-relations experts, and individual citizens who wanted to be heard.

As the hearings continued, it became apparent that no constructive suggestions for even the most moderate changes in the law were to be proposed—or even tolerated—by

those who spoke for organized labor. These representatives of labor resisted every effort to amend the National Labor Relations Act or the Wagner Act, as it is sometimes called, in any way whatsoever.

Faced with this intolerable situation, I decided to, and did, introduce legislation which I believed not only would prevent possible abuses by labor, but would bring into proper balance the delicate relationship between workers and their employers. Most of the legislation which I proposed was subsequently incorporated into the Senate bill and finally into the Taft-Hartley Act itself.

This legislation, which I sponsored, provided for the creation of a joint committee of the Senate and the House to explore thoroughly into the whole labor-management problem. It provided for the establishment of a separate and autonomous Federal Mediation and Conciliation Service. It gave to the National Labor Relations Board the power to enjoin under certain conditions secondary boycotts and jurisdictional disputes. It set forth certain unfair labor practices on the part of labor organizations and employees.

The bill passed by the House of Representatives was quite different from that passed by the Senate. Subsequently in conference committee the final legislation, in the form of the Labor-Management Relations Act of 1947, was agreed to. This final bill followed closely the pattern of the Senate bill.

In this connection I desire to clear up a considerable amount of misrepresentation and misunderstanding where I myself am concerned. I have been accused by some who are hostile to the act of making an about face on this labor legislation. Nothing could be farther from the truth.

I had hoped that it might be possible to have genuine collective bargaining without new legislation. But the heavy preponderance of evidence at the hearings showed beyond question that my hope was in vain. I became convinced that without corrective legislation real collective bargaining would never have a chance.

A number of amendments to the original Senate bill, to which I was vigorously opposed, were offered from the floor of the Senate. Only one of these amendments prevailed, and this particular amendment was adjusted in conference committee to meet my chief objections. Furthermore, the final conference bill, which is now the law, contained none of the objectionable features which I opposed on the floor of the Senate. My position regarding this legislation has been consistent throughout.

Testimony at the hearings proved that a new law was vitally necessary. On several occasions at these hearings I so expressed myself vocally, and the transcript of the hearings bears me out. Throughout the consideration of this legislation I was striving to exert all the influence I possessed to the end that the final legislative product would be as equitable as sound, and as satisfactory as possible. I believe that the Taft-Hartley Act, although not perfect, in large measure meets the specifications which I laid down for my personal guide and chart.

Perfect legislation in dealing with the relationship between workers and employers is virtually impossible of realization at any time. The field of labor-management relations is dynamic and constantly changing. New techniques and new procedures are always appearing. The best we can do at any one time in dealing with this subject through legislation is to strive for perfection and be satisfied if we arrive somewhere in the vicinity of the goal of perfection. Most definitely the Taft-Hartley Act meets these requirements.

Experience is already demonstrating that this new law, far from being a slave-labor law is actually a worker-emancipation act. Moreover, I am sure that people are recognizing more and more that in our efforts to correct such abuses as existed and to bring into proper balance the relationship between labor and management, the Congress went far enough in passing the Taft-Hartley Act. Actually this act should contribute substantially to sound employer-employee relationships.

To understand fully the need for the new labor law and the place which it occupies in our economy, it is necessary to become acquainted with its historical background. This law, as many of you know, did not suddenly materialize out of space. Rather it is the product of evolution in the field of labor-management relations.

The so-called Wagner or National Labor Relations Act, which was passed in 1935 and declared constitutional in 1937, had been needed to meet an unbalanced relationship between workers and employers existing in the years prior to that time. In order to remove the previous unbalance, an act weighted on the side of labor was urgently required. The National Labor Relations Act accomplished this purpose.

With the improved condition of labor and the vastly increased power of labor which resulted from the enactment of the 1935 law, the relationship between management and labor once more became unbalanced—this time in the opposite direction. Inequality of bargaining power where labor was at the mercy of management was replaced by inequality of bargaining power where management was at the mercy of labor. This latter unbalance was just as harmful to our American economy as was the earlier unbalance. Consequently our task was to make the adjustment necessary to bring about equality in the law between employers and employees. This, as I have indicated, was a primary purpose of those who supported the Taft-Hartley Act, and this is what the new act, is intended to do.

Another objective of those supporting this legislation was to assure to the individual workers their full rights as American citizens, not only where management is concerned, but where their own labor leaders are concerned. The act of 1935 had guaranteed these rights with respect to management. The act of 1947 has merely extended these rights to protect the individual worker in all his relationships and activities connected with his job.

To be sure, the new law makes many adjustments in the labor-management field, but I am sure that—properly interpreted and administered—these adjustments will work to the advantage of the employees of this country and will bring about ultimately a more harmonious relationship between them and management.

Provisions such as those subjecting unions to liability for breach of contract or requiring unions to submit financial and other statements to the Secretary of Labor or prohibiting unions from engaging in costly jurisdictional strikes and secondary boycotts should result in greater mutual responsibility among workers and employers, and this improved condition should contribute both to increased happiness among them and to increased efficiency and production.

As I have indicated, contrary to what some allege, the individual worker has not been deprived of the gains made under the National Labor Relations Act of 1935. No basic concept has been deleted. Employees are still guaranteed the right given to them in that act to form labor unions and to "bargain collectively through representatives of their own choosing." The employer is still obliged to bargain with whatever union is the valid representative of his employees. Furthermore, the provisions prohibiting unfair labor practices by employers have not been removed or even changed in the 1947 act. All of these fundamental achievements in labor's progress stand unimpaired.

In addition to preserving the rights guaranteed in the 1935 act, the individual worker—as I have stated—is given additional protection in the new law by provisions against arbitrary or coercive action by union leadership. It is no longer necessary, for example, that he be a member of a labor union in order to obtain employment. Outlawing the closed shop removed this necessity.

Once the job is his, however, an employee must join a union if a union shop has been established by contract with the employer. But such a shop can no longer be imposed upon employees by a minority among them because the law now requires that a majority of all the employees of an employer—not just a majority of those employees who happen to vote—must vote in favor of a union shop.

The employee is further protected not only from coercion by employers as guaranteed by the 1935 act, but also from coercion by a labor union seeking to enroll employees for bargaining purposes. Furthermore, under the new law, a worker cannot be summarily deprived of his job by dismissal from the union except for nonpayment of dues, and he is thus protected against prejudice or unwarranted action by union leadership.

The requirement that, before a union may have access to the facilities of the National Labor Relations Board for the purpose of securing its rights and privileges under the law, each union officer must file an affidavit stating that he "does not believe in, and is not a member of or supports any organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods" has—to my mind—received a disproportionate amount of attention. As a matter of fact, this provision should assist individual union members in ridding themselves of known communistic domination. Whenever an official of a union refuses to sign and file with the National Labor Relations Board the required affidavit, the membership should have the right to replace him with someone else who will act in the best interest of the union members.

One feature of the Taft-Hartley Act which has received comparatively little attention is that portion establishing a new and independent mediation and conciliation service in the Federal Government. In the past, the chief role of mediation as it pertains to labor-management relations has been to endeavor to eliminate disputes between workers and employers after they have arisen. Under the 1947 act, a new and equally important function of mediation and conciliation is to be the prevention of disputes which, without such preventive effort, would be apt to arise. Thus, under the new law just as much attention is to be given to prevention as to cure and this change in policy and approach should be most effective in reducing the number of labor-management controversies.

At this point I would direct your attention to an additional feature of that portion of the act establishing the new Federal Mediation and Conciliation Service, which I feel has not received the attention or explanation it merits. This is the provision calling for the establishment of a National Labor-Management Panel consisting of 12 members to be appointed by the President. Of these members six are to be selected from persons outstanding in the field of management and six are to be chosen from persons outstanding in the field of labor. The specific duty of this panel is to advise on the avoidance of industrial controversies and on the manner in which mediation and voluntary adjustment should be administered, particularly with reference to controversies affecting the general welfare of the country. Thus, instead of government regimentation of labor and management, there is created machinery whereby the leaders of these two great segments of our economy are to advise and confer with Government, to the end that free

collective bargaining and mutual understanding, which constitute the foundation of mature and wise labor-management relations, shall be made realities.

Of great significance in the new act is that section establishing a joint congressional committee on labor-management relations which is to study, investigate and report on all important matters affecting the relationship between employers and employees. Not only is this committee, which has now been created and is presently functioning, studying the objective of the Taft-Hartley Act, with the purpose of ascertaining how it is working and what changes in it may be needed, but the committee is also exploring the whole field of labor-management relations, including such matters as annual wages, incentive profit-sharing, welfare funds, industry-wide bargaining and the methods of best carrying out the collective-bargaining process. It is further charged with examining into the internal organization and administration of labor unions and with giving special attention to the impact on individuals of collective agreements requiring membership in unions as a condition of employment.

I am pleased to have been selected as a member of this committee and can report to you how impressed I have been with the objective thinking as expressed by most of its members in their deliberations thus far.

This labor-management relations committee should be able to ascertain what further legislation can do to weld labor and management together for maximum happiness, productivity and progress. In its broad field of activity, it should go far in helping to bring about a happier era in American labor-management relations.

In these remarks, I have cited some of the important provisions of the new labor law. It is evident that some employers are still dissatisfied because unions are not to be crushed into impotence. Some labor leaders, too, are dissatisfied because they are not left entirely free to have license as well as liberty. But, as I have pointed out, with sympathetic and sincere administration the law can be made to work—without destroying trade unionism and without injury to the legitimate objectives of organized labor.

As I have intimated, I do not like some provisions of this new law. But the good that is in it far outweighs all of its shortcomings. Let us keep constantly in mind that we are just beginning our task of striking a working balance between the rights of unions, the rights of managements and the rights of the public.

In our political life our ancestors gave us a balance of powers between the legislative, the executive, and the judiciary. In our economic workaday life we must evolve a similar balance of powers between organized business, organized labor, and the national general interest. Let us seek that balance impartially, persistently and, above all, confidently, knowing full well that the inner light of American institutions cannot fail.

Items To Be Purchased With American Dollars Under the Foreign Aid Bill

REMARKS
OF
HON. LAWRENCE H. SMITH
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mr. SMITH of Wisconsin. Mr. Chairman, many Members of the House have been surprised to learn that the bill H. R. 4604, now under consideration, is primarily a bill to rehabilitate the European economies of France, Austria, and Italy. The public also by now must know that its chief objective is not the relief of hungry and cold people in Europe. So there may be no mistake as to what our dollars will be spent for, I am including the following tables submitted by the State Department for use by the House Committee on Foreign Affairs while it was preparing the present bill. These tables indicate the specific categories of commodities to be supplied to Austria, France, and Italy:

Austria	
Food	$16,000,000
Clothing and shoes	2,000,000
Petroleum products	1,000,000
Spare parts for agricultural machinery	1,000,000
Industrial materials:	
1. Spare parts for other machinery	2,000,000
2. Chemicals	4,500,000
3. Nonferrous metals and metal products	4,500,000
	31,000,000
France	
Food	$30,000,000
Fats and oils	12,000,000
Petroleum products	23,000,000
Food imports for French zone in Germany	13,000,000
Essential supplies for French overseas areas	32,000,000
Imports of industrial materials	52,000,000
Service of foreign debt	26,000,000
Payment to Belgium on commercial account	17,000,000
Payment to Brazil on commercial account	3,000,000
Additional contribution to International Monetary Fund	10,000,000
Administrative and other expenditures	10,000,000
	228,000,000
Italy	
Cereals	$25,000,000
Coal	13,000,000
Petroleum supplies	12,000,000
Cotton and other textile fibers	15,000,000
Raw materials for chemical industry	10,200,000
Rubber and carbon black	5,100,000
Industrial fats and oils	1,300,000
Hides and leather	4,000,000
Ferrous metals	11,000,000
Nonferrous metals	9,400,000
Minerals	1,000,000
Lumber	7,400,000
Other industrial materials	18,600,000
Other foodstuffs	4,000,000
	159,000,000

Mr. Chairman, a look at the items in the above tables reveals that only a few of them go to "alleviate conditions of hunger and cold," as alleged in the bill. In this connection, however, it must be said that the bill provides, in addition, that it is to "prevent serious economic retrogression." Thus, the Committee on Foreign Affairs has been forthright to the Congress and the people of this country in setting forth its objectives. Government propaganda, on the other hand, deceived the public into believing that it was strictly for the purpose of assisting people in Europe who are hungry and cold.

Mr. Chairman, the bill is not wholly to my liking. I attempted to cut $90,000,000 from it, although a deeper cut would have been justified. Further, I voted for constructive amendments. The bill gives to President Truman another blank check and many, many millions of dollars to play with.

Editorial Tribute to Hon. Leverett Saltonstall, of Massachusetts, From the Boston Herald

EXTENSION OF REMARKS
OF
HON. HENRY CABOT LODGE, JR.
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. LODGE. Mr. President, a few days ago there appeared in the Boston Herald a very fine editorial paying tribute to my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL]. I ask unanimous consent that the editorial be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SIGN OF SALTONSTALL

Senator LEVERETT SALTONSTALL, who served Massachusetts as Governor from 1939 through wartime 1944, went to Washington in the latter year as a Mr. Deeds who lived up to the soundest implications of the name. His broad contribution as the head of the State had restored dignity and fair dealing in the best tradition of the office to replace the dictatorial patronage of the immediate years before. His actions, then as now, spoke louder than his words.

Massachusetts thought enough of him to hand him the Senatorial toga by an electoral coup d'etat in an overwhelmingly Democratic year. In the sweep of November 7, 1944, that put Maurice Tobin, John E. Hurley, and Thomas J. Buckley on Beacon Hill, the Bay State sent Governor Saltonstall to the Nation's Capital with the best showing of any Republican in the country. The State gave him a majority better than 400,000. In Boston, which learned that his South Boston face was never two-faced, he ran better than Mayor Tobin, his gubernatorial successor, and almost as well as Franklin D. Roosevelt.

This was an eloquent tribute to accomplishment without futile fanfare. Outsiders recognized his merit, notably the late Wendell Willkie who preferred him to Dewey as the GOP Presidential nominee in 1944.

In his Senate career Massachusetts takes a generally unspoken pride in the SALTONSTALL of unspectacular and considered liberalism in a career that lacks the youthful dynamics of Senator LODGE, or the ubiquitousness of Speaker MARTIN, or neighboring Senator TOBEY. Massachusetts, to her good fortune, is accustomed to his stability, to action without impulsive haste. Other regions know him less. They recognize him with delight.

Look magazine backs up the Willkie diagnosis in ranking SALTONSTALL as an outstanding dark horse in the race for GOP Presidential candidate. In a poll of 10 leading figures in the Nation on 10 Government problems—from Russia to education—SALTONSTALL is on record on every one. He does not compile his own views as did former Governor Stassen in Where I Stand. Look compiles them for him.

Of Russia, for example, emphasis falls on the SALTONSTALL faith in a firm bipartisan policy, and the conviction that a people, given the scantiest hope of freedom and de-

mocracy, choose them without hesitation in preference to communism. In education he holds for local autonomy with the stipulation that any Federal aid be no invitation to interference or dictation from Washington.

Massachusetts looks back on SALTONSTALL with affection and looks on him now with respect. In no sense does the State make him a "prophet without honor," but there is basis for the feeling that his popularity grows faster throughout the Nation than we here in Massachusetts realize. The publication of Look's interpretation possibly can give us a new look at the potentialities of a consistently high-grade public servant whose good qualities we admit. We must not merely take them for granted. It should be a matter of pride that he seems to captivate Americans everywhere he goes.

Report to the People: Part 5

EXTENSION OF REMARKS
OF
HON. W. LEE O'DANIEL
OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. O'DANIEL. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD my fifth report to the people, broadcast on the 30th of September from Station KGKL, at San Angelo, Tex. This broadcast follows four which have been previously published in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A few days ago I was reading an article by a noted economist who for a good many years has been rather close to the powers that be in our Capital City of Washingon. He had made a trip around over the different sections of the United States and the one thing he states which impressed him more than anything else was that the people throughout the Nation, regardless of whether they were farmers, lawyers, doctors, merchants, day laborers, or bankers, were at a loss to understand just what the condition of the country actually was—everybody was muddled in his thinking.

Well, now, friends, it is not difficult to understand why the average American citizen is muddled in his thinking at this time. I say to you as one who has been in Washington for a good many years as a Member of the United States Senate that the wonder to me is not that the people are muddled, but I am surprised that the people are able to think at all.

There is something very significant, however, about all this. I think you will recall that prior to the time we entered the last World War and during the time we were engaged in the war, I said in a number of speeches which I made in various sections of Texas and on the floor of the United States Senate that I thought the New Deal administration in Washington was deliberately undertaking to confuse the thinking of the people; that I thought they were deliberately attempting to present so many issues to the people that, finally, the people would give up in despair and say, "Let the Government do it." I believed that then, and I believe it now.

I am encouraged, however, by one fact and that is the American people as a whole have proved that they are not as easily fooled as the politicians thought they would be, they do not swallow all of the propaganda that is peddled by these "red" and "pink" Government agencies.

You all recall that while the war was going on almost every day long interviews were given out by various department heads in Washington pointing to the fact that just as soon as the war was over the country would enter into a depression, jobs would not be available, and that, therefore, the Government should move and move immediately to appropriate vast sums of money to build up great Government agencies throughout the Nation that would be ready just as soon as the war was over to begin to look after the millions of people who would then be unemployed.

Now, being as I was right in the middle of the situation I was able from my place in the United States Senate to see and to realize that there was just one thing back of all this propaganda and that was to create an excuse to build some more Government agencies and to pour out some more patronage. I realized that these prophets of doom did not know what they were talking about. I said on the floor of the United States Senate that American industry would pick up its burden and it would move successfully to provide goods and to provide jobs if the Government would just relieve industry from the tremendously burdensome taxes which they had piled up during the war and if they would relieve industry from all the red tape and governmental regulations which had been tied around industry's neck while we were engaged in the war.

Experience has proved that I was right in my conclusions then and I am satisfied that I am right in the conclusions which I hold now. Employment in the United States is higher now than it has ever been. Industry is moving aggressively to meet the demands made upon it, but this situation cannot go on forever unless industry is relieved from these wartime taxes which take away from the citizens of this country and from business in this country a large portion of what they earn.

I have been very much impressed with the oceans of publicity that has appeared in the press pointing out how the cost of food and the commodities which enter into the making of food has increased. Day after day, these propaganda bureaus are trying to hammer into the heads of the American people the idea that the cost of living has gone up mainly for two reasons.

One reason is that the farmers, the ranchmen, the dairymen, and the fruit growers and poultry producers throughout the United States are profiteering and they are, therefore, increasing the price of food. Another theory they advance is that industry generally throughout the country is without any good cause unnecessarily advancing the price of things which our citizens must buy in order that they may live with a reasonable degree of comfort. First, I want to talk to you somewhat in detail about our agricultural situation. I want to talk to you about this propaganda that is being peddled now with the hope that they can use it to form a basis for making the farmers, the ranchmen and the fruit growers the goat, and say that they are the ones who have done the profiteering, they are the ones who must reduce the cost of raw materials so that living costs will not go too high.

There is one thing peculiar about the Communist philosophy and that is, they have a particular philosophy to fit any occasion. There is just one thing that is consistent in the Communist philosophy and that is, whatever they advocate always has one objective and that is to put more people on the Government pay roll and to give more power to the Government and leave the people with less power. The whole Communist philosophy is a philosophy built around the idea that the individual exists for the state. It is absolutely opposite to the philosophy of democracy, which says that the state exists for the good of the individual.

These Reds and Pinks started out during the war period as outstanding champions and advocates of paying subsidies for agricultural production. I opposed all these subsidies and I stated then that what we should do was to allow the price of commodities to go up so that the market price would reflect the cost of production plus a reasonable profit for the farmers and ranchmen of this Nation. But these parlor-pink boys did not like this philosophy, in fact, it was not a popular philosophy with any of the New Deal bunch. If the cost of labor and the cost of feed and the cost of production warranted a price of 60 cents a pound for butter, they were not willing to let the price of butter go up from 40 to 60 cents a pound. They went on the theory that what we should do was to sell butter for 40 cents a pound and take money out of the taxpayer's pocket and pay a subsidy to the farmer of 20 cents a pound.

Now this was wrong, first, because the earnings of the men who worked in our war plants and our factories had gone up tremendously. There was no reason whatever why the Government should tax all of our people, including the farmers, to raise money, put in the Treasury to pay the farmers a subsidy to produce butter. The logical thing to do was to let the price of butter reach the level where the dairyman could earn a fair profit for producing it, a price for which he could afford to sell butter and still have something for his labor. The theory of the New Deal, however, was that by approaching it from the other standpoint they were putting millions of farmers of the United States on the Government pay roll, sending them regularly subsidy checks and they hoped to be able to make the farmers believe that the Government down in Washington was the farmer's friend and, therefore, the farmer should vote to keep them there.

Now, as a matter of fact I realized then the danger of this situation from the viewpoint of the farmer himself. I knew the time was going to come when the war would be over and with an enormous public debt piled up and with the cost of living exceedingly high, there would be a violent demand on the part of the rank and file of the people to reduce the cost of living and to reduce Government expenditures. I thought then, and experience has proved I was right, that unless this situation was corrected while the war was actually in progress and unless prices to the farmer were allowed to reach a level where he could afford to produce these commodities and still earn a profit, he might find himself in a position where when the subsidy was withdrawn he would have great difficulty in securing a sufficient increase in price to make up the loss which he sustained when he lost the Government subsidy for production.

Every farmer in the country knows now that that is exactly what has happened. Every farmer in the country knows now that the only hope of agriculture to continue to secure a fair price for the commodities produced is to get the market price of these commodities set on a basis that the farmer, the ranchman, the dairyman, and the fruit grower can afford to produce them without any subsidy check from the Federal Government.

These New Deal politicians like to mail out subsidy checks. They like to use this as an argument to the farming class of people that the Government is doing great work for you and, therefore, you should vote to keep us in power.

I said a while ago that the Communists philosophy, which is the philosophy these reds and parlor-pinks are now advocating, and it is the philosophy which controlled most of our Government departments during

the war period, is to have the kind of governmental philosophy that can be changed to meet every situation, but still be consistent in doing one thing and that is, putting more folks on the Federal pay roll and creating more Federal jobs. Those who think along these lines and those who thought along these during the war period see in it a means of keeping the average American citizen in the position of being a slave to the Government. They hope to keep him there by the simple process of not allowing him to get in a free open market what he is probably worth, but rather for the Government to artificially set the price and then make up the difference with a subsidy payment. If they can do this, it is easy to show how in any period we may have ahead of us Government bureaus will grow and Government employees will increase and Federal taxes will not be reduced.

To the extent that the money spent by these departments in Washington for publicity may create in the minds of the American people the idea that the farmers and ranchmen are profiteering, to the extent that they are able to create the idea that those engaged in agriculture are receiving such a vast income that they can afford to have it reduced, to that extent they will be able to create in the mind of the average man that the Government is the only agency to whom he may look for protection.

Now, to begin with, the prices of agricultural commodities in this country, things that the farmers, the ranchmen, fruit growers, and poultry raisers produce are not too high. The fact is that they are too low. The trouble is that the American people for years have been accustomed to buying products of the farm at about half of what they were worth, and they have done it so long they have gotten in the habit of it.

I say to you that farming is, and should be, an honorable profession. Work on a farm is an honorable job. Work in a dairy is an honorable job. Raising poultry is an honorable job. All people who are engaged in any and all phases of agriculture certainly have a right to demand and to expect that if they work and if they produce then their compensation for what they do and for what they produce and what they sell should be priced at a figure which will enable those people engaged in these pursuits to earn on a basis of what other people earn in other lines of endeavor.

You read in the press and hear over the radio many long stories about how much the price of cotton has increased, how much the price of corn has increased, how much the price of fruit has increased, how much the price of milk has increased, and how much the price of butter has increased, how much poultry has increased—these statements are all true. These prices have increased, but something else is equally true, and these things, as a rule, are never mentioned in these propaganda stories—it simply costs more now for the farmer, the ranchman, the dairyman, and the poultryman to produce commodities than it has ever cost before in the history of the country.

The compensation being paid to people in nonagricultural pursuits is now about 88 percent higher than it was prior to the World War. The farmer has to compete with all these industries for labor. The tools a farmer buys to operate his farm are made of steel and steel is produced, manufactured, and marketed at a tremendously increased price. It means that when a farmer buys a cultivator, a tractor, or any other farm implement today the price he must pay is more than double what he paid prior to the war. He must pay more than twice as much for practically everything it takes to operate the farm. It logically follows that the first thing the man engaged in any of these agricultural pursuits must do is to secure a sufficient increase in price to cover the increased cost of production. He has got to do that before he increases the profit he makes one single cent.

The farmer operating under conditions which he operated in 1939 could make far more net profit selling wheat at a dollar a bushel than he makes now selling it at two dollars and a half a bushel. But these propaganda artists who are constantly talking about what a great percentage the gross income of farmers has increased, completely ignore one thing and that is, they ignore the question of what it increased from.

The fact of the business is that agriculture in this country when we entered the World War was operating on a starvation basis. Yes, it is true there has been a tremendous increase in what the farmer gets for his product now and what he could get for it prior to the war, but let's inquire into that situation a little further. And what I am going to say to you now is not my opinion but it is based on figures of the United States Department of Agriculture.

Do you know what the per capita farm income was back in 1939 just before we started our last war preparations? Well, I will tell you what it was. The average per capita income on the farm in that year was $176. Now after the farmers of this country have had all of this vast increase which you read about in the papers, do you know what the per capita income in the United States of the people who live on the farm has increased to? Again I am giving you the figures of the United States Department of Agriculture, I am giving them for the latest year these figures are available and they show that the per capita income on the farm had increased to $585.

Now, of course, this was a tremendous percentage increase, to increase from $176 per capita in 1939 to $585 per capita at the beginning of 1946, but let's see how that compares with the earnings of people in nonagricultural pursuits. Well, folks, here are the facts and again I am giving you the figures from the United States Department of Agriculture. The per capita income of the average man on the farm at the beginning of 1946, which is the latest year we can get comparative Nation-wide figures, was less than one-half the per capita income of people engaged in nonagricultural production. So I say to you that this country faces a grave emergency at this time especially with the New Deal Democrats in power because they are definitely committed to do everything legal or illegal to hold the big boss-controlled left-wing city vote in line, and you will hear them preaching from every housetop about how fortunate the farmers of this country are now and they will be able by leaving the inference that for the welfare of the country the farmers ought to be ready to reduce their prices so they can furnish the commodities to the folks who are living in the cities and whose votes the New Deal is especially after, at a lower price.

Well, now, I do not have any objection to these New Deal politicians playing all the politics they want to, by using all the propaganda they want to, but I do propose as I go around over this State to give a few cold-blooded facts and the unvarnished facts are that the average per capita income of the man working on the farm in Texas today and throughout the United States today is less than one-half of what it is for those working in other lines of endeavor. And I say to you that the price of farm commodities not only must not be brought down, but it must be brought up and we must continue to bring them up until the same effort put forth on the farm will yield the same return that that effort would yield if put forth in our industries throughout the country.

The hope of America lies in maintaining a strong farm population, and you cannot do this if you allow the farmers of this country to be impoverished, and you cannot do this if you make the farmers of this country dependent on Government hand-outs in order that they may get a reasonable price for their commodities. The farmer is entitled to good prices, not as a gift, but he is entitled to them because he earned them and because it costs money to produce the commodities he does produce.

You know the farmers of this country are being charged today with being responsible for all the high prices insofar as food commodities are concerned. Well, that is all right for the politicians to put out that dope if it suits the particular thing they are trying to prove at the time, but the trouble about it is that it just simply is not true.

If you will stop these New Deal politicians from peddling the philosophy that you can forget costs and still control prices, you will do much to solve the question of the price of food commodities. So long as they continue to export to other markets of the world and give away a large percentage of what we produce in this country, just that long you may expect the prices of production will be high. The price of everything the farmer buys will be high and, therefore, the price of whatever he sells will be high, or he must go broke.

What the Nation needs now as it has never needed before is some good horse sense in the administration of our Government. What we need is to give the people of America a chance to go back to work and to run their own business. What we need is to give the people of America a chance to forget about these world-made and "Government-made crises." What the people themselves need to do is to realize that the less attention they pay to what these politicians in Washington say the better they will get along.

Now, I make this statement advisedly, and I think it is backed up by the record. Let me cite you, not all the instances because it would take a week to get through enumerating all of them, but let me cite you a few outstanding cases.

Back in 1940, when we were electing a President of the United States, the then President and candidate for reelection said to the people of America not on one occasion but on many occasions that the mothers of America need not have any fear that their sons would be called on to go forth to fight a battle on foreign soil. Now that statement was made by the highest officer in American Government. That statement was made by a man who had at his fingertips the reports of the State Department, of the War Department, the Intelligence Department, and every other agency that the Government had to gather information. I ask you now in light of experience, was this statement right or was it wrong?

I am not going to charge and I do not think the people generally believe that the statement was a deliberate falsehood. I think the fact of the business is that he simply did not know.

Now, let's move a little further down the road. We got into the war and we adopted the Atlantic Charter, and the world was assured of the fact that all we had to do was to stop Hitler and Mussolini and peace would reign throughout the world, from then on. Well, I ask you what evidence do you see now of that peace reigning?

We were told by the President of the United States, and by our State Department, and by our leaders in foreign affairs that we would be able to sit around the conference table and work out a peace plan which would guarantee the peace of the world and it would be

entirely acceptable to Mr. Stalin and to Soviet Russia. Well, what do you think about the accuracy of that statement? The President of the United States and our top-flight advisers in foreign affairs held conferences at Yalta, Tehran, and Potsdam, at which they were laying the basis for a treaty further down the road which would guarantee the peace of Europe. Well, now, let's see just what we actually did in these conferences of those master minds. Soviet Russia was able to secure complete control of Bulgaria, Rumania, Czechoslovakia, Yugoslavia, and Poland, and then after Uncle Joe had secured all the territory he immediately needed, we commenced to hold our peace conferences, and what has been the result?

Every time we suggested a plan to advance world peace, we were face to face with a veto. And now those in charge of our foreign policy, including the President of the United States, admit they were wrong in all these forecasts. They admit that they did not know what they were doing when they were dealing with Soviet Russia, but they tell us that they have a new plan now and this plan is going to work; and the new plan involves taking some $20,000,000,000 put up by the taxpayers of America and they are going to use this to buy the good will of what countries are in Europe and they think it is absolutely sacrilegious for anyone to even suggest they might be wrong in their last guess on how to deal with this situation.

Well, now, my friends, I am not criticizing those who are in charge of our foreign policy for having been uniformly wrong. I am not criticizing them for now admitting they were wrong. I am only enumerating these things to reinforce the statement I made awhile ago and that is, the best thing for the people of America to do is to realize that after all we have just a bunch of ordinary citizens, mediocre politicians running the Government of the United States. Generally they do not know any more about foreign policy that you do or I do and their guess on what ought to be done might be right; it is entitled to about the same consideration as your guess or my guess. Their batting average in dealing with foreign affairs up to the present time has been mighty low and so far as I am concerned, I am not going to shut my eyes blindly and follow them on the theory that now they have become mental giants and they are now all stars.

Frankly, I never have seen anything in the performance of the politicians who are handling our foreign affairs to cause me to believe they know exactly what they are doing. The fact of the business is, they are whistling in the dark and guessing about half the time. I think about the only man we have had dealing with postwar problems that has proved he knows what he is doing is General MacArthur and he is not very popular with the brass hats and the political spellbinders who inhabit the banks of the Potomac. The fact of the business is the boys of America won the World War and the politicians have gone a long way toward kicking the victory away.

Now why has Russia been so uniformly successful in achieving her objectives not only during the war but since the war? Why is it that Russia has uniformly outtraded us every time we have sat with them at the conference table? Is it because they have more sense than we have?

I do not think so. I think the foundation for the success of Russia in dealing with the United States was laid by Russia during the last 10 or 12 years of the New Deal Administration. You know from the time the New Deal blossomed into power until the time war was over every department of government in Washington was absolutely infested with these termites; they occupied places of power and authority; they belonged to groups that made decisions and determined policies. When Uncle Joe was ready to negotiate with the United States he did not have to arrange to get his stooges located in Washington. They were already there. They were already firmly entrenched in the various departments of our Government. When he sat down to a conference he did not know only his side of the case and our plan--a man does not have to be very smart to be able to negotiate under those conditions because he is sitting on both sides of the table. For many years I have warned the people of Texas that there was a definite determination on the part of the Communists to take over this government. I warned the people that these Communists were dangerous, that they were disloyal to this country, and should not be allowed to hold places of power in the Government at Washington. But you know what was said about me then: I was called a red baiter; I was called a demagog. I was accused simply of playing politics. Well, what is the situation today? Who was right and who was wrong.

All you have to do is to read the newspapers. All you have to do is look at the record of Congress and what do you find? You find that when Uncle Joe finally got into action and when the facts commenced to come to the surface the President of the United States felt it necessary to send a message to Congress pointing out the danger of the Communists in this country. President Truman decided it was necessary for him to issue an Executive order to the departments in Washington to look up these Communists and weed them out of the Government service.

Well, let's see what they have found—and bear in mind that these reports about what they found came from good New Dealers who still carry a shade of pink. They admit now that during the war period, that is during the critical period, we had over 4,500 people in Government departments who were definitely disloyal to this Government. They find that now, today, August 1947, there are still on the pay roll of the Government over 3,000 employees where there is a serious question as to their loyalty. They find that 13,000 have already been fired because of disloyalty.

It is not difficult to see why General Marshall, as your Secretary of State, has had trouble dealing with Soviet Russia. When he went in as Secretary of State he, of course, had to use what he found in the Department and make changes only as the facts could be developed.

Now getting back to the statement I made a while ago that what we need is for the people back home to use good horse sense, what we need is for the people to cease leaning on the politicians in Washington for too much leadership. Don't you think that this admitted situation with reference to a Communist-infested Government in Washington is absolute positive proof that those who have been running our Government are certainly not master minds? Do you think that if they had been such mental giants they would have ever allowed this situation to develop?

Now, my friends, when you read in the paper that it is absolutely necessary for the taxpayers of the United States to immediately start shipping money by the boatload over to Europe in order to buy the loyalty of what few nations Stalin has not already taken over, when you read that unless we do this the whole world is going to pieces tomorrow morning, don't get too excited about it, just realize that these same mental giants who are putting out this propaganda are the same ones that have been uniformly wrong in the past and they might be wrong again.

The strength of America lies in the intelligence and the individuality of its citizens. The strength of America depends on having the people do their own thinking and who do not allow a bunch of politicians in Washington to do it for them.

Now I want to warn you about another thing. You know we have a presidential election coming up in 1948. Don't ever be dumb enough to think that the present administration in Washington is going to allow that election to take place without some great Government crisis confronting the people, because you can be certain that until the election is over if we don't have a real crisis the politicians are going to make one.

Every time you read in the press that it is necessary to spend three or four billion or five or six billion dollars or ten billions more of the taxpayers' money and that it has to be spent right now in order to save the world, don't forget that there is a presidential election pending in 1948, and every time you spend a billion dollars of the taxpayers' money you are going to create a lot of political jobs, and don't forget the New Deal politicians in Washington are still there, and they still know how to use political jobs to get votes. They still know how to spend and spend, elect and elect, and then reelect.

So whenever they suggest some vast scheme for your consideration do a little thinking yourself—you can do it just as well as they—you may be wrong in the conclusion you reach, but they have generally been wrong, so you will be doing as well as they have done. Don't get it in your mind that either I or any other man in the United States Senate knows with certainty the course world affairs are going to take; none of us know, the only difference is that some of us are honest about it and others are not honest.

I say to you frankly that as I see the situation today it looks to me like we have about given Mr. Stalin control of Europe. We may be able to salvage something from the wreck or we may not. I do not think it was necessary to do this, but I think it was purely blundering foreign policy on the part of the present administration that brought us to this situation.

So far as I am concerned, I am in no sense an isolationist. I believe in taking part in world affairs and I believe America has an obligation to perform to all the rest of the world. I believe in performing that obligation, that times will arise when we must spend our money to achieve our objective and when such cases do arise I am willing to vote to spend the money. But I do not believe that we can best aid the maintenance of world peace by allowing ourselves to be branded as the greatest suckers on the face of the globe. I think we have got to be practical in our approach and in our application to our foreign policy. I think we have got to realize that it is possible for all the world to live at peace if it wants to, and I think that certainly should be the aim of all of us to promote world peace.

But, on the other hand, I think the security of America in the future will depend, as it has depended in the past, on keeping our own people strong and keeping our own industries strong. I think the free-enterprise system of doing business in America is the system which has built up individuality in America. It is a system which has made strong men and it is a system which has made a strong nation. So far as I am concerned I cannot get enthusiastic about pouring millions of dollars into England to enable England to establish a socialistic government. I like the English people and I believe the English people are making a definite effort to establish a socialistic government and not a communistic government, but I think that in the end one of two things will occur: either England will go back to a system of free private enterprise or she will go overboard and adopt the Communist

regime. I do not believe any nation can exist as a free nation or as a democratic nation when the government owns and controls the bulk of the great industries throughout that country. Yes, I want to help England. Yes, I believe in the sincerity of most of those who are now in charge of the English Government even though I disagree violently with them in their philosophy of government.

I most devoutly hope that they see the error of their way before they, without intending probably to do so, convert the English nation into a Communist nation. In my opinion, socialism in government leads to incompetence, incompetence leads to poverty, and poverty leads to communism.

In concluding what I have to say, let me again go back to the point which I have mentioned so many times in this talk, and that is, the importance of people doing their own thinking. Do your own thinking on foreign affairs. Do your own thinking on domestic affairs. Do your own thinking on National, State, and local politics. Don't let the politicians think for you.

Don't forget that if a horse is not in the middle of the stream by 1948, this New Deal Party will, if necessary, dig a creek, they will fill it with water, and they will import the horse and they will cry loudly to the people, "You cannot afford to change horses in the middle of the stream." Don't get too excited about that.

I have great confidence in the intelligence and the sound judgment of the American people. They reinforced that confidence greatly on the 5th of November 1946, when they cleaned out a bunch of old mossbacks that had been in Washington so long they didn't know how to do anything except be "yes men" for the political job dispensers. Frankly, I am beginning to have a little more confidence in the average intelligence of the people throughout the world; somehow I believe the people throughout the world are going to find a way to maintain world peace. I do not think these screw-ball artists who are posing as foreign experts in this country, or in any other country, will ever solve the problem. But somehow there will come, in my judgment, to the great rank and file of the people of the world a realization of the horrors of war and the beauties of peace. I think the road is getting a little smoother and the prospects a litle brighter and that the mass thinking of the great rank and file of the people will somehow, some way, solve the problems which confront the world in the future and they will have enough intelligence then, without resorting to war, to build in peace.

This is your United States Senator, W. LEE O'DANIEL, Democrat, of Texas, speaking and bidding you a most pleasant good evening.

United States Public Relations in Western Europe

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. LODGE. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an article entitled "Congress Now Sees Need To Combat False Reports," by James Reston, from the New York Times of Thursday, December 11.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS NOW SEES NEED TO COMBAT FALSE REPORTS—BUT THE EXECUTIVE BRANCH LAGS IN PREPARING TO IMPROVE REPLIES TO THE COMMUNISTS

(By James Reston)

WASHINGTON, December 10.—When Senator HENRY CABOT LODGE, JR., of Massachusetts, was in Europe this summer he had two conversations that annoyed and impressed him.

One was with a wealthy conservative French physician, the other with a deputy of one of the French parties of the extreme right. The doctor told him:

"Of course, we realize that medical science is way ahead in America of what it is in France, but then we also know that you have all those underprivileged people over there on whom your doctors constantly experiment."

The conservative politician said:

"We know that you Americans are trying to build up Germany industrially faster than you want to build up France. The reason you do this is because you intend to have a war with Russia and you want to get Germany into shape as your ally."

Astonished, Senator LODGE asked the politician why he thought we wanted to fight the Russians, and he replied:

"Because Russia has taken away so much of your export trade."

As a result of malicious misinformation of this sort, Congress is finally prepared to concede that Communist propaganda in Europe is more effective than many Congressmen used to think and that the United States Government ought to do something about it.

It is generally agreed that the appropriation for the United States Information Service in the State Department should be increased. In the fiscal year 1947 it received about $20,000,000, which is considerably less than the sanitation department's budget in New York City, and this year it has been cut to $10,900,000 with an additional $1,400,000 for liquidation of some of its former functions.

There also seems to be general agreement in Congress that the administration's Voice of America radio programs should be increased, and that they should be put out over medium- and long-wave instead of over the short-waves, which have a limited audience in Europe.

Moreover, Senator LODGE is now proposing that the administration consider translating some American newspapers into French, German, and Italian for distribution daily in Europe; that the Government buy advertising space in key European newspapers and time on some European stations; and that the information offices in our missions abroad be enlarged.

All these proposals, including the more radical ones, are getting sympathetic hearings from subcommittees of the House Foreign Affairs Committee and the Senate Foreign Relations Committee but little progress is being made in the executive branch of the Government to improve the substance of our information service if the Legislature agrees to increase its facilities.

The State Department is still without an Assistant Secretary of State for Public Affairs. The job has been vacant since last September when William Benton resigned. During that time, when Congress was out of session and the Executive had every opportunity to dominate the flow of news out of Washington, no information program about the Marshall plan was developed.

Similarly, during these same important months, no serious attempt was made by the White House to analyze the questions being asked by the world about our foreign policy with a view to answering those questions week-in-week-out in the President's press conferences.

The system used so effectively by President Roosevelt and his press secretary, Stephen Early, has been allowed to decline. In the Roosevelt administrations, an effort was made to use the White House press conference as a means of removing doubts at home and abroad about foreign policy questions.

When reports came in from our missions abroad about some misconceptions of our policy, a "brief" directed at that misconception was prepared by the appropriate official.

CORRESPONDENT ASKED QUESTION

Mr. Early then suggested to one of the correspondents that if a question were asked on this particular subject, the President would probably have something to contribute. The question was asked, and Mr. Roosevelt's answer was usually on the front pages at home and abroad within a few hours.

This system has not been dropped but is used far less effectively than it used to be. Mr. Truman and Secretary of State Marshall tend to look on the press conference as a difficult chore, which admittedly it can be; Mr. Roosevelt looked on it as an opportunity. His political opponents did not particularly like the system, but nobody denied his right to employ it, and everybody recognized it as a most effective way of bringing the authority of the White House to bear quickly on critical questions.

What a few observers in Washington, like Senator LODGE, are saying is that while more dollars must be spent to do the job, it cannot be done by dollars alone; that the substance of what we say is at least as important as the means by which we distribute it; and that, since we now have a clearer plan and objective for our foreign policy in Europe, it should be sustained and supported by a better plan of explanation and dissemination.

In fairness, it must be noted that the administration has had trouble in getting a man to head the program. They have sounded out Byron Price, Adlai Stevenson, and Mark Ethridge for the job and all have indicated they would not be available.

But in the meanwhile, the possibilities of filling the gap by carefully prepared statements from the White House and the State Department remain. For after all, as Senator LODGE has pointed out, the real Voice of America, in the minds of people abroad, is not a radio station but the President of the United States.

Reclamation

EXTENSION OF REMARKS

OF

HON. ERNEST W. McFARLAND

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. McFARLAND. Mr. President, I ask unanimous consent to have printed in the Appendix the able address on reclamation delivered by the distinguished junior Senator from Nebraska [Mr. WHERRY] at the luncheon on the final day, October 31, of the annual convention of the National Reclamation Association at Phoenix, Ariz.

The address delivered by the Senator from Nebraska stresses the urgent need for reclamation in Nebraska which is typical of the needs in every western State. Arizona wants to see reclamation extended wherever water can be conserved for irrigation and related power production, and joins with her sister States in this laudable program. The address has special significance as an utterance of the chairman of the Senate Appropriations Subcommittee for the Interior Department.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Rotarians, members of the National Reclamation Association, honored guests, and ladies and gentlemen; it goes without saying that I am indeed glad to be in Phoenix this afternoon. This reminds me of Nebraska, and, in keeping with Nebraska tradition and custom, I'll permit you, if you'll permit me, to take off my coat. What do you say, everybody out there?

Of course, it is a pleasure to be on a program with such distinguished guests as CARL HAYDEN and Senator MCFARLAND, and, also here today, JAMES MURRAY, from Montana, and other distinguished men with whom I am associated in Washington. It is also an honor to be on the program with Secretary Krug and I know you join with me in wishing him good health and a speedy recovery. Let's give him a hand. [Applause.]

We also have with us Mike Straus and many other good friends who are so intensely interested in Reclamation, as well as the boys on the firing line like Bill Warne and G. W. Lineweaver.

It surprised me and did my heart good to arrive in Phoenix this morning at 8 o'clock and be welcomed by the Nebraska delegation of over 100 who came here to learn about the workings and program of our National Reclamation Association. Give them a hand also. [Applause.]

You know a Nebraskan called me on the phone this morning and said, "You know what this is, don't you?" They surely pay one in public office the compliment of assuming he has an enormous memory. Once I even misspoke my friend Lineweaver's name and called him Lineberger. At any rate I want to tell you an experience I had about remembering names. I was with my brother-in-law, Morris Van Horn, a man who stands 6 feet 4 inches tall and weighs 253 pounds. You wouldn't think he'd be afraid of anything—not even those white-faced Hereford bulls we have in Nebraska. Well, we decided to go down to the Naval Academy at Annapolis one Sunday. Dr. Spear from Baltimore had been invited to preach and he delivered a wonderful sermon. After the service, Dr. Spear and the Academy chaplain were on the steps of the Chapel and my brother-in-law thought we should speak to them and ask Dr. Spear about a mutual friend from Nebraska who also was a minister. We met Dr. Spear and said, "We came over for two reasons. We wanted to thank you for that sermon, Dr. Spear. The second reason is that we want to inquire about our home-town boy. Well, you know, that name left me and I could not think of it. I talked and talked about what a wonderful boy he was, and what a fine family he came from, and I got him way up on a pinnacle and still I couldn't think of his name. Finally, I turned to this brother-in-law and said, "What was his first name, anyway?" Do you know what that man did to me? He turned white and red and purple, and he said, "I don't even remember his last name."

Well, I am glad to be here because I think it is a wonderful thing also to make the acquaintance of members of the National Reclamation Association, who have had an interest in putting on such a great meeting here in Arizona. Let's engage in an old Nebraska custom and give them a great big hand, what do you say? [Applause.] How wonderful it is to be herein Arizona!

Out here we look upon Arizona as synonymous with reclamation. Here you convince those who are not well acquainted with reclamation, because one can see what water and sunshine do for crop production and then you can see what happens when you go without water and what happens to this country without irrigation. To me it is most convincing. I'll go back to Washington determined not only to continue as an advocate of reclamation but to look upon these reclamation projects as giving full economic justification for the reclamation program. [Applause.]

It also was a privilege to be introduced by Senator HAYDEN. CARL and I like to have nice things said about us. I deeply appreciate the remarks made by CARL HAYDEN not only on this occasion but on others. Because he comes from another party there are times when Senator HAYDEN and I are just as far apart as the sun and moon, but we get along well about reclamation. I'm proud of CARL HAYDEN and treasure his friendship. Let's give Senator HAYDEN a hand. What do you say? [Applause.]

Yes; we like to have nice things said about us.

When I first reached Washington a letter arrived addressed to KENNETH S. WHERRY, S. O. B., Washington, D. C. The inside of the letter wasn't very complimentary either. My secretary remarked that, "At least they could have put S. O. B. on the inside of the letter." At the time we had an experienced Washington stenographer temporarily employed in our office, and she said, "You men know what that means, don't you?" We said, "No; what does it mean?" She said, "It's an abbreviation for Senate Office Building. I wouldn't worry too much about that."

I am glad to be here. I am happy to again join you, Senator MCFARLAND, and you will recall what I mean. The first bill I voted for in the Senate was a piece of legislation introduced by ERNEST and affected Arizona. We haven't always been together since then, but I voted with him on the very first chance.

I am also glad to be here with my senior colleague from Nebraska, who gave a fine address at your banquet last night. He made a very forceful plea for the need of reclamation. We all love HUGH BUTLER in Nebraska. The Nebraska delegation meets every Tuesday morning in Washington to discuss problems of our State and there he demonstrates that he is a true leader. We often discuss these problems and needs of Nebraska in the way of irrigation. A million acres of our State must be brought under irrigation if we are to continue to produce and hold our population on the farms. I see what water will do out here in Arizona to build up your land under irrigation. When I see this, I can't help thinking of that rich, black-loam soil in Nebraska that needs only irrigation to make it blossom like a rose.

Just a few months ago floods in Nebraska washed out precious crops. We have hundreds of miles of river where such water could be conserved to produce crops we need badly. We need irrigation over large portions of our dry land, and on that land that is now irrigated, we can always use supplemental water. Don McBride knows it. He was born there and we claim him as a Nebraska boy.

Out in Scottsbluff, Nebr., in 1910, if you will permit an example of how a country grows with irrigation, we loaded only 190 carloads of agricultural produce for export. In 1942—just look what occurred out there after irrigation went into the North Platte Valley—we shipped through the Burlington and Union Pacific Railroads 3,140 cars of agricultural products. Oh, my, what that means to the farmers. How much that means for a great district out there in western Nebraska. Irrigation develops not only agriculture but all industries and all labor also benefit.

In September I made a trip over the reclamation activities in Nebraska with Regional Director Batson and Mr. Lineweaver. We are making progress but we must make more there as well as elsewhere in the West.

How wonderful it is to see water brought to the soil of these two great States of California and Arizona. It shows how Nebraska needs irrigation. Our State dropped from seven Congressmen to four, for due to the lack of irrigation our people left the farms and the State. Think of it. Such a decrease in population.

I want to serve notice now on the National Reclamation Association and the agencies in Washington that Nebraska is sold 100 percent on reclamation. From here out we will develop our projects and keep our population in Nebraska, and not let our Nebraskans move to Arizona to vote for Senators HAYDEN and MCFARLAND.

Yes, as CARL HAYDEN told you, I am chairman of the Department of the Interior Appropriations Subcommittee in the Senate. CARL was formerly chairman of the Interior Subcommittee. When the Republicans became the Senate majority, I replaced him. I got his job and he has mine. I chose it. I could have selected any one of six other subcommittees, but I chose Interior because of the need we have in Nebraska for reclamation. To provide irrigation for western America will create new farm opportunities in many areas. We need have no fear of overexpanding reclamation through our arid lands.

Then, I happen to belong to another committee in the Senate with JIM MURRAY, of Montana, and that is the Special Committee To Study Problems of American Small Business. We have gone to all parts of the United States and listened to many problems. Irrigation will help their needs. I am for reclamation. We can help the small businessman tremendously by developing these great reclamation projects that help bring business into existence. There are 9,000,000 individually owned units in the United States today and of these 6,000,000 are farms. We should increase the number of these individual owners because it is my humble opinion that if we are going to continue this American way of life—this great representative government—the thing we must make sure of is that we continue to have individual businessmen operating throughout the United States. [Applause.]

Imagine 9,000,000 men planning their own destinies in comparison to the communistic and totalitarian systems where only a few plan and say what the rest must do. It was the local banker who believed in the faith and integrity of the individual who made loans to build the great communities and got the small businessman started. We need both that banker and merchant more than ever today to keep the Communists out of the United States of America. We need those who believe in the fundamental principles of representative government.

There is a need not only throughout the United States but throughout the world. Why, every paper you read sets forth reclamation projects being sponsored across the water. Look at Greece. They are doing wonders with their facilities, building for great reclamation projects and developing their agricultural territory there. But don't forget we furnish the money. You can look at the Italian states and find they need

reclamation there. They need agricultural products. The Kansas City Star wrote about an Arabian farm area to be developed. The need is not only here in the United States but we need it abroad.

There is no question about the need at home. Look at our expanding population. There is an increasing need for food. The average meat consumption per capita, according to figures revealed by the Agricultural Department, is 156 pounds per capita. That is the rate of consumption now. It is 35 percent more than ever before. The expanding need has come home to us here in the United States. A great portion of our agricultural products are produced in Arizona and California and all of the other reclamation areas included in the 17 States in the western part of the United States. The need is here.

Let's go to another subject which I think should require your full consideration. We know there is a need, but how fast can we build these projects in keeping with sound policy and where shall we build them in the United States? Let's be brutally frank about this thing. When I say how many projects shall we build and how fast can we build them, I make that statement in the light of other demands made on the budget. How fast can we do it? That depends on or must be in keeping with a sound financial policy. The budget includes our reclamation construction program. I haven't seen the order but I have been told the President's order provides that the 1949 appropriations shall not exceed those for 1948. That is not my quotation. I don't know whether that is true or not. It is being spoken around the Halls of Congress. Appropriations depend upon how the administration handles the budget.

In other words, we become salesmen and should be salesmen. The members of the Department should become salesmen to be able to go in and sell the Appropriations Committee of the House and Senate on the needs for reclamation. Well, we all agree there is a need to build reclamation projects here in the country.

Let's examine the budget. The first item on the budget is the interest we have to pay to service the debt. That is a "must" item, regardless of how we feel about reclamation. That is $5,500,000,000 we must raise to pay interest and service the debt. What is the second item? Another "must" item is the veterans' benefits of all wars. This has been increased tremendously, of course, by benefits passed in the Seventy-ninth and Eightieth Congress. The amount today is $7,500,000,000 that we must have for those veterans' benefits and if the benefits now proposed are passed, it will mean instead of $7,500,000,000 an increase of $1,000,000,000. That means there is $13,000,000,000 that must be provided for.

Then we must provide for our national security. It has finally been agreed that the military budget for this year from all sources will run in the neighborhood of $10,500,000,000. Already we have upward of $25,500,000,000 to provide for before anything else can be included. I don't know how you feel about national security, but I am one that has always felt we must continue to appropriate for the military in keeping with the national defense job confronting the country. Well, there is $26,000,000,000 before we get started on domestic government services. I am giving you some of the problems that confront your Senators when they have to determine what to spend for reclamation in the United States. These are practical questions after the program is endorsed.

There are those who say that it is impossible for us to lower the living costs of this country unless we stabilize the dollar and check inflationary currency practices. They say this is the only way we can plan an orderly retirement of the national debt. We have $41,000,000,000 in greenbacks and time and demand deposits. We've got to start paying that debt. How much are we going to allocate for the payment of the debt?

Then there is the problem of taxes and whether or not these can be reduced and the difficulty those in the lower-income brackets have because of reduction of buying power.

On every hand are demands that make it difficult for us who believe in reclamation to get appropriations from the Congress. But I'll tell you what I think. This is the time when much of the United States, regardless of the party in power, has begun to feel that while we, as a great Nation should continue to do our part in aiding the rest of the world, we have got to think of the home fires and keep secure the economic strength of the United States of America. [Applause.] Yes; you must study these reclamation projects across the country very carefully, because if we do not take care of the home fires, no one else will take care of them for us.

Yes; let's be brutally frank. It is difficult when you come into committee and find a difference of opinion. CARL HAYDEN hit the nail on the head when he said we want to have a uniform program. We must have it. There should be no dispute on these programs between the States. There must be uniformity in the Agency. We must have it if you are going to sell Congress on reclamation needs. Settling the disputes and differences existing between States and differences over individual projects will go a long way in getting the necessary appropriations for reclamation. If that is done, we will have given valuable assistance when the reclamation program comes before the Appropriations Committee.

This year our Appropriations Committee had hearings that lasted 27 days. We were there from 9 o'clock in the morning until sometimes 7:30 or 8 o'clock at night. There were 3,700 pages of testimony. It is said to have been the longest hearing ever had before any standing committee in the Senate. It took that long to iron out the difficulties about these appropriations. It was a tremendous job. And I want to say that our committee took politics out of reclamation. We certainly did. The report of the subcommittee was adopted unanimously.

If you want to make it easier for us legislators, get a uniform water policy and be agreed among yourselves on a uniform public power policy throughout the entire United States. I long for that day. Decide what the policy should be—whatever is the best thing for America.

So far as appropriations are concerned, Congress knew there would be a large sum of money carried over from the 1947 funds because reclamation had not been able to use all of its appropriations in 1947. This amount was $75,000,000. Congress has appropriated for 1948, $90,129,838 for 1948. This is about $12,000,000 less than the 1947 appropriation, which was the largest appropriation ever made. But there is more to the story than that. Despite the large amount available in 1947, only $1,125,690 was actually used. We got into a real tangle about unexpended funds and unobligated funds. The 1947 appropriation of $90,129,838, plus the carry-over of $75,000,000 estimated for 1948 resulted in $166,298,000 being available for reclamation this fiscal year. That's the best we could get, but in the main we did mighty well. This was the biggest year in the entire history of reclamation. I don't mean that is enough.

We must also be on guard to protect reclamation and our Western States. The Missouri Valley Authority proposal is proof of that. It would create an empire within a republic. Anyone thoroughly familiar with the Tennessee Valley Authority knows what I mean.

Federal appropriations have provided these reclamation benefits and that shows what representative government can do to expand these activities. We need progress reports every quarter of the year on the reclamation projects. It is highly essential. Allocated funds for specific projects should go to those projects. It not only should go to those projects but they should be built up as speedily as possible.

The Bureau of Reclamation has been asked to make those progress reports. When we know what progress is being made with the funds appropriated, and can show Congress how we are spending money on the projects, additional funds will be appropriated more quickly for the projects you want down here in Arizona and throughout the 17 Western States. Yes, the Interior Department deserves some credit for the progress so far, but we can do a lot better. If you give us performance, we, in turn, will get the appropriations.

I appeal to you who are leading this fight to get reclamation projects approved. I make this appeal in the interest of the farmers of our western country who should have electricity on their farms and for the young people on those farms who deserve such advantages. I make this appeal to keep faith with those concepts that I learned at my mother's knee, and to keep faith with the traditions that made America great.

When I was overseas during the war, I visited our boys in the hospitals there and one of those boys said to me: "Senator, could I ask you something? When you get back to the States, won't you stoop down and kiss the soil for me?" That was the roughest lesson I ever learned, and I learned it in France. And when I got home I went into the yard with my wife, daughter, and son and I stooped down and kissed the soil to keep faith with that American boy.

What did that boy mean? Why was the soil so important to him? I tell you it was because it represented the home whence he came; the school he went to and the rights he had—the rights of freemen, the right to go to the church he loved and worship God after the dictates of his own conscience. That is what it meant to him and what it should mean to all of us today. Keep faith with the traditions of this great country! That is your challenge and mine!

Stabilization of Commodity Prices

EXTENSION OF REMARKS

OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MADDEN. Mr. Speaker, the President called the Congress into special session on November 17 to pass practical legislation which would reduce the high cost of living, and also to extend aid to the suffering people who were victims in war-devastated countries.

The Gallup poll recently revealed that the problem uppermost in the minds of the American people is the necessity for immediate reduction of the high cost of living.

Today the Republican leadership in this special session has submitted Joint

resolution 273 as their solution to our inflationary dilemma.

This resolution is supposed to aid in the stabilization of commodity prices and further aid in stabilizing the economy of the United States.

This resolution is the Republican leadership's answer to the crying need of the American people that prices must be reduced.

This resolution, instead of effectively legislating on the 10 points which our President asked for, as necessary to stop inflation, is ineffective, impractical, and a malicious sham to fool the American people into thinking that the congressional leadership is serious in curtailing high prices.

This resolution sets up four "skim milk" provisions, so the Republican Party can tell the Nation that they submitted some kind of legislation to stop inflation.

The first provision authorizes the President to enter voluntary agreements with representatives of industry, business, and agriculture so as to provide for allocation of transportation, marketing, and so forth. This does not set out any effective penalty or power for the President to enforce such agreements. This provision is merely a vacuum and an empty gesture.

The second and third provisions set out an extension of time from February 29, 1948, to February 28, 1949, of export controls and allocation of transport facilities. These two provisions are meaningless as far as the special session is concerned because these controls will be in effect until February 29, 1948, regardless.

The last provision sets up requirements for the Federal Reserve banks. This provision in itself would not have an immediate effect on the high cost of living throughout the country, and would eventually increase the interest of our present stupendous national debt.

The public will be amazed that this resolution contains no provision to halt the skyrocketing of rentals throughout the country .

The most astounding provision in this resolution is part (c) of section 2 which begins as follows:

(c) Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreements and with respect to carrying out such agreement prior to March 1, 1949, in conformity with its provisions.

This paragraph no doubt was demanded and included in the resolution through the insistence of the National Association of Manufacturers. It is a continuing of the effort of the National Association of Manufacturers to nullify and weaken the antitrust laws of our country. It also coincides with their propaganda campaign to justify the record-breaking seventeen and one-half billions in profits piled up by American industry in 1947. These profits represent more than a 40-percent increase over the previous year, 1946.

Today is the first time in 14 years that the Committee on Banking and Currency has sponsored a piece of legislation, either important or unimportant, under the "gag" rule. The Republican leadership has limited the debate on this so-called inflationary resolution to 40 minutes—20 minutes on each side. The high cost of living today is staggering millions of American homes under its pressing burden. The leaders of this Congress are in effect telling the American people that this body should only have 40 minutes to debate this most important of all problems.

The American consumers, who are stretching the family budget to cover the grocery, rent, and clothing bill, should remember this legislative operation that the Republican leadership is forcing on us today.

I firmly believe that the leadership would not have submitted even this weak resolution had not their conscience haunted them for advocating their killing price control in June 1946.

Congressman HALLECK, the majority leader, states that because of the impending adjournment, we have not time to give full and extended debate to price-control legislation. The American people are expecting this special session of Congress to remain in Washington and pass legislation which will solve this important problem.

The public should secure copies of this so-called anti-inflation resolution—House Joint Resolution 273—and ask the leaders responsible for it if they are serious in reducing the cost of living in America, or if they are merely playing 1948 Presidential politics.

This feeble effort to submit practical legislation against inflation will disappoint the American consuming public. They will be fearful that they cannot receive cooperation from the leaders of this Congress to take drastic steps to reduce prices.

Our leaders fail to realize that the American people will gladly submit to sacrifice when they see disaster facing our American way of life. They demonstrated that during the war, and will gladly cooperate to prevent inflation from ruining our economy.

An Explanation Is Due

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, I wish the Secretary of Agriculture would stay in Washington long enough between political speeches to see that the Steagall amendment is put in operation in accordance with the law. His dire predictions about the future meat supplies of the country may come true, but if they do this administration will be responsible. When the present Secretary of Agriculture was chairman of the committee to investigate food shortages the report quoted the following:

One of the factors that has shaken the confidence of producers is whether requirements, once indicated, will actually be absorbed in full by the claimant agencies at the time production becomes available.

This can be found in Union Calendar No. 248, page 3.

It is known that Marvin Jones, who had the responsibility for these situations at that time, did do something to iron them out. In the same Union Calendar No. 248, page 3, we find:

It seems to this committee that a greater degree of responsibility should be recognized by the various claimants. Their requirements once agreed upon, should represent firm commitments, and each claimant should be under an obligation to take in full the commodities claimed.

Why does not the Secretary of Agriculture, Mr. Anderson, take the same position he did when he was chairman of the Special Food Investigation Committee?

Some people want to put a ceiling on meat, as if one commodity could be successfully subjected to control. Do you suppose that they, including Secretary Harriman, want to put a ceiling on the Midwest chickens when they are bringing 10 to 20 cents per pound and the law states that the support floor is 24.8 cents per pound? If there is any doubt in anyone's mind that chickens are selling for 10 to 20 cents per pound in the Midwest, please read the following letter from a county agent, one of the employees of the United States Department of Agriculture, which is as follows:

COOPERATIVE EXTENSION WORK
IN AGRICULTURE AND HOME ECONOMICS,
Menomonie, Wis., December 9, 1947.

To the Honorable REID MURRAY,
House Office Building,
Washington, D. C.

DEAR SIR: I am somewhat alarmed to find that poultry was selling last week for 11 cents a pound at Boyceville, Wis., and has been selling for several weeks at about 15 cents a pound. I am wondering if there isn't a support price on poultry at about 22 cents a pound.

I have contacted the local AAA chairman regarding support prices for poultry and corn, but he doesn't seem to be familiar with any program that is in effect on these commodities.

I am wondering if you would inform me as to whether or not there has been a support price for poultry and other commodities and if so I wish you would explain what methods should be used in obtaining this price for the farmers.

I am sure that you realize that it is not possible to market poultry at that price and even pay for the feed under the present ratio.

Most respectfully,
ARCHIE JOHNSON,
Dunn County Agricultural Agent.

If you do not believe that the great bulk of midwestern chickens are not being purchased at less than the legal

lawful prices, read the following market reports from the Midwest and Northwest:

	Cents
Dickinson, N. Dak., Nov. 27, 1947:	
Heavy hens	16
Light hens	10
Heavy springers	18
Light springers	15
Cocks	7
Eggs	45
Aberdeen, S. Dak., Nov. 17, 1947:	
No. 1 heavy hens, 4½ pounds and up	19
No. 1 hens, under 4½ pounds	13
Old roosters	8
Heavy breed springs	20
Leghorns	16
Eggs, extras	46
No. 1 eggs	36
No. 2 eggs	27
Oelwein, Iowa, Dec. 1, 1947:	
Leghorn hens	13
Heavy hens	18
Leghorn cocks	8
Heavy cocks	8
Springs, over 5 pounds	18
Springs, under 5 pounds	13
Leghorn springs	13
Eggs, hennery	50
No. 1 eggs	34
No. 2 eggs	29
Muscatine, Iowa, Dec. 1, 1947:	
Heavy breed hens	19
Leghorn hens	15
Heavy breed springs	23
Leghorn springs	16
Cocks	12
Eggs, grade A, large	50
Eggs, grade B	40
Eggs, grade C	28
Wadena, Minn., Nov. 13, 1947:	
No. 1 hens, 4½ pounds and up	20
No. 1 hens, under 4½ pounds	13
Roosters	8
Springs, colored	21
Leghorn springs	14
Eggs, grade A, large	46
Eggs, grade A, medium	35

If the Steagall and LaFollette-Taft amendments are of any value as a part of the law of the land, why hasn't the legal lawful support been extended to these chicken producers in conformity to the expressed wishes of the Congress?

This chicken price program should be rectified at once. Otherwise the packers will make a cleaning by purchasing these chickens now below the lawful prices like they did the light hogs in the winter of 1943 and 1944, and putting them on the market next spring when the Secretary of Agriculture states that meat will be scarce. The prices that people pay for chickens in their butcher shop is not reflected by these 10- to 20-cent chickens in the country.

This chicken situation is just one more example of the fact that the farmers could give away some of their products and still the consumer would be paying high prices for them. This indicates that there is more involved in this price situation than the price the producer receives.

Price Control Bill

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LUDLOW. Mr. Speaker, I am perfectly clear in my opinion that the passage of this bill would not have been in the national interest. Not a single Member who spoke on the bill argued that it would meet the requirements and give the people the relief from inflation which they have a right to expect. Its best friends put it forward merely as a stopgap measure and the best that can be had in the limited time of the special session that it left. There was great danger, in my opinion, that if we had passed this bill it would stop the gap permanently and would be used as a means of foreclosing effective legislation on the subject at the regular session of Congress which is coming in a few weeks. This sort of a bill must not be used as an excuse to prevent real legislation on the the subject and it will not be with my vote.

When I read the bill I wondered if it would not be more in the interest of monopoly than of price control. To say the least the liberality with which it would suspend the antitrust laws calls for close inspection. I do not challenge the good faith of the proponents of the measure, whose sincerity I do not doubt, but I feel it is simply an impossible bill when it comes to meeting the country's requirements. The biggest job before the Congress is the enactment of legislation to hold down the spiral of price inflation and I do not think it should be approached in this lick-and-a-promise way by attempting to jam through under suspension of the rules, with only 40 minutes debate, a measure which, curiously enough, was defended in a wholehearted way by no one, not even by those who proposed it. Our patriotic duty was to kill this bill and then do a real job of price control after full consideration and ample debate when Congress reconvenes after the holidays.

Letter From Marcus G. Cameron, Deputy Chief of Staff, Disabled American Veterans

EXTENSION OF REMARKS
OF
HON. CARL T. DURHAM
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. DURHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

TRANSPORT DIVISION,
OMGUS, UNITED STATES ARMY,
APO 742, CARE POSTMASTER,
New York, N. Y., December 4, 1947.

Hon. CARL T. DURHAM,
New House Office Building,
Washington, D. C.

DEAR MR. DURHAM: I apologize to you for not having written to you sooner, but we have had the national adjutant of Disabled American Veterans over here the last of September for a 17-day tour of the American zone. The 5th of October I left for a tour of the American zone also and spent 11 days touring 3,000 miles over the farming region and dairies of Germany.

Mr. DURHAM, I traveled into the wagon roads of the southern part of this country where I could see just how the farmers were working. I viewed many thousands of acres of farms; all I could see everywhere was obsolete methods of farming. All work is done with oxen, the land is so poor from overwork that they cannot produce food in abundance. All crops were being harvested, and as soon as they removed the food from the land they were preparing the soil for the winter grain crop to feed the cattle. You would see men, women, and children in the fields working from daylight until dark. It is my opinion that if the farmers of Germany, as well as Europe, for I have found these same conditions existing in all the countries I have been in, had modern machinery, fertilizer, and the abundance of seed that they could produce three times the food that they now produce under existing conditions.

Mr. DURHAM, we are not in sympathy with the German cause or any other country that tried to dominate the world under its Nazi or Fascist leaders, but we do believe in giving them the necessary aid to get them back once more on their feet so that they can once more carry on peaceful world trade. The American taxpayers cannot continue to sponsor the burden of the European nations, neither can we take them all to the United States until we have obtained for our own American veterans homes and jobs—the men who fought that these people here might be free again.

Conditions do not look any too good to me for the future; however, we will have to take what comes. It seems to me that the Russians are determined to run us out of Europe if they can devise any way to do so. If Russia can get a peace treaty to suit herself so that we will have to withdraw our occupation forces from Europe then what we fought for is lost. As the Red armies moved across Europe westward her trained Communist organization from Moscow moved with it, everywhere the Russian Army went it cleared the path so that the Communists could move in and take over with no opposition. Russia has repeated the same tactics that Hitler and his henchmen used.

I feel that when universal military training is passed that the whole economic, social, and political situation will change for the better. The psychopathic war lords of Europe will then realize that we are just as strong as they are and will not attempt to dominate the world.

They know that as soon as we win our wars that we return to our homeland and fall asleep again, while they can prepare for the next war of aggression. They have reasonable assurance that we will not make any attempt to stop their crusade until it is almost too late.

Mr. DURHAM, you were in Congress when appropriations were made for the experimentation and development of scientific warfare, and I am sure that if Congress as well as you had not been reasonably assured that we had something that the money would never have been appropriated. If Russia does not have something then why is she enslaving 25,000 Germans in the uranium mines of Chemnitz, Germany, to mine the ore for atomic bombs and flying it out to the Russian factories.

Our post of Disabled American Veterans here have adopted and are now preparing a resolution to go to our national headquarters and with an information copy to each one of our 400 national service officers pertaining to communism and national defense.

I was also in constant contact with our constabulary of the Army during my tour. I must say that I have never seen an organization within the United States Army that could measure up with the qualities of this organization. I only wish that we had an army of 1,000,000 men that could come up to their qualifications and training.

With best regards to you and the folks in the office, I am,

Very truly yours,

MARCUS G. CAMERON,
Deputy Chief of Staff,
Disabled American Veterans.

Western Development: The Nation's Key to Prosperity

EXTENSION OF REMARKS
OF
HON. ERNEST W. McFARLAND
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. McFARLAND. Mr. President, I ask unanimous consent to have inserted in the RECORD an able address delivered by the Honorable J. A. Krug, Secretary of the Interior, at the 1947 annual convention of the National Reclamation Association, in Phoenix, Ariz.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Americans, it is well to remember that our Nation is great—not because of its fertile acres, its rich mines, and productive factories, but really because of its people and their heritage. Our Government system and our economic system, in which we take such pride—are merely manifestations of the living precepts, of the millions of men and women who came here to live in freedom, and of their progeny who have steadfastly followed in their footsteps.

Here in America—the country—as well as its government—lives for the people.

Some 10,000,000 persons will be added to the Nation by 1960. The majority of them should make their homes in the West. With the development of western agricultural and industrial facilities, no other area has the same economic opportunity. Should these people settle in the established population centers of the country, they will merely compete for existing jobs with a most depressing effect on the labor market. In the West they will find jobs, a good living, and security.

We know that the United States is a dynamic economy. Only a constantly expanding agriculture and industry can support the steadily rising standard of living which fulfills American ambitions, satisfies American desires, and keeps America strong.

Western development means reclamation and reclamation means western development. I am sure that no one in this audience would doubt the soundness of this basic thesis. Therefore, instead of presenting further arguments in support of western development as the key to the Nation's prosperity, I would like to present to you a specific program of reclamation construction and development for the next 7 years.

It should be considered against the background of possible public investment in the West. In addition to the work now authorized, there are about 15,000,000 acres of arid and semiarid lands in Western States for which irrigation can be provided. Additional millions of acres need improved water supplies. The fall of western river waters will produce at least 22,000,000 kilowatts of hydroelectric power in addition to that now existing or are authorized for construction. Another 3,000,000 kilowatt potential may be found in sites not yet fully explored. These irrigation and power potentials could be made realities at a cost of approximately $15,000,000,000.

These are realistic, total potentials as now recognized under present conditions and with the present information on land use and hydroelectric power sites. This great unexploited frontier would provide a tremendously valuable backlog of public works into which we could dig deeper and more rapidly at great benefit to the country when construction and employment may have declined to a point which threatens our economy with depression.

The reclamation construction program I shall now outline for completion in the next 7 years is only a modest part of this great western potential and is designed for a period of prosperity and full employment such as we now have. It is designed to keep open the gates of opportunity, to provide rising living standards, an expanding industry, and food and electric power for our growing population.

Since the National Reclamation Association includes the best informed people in the world on this subject, I can take the liberty of talking on some of the technical details of this program.

Perhaps the best way to describe the scheduling of construction is in terms of the results in irrigation and hydroelectric power benefits anticipated for each year. Of course, you will bear in mind the many collateral benefits, such as flood control, municipal water, silt control, recreation, etc., which, for sake of brevity, I am not describing in detail.

Rather than to read this, I have had it reproduced for distribution. I should like to point out, however, that the figures are still under study, and some of them will be adjusted. However, they are of sufficient permanence to give you a good perspective of the Bureau of Reclamation's program.

Specifically, the performance of the work outlined on the schedules calls for an investment of $2,148,000,000 over a 7-year period. It would bring under irrigation by the end of the 1954 fiscal year, about 4,000,000 acres of new and supplemental irrigation embracing 40,000 farms. This would increase the lands now irrigated with reclamation water to over 8,000,000 acres. The programming of power developments anticipates adding some 2,250,000 kilowatts of generating capacity by 1954, or enough power for 21 cities the size of Denver. The detailed power scheduling has been completed only through 1952, and the Bureau is still working out construction beyond that date. The power units to be added by 1954 would more than double the generating capacity now available on the Bureau's power systems.

The Bureau of Reclamation has carefully estimated the construction costs of this 7-year program. The work was planned from the grass roots up, beginning with the recommendations of the men closest to the job, and was reviewed by regional and top engineering officers at the Salt Lake City Construction Scheduling Conference last July. With certain adjustments subsequently made, expenditures for the six succeeding years have been estimated as follows:

1949	$295,000,000
1950	408,000,000
1951	422,000,000
1952	398,000,000
1953	354,000,000
1954	271,000,000

This comes to a total of $2,148,000,000 now programmed for the 7-year period ending June 30, 1954. It would result in completion of less than half of the presently authorized reclamation construction which at today's prices would cost a grand total of $4,435,000,000.

This program is a long step toward placing reclamation construction on a sound, businesslike basis, assuring the water and the power users the lowest possible costs. While the proposed schedule embodies an economical rate of construction progress, it may well be that the projected rate will not keep pace with the growing needs of the West. Continuous review is necessary and further study may show that a more rapid rate of progress is necessary.

If this long-range program is to be worthwhile, and if reclamation construction is to go forward at minimum cost, the method of financing must have reasonably comparable long-range planning.

Although reclamation appropriations for construction are good until expended, they are actually on an annual basis. Dams, hydroelectric plants, canals, and other engineering structures require long periods, stretching into years, to build. Many contracts for integral units run from 2 to 4 years.

In order for contractors to bid on a basis that will result in low-construction costs, they must have assurance of continued, orderly progress. Once a contract is let, the contractor cannot be slowed down or stopped without serious waste. Other contracts which must be integrated with the primary work cannot be postponed if the work is to proceed on schedule.

Pint-sized appropriations, even though for the desirable aim of reducing Government expenses, disrupt the orderly progress of construction, causing waste, delay, and high costs. So do limitations placed upon the exercise of judgment by our engineers, such as those upon our Branch of Design and Construction and on force-account operations.

We have already discussed the advantages of appropriations continuity with the Bureau of the Budget. We shall follow it up with the Congress when it reconvenes.

For this 7-year program to be effective, reclamation management, too, must have careful attention. The demands of the country have made reclamation big business, and you can't run big business, either in the Government or in private industry, without competent and adequate administration. To stint on that is to waste.

Today's job requires top administrative direction, coordination of multiple activities, and engineering perfection. Through regionalization of its administrative work, Reclamation has made progress, but it has been handicapped by lack of adequate administrative finances.

I think that the most important part of Reclamation in supporting western development is what we prosaically call "general investigations." This is where we study the ground, plan the dams and ditches, and prepare for the community changes which inevitably result from these great projects. Without these investigations Reclamation will lack the knowledge to build new projects, Congress will be without recommendations, and the people of the West will be without a future.

It is up to us who need and use this kind of planning to defend it. There is an economic superstition fostered by some theoretical economists that "planning as such, is socialistic." Planning for construction isn't socialist, capitalist, Communist, or anything else. It is just good common sense. You don't build a house without plans, without surveying the ground, checking the title to the property, studying drainage, sketching in the landscaping, and considering the neighborhood. A good planning staff will pay the biggest returns in sound engineering and economical construction.

This type of planning can go much farther than the direct, on-the-job investigation of immediately attainable construction. It can build up for us a $15,000,000,000 reservoir of construction projects which can be used to speed up reclamation development whenever the level of employment and private construction falls below that which is sound for the American people.

To keep western development in pace with the Nation's needs we must have projects ready both for today's high level of employment and for a possible tomorrow when

greater construction efforts will be needed. We all learned from the bitter experience of the thirties that major construction projects cannot be let for contract without long periods of engineering preparation. That preparation must precede the hour of need or our recovery funds are squandered on leaf-raking and work-making projects of every description which do not and cannot contribute much to renewing the basic cycle which leads to economic prosperity.

It is imperative that project planning activities also be conducted as a long-range program. The Bureau of Reclamation has now scheduled a 7-year program of general investigations on a basis comparable to that for its construction activities.

This program contemplates development of river-basin-wide reports on every western river, covering all beneficial uses of water and related resources on a scale of ultimate, full development.

The rate at which project planning will go forward is governed, of course, by appropriations. The Bureau of Reclamation cannot retain competent technicians, necessary to the sound planning of reclamation, on a hit-or-miss, stop-and-go basis. It needs a full-time research staff with continuity of employment.

While the year-by-year details of our scheduled project-planning activities would be too tedious, many of you will be interested in the project reports which we expect to complete this fiscal year. They include:

FOR REGION 1

Idaho: Cambridge Bench, Council, and Hornet Creek.

Oregon: Crooked River, Canby, and the Dalles.

Washington: Kenewick, Division of Yakima.

Wyoming: Upper Star Valley (supplemental to Columbia Basin report).

FOR REGION 2

Santa Barbara County Basin, Yolo-Solano Sub-basin, and Sly Park.

FOR REGION 3

Arizona: Central Arizona, Chono Valley, Hassayampa, and Snowflake.

Southern California: San Diego, including All-American canal connection.

FOR REGION 4

Idaho: Preston Bench.

Colorado: Silt, Minnesota.

New Mexico: Hammond.

Utah: Emery County, Gooseberry, and Jensen.

FOR REGION 5

Oklahoma: Canton.

Texas: Cotulla.

New Mexico: Middle Rio Grande.

We may be able to complete certain other project reports this fiscal year, including those on units of the Missouri River Basin. Although work is continuing on a large number of projects, we have scarcely begun to explore the opportunities. There are many that offer greater returns than the famous Hoover Dam.

I cannot pass by without a special word about the Colorado River Basin report. Since the last meeting of this association, I have placed an interim report, including comments from the States, before the Congress, so that complete data could be officially before that body. Major reclamation advancement on the Colorado is still blocked, however, until a solution to the water allocation problem is found. It would be tragedy for the West, and for the whole Nation, if development of this basin is halted or long suspended.

In the basin of the Colorado, the driest of all our great valleys, there is no future except that founded on employment of the water resources. Half utilized today this is no time to stop our work in the valley of the Colorado because of fear of tomorrow and of each other. We must go forward.

As President Truman said on October 8, 1945, when speaking in the Tennessee Valley:

"The valleys of America await their full development. The time has come to press forward. The days of the pioneer are not dead. The development of our natural resources calls for men of courage, of vision, of endurance, just as in the pioneering days of old.

"The Nation I am sure is determined to march forward. We will not listen to the whispers of the timid. In the great valleys of America there is a challenge to all that is best in our tradition. Ahead of us lies a great adventure in building even stronger the foundations of our beloved country. America will not hesitate to meet that challenge."

Today, reclamation is needed more than ever before to increase acreage under cultivation and to provide power for great industrial production. Survival in this and other countries depends on America's ability to produce.

Firm leadership during this period of expanding western development falls squarely on your shoulders as members of the National Reclamation Association. Many of you settled in the West because you believed in greater opportunities for yourselves and your families. You have achieved world fame for your miraculous transformation of desert into growing, thriving farm lands where visitors come, look, and want to settle. Your family-sized farms are an anchor of democracy that is good and strong and comforting in times of upheaval.

To hold what you have gained and to implement a long-range conservation program, the reclamation work in the West needs your help in obtaining some forward-looking legislation. The Bureau of Reclamation and the Department of the Interior do not seek to advance this work under the banner of any new social doctrines. Laws governing reclamation are of long standing. They include the 160-acre limitation, which had its origin nearly a century ago in the Homestead Act, and the congressional mandates which provide that power at Federal dams shall be used for the benefit of all the people.

In asking you to give careful thought to forwarding the reclamation program through adjustments of the laws to fit current needs, the Department of the Interior does not recommend that you uproot the laws that protect the family-sized farm and assure the domestic and rural power consumer served by public agencies and cooperatives of first call on reasonably priced energy for Federal plants.

Rather do we suggest that, as an association founded to perpetuate land and water conservation, you support legislation to strengthen the present reclamation program which you have so ably defended in the past.

The lowered interest rate on power provided in the pending Rockwell bill would be a great accomplishment. But I hope, and think, that eventually the Congress will see the wisdom of making the rate less than 2½ percent now provided by the bill.

If we can do these things—you of the National Reclamation Association who provide the leadership, and we of the Interior Department who build the dams—we can insure a healthy and prosperous West. If the West is prosperous, if it provides an outlet for the vigor of the youth of America and a place for new capital investment in productive facilities, the prosperity of the Nation will have a firm foundation. A sensible, steady program of reclamation construction geared to the needs of the West—sound planning so that further construction can be authorized and started promptly when desired—maintenance of the time-tested benefits of family-sized farms and reasonably priced power—all of these will foster a rapid western development which will keep our Nation prosperous, strong, and able to share our bounty as well as protect the resources from which it comes.

Project land-development schedule—Irrigation projects currently under construction and development or authorized for construction, fiscal years 1948–54

[Preliminary (October 1947), subject to appropriations and availability of funds]

Project	Presently irrigable acreage	Fiscal year 1948				Fiscal year 1949				Fiscal year 1950				Fiscal year 1951			
		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental	
		Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms
Region 1:																	
Boise-Anderson Ranch	0	0	0	100,000	1,250	0	0	160,000	2,000	0	0	30,000	375	0	0	0	0
Boise-Payette	27,760	12,750	160	0	0	12,750	160	0	0	0	0	0	0	0	0	0	0
Columbia Basin	0	5,361	75	0	0	1,300	18	0	0	0	0	0	0	0	0	0	0
Deschutes	15,000	31,006	415	0	0	0	0	4,000	50	0	0	0	0	0	0	0	0
Lewiston Orchards	0	0	0	0	0	0	0	3,490	45	0	0	0	0	0	0	0	0
Minidoka-Gooding [1]	93,353	4,500	56	0	0	1,274	16	0	0	0	0	0	0	0	0	0	0
Yakima-Roza	47,000	2,378	42	4,000	65	0	0	0	0	18,622	310	0	0	0	0	0	0
Minidoka-North Side	0	0	0	0	0	0	0	0	0	10,000	125	0	0	10,000	125	0	0
Total	183,113	55,989	748	104,000	1,315	15,324	194	167,490	2,095	28,622	435	30,000	375	10,000	125	0	0
Region 2:																	
Klamath-Tule Lake	33,096	3,522	44	0	0	7,728	95	0	0	8,200	102	0	0	0	0	0	0
Central Valley	[2]160,000	20,000	250	0	0	30,000	375	30,000	375	35,000	437	50,000	625	50,000	625	250,000	3,125
Total	193,096	23,522	294	0	0	37,728	470	30,000	375	43,200	539	50,000	625	50,000	625	250,000	3,125

Footnotes at end of table.

Project land-development schedule—Irrigation projects currently under construction and development or authorized for construction, fiscal years 1948–54—Continued

Project	Presently irrigable acreage	Fiscal year 1948				Fiscal year 1949				Fiscal year 1950				Fiscal year 1951			
		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental	
		Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms
Region 3:																	
All-American Canal (Coachella)	0	0	0	0	0	30,000	300	18,658	185	20,200	200	0	0	0	0	0	0
Gila [3]	5,715	4,800	48	11,000	123	10,200	102	0	0	10,000	100	0	0	10,000	100	0	0
Yuma	68,976	1,439	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	74,691	6,239	76	11,000	123	40,200	402	18,658	185	30,200	300	0	0	10,000	100	0	0
Region 4:																	
Mancos	0	0	0	0	0	0	0	6,000	120	700	14	500	10	400	8	400	8
Ogden River	20,642	0	0	0	0	0	0	0	0	0	0	265	13	0	0	100	5
Paonia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,750	160
Provo River	46,268	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,000	325
Newton	2,225	0	0	0	0	0	0	0	0	0	0	445	18	0	0	0	0
Total	69,075	0	0	0	0	0	0	6,000	120	700	14	1,210	41	400	8	39,250	498
Region 5:																	
W. C. Austin	9,243	33,000	550	0	0	9,000	150	0	0	0	0	0	0	0	0	0	0
Balmorhea	0	0	0	7,520	75	0	0	0	0	0	0	0	0	0	0	0	0
Tucumcari	8,887	17,188	215	0	0	18,925	236	0	0	0	0	0	0	0	0	0	0
Valley gravity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Luis Valley	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,000	800
Total	18,130	50,188	765	7,520	75	27,925	386	0	0	0	0	0	0	0	0	80,000	800
Region 6:																	
Buffalo Rapids No. 2	8,100	3,500	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Riverton	42,500	10,000	100	0	0	23,000	230	0	0	11,000	110	0	0	15,000	150	0	0
Shoshone-Heart Mountain	13,938	17,500	200	0	0	7,000	77	0	0	0	0	0	0	0	0	0	0
Missouri River Basin	0	0	0	0	0	37,138	4,642	0	0	39,650	471	0	0	78,875	986	0	0
Total	64,538	31,400	335	0	0	67,138	4,949	0	0	50,650	581	0	0	93,875	1,136	0	0
Region 7:																	
Kendrick	5,000	2,000	17	0	0	2,000	17	0	0	4,000	34	0	0	2,000	17	0	0
Mirage Flats	9,000	3,000	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado-Big Thompson	0	0	0	50,000	600	0	0	0	0	0	0	0	0	0	0	565,000	7,100
Missouri River Basin	0	0	0	0	0	0	0	0	0	6,000	75	0	0	10,000	125	0	0
Total	14,000	5,000	47	50,000	600	2,000	17	0	0	10,000	109	0	0	12,000	142	565,000	7,100
Totals:																	
Region 1	183,113	55,989	748	104,000	1,315	15,324	194	167,400	2,095	28,622	435	30,000	375	10,000	125	0	0
Region 2 [1]	193,096	23,522	294	0	0	37,728	470	30,000	375	43,260	539	50,000	625	50,000	625	250,000	3,125
Region 3	74,691	6,239	76	11,000	123	40,200	402	18,658	185	30,200	300	0	0	10,000	100	0	0
Region 4	69,075	0	0	0	0	0	0	6,000	120	700	14	1,210	41	400	8	39,250	498
Region 5	18,130	50,188	765	7,520	75	27,925	386	0	0	0	0	0	0	0	0	80,000	800
Region 6	64,538	31,400	335	0	0	67,138	4,949	0	0	50,650	581	0	0	93,875	1,136	0	0
Region 7	14,000	5,000	47	50,000	600	2,000	17	0	0	10,000	109	0	0	12,000	142	565,000	7,100
Grand total	616,643	172,338	2,265	172,520	2,113	190,315	6,418	222,148	2,775	163,412	1,978	81,210	1,041	176,275	2,136	934,250	11,523

Project	Fiscal year 1952				Fiscal year 1953				Fiscal year 1954				After 1954				Ultimate	
	Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply (acres)	Supplemental (acres)
	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms		
Region 1:																		
Boise-Anderson Ranch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000
Boise-Payette	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,200	0
Columbia Basin	60,000	750	0	0	110,000	1,370	0	0	150,000	1,870	0	0	702,839	8,760	0	0	1,029,500	0
Deschutes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46,000	4,000
Lewiston Orchards	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,490
Minidoka-Gooding [4]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	99,127	0
Yakima-Roza	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,600	4,000
Minidoka-North Side	17,000	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,000	0
Total	77,000	960	0	0	110,000	1,370	0	0	150,000	1,870	0	0	702,839	8,760	0	0	1,332,887	301,490
Region 2:																		
Klamath-Tule Lake	6,000	75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58,546	0
Central Valley	30,000	375	50,000	625	25,000	312	50,000	625	25,000	312	50,000	625	327,000	4,087	20,000	250	542,000	[2] 660,000
Total	36,000	450	50,000	625	25,000	312	50,000	625	25,000	312	50,000	625	327,000	4,087	20,000	250	600,546	660,000
Region 3:																		
All-American Canal (Coachella)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,200	18,658
Gila [3]	15,000	150	0	0	15,000	150	0	0	20,000	200	0	0	15,000	150	0	0	105,715	11,000
Yuma	0	0	0	0	0	0	0	0	0	0	0	0	3,585	72	0	0	74,000	0
Total	15,000	150	0	0	15,000	150	0	0	20,000	200	0	0	18,585	222	0	0	229,915	29,658
Region 4:																		
Mancos	100	2	0	0	100	2	0	0	0	0	0	0	0	0	0	0	1,300	6,900
Ogden River	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,007
Paonia	1,000	15	0	0	1,000	15	0	0	0	0	0	0	0	0	0	0	2,000	12,750
Provo River	0	0	14,000	175	0	0	5,000	62	0	0	5,000	62	0	0	0	0	0	96,208
Newton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,670
Total	1,100	17	14,000	175	1,100	17	5,000	62	0	0	5,000	62	0	0	0	0	3,300	139,535

Footnotes at end of table.

Project land-development schedule—Irrigation projects currently under construction and development or authorized for construction, fiscal years 1948–54—Continued

Project	Fiscal year 1952				Fiscal year 1953				Fiscal year 1954				After 1954				Ultimate	
	Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply		Supplemental		Full supply (acres)	Supplemental (acres)
	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres	Farms		
Region 5:																		
W. C. Austin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51,243	0
Balmorhea	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,520
Tucumcari	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,000	0
Valley gravity	0	0	100,000	1,000	0	0	200,000	2,000	100,000	1,000	200,000	2,000	100,000	1,000	0	0	200,000	500,000
San Luis Valley	0	0	0	0	0	0	100,000	1,000	0	0	286,000	2,860	0	0	0	0	0	465,000
Total	0	0	100,000	1,000	0	0	300,000	3,000	100,000	1,000	486,000	4,860	100,000	1,000	0	0	296,243	973,520
Region 6:																		
Buffalo Rapids No. 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,600	0
Riverton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	101,500	0
Shoshone-Heart Mountain	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,838	0
Missouri River Basin	150,000	1,875	0	0	165,400	2,067	0	0	180,500	2,256	0	0	2,850,000	35,600	50,000	625	3,501,603	50,000
Total	150,000	1,875	0	0	165,400	2,067	0	0	180,500	2,256	0	0	2,850,000	35,600	50,000	625	3,653,541	50,000
Region 7:																		
Kendrick	3,000	25	0	0	5,000	41	0	0	10,000	83	0	0	3,923	32	0	0	36,923	0
Mirage Flats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,000	0
Colorado-Big Thompson	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	615,000
Missouri River Basin	21,000	262	2,500	30	29,000	362	3,500	43	34,000	0	3,500	425	980,000	12,250	50,000	625	1,080,000	59,500
Total	24,000	287	2,500	30	34,000	403	3,500	43	44,000	83	3,500	425	983,923	12,282	50,000	625	1,128,923	674,500
Totals:																		
Region 1	77,000	960	0	0	110,000	1,370	0	0	150,000	1,870	0	0	702,839	8,760	0	0	1,332,887	301,490
Region 2 [2]	36,000	450	50,000	625	25,000	312	50,000	625	25,000	312	50,000	625	327,000	4,087	20,000	250	600,546	[2] 600,000
Region 3	15,000	150	0	0	15,000	150	0	0	20,000	200	0	0	18,585	222	0	0	229,915	29,658
Region 4	1,100	17	14,000	175	1,100	17	5,000	62	0	0	5,000	62	0	0	0	0	3,300	139,555
Region 5	0	0	100,000	1,000	0	0	300,000	3,000	100,000	1,000	486,000	4,860	100,000	1,000	0	0	296,243	973,520
Region 6	150,000	1,875	0	0	165,400	2,067	0	0	180,500	2,256	0	0	2,850,000	35,600	50,000	625	3,653,541	50,000
Region 7	24,000	287	2,500	30	34,000	403	3,500	43	44,000	83	3,500	425	983,923	12,282	50,000	625	1,128,923	674,500
Grand total	303,100	3,739	166,500	1,830	350,500	4,319	358,500	3,730	519,500	5,721	544,500	5,972	4,982,347	61,951	120,000	1,500	[4] 7,245,355	[4] 2,828,700

[1] An agreement is pending whereby additional lands to be served in the Gooding division are limited to 9,000 acres, including 3,226 acres opened to settlement in fiscal year 1947.
[2] Includes temporary water service for 160,000 acres of lands not included in ultimate Central Valley project development.
[3] Includes Wellton-Mohawk division, recently authorized.
[4] These totals (10,074,058 acres) include 616,643 acres already subject to irrigation from Bureau-built systems.

GENERAL NOTE.—Not included and not yet scheduled as to land development are the following projects: Palisades, 650,000 acres (supplemental water); Kings River, 800,000; total, 1,450,000.

Scheduled program for development of authorized power projects (subject to appropriations), through fiscal year 1952

[Figures shown in kilowatts of installed capacity]

Region and State	Projects and plants	Existing capacity June 30, 1947 [1]	Estimated capacity (kilowatts) to be added during fiscal year					
			1948	1949	1950	1951	1952	After 1952
Region 1:								
Idaho	Boise:							
	Black Canyon	8,000						
	Boise River	1,500						
	Anderson Ranch			27,000				
	Minidoka: Minidoka	13,400						
	Palisades: Palisades					30,000		
Montana	Hungry Horse: Hungry Horse					150,000	75,000	75,000
Oregon	Deschutes: Cove	1,500						
Washington	Columbia Basin: Grand Coulee	668,000	324,000	108,000	324,000	216,000		334,000
	Yakima:							
	Prosser	2,400						
	Rocky Ford	187						
Total, region 1		694,987	324,000	135,000	324,000	396,000	75,000	409,000
Region 2: California	Central Valley							
	Shasta	154,000	150,000	75,000				
	Keswick			75,000				
	Delta Steam					80,000	80,000	80,000
Total, region 2		154,000	150,000	150,000		80,000	80,000	80,000
Region 3:								
Arizona-California	Parker: Parker	120,000						
Arizona-Nevada	Boulder Canyon:							
	Hoover	1,034,800				82,500		205,000
	Davis				225,000			
California	Yuma: Siphon Drop	1,600						
Total, region 3		1,156,400			225,000	82,500		205,000
Region 4:								
Colorado	Grand Valley: Grand Valley	3,000						
Nevada	Newlands: Lahontan	1,500						
Utah	Strawberry Valley:							
	Spanish Fork (upper)	900						
	Spanish Fork (lower)	250						
	Payson	400						
Total region 4		6,050						
Region 5: New Mexico	Elephant Butte: Elephant Butte	24,300						

Footnotes at end of table.

Scheduled program for development of authorized power projects (subject to appropriations), through fiscal year 1952—Continued

[Figures shown in kilowatts of installed capacity]

Region and State	Projects and plants	Existing capacity June 30, 1947 [1]	Estimated capacity (kilowatts) to be added during fiscal year					
			1948	1949	1950	1951	1952	After 1952
Region 6 plants operated by Bureau of Reclamation:								
Montana	Missouri Basin:							
	Lower Marias						1,600	
	Yellowtail							120,000
	Canyon Ferry							36,000
South Dakota	Missouri Basin: Miller Drop							180,000
Wyoming	Missouri Basin: Boysen							15,000
	Riverton: Pilot Butte	1,600						
	Shoshone:							
	Shoshone	5,600						
	Heart Mountain			5,000				
Region 6 plants operated by Corps of Engineers: [2]								
Montana	Fort Peck: Fort Peck	35,000	15,000				35,000	
North Dakota	Garrison: Garrison							320,000
South Dakota	Gavins Point: Gavins Point							24,000
	Fort Randall: Fort Randall							320,000
	Big Bend: Big Bend							120,000
	Oahe: Oahe							400,000
Total, region 6		42,200	15,000	5,000			36,600	1,535,000
Region 7:								
Colorado	Colorado-Big Thompson:							
	Green Mountain	21,600						
	Marys Lake				8,100			
	Estes				45,000			
	Quillan						28,500	
	Cottonwood						11,500	
	Rattlesnake						13,500	
	Flatiron Mountain						41,000	
	Big Thompson						6,700	
Wyoming	North Platte:							
	Lingle	1,400						
	Guernsey	4,800						
	Kendrick: Seminoe	32,400						
	Missouri Basin:							
	Kortes			24,000	12,000			
	Glendo							20,000
	Alcova							27,000
Nebraska	Missouri Basin: Harlan County (Army Corps of Engineers)						1,200	
Total, region 7		60,200		24,000	65,100		102,400	47,000
Total, all regions		2,138,137	489,000	314,000	614,100	558,500	294,000	2,276,000

Existing capacity June 30, 1947, 2,138,137; total scheduled through 1952, 2,269,600; total programed after 1952, 2,276,000; grand total authorized projects, 6,683,737.

[1] Salt River Valley Water User Association hydroelectric plants (capacity 70,920 kilowatts) and Imperial Valley irrigation district plants (capacity, 14,400 kilowatts) on All-American Canal not included.

[2] Power marketed by Bureau of Reclamation.

Foreign Relief

EXTENSION OF REMARKS

OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following copy of an Associated Press dispatch from Athens, Greece, as follows:

ATHENS, December 15.—The Ministry of Justice today ordered an investigation into charges by the Piraeus League of Merchants that approximately $4,500,000 worth of foodstuffs had spoiled in Greek warehouses during the last 5 months because of failure to distribute them.

The league said the spoiled foodstuffs included cheese, canned milk, sugar, powdered milk, vegetables, codfish, herring, lard, and canned goods.

The American Mission to Aid Greece previously had reported that $75,000,000 worth of supplies and equipment shipped in by the UNRRA and other agencies were lying undistributed in warehouses and on docks.

Air Force Reserve

EXTENSION OF REMARKS

OF

HON. MARGARET CHASE SMITH

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mrs. SMITH of Maine. Mr. Speaker, for a long time now I have been urging that the Air Force Reserve be given parity with the other civilian components of the armed services. It has been my privilege to introduce most of the original Reserve legislation in this Congress. Among the foremost of the measures which I have sponsored are those proposing, first, inactive training pay; second, Reserve retirement; third, death and disability coverage for reservists in training; and, fourth, the creation of a Reserve Medal and Reserve Special Commendation Ribbon in recognition of peacetime Reserve service.

It is therefore most gratifying to me that the National Aeronautics Association, an organization of top-level leaders of all segments of aviation, passed the following bill of policy at its annual air clinic last month:

STRENGTHEN THE AIR RESERVE BY THE FORMATION OF READY UNITS IN ALL AREAS, TRAINED AND EQUIPPED FOR EMERGENCY

Be it approved by the delegates to the Fifth National Aviation Clinic:

SECTION 1. Since the Regular Air Forces can be maintained in peacetime at only a small part of the strength required in war, a large and ready Nation-wide reserve is essential to fast mobilization.

SEC. 2. The Reserve of the United States Air Force is without combat aircraft, pay, and incentives, and adequate facilities such as have been granted to the Naval Air Reserve and the Air National Guard. Only a small percentage of its officers and even fewer enlisted men are training, at a limited number of points. Recruiting and training of young people is insufficient for reserve replacements.

SEC. 3. Congress is urged at once to increase funds for the Air Reserves so that modern combat aircraft and other needed equipment may be used by the Reserve and new equipment may be developed for economical use on small airports within reach of reservists who lack access to larger fields.

SEC. 4. The pending legislation for inactive duty pay, retirement, and other measures to raise the Air Reserve to a parity with other

reserves should be passed; all legislation should be codified in a single Air Reserve Act.

SEC. 5. To conserve Federal funds, provision should be made for contracts at civilian airports for flight and ground training of air reservists and Air Reserve prospective recruits.

Mr. Speaker, this realistic and comprehensive act of endorsement of parity for the Air Force Reserve stems directly from the intelligent determination and patience of Lt. Col. Kendall K. Hoyt. I urge the most serious consideration of this NAA bill of policy by every Member of Congress.

Down to Earth

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. CANNON. Mr. Speaker, under leave granted to extend remarks in the RECORD, I am including an excerpt from one of the great farm journals in America.

No one has ever accused Wallace's Farmer of being partisan. If it leans in any direction, it leans toward the party which dominates the State in which it is published. Likewise neither General Marshall nor the Marshall plan are partisan.

For that reason the following editorial from Wallace's Farmer and Iowa Homestead is particularly timely:

WE'LL HELP EUROPE—AND OURSELVES

What difference does it make to you as a Corn Belt farmer whether Congress sends emergency help to Europe? It makes this much difference.

1. If European nations can work their way back to a modest prosperity, chances of another war will shrink. Your younger boy may not have to fight.

2. If Europe revives, our lard, cotton, fruit and tobacco exports will be helped. And farmers will sell more meat and butter at good prices to city workers who make goods for the export market.

The revival of Europe may mean peace and profits to Corn Belt farmers. If Europe slips back into anarchy we'll pay for it in war and depression.

It is good news to farmers, therefore, that Congress is apparently going to rush emergency aid abroad. It will be better news if the Marshall plan for 1948 aid also goes through early in the year.

But some ask: Can we help Europe by heavy exports without bringing on a worse inflation here?

In the first place, 1948 exports will not be heavier than in 1947.

In the second place, our inflation is a product, not only of high demand but of bad handling of credit.

If Congress puts back controls of installment credit and fixes ways of preventing a further boom in bank loans, inflation can be checked.

Congress can help Europe and check inflation at home, too. Both need to be done.

Can American Dollars Save Europe From Communism?

EXTENSION OF REMARKS
OF
HON. JOSEPH H. BALL
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. BALL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "The European Recovery Program" delivered by me on December 13, 1947, at Philadelphia, Pa., before the Philadelphia Foreign Policy Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The genesis of the Marshall plan was two sentences in a speech by Secretary Marshall at Harvard last June in which he suggested that it was about time Europe tried to help itself, and that then we might feel better about helping them. Sixteen nations met at Paris and did two things. First, they decided on a level of living standards for the 200,000,000 people in their countries for the next 4 years and a level of production they would like to achieve by the end of the 4 years, in most cases considerably above prewar levels. Then they estimated how much of the materials to reach these goals they could supply themselves and the deficit, $22,000,000,000, is the Marshall plan, so-called.

Of course that is not a plan at all, in the sense that it includes any specific and detailed series of projects to increase Europe's production. Reports are that the first figure was twenty-nine billions. Will Clayton persuaded the nations to lop seven billions off, and our own Harriman committee cut it several billions more. But there is still no plan that anyone can get his teeth into. What is sought, apparently, is authority for the Administration to spend from four to six billions a year for the broad purpose of "European recovery."

Although I am critical of such a vague proposal to spend more American billions in the same way that twelve billions have been spent unsuccessfully in the past 2 years, let me emphasize here that I have no quarrel whatever with the fundamental premise of the Marshall plan.

A free and economically solvent Europe is a sound objective of our foreign policy; it would be tremendously to our advantage, and if substantial assistance from us stands a reasonable chance of achieving it, then the expenditure is justified on the basis of national self-interest. But I do want assurance that our expenditures stand at least a 50-50 chance of achieving results, and I am very certain that if the Administration is left free to pursue the policies it has pursued in the past, it will fail again. Therefore, I believe Congress must insist on some severe restrictions and conditions on any future grants of funds or authority.

One of the major arguments by the proponents of this plan is that unless we extend this aid Europe will be taken over completely by the communists. In other words, we must buy off communist aggression with American dollars.

Granted that severe economic distress provides more fertile ground for communist treachery, that argument still does not jibe with facts. Nowhere have the communists ever taken control of a country through the free choice of the people, whether the people were hungry or not. Always the communists have been a minority, usually a small one, which seized power by naked force, usually with the backing of the Red Army. Then the communists proceed to exterminate all political opposition, liquidate freedom, and bleed that country to the limit for the benefit of Soviet Russia. The people are always worse off than before.

That is what has happened in one country after another in eastern Europe. With that horrible example of what communist dictatorship means right next door to them, is it logical to assume that the peoples of Italy, France, or any other country will freely choose that course out of their troubles, regardless of how serious these may be? I cannot believe it. To use a favorite metaphor of the Marshall-plan proponents, that is like saying that a man whose house is burning will pour gasoline on the flames unless you help him carry water.

I agree completely that communist dictatorship and aggression are the most serious threat to both world peace and recovery today. But it is a threat based on power and force. The fifty-odd Russian divisions in eastern Europe have a lot more to do with it than economic problems in western Europe. Like the Nazi dictator, the communist dictator will be finally stopped in his aggressions by the presence, or if worse comes to worst, by the use of superior force. It is just as dangerous and wrong to try to fool the people into believing that we can buy off communist aggression with dollars as it was to try to appease Hitler.

It has been argued that if we attach conditions to future loans and grants we will not only spoil the effect of our gifts but that we would be accused of interfering in the internal affairs of the countries we help. Being an international Santa Claus is becoming a bit too expensive, and as for interfering with their affairs they don't have to take our money if they don't want it, and maybe it's time somebody did do a little interfering. They don't seem to be managing so well by themselves.

No aid program can be put on a humanitarian basis, deeply as we may feel about Europe's plight. Congress has no power under the Constitution to appropriate public money for charity abroad and we would violate our oaths if we acted on that basis. Likewise, our assistance cannot by any stretch be termed an economic investment. If conditions in Europe were such that these expenditures would be a sound economic investment, there would be no need for government to step in. Private capital would do the job.

The only basis on which Congress can act is that our aid to Europe will advance the interests, national welfare and security of the United States. This is a political program, and must be such to be constitutional. Therefore it is perfectly sound to attach to it any conditions which we believe are necessary to achieve those political objectives, with the recipient countries always free, of course, to turn down our help if they don't like the conditions.

What should those conditions be? I can suggest a few. It is now costing American taxpayers at the rate of over $700,000,000 a year to support the economy of the British and American zones in occupied Germany. All studies of the problems there that I have seen agree that an integrated economic and political administration of at least the three western zones in Germany is essential if German production is to be increased enough so its economy will at least be self-supporting, let alone repay these sums or pay any reparations. France has consistently opposed unification of even the western zones in Germany. We can understand her fear of

a strong Germany, but our own generals are convinced they can prevent any rearming of Germany while increasing her production so she is self-supporting. Shouldn't we insist that France, as a condition of participating in future aid, go along with us on an integrated administration of Germany?

Britain would be one of the heaviest participants in the Marshall plan under the Paris report. Personally, I am convinced, and the record bears me out, that a free economy will always outproduce and provide a higher standard of living for all the people than either a socialistic or government-planned and controlled economy. I believe that when economic freedoms are liquidated, the other freedoms are in jeopardy and the socialists have always had too much in common with the communists for my taste. I don't know how long Britain's socialist government can continue to fool their people by subsidizing their cost of living at the rate of $1,600,000,000 a year, and I rather resent it that some part of our loan has gone into that kind of fiscal legerdemain. But I would not for one instant think of trying to tell the British people what kind of government they should have or even making that a condition of our help.

However, its own production is absolutely essential to Europe's recovery. Even at best, we can carry only a small fraction of the load. One of the key bottlenecks to European recovery is lack of coal, and a major part of it is due to the fact that where Britain used to export ten or fifteen million tons of coal a year to seaports on the Continent, she is now a coal-importing country. America has to make up part of the European deficit, and our coal delivered costs us $26 a ton. The rest is taken from the current low production in the Ruhr, requiring long rail hauls over a transport system that is near the breaking point. In the opinion of many, a resumption of British coal exports to the Continent is absolutely essential to the success of any European recovery program. Why shouldn't we then insist that as a condition to participation in an aid program, Britain supply, month by month, a million tons of coal a month for export to the Continent of Europe? We would not tell England how to mine the coal. That is her problem. But we would insist that somehow she achieve the production essential to the success of the whole program, so that our help stands at least some chance of succeeding.

Another bottleneck to European recovery is the foreign exchange situation. The legal exchange rates in many countries are 50 percent or more below the actual buying power of the local currencies as reflected in the free (or black market) exchange rate or that in Switzerland, which has a free exchange market. This means the foreign importer must pay double or more the true value of any goods he buys, in terms of his own currency, and that prices most goods out of the market. This at a time when it is urgently necessary for Europe to build up its exports to pay for food and raw material imports. Shouldn't we insist on an immediate correction of that situation as a condition to our further assistance?

Even if these and other conditions of a similar nature, all aimed at achieving the increase in domestic European production which is essential to the success of any aid program, are met, there is always the danger that the communists in these countries, through their control of or influence in the labor unions, will so sabotage production as to completely defeat the program. That is a chance we may have to take. The recent developments in France are encouraging, but our future course should be determined in part by how effectively the governments we are to assist move to meet this very serious problem.

There is little question about the program for interim aid to France, Italy, and Austria. The failure of European harvests is a hard fact, and the aid is necessary to keep hunger and cold from reaching proportions in Europe which would endanger our own troops there and our security. The bill already has passed both Houses and the differences will be ironed out speedily in conference.

Unfortunately, the urgency of the need did not permit a thorough examination of the estimates for the interim aid. Whether the $597,000,000 total approved by the Senate is the proper one or not, I doubt whether any Member of Congress knows. Personally, I voted for some reductions in the Senate, first because I was very doubtful whether we can supply the volume of grains scheduled for export, and second, because the justification for the amounts proposed was inadequate.

Great emphasis has been laid on the "thorough screening" given the requests of France, Italy, and Austria for interim aid by the State Department. Under Secretary Lovett testified, with some pride, that the request by France had been reduced $131,000,000, from four hundred fifty-eight to three hundred twenty-eight millions. But then he went on to explain that the reduction included an item of $80,000,000 for balance of payment debts between France and Belgium, another $20,000,000 for an old debt to England which the French were going to pay in dollars although they had $200,000,000 of blocked sterling, and finally an item of $15,000,000 which also was an old foreign exchange debt. These three items, which are pure paper padding and had nothing to do with urgent needs for food and fuel, total $115,000,000 of the $131,000,000 cut out of the French request, making it apparent that her request for actual commodities could not have been reduced at all materially. Since applicants for either gifts or loans seldom pare their requests to the bone, I believe we are justified in questioning whether the State Department's "screening" of these requests was too vigorous or careful.

On the other question, America's ability to spare the 570,000,000 bushels of grain exports at which the administration is aiming without very dangerous repercussions on our own economy, the testimony before the Appropriations Committee raised grave doubts in my mind. The five major grains—wheat, corn, oats, barley, and rye—are tied together in our economy, being to some extent interchangeable as human food or livestock feed. This year our total production of these five grains is 5,395,000,000 bushels, which is 703,000,000 bushels less than our total domestic consumption and export last year of 6,098,000,000 bushels. Expert witnesses before our committee were very doubtful, in view of these facts, whether we could export the 500,000,000 bushels of wheat planned by the administration without driving the price of wheat up to $3.50 or $4 a bushel and leaving us with a dangerously low carry-over.

There are many other aspects of this program which need a thorough study and discussion. But I would like now to turn to the whole field of American foreign policy.

For 7 years in the Senate I have supported consistently every major foreign-policy proposal of the national administration. I have done so in the face of administration justifications, which were often weak and vacillating, and which failed to give Congress or the people a full and complete report of the facts. In the past year my support has been tempered by growing doubts as to the wisdom of some programs.

I am convinced that it is time now for a thorough and critical discussion of United States foreign policy, both its programs and their administration.

I have reached that conclusion because it is glaringly apparent that our foreign policy, judged by the acid test of results, has failed badly.

Two years ago the United States stood at an all-time peak, probably unprecedented in history, of international prestige and power. We had just won, virtually single-handed, a great war in the Pacific. Our military power was the major factor in winning another great war in Europe.

Out of a flood of production from our farms, mines, and factories we had furnished to our allies and friends in the war over $50,000,000,000 of lend-lease supplies, only a fraction of which was offset by reverse lend-lease.

All the peoples of the world were tremendously impressed by the military power we had mobilized for the war, and were even more impressed by our almost miraculous productive capacity. Peoples and governments were convinced also of our good intentions, the fact that we had no desire either to exploit or enslave them. Whenever in history, for instance, had a great world power given away $50,000,000,000 worth of supplies and exacted no commitments or even promises to repay in return?

It would appear, looking back, that the United States with a wise and foresighted foreign policy, should have been able to obtain in the world very close to whatever international system we desired; particularly so since what we desired, and what must always be the fundamental objective of our foreign policy, is an ever-expanding area in the world where individual men and women are free to worship, think, and speak as they please, to choose their own governments, and to labor at the occupations of their choice and enjoy the fruits of their toil. That objective surely is one which all people who have had even a distant glimpse of the great benefits of freedom must share.

Yet what has happened? In the 2 years since VJ-day, far from moving in the direction our foreign policy sought, the world has moved the other way. Millions of people whom we fought to free live under Communist dictatorship, and the rest of Europe and Asia is torn by civil strife.

American military power, while still tremendous potentially, is much smaller in actual combat strength. Our prestige with the peoples of the world has deteriorated even more. The editorials in European publications sound shockingly like those of 20 years ago, when they were calling us "Uncle Shylock." This time the criticism is not because we are attempting to collect what is owed us. We have been too gentlemanly even to suggest repayment. This time the criticism is because we are not willing, without debate, to give Europe a blank check underwriting its economy for the next 4 or 5 years.

Finally, our shrinking free world is facing a great aggressor power, Communist Russia, whose dictatorship is as cruel and ruthless as any the Nazis ever imposed, and whose aggressions bear a terrifying similarity to those in the late thirties which heralded the Axis attempt to conquer the world. The main difference is that Russia, in the communist parties tolerated in free nations, has a fifth column infinitely more effective than any the Nazis ever had.

The deterioration in our international position in 2 years is almost unbelievable. Yet in those 2 years every foreign policy proposal of this national administration has been approved by Congress.

We ratified the United Nations Charter, with only two dissenting votes in the Senate. Yet we are continually on the defensive in that great world forum, answering the ridiculous warmongering charges of Russian dictators, who speak fresh from their armed subjugation of eastern Europe in violation of

the Atlantic Charter and their other agreements.

Congress approved the Bretton Woods agreements establishing an International Monetary Fund and the World Bank. One was supposed, we were told, to stabilize currency exchange rates and the other to finance reconstruction projects. Fictitious exchange rates still are one of the bottlenecks to European recovery today, and there would be no need to discuss a Marshall plan if the World Bank were functioning as promised.

Pending the operation of the Bank and Fund, the United Nations Relief and Rehabilitation Administration was set up to do the relief job, and Congress, at the administration's request, appropriated $3,700,000,000 to it. Members of our Senate Appropriations Committee found $75,000,000 worth of UNRRA supplies, mostly tractors and farm machinery made in America, rusting in an open-air depot at Athens this summer. UNRRA was not a very happy venture either.

Recognizing the importance of British recovery to our hopes for the world, Congress voted the $4,400,000,000 British loan. It is already exhausted, with none of the purposes promised for it achieved. In fact, Britain is in worse straits economically than before the loan was made.

In the 1947 session, Congress approved the $400,000,000 Greek-Turkish aid program, voted another $332,000,000 for relief purposes in Europe and Asia, to say nothing of $600,000,000, now raised to $1,090,000,000, for relief in occupied areas during this fiscal year. Relief in occupied areas alone will have cost us $2,625,000,000 by July 1943. In addition, hundreds of millions have been loaned by the Import-Export Bank, whose lending authority was increased $2,700,000,000 in July 1945 for that purpose.

In all, our loans and gifts in Europe have totaled more than twelve billions in 2 years, plus another two or three billions in Asia.

What has been the result of all this expenditure of American resources? The realization of our objective, a free world, appears further away than ever, and 16 nations in Europe have presented to us a bill for twenty-two millions more "to save Europe from communism."

I grant you there are extenuating circumstances in the record. There is no question but that serious blunders were made at Yalta and Potsdam, blunders which are still blocking tragically our hopes for peace and stability in the world. They were made at a time when few of us realized that the aims and strategy of Communist Russia were just as repugnant to free peoples and the Atlantic Charter as were those of the Nazis. Probably our leaders were in a position to have known better, but there is little to be gained by trying to assess the blame for past errors.

Then, too, it is unfortunate, to say the least, that at a period when strong and consistent administration of our foreign policy was all important to America, we have changed horses in that administration three times in the middle of the stream. Our State Department hardly has had time to adjust to one set of leaders before it had a completely new set. But that also, we may hope, is water over the dam.

I agree that hindsight is always easier than foresight. The big question is what do we do from here on. But I do insist that in view of this Administration's almost 100-percent record of erroneous predictions and failure to achieve promised results in foreign policy, its current proposal to commit the resources of America to a European-recovery program to the tune of sixteen to twenty billion dollars over 4 years must be given the most careful and searching scrutiny.

There are many other urgent questions which cry out for full and honest answers. Why, for instance, shouldn't the United States at least try to regain the initiative in the United Nations? Why must we always seem to be on the defensive, apologetic about our free, capitalist economy? If we think it is the best yet devised, and I do, let's say so a little more vigorously.

We are still scrupulously observing the Yalta and Potsdam agreements, even to the point of dismantling and shipping German war plants into Russia, although for 2 years the Russians have violated every major commitment of those agreements. How much longer do we have to wait before telling the Russians that they themselves have nullified those agreements by their repeated violations and that we are repudiating the agreements and their blunders?

I have never heard of a football game or a hot war being won by a good defense and nothing else. I doubt whether a cold war can be won by a good defense and nothing else. Individual freedom, both political and economic, is still the most powerful and dynamic idea in the world and we in America should be its most vigorous exponents. We have let ourselves be pushed around for 2 years on the defensive and the results are not happy. Let's try a little offensive strategy for a change.

Incentives To Sell Wheat

EXTENSION OF REMARKS
OF
HON. HUGH BUTLER
OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Incentives To Sell Wheat," published in the December 6 issue of the Nebraska Farmer. The closing sentence of the editorial reads as follows:

Should any of these plans be tried and found effective in speeding up the wheat market, it should also enable the Government to fulfill its export commitments sooner. That would take the Government out of the buying market and should ease the upward pressure on prices.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INCENTIVES TO SELL WHEAT

Farmers are holding a lot of wheat from the 1947 crop for later sale. They are doing so to benefit from lower income taxes by spreading their high 1947 wheat income over 2 years, as well as from a possible lower tax rate for 1948, and in the hope of a higher price.

Many big wheat growers are faced with the payment of 50 percent or more of their taxable income to Uncle Sam, if they sell their wheat this year, which means that $3 wheat would net them less than $2 per bushel. Should their 1948 crop be small, as indicated in some sections, by distributing their income over 2 years they would be in much lower tax brackets. Poor crop prospects plus the continuance of high exports to Europe for relief also are favorable factors for higher prices. In the face of poor wheat crop prospects and unprecedented exports of grain, many farmers think they would be foolish to empty their bins now.

Another factor which has held wheat off the market is the boxcar shortage, which makes it impossible to deliver wheat in many sections. All of these things make it difficult for the Government to find enough grain to take care of immediate export commitments and needs.

Among the suggestions for solution of the problem, the purchase certificate plan seems to have some merit. It would permit the Government to issue purchase certificates on wheat for immediate delivery, to be redeemed for cash at the current market price at the time of delivery or at any time the following year. Assuming that the Internal Revenue Bureau would agree, this would permit wheat sellers to report their income for next year, if the certificates were cashed after January 1, as well as to wait for what may be a higher market.

Senator HUGH BUTLER, of Nebraska, is author of a bill to stimulate wheat and rye sales by limiting income tax on them to 25 percent, plus the 3-percent normal tax, for a period of 1 year. This in principle is applying the capital-gains tax to wheat and rye income. There are good precedents, Mr. BUTLER contends.

The proceeds from the sale of oil and gas properties already enjoy a tax ceiling, and the Government has granted a tax concession to encourage the production of lumber. Wheat farmers are shut out of the world market, which is now about $6 per bushel f. o. b., because the Commodity Credit Corporation handles all grain exports. Meanwhile, coal can be exported through regular channels at soaring prices.

The Nebraska Senator drives home a telling argument by citing that grain trade speculators, who buy and hold futures for 6 months or more, are taxed on the basis of capital gains on any profits they make. He thinks the farmer who toiled and sweat to plant and harvest the crop is entitled to an even break with the speculator. And that sounds reasonable, too.

Should any of these plans be tried and found effective in speeding up wheat marketing, it should also enable the Government to fulfill its export commitments sooner. That would take the Government out of the buying market and should ease the upward pressure on prices.

Justice for Poland

EXTENSION OF REMARKS
OF
HON. HENRY CABOT LODGE, JR.
OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered on the subject of justice for Poland, on November 30, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is fitting and proper that we should dedicate a day to the Polish Army. It is particularly appropriate that we should remember it in this year of 1947 when the world has just finished a war, which was begun in the name of Polish integrity, which was fought for almost six long years in the name of human freedom and which, having ended, finds the world still with many places

where freedom is but a hollow mockery and with Poland in a condition which evokes our sincere concern.

In this spirit let us take a brief glance at Poland's past and express some hopes about Poland's future.

It is in many respects a tragic history, but also a noble one. We are apt to forget that from the tenth century until the first partitioning at the end of the eighteenth century, Poland was an enormous country, being as large as the German Empire, Switzerland, Belgium, Holland, and Denmark together and, among all the nations of Europe, being only exceeded in size by Russia. The Poland of those days was nonaggressive and tolerant. Offensive warfare was prohibited in the constitution. The King—who was elected—was compelled to swear that he would tolerate all sects and religious beliefs. The Polish constitution subscribed to the principles of Christian morality.

Then came the virtual end of Polish independence in 1696 when four kings were imposed by foreign powers to succeed John Sobieski. In 1795 Poland was erased from the map of Europe. A tragic era intervened, brightened only by the superhuman courage and love of country shown by Polish patriots who never gave up hope. May their devotion to their country be an inspiration to us all in America today.

Finally, in 1914, the forces of Polish patriotism returned to the attack, and after more than a century of oblivion a new Poland rose from the ashes—in the Latin phrase, that "Polonia Restituta," for which is named that distinguished and honored medal with which the Polish Government in 1930 decorated me. In 1918, when Poland came to life again, no one could foresee that she had only 20 years of grace before another frightful war would engulf her. But she went ahead manfully with the rehabilitation and modernization of her country.

You know the story of 1939: The German attack on Czechoslovakia and the Polish alliance with France and England, which were followed by the shock of the Soviet-German pact in August. The last rampart had fallen. Invasion came a week later.

We shall not forget the fury of Polish resistance during those 35 days of siege when the Warsaw radio played Chopin's immortal music and inspired the freedom-loving world. But even when Warsaw fell Polish courage never faltered. Thousands made their way to France and England seeking an opportunity to carry on the fight, which they did, on land and sea and in the air. In France at that time the Polish First Division lost almost half of its combat strength and the Polish Second Division was decorated by the French Government with the Croix de Guerre. The Poles fought everywhere—on and above the North Sea, in frozen Norway, and in the deserts of Libya.

It was my unforgettable privilege to serve alongside of the Polish troops in Italy in 1944. We were together in the Fifth Army. I was present at one of the early attacks on Monte Cassino in March 1944—an attack which failed in spite of 7 hours of continuous air bombardment and artillery barrage. Monte Cassino, as you know, controlled the whole Liri River Valley and the approach to Rome. Many had tried to reduce it, but none had succeeded. But the Polish troops captured it, opened the road to Rome, and changed the course of Allied battle in Italy.

I was present in Rome on a sunny August morning in the beautiful Piazza Venezia when the American General Devers decorated that gallant and dynamic soldier, Gen. Wladislaw Anders with the Order of Commander of the Legion of Merit. Much later in 1945, on a wintry day in eastern France, I saw General Anders decorate General Devers with the Polish War Cross—the order of Virtuti Militari, with its blue and black ribbon. During a long evening with General Anders we talked about his troops.

These things have given me a close personal interest in Poland, which I know is shared by many Americans who have not had a personal contact with Polish people. For every American, after all, knows about Kosciusko and his contribution to American independence and we all appreciate what Americans of Polish descent have brought to the development of our common country. We therefore support the stated official American policy—and I quote—whereby "The United States refuses to recognize any government imposed upon any nation by the force of any foreign power and whereby we approve no territorial changes unless they accord with the freely expressed wishes of the people concerned."

We support that policy—yes. We do more. We are disturbed about the future of Poland because it involves the future of every nation. The cause of Poland is the cause of world peace. For that reason and because of its performance as our gallant ally it evokes the complete sympathy of the American people.

At Yalta we joined in underwriting a guaranty of free elections. At Potsdam we joined in a guaranty of free ballots in those free elections, meaning that all democratic parties are to be admitted to the ballot in the free election. That is the Potsdam agreement as I read it. It seems to me a minimum of our obligation to our Polish allies.

There is yet another way in which we can help our Polish friends and help ourselves at the same time. I refer to the obligation resting on us to occupy Germany. We would be breaking faith with those who died in this terrible war, and we should be inviting future trouble for ourselves if we allowed the hard-won gains of this war to evaporate simply because we had lost interest in the future of Germany. But the job of occupying Germany goes against our grain and there are citizens of other countries who would do such work with more liking than we do. Prompt and detailed study, therefore, should be given to the practicability of recruiting a force among the stateless young men in Germany who would make a life work of policing the country. There are surely many there who would willingly join a properly organized military force, and who would not find the task of policing Germany uncongenial. There is the great possibility that such a program could materially reduce the demands on the United States to furnish occupation troops. It is indeed quite conceivable that such a constabulary could take over all functions except those to be performed by our American officers and by our technically trained troops. It might conceivably reduce American troop requirements in our zone in Germany to a few separate tank battalions. The idea should be thoroughly explored.

Today, we hear serious and tragic rumors about what is happening in Poland. American policy must, of course, be based on solid fact. I want my country to proceed vigorously with its announced policy. I don't want it to say things which it doesn't mean. I don't want it to be, as one high American official put it, "not unduly exacting about Poland." I want it to be very exacting, indeed about any principle for which it stands. I want it to do more than pass resolutions and utter pious words. They accomplish very little. I want my Government to use its strong bargaining position—and there is no stronger one in the world today—to implement its policies toward Poland and toward all the world. If peace is to exist there must be justice. There can be no justice if we do not keep our promises in word and in deed.

Plight of Widows of World War I

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Plight of Most Widows, World War I," from the St. Petersburg Legionnaire for October 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLIGHT OF MOST WIDOWS, WORLD WAR I

(By Mrs. A. T. Lubin, national corresponding secretary, Widows World War I, Inc., St. Petersburg, Fla.)

Perhaps no group of women are more forgotten than the widows of veterans of World War I. They are the middle group of the three major groups of veterans' widows. The first group are the elderly widows now about 75 years of age of the Spanish-American (and prior) wars. The second group are the middle-aged widows now about 55 years old of World War I. The third group are the young widows now about 25 years of age of World War II.

The public including Congressmen and Senators seems to be sympathetic to the first group due to age, and to the third group too because they can still be seen with their babies clinging to their skirts. But, the second group of the middle-aged widows of World War I is in immediate danger of being discriminated against now. Here are some facts about her.

She is "fiftyish" now. A few are still slender, ungrayed and youngish-looking, most of them look their ages. All of them now have first-hand experience of what the change of life means. She is in the peculiar position of being too young for old-age-benefits and for Social Security benefits, yet she is no longer wanted for employment in private industry. She gets neither the understanding of the decrepit-old, nor of the young widows with the babies.

Today, Mrs. World War I cannot be seen with her babies clinging to her skirt for the babies are married now and have rightfully gone their way. She gets little if any regular support from them—the children seem to need it all. Some of these widows reside with their in-laws, often where they are not wanted and made to feel it, too. Some cannot afford to reside alone, others want to but are the last to be considered in housing programs.

A little known but very vital fact about "Mrs. World War I" is that she could very well be called the doubly golden starred widow, because in an era when women in general did not work outside of the home, that she was the breadwinner and the home nurse for her sick, ailing husband often for years after the war.

Most widows of veterans of World War I did not lose their husbands during a war for the simple reason that our country had comparatively few casualties during World War I. But so many of these veterans were made permanently ill and unable to work at all or very little by the effects of gassing and shrapnel among other causes, so they did not die the swifter death during a war but many of them lingered on for years suffering all the time and therefore unable to support themselves, their children, and their

wives. Now "Mrs. World War I," who was the "Rose of One Man's Land," his home nurse and his breadwinner, a truly doubly golden starred widow is now in danger of being doubly-crossed by some of the "bills in the mill" now pending.

One of these bills would give a widow whose husband died during a war (either nonservice or service connected—but died during a war), $75 per month pension, but if either nonservice or service connected—but where the widow had been breadwinner and home nurse for years after a war to her husband—oh, a lower rank and lower income is good enough for her. (Oh death, where is thy sting? Huh?)

To the wife who was breadwinner and home nurse to her veteran husband, it makes no difference as to when, why, where, or how, her husband died—she did an angel job—there should be no rank-and-file amongst the widows of veterans therefore, although, of course, there must be rank-and-file in the military forces. Equality in rank and pensions for all widows of veterans of all wars is the only fair and just thing.

Then there is also "Mrs. World War I," who served as a United States Government clerk throughout World War II. She was not acceptable as a WAVE, WAC, SPAR, or marine due to physical unfitness and/or age. But she served in the same capacity as the majority of these uniformed women, sans the glory of the uniform, sans the pay-with-keep and special rates of the uniforms and sans the full veterans' benefits of the uniformed women. Yet when this particular group of World War I widows who were Federal clerks throughout World War II require medical attention now, they have the shame and humiliation of having to go to charity clinics for same. And many of them eventually will get pauper graves. I wouldn't be surprised if the static on the radio just now wasn't a chorus of dead World War I veterans turning over in their graves.

At least all widows of veterans of all wars who are now 50 years old and over should be granted full veterans' benefits and full equality amongst themselves. At present the widows of veterans of both World War I and of World War II lose their pension rights permanently by remarriage—this is unfair, as the widows of the Spanish-American War have this right to come back to the pension rolls after remarriage is dissolved either by death or divorce, if the latter is not due to her misconduct. This remarriage right should be granted to all widows of all wars, regardless of age, and it would also be of great benefit to the taxpayers, for a large percentage of the young widows of World War II especially, and a considerable percentage of those of World War I, would permanently be remarried if they had the Spanish-American War widows' "come-back right."

"Cast us not off in our old age," and remember that Mrs. World War I was the "Rose of One Man's Land," his home nurse, and his breadwinner.

American Dollars Sent Abroad

EXTENSION OF REMARKS

OF

HON. GEORGE B. SCHWABE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I think the American people are entitled to know something about how their money has been lent, given, and frittered away in foreign lands. The taxpayers of this country should be informed of the amounts of American money that have been sent abroad, and the countries and peoples who have received it. American dollars sent abroad, according to the views of our best thinkers, have been absolutely wasted. It has become a drain upon our economy and should not be continued indefinitely, despite the fact that the President apparently is insisting upon his so-called Marshall plan, a long-range program of giving to foreigners.

Many congressional leaders have said that since the fighting stopped, $20,000,000,000 of our money has already been given to some 59 countries. Here is where more than $13,000,000,000 went, prior to July 7, 1947, the date these figures were published:

Albania: Through UNRRA	$40,502,000
Argentina: Cultural and technical aid, bank credits	297,000
Austria: Supplies, bank credits, surplus property	63,000,000
Australia: Lend-lease and fixed war installations	54,894,000
Belgium: Loans, lend-lease, surplus property	494,000,000
Bolivia: Cultural and technical aid	245,000
Brazil: Bank credits, cultural and technical aid	70,680,000
Burma: Lend-lease	11,000,000
Canada: Alaska highway	138,312,000
Chile: Bank credits, cultural and technical aid	42,195,000
China: Export-Import Bank credits, surplus property, lend-lease	1,482,793,000
Colombia: Bank credits, cultural and technical aid	859,000
Costa Rica: Inter-American highway, cultural and technical aid	1,540,000
Cuba: Cultural and technical aid	190,000
Czechoslovakia: Export-Import Bank credits and surplus property	31,304,000
Denmark: Export-Import Bank credits and surplus property	40,000,000
Dominican Republic: Cultural and technical aid	75,000
Ecuador: Bank credits, cultural and technical aid	1,288,000
Egypt: War installations	11,800,000
El Salvador: Inter-American highway, cultural and technical aid	327,000
Ethiopia: Export-Import Bank credits and surplus property	4,000,000
Finland: Export-Import Bank credits and surplus property	92,500,000
France: Export-Import Bank credits and surplus property	1,950,000,000
Germany: Supplies	400,000,000
Great Britain: Loan, surplus property	4,400,000,000
Greece: Economic assistance, UNRRA, lend-lease surplus property	790,000,000
Guatemala: Inter-American Highway, cultural, and technical aid	627,000
Haiti: Cultural and technical aid	86,000
Honduras: Inter-American Highway, technical and cultural aid	418,000
Hungary: Surplus property	15,000,000
Iceland: Fixed war installations	65,000,000
India: Surplus property	$50,000,000
Italy: Economic relief, Export-Import Bank loans, special considerations	538,000,000
Iran: Surplus property, lend-lease	30,000,000
Iraq: Educational aid	41,000
Japan: Supplies	267,000,000
Korea: Supplies, surplus property	62,000,000
Lebanon: Educational aid	90,000
Liberia: Civic improvements	20,200,000
Mexico: Bank credits, cultural and technical aid	87,574,000
Netherlands: Export-Import Bank credits, lend-lease, surplus property	377,384,000
New Zealand: Surplus property, war installations	5,707,000
Nicaragua: Inter-American Highway, cultural and technical aid	2,430,000
Norway: Export-Import Bank credits, lend-lease	56,500,000
Panama: Inter-American Highway, cultural and technical aid	47,000
Paraguay: Cultural and technical aid	38,000
Peru: Bank credits, cultural and technical aid, war installations	2,930,000
Philippines: War claims	695,000,000
Poland: Export-Import Bank credits, surplus property	90,000,000
Portugal: War facilities	(1)
Saudi Arabia: Export-Import Bank credits, surplus property	12,000,000
Spain: War installations	136,000
Soviet Union: Lend-lease	250,000,000
Syria: Educational aid	10,000
Turkey: Economic and military aid, Export-Import Bank credits	270,000,000
Uruguay: Surplus property, cultural and technical aid	733,000
Venezuela: Cultural and technical aid	144,000
Yemen: Surplus property	1,000,000
Yugoslavia: UNRRA aid	(1)

[1] Value undetermined.

The above figures have been compiled by Prentice-Hall, Inc., one of our leading statistical firms in the United States, and used by me with their permission.

I suggest that all should stop, look, and listen. These figures do not include the expenditures through our military organizations, the interim-aid program, and the President's so-called Marshall plan, involving future expenditures of perhaps another $20,000,000,000.

An Opportunity—And a Challenge

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Frank E. Gannett, Rochester publisher, before an Ohio Republican audience in Columbus, Ohio, December 2, 1947:

Whether or not you agree with my views, I do hope that our meeting together will stimulate our thinking and deepen our interest in national and international affairs. It is my honest opinion that we are in the most

critical period in our history. Decisions to be made in our party conventions next summer and in the elections next fall may determine not only the future of America, but the future of the whole world.

The question that we must settle boils down to this: Are we the people going to control our Government as our forefathers provided in our Constitution, or is government going to control us? Are we going to be masters of government, or become its subjects and slaves?

MUST AWAKEN PUBLIC

We must awaken the public to a realization that our liberty and all our freedoms and our way of life are in danger. In most of this world today the sacred rights of the individual, which we enjoy and appreciate, have been abolished. In most of the world the state has become all-powerful.

We fought World War II to destroy the totalitarian states of Germany, Austria, Italy Japan. After great sacrifice of life and property, a cost of $275,000,000,000 and a million casualties, we overthrew Hitler, Mussolini and Tojo, only to see arise a more potent dictator in Stalin who has repeatedly declared that the Soviets must dominate the world. That is their goal.

In my trip last June around the world I saw evidence of intense activity by the Communists. You all know their technique. They hope by intrigue and lying propaganda, by clever, undercover work, by promoting discord, strikes and chaos, to make it possible for a minority to seize the government as they did when only a small, well-organized group overthrew the Czar of Russia.

MILLIONS UNDER STALIN

Since VE-day, with our consent, or at least without our opposition, Stalin has taken control of 12 countries adjacent to prewar Russia and thus brought many more millions of people under his dictatorship.

Today, in Italy and France, the Communists are in great strength. Indeed, they seriously threaten government in both these countries. Intolerable economic conditions may at any time put the people of those two once great countries in the chains of slavery to the Moscow Politburo.

Stalin can gain control of these nations without going to war. Indeed, even now he can march across Europe to the English Channel any time he decides to start and no one can stop him.

Greece, in spite of the financial help we have given her, is not safe from communism. As a matter of fact, there is great concern about the stability of its present government.

China, with its 400,000,000 wonderful people and great resources, is coveted by Stalin. He controls almost all of Manchuria and communistic forces are so strong in northern China and conditions are so bad in China that communism may ultimately prevail. General MacArthur told me that that would be a world disaster.

Even in India the plans of the Communists to promote riots, massacres, and chaos may open to Stalin the door of that great country, with its 400,000,000 population and enormous resources.

BUSY IN SOUTH AMERICA

We don't hear much about it, but in every country in South America the Reds are busy and making steady progress in their plans to get control of that great continent. William Green last week named a Mexican labor leader as Moscow's chief agent in Latin America.

Only America stands in the way of Stalin. We are the one hope of preventing Russian slavery from dominating the whole world.

That being the case, it certainly is of supreme importance that this great country which is only one-seventeenth of the world's surface and only about one-fourteenth of the world's population, must take every possible step to protect our future. War between Russia and America is unthinkable because it would mean such terrible destruction. I had hopes that the United Nations might promote lasting peace throughout the world, but so far Russia has blocked every important move in that organization and we have made no progress in plans to eliminate war. I don't expect war with Russia at present or at least for several years. Whether we shall have war with the Communists depends on the dictators in Moscow.

We must, however, realize that Russia is building up a great military machine. It is reported by our own officials that Russia now has more military planes than the United States. She certainly has a great army, many times larger than our own. She is working night and day to perfect her own atomic bomb and there is no question that she will sooner or later have it.

This situation is so tense and critical that we should be doing all that we can to make America powerful in every way. Our scientists and research men are developing new weapons. We must be ready to produce them in quantity quickly. If we should have war, there will be no one to hold off the foe while we prepare for battle.

I am glad to know that our military leaders are alert to the dangers in this situation, but I'll not be satisfied until we are sure that we are ready to defend ourselves against Russia or anybody else. Our liberty and freedom and what we have in America is all too precious not to be protected by the strongest means that can be developed.

REDS WANT DEPRESSION

As important as our military strength is the strength of our economy. The Reds are hoping that we shall have a great depression—collapse. Then, they say, people would turn to communism. So America must be prosperous. Our production must be increased. We must get our house in order in every respect. By improved tools and machinery, by increased production of all the things that we need, we can make America a land of giants, unmatchable in all the world.

But I am gravely concerned by the trend of the policies of our Government. Never has there been so much quackery, demagogery, ignorance, and stupidity as we are seeing today in Washington. What worries me is the fact that even some of our Republicans in Congress have been misled and do not seem to understand what the proposals of the Truman administration really mean.

On October 16, President Truman described price and wage controls and rationing as police state methods. And yet in his message to the special session of Congress on November 17, this same President Truman submitted a 10-point program which embodies what he had called police state methods.. He has asked Congress to impose police state methods on the American people in peacetime. He would revive here methods used by Hitler and Mussolini.

FOR A FREE ECONOMY

In wartime we had to submit to control of our economy so that everything could be devoted to winning the war, but in peacetime, there is no excuse for police state methods in America. I am glad that Senator ROBERT A. TAFT holds this same view.

It has been proved again and again that if you start on the road to a controlled economy, there is no end but full government control. If you try to control prices of any articles, you drive production into other channels, promote black markets and racketeering. England staggers under planned economy, socialism, and government controls. Today everything in that country is controlled and rationed, and the people have been getting less and less of everything. The standard of living has been driven down lower and lower.

Women stand in a queue for hours with a ration ticket with which to get one egg or an ounce of bacon once a week. Scarcities are increasing, and the ration tickets buy less and less.

The food on the English table, the clothes on the people's backs, the production of industry and its distribution, transportation, and everything else is controlled by the Government. Taxes have been increased and bureaucrats by the thousands have been given government jobs in the effort to control the lives of the English people.

Once our people accept controls, they will be extended until we will be in the same plight as the English people. If we accept controls at this time, we may never be able to throw them off.

WHY RISING PRICES?

The muddled thinking in Washington is the result of rising prices. The politicians fear that they will be blamed because everything is costing more. In their stupidity they don't understand that prices are the result of inflation. Prices are like a thermometer that reports the temperature of trade. We cannot affect the temperature by decreeing that the thermometer may go just so high and no higher. What we must do is to treat the fever. The fever is inflation. Prices merely tell us how aggravated the inflation is.

Some of the economic quacks may blame high prices on speculation, or profits, or labor unions, or the farmer, or marketing costs, or anything else, but the fact remains that our trouble is due to the decreasing value of our dollar.

Dr. F. A. Harper, a former Cornell economist, makes the situation clear by supposing that all of our goods were in a warehouse and that the warehouse had issued receipts for them. If we increase the number of warehouse receipts, we diminish the value of each receipt. Then no single receipt will obtain the full amount of goods called for on its face. Our dollar today is worth about 62 cents. That is why you have to pay more dollars for anything you buy. That is inflation.

INFLATION IS AT FAULT

Our inflation is due to the fact that the amount of our money, that is our warehouse receipts, has been tremendously increased by our Federal Government. If our Government had kept within its income our dollar today would be worth its face value, but instead of keeping within its income the Federal Government in the last 15 years since the New Deal took office has spent 1½ times the total of our national wealth in real property and in improvements—in other words, 1½ times the value of all our homes, offices, factories and farms.

Think of it: Our Federal Government has contracted debts equal to an average of $6,000 for every family in America.

All this debt becomes in effect purchasing power, immediate or remote. Two-fifths of this debt already has been turned into spendable money. Many bonds representing our debt have been turned into cash. The other three-fifths of this debt hangs as a threat over our money supply and hence over the buying power of every existing dollar.

Of course a great debt was created by the war, but our Government before the war had created a great deficit by unbusinesslike management of our Federal affairs.

MORE PAY AND LESS WORK

Much of this inflation is due to policies put in effect by President Truman himself. You will recall of course that after the war ended, President Truman made a plea for the

full employment bill. The Republicans in Congress refused to pass this legislative proposal.

Truman had predicted that by 1946 there would be eight million unemployed. He aided and abetted labor leaders in obtaining higher wages. That was like pouring gasoline on a fire. It was inflationary. It was in effect a more-pay-for-less-work policy. Higher prices were inevitable as a result of this inflationary move.

Had not ten million unemployed in 1939 been put to work producing more goods, our dollar today would be of still less value than it is.

The only way to correct the present distressing price situation is to increase our production more and more, decrease government expenditures and in every way possibly lessen the money in circulation so that the dollar ultimately may regain its face value in purchasing power.

For instance, today there is no excuse for the Government to carry on public works projects which could be postponed.

It would seem that any school boy should understand the cause and effects of inflation. But I doubt if President Truman himself understands these fundamental economic principles. He is more concerned with politics than with economics. He adopted the program drafted by the left-wingers, the CIO the Russian appeasers and Soviet followers in this country because he thought it would get him votes.

It was only because of a coalition of Republicans and Southern conservative Democrats that Congress did not adopt in toto in 1945 Truman's program which would have made this country a police state and still further increased inflation.

MONEY WORTHLESS IN CHINA

Unfortunately many have forgotten the inflation that swept Germany after the First World War when finally it required 3,000,000,000,000 marks to buy a dozen eggs. Today China is suffering from the same sort of inflation. When I was there in June an American dollar was worth 50,000 Chinese dollars. A friend in Shanghai recently wrote that he paid 110,000 Chinese dollars for a drink of Scotch whisky. I'll say emphatically that I don't think it was worth it, but that price indicates that money in China is becoming practically worthless.

Why, oh why, doesn't our Federal Government understand what is going on? Why doesn't it see what causes inflation and do something to check it?

The Constitution gives to Congress the power to coin money and regulate the value thereof. Thus Congress is authorized to increase the value of our dollar. There are many ways in which this can be done without resorting to police state methods.

Quoting Dr. Harper again: "High prices are not the criminal. They are the tracks of the criminal. If you were trying to protect your children against a bear in the forest, you would not feel that they were safe if you merely covered the bear tracks. That would be worse than doing nothing, for it would deprive the hunter of his only means of trailing the beast. The tracks reveal where the bear is. The children, if told that covering the tracks would take care of the matter, would be in more danger than before because they would acquire a false sense of security and would be thrown off their guard."

THE TRACKS OF INFLATION

So it is with inflation. High prices are the tracks of inflation, not inflation itself. Prices are the record of voluntary actions of consumers, acting freely in the market place, buying items of their individual choice at prices agreeable to them, using their own money for that purpose. They are not under compulsion to buy at any price.

Government loans are inflationary. Under the so-called Marshall plan—Marshall himself says it is not a plan but merely a proposal—16 nations of Europe got together and wrote a letter to Santa Claus. They would like to have us give them something like twenty or twenty-two billion dollars. Could anything be more absurd?

As General MacArthur well put it, "You can't buy democracy." Furthermore, there is no guarantee that any amount of money that we might spend in trying to rebuild Europe would check the spread of Communism. Surely the vast sum of money we already have spent in Europe has not lessened the threat of communism. And again, if we do rebuild Europe with billions and billions of dollars, there is no guarantee that these rebuilt countries will not become richer prizes for Stalin.

Where are we going to get any such sum of money as they ask? We would either have to issue more bonds and further dilute the value of our dollar so that it would buy still less than it does today, or the Government could get the money by levying additional taxes on the people. Aren't you paying enough taxes already?

MEANS HIGHER TAXES

Do you realize that 31 percent of the average person's income goes to the Government? In other words, you and I and others work 4 months of each year for the Government. If we are going to make loans of $26,000,000,000 to Europe, or a half a billion dollars to Europe as Congress is now proposing, money must come either from bonds or from taxes.

In any event, we, the people, will have to pay the cost.

Since the war ended we have poured into Europe $26,000,000,000, and what has that accomplished? We made a loan to Britain—really not a loan, but a gift—of 3¾ billion dollars only a little more than a year ago. This money has been spent, and there is no evidence that it has improved conditions in England in any way. Churchill and Lord Beaverbrook charge that the money was wasted. This Santa Claus letter from the 16 nations asking for some $20,000,000,000 includes, as I understand it, a request from Britain for another $8,000,000,000 to help finance its socialistic government.

By the way, no one yet has had full information about this Santa Claus proposal. We don't know exactly what the requests are from the various nations or what they propose to do with the money, but we are told that we are not to have any part in even suggesting how they should use these billions that they ask us to give them.

As I said before, the Governments of Italy and France are in danger of becoming communistic, and yet today Congress is proposing to pour millions of our dollars into these countries.

In France a million workers are on strike. Are we to provide money for these strikers who are not willing to work? Are we to provide money for any people who depend on their government for their maintenance?

NEED FOOD, NOT DOLLARS

I yield to no one in my desire to do all we can to feed the hungry in the war-devastated countries. If we are going to help feed these hungry people we should send them food, not dollars. We should see that the food reaches the people that need it. I should like to see an organization like our American Red Cross set up in Europe to administer the distribution of food so that it helps hungry people rather than some socialistic government. I would not trust any of those governments with a dollar intended for general relief purposes.

Our people are suffering from inflation. The high prices that we are paying for everything are oppressive. Our taxes should be cut so that we could better bear the burden. Mr. Truman's Secretary of the Treasury, Mr. Snyder, and the President himself are opposing cutting taxes. They seem to think it is a good thing for us to pay taxes and that it will help our economy. They say that the money paid for taxes will be withdrawn from buying power. If their theory is true, why don't they advocate higher taxes? They can't answer that question without revealing how stupid and how costly it is for President Truman to veto bills that would reduce taxes. Reducing taxes would give the public more purchasing power without increasing prices. The New Dealers want the Government rather than the people to do the spending.

Another proposal by the Government is to have the power to allocate goods and materials. Not knowing that there is a bear in the forest that should be hunted down, they are crying, "Emergency, emergency." We are having a "government of crises"—crisis after crisis. It would empower the Government to give materials to one manufacturer and withhold them from another. The police state could punish an enemy and reward a friend. By its allocation, it could close down any factory and throw thousands of innocent workers out of jobs.

There is no reason whatsoever for this proposal of price control, of rationing or allocation. They are puny efforts to cover up the bear's tracks. They make inflation worse, not less.

CHALLENGE TO REPUBLICANISM

Here is a great opportunity for the Republican Party. It should be unitedly opposed to these outrageous proposals. It should stand four-square and all together in defense of one of our important freedoms—the freedom of choice in the market places, without interference by the police state.

Anyone who has been abroad has seen the destruction in the moral fiber of the people where black markets and other rackets thrive. It fills anyone with fear that it may happen here.

Let me offer a few suggestions:

Instead of resorting to measures to lessen production, the Government should do everything possible to encourage production.

It can and should reduce taxes. It could urge a tax system that would increase incentives to people to work and produce.

It could advocate repeal of laws passed by the early New Deal which aimed at creating inflation.

The Government could sponsor an honest day's work for honest pay. It could urge a longer workweek so that production might be increased.

It could suspend all unnecessary and expensive Federal projects that compete for materials and add to the inflation spiral.

It could reduce Federal spending. It is necessary to keep the budget balanced or overbalanced. An unbalanced budget adds to inflation.

Such a program and many things along the same line would be much better than going back to ration tickets. Secretary Harriman and Secretary Snyder are asking for powers to put price controls on oil and coal and to ration gasoline and fuel oil again. Do you remember the rackets and black markets we had during the war?

They also want authority to limit the holding of grain on the farm. In other words, they would force the farmer to sell his grain as the police state may order. Thus the police state could interfere with the farmers constitutional rights to his property. Forcing a farmer to sell grain is like the Hitler and Stalin policies.

MORE BUREAUCRATIC BUNGLING

Then, too, they urge that steel be allocated to the most essential programs. Who is to determine what is the most essential programs? Why, of course, the officials of our police state. Some bureaucrat in Washington.

Instead of holding out their palms for billions of dollars from us, why don't the people of Europe follow Belgium's example? Those fine people knew about inflation because

Hitler had tried to destroy Belgium by the easiest means—inflating their currency.

The first thing the Belgians did after the war was to provide money in which people would have confidence. But that is only half the problem. If money can't be exchanged for things people want, it loses value, no matter what governments do. So Belgium backed up its money with goods that Belgians could buy. It took off police control. It welcomed labor from any source. It got the coal mines started and its factories rolling by letting the rewards of competitive work, in goods and money, operate as incentives to work. It stayed out of fool's paradise, the false social security promised by socialistic governments, and urged the people to produce and gave them a reward for producing.

NO INCENTIVE TO WORK

One of the causes of England's tragic plight is the fact that there are no incentives for work. No matter how much time you put in on a job and how much money you get, your real reward is limited to the number of ration tickets you are allowed.

In Belgium with free enterprise at work, the people are getting clothes, shoes, toys, cigarettes, radios, washing machines, automobiles. Belgium is making great progress and is the brightest spot in all Europe today. If the rest of Europe would follow their example, they would not need to seek loans or gifts from us. For those doubting Thomases and skeptics who don't believe in the American way of life, I should like to recommend a study of what Belgium is doing.

Of course we are eager to see the nations of Europe back on their feet. We want to help them. The best way to assist them is to give them the know-how, give them encouragement and spiritual uplift. For instance, I would favor sending a thousand of our county farm agents into Germany for a year under competent leadership. They could teach the Germans better methods for producing food and show them how to produce more food. That would be still better than sending food to them from America.

A score of American businessmen by their suggestions and advice to industrial management could do more to rebuild Europe than unlimited billions of dollars in loans or gifts.

In the meantime, I am hoping that the Republicans in Congress will give us leadership in straight thinking on the problems that confront us. Anyone who favors controls, restrictions and a police state as advocated by the Truman administration, should realize that he is endorsing the Hitler-Stalin system and that it means a tragic end to our liberty and freedom.

OUR OWN BLESSINGS

Returning from my trip around the world, I was more impressed than ever that we have so much more than any other people on the globe. In spite of the great mistakes made by our Government since New Dealism got in power, in spite of the great burden of a crushing debt and a wild spending national Government, we still have full employment and the highest standard of living in the world.

We have obtained this enviable position of being the greatest, richest and most powerful Nation because our Constitution gives to every one an opportunity to work in any field of activity that he may choose. It gives to him reward for his effort which cannot be taken away from him without due process of law.

Here we have incentives. The promise of rewards spurred men on to clearing the land of forests, bridging rivers, tunneling mountains, building railroads, developing our great cities. All this progress was made not by the Government, but by individuals, free and unrestricted.

In 150 years we made more progress than had been made in all the preceding centuries. If we will only cling to the same methods and to our constitutional Government, we are sure to make still greater progress in the years to come. The Republican party must rise to this great opportunity and accept this challenge. Never was there such a need for a united party as there is today. A united Republican party under wide leadership can save America and protect us against any attack.

South's Man of the Year

EXTENSION OF REMARKS
OF
HON. LAURIE C. BATTLE
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. BATTLE. Mr. Speaker, in the South we have a great many businessmen with "social consciences." I believe Mr. Tom Martin, of Birmingham, exemplifies this type of businessman. I would like to place in the RECORD an article written by Hubert Lee, editor of Dixie Business, describing his selection of the South's man of the year.

For distinguished service to the South, Dixie Business has selected Thomas W. Martin, chairman of the board of trustees of the Southern Research Institute and president of the Alabama Power Co., as the South's man of the year for 1946.

In fathering the Southern Research Institute, Mr. Martin has made one of the greatest contributions to the development of the South since the turn of the century.

In honoring Mr. Martin, Dixie Business honors the scores of men over the South who have worked with him in making the institute possible. What Mr. Martin has done has not been done alone. Late in November, leading scientists from over the Nation gathered in Birmingham for the institute's annual meeting and were quoted by the Birmingham newspapers as being high in their praise of Mr. Martin.

More than a score of distinguished leaders over the South were nominated, through letters and telephone conversations, during the past 2 months. Each of the nominees has rendered signal service to this section. And not lightly has the final decision been made.

One letter nominating Mr. Martin said, in part, "I nominate Mr. Martin * * * for his remarkable accomplishments in establishing and putting under way the Southern Research Institute. For the first time in the history of the South, southern businessmen largely have voluntarily contributed in excess of $1,000,000 for capital funds for the institute. Starting with a director and 1 man in October 1944, the institute became self-sustaining in April 1945 and has grown to a staff of 38 scientists and 15 clerical and administrative members of the staff."

In an editorial following the diamond jubilee in Birmingham in November, the Anniston Star, published by Col. Harry M. Ayers, said that the industrial diversification promoted by the Alabama Power Co. has been farsighted and intelligent in every way, * * * whose great president, Tom Martin, is responsible for the Southern Research Institute."

Mr. Martin also had a leading part in the development of the proposed newsprint plant at Childersburg, Ala. He was chairman of the Talladega County War Plants Reconversion Committee, which sponsored the original engineering study of the facilities of the Alabama Ordnance Works at Childersburg, which, in turn, led to the formation of the Coosa River Newsprint Co. Mr. Martin is a stockholder and director in this company, a prominent newspaper publisher who also had an important part in this project, informs us.

The Birmingham News, in an editorial November 26, during the second annual meeting of the advisory council of the Southern Research Institute, said in part, "In the South the need for such work is even greater than in other sections of the Nation," in pointing out the contribution research plays in the development of new products, new processes, and techniques. "Many Alabamians have been aware of that need for some years. The Southern Research Institute maintained in Birmingham by the generous gifts and active enthusiasm of many citizens and companies in this region has already rendered a distinct service to the section and the country as a whole. Such public-spirited residents of Alabama as Thomas W. Martin, leading spirit in establishment of the institute, have indicated how they recognize the importance of southern research for southern advancement by their whole-hearted and all-out support of this work. It is their enthusiasm and their recognition of the need for finding new ways of using the South's products and the South's labor supply for the benefit of southern people that underlies this second annual meeting of the advisory council."

Business Week magazine, in the November 16 issue, devoted a full-page article with pictures telling about Mr. Martin quickly backing a plan proposed by Milton H. Fies for burning unmined coal to produce gas for industrial use. We like Ralph Smith's (editor of Business Week) use of that word "backing" for it has been through backing so many projects and giving his time and service to seeing them through that Mr. Martin has made so great a contribution to the development of his State and the South—and therefore to the Nation.

Through backing so many worth-while projects, Mr. Martin has merited the backing given him by hundreds of prominent leaders. In the Southern Research Institute and other programs he has served as "wheel horse" in helping make possible.

On December 4 Mr. Martin was guest of honor at a luncheon given by leading citizens of Gadsden, where 40 years ago the Alabama Power Co. was started by the late Capt. William P. Lay with a capital of $5,000. There, according to Fred Taylor in a news story in the Birmingham News, Mr. Martin was characterized as "the greatest citizen of Alabama today."

Our good friend John M. Ward, executive vice president of the Alabama State Chamber of Commerce, voiced the sentiment of many men when he wrote us: "Mr. Martin's services to the South are not confined to any one particular project in any one State. For years he has been one of the outstanding men of action with vision and faith in the South's possibilities. His own company, the Alabama Power Co., has probably taken the lead and set the pace among Southern utilities in a number of important programs. In its cooperative program with agriculture and the rural communities, the company has done an excellent job. Mr. Martin was one of the original organizers of the Alabama State Chamber of Commerce and has served continuously as a member of its executive committee. He was head of the committee for economic development in this State. He has been honored by more than one organization during recent years and designated as Alabama's first and most useful citizen. In the splendid success he has had in this State in the conversion of Government-owned wartime facilities to peacetime operation he has taken the lead, having served as chairman of the Talladega war plants conversion committee and other groups. * * * He has been in the forefront of every movement of which I have knowledge during the past 10 years that was for the

further economic development of our State and the entire South.

"Mr. Martin's interests are varied. He has had honorary degrees conferred upon him by educational institutions and, I believe, Dixie Business will honor itself and the South in selecting Mr. Martin."

Editors and publishers over several States have agreed with our selection of Mr. Martin, as well as others who have written us following the news dispatches announcing it for release December 8. On that date Robert W. Kincey, in his Business and Industry column in the Birmingham News wrote:

"Hubert Lee, editor of Dixie Business, Atlanta, has selected Birmingham's Thomas W. Martin as the South's man of the year. Hubert wrote this department a couple of weeks ago and suggested several of the South's most prominent men had been mentioned for the honor and distinction, among them Mr. Martin. Since Hubert invited a suggestion from this department, he was told to look no further. Surely when Mr. Martin's record is reviewed, it would be difficult to find a man more genuinely deserving of this recognition than Thomas W. Martin, president of the Alabama Power Co., chairman of the Southern Research Institute, public-spirited and public-minded citizen, gentleman, and scholar. Mr. Martin's picture will be carried on the cover of the winter edition of Hubert's magazine with a detailed account of Mr. Martin's activities during the past year carried in story form."

Mr. Martin, in 1940, was made an Officer d'Académie by the Republic of France, in recognition of his writings on early French military activities in Alabama, and the French settlement at Demopolis, Ala., called the Vine and Olive Colony. He was decorated with the Palmes Académiques, France's highest recognition to men of letters, arts and sciences. Mr. Martin's historical data on early French settlers and French colonies in Alabama has been given a prominent place in the National Archives of France, the National Institute and Public Libraries of Paris.

He recently received from the President of Finland the insignia of Knight of the White Rose of Finland for his work in 1940 as chairman in Alabama of the Committee for Finnish Relief.

The chambers of commerce of southeast Alabama in 1945 awarded Mr. Martin a silver loving cup inscribed with the designation as "Alabama's most useful citizen." The Alabama State Chamber of Commerce at its last annual meeting passed a resolution commending Mr. Martin for his efforts on behalf of the Southern Research Institute.

Born August 13, 1881, at Scottsboro, Ala., and educated in public and preparatory schools and law department of the University of Alabama, Mr. Martin began practicing law at Montgomery, in 1901; served as assistant attorney general of Alabama from 1903 to 1911. In 1912 he became general counsel of Alabama Power Co., was elected vice president in 1915. On February 18, 1920, he became president, succeeding the late James Mitchell, brother of W. E. Mitchell, president of the Georgia Power Co. In 1920 Mr. Martin was elected president of the Alabama Traction, Power & Light Co., Ltd., succeeding Mr. Mitchell, and upon organization of the Southeastern Power & Light Co. in 1924, he became its president, serving in that capacity until 1930 when that company was merged with the Commonwealth and Southern Corp. Upon the organization of the Commonwealth and Southern Corp. in 1929, Mr. Martin became its president and served in that capacity until June 1932.

Probably no other public-utility official, except the late Preston W. Arkwright, of the Georgia Power Co., who died December 2, has had such a distinguished career.

As editor of Dixie Business, which we founded in 1929, we have known and written about many of the South's great leaders. We have followed Mr. Martin's efforts during these years and found them worthy. He has that greatest of all faculties, that of working with and through people.

It would take more than our 20 pages of this magazine to list the names of all the men who share the honors that have been awarded Mr. Martin—by their working with him on so many projects.

In selecting Mr. Martin as the South's Man of the Year we honor those who have worked with him and who achieved with him. Mr. Martin would be the first to pay tribute to them—particularly to the late Robert Strickland, Atlanta's distinguished banker, who played a leading role in the formation of the Southern Research Institute and whose efforts for the development of agriculture will not soon be forgotten.

A Report on Our Grazing Lands

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. HORAN. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD at this time a report on the work being done on our Nation's grazing lands, which I have prepared with the cooperation of the various government agencies having such lands under their control. At the end of the report, I desire also to publish a chart showing some very interesting statistics regarding the revenues of our rangelands and the amount spent on their upkeep and improvement.

The report follows:

The current "save wheat" campaign has placed a tremendous burden on the grazing lands of the United States. For if a greater portion of the Nation's grains are to be shipped overseas for foreign relief, the vast bulk of our meat supply must be fattened on grasslands.

With this fact in mind, I asked the heads of all administrative agencies responsible for grazing lands to report to me regarding the steps being taken to preserve and improve our public pastures and to safeguard them against any harm which might result from overgrazing.

General reports from across the country in recent months have indicated that, while grazing has been more intensive this year than in most years, very little range land has been subjected to the same degree of overuse that most cropland has suffered. However, there are some signs that we should be doing more to increase the availability of grazing lands and to make these lands more secure as an alternate to grain feeding of cattle during these days of crop shortage. It also appears we need better coordination of effort among the various agencies administering range lands, to gain the best use of all available pasture.

RESEARCH NEEDED

Considerably less than one-third of the revenue from grazing fees is devoted to research and range improvements, the survey shows. While gross revenues for fiscal 1947 totaled $6,491,498.45 on the 303,964,126 acres of Federal land used for grazing purposes, only approximately $2,000,000 was spent on reseeding and improvement. About $350,000 was devoted to research on methods of preserving or improving grazing lands.

The amounts spent for research and improvement could not be accurately stated in some instances, because benefits to grazing purposes from Fish and Wildlife Service as well as from national defense funds were described as only incidental to other primary uses for those moneys.

WHAT THEY REPORTED

Most research on range improvement is performed by the Forest Service, which last year spent $330,000 of its $2,250,000 in revenue. An additional $535,000 was spent for range improvements by that agency.

The Bureau of Land Management, which controls 163,784,000 acres, or more than half of the Nation's public range land, collected slightly more than $1,000,000 during 1947. Of this amount, it spent $15,540 for research and $794,350 for reseeding and improvements, a much greater proportion than any other agency.

The National Park Service used no money for research or improvements. Its revenue from grazing fees, however, was only $13,776.67. The Bureau of Indian Affairs spent $146,000 of its $1,438,000 grazing income for improvement but relies on other sources for research information. The Bureau of Reclamation, which took in $56,890.58 for grazing on its half-million acres during calendar 1946, spent nothing on range improvements. The Tennessee Valley Authority ploughed most of its $44,378 grazing revenues back into improvements on its small acreage.

NATIONAL DEFENSE RESERVES

The Army and Navy together control 3,117,714 acres of land in protective areas. Grazing fees on these lands last year were $1,138,713 but the only effort the services put into their conservation was the nominal amount necessary for security purposes.

The Soil Conservation Service, which has an important responsibility in this regard, spent $550,000 last year on research and improvements, much of which can be considered to be more of benefit to the country as a whole, rather than devoted merely to the 6,500,000 acres the agency administers. Its grazing fees were $335,000.

REVENUES WILL INCREASE

The survey showed that revenues from all public range land should increase next year by from 10 to 30 percent. Only the TVA, which will have less land available for grazing, expects a drop. The total increase should amount to nearly $1,000,000.

Most of the agencies are devoting about the same proportion of their revenues to improvement this year as they used last year.

The Bureaus of Land Management and Indian Affairs will increase their work on improvement next year. Soil Conservation Service, however, has $185,000 less for work on grazing lands in 1948 than it had for the fiscal year just closed.

FUTURE PROSPECTS

The probabilities regarding work on our range lands are indefinite at this time. However, I am confident the Agriculture and Public Lands Committees, faced with a realization of the important role our grazing lands must play in the world agricultural picture during the next few years, will give considerable thought to whether enough is being done toward conserving and improving those lands. Of course, almost any work done on grazing lands automatically aids in watershed protection, moisture control, and the production of healthier, heavier livestock. Through such methods alone can we safely increase our use of these lands and thereby save much-needed feed grains.

United States grazing lands

[Compiled by Hon. WALT HORAN]

Department	Bureau	Number of acres	Gross revenue, 1947	Gross revenue anticipated, 1948	Expended research, improvements, 1947		Estimate improvements, 1948
					Research	Improvements	
Interior	National Park Service	1,705,780.00	$13,776.67	Same	None	None	Same.
Do	Indian Affairs	44,311,000.00	1,438,000.00	Slightly higher	do	$146,000	$180,000.
Do	Bureau of Land Management	163,784,000.00	1,058,827.00	$1,470,638	$15,540	$794,350	$858,000.
Do	Bureau of Reclamation	492,791.32	[2] 56,890.58	Same	None	None	None.
Do	Fish and Wildlife Service	853,207.00	112,140.20	do	Incidental [3]	$40,000	Same.
Defense	Army	3,017,427.00	1,069,135.00	Slightly higher	Nominal	Nominal	Slightly higher.
Do	Navy	100,287.00	60,378.00	do	do	do	Do.
Agriculture	Forest Service	83,165,918.60	2,293,773.00	$2,500,000	$330,000	$535,000	Same as 1947.
Do	Soil Conservation	6,493,893.00	335,000.00	$440,000	None [4]	$350,000	$365,000.
TVA		39,823.00	44,378.00	Approximately 25 percent less.[1]	do	$30,000	Approximately 25 percent less.[1]
Total		303,964,126.32	6,491,498.45				

[1] Reduced acreage expected.
[2] Some benefit from research for wildlife improvement.
[3] Calendar year 1946.
[4] This amount included under improvements.

Communist Party Should Be Outlawed

EXTENSION OF REMARKS
OF
HON. WILLIAM C. COLE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. COLE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George A. Blasser from the National Republic:

IT SHOULD BE OUTLAWED

(By George A. Blasser)

The National Republic has consistently recommended to the Congress of the United States, to our State legislatures, to our city and county governmental units: The Communist Party should be outlawed and its activities systematically suppressed, since it is committed to the criminal purpose of the destruction of American Constitutional Government by force and violence.

Approximately half of our 48 States have followed this recommendation, at least to the extent of denying the Communist Party a place on the ballot.

However, in the last Congress—and in discussion groups throughout the Nation—it has been revealed that many patriotic anti-Communists are not convinced that the Communist Party should be outlawed. Because of the many misconceptions which prevail on this subject, we feel it worth while to devote this article to consideration and refutation of the arguments which have been advanced in opposition to the National Republic program for outlawing the Communist Party.

In the first place, some have asked the question: Would this not be a violation of the fundamental right of people in America to organize and function through a political party? The answer is, "No." The Communist Party is not a legitimate political organization—any more than a group of doctors operating an illegal narcotics ring would constitute a legitimate medical enterprise.

By its own declaration of aims and purposes, the Communist Party is engaged in a criminal conspiracy and operation: the advocacy and projected overthrow of the American Government by force and violence. The Attorney General of the United States has abundantly demonstrated that this is the true objective of the Communist Party as has the National Republic and as have various congressional committees.

The policy of the Communist Party is simply this: even though it loses at the ballot box, it proposes "when the time is ripe" to unlawfully seize control of the government by armed insurrection. For the protection of "ballot-box government"—the rule of the majority—any political organization committed to the use of "bullets instead of ballots" should and must be outlawed and rigorously suppressed, just as gangsterism is outlawed and suppressed.

By committing itself to the criminal purpose of bloody revolution, the Communist Party has made itself an outlaw organization. By serving as an arm of a foreign enemy it is also an outlaw force. The only question for the American people to decide, through their elected representatives, is this: Shall we regard the Communist Party as a criminal organization? Shall we deal with it—as we would with any other criminal organization and foreign espionage organization bent upon attaining its end by bloodshed and violence? Or shall we permit the masquerade to continue—whereby at election time the Reds pose as representing a legitimate political party?

The argument has been advanced that the outlawing of the Communist Party would drive the organization underground. Outlawing the dope traffic, gambling, and bank robbery probably drives these criminal gangs underground also. Is it not better to force the criminal Communist conspirators underground than to permit them to operate in the legitimate political arena, masquerading as an American political organization? Furthermore, the Reds are already busily working underground.

The fact of the matter is that the Communist Party always maintains an underground organization, even when it is permitted to pose as a respectable organization. As the American wing of the Red International, the Communist Party has always been directed by underground connections from Moscow. Communist Party literature directs its members to maintain the vitality and integrity of their underground organization.

Following World War I, the Reds were driven underground by the vigorous prosecution of Woodrow Wilson's Attorney General, A. Mitchell Palmer. In the early 1920's, the anti-Red crusade was relaxed. According to William Z. Foster, now head of the Communist Party in the United States, the Reds have been careful to maintain their underground organization, since they never know when they may find it the only vehicle through which they can operate. Suppose the Reds should go underground again? The answer to that is we know who they are and their habitat and the situation requires vigorous suppression of them, wherever they may seek to hide and endeavor to carry on their criminal conspiracy against the Government of the United States.

The argument has been offered that outlawing the Communist Party would really help the organization—by making "martyrs" of Reds and by forcing them "underground." This claim is completely upset by the attitude of the Reds themselves. If it would help them to be "outlawed," they certainly would not be fighting with all their resources against this proposal. They know that if they are made illegal they can be seized without awaiting their violation of some other law and they know that if driven underground they cannot reach the masses and their "fronts" will be shattered.

The simple fact is that the Reds in America fear nothing more than the outlawing of their party. When Congress was considering this legislation, the Communist Party purchased full-page advertisements in leading newspapers to carry on bitter protests against such action aimed at their organization. The Reds well know that to be deprived of legal status would deprive them of prestige, cripple their propaganda machine, and seriously interfere with their whole program for deceiving and misleading their millions of fellow travelers throughout the Nation.

It has been suggested that, by permitting the Communist Party to operate in the open, we can keep a closer eye on it and know what it is up to. But this is fallacious reasoning. The real plans of the Reds are always kept as closely guarded secrets in the inner council of the underground conspirators and their membership lists and financial records are always hidden. In its electioneering, in its above-ground political activity, the Communist Party spreads only propaganda intended to deceive and agitate the people for the purpose of creating class and racial hatred and to undermine our Government. In the legitimate political arena, the Reds always pose as champions of the worker, friends of civil liberty, and advocates of higher wages, larger old-age pensions, and racial freedom. In reality, the Communist Party plans a world-wide dictatorship under which all peoples will be pauperized, all liberty will be destroyed, all workers will be made slaves of the Soviet state, all elderly people will be turned out to starve.

In outlawing the Communist Party, we would simply be denying it a propaganda forum through which it could continue to deceive multitudes of our people. Through false and deceptive propaganda, the Reds have been able to recruit millions of pinkish liberals and fellow travelers to the banner of sovietism. By depriving the Reds of their

legal standing as a political organization we would be taking away from them the very basis upon which they have promoted the deception and misleadership of their legions of suckers and dupes.

Much sentimental nonsense has been uttered regarding the violation of civil rights that would be involved in outlawing the Communist Party. Any American who knows the difference between liberty and license can recognize the flaw in this form of argument. It is not a denial of freedom of speech to put in jail the man who stands on the street corner speaking insulting obscenities to every woman who passes by. It is not a denial of freedom of speech to deny to the Reds the right to agitate for the establishment of Red tyranny with its system of prostitution enforced upon all women.

No civil liberties are violated when men are denied the right to come together, assemble, talk and plan and scheme to rob banks, burn churches, and engage in other criminal enterprises. There is no more reason for permitting Communists to come together and organize politically for the violent overthrow of the American Government than there is to legalize the conspiracies of other criminal gangs intent upon criminal acts.

Every true lover of free speech will favor the suppression of all groups intent upon destroying free speech under Red dictatorship. Every believer in government by the ballot box will be vigilant to suppress movements which would substitute bullets for ballots.

It would be dumb stupidity to permit the sworn enemies of free speech to use it for the destruction of free speech. It would be absurd to permit the enemies of free government to use the institutions of free government for its own destruction.

The Marshall plan involves the expenditure of billions of dollars for the defense of America from communism. Communism in control in China, England, France, and Italy would seriously menace us here. Is it not an oversight to slam the door on Communist expansion abroad, while permitting its free advancement and propagation here at home?

So long as the Communist Party is permitted to function as a legal organization, its agents will be enabled to work as termites, undermining the very temple of American free institutions.

Is it not time to deal with these termites?

Is it not time to recognize the Communist Party for what it is?

The Logic of Peace

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Friday, December 12 (legislative day of Thursday, December 4), 1947

Mr. PEPPER. Mr. President, I wish to have printed in the Appendix of the RECORD, by unanimous consent, an article entitled "The Logic of Peace," by Prof. Ralph Barton Perry, published in the December 1947 issue of the Atlantic Magazine.

At this time, when all of us are searching for an honorable way to a permanent peace for our country and our world, I commend this article to those who are fortunate enough to read it. Prof. Ralph Barton Perry for many years taught philosophy at Harvard under Presidents Eliot, Lowell, and Conant. From 1940 to 1945 he was chairman of the American Defense Group at Harvard University, during which time he made a great contribution to the winning of the war. I therefore ask unanimous consent to incorporate in the Appendix of the RECORD this very able discussion of the most vital matter of obtaining and preserving peace for our country and our world.

I have received from the Public Printer an estimate that the manuscript will make three and one-half pages of the RECORD, at a cost of $248.50.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LOGIC OF PEACE

(By Ralph Barton Perry)

I

In the hostile alinement between communism and western democracy the United States occupies a peculiar position. It is impossible for an American to live abroad and to read European newspapers without being struck by the profound paradox that the fear of communism is as pervasive and powerful an emotion in this country, in which there is, practically speaking, no communism, as in other parts of the world where communism abounds. In Italy and France the Communist Party is the strongest party, if not numerically, then through its unity and discipline, and through its control of organized labor. It is doubtful if any government can long stand in either country without the support of the Communist Party; and it is quite possible that both countries will have a Communist government within the next few years. If this occurs it will be because of internal conditions; because a majority of the people believe that this party has the answers to the most pressing questions of the day; because it has provided active and courageous support for the resistance movement during the war, and therefore has a strong moral position; or because of a growing economic chaos in which people are inclined to resort to desperate measures.

There are strong if not dominant Communist Parties in every European country outside of Britain and Scandinavia: in Belgium, the Netherlands, Czechoslavakia, Hungary, Greece, Germany. There are, presumably at least, eighty million or more Communists or Communist supporters in China, Manchuria, and Korea. What will happen in India, Burma, Indochina, and Malaya, no one knows; but it will be remarkable if communism does not become a powerful force throughout the entire Far East. Add these areas and peoples to those which are already governed by Communist Parties or Communist-dominated fronts—Soviet Russia, Poland, Yugoslavia, Rumania, Bulgaria, Albania—and it is a modest statement to say that half of the world is actually or potentially Communist.

Those who live outside of Britain and the United States are, then, already living with Communists as their fellow-citizens, or next door to Communist-dominated countries. They cannot get rid of communism by the use of disinfectants, congressional committees, or inquisitions. Their situation is what ours would be if either the Republican or the Democratic Party were Communist and a Presidential election were impending. They cannot be purged of Communists any more than the United States can be purged of Republicans or Democrats.

When, on the other hand, we turn to the United States, the picture is totally different. Communists are few in number; and even recognizing the proportionally greater influence which they exercise through their discipline and fanatical devotion to their cause, their power is negligible. Because American communism has been driven underground, because American Communists dare not acknowledge their party membership, Americans suffer from a conspiratorial complex, a fear like that of a haunted house at midnight. Since we cannot identify Communists in the full light of day, we see them everywhere, and in our panic strike out at random against any sudden apparition.

The real danger, if danger it be, is not communism, but a social and economic movement toward the left, a movement known by various names, such as liberalism, radicalism, the New Deal, or collectivism—the danger that workers may achieve a larger share of the control and benefits of industry, the danger that Negroes may achieve their rights, the danger that the masses of the people may learn to exercise their power, the danger that something may be taken away from the privileged and given to the underprivileged. This is the real danger.

But since it would scarcely do in America to aline oneself against what so closely resembles our original equalitarian ideals, since this danger in large part coincides with what was once called hope and has been held up before our people as their legitimate aspiration, it is often given the bad name of communism in order to excite hostility against it; as, for example, when the superheated advocates of white supremacy give the name of Communist to those who use the word "Negro" in place of the word "nigger." The label is extended to include not only real Communists, that is, members of the Communist Party, but those who share with Communists any tendency to leftism—fellow travelers with communism, fellow travelers with fellow travelers, and so ad infinitum. Hence, in America everybody on the left, every effective advocate of radical change and social betterment, is called a Communist by those on the right who prefer things as they are, or prefer to move more slowly.

Such being the nature of the crisis, there are two strategies which we may adopt—the strategy of war and the strategy of peace. Faced with this choice and the present confused state of the American mind, I wish here to defend the thesis that we should, for some years at least, consciously and methodically pursue the strategy of peace.

II

The logic of war rests on the supposition that conflict is inevitable: At the present time, it rests on the supposition that the world cannot exist half Soviet and half American. The duty of self-preservation therefore requires the United States to adopt the strategy of war. This implies that we should increase our armaments, and strike at the time and in the manner which are most likely to give us the victory. Since at the moment we have the advantage in atomic warfare, with a stock pile of improved atomic bombs and perhaps of other modern weapons, and since within a comparatively brief period the enemy will acquire a like equipment, we should make war at once. Of the other implications of the strategy of war we are only too vividly and painfully aware. It implies that building up of collective anger which inflames the deep-seated combative impulses of man, represents the enemy as hateful, submerges the humane feelings, and breaks down the acquired scruples which inhibit the use of violence. It implies the excitation of the adrenal glands and other parts of the sympathetic nervous system, rather than the control of the higher brain centers. It implies the blurring of the careful distinctions of thought, and the fusing of purposive living into an elemental passion—a will to win, to destroy, to kill.

The logic of war implies that under the stress of emergency we must be prepared to abridge our personal liberties. Believing that life itself is at stake, we must be prepared for a time to abandon most of what ennobles

life, and makes it more than a matter of biological survival. The logic of war further implies that we should endeavor to aline others with ourselves against the enemy; in other words, create a block, beginning with Britain and the British Commonwealth of Nations, and drawing to itself the lesser nations of western Europe and of Latin America; a block which should share our irreconcilable enmity to Soviet Russia and constitute the beginnings of a military coalition.

That this logic of war is sometimes forced upon nations I do not doubt. It was, I believe, forced upon the United States in 1941. There is a strong current of thought and feeling in its support at the present time; and in some measure it describes what we are already doing. On the other hand, there would, I believe, be no doubt in the mind of any reader that this duty of self-preservation is a duty in extremis—to be undertaken only when the necessity is clear and pressing. When you add to the post-Hiroshima superatomic bombs the possibilities of guided missiles, and of biological and chemical warfare, the destructiveness of such warfare both to the flesh and to the spirit of man is literally indescribable. The historical development of war is subject to the law of diminishing returns and it has reached the period where it is of doubtful profit to anybody. It behooves us to be more than normally sure that our self-preservation is at stake.

If war is not forced upon us by the necessity of self-preservation, the alternative duty is to adopt the strategy of peace and follow its logic. This logic dictates a completely different policy. It implies, first, that we should refuse to regard war as inevitable and that our present differences with Soviet Russia should be kept within the limits of good-tempered discussion. It implies that instead of attributing her words and deeds to base motives, even when appearances are against her and the manners of her diplomats are most irritating, we should give her the benefit of the doubt—and when in such matters is there not room for doubt? It implies that we should definitely renounce the idea of exploiting, either by action or by threats, our brief period of superiority in atomic weapons and other forms of military technology. It implies that we should be prepared to spend years, if needs be, in solving the difficulties of the peace settlement and the other disputes which are the normal legacy of war proportionate as they are to the magnitude of the greatest of all wars.

The logic of peace argues for patience. It argues for forbearance and a desire to excel Soviet Russia, not in toughness or in diplomatic repartee or in winning applause from our partisans, but in constructive salesmanship. It implies that we should not wait for Molotov or Vishinsky or Gromyko to be as generous or as high-minded as we should like them to be, meanwhile engaging in the unprofitable game of recrimination, but that we should ourselves exhibit generosity and high-mindedness, and continue to exhibit them for as long as may be necessary to raise the spirit of dispute to a level consistent with the gravity of the issue at stake and the immense responsibility which we carry as one of the principals in the making of history.

The logic of peace argues for a scrupulous avoidance of inflammatory or provocative utterance on the part of public officials, press, and radio, and the spread of clichés in private conversation. It argues that we should scrupulously avoid any international political alinement that confirms the fear of Soviet Russia that the capitalistic countries are leagued against her. It implies that we should strive, not for weeks and months only but for years, to transfer problems of security to the new agencies of collaboration—that is, to the United Nations—and not despair of this organization because in its infancy it displays the weaknesses of infancy and is as yet unable to fulfill the purposes for which it was designed. It is to be expected that during this period of infancy certain great powers, notably Soviet Russia and ourselves, will hesitate for a time to trust their full weight to its as yet infirm foundations, and that international disputes will be settled by a mixture of methods old and new.

The logic of peace in its fundamentals is like the logic of getting on with one's neighbor. It implies seeing the other man's point of view even if you do not adopt it, seeing yourself as he sees you, and seeing him as he sees himself, before finally making up your mind. The most wholesome preliminary exercise for inclining disputants to agreement is to practice the maxim of turn and turn about. Every claim should be first submitted to this test, and, when so tested, conflicting claims tend to be moderated, in tone if not in substance.

The logic of peace implies not only good-tempered and patient negotiation, the gradual forging of methods of international collaboration, but a tolerance of differing ideologies. I do not mean tolerance in the negative sense of indifference, or in the relativistic sense of taking one idea to be as good as another, but in the constructive sense of advocating what one believes to be true by advancing the evidence, by the method of discussion, by listening and comparing, by thinking, distinguishing, and weighing, rather than by sheer affirmation or blind partisanship.

We are the advocates of what we call democracy, and we find ourselves in a world of opposing camps, the other being what is called communism. The logic of peace implies that instead of merely raising our flag and rallying about it amidst cheers and martial music, we ask ourselves what we mean by democracy; not from a pedantic interest in definitions for their own sake, but for clarity and coolness. Instead of hurling verbal smoke bombs at the opposing camp, tolerance asks what they mean. For the simple-mindedness of combat, black and white, for and against, friend and foe, it substitutes the making of more refined distinctions. Tolerance in this sense is a unifying and not a divisive force. It breaks the solidity of total opposition. It looks for common ground and invites agreement. It discloses partial agreements already existing; and partial agreements pave the way to larger agreements.

III

Shall we, then, in relation to that half of the world which we call communism adopt the logic of war or the logic of peace? I am going to accept the logic of peace to the extent of making distinctions. To Americans who oppose it for reasons, and not merely because the name has become a red flag, communism means at least four things, and those who fight it would, if candid, admit that they fight it on quite different grounds. When these grounds are distinguished, those who are allied against communism fall apart.

First, to many communism means simply Soviet Russia—not an idea, or social philosophy, or way of life, but a particular nation. To those who fear Russian expansion, the fact that Russia has become more nationalistic and less Marxian (if this be a fact) affords no comfort. The issue here depends on whether Russia is or is not entering on a career of territorial conquest which will bring a new and more extended Russian Empire into conflict with American possessions, dependencies, interests, and spheres of influence in different parts of this world.

To understand Russia's view of what we call her expansion requires no probing into her dark Slavic soul. In order that one force shall come into collision with another force, both must have arrived at the same place. If our territorial security is threatened by Russia anywhere in the world it is because we are there and not merely because they are there. And to the simple-minded Russian it appears from a glance at the map that the collision, if there is one, is likely to occur nearer where they live than where we live. If we identify our boundaries with China on our west and the Dardanelles on our east, it looks, again in a simple-minded way, as though we had wandered far from home; or as though we have succeeded to the role of those earlier empires which boasted that the sun never set on their dominions.

The zone of Soviet expansion is peripheral and adjacent. It has not leaped across the seas to Canada, Mexico, or the West Indies. It comprises areas from which Russia has in the past been directly attacked, or unoccupied Asiatic areas analogous to our own western Territories, into which her population has moved by peaceful penetration and settlement.

Russia's recent expansion is thus prima facie defensive. It springs primarily, I believe, from a desire to escape forced imprisonment within her icebound ports, and to achieve freedom from the menace of attack. I see no intent of world conquest, no code of militarism, no philosophy of national or racial superiority—no Russian imperialism or pan-Slavism. What I do see is a determination to consummate her own socialist revolution, within her own wide boundaries, with her own vast internal resources, and without interference from abroad; together with a profound suspicion of the inveterate hostility of the capitalistic countries. No fairminded person will, I think, deny that this demand for her own security—this will to achieve it now when she is comparatively strong, together with a tendency to overplay her hand now that she has at last a good hand to play—is a natural outgrowth of her history, both remote and recent; and that this suspicion of the intent of the capitalistic West is well-grounded in Russian memory and experience.

There are three other meanings of communism that identify it not with an aggressive nationalistic force, but with ideas and ideals, which therefore bring it within the duty of constructive tolerance. Force is to be met with force, if needs be; but ideas and ideals with better ideas and ideals.

To the churches, and especially to the Catholic Church, communism means the rejection of Christianity. On this issue the traditional American position is religious tolerance. As regards the specific beliefs of Christianity, Christians will naturally and properly hope for their spread; but this is no part of American public policy. No one, so far as I know, has proposed that the foreign policy of the United States should be directed to the uprooting of Hinduism, Buddhism, Confucianism, Mohammedanism, or paganism, throughout the world. It is a recognized principle of American democracy that religious belief or disbelief should be considered a matter of private choice and left to churches completely separated from the state. This question was, or should have been, settled in the seventeenth and eighteenth centuries, when after the bloody religious wars of earlier times men came to see that sincere piety cannot be spread by inquisition and persecution, but only by radiant infection of its own intrinsic appeal.

There remain the two meanings of communism which most clearly deserve the name—a political doctrine and an economic doctrine

Assuming the most unfavorable interpretation of the evidence, the Communist political system is a dictatorship; a one-party rule, resting on the will of a small and self-perpetuating Politburo, enforced by indoctrination and police control, and exploiting the labor of extensive prison camps. That this system is profoundly un-American I would not for a moment question. If, however, we are to give the Soviet professions the same

credit of sincerity which we claim for our own, this dictatorship, repugnant to us as it is, should be considered a means and not an end, an instrument of revolution believed to be a necessary condition of the realization of a Socialist economy.

The Socialist economy is a debatable economic doctrine, to the effect, namely, that the abundant provision and just distribution of material goods and the maximum of personal security and well-being for all can be achieved better by the public than by the private ownership of capital or the means of production. I say that this doctrine is debatable because its opponents, as well as its proponents, do in fact debate it, and argue for or against it in the light of experience.

IV

To remove these political and economic issues from the area of mere acrimony, to proceed on the principle of constructive tolerance, let us see whether it is not possible to find a meaning of democracy which is broad enough to embrace both the Soviet and the American principles, or to reduce their opposition to a difference of emphasis, or a difference of procedure, or a difference of hypothesis. A democracy, let us say, is a society so organized that it is controlled by the people at large in the interest of the people at large. There are, therefore, two yardsticks by which a democracy may properly be measured, namely, the distribution of control and the distribution of benefits. The first is the strictly political yardstick, according to which a society is deemed democratic in proportion as its government is controlled by a freely formed public opinion. This in turn will depend on the extent to which the people are allowed to express and disseminate their opinions and criticize their government without intimidation or government-inspired indoctrination. The second is the social yardstick according to which a society is deemed democratic in proportion as it is free from special privilege or great inequalities of wealth, education, and leisure. Measured by this second yardstick a society would be undemocratic if it consisted, for example, of peasants exploited by great landowners or workers exploited by industrial magnates.

These two parts of democracy are in principle, and in the long run in practice, interdependent. For the extent to which the people are capable of assuming control of their affairs will depend on the extent of their social advantages; and the extent to which they reap the fruits of organized society will depend on the extent to which they participate in its control. But these two parts of democracy do not always develop simultaneously. One may be behind the other; and in the transition from a nondemocratic to a democratic phase of development either may precede the other.

Soviet Russia began with a social revolution, on the assumption that the power of an exploiting class—the imperial bureaucracy, the landed aristocracy, and the Orthodox Church—had first to be broken before the people could be prepared to exercise political power. Soviet Russia now advocates the same order of procedure in the countries of eastern Europe and the Far East. The United States, on the other hand, in keeping with her different history and tradition, would begin by establishing the political forms which are peculiar to the West—parliamentary government, opposition parties, freedom of discussion, the majority vote by secret ballot. Each laughs derisively at the other's claim to democracy: We, when Russia gives the name of democracy to a system in which there is only one candidate for office or in which the press is strictly censored by the government; Russia, when we give the name of democracy to a system in which workers are dependent on private employers who control their means of livelihood, or in which millions of Negroes and white tenant farmers remain in a condition of poverty and helplessness.

It is possible, I suggest, to view the matter more roundly and to see the dispute not as a conflict between one system and another but between two halves of the same system, which have unhappily, and owing largely to historical causes, been sundered. When democracy is thus roundly viewed our criticism of the Soviet political system will be tempered by an acknowledgment of its social purpose. Undoubtedly the standard of living in Soviet Russia falls far short of that enjoyed in the United States. It is too early, however, to conclude that this comparative failure is the fault of socialism. There are other factors to be taken into account: The legacy of czarism, the exhausting effects of two world wars fought on Russian soil, the divisive and demoralizing effects of civil war, the sacrifices necessitated by a prolonged state of emergency. There has unquestionably been some social gain—some measure of welfare and opportunity of self-development hitherto unknown; and there is unquestionably some hope of better things to come in the near future.

Under given historical conditions it may well be that this gain and this hope would have been impossible without a violent overthrow of the old system and the temporary dictatorial control of the revolutionary party. There is evidence that, as might have been expected, the dictatorship initiated as means to an end has in the minds of a new bureaucracy become an end in itself. But it is too early, far too early, to conclude that this chapter of Soviet political history is the last or that the political liberties provided in the new constitution are only a sham and a pretense.

When democracy is thus roundly viewed criticism is attended with confession. At the same time that we criticize the absence of liberty in Soviet Russia we will admit that we occasionally deny it ourselves. We will recognize that political and civil liberty does not constitute the whole of democracy; the pride which we take in our free political and civil institutions will be accompanied by an acknowledgement of the social and economic inequalities which are as yet unremedied.

This, I think, is the procedure which is dictated by the duty of constructive tolerance—to see democracy whole in order that the opposed champions of its parts may if possible become the allied champions of its whole. The integral democracy to which both parties profess allegiance may then be something more than a name. We may then cease to boast of the victories of the one part over the other part—of our one-sidedness over their one-sidedness; but only of victories of both over the common enemy, antidemocracy, the oppression of the many by the few, of the unfortunate by the fortunate, the backwardness and misery of mankind, the ignorance and helplessness which still frustrate the race of men in their endeavor to achieve the harmonious happiness of all its members. This is the old enemy, recently called nazism, but now widely forgotten amidst the new enmities which divide those who were once friends in action, and are still allies, I believe, in principle—in their long-range design for the good of man.

Insofar as we are imbued with the spirit of constructive tolerance, we shall consider our own institutions as on trial and strive to prove them, to ourselves and to the world, by our practices and by their fruits. We shall best defeat communism, if it should be defeated, by showing that we have something so much better that communism loses its sales appeal.

I submit that the greatest threat of economic communism lies in the possibility of depression and unemployment—in the possibility of a profound and widespread privation and insecurity which would lead men in their bitterness and despair to forsake capitalism for some drastic remedy. And I submit that a catastrophic failure of capitalism would threaten not only our economic institutions but our political institutions as well.

V

How is political communism to be avoided both at home and abroad? By securing and extending our liberties and by proving to the world that they can be reconciled with order, public spirit, and a sense of civic responsibility. By perfecting our political system and by proving to the world that it is capable of guaranteeing the good of all against the selfish pressures of personal ambition or corporate wealth.

How is economic communism to be avoided? By correcting the monopolistic abuses of our present system and preventing its recurrent periods of collapse. By proving to the world that capitalism can do the economic job, achieve stability, provide steady employment, create opportunity, and in general increase and equalize the welfare of the people.

Here is the real fighting front. Here is the real test of our institutions. And this is as we should want it to be, for we want the best political and economic institutions: not those which possess the authority of dogma, or are merely endeared to us by old associations, or to some of us because they give us differential advantages; but those which in the light of criticism and experiment will most perfectly fulfill the social and humane purposes for the sake of which such institutions exist.

If what I have said in general has any validity it should throw light on the specific questions of American foreign policy.

We have our Truman doctrine and our Marshall plan. Unfortunately their wisdom must be debated at the same time that their meaning remains doubtful. Meanwhile the situation which provoked the doctrine and the plan alters from day to day, and the private citizen remote from the scene must necessarily either question what it is too late to prevent, or anticipate what he cannot predict, or confine himself to applying broad principles.

What, then, is the Truman doctrine, as formulated by its author? Its broad moral appeal is based on the assumption that it means the relief of human want from misery. Its broad political appeal is based on the assumption that it means helping free peoples to maintain their free institutions, that is, representative government, free elections, guaranties of individual liberty, freedom of speech and religion, and freedom from political oppression.

But the time and place and implementation of the doctrine implied other meanings—some implicit and some explicit. It seems probable that it had something to do with oil interests in the Near East. American foreign policy has never at any time during the last 50 years or at any place on the earth's surface been wholly free from the smell of oil. Not that there is any harm in coveting oil, but only that if that be a part of the policy it is better to say so—better not to conceal it under high-sounding statements of principle—better for the world, better for the American soul, and perhaps in the long run, even better for oil.

The substance of the Truman doctrine is further confused by its including military and not merely economic aid by its support of admittedly reactionary governments in Greece and Turkey, and by its timing to coincide with the withdrawal of Great Britain's military forces from her traditional lines of empire. Taking all this into account the doctrine begins to look less like a declaration of humane and democratic principles, and more like an announcement of irreconcilable hostility to Soviet Russia and her friends and to communism and its adherents. It is not surprising that in the other

camp, where there is already a disposition to suspect our motives, the doctrine should be interpreted as wolfish power politics clothed in sheepish professions of disinterestedness. It is not surprising that at home the doctrine should be welcomed by Russo-probes and Red-baiters of every description, religious, political, and economic, and used to justify their anger and recklessness.

The Truman doctrine being so interpreted at home and abroad we are brought face to face with the issue of war and peace. There are certain sobering questions which demand an answer before we allow ourselves to be committed further by our deeds or by our emotions.

VI

Are we for democracy, or are we against Soviet Russia, and prepared to defend anybody against her? Are we for democracy, including its social as well as its political implications, or are we against communism, and prepared to defend anything against it? It is our intention at least to contain Russia and communism, no matter for whom or for what?

Do we identify Russian-oriented or Communist regimes in general with "totalitarian regimes imposed upon free peoples," and under that formula do we consider them, one and all, as "undermining the foundations of international peace and hence the security of the United States?" In other words, is the Truman doctrine the opening gun in a war which we are prepared to wage all over the world? Are we staking our national existence, pride, and prestige on victory in such a war, and committing ourselves to all the implications of such a war?

If we consider communism anywhere in the world as a threat to our security, are we prepared to side with Franco and Perón, who apparently hold the same view? Are we otherwise prepared to ally ourselves with any political force anywhere in the world, which for any reason has announced its hostility to communism? Are we announcing a new anti-Commintern pact, similar to that adopted by Germany, Italy, Spain, and Japan in 1939, and accepting the strange bedfellows which such a political alinement would make?

If, as lies within the bounds of possibility, Italy and France should become Communist regimes, are we prepared to advance the necessary billions of dollars and the necessary personnel to defeat them by backing a counterregime? This is unquestionably what the opponents of communism in those countries take to be the logical implication of our proposed action in Greece and Turkey. Are we prepared through our inveterate hostility to communism to oppose popular and revolutionary movements throughout the world merely because they are instigated or led by Communists, and even though this alines us with the oppressor? Can we for reasons either of morality or of prudence afford thus to disassociate ourselves from the prevailing social and political currents of today and tomorrow?

Are we taking over and underwriting the imperialisms of the nineteenth century in defiance of the change in the balance of power through the simultaneous rise of Soviet Russia and decline of the British, French, and Dutch Empires, and regardless of the new economic and political forces which have come into play throughout the world?

Does the Truman doctrine mean that we are committed in advance to a non-Communist Germany—that we should regard a Communist Germany as a threat to our security, and that we are therefore to prevent such a political development of Germany by force? If that is what we mean, what German policy do we expect from Soviet Russia? Does it mean that we are to purge western Germany of Communists—decommunize it rather than denazify it? Are we embarking on a struggle with Soviet Russia in which each shall endeavor to attract Germany to its half of a divided world? Do we propose to dispossess Soviet Russia of eastern Germany; or do we mean to divide Germany itself? How, if we harbor any of these intentions, do we expect to negotiate a peaceful settlement of the German problem—or, in fact, of any European problem?

The Marshall plan had the great merit of confining itself to economic matters; and it did for a time provide a fresh and hopeful approach to international problems. Whether the regrettable unwillingness of Russia and Russian-oriented states to participate in the Marshall plan was due to the Truman Doctrine is not known. But I cannot see how anyone could claim that the doctrine contributed to the plan. A seeming declaration of hostility to Russia and all her works was not calculated to create an atmosphere favorable to pan-European solidarity. It was awkward, to say the least, for an America which had seemingly taken sides against communism to undertake the support of an economic agreement which should embrace communism.

The reconstruction of the European economy is a staggering problem. To put the European economy on its feet, and at the same time repair the losses of the war, guarantee the safety of neighboring States against a resurgence of German militarism, reconcile the methods of capitalism and socialism, and unite the industrial West with the agricultural East, will require every art of statecraft and expertness. It cannot be done by any simple formula, or in a day; perhaps for many years to come it cannot be done at all. One thing, however, is clear, namely, that it cannot be done with the world at the same time preparing mentally or physically, for another war. It cannot be done with the world divided into two mutually distrustful political and ideological camps.

Hence we are brought back again to the urgent and the crucial problem of recreating and preserving friendly relations between the United States and Soviet Russsia. To this end, and since I do not believe that the threat to our security through the spread of communism is either grave or immediate, I would reject the logic of war and follow the logic of peace. I would continue to strive by diplomatic means to secure the acceptance of that policy in Germany and elsewhere throughout the world which we believe to be most consistent with the future peace and prosperity of the world. But I would separate this diplomatic effort altogether from any national, imperial, or ideological offensive which is bound to alienate and harden the attitude of those with whom we are attempting to come to agreement.

In short, I would define the present problem as the problem of living with communism, rather than the problem of destroying communism. I would place a modus vivendi with Soviet Russia first in the order of business. I should be prepared to offer Soviet Russia a loan and a 10-year nonaggression pact. I would do all possible to create with Soviet Russia a relation of collaboration in the cause of peace and in the hope of gradually strengthening the United Nations. As respects the famous or infamous veto, I would bear in mind the fact that we invented it, are still officially committed to it and, for all we know to the contrary, would ourselves use it as often as the majority in the Security Council went against what we thought to be our interests. The present use of the veto by Soviet Russia is a symptom and not a cause—symptomatic of a deep cleavage which would be fatal to the peace of the world whatever its constitutional machinery. The veto will be abandoned when and only when it seems relatively unimportant to us and to Soviet Russia.

I would couple a pacific and conciliatory policy with a ringing declaration of faith which would embrace not only the secular values of policy, law, and economics, but the spiritual values which are a part of our Christian heritage; a declaration which would embrace not only political democracy, but social democracy as well; which would embrace not only our firm belief in the civil liberties, and in the right of peoples to choose their own form of government by free elections and open discussion, but also (and with equal emphasis) our sympathy with the submerged, exploited, and relatively unprivileged classes of men throughout the world, and hence with the purposes, but not the methods, of the social revolution.

If we adopt the logic of peace, we need not in the least abate either the loftiness of our ideals or the hope of their ultimate spread throughout the world. On the contrary, the method of constructive tolerance gives us greater freedom in the profession of our own creed because it is not accompanied by threats. For the ultimate realization of our ideals we would then count not upon the use of military or economic force against the proponents of other ideals. We would attempt to create throughout the world an atmosphere of peaceful rivalry for the good of mankind. We would be for and not against. We would prove our ideals by realizing them at home, and by persuading the people of the world not by pressures or mere precepts but by experience and example that our way of life is the good way—good for us and good for all.

The Coast Guard

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. BLAND. Mr. Speaker, under leave to extend my remarks, I include herein an article from the December 1947 issue of the Coast Guard Magazine. From my knowledge of the present-day Coast Guard and of its long and glorious history, I desire to say, as urgently and emphatically as I can, that the Coast Guard is one of the most useful, most productive, and most indispensable of our Federal services. In wartime it becomes a part of and serves with the Navy. In peacetime it performs many duties in connection with safety at sea and Federal maritime law enforcement. It is indeed the active peacetime service. It pays its own way.

I fully agree with their late Commandant who, for many years and until his death, was my personal friend. Admiral Waesche said that there is perhaps no service with such a wide range of duties as the Coast Guard. He said:

The men of the Coast Guard are called upon to guard the sea lanes for convoys, to man the landing craft that spearhead the invasions, to carry on their traditional, war-increased rescue work and other regular duties.

Their courage and seamanship reflect great credit on themselves and on the naval profession.

After many years of service with the Coast Guard under the chairmanship of the Committee on Merchant Marine and

Fisheries, which has jurisdiction of legislation for the Coast Guard, I testify to these words as unimpeachable.

Seven years ago, in one of the most rigorous winters on record, the Coast Guard began manning ocean weather-observation stations in the North Atlantic. Weather reports received in the United States at that time were of considerable value in furnishing accurate aerological reports to transport aircraft and to the increasing numbers of military planes flying the oceans. Then, when we got into the war in Europe, the ocean weather-observation stations were continued, even increased in number, to provide the so-important weather forecasts for our fighting forces in Europe as well as to furnish aerological reports for trans-Atlantic aircraft.

After VE-day we operated 13 of the 22 North Atlantic weather stations to assure the safe redeployment of the Air Force in passage across the Atlantic en route to the Pacific theater. Weather stations were also maintained in the Pacific for this purpose.

Losses of the Air Force in thousands of trans-oceanic flights were very small.

The article mentioned above and entitled "Ocean Rescues Not New for Coast Guard," follows:

NATION BEGINS TO REALIZE THAT RESCUES OF IMPERILED MARINERS ARE ROUTINE PART OF COAST GUARD DUTIES

The citizens of America are just beginning to recover their breath after watching, via newspapers and radio, the great sea saga of 69 persons at the mercy of a mid-Atlantic storm that threatened to engulf their stranded plane, the *Bermuda Sky Queen*. Few things captured the fancy and imagination of our people as did the spectacle of the Coast Guard cutter *Bibb* plucking those 69 persons from the grasp of death. All America clung to its radio receiving sets and snatched at late editions of newspapers to watch the progress of *Bibb* seamen as they rescued boatloads and raftloads of endangered victims until all were safe aboard the decks of the big white cutter.

What too many persons will not recollect is that the *Bibb* has been out in the Atlantic for months and years performing typical Coast Guard rescue, assistance, and patrol work. Not many persons will stop to realize that the *Bibb* and all other Coast Guard vessels maintain a daily vigil that is rugged, tiresome, and nerve-wracking. The work of these vessels is never-ending, never-ceasing. Too often the work is thankless and unappreciated. Too often the Coast Guard has virtually to beg for funds with which to maintain its ships, its planes, and its personnel.

Coast Guard cutters assigned to ocean weather stations usually remain at sea for a period of approximately 1 month—included in this figure is 10 to 12 days' travel time, depending, of course, on the location of the station. In the course of future operations it is the Coast Guard's intention to rotate all major cutters on weather station duty—basing them in Boston, New York, and Norfolk.

Life aboard these Coast Guard weather ships patroling their stormy squares in the Atlantic is not only lonely but also trying, both physically and mentally. However, the realization that theirs is among the most difficult of all assignments, as well as of vital necessity to ocean flying, has developed an esprit de corps among these men that is seldom matched.

Rarely in the North Atlantic do stretches of good weather appear—for the most part the days are overcast and stormy, with high seas running. The acute pitching and rolling of the cutter occasionally makes sleeping difficult—the sleeper being tossed about in his bunk, awakening between catnaps stiff and sore.

The food is excellent. Steaks, chickens, French-fried potatoes, ice cream, etc., are regular items on the crew's menu—plus a never-ending stream of coffee from coffeepots that never cease to percolate. Recreation while on station is rather limited, consisting chiefly of movies (where elements are favorable), short-wave broadcasts, daily news bulletins, general reading, and 101 different types of card games.

As the day draws near on which the weather ship is to be relieved officers and enlisted men have but one thought in common, and that is to be home again. During a portion of the time that the cutter is in port certain members of the crew depart on annual leave. The remaining members effect necessary repairs to the cutter, take aboard commissary stores, as well as supplies for the other departments, preparatory to the ship's next patrol.

After the *Bibb's* recent epic rescue performance many Americans confessed that they had not known of the Coast Guard's important peacetime duties. The lack of knowledge about the Coast Guard was almost staggering. Even the United Press in reporting the story of the *Bibb's* performance described the *Bibb* as a weather ship which, having no means of propulsion, had to be towed to its station at sea. A radio commentator also described the *Bibb* in a manner that depicted it as a sort of helpless barge having no motive power.

On the whole, however, Coast Guardsmen were gratified that the people of the Nation, for once recognized the work of the Coast Guard. Coast Guardsmen knew that it was not a new experience for the *Bibb* to perform dramatic rescue. They knew there was nothing new about any Coast Guard vessel rescuing distressed mariners and endangered passengers. It was old "stuff" for the Coast Guard.

For instance, Coast Guardsmen knew that the *Bibb* had performed rescues that were equally as daring and spectacular as the *Bermuda Sky Queen* job. Perhaps this is a good time for this magazine to tell of a wartime rescue job that has never been brought to the attention of the average citizen. Wartime security threw a cloak of secrecy around the rescue.

It was on February 7, 1943, that the *Bibb* (then commanded by Capt. Roy L. Raney) went to the aid of victims of a U-boat attack.

The rescued men—more than 200 of them—were from a torpedoed United States transport which had been known in peacetime as the liner *Henry R. Mallory*. A German torpedo rammed into the *Mallory's* side one stormy, snow-whipped night, and it was not until many hours later that the surviving crewmen and passengers were picked up.

The transport was torpedoed in the middle of the night without warning. Survivors said the crew and passengers had little time after the roar of the explosion to take to life rafts before their vessel went under. It was 5 hours before the survivors saw the "most beautiful ship in the world" bearing in their direction. The question was, "Will she be able to pick us up?"

From that moment it was 7 perilous hours—7 hours in which the *Bibb* fought huge, heaving seas, frothing, wind-driven spray, and enemy subs—before the rescue was accomplished.

U-BOATS ON THE PROWL

Under severe weather conditions, any seaman knows that only half of a rescue is accomplished when a rescue ship approaches a stricken vessel, or its survivors, at sea. There have been many occasions when rescue vessels have been utterly helpless—unable because of high seas, to lend assistance. To come too close to a tossing lifeboat at such a time is to risk smashing it. Many a seaman has died within speaking distance of the ship which came to his assistance.

"But the *Bibb's* skipper, Capt. Roy L. Raney, put that cutter alongside of our boat in that heavy sea just like a cab driver parks a cab," said the *Mallory's* cook, George K. Dunningham, of Winthrop, Mass.

The *Bibb* had been protecting a fleet of ships on the night the *Mallory* was sunk. Early next day she sighted flares fired by the survivors. As the cutter neared the scene, lifeboats and rafts seemed to be all around the horizon. It was evident to the Coast Guardsmen that the U-boat wolf pack had had a good night's hunting. Even as they reached the scene they saw half-frozen survivors fall off rafts and slip into the sea. Men could be seen dying and falling, with safety so near. On smaller rafts were corpses. Cook Dunningham's lifeboat containing 50 shocked and shivering men, was the first one reached.

"They had the lines overside and ready before they got to us," Dunningham said. "The waves were so high that I was able to step right onto the deck of the cutter when a wave lifted our lifeboat. As soon as the 50-odd of us got aboard they gave us dry clothing, food, hot coffee, and cigarettes, and put us to bed in their own bunks. Many of us needed hospital attention. They were swell.

"Then the cutter started to cruise in search of more survivors. We were the last boat to leave the transport."

AND THEN, THE RESCUE

Half an hour later the *Bibb* came upon a number of rafts all grouped together. Some men were overside in the water, clinging to the rafts. Some were too weak to grasp the lines thrown to them. Knowing there was no time to lose, Coast Guardsmen aboard the *Bibb* promptly dived and swam to the men, tied lines on them and saw them hauled safely aboard.

During the 7 hours of rescue work, the *Bibb's* crew were at their battle stations, manning the guns and fire control stations at all times. For the *Bibb* herself could have been easy prey for U-boats. At times the *Bibb* was forced to leave rescue to hunt for subs, dropping patterns of depth charges. Four times, the escort commander of the unit to which the *Bibb* belonged messaged the cutter to break off rescue operations but each time Captain Raney declined and continued the job. The *Bibb* had saved 202 of the *Mallory's* men when she headed away from the scene of tragedy. And 2 hours later the crew of another ship had reason to be thankful that the *Bibb* had been in the vicinity. Thirty-five men from another torpedoed ship, a smaller United Nations merchantman, were picked up in a lifeboat.

It was 7 days before the *Bibb*, thumping through wintry seas with her own crew's and officer's quarters jammed with survivors, reached a United Nations port where the rescued men could be put ashore for the attention they needed.

Rescue at sea? Old stuff for the Coast Guard but thank God the American people are at last awakening to an appreciation of this phase of Coast Guard work.

Incidentally, Mr. Speaker, I might say that the Coast Guard magazine is not published by the United States Coast Guard—it is published by a private concern which is interested in this fine service.

Mr. Speaker, I wish to make some comment on the postwar ocean weather observation station program since that program came up for quite a lot of discussion in the last session.

The present postwar ocean weather program began in the early fall of last year, after demobilization of wartime personnel forced the Coast Guard to abandon all but one ocean weather station.

There is a great demand from commercial aviation in this country to continue ocean weather stations on an increased scale. I am informed that between two and three thousand passengers fly across the North Atlantic each week, and we have every reason to expect that more and more people will fly across the North Atlantic as world conditions improve.

Most trans-Atlantic air travelers are United States citizens, and ocean weather stations provide protection for our own people.

Today a much curtailed weather-station program provides essential weather information for transoceanic flights of commercial and military planes and for ships.

Ten nations now sponsor the weather-station program, including the United States. They are the United States, the United Kingdom, Canada, Ireland, France, Belgium, the Netherlands, Norway, Sweden, and Portugal. Their agreement was drawn up through PICAO, or Provisional International Civil Aviation Organization, which has since acquired permanent status.

In 1944 the Chicago Convention on International Civil Aviation was drafted, and later ratified by the United States Senate. It provided that governments interested in maintaining radio aids to aerial navigation and other ocean facilities might enter into joint arrangements to provide these facilities. The present international agreement on North Atlantic Ocean weather stations is such an arrangement, and this agreement was accepted for the United States by the President in September this year.

Terms of this agreement provide that the United States would man 7 stations with our own facilities and one station jointly with Canada—out of a total of 13 North Atlantic Ocean weather stations. The United States is now operating two of its seven and one-half stations, with the United States Coast Guard doing the job.

The Coast Guard Cutter *Bibb* has shown that rescues of plane passengers and crew can be made at sea. Weather stations, therefore, will assume increased importance in the future as commercial air travel increases across the oceans. The fine spirit of the men who do the work of the Coast Guard is largely due to the training that instills in them the esprit de corps and the great traditions of this service.

The enlisted men are truly a salty group, and learn their specialities at Coast Guard schools, by correspondence courses while serving aboard ship, and through experience after their basic training.

At New London, Conn., is the Coast Guard Academy where officers for this Service are trained. Entrance into this Academy is strictly on a merit basis through competitive examinations held each year throughout the United States.

Lest someone gain the impression, however, that manning ocean weather observation stations is the only duty of the Coast Guard, I would like to list some of the other important jobs that this small Service is constantly performing. The Coast Guard maintains some 37,000 United States aids to navigation, operates loran stations, performs essentially all of the functions of the former Bureau of Marine Inspection and Navigation, relating to the inspection and certification of vessels and their equipment, the enforcement of disciplinary controls over merchant marine personnel and the licensing and certification of officers, pilots and seamen. The Coast Guard also operates the International Ice Patrol each year when large icebergs menace shipping in the North Atlantic steamer lanes. The Coast Guard is particularly instrumental in enforcing the regulations for motorboats—and in patrolling marine regattas. The Oil Pollution Act, the Load Line Act and the navigation laws are also a part of the law enforcement job of the Coast Guard. There are also a number of Conservation laws such as the Northern Pacific Halibut Act of 1932, the Whaling Act, the Pelagic Sealing Act and the Sponge Fishing Act that the Coast Guard enforces.

There are many more duties that this United States Coast Guard has—it is always busy, working in the best interests of this great Nation.

Its motto "Semper Paratus" typifies and describes its service in peace and in war. Its service is performed wherever men need help, whether in war or peace, in storm on the sea or drought on the land, where floods devastate or drought exhausts, whatever the occasion for the call the Coast Guard answers and it is "Always Ready."

What Veterans Are Thinking

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire to include the following statement and poll, which was prepared by the Army Times, showing how the veteran feels concerning a number of problems both national and international. It follows:

WHAT VETERANS ARE THINKING

To obtain an accurate cross section of current thinking among veterans of World War II on national and international problems, Army Times recently sent questionnaires to a large percentage of the subscribers of its veterans edition.

General conclusions from the poll, based on answers to 14 key questions, together with the veterans' reasons for each answer, were published in the November 29, 1947, issue of Army Times vet-letter. Additional details are included in the report.

Veterans were asked not only to answer 12 of the questions "Yes" or "No," but to give their reasons. The two additional questions asked them to specify what they considered "the biggest vet problem today" and what they favored "as an immediate program."

Analysis of the statistics and the individual comments (which were voluminous) shows:

That housing and the high cost-of-living are the outstanding problems of veterans; that there is a sizable amount of bitterness about domestic problems, but not as much as might be expected; that blame for the housing shortage and high prices is not firmly fixed; the desire is to get something done about them, rather than to worry about causes, or to place blame.

There is a general awareness among the veterans of the need to vote for their friends and against their enemies; and an overwhelming demand for access to the voting records of Members of Congress.

There is overwhelming support for American institutions; an overwhelming feeling in favor of American preparedness.

The veterans are less emphatic in expressing their feelings about foreign relations. Such expressions of opinion are definitely subordinated to the problems of finding homes and making ends meet.

There is evidence that not enough clear-cut and understandable publicity has been given to the Marshall plan, particularly in its Asiatic aspects but, generally, the veterans favor the Marshall plan in its relation to Europe.

There is a tendency on the part of the more conservative—the sizable minority opposed to price control—to favor a Federal bonus in place of the GI bill of rights. And there is a definite division along age lines on the bonus question; older veterans unable to take advantage of the GI bill favoring it, while younger veterans who are benefiting, realize that its tangible benefits are more valuable than cash.

There is almost unanimous feeling that veteran votes should be cast for the man, rather than for the party; and this is reflected even in replies from the solid South.

The poll developed a sizable minority of completely selfish answers but a very comfortable majority of unselfish and objective type answers. There is much evidence that the average veteran devoted intelligent thought to his answers and listed intelligent and well-thought-out reasons for those answers.

More than 90 percent indicated a complete lack of partisan prejudice and favor political action by veterans for or against candidates for public office, irrespective of political party. Thus, the poll indicates that a great majority of the young war veterans are willing to vote independently when such action appears desirable from the standpoint of their interests and beliefs.

Eighty-seven percent of the veterans answering the poll favor enactment of a universal military training law; 70 percent favor the Marshall plan for economic aid to Europe, but only 52 percent favor extending the plan to other parts of the world.

The greatest unanimity is shown by the answers to the question, "Do you want the voting records of all Members of Congress on all major issues?"—with 97 percent answering "Yes."

On cost-of-living questions, 62 percent of the veterans favor continuation of Federal rent controls beyond February 29, 1948; 90 percent favor cost-of-living increases in GI subsistence allowances, compensation, and pensions; 81 percent favor the use of Federal funds for large-scale veteran-housing projects; 84 percent favor direct Federal home loans to veterans in lieu of the present loan guaranties under the GI bill of rights; only 66 percent favor restoration of Federal price controls on food and clothing.

Only 50 percent of the veterans answered "Yes" to the question, "Do you favor substituting a Federal cash bonus for the GI bill?"—only 3 percent of replies to the biggest-problem question listed a Federal bonus

as the most important problem facing veterans; only 11 percent of the immediate program proposals favored political action by veterans to get Congress to enact a bonus law.

However, 86 percent would like the GI bill revised to include substitute benefits for veterans who are not able to use the present educational and loan benefits.

Fifty-nine percent of the total replies on biggest vet problem today listed housing; 21 percent listed the high cost of living; 4 percent listed employment; 3 percent listed the bonus; 2 percent insufficient subsistence allowances; 2 percent political affairs; 9 percent miscellaneous.

Statistical results of opinion poll

Question asked	Yes	No
	Percent	*Percent*
Do you favor revision of the GI bill to include substitute provisions for those not able to use present educational and loan benefits?	86.4	13.6
Do you favor restoring Federal price controls on food, clothing, etc.?	66.1	33.9
Do you favor continuing Federal rent controls beyond Feb. 29, 1948?	91.6	8.4
Do you favor Federal funds for large-scale veteran housing projects?	80.8	19.2
Do you favor direct Federal home loans to veterans in place of loan guarantees?	84.0	16.0
Do you favor cost-of-living increases in GI allowances, pensions, etc.?	90.0	10.0
Do you favor substituting a Federal cash bonus for the GI bill?	50.1	49.9
Do you favor the proposed universal military-training program?	86.7	13.3
Do you favor the Marshall plan for aid to European countries?	70.3	29.7
Would you favor extending Marshall plan to other parts of the world?	52.2	47.8
Do you want the voting records of all Members of Congress on all major issues?	97.4	2.6
Do you favor political action for or against candidates, irrespective of which political party they represent?	93.8	6.2

	Percentage of all replies to this questionnaire
What do you consider the biggest vet problem today?	
Housing	59
Living cost and related answers such as inflation, price control, insufficient wages, etc.	21
Employment	4
Bonus	3
Political affairs	2
Insufficient size of subsistence allowances	2
Miscellaneous answers including: Rehabilitation and readjustment, loans, GI bill revision, unity of action among veterans, peace, insurance, antivet feeling, need for VA improvements, high taxes, and good government	9
What do you favor as an immediate program?	
Housing action	21
Political action at the polls	13
Bonus action	11
Organization of veterans for political action	9
Action on high cost-of-living	7
Increase subsistence allowances	5
Influence Congress (by lobbying, etc.)	3
Information service on attitude of specific office holders, etc.	3
Liberalize GI bill	3
Universal military training and national defense	3
Increase pensions and compensation	2
Employment programs for veterans	2
Loans	2
Price control	2
Anything to help the veteran	1
Rent control	1
Marshall plan action	1
Anti-Communist action	1
Improve the Veterans' Administration	1
Peace	1
Veteran organization cooperation or unity	1
Foreign policy	1
Raise subsistence allowance ceilings	1
Tax relief for veterans	(1)
More educational benefits	(1)
Americanism	(1)
Better hospitalization for veterans	(1)
Readjustment	(1)
Independent veteran party	(1)
Against red tape	(1)
Miscellaneous including: Civil service reform, better government, better treatment of enlisted men, economy in government, improvements in insurance set-up, a vet RFC, no immigration, etc.	(1)

[1] Less than 1 percent each.

How Far Is It to Water?

EXTENSION OF REMARKS
OF
HON. ERNEST W. McFARLAND
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. McFARLAND. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD, an address entitled "How Far Is It to Water?" delivered by the Secretary of Agriculture, Hon. Clinton P. Anderson, at a meeting of the National Reclamation Association in Phoenix, Ariz., on October 30, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

When I received your invitation to take part in this meeting I was pleased both personally and officially. As a westerner, I have a deep personal interest in the development of our great western resources. As Secretary of Agriculture, I am proud to represent a Government Department which has made, is making, and will continue to make notable contributions to sound reclamation.

I want to review what the Department of Agriculture has done in the field of reclamation and to suggest what the Department can contribute in the future.

However, in speaking of Government efforts, I want to make it plain that neither the Department of Agriculture nor any other agency has or should have a vested interest in reclamation, that the sole function of Government in this field is to serve as an arm of the people, that people—not Government agencies—made the "desert entries" that were early pioneer trails to the whole reclamation effort.

Thus, in my thinking, the starting point in reclamation is the old question that was always uppermost in the minds of the pioneers: "How far is it to water?"

Picture in your minds the old prairie schooners on the "sea of grass." As they made their way wearily on toward the West they found day by day that the distance between watering places grew longer. And as they came to the great expanse that their maps called the "Great American Desert" they began to ask anyone they saw, "How far is it to water?" They had to know. Their lives depended on it. The bleached white bones along the trail reminded them that others had miscalculated.

To most of the pioneers, "How far is it to water?" was the neighborly way of asking how far to the next camp site. It was a traveling question, and the answer was timetable information.

But there were those, also, who saw possibilities in the land and wondered how far down it was to water. Those who tried to dig wells found that the answer for them, was about the same as for those who were traveling on. It was about 3 miles to water—3 miles down or 3 miles to the nearest creek. It was a "fur piece" to water, whichever way you went.

To a few of the pioneers, distance was merely a challenge. They had faith in the land. They believed they could make the desert bloom. They knew they could if they could find the water. So there were those who made their desert entries and started to see if they could put to beneficial use the necessary water.

The Government began to take an interest in the special problems of the dry regions as far back as 1877 when the Desert Land Act became law. But while the early laws required settlers to irrigate, there was no provision for proper irrigation. In view of the shortage of water and the capital required for good irrigation, it was not surprising that much of the land went into the hands of large interests, that settlement was slow, and that agriculture was slow to prosper. It was not until 1902 that the Government began, under the Reclamation Act, directly to promote irrigation.

However, from the days when pioneers first dreamed of making the desert bloom, people have been asking, "How far is it to water?" and have been seeking the answer in mountain canyons above the desert valleys. Farmers and engineers of the irrigation companies and of the Government have visualized systems of aqueducts, canals, tunnels, and siphons, but, whether their vision was vast or narrow, they knew they had to center their plans around some kind of a dam. From the days of Elwood Mead on down to the present engineers have sought the best sites for dams. They had to find spots where the streams were narrow enough for damming to be practical, and they had to have space above the dam for the impounded water to form a lake. Those were basic requirements for the early projects, such as Elephant Butte in my own State and for all the rest, including the gigantic Grand Coulee, Bonneville, Shasta, Hoover, and Roosevelt.

Do you wonder what I'm getting at? I think you know.

If the engineers have done their job well—and I'm sure they have—they have chosen the best location for every dam that is now in existence. Nature has provided a limited number of good sites. These sites are the end product of the ages—milleniums of geologic upheaval, the bulldozing of glaciers, and the stonecutting action of fast-running water. We have used the cream of Nature's crop. And if they are ruined by our own neglect, our country will have lost some of its most precious natural wealth. The cost would defy our imagination. What is the price of an irrigation system which makes possible the production of food our people need? What is the price of a power development and the network of industry based on that power? What is the price of a Grand Coulee site?

Through neglect we have already ruined the best sites on some of our smaller streams. Each of you could name several dams that have been ruined or impaired by silt. All of us know there isn't any site which is immune to this danger. It is up to all of us to protect these irreplaceable resources.

This brings me to the first of the two kinds of work which the Department of Agriculture carries on in the field of reclamation.

The first is action above the dam—on all the watershed lands. The second is action below the dam.

Above the dam our responsibility begins where the run-off starts—up in the forests. We have a special, direct responsibility, of course, in the forests where we serve as trustees—the national forests, which make up more than 137,000,000 acres in these Western States and which produce a great deal of our irrigation water. You are familiar, I am sure, with our efforts to protect and improve the timber, the range, and the water resources in the national forests. We seek to improve timber stands, to protect them against fire, insects, and disease, to manage the harvesting so as to meet market requirements and also to provide for future harvests. On the range lands of the national forests we scientifically regulate grazing so as to use without overusing the annual growth of forage. Our timber and range management would automatically contribute to good watershed management. But we do not stop with that. We make the concept of watershed management a basic part of our national-forest administration. In other words, we are directly concerned with regu-

lating streamflow, reducing the danger of floods and soil erosion, and protecting the sources of water for irrigation, power, navigation, and domestic use. We are just as directly concerned with that as with timber and range conservation.

I might add that the Forest Service has developed proposals for intensifying the Nation's forest-conservation effort on the public lands and on private lands in cooperation with States and individuals. The program would include important additional aids to private forest land owners and public regulations to prevent destruction of forests and protect watersheds.

When the pioneers of the dry regions of the West asked, "How far is it to water?" they were not thinking of the headwaters of the streams, but today you and I must think about the headwaters. We dare not forget that if we are to guarantee the long life and continued usefulness of an irrigated farm in the Salt River Valley we must start with the conservation of a forest hundreds of miles away, in a roof area that cradles the headwaters of the stream.

If anyone doubts this, let him take note of what has happeyned in Germany since the beginning of the war. You know, the Germans were good housekeepers and kept their hills forested. They sacrificed the forests only slightly to met their war needs. But I am informed that when the Russians came into eastern Germany, they promoted the rapid cutting of timber from the hilltops, gave a bonus for rapid timbering, with the result that the hills are bare and the streams which were always clear and clean are now running red with silt. I cannot vouch for the situation in eastern Germany, because the Russian Government didn't invite me to go visiting on my trip to Berlin last July, but American observers in western Germany and France have told me that those reports on eastern Germany are true.

What I'm saying is that, because you are interested in reclamation, you are directly concerned with forest conservation.

And just as surely, because you are interested in reclamation, you are concerned with the conservation not only of forests, but of farm and range land above the dams.

Through the agricultural conservation program and the soil-conservation service, the Department of Agriculture cooperates directly with farmers and ranchers as individuals and with the soil-conservation districts they set up. The whole public, working through the Department, helps to pay the cost of farm and range practices which prevent erosion and save the soil for future generations. This is a gigantic program, and virtually every farmer and rancher in the West cooperates in it. One small example is the fact that in the 1945 program ranchers carried out good grazing land management practices on 81,000,000 acres.

The Department also provides technical assistance to the operators of land in Soil Conservation districts. There are 900 districts in the 17 western States and they embrace more than 500,000,000 acres. Watershed protection is, of course, a big part of the work of the districts. In these districts, the land operators set up an over-all conservation plan and keep their individual plans geared to it. Where those individual plans cannot meet the needs of the whole district, they may plan and carry out cooperative projects such as the construction of small dams or waterways. In some cases, the district plans are broadened to serve the needs of people far beyond the district. For example, river basin flood control plans made by the Department and the Army engineers under the flood control acts often call for land treatment or structures especially designed to control run-off, to prevent the sediment of streams down the valley, and to help prevent loss of life and property from floods in the lands below. In such projects as those, the public may foot the big end of the bill.

Of course, our special flood control work is relatively slight, and although much more of this is needed, we will make our effort to take care of the flood and silt problem as far as it is our responsibility through programs of forest, farm and range conservation. And believe me when I say that we will do this work in the friendliest spirit of cooperation with the Bureau of Reclamation and the corps of engineers who have responsibilities along with us and sometimes greater than ours in the fields of flood and silt control.

Now, in a moment, I want to take you to the dam and on below to see the work we are doing there. But there is one more item above the dam. So far, I've been talking about work which serves to protect our upland resources as well as to safeguard the precious dam sites that nature has given us.

The snow survey, on the other hand, is a job that's done above the dam for the direct benefit of irrigation agriculture. In 1946 the Soil Conservation Service, in collaboration with State and other agencies, made about 2,300 snow surveys. As an example of the value of these surveys, consider the experience of farmers in Crook County, Oreg. The surveys told them they would have an unusually large water supply in 1946. As a result of this advance information, they cropped an additional 4,000 acres, which produced crops worth $400,000. All this in a single county.

Now let's move on down to the dam. The Department of Agriculture has a direct interest in what's going on there, too. We're concerned with power development. And we are concerned with the power shortage, which is a special problem in areas where fuel for power generation is not available. We administer a program of rural electrification, one of the most popular Government services that the country has ever had. As fast as our funds permit, we lend to the farmer cooperatives in areas that the old power lines have missed. And the members of those cooperatives begin to enjoy the conveniences and the increased farming efficiency that are to be had from the use of electric power.

The power generated at the dam concerns us in another way too. Our responsibilities for maintenance of farm prices and income and for improvement of marketing and distribution keep us on the lookout for better markets and new opportunities for farm people. I have strongly recommended that Congress pass legislation enabling the Department of Agriculture and other Government departments to help meet some of the problems of rural industrialization.

Electric power is a base for many industries here in the West—industries to which western agriculture can supply raw materials and food for the workers on the industrial pay roll. These industries also can supply opportunity for some of our farm people as agriculture becomes more efficient and requires fewer people. It is extremely fortunate that the same projects which give us irrigation water give us electric power where it is needed for farm and industrial use and where extensive power generation might not otherwise be feasible.

So we look on electric power as a tremendous aid to our programs for helping low-income farm families get on their feet and for protecting the income of all farm families.

The dam, the water it impounds and controls, and the electric power it generates are wonderful assets to the agriculture of the West and, for that matter, to the whole Nation.

But to the farmer in the valley below, the dam is only a tool and the electric power is not his major concern. He is concerned with the water, the lifeblood of his farm business.

As the water is released from the reservoir through the tunnels, out into the canals, it becomes irrigation water.

So let us go below the dam and see how the water is used.

Through the years, in response to the needs and wishes of irrigation farmers, the Department of Agriculture has developed a large number of services and has made special adaptation of its general program to meet the peculiar requirements of irrigation agriculture. I shall confine my discussion to these special features because to discuss the more general services of the Department—even to name them for you—would take too long a time. Suffice it to say that many of our programs and services, such as rural electrification, cooperative soil surveys, market reports, and agricultural outlook information, apply to agriculture generally, including irrigation agriculture.

As an example of a direct aid to the irrigation farmer, consider the agricultural-conservation program under which payments are made to help farmers improve their irrigation systems and to use practices that prevent erosion, leaching, and seepage. Accomplishments under this program were a surprise to me. To illustrate: During a single year—1945—over 2,000,000 linear feet of siphons and flumes were installed; almost 34,000 cubic yards of concrete and rubble masonry were placed in check dams, drops, wiers, and similar structures; over 50,000,000 cubic yards of earth were moved in leveling more than 600,000 acres on 12,900 farms; nearly 9,000,000 cubic yards of earth were moved in relocation and construction of permanent ditches and laterals; and over 10,000 other farmers were aided in the installation of drainage ditches—all in the 17 Western States.

Furthermore, the Soil Conservation Service provides specialized technical assistance. This agency has, in a few short years, assisted farmers in planning improved irrigation systems for 22,400 farms covering 2,000,000 acres. Among other things these plans call for the preparation of a million acres of land, principally by leveling. More than one-third of this great leveling job has already been accomplished. In addition to this work on individual farms, plans have been prepared for some 600 group-irrigation enterprises involving an area of more than 800,000 acres. Three hundred and fifty-eight of these jobs have been completed.

Recent research findings of the Department, working in collaboration with other Federal and State agencies, will greatly increase the efficiency and financial returns of irrigation farming. For example, improved disease-resistant plant varieties have resulted in increased crop yields, as have studies in improved utilization of water and fertilizer. In the lower Colorado River Basin, research has shown that it is possible to increase the yield of alfalfa to 10 tons per acre, or twice the average yield of the area. In the Columbia basin, where yields of corn have averaged about 50 bushels per acre, fertility studies have shown that production can be increased to 130 bushels per acre. Similarly, potato yields can be increased from 355 to 615 bushels per acre.

The removal of weeds from irrigation ditches and canals with dragline and chain costs irrigation projects upward of a million dollars each year. Department of Agriculture weed specialists have found a simple chemical which promises to eliminate this chore and much of the expense. Other chemicals have been found which can be substituted for expensive mowing and burning to keep down willows and other heavy growth along banks.

The greatest single hazard in irrigation farming is the salt problem. In a relatively

few years a prosperous community can be utterly ruined by the accumulation of salts in previously fertile soils. As we become more and more dependent upon irrigation agriculture, we more and more urgently need weapons to combat this creeping paralysis. This need resulted in the establishment of the Regional Salinity Laboratory at Riverside, Calif. Here research is conducted in the chemical and physical factors affecting soil permeability, the selection and improvement of drainage methods, the reclamation of alkali lands, the survey and diagnosis of saline and alkali areas, plant tolerance to saline soils, and in similar fields.

Irrigation requirements differ in different localities due to variations in soils, climate, crops, topography, and water source. Excessive use of water is costly not only in dollars but in loss of productivity through leaching, erosion and waterlogging. The Department constantly renders assistance to irrigation farmers in different areas by helping them determine their water requirements and to institute measures that save water.

Still another special type of service is rendered by the Bureau of Agricultural Economics. This agency carries on investigations dealing with the various economic aspects of irrigation development and irrigation problems. Such investigations include studies of irrigation development possibilities throughout the West, factors affecting the ability of farmers to meet water charges, circumstances contributing to the financial success or failure of various types of irrigation enterprises, management problems of irrigated farms, and analyses useful in planning new projects.

These activities and the storehouse of factual knowledge back of the activities are important to the farmers on all irrigated land, regardless of where the water comes from. The Department started doing such work in response to the needs of farmers using water from privately developed irrigation projects. That's all there was for many years, and the privately developed areas still make up 16 to 18 million acres out of our total of 20 to 22 million acres of irrigated land. The same services and information are equally available and useful to the people who operate the 4,000,000 acres which are irrigated entirely or partly with water from Federal reclamation projects. The experience and programs of the Department are also available to help guide the selection and development of new areas on a sound basis and can help minimize the hazards to farmers who settle on newly developed lands.

I use these examples to assure you of the deep interest of the Department of Agriculture in the present day problems of irrigation farmers. We sincerely desire to advance irrigation agriculture to the fullest extent possible under existing legislative authorities and fund limitations.

Right now the development of the western water resources is proceeding by leaps and bounds. For this, great credit must go to the Bureau of Reclamation and to many congressional leaders of the past. We are inspired, and even somewhat awed, by the vast magnitude of the Bureau's plans for storing the precious waters of our western mountains behind towering dams so that those waters can give life to arid lands, and so that they may yield electric power that will bring into being great western industries. I pay sincere tribute to the great engineering organization which is carrying this work forward—one of the finest of all the Government agencies.

I likewise pay tribute to the men of science in the laboratories and fields of the Department of Agriculture—to the agronomists, botanists, chemists, geneticists, pathologists, and the others who delve into the mysteries of living things—for agriculture will always be the cornerstone of the economy of the West.

We realize, moreover, that the agriculture of the West—as it is stabilized, expanded, and strengthened—will become an increasingly vital part of the Nation's agricultural plant. It is of utmost importance that western agriculture should be developed as an integral part of the Nation's agriculture. We must see to it that this is done.

America needs the full contribution of western agriculture in meeting the critical world food shortage of the present, and we need an even greater contribution from the West in meeting our long-range needs.

At the moment, our agriculture is hard pressed—and probably it will be for some time—to meet the abnormal demands from abroad. Last year we supplied more than 52 percent of the total world exports of grain although in the prewar years we had supplied less than 5 percent of a slightly smaller total. This year the problem is even greater. Bad weather has reduced crops in western Europe, which is cut off from many of its normal sources of supply and which has 20,000,000 more people to feed than before the war. Furthermore, weather damage to our corn crop has reduced our own supply of grain by an amount greater than last year's record exports. Australian hope of good crops is one bright spot in the picture. But bad weather has cut the Canadian wheat crop. And Argentine farmers, because of their own peculiar problems, have reduced their wheat acreage.

The foreign demand, coupled with the fact that our own people are consuming food at a rate 17 percent greater than before the war, puts a terrific pressure on American agriculture.

Western European countries have reported they will need extensive aid from us in developing their cooperative program of self-help. If financing is provided by Congress, aid to western Europe along with demands from other parts of the world will keep American agriculture hustling to keep up for several years.

Meanwhile, we must strengthen our agriculture as much as possible through conservation and other means, and we must plan for the long-range future.

As you know, the Department of Agriculture in recent congressional hearings has proposed long-range national policy and programs seeking organized, sustained and realistic abundance. This was based on many facts which can be stated quite simply. The simple fact is that, although we have had and are continuing to experience a revolutionary expansion in farm production, we have potential markets for the products of our entire acreage. It is up to us to conserve our resources that we may establish a permanent, productive agriculture, that we may accept the blessing of abundance and find ways of balancing that abundance with effective demand. The wants of our own people, plus a reasonable amount of world trade, can give agriculture a completely adequate market. That is the hope and the challenge of a policy of abundance.

I know the West welcomes both the hope and the challenge, for the spirit of this land of sun and saddle leather is a spirit of courage, progress, hope, and realistic idealism.

In the spirit of the pioneers who inquired the distance to water and then proceeded to bring the water to their land, no matter what the distance, the new West is assuming a vital role in the epic drama of American agriculture. The cotton, the fruit, the potatoes, and the cattle of irrigated lands become inextricably intermingled with the products of rain-belt areas.

From that fact we learn this lesson: Just as we are one Nation, indivisible, we are one agriculture, indivisible.

And just as there must be liberty and justice, there must be opportunity for all.

Your Department of Agriculture always stands ready to help bring assurance that there is and ever shall be opportunity for western ranchers and farmers in the indivisible agriculture of the United States.

Inflation

EXTENSION OF REMARKS
OF
HON. ROBERT A. TAFT
OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. TAFT. Mr. President, I ask that there be inserted in the Appendix of the RECORD, for the information of the public, a statement of the Republican Policy Committee, regarding inflation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We are deeply concerned over the steadily rising prices. Already these prices impose great hardship and suffering on many families. We are equally concerned because so many individuals and groups are seeing excessive gains. If the spiral continues the ultimate adjustment may be drastic, threatening a serious depression. We must adopt immediately policies which will stabilize prices, and encourage the raising of lower incomes up to the new price level.

Many committees of Congress under Republican leadership have been studying the causes of rising prices and the sound methods of preventing further increase. In particular, three subcommittees of the Joint Committee on the Economic Report have held hearings in the East, Midwest, and far West, and all committees have been meeting steadily since our return 3 weeks ago.

The present condition, while growing out of the Second World War, has assumed dangerous proportions because of the policies of the administration which has controlled this Government for the past 15 years—the policy of first restricting production, of devaluing the dollar, of deficit spending, of exporting unnecessarily goods essential for our own economy, and now of tremendous government expense and corresponding taxation reflected in the price of every product bought by 40,000,000 families. The administration now seeks to impose controls on the effects of inflation while it continues to encourage the conditions which cause inflation.

We believe that the sound approach is to strike at the fundamental causes of inflation rather than permit these causes to go on operating and then vainly attempt to prevent the inevitable results by arbitrary bureaucratic controls. Such controls have failed in time of peace to remedy the causes of inflation wherever they have been tried. Furthermore, the primary solution is to increase production and, since this is a slow process, to curtail unnecessary spending in the meantime, particularly that brought about by credit expansion for nonproductive purposes.

The program on which our committees are now working may be stated in general terms as follows:

1. Encourage the increase of production as rapidly as feasible.

2. Eliminate nonessential Government expenses, and reduce debt and taxes.

3. Restrict exports, particularly to countries which have not suffered the devastation of war. This means an extension of the Export Control Act for another year. Legal power to restrict exports has existed for the past year, but deliberate Administration

policy has permitted practically unlimited export, so that $10,000,000,000 of goods and services have left this country without any corresponding imports. This is one of the principal causes of the rise in prices. Most of these exports have gone to countries outside of Europe.

4. Discourage further increase of bank credit for nonproductive uses. The Administration has failed to use effectively the power which it has had to restrain bank credit. The Administration's representatives are in disagreement today as to the method of carrying out the President's recommendation. We must not act without the most careful consideration, particularly since it affects the proper management of our huge national debt. Our committees are still studying this problem and will report at the regular session.

5. Discourage undue increase of consumer credit.

6. Support a voluntary program to eliminate waste in the use of grain and food.

7. Support a general program to encourage all those in a position to do so to save more.

8. Authorize the President to enter into temporary voluntary agreements with industries to limit inventories and authorize priorities, so as to remove bottlenecks in the production of vital commodities. If it appears that voluntary controls are inadequate to meet specific problems we will consider the granting of authority to meet such particular problems.

9. Extend rent control for another year, making such adjustments as are required to give just treatment to tenants and owners alike.

10. Give authority to the extent necessary to prevent improper and excessive speculation on commodity exchanges.

Under the foregoing program we shall attempt at this special session to pass the following legislation:

1. A bill (a) extending for another year the export control power;

(b) extending for another year the control of transportation;

(c) to permit temporary voluntary agreements on inventories and priorities.

2. An appropriation bill to provide funds where necessary to carry out recommended programs.

The definite working out of the foregoing program will be done by the committees of Congress which have initiated it under Republican leadership; and specific legislation dealing with phases of the general program which it has not been possible to study completely will be considered at the regular session.

The present administration has failed to stimulate the initiative and other elements of individual freedom which have made our country the strongest, our people the happiest and freest on the face of the earth. We intend to do our best to give those principles of freedom another chance to operate for the greater benefit of all, with only such restraints as the Government must impose to make them operate wisely.

Veterans' Legislation

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., December 11, 1947.

Hon. EDITH N. ROGERS,
Chairman, House Committee on Veterans' Affairs, House Office Building, Washington, D. C.

MY DEAR MRS. ROGERS: I am keenly disappointed and somewhat discouraged over the failure of the leadership in the special session of Congress to give consideration to date to some very vital veteran legislation which was acted upon favorably by your committee during the first session of the Eightieth Congress. I particularly refer to legislation which would grant a much-needed increase in subsistence allowances payable to veterans trying to avail themselves of the educational provisions of Public Law 346, as amended, as well as to increase the ceilings affecting trainees taking on-the-job training and legislation to liberalize the granting of automobiles to amputees. There are many other important items which made some progress in the first session and which we believe could be disposed of with a minimum of controversy in the special session.

I deeply regret that an impression has been mistakenly given that the major veteran organizations were not concerned or interested in having the special session take up and consider vitally needed veteran legislation. I cannot speak for other organizations but I can assure you that the Veterans of Foreign Wars was hopeful and had expected that some of this legislation would be disposed of during the special session. I know that you are aware that literally thousands of World War II veterans have been forced to abandon their schooling and other thousands are barely hanging on. It seems to me that here is at least one instance where the special session could dispose of pending legislation without waiting until the second session and thereby provide the necessary encouragement and additional funds which would permit these veterans students to remain in school and not be compelled to drop out before action can be taken in the second session.

On two occasions I have written to the leadership of the present Congress urging that some consideration be given to vitally needed veteran legislation during the special session and stated that millions of veterans would have difficulty in understanding why all emphasis should be given to the relief and rehabilitation of foreign nations while neglecting the problems of our own citizen veterans who are attempting to rehabilitate themselves under promises made by a previous Congress. The VFW is not opposed to reasonable and practical aid to the destitute and hungry of Europe but we do believe that the problems affecting our own citizens should not be neglected.

Prior to the opening of the special session I addressed communications to Speaker JOSEPH W. MARTIN and Senator ROBERT A. TAFT, chairman of the Republican Policy Committee, with copies to other congressional leaders, making an appeal for consideration of certain veteran legislation which had been considered and on which some progress had been made during the first session, Eightieth Congress. In this communication to congressional leaders I enummerated several bills which had either passed one or the other branches of Congress or had been reported favorably by a Senate or House committee.

In the absence of any action to date and with information reaching me that an impression was being given to veterans that the veteran organizations were not asking for consideration of veteran legislation in the special Congress I have again written to Speaker MARTIN reminding him of my earlier plea and asking that at least some of the vital veteran legislation be acted upon before the close of the special session. I hope you will continue your efforts to persuade the leadership to permit some of this legislation to be brought up for action and that you will be supported in your demands by many other Members of Congress. Our veterans know and understand that action in the special session is not necessarily limited to European relief and rehabilitation and that the determination of what matters shall be considered rests upon the leadership of the present Congress.

Assuring you that you have our wholehearted support in your efforts to obtain consideration of at least some of this most important veteran legislation and with best wishes for success, I remain.

Respectfully yours,

OMAR B. KETCHUM, *Director.*

Russians Want To Smash Plans for Europe Aid To Upset the Entire Continent

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LANE. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I insert in the Appendix an article which appeared in the Boston Sunday Post December 14, 1947:

RUSSIANS WANT TO SMASH PLANS FOR EUROPE AID TO UPSET THE ENTIRE CONTINENT—FOOLISH FOR AMERICA TO EXPECT COOPERATION FROM THEM NOW, WHEN THEY GAVE NO AID TO US EVEN IN WAR

(By John Griffin)

Another meeting of the Big Four is about to break up with nothing accomplished except some new insults. The London conference is going just the way all meetings with the former Allies have been going; apparently the Russians are determined that they will not offer any cooperation.

General Marshall has finally lost his patience and has told off the Russians in clear terms. It has always been obvious to many people that there is no way of getting anywhere with the present leaders of the Soviet Government, but certainly the United States has made every honorable effort.

This time the immediate cause of dispute is reparations, just as it was more than a year ago. Despite all the conference and all the high hopes, the situation remains just as it was, which means that the United States is contributing heavily to Russian economy.

GIVING IT TO THEM

The United States is pouring money into Germany in an effort to rehabilitate that country, and Russia is taking it out in reparations which have amounted, according to British figures, to $7,000,000,000.

Every time the subject is mentioned, Mr. Molotov answers with a barrage of insults and accusations. Every speech he gives is apparently designed for the Russian people, and he uses the conference just as other Russians use the United Nations, as a platform from which to deliver propaganda.

The fact is that Germany cannot be brought back economically so long as the Russians refuse to cooperate. Even though the British and Americans have unified their zones as far as the German economy is concerned, there will be no real revival without unification of the four occupied zones.

That fact being clear, there can be no doubt that Russia does not want a revival of Germany, for that might mean a prosperous western Europe. They prefer disorder and chaos, which is supposed to be an advantage to those seeking to communize the world.

It is not surprising that Molotov has refused to cooperate at the London Conference, for why should he be expected to work for unity there while Russia is seeking to bring about disunity everywhere else in Europe?

Timed nicely with the London Conference has been the Communist uprising in France and the disorder in Italy which was sponsored also by the Communists. The French uprising was quickly dispelled, and apparently the Communists in Italy have also failed.

PART OF PROGRAM

Obviously all these elements are part of the Communist program for Europe. Obviously the Russians want to break things up before the Marshall plan can become effective. And part of their scheme calls for a complete refusal to work with other countries which have been their allies.

If the Russians failed to cooperate with Britain and the United States during the war, when they were fighting a common enemy, it is not likely that they have any intention of cooperating now unless cooperation means getting their own way in everything.

Maj. Gen. John R. Deane, who was head of the United States military mission to Moscow during the war, has written a book called The Strange Alliance, published by the Viking Press. In it he makes clear that there was a minimum of cooperation by the Russians all through the war.

The United States sent them billions of dollars worth of materials and did everything possible to coordinate activities, but through it all the Russians were so suspicious that they would not give any information about their own activities and refused to share the military knowledge they had learned.

General Deane's book is a most revealing story of suspicion and self-interest on the part of the Russian leaders. And this was during a period of war when their existence was at stake. In view of that, it is probably expecting too much for the Russians to show any cooperation now.

HONEST EFFORTS

All this is undoubtedly clear to our own State Department, but in spite of it American leaders have kept hoping that something satisfactory could be worked out with the Russians. A succession of American officials have undertaken the job of trying to work out some sort of cooperation, but none has made any progress.

Secretary Marshall clearly had no illusions when he set out for London, but he expressed a determination to throw aside all previous unpleasant experiences and to try to work out something at London. It is obvious now that his goal is not going to be reached. It is equally obvious that no one else can attain it either.

No one has been able to solve even the reparations problem in Austria, let alone the greater problem of Germany. In Austria the Russians still insist upon taking as reparations industries that were originated and developed by the Austrians and which were later seized by the Germans.

These industries, in the view of the other allies, are Austrian assets and never were legally German properties, but the Russians are taking everything they want, regardless of the fact that indirectly the United States is paying for them.

Obviously this can't go on indefinitely. The American people have responded to the sad plight of Europe and are willing to give and give of their substance under the terms of the Marshall plan. But sooner or later there is going to be a wave of resentment in America that will demand that we stop supplying funds and materials for the use of the Russians.

There has got to be a time when we refuse to do any more dickering with the Russians. They aren't going to play ball with us, and there is no point in a constant exchange of insults, which is what the various conferences produce, and which seems to be the principal output of the United Nations.

If we couldn't get any assistance from them as allies in a desperate war, what chance is there in getting cooperation at a time when they are determined to grab everything in sight?

Landon on Marshall Plan

EXTENSION OF REMARKS
OF
HON. HENRY D. LARCADE, JR.
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LARCADE. Mr. Speaker, under previous authority to extend my remarks and include a newspaper article, I wish to submit an article by Mr. William Philip Simms, columnist, which appeared in the Washington News of date December 13, 1947, as follows:

LANDON ON MARSHALL PLAN

(By William Philip Simms)

America's greatest single need, Alf. M. Landon, ex-Governor of Kansas and former Republican standard-bearer, told this writer in an interview here, is to make itself strong both militarily and economically.

"The little guys in this country," he said, "are in a fix. But as bad as their fix is, it would be far worse if America lets her defenses down and becomes involved in another war."

He expressed complete approval of the Marshall plan. But he warned against allowing it to give the people of this country what might be called a Maginot-line complex.

Rightly handled, he said, the Marshall plan would be of enormous help in getting the world back on its feet. But, he went on to say, it will take more than that. Unless law and order abroad are sufficiently restored to give the plan a chance to be effective, and especially unless currencies are stabilized, the plan won't work.

We may as well face the fact, he continued, that for some years we will be teetering on the abyss of another war. And we must act accordingly. That is why in his opinion current discussions in Congress are the most significant since the Lincoln-Douglas debate. Its outcome will determine not only our domestic policies but our position in the world as well.

In Mr. Landon's view one of our biggest issues is how we can face up to Russia's "undeclared war" on the United States. He was not a military expert, he said, but he has devoted considerable study to our defense needs, and here are some conclusions:

First, the next war won't be just a "blitz"—it will be supersonic.

Second, we won't have just a two-ocean front to defend, but a third front along the Arctic Circle.

Third, Arctic Circle bases are imperative.

Fourth, the next war will be an air war, hence a constantly improving air force also is vital.

Fifth, while the biggest navy in the world is not out of step with future warfare, the needs is for plenty of floating air bases—carriers, submarines, and the proper auxiliaries.

Sixth, we should have a Regular Army four or five times the size of our prewar Army; a bigger and more efficient National Guard and organized reserves.

Seventh, proper and efficient intelligence forces and—most important of all—whatever it takes to keep us well ahead of the procession in nuclear physics.

Mr. Landon expressed himself as maintaining an open mind with regard to universal military training. He does not believe it is necessary now, but he admitted it may be sooner or later.

The importance of pronouncements by Mr. Landon, it should be pointed out, is considerable for two reasons: First, he is a national figure of accepted political astuteness, and second, he hails from Kansas, where the grass-roots really grow.

Address by Hon. Robert A. Taft at Two Hundredth Anniversary Dinner of the St. Andrew's Society of Philadelphia

EXTENSION OF REMARKS
OF
HON. ROBERT A. TAFT
OF OHIO
IN THE SENATE OF THE UNITED STATES
Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered on December 1 at the Two Hundredth Anniversary Dinner of the St. Andrew's Society of Philadelphia. It contains a discussion of the causes and possible solution of the inflation trouble, which I think is at least as scientific as the discussion which the distinguished Senator from Wyoming [Mr. O'MAHONEY] has made this afternoon.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I greatly appreciate the honor of the invitation extended to me to speak on this great anniversary of the St. Andrew's Society of Philadelphia, and the honor of sharing the platform with Lord Inverchapel, the British Ambassador. I have known him since he was secretary of the embassy, too many years ago to count; and I can testify to his ability and honest frankness, to his wide experience in India and China, and his accurate knowledge of the American people. This meeting tonight recalls vividly to our minds the close bonds which exist between the English speaking peoples throughout the world, and particularly those between the peoples of the United States and the people of Great Britain. During the 200 years of your Society's existence, there have been times at which even your Society had to recognize differences and conflicts, but those temporary differences have only served to emphasize the real community of interest which exists, and how much our peoples think alike in our fundamental ideas of government and with human society.

In this century we have fought side by side in two great wars, and we are still united in trying to promote the principles of national freedom on which alone the happiness of peoples can be founded. In both of these wars Great Britain has suffered more heavily than the United States because it has been so close to the field of conflict. Because of the sacrifice which it made in this war it is now temporarily involved in tremendous economic difficulties. There is no

doubt in this country of the necessity of America working with the British through policy and financial aid to help Great Britain to whatever extent one nation can really help another nation to solve its difficulties. In the long run, the solution of any nation's problems rests with its own people. But certainly a helping hand can make that solution a little easier.

Such differences as exists among Americans today relate rather to the method than to the principle of assistance. Economic and political questions between nations are infinitely complicated. The analogy of assistance between individual persons is seldom of any value. Our experience with the Bretton Woods agreements and the British loan have not been encouraging. The Bretton Woods fund distributes dollars automatically throughout the world without much relation to need, and contains conditions which may prove onerous to those who rely on its benefits. At the present moment it seems to interfere with recovery by encouraging the maintenance of currency at artificial values. The British loan agreement permitted the dollars to be used anywhere for any purpose, which seems to have resulted in a large part of the proceeds to be wasted without result. At the same time it imposed conditions, such as that relating to convertibility, which were impossible to comply with, and did more damage than good. Many Englishmen themselves question whether the over-all effect has been helpful or otherwise. Certainly, in further plans we must study carefully the exact extent to which we can be of real assistance to Great Britain in its tremendously difficult problems, and the methods which can be effective to increase her own production.

One thing is reasonably clear. Any aid which we can give to Great Britain or the rest of the world depends on maintaining a sound economic condition in the United States. We cannot stretch our economic strength to the breaking point. A severe depression would not only be a disaster here, but a severe blow to the economic recovery of the rest of the world and to the cause of freedom. At the present moment we are producing more goods than we have ever produced before. In some fields it can be increased, although we seem to have reached the limit in what can be done in the production of grain for the moment. But there is also danger that our production may fall off if the boom is blown up until it busts.

In the domestic field, as in the international, the principles of economics which can bring good times or bad times are infinitely complicated. The relative strength of conflicting economic forces is impossible to measure and there is plenty of disagreement, even on the basic principles. According to prevailing opinion, the spiraling increase of prices and wages presents the greatest threat to our stability, but there is practically no agreement on the best method of stopping this spiral.

Rising prices are not an unmixed evil. As prices of a commodity rise, people buy or use other things so that consumption tends to decrease and production to increase, so that the problem of that particular commodity is ultimately solved. Thus, at the moment the high price of grain is conserving grain for shipment abroad because it does not pay to feed it to livestock. Mr. Anderson is claiming some credit for the decreased weight of cattle and hogs coming to market because of his campaign of education, but I think even he will admit that the high price of grain is a much greater factor. If we arbitrarily reduce the price of grain, its use for feed will rapidly increase and there will be less wheat for human consumption and shipment abroad.

But a continuation of the present spiral of prices and wages is dangerous because it creates all kinds of distortions which, when they get bad enough, will seek a violent readjustment. The income of certain groups like farmers and factory workers has increased faster than the cost of living, but those who live on a fixed return from investments are in a pitiful condition with a 65-percent increase in the cost of living. White-collar groups and unorganized workmen have had increases much less than the increase in the cost of living. Institutions relying on endowment funds find their income decreased, to meet increased expenses. States and municipal governments are unable to increase their tax receipts as rapidly as necessary to meet increased expenses and pay adequate compensation to their employees. These income groups are using up their savings. Sooner or later there will be a falling off in the purchasing power of millions of people which may bring a violent reduction of prices such as occurred in 1920 after prices had outrun all wages. Once this purchasing power falls off, many manufacturers will find the high cost of their particular labor and materials an obstacle to continued production. Without production unemployment can rapidly cumulate.

If prices can be stabilized where they were, it may be possible to correct the present distortion. We could increase the minimum wage, and gradually increase the wages of those who have been left behind. The present high prices in themselves may not be dangerous if the whole economy can be adjusted to some new price level, below where it is today, but 50 or 60 percent above prewar. The United States is such a tremendous factor in the world today that world prices will tend to adjust themselves to American prices, so that there may be no great distortion in international trade. But a gradual stabilization may be impossible if prices, and the wages in all highly organized industries, continue to rise. From the point of view of the increasing hardship to the poorer families, and of the continued prosperity of the entire world we should do what we can to prevent further increases.

There is another kind of inflation going on also. We are building up our production in some fields beyond what can be hoped for in normal times. If, for instance, we create a great activity in some industries based on an abnormal export market which we cannot hope to retain, the sudden cessation of that export market may bring sudden and dangerous unemployment. So, also, in various manufacturing fields where the production is abnormal to make up for wartime deficiences. This abnormal inflation of production where it exists cannot be carried to further extremes without serious danger.

Except from a political standpoint, it is somewhat futile to discuss how we reached the present situation of high prices when all the administration economic experts predicted a collapse after the end of the war, serious unemployment and lower prices. Some time ago, in San Francisco, I pointed out that in my opinion it is the inevitable result of the policies pursued by our Government. The policy of deficit spending which reached $50,000,000,000 a year during the war, increased tremendously the amount of currency, deposits and E bonds available for spending to meet our needs deferred by the war. The OPA deliberately held down prices while it let wages rise, creating a false relationship by 1945 when wage rates of factory workers had gone up 56 percent compared to 30 percent in the cost of living. This relationship created by inflation and deficits the wage earners have naturally attempted to maintain. Prices have constantly had to chase wages, to make production possible at all. This policy was accentuated after the war when the administration adopted the curious theory that wages could be generally increased on top of the condition created by the OPA, without further increase in prices. This theory was disapproved almost at once, but it started the upward spiral.

The maintenance of high Government expenses reflected in high taxes has also been an important factor in raising prices. When taxes are as heavy as they are today, they are passed on into the cost and the price of every article that is purchased by the consumer.

If the removal of price control took place too soon, then it is clearly due to the President's own action in vetoing a perfectly adequate price-control bill, and then himself removing all price control before the Congress met in January 1947.

The real question is not so much past history as present policy. I have no confidence in any proposed remedy of restoring price ceilings. If the underlying conditions create a demand in excess of supply at the fixed price, I don't believe price fixing in peacetime will prevent a black market or prevent prices reaching their natural level. Even if it were successful it would tend to increase demand and decrease supply, creating new shortages and furnishing no ultimate solution. Whatever we do ought to be directed toward increased production and at least a temporary decrease of demand. I was for price control during the war because there was no possibility of reaching a balance when the Government was purchasing a hundred billion dollars of goods for the war. But certainly today we must be fairly close to a proper balance between production and purchasing power.

Current wages and other income such as profits and return on capital represent roughly the value of the goods and services produced by those who receive the income and so should be in reasonable balance. In fact if there is a normal amount of saving production ought to be more than adequate. But there are many other sources of purchasing power than current wages and income. The factors which seem to upset the balance by creating unbalanced purchasing power are the following:

First. Accumulated savings in cash, deposits, and E bonds. There seems to be no net decrease in the total net amount of such savings, but probably money and bonds saved during the war are being spent by many lower income families thus reducing the amount of total savings of all families. Therefore, savings are less than would be normal in times of such prosperity as we have today.

Second. Increase in bank loans now proceeding at the rate of $5,000,000,000 a year. Of course, if we are to increase production, and keep business going with the increased costs of inventories and replacement, this increase in bank loans cannot be completely checked. This dilemma faces us in every effort to control prices, and yet surely the increase should be restrained.

Third. Increase in mortgages on new homes estimated to be about $5,000,000,000 a year. To a certain extent this comes from new savings, but not entirely. This increase is deliberately stimulated by Government guaranties amounting to from 90 to 100 percent of the cost. Again, the program cannot be abandoned, but it could be placed on a sounder basis.

Fourth. Increase in consumer credit, installment buying, amounting from one to two billion dollars a year.

Fifth. Exports of $11,000,000,000 more of goods and services than we import. About $6,000,000,000 of this surplus is clearly inflationary since it rises out of various kinds of foreign credit from the Bretton Woods fund and bank, and from the dollars accumulated abroad through lend-lease or war trading. These dollars are now coming back to compete for our short supply of many types of goods, without providing any imports to be purchased by our people. The other $5,000,000,000 is covered by taxes, but still provides

purchasing power which competes for goods in short supply here and thus raises prices.

Sixth. The tremendous cost of government in this country with the corresponding burden of taxation which is largely passed on by the taxpayer, reflected in the general cost of commodities and added to the price of practically everything we buy.

If we really wish to stop the rise of prices, we should consider how we can best meet these fundamental causes. We can't meet these causes by any panacea of fixed prices and rationing and a controlled economy. We can't have our cake and eat it, too. If we don't want high prices, we, and our Government, will have to spend less. We can't build new houses for everyone who wants them. We can't export many billions more than we import. We can't spend too much borrowed money. If we don't want to sacrifice any of these pleasant, and politically advantageous, activities then we had better face the fact that we will have high prices.

Certainly I do not have any stock solution of remedies, but I suggest that the following fields should be carefully explored in every case. Remedies which appear effective on the surface may be too drastic, or may interfere with the production which we ultimately wish to attain, but certainly none of them can be ignored:

1. Conduct a campaign to secure an increased productivity per man from all workmen, both through the improvement of methods and machinery by management and better individual work by the men. Certainly, if further wage increases are granted, they may well be conditioned on a more complete day's work.

2. Cut Government expenses and activity with a corresponding reduction in taxes.

3. Limit our exports particularly to countries outside of western Europe so that they are largely balanced by imports, and limit our assistance to foreign nations to specific fields which we know can be effective.

4. Restrain the increase of bank credit, either by the traditional methods, or by Mr. Eccles' proposal for increased reserves in short-term Government bonds, as may be determined to be most sound.

5. Reduce the percentage of Government guarantee on housing loans.

6. Impose some limit on consumer credit.

7. Carry on a campaign to discourage spending and encourage saving. The Secretary of the Treasury has excellent plans for the sale of more "E" bonds, but the campaign should include saving in all directions, and particularly the reduction of the purchase of scarce foods by those who can afford to waste less and eat less. Only let it be carefully thought out and made reasonable to the people and the trades.

8. Carry out the obligation to support prices with discretion, and only to the extent required to keep our promise to the farmers.

Up to this time the administration proposals to prevent further price increase do not seem to hit any vital spot. They are demanding indefinite power to impose controls of all kinds, but avoiding the fundamental actions which might really reduce prices. Surely, after the experience with OPA in the postwar period, a complete reliance by the administration on a return to controls at least raises the question whether it is in good faith in its denunciation of high prices. Up to this time the Government officials themselves have disagreed on nearly every important proposal. Is it possible that they would like to see the present condition continue until after the November election in order that there may not be the slightest chance of a falling off in the boom so favorable to anyone in power?

Take the subjects which I have discussed. There has been no suggestion that labor might be more productive. The suggestion that we limit exports, which has always been in the power of the administration, has been discouraged by Mr. Harriman's testimony last week, and by the submission of a greatly increased program for shipments to western Europe.

With regard to the increase in bank loans, Mr. Eccles submits an elaborate plan for increased reserves which meets the universal disapproval of the bankers, and is opposed apparently by Mr. Snyder, Secretary of the Treasury. In the meantime, the Government refuses to use the orthodox methods against inflation, by increasing the rediscount rate and selling some of the Federal Reserve System's bonds on the open market.

Mr. Eccles agrees completely with my proposal that a program to prevent inflation means the cutting of Government expenses. He said: "It means rigid Government economy. It means deferment of all expenditures—Federal, State, or local, to the greatest extent consistent with public obligations at home and abroad. * * * This means the greatest possible economy in all Government expenditures." But the President has fought bitterly every effort to cut any item of his budget, and we now read in the papers that next year's budget is to be $40,000,000,000, two or three billion dollars in excess of this year's budget.

The Government fully agrees with the general idea of a campaign to encourage saving by others than the Government but up to date there has been no official warning against our general spending, and the campaign to save food was so poorly organized that we must almost question its good faith now that it has collapsed.

Mr. Eccles says that the increase of housing credit guaranteed by the Government is a serious danger, but Mr. Harriman says that the necessity for a continued housing program is so great that no change should be made.

With regard to the support price program, while I think it has not had a tremendous effect under present conditions and must be continued to keep our promises to the farmer, certainly the Department of Agriculture up to this time has gone out of its way to indicate a desire to maintain farm prices at a high level, and the bureaus lower down seem to have no conception of the danger of overdoing these prices. They begin to buy before the price reaches the level fixed. I could find no indication in their testimony that they would cooperate in any general effort to lower meat prices as of today.

Except for the saving campaign and the proposed limit on consumer credit which amounts to about 5 percent of the increase in total credit, the Administration has apparently no interest in the fundamental causes of the present situation. Congress will certainly consider their proposals to restore Regulation W on consumer credit and larger appropriations to conduct a proper saving campaign. Congress will furthermore consider most seriously the question of power to fix margins on commodity exchanges, although the evidence to date shows that such margins have no long-term effect on commodity prices.

The administration policy today is to leave all the fundamental reasons alone, particularly if they happen to interfere with some favored policy or special interest, and put their whole cause on a restoration of a planned economy to restrain the prices which other policies cause to rise. They want full power to allocate commodities, to regulate their use, to fix prices and to ration consumers' goods. These are police state methods abandoned by themselves before the end of 1946 because they were so ineffective and unpopular. There is a good deal of talk of limited control, but the authority requested by the President and Mr. Harriman is unlimited authority with the statement that they will only use that authority to a limited degree.

I do not say it is absolutely impossible to regulate one commodity without extending controls to all. Every experience we have had, however, shows that controls of this kind are closely interrelated—that you cannot regulate grain without regulating meat, you cannot regulate meat without regulating chickens and eggs and dairy products. You cannot well regulate steel without regulating the hundreds of industries that depend on steel. We face the issue of returning to a controlled economy, the same kind of economy which exists in nearly every other country in the world. It is an issue greater than that of high prices.

From an economic standpoint, it is not a remedy, although it might hold prices back at least on the surface for a few months. If it were effective, however, it would choke production instead of increasing it and our ultimate solution must be more production to give people what they need at reasonable prices. Certainly, price control has not increased production in any foreign country.

It has had the opposite effect. Here in America we saw how under OPA controls, many important products disappeared from the market. There was no butter, no meat, no soap or canned goods, no white shirts or new suits, no leather and no shoes. There was no lumber or any other building materials, and none of them came back in sufficient quantity until we got rid of OPA. By price control you increase every shortage, necessarily because you increase the demand. When prices are held too rigid, you also decrease production.

Furthermore, no matter how well price control might work in theory, there isn't anybody in the world who knows enough to do it right in a country the size of the United States. There isn't any evidence that the Government can distribute better than the natural laws of supply and demand.

Finally, price controls won't work in the United States. In time of war a certain morale develops which makes it possible to retain control. I served with Hoover in the World War, and he relied almost entirely on that morale. I was always convinced then that we couldn't have done the same job in time of peace. Certainly that was our experience with the OPA after the war. Whenever the economic price of any agricultural commodity was above the OPA price, the commodity went into the black market to seek the natural level of prices. The American people don't like to be regimented and they don't like to be ordered around by Federal officials. There was no regret when OPA closed down and free production started. No, the remedy for present conditions in America does not lie in price control. It lies in saving and restraint. It lies in sound government fiscal policy. It lies in more production and every incentive to more production.

And with modifications the remedy for world conditions lies in more freedom and less government attempts to restrain.

Even more than that, I believe most strongly that a peaceful and prosperous world can only be based ultimately on individual freedom. In time of war that freedom must be surrendered. But if we admit that it must be surrendered in time of peace for some peacetime emergency, we will never find the time when that emergency does not exist. If we once admit that in peacetime we must surrender individual liberty, then it will never return. This country is today the bulwark of the principles of liberty. If we abandon them, the whole world must follow.

The reason this country has a surplus of food to ship in such tremendous amount today is that we have pursued a system based on personal and economic liberty. If we go back to Government restrictions, the time will come when there won't be any surplus to ship abroad. Our European friends can

point out that by strict rationing we could save more food for foreign shipment. That might be so this year, but in the end if accomplished by compulsory controls we would be subject to the same paralysis of initiative which exists in Europe today. In other words, Europe has to take the limitations which are inherent in a free system if they want the benefits produced by it.

The advocates of a planned economy have had their day. They have made a complete failure throughout the world, except in some closely confined areas. Certainly, the Government can greatly improve any condition by sound policy, but it cannot improve these conditions by a detailed attempt to regulate millions of transactions throughout vast areas.

A return to OPA means an end to economic freedom. An end of economic freedom in time of peace leads to the end of political freedom. Surely we should not turn now to the methods that have failed in every nation which has adopted them. Surely, we should not abandon now all of the principles of liberty which have made this country today the envy of the world.

Diplomatic Boondoggling

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 8, 1947

Mr. JUDD. Mr. Speaker, under leave to extend my remarks I include the following letter by Mr. William C. Bullitt, former United States Ambassador to Russia and France, in the Washington Post for December 15. Mr. Bullitt demolishes with Mr. Lippmann's own words the latter's recent argument that the fate of China is of little importance to the United States:

DIPLOMATIC BOONDOGGLING

My attention has been called to a column in your paper of December 8, signed by Walter Lippmann, describing action to prevent Communist conquest of China as diplomatic boondoggling. Is this the same Mr. Lippmann who published, in 1943, a book entitled United States Foreign Policy Shield of the Republic?

That book contains the following statements:

1. American naval power in the Pacific must, in order to be fully effective, hold securely a chain of bases extending from continental United States through Hawaii, Wake, Guam, and the Japanese mandated islands to the Philippines. It is, however, a line which cannot easily be held securely unless there is an anchor at the other end of this barrier chain of bases. This anchor can be provided only by China.

2. Manifestly the peace of the Pacific has turned and will turn upon China. All the international wars of the Pacific, including the war we are now waging, have turned upon China, and the future of China will for good or evil determine the future of the whole great basin of the Pacific.

3. As soon as the United States became a power in the Far East by occupying the Philippines, the American Government committed itself to opposing the dismemberment of China into spheres of imperialist influence. This was the open-door policy. With some temporary deviations and some lapses, the United States adhered to this policy, and finally became engaged in the present war because it would not renounce the policy.

4. All we can do is to act on the assumption that the conditions which for half a century have made the integrity and security of China a vital interest of the United States will, as China becomes a great power, make the security of the United States a vital interest of China.

5. In Asia, a Russian policy of aggrandizement against China would disrupt Russian-American relations in the North Pacific and, in the coming air age, across the top of the globe.

Perhaps this is the same Mr. Lippmann. For in the same book Mr. Lippmann advocated a "nuclear alliance" between the United States, Great Britain, and the Soviet Union, thereby displaying such an ignorance of the aims of Soviet imperialism that readers who had some knowledge of world affairs were obliged to concur in his estimate of his own powers: "How wide has been the gap between my own insight and my own hindsight,"—and to note his confession: "And though I knew, and had often argued, that British-American sea power combined was necessary to our own security and to the maintenance of peace, nevertheless I was too weak-minded to take a stand against the exorbitant folly of the Washington Disarmament Conference. In fact, I followed the fashion, and in editorials for the old New York World celebrated the disaster as a triumph and denounced the admirals who dared to protest. Of that episode in my life I am ashamed, all the more so because I had no excuse for not knowing better."

Some day, if Mr. Lippmann exists, he will be as ashamed of calling action to prevent Communist conquest of China "diplomatic boondoggling" as he now is of having advocated the scrapping of a large portion of the American fleet.

Recently, someone using the same name, Walter Lippmann, published in your paper, I am told, 14 articles proving that the United States could not win the "cold war" against the Soviet Union; but before the articles were published in book form, rushed to Europe and returned with the joyful announcement that the "cold war" had already been won by the United States. If this Mr. Walter Lippmann really exists, and is not a chameleon pantologist, he should be more careful—otherwise he will cease to be even the matrons' mentor.

WILLIAM C. BULLITT.

WASHINGTON.

Aid for Veterans

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

AMERICAN VETERANS COMMITTEE (AVC),
Washington, D. C., December 12, 1947.

Hon. EDITH NOURSE ROGERS,
House Office Building,
Washington, D. C.

DEAR MRS. ROGERS: I have noted with considerable interest your remarks in the House of Representatives on December 11 in regard to the importance of the early passage of three bills to aid veterans. I should like to express the thanks of our organization for your interest in these bills and to assure you of our support.

The bill providing for an increase in subsistence allowances is of particular interest to the American Veterans Committee since, as you know, our college chapters conducted an intensive survey on the subject last winter and spring. These surveys, from more than 50 different institutions geographically distributed all over the country, indicates that veterans are not able to meet even basic living expenses on the present allowances.

The supplementary bill providing for an increase in ceiling on the amount of subsistence allowances plus pay by the employer to veterans in on-the-job training also demands early passage.

We realize the extreme importance of quick passage of the interim-aid legislation and of action by Congress on inflation. But we feel that the veterans' bills which you are supporting are relatively noncontroversial and could be passed without much debate if they could be placed on the House calendar.

I am sending a copy of this letter to the Honorable JOSEPH MARTIN, Speaker of the House.

Sincerely yours,

CHAT PATERSON,
National Chairman.

Danger in the Near East

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the Council on World Affairs, Cleveland, Ohio, December 13, 1947:

DANGER IN THE NEAR EAST

Mr. Chairman, members of the World Affairs Council and guests, it is with a rare sense of privilege that I have come to you today, challenged by the fact that few groups in this country have your understanding of present issues. Ten years of Brooks Emeny's leadership have taken you out into a knowledge of contending forces, of possibilities for war and peace, such as is seldom found. The very name of the Council—World Affairs—gives indication that you are deeply aware that this great country of ours is indeed a part of a world that longs for unity and peace and looks to the United States for leadership. Your fearless choice of speakers down the years who have given you all sides of the problems that confront us as a great power, evidences your determination to be ready to meet every possible contingency. Your special groups, all of them so ably led, give evidence that you have graduated from the preliminary state of just listening, to one of a burning desire to know for yourselves. I wish it were possible for me to tell you what it means to me as your Representative in the Congress to know that you too are constantly reaching out fearlessly ready to go into new areas as these open before us all. I congratulate you on your courageous and progressive course and urge it upon you that you continue in an ever-widening circle. Who can know the extent to which already you have influenced the trend of these rather terrible events in which, as a great world power, we have found ourselves suddenly engulfed? Who can say how far your deliberations may echo and reecho across the world?

This is my first public report, Mr. Chairman, and I am proud indeed to make it before this illustrious company. My informal

report to the House, now in printed form, is available to anyone desiring it.

You have asked me to talk to you of my recent Foreign Affairs Committee assignment as it relates to the Near East. This I am happy to do, though the picture is not a gay one. I am certain that you, like myself, are deeply concerned with what the future holds, troubled as never before by the possibilities for ever-increasing tragedy that seem to press in on every side. I shall speak with complete objectiveness confident that to each one of you and to you all collectively the future of the United States holds within it the future of the world.

We older ones grew up secure in the thought that we were pretty safe behind our oceans, that we didn't have to think about such things. But that world has ceased to exist and we must become acutely aware of the areas that hold danger for us. The whole Near and Middle East is such an area—from Greece to Afghanistan, from Turkey to the southern tip of the Arabian Peninsula.

SUBCOMMITTEE ASSIGNMENT

I must make it clear at the start that I went out on an assignment to study conditions at first hand, to get facts, and to bring those facts back to the Congress. I did not go to form opinions—indeed, except I kept an objective attitude I should have failed completely in the task given me.

When I tell you that the Subcommittee of the Committee on Foreign Affairs, of which I am chairman, is concerned with the movements that cut across national boundaries with particular emphasis on the explosive aspects of communism, zionism, nationalism, etc., you can see that personal opinions are out.

Greece and Turkey, Cairo, the Arabian Peninsula, and Iran, with north Africa were to be the areas of our study. Cholera kept us out of Cairo and a cable calling us back for special committee meetings on the interim-aid program November 10 prevented our getting into north Africa. But we sent two of our men into Greece and Turkey, while Congressman MERROW, of New Hampshire, and I took the Near East as our share.

CONGRESSMAN JACKSON ON GREECE

So much confusion is abroad relative to the whole matter of foreign need and of the efficacy of our help that I wish I could give you not only my own impression, but also the even more authoritative statements of my colleague, Congressman DONALD L. JACKSON of California, who spent some weeks in Greece.

When we had the interim-aid bill up before the Committee on Rules last week one of the committee members said to the witness, Mr. JACKSON, "You don't mean to tell us that the aid we have given Greece has stopped the Communists?" Here is his reply:

"During the period between October 6–23, Mr. TEAGUE and I traveled hundreds of miles through Greece to the northern frontiers, into Thrace, and in general, covered as much of the country as it was possible to cover. We had interviews with many personalities both in and out of the Government. We did not spend our time on the front porch of the American Embassy in Athens. We talked to members of the Greek press, American and foreign correspondents, magazine writers, officers and men of the Greek Army and the Air Force, priests, villagers, businessmen and captured bandits. We made every effort to learn what had happened in Greece * * * since the American mission went in there. Regardless of political affiliations—and there are 27 political parties in Greece—we found no one even among the Communists, who did not say that if we had not gone into Turkey and Greece they would be today in the economic and military control of Russia.

"There might have been differing degrees of efficiency in the administration of aid in that area. There probably was some degree of friction between our Embassy and the aid mission. There was stupidity in some respects in connection with the administration of UNRRA, but the one unassailable fact, in spite of all that has been said heretofore, is the fact that if we had not gone into Greece and Turkey when we did, the iron curtain would have lifted and crashed on the Mediterranean coast.

"The military significance of Greece is of the utmost importance. Fate, perhaps in a mood of irony, gave Greece one of the world's most unproductive soils—rugged, mountainous terrain—and an unbalanced economy which has never in the history of the nation been a favorable trade-balance side. Strategically, however, its importance cannot be underestimated. It has been said that who controls Greece to a large extent controls the Mediterranean. The whole relationship of Greece must be studied from the standpoint of her relationship with the remainder of Europe, and, what is more important, from the standpoint of her relationship with the Middle East. Geographically, Greece stands on the flank of Turkey. Her island possessions dominate the approaches to the Dardanelles and the Bosphorus. Crete lies astride the communication lines of the Mediterranean, and the harbors of Greece, while not the best in the world, would offer facilities for repair and refueling in the event of a world crisis. It is highly questionable whether Turkey could stand alone against military aggression unless her flank on the west were covered. The ancient gateway of invasion to the Middle East lies through Turkey and has, since the days of Attila, the Hun, and Ghengis Khan. The Iran-Turkey-Greece axis stands guard to the reaches of not only the Middle East, but to Africa and the balance of the Mediterranean world. It is for this reason, as you will remember, that America went to the aid of Greece in 1947.

"We have to accept on the face the fact that the Communists have not made a substantial gain in Europe during the last year. The pendulum for the first time since the war, has started to swing in the opposite direction. In all those countries having elections, the tendency has been to repudiate the concept of communism.

"If the same is true in Europe as in Greece and Turkey, the aid we have poured into Europe has had a definitely beneficial effect on containing communism."

Mr. JACKSON says further, "There is anything but a cold war going on in Greece today. It is a hot, fighting war." And he should know. Questioned as to Henry J. Taylor's remarks about Athens being a boom town while nothing he could see there justified the thought of great need, Mr. Jackson said, "I do not know where he traveled, but when one gets outside of Athens he is in a different world. They are grateful for the things we have done for them. All along the way people surrounded our jeep by the hundreds and literally kissed our hands because we were Americans."

MY OWN OBSERVATIONS

During my very brief stop-over in Athens we covered an amazing amount of ground, sitting in on a conference with Governor Griswold and his staff, going on to the information office for a very concentrated hour of questions and answers and inspection of the office space and content, and ending up with an unforgetable hour with the Prime Minister. I came away with a vivid sense of the terrific problem facing the keen, venerable M. Sophoulis. Little constructive work can be done until the guerrilla war is stopped. The condition of the people is deplorable. No wonder they often take the attitude that they couldn't be worse off, and maybe Communist promises might hold something after all.

One of the added trials is the scarcity of water in the Athens area. The Germans emptied the great Marathon Reservoir which takes 7 years of good rainfall to fill. And this year there was a drought.

Do you know I find it difficult to understand the thought processes of people who say, "unless they will change their government and become a democracy we will send no aid." Soviet Russia calls herself a democracy. To me there is no future in imposing upon any people a form of government they don't understand. We believe in our kind of what we call "democracy," but how are we going to make the Greeks understand what we are talking about? After a while, perhaps—but even then it won't be our business to force them, will it? It makes much better sense to me to do what we are doing, giving them food, etc., and help in this business of driving the guerrillas back beyond the borders from which their strength comes. Once that is done and they can give some attention to their internal affairs, then let them choose. Didn't we fight the war to preserve the right of peoples to choose?

At the moment this new King Paul and his Queen Frederika are doing an amazing job and are making the people not only respect but love them. When we were in Athens the King was making a very thorough inspection of the whole of Greece with a rather breath-taking courage. And the Queen was everywhere, working to establish food centers, clinics, etc. Did the papers here carry the story of how she was discovered in a crowd and lifted up onto the men's shoulders and carried along while they all cheered? Give the people something to eat, set them to work, and then let them see whether or not they want to continue to be the most limited monarchy in the world.

STRATEGIC FRONTIERS

Greece, Turkey, and Iran are on the southern frontiers of the Soviet Union, their security constantly threatened. That security is of the utmost importance to us.

We had come through France; the unbelievable attacks against us in the Communist papers, on the air, on billboards and handbills were fresh in our minds. We found the same procedure in varying degrees in Rome, Athens, and Tehran. It served to strengthen my conviction that we are engaged in a grim war—a cold war, if you want—upon which hinges the fate of mankind.

Two months in eastern Europe with 2 weeks of that in Russia in 1945 and a very concentrated 6 weeks in Europe and the Near East this fall, have left me no alternative concept. Our adversary is ruthless, relentless and entirely without honor. His goal is the complete domination of the world. He has said that if in his progress he must destroy those whom he cannot convince, even though he destroy all but a small number of the present population of the globe, he will do so. Evidence of his sincerity in this regard can be found in every land upon which he has laid the finger of his conscienceless lust. Unfortunately, by the appeasement program of the adminstration in power at the time, we gave Moscow a sense of over importance at the very start. It was the American armies that were turned back from the Elbe. It was America that gave Stalin priorities in what are the satellite countries and helped him directly and indirectly to build Soviet strength in Korea, Manchuria, and China. As Americans we cannot escape our truly terrible responsibility to undo as fast as may be that which we have done. You may say to me, "But I didn't do it, I was against it." If you voted against them you did that at least, for it was the majority of those voting who seemingly continued the appeasement administration. If you were among those who did not

vote, then your failure to take your personal responsibility towards continuing freedom and decency, opportunity and hope in a God-fearing world needs expiation.

I am not among the defeatists who say at the outset—"this can't be done, if this is done it won't work, we've poured so much down a rat hole we just can't pour any more, etc." Why not close the rat hole? To base our thinking and our actions on the premise that all Moscow needs to take over the world is to start the juggernaut rolling, is to me shocking beyond measure. What is the matter with us? Have we no good old-fashioned spunk left? Have we no courage, no faith, no belief in ourselves and the way of life we are building? And at this moment in man's battle for existence and for growth when we are faced up with the godless forces of materialism, have we no allegiance to Him in whom our forebears put their trust? Where is our faith in the Almighty and Eternal God whom we call by many names and worship through various formulas? What have we become?

The Turks have refused Russia control of the Dardanelles. They are bleeding themselves white keeping an army out of all proportion to normal peacetime needs. And up in Iran, on the very borders of the Soviet Union, the Province of Azerbajan, with United Nations backing and what is little more than moral support from us, turned them out. While we were in Tehran those same courageous Persians voted down the Russian oil concession 102 to 2. They know that their little army, only now beginning to pull itself together with the help of our tiny military mission would be impotent should Moscow decide to move to the Persian Gulf. But they have stood their ground.

It is of vital importance to the security of the United States, as well as to that of western Europe that the Iranians continue their courageous way. There are many reasons for this, but perhaps the most vital, until science gives us the formulas to unlock atomic energy for use in our economy, is and will be oil. Look at your map, and you will see the gateway Iran could be to Russia.

OIL

At the northern end of the Persian Gulf is the largest refinery in the world. Soviet troops could move down in short order across Persia on the very roads we built with the agreement of the Iranians to give to Russia the supplies with which she repulsed the Germans.

Just in the bend of the gulf lies the fascinating little land of Kuwait—very ancient. Under it is probably the greatest known oil deposit in the world. American concerns own one-half of the concession, and work had begun to go on apace when we were there.

Part way down the gulf lies the island of Bahrein where the British, as well as ourselves, have vital interests. On the mainland is Dhahran. Here the seemingly inexhaustible concessions are ours, and the friendship and understanding that has been built between us and His Very Powerful Majesty King ibn-Saud are making possible a development of the country that should be of great benefit to all the people. We saw the first rails laid on the ties of the railroad that will join together the principal cities. These in turn are to have water, sewage, and light. The engineers are ours, most of the labor is Arab, and for the first time in their lives they receive a living wage. For the first time, also, company schools make it possible to the native to learn a trade, to improve that knowledge and so earn a progressively better position. A hospital is being built and schools, and the palm huts have been replaced by little houses of cement and of brick.

Some of the oil from Bahrein and Dhahran goes to China—to India. During the war our Navy used practically all of the output of ARAMCO, and our ships still count upon fueling there. There is always a tanker at the dock, and there were half a dozen more waiting off shore the day we flew over to Ras Tanura—our ever-growing refinery north of Dhahran.

What if Moscow decided to move south? Yes, there is an airfield at Dhahran and a small American mission teaching a well-chosen group of Saudi Arabian lads how to run a commercial airfield. But could you stop a Soviet paratroop army with a camel corps and a few passenger planes?

Such a situation is not necessarily imminent, but it was our business to look at all these very grave possibilities.

PIPE LINES

Reaching only part of the way across this great peninsula, pipe lines move slowly toward Sidon on the eastern shores of the Mediterranean. You should fly over those deserts as we did. Like a great snake the pipe crawls slowly toward its destination, often covered over by the sands. Occasional small landing fields with a few flat huts make repairs and protection possible. But even the agreements for portions of the rest of those lines have not been ratified by the countries through which they must go. Will they be?

In Damascus I talked with the President several times, as well as with the Prime Minister and others in the Government. Each one told me that strong forces were working on the Parliament for refusal to ratify the agreement made with the oil companies many months ago. And we need that pipe line, friends.

IMPACT OF PARTITION

Let me repeat at this point that our job was to discover and to report on the explosive aspects of national and international movements. Whether there be justice or injustice in the partitioning of Palestine was not our business. But what was and is our business is to give the Congress and to the people of America as calmly objective a picture as possible of the results of the impact of the United States' decision to stand for partition.

We arrived in Jerusalem just at the time it was announced that the United States favored the majority report of the United Nations. It was a strange Jerusalem. Barbed wire thrown around the five separated areas, passes required everywhere, sirens that meant "stop where you are until the all clear," soldiers always in fours and armed. The tension was an experience in itself.

The effect of our announcement was amazing. Nobody was really pleased, not even the Jewish Agency. That was understandable because they have said so often that they would be satisfied with nothing less than a Palestine according to the Jews. Knowing this, the Arabs insisted that they could not believe there was any sincerity behind the Zionist agreement to the suggested partition plan.

We found our Consul General and his very able staff exceedingly well informed. We used their knowledge as background for our discussions and conferences with British, Jews, and Arabs; some of these talks were on the record, others not, but all of them were with people in positions of authority in their groups, though some of their voices have been silenced all too successfully.

It was particularly interesting to find that Creech-Jones' announcement of Britain's decision to withdraw from Palestine was met on every hand with complete incredulity. The High Commissioner Sir Alan Cunningham left no doubt as to its finality when I talked with him, and when later he went on the air. The immediate reaction was pleasure on the part of both Jews and Arabs, although when I discussed it later with the Jewish Agency I found a curious attitude that was most difficult to rationalize. Both groups were very positive that they could handle any violence that might occur should the final decision at Lake Success be for partition.

Let me give you briefly—for my time is short—the reactions and opinions given us, and I assure you it was never the opinion of isolated individuals or even of two of three that we wrote in our book.

As I said—no one was jubilant over that first announcement, and it was not only among the Arabs that we met violent opposition to the partition plan. Just as here and in many other countries, ardent Zionists protest most loudly. The Zionist-Revisionists (they expressed themselves in New York newspaper advertisements in September) are perhaps the most vocal opponents of the partition plan in Palestine. We were told by the authorities that they represent from 17 to 20 percent of the Jewish population. There are also groups of orthodox Jews who told us with an indescribable sadness of their grave concern lest the problems of establishing a Jewish state at this particular time, might become the greatest tragedy ever faced by Jewry.

And there are still others within both the Jewish and the Arab groups who have a deep certainty that Jews and Arabs could and should be able to work out their own salvation. They deeply resent the pressures from without that have brought discord amongst them. To these I have said that I hoped they would let nothing discourage them, but that they would continue to try to find ways to bring about an ultimate peace in order that the dark clouds that presently cover the attainment of a goal long in the hearts of many may be dissipated by unselfish desire and a deep understanding of the need of the world for peace.

I am saying nothing today of the dreams of the thousands upon thousands of Jews taught in their synagogues that they have been singled out by the Lord Jehovah from all mankind and given a particular little country. Nor have I time to speak of the tortured and homeless to whom the Promised Land is their only hope, whose problem has not been simplified by having been made a part of the Zionist plan. But the amazing growth of Tel Aviv to which so many have gone despite the terrible congestion and their own poverty, which is probably true of other cities such as Haifa, cannot be passed over unmentioned. Jerusalem, too, has changed unbelievably. The new wholly modern city has crawled up and down the little hills with incredible elasticity. The fact that all new structures must be of the native stone gives it an appearance of permanency.

I could talk many long minutes on these developments; but that was not my assignment and you have asked for a report.

So today I am giving you as much of a picture as I can of what the impact of the announcement of the American stand for partition was right at the moment and something of the implications as they may play a part in the security and the future of the United States and through us, of the western world.

POSSIBLE EFFECT UPON ARAB-AMERICAN COOPERATION

Let us look at our position quite coldly. As a result of our many conferences we came to the conclusion that the consensus of opinion of a very large majority of those with whom we talked was that a year ago we had the confidence and the friendship of every Arab country. A year ago they believed what they had learned of justice and democracy in the American colleges of the Near East into which they flocked at the end of Ottoman rule. A year ago they trusted us to uphold those doctrines against all comers.

Now? The shock of what is to them our defection, our departure from all they believed we stood for has confused them. They are bewildered by what they consider

our disloyalty not only to them but more seriously still to our own creed, to our own honor. They feel we have betrayed them not only materially, but morally and spiritually, as well.

Nor can they understand our gullibility, our ignorance of the ways of Moscow. His Majesty King Ibn Saud has and has had no illusions about the gangsters in the Kremlin. He sees the danger they present to all who believe that man is a child of God, not a tool of the state. He has watched the machinations of Uncle Joe as he has stretched his long hands out toward the eastern Mediterranean, pulling them back whenever they got slapped, but always reaching out again in some new direction. And now? There was little in our papers about the possibilities of the Russian stand during the first days of maneuvering at Lake Success—nothing to give the picture of the constant pushing and shoving behind the scenes, but definitely felt, to bring out a statement by the United States delegate. How well it was managed that Soviet agreement with America was interpreted as a splendid step toward better understanding. Was there a word said of what was accomplished in the sinister determination of Moscow to control the world? Let us consider the partition plan from that angle and quite dispassionately for a moment. There are two ways—and two ways only—to put it into effect. (1) By the agreement of both groups upon which it is really predicated (2) By force. It is clearly apparent that the first method is out—and no thinking person can fail to see the implications and possible ramifications of the second. It will do no more than suggest what it would mean should the whole Moslem world of some 300,000,000 join in protest. Is it not important that we consider whether it has not become far more than a question of just Palestine—indeed one has little alternative if one is to face the explosive aspects from the standpoint of world peace and the battle that is on between the cold, merciless Kremlin and a God-fearing world.

RUSSIAN STRATEGY AT LAKE SUCCESS

Let us look at the Russian strategy at Lake Success beginning with the opening gun—the consummate skill of Gromyko's first speech.

"We had hoped that these two people would find a way to reconcile their difficulties * * * we have come most reluctantly to the conclusion * * * Russia stands unalterably"—and here is the heart of the matter—"for the right of all peoples to self-determination * * * for the right of an unhappy minority to withdraw from its association with a majority, the right to live unmolested in his own country, etc. etc."

Does this not make it immediately evident that Moscow has used the Palestine issue merely as a tool to establish within the United Nations the precedent of the right of a minority to separate from the majority and set up a separate state? You will see that by its action in this one instance the UN has sanctioned whatever Moscow has done or plans to do to instigate turmoil and revolt in every country where there are minorities.

Take the Azerbaijan matter, for example.

Look more closely at Kurdistan, and foothills of Mount Ararat, the most strategic land mass in eastern Asia. Once established as a satellite country and it is just an easy downhill walk to Kirkutz and the plains beyond.

And Soviet Armenia—how logical to bring those 7,000 square miles back to the fold—to collect the dispersed Armenians as they are doing, and bring them back to Kars and Ardahan. Why surely if after an interval of 2,000 years one group is reinstated in an area of 10,000 square miles, then another group dispersed but 30 years ago should be given the same rights.

It is this establishment of precedent which Moscow has at the moment successfully pulled off that holds within it more power for destruction than the atom bomb.

Of course courageous little Greece, in spite of all the pressures to which she was subjected, held firmly to her early determination to permit no such precedent to be established, for is not Macedonia upon the very brink?

POSSIBLE EFFECT UPON MARSHALL PLAN

By supporting the partition plan Moscow accomplishes another purpose definitely announced in Europe; the defeat of the so-called Marshall plan. How?

A large part of the rehabilitation plan for Europe is predicated upon the supplying of some 15,000,000 tons of oil annually from the Near East. At the moment the output is about half that amount—but the contemplated pipe lines and new developments could readily double the amount. If this is not brought about—if in addition the 7,500,000 tons are cut off, where is the oil to come from?

Our own oil supplies are about 230,000,000 tons a year, and we know that we must conserve rather than to expand if we are to build security at home. So it is of the utmost importance that the pipe lines be laid and that the output be available to Europe.

Could tankers bring the oil around the long way? It has been roughly estimated that 300 tankers would be required to give the five 8,000-ton ships a day that would be required—the minimum time for the turn-around being about 2 months. To build these on top priorities with no time out for strikes would take at least a year—and very roughly would cost from $150,000,000 to $200,000,000—a small sum perhaps as it relates to the possible 16 billions suggested for a 5-year rehabilitation program—but

Under such conditions the pipe lines loom large in the Marshall plan. And Russia has maneuvered the United Nations into a position where—if no further considerations be given—the precedent of minority withdrawals has been established and underwritten. The immediate result is clearly evident. The Near East is threatening to explode over a plan whose possible implementation has in it explosive elements which might easily ignite not just the Near East but all the world. And who benefits? Moscow and the godless Communist ideology.

Whose will be the hand that made all this possible? Where does that put us, friends, in this great battle that is on between those who believe in God and those who defy Him? Remember that the Arab also is a devout believer. Has it not become a question of the future of our world? Will the men in the Kremlin be able to continue to play their cards as successfully as they have on the eastern coast of the Mediterranean Sea? Shall we continue in our blindness and keep on giving them one strategic spot after another even as we have now helped the establishment of the one precedent Moscow needs to do legitimately what she has so far accomplished without sanction?

RESPONSIBILITY FOR THE FUTURE

That is an unpleasant picture, isn't it? I'm wondering if we have the courage to look at it from every possible angle, facing the worst that could happen, and then say to ourselves: Even now this need not be. Even now those responsible may use a greater wisdom than the leaders have shown. The very fact that neither Arab nor Jew is ready, really, to use force means that time may bring cooler judgments to bear among those seemingly the most involved. Once the British have withdrawn and these two contenders are faced up with the full responsibility for their own future, isn't it still possible that those of both groups who have long felt a peaceful way could be found if only the leaders could be forced to abdicate from their positions of fanatic immovableness, might have the courage and the strength to win through to peace.

Isn't it further possible that when the United Nations Security Council considers methods of implementing the decision of the Assembly, as it must automatically do, they will have to face up realistically to the shattering results of Russian strategy? Isn't it conceivable that at that point, with the peace of the world at stake, some interval procedure may be worked out which would give time for further consideration for all that is involved?

In giving you this dispassionate objective picture of a part at least of the explosive aspects of the present situation in the Near East, I am placing upon each one of you, Jew, Moslem, and Christian, a very heavy responsibility. I believe that it is of infinite importance that we go forward from this moment with a deep and new-found humility, asking that we may see more clearly in the darkness that surrounds us and that we may use all our strength, all our courage, all our energies to protect and uphold the spiritual essence that is freedom, that is America.

Upon us as believers in the spiritual realities, upon us as Americans rests the impelling need to look into the implications of these world-shaking decisions with a deeper responsibility for the safety and security of this our country in a world aflame with passion, with anger, with envy and with greed. Not that America shall be strong for the sake of strength, but rather that her strength may be there to be used by the great forces of the Eternal God to build justice and mercy that in the end there may indeed be light.

Economic and Social Implication of Modern Food Science as Exemplified in Multipurpose Food for Famine Emergency Relief Feeding

EXTENSION OF REMARKS

OF

HON. NORRIS POULSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. POULSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert this program put out by the Meals for Millions Foundation. I definitely do not believe that this is a fantastic dream nor do I believe it an impossiblity. Mr. Clifford E. Clinton, the foundation's president, is a successful and reputable businessman, one of the leading restaurateurs in Los Angeles. The food described may not be palatable but it will save lives, and that is what we are interested in.

The program follows:

ECONOMIC AND SOCIAL IMPLICATIONS OF MODERN FOOD SCIENCE AS EXEMPLIFIED IN MULTIPURPOSE FOOD FOR FAMINE EMERGENCY RELIEF FEEDING

(By Clifford E. Clinton, president, Meals for Millions Foundation)

FOREWORD

As the first permanent organized voluntary citizens effort dedicated to the prevention of starvation, the Meals for Millions Foundation was established last fall to develop a new approach to an old problem. The foundation seeks to focus public attention on the fact that recurrent mass starvation is no longer inevitable and that malnutrition is preventable through the application of modern food science and technological knowledge.

The foundation is neither interested nor engaged in the commercial distribution of

food. It is a nonprofit organization. No one connected with the foundation is financially interested in multipurpose food. The foundation merely utilizes multipurpose food in its program as the first scientifically produced food to provide maximum nutrition at minimum cost.

During the past year the foundation has demonstrated that its objectives are practical and can be quickly achieved to the degree that public interest can be aroused.

It has accumulated evidence that adequate food for starving people can be supplied in practically unlimited quantity, within a relatively short period, without depriving well-fed Americans of any item of their accustomed food. It has also demonstrated that its program is one that arouses public enthusiasm.

The present world food emergency imposes on all citizens the obligation to offer to national leaders whatever information and experience they may possess that may contribute to the solution of a world problem that affects us all. Therefore, on behalf of the Meals for Millions Foundation, I submit the following memorandum:

Any program for the fulfillment of America's obligation to a hungry world is enmeshed with serious problems of political, social, and economic importance, as well as humanitarian considerations—

1. To the hungry millions facing the prospect of starvation, economic prostration, and civil disturbance;

2. To well-fed nations of the world such as ours, whose normal resources are great, though inadequate for the task of feeding the world without risks of incurring economic disruptions or catastrophe.

The ideal policy must be one, therefore, that will preserve our willingness and our ability to help over such period as may be necessary, to enable those now dependent to become independent and self-sustaining.

We recognize that there are several possible approaches for both immediate and long-term aid in the foreign food crisis.

A. CONSERVATION AND INCREASED PRODUCTION OF TRADITIONAL FOODS

One immediate approach is to conserve our normal food resources by all the devices being employed by the recently created Citizens' Food Committee. The corollary to this approach is to stimulate maximum world production of traditional foods and of commodities and services which can be exchanged for food.

We must be alert, however, to the fact that if we save too little, produce too little, and export too much, the result can be distortion of our own food economy, disastrous inflation, and consequent national preoccupation with our own internal difficulties, which will preclude effective attention to and solution of the world food problem.

Moreover, even within the margin of our own security, we may soon become discouraged if, with all our sacrifice, we do not achieve rapid rehabilitation and reconstruction abroad. We can take grains and other foods from the domestic market in such quantities as to raise prices at home, and despite this sacrifice, still fail to bring to undernourished people those nutritive essentials necessary to rebuild their wasted bodies and restore their incentive, hope, and ambition, which are all so necessary if these people are to become self-sustaining, and able, as well as willing, to undertake the tasks of reconstruction.

The problem, therefore, is not only that of filling empty stomachs. It is also the problem of rebuilding wasted bodies. It is the problem of synchronizing relief feeding with the requirements of rehabilitation and reconstruction.

B. PRODUCTION OF NEW FOODS

The purpose of this memorandum is to present another scientific approach, which, if properly supported and extended, can, we believe, be of revolutionary significance, and revolutionary for the world's good.

There are many new foods on the scientific horizon which can add to the world's present food supply new, cheap, and nourishing foods developed from many sources not currently utilized for human food. Multipurpose food is the first of these pioneer foods to be actually produced, tested, and exported in a form acceptable to the hungry people of the world.

About 4,000,000 meals of MPF have gone overseas into 21 countries through 32 national relief agencies since the formation of the Foundation. Multipurpose food utilizes the soybean, a vegetable protein carrier of high potency. It is palatable, nutritious, and acceptable. Two ounces (dry weight) of this food, cooked for 10 minutes with four parts of water, make an 8-ounce meal which is sustaining, filling, satisfying, appetizing, and has the approximate nutritive value of a meal of beef, potatoes, peas, and milk. It violates no dietary precept. Its current cost of 3 cents a meal could be further reduced with planned, quantity production.

Multipurpose food is a byproduct. It utilizes the residue of soybean left after the extraction of the oil for industrial purposes. Its present use is for plastic manufacture, stock feeding, fertilizer, etc. It is available in great quantities for human consumption through a new process which makes it palatable. As a protein food, it provides in cheap form those nutritive essentials commonly consumed in scarce and expensive meat, milk, and eggs. Fortified with essential minerals and vitamins in cheap, abundant, synthetic form, it supplies precisely those nutritive essentials usually lacking in the diets of the world's hungry people.

No other single food, regardless of cost, contains all these essentials. It is the lack of proteins, vitamins, minerals, that prevents many relief diets, based on cereals and vegetables, from rehabilitating hungry people to the point where they are self-sustaining and have a sense of well-being and incentive to do a good day's work.

Multipurpose food, therefore, can be used to supplement and extend available grains and other foods made available through our export and conservation program. It makes it possible for the consumer to obtain maximum nutritional efficiency from such foods as he is already able to obtain. MPF is versatile, fits into any food program, and acquires the taste of foods with which it is blended. It can be shipped in one-tenth the space of other foods, and keeps indefinitely.

The use of this food, and such similar foods as may be developed, permits Americans to aid in the prevention of malnutrition and starvation abroad, in accordance with our acknowledged obligation and intelligent self-interest, without disaster to our domestic food economy.

A THREE-POINT PROGRAM

A three-point program to meet the present emergency and prevent recurrent food shortages is suggested herewith:

1. Emergency famine relief! This would involve the solicitation of funds from citizens, as well as the contribution of Government aid. This program would operate through a committee of food experts, food scientists, and expediters. This committee would develop, and utilize, foods not heretofore utilized, such as the soy products.

The American soy crop, with planning, could provide up to 180,000,000 meals daily. While production in significant volume could be stimulated immediately to aid in meeting the problem of the coming winter, the full effect of the program would be felt after the current crop year, when agricultural planning for extended soy planting could attain a yield which would provide for foreign aid as well as necessary domestic allocations for accustomed needs.

Use of the soy crop in such increased amounts for food purposes would greatly expand American production of vegetable oils since, in extracting the protein grit from the soy, much of the oil is drained off. Abundance of this oil would be reflected in lessened pressures on the prices of articles for domestic consumption, such as margarine, soap, etc., which utilize vegetable oils. It would also provide additional oil for export.

Aside from its nutritive values, the extent to which multipurpose foods supplants the export of other foods, such as wheat, will be reflected in reduced pressure on the prices of these domestic foods.

Multipurpose food, therefore, presents the opportunity to attack high food prices at home by producing a food more suitable for relief abroad. Our relief program can become a counterinflationary weapon.

Multipurpose food possesses another distinct advantage from the standpoint of national policy. It is identifiable as American aid wherever it is used. Every package is already so marked. It is distinct from any other food. This is an advantage not possessed by grains and other bulk foods.

Multipurpose food is an incentive food in a double sense. While it supplies those nutritive essentials which build a sense of well-being in the human body, it is still an emergency food. While giving men the ability to do a day's work, it will stimulate the desire to make the traditional, appetizing combinations more plentiful by making the day's work count in renewed production of those foods. Multipurpose food is not a deluxe food. It will, however, sustain people who desire to work to restore their normal food economy as quickly as possible. It will enable farmers, miners, factory workers, professional men, and office workers to get ahead with their tasks without undue exhaustion * * * but it will in no way minimize their desire to obtain more diversified food as soon as possible.

Multipurpose food for emergency relief feeding can be dramatized in such a way as to stimulate fund raising from every citizen. Every family can afford to invite an unseen, hungry guest to dinner at a cost of 3 cents. This, tied in with the conservation drive, would balance the negative appeal to eat less with a positive appeal to give the price of a postage stamp regularly at each meal to feed someone who is hungry. The volume of contributions received by the foundation to date demonstrates the power of this appeal.

2. Governmental food purchases and production planning: The emergency relief feeding program discussed above should of course, be synchronized and coordinated with the immediate and long-range food production plans already developed by governments and intergovernmental agencies, such as the Food and Agricultural Organization of the United Nations. Such plans look to the removal of trade barriers and the interchange of foods to balance the economies of various shortage areas and increase their production through international cooperation.

3. Agricultural- and economic-aid plan: Emergency feeding aid and governmental assistance in food purchases as suggested, could be extended to countries which enter into agreements to adopt approved procedures for bringing themselves to a plan of agricultural and economic self-sufficiency.

Such a program of cooperation would incorporate the best available technological and scientific advice for production in field and factory.

For example: Many countries could, within two crop periods, become self-sufficient in food production for the emergency needs of their areas. Soy, or its nutritive equivalent, could be grown and processed to produce sufficient food to provide for basic nutritive needs. This would involve technical instruction to these areas as to the production,

processing, and blending of the food elements required in order to make an inexpensive, abundant food, nutritionally adequate.

A similar procedure could be adopted in those areas, such as India, China, and the Near East which have never had an adequate food production and technology. A cooperative program should be set up to provide the farm and factory facilities whereby these deficiency nations could begin the production of a food which would be within the purchasing power of the Hindu untouchable, the Egyptian fellah, the Chinese coolie.

CONCLUSION

To accomplish the foregoing, the program should also provide adequate funds for continued research and development of those foods which, for the first time in history, will make it possible to prevent famine and malnutrition throughout most of the world and bring nourishing food within the reach of impoverished peoples.

Only then will people have the strength to raise their own standards of living and look forward to a hopeful, peaceful, productive, and self-sustaining future.

Food-Sharing Plan

EXTENSION OF REMARKS
OF
HON. NORRIS POULSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. POULSON. Mr. Speaker, the District of Columbia League of Republican Women has devised a food-sharing plan which in my opinion has much to commend it for widespread adoption throughout the United States as an effective way of supplementing the Government's foreign-aid program. The plan was devised by a food-conservation committee under the chairmanship of a young housewife and mother of two infant children, Mrs. Roy E. James. As one would expect, the plan is simple and personal. It is what one would expect from the mothers of America.

Under the plan to which I refer it is suggested that the boss of the American kitchen, so to speak, make a pledge to restrict the use of fats and grains in her own household and to conserve food by one or more of the following very simple methods:

First. Exclude one whole course from the day's heaviest meal.

Second. Cut out one vegetable or meat serving from the main course of the day's heaviest meal.

Third. Establish one "fast" day a week and ask healthy and ablebodied members of the family either to forego one or more meals entirely or to eat only a "fast" meal in lieu of a regular one.

Fourth. Take an unseen foreign friend along to the grocery store and put into the "share" bank an amount equal to the cost of the food you would have bought if he had stayed for dinner.

Fifth. Deduct a reasonable amount of cash from the weekly food budget and put it into the "share" bank.

The food-sharing plan which Mrs. James and her committee have devised is nothing more than age-old charity and neighborliness in its simplest form. I hope that by placing it in the RECORD it will come to the attention of women's organizations throughout the country. The mothers and housewives of America may find in this plan the suggestion by which they can help the Nation to share its plenty with those of our foreign friends who are in need.

Taft-Hartley Act and How It Works

EXTENSION OF REMARKS
OF
HON. AUGUST H. ANDRESEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. AUGUST H. ANDRESEN. Mr. Speaker, since much has been said about the Taft-Hartley Act in the press and over the radio, the time has come for the rank and file of workers, as well as employers to learn how the law works out in actual practice.

Mr. E. F. Johnson of the E. F. Johnson Co., of Waseca, Minn., one of the leading manufacturers of the Northwest, writes:

The Taft-Hartley law could well be described as an act to protect the rights of labor. It could be enthusiastically acclaimed, if its proponents were as vocal as its enemies, as a guarantee of the freedom of individual employees.

I am very well acquainted with Mr. Johnson and his associates in the E. F. Johnson Co. I also know many of the employees of this company. They are all fine Americans. They work together to secure maximum production of the highest quality of precision-made radio equipment and other products. This company, both management and workers did an outstanding job during the war. I know that every Member of the House will benefit from reading Mr. Johnson's analysis of the Taft-Hartley Act and how this law works out in his company.

WHAT'S IN TAFT-HARTLEY BILL THAT'S CAUSE FOR ALARM AMONG UNIONS?—SURVEY SHOWS THAT UNION MEMBERS FAVOR PROVISIONS OF THE ACT—LAW EXPECTED TO MAKE NO DIFFERENCE LOCALLY

Just why is all this fuss about the new Labor-Management Relations Act of 1947, commonly called the Taft-Hartley law? Is there some calamity hanging over the heads of all workers, especially union members? What is going to happen to Johnson employees in particular, and to their relations with the company?

Well, from where I sit, there appears no reason to expect any change whatever, in any matters affecting people in this plant. Now, as always, good relations are determined not by law but by the good intentions and sincere efforts of all participants.

The conditions leading to trouble elsewhere, necessitating legislation to protect the rights of the public and the individual worker as well as equalizing the responsibilities and rights of management and unions, just have not existed here. During all of the period of our A. F. of L. union contracts, neither management nor union has had to assert its legal rights in conflict with the other. Differences, of course, have arisen, but have been settled peaceably by the process of true collective bargaining.

Credit for that condition should be shared jointly by all of us, but particularly by the management and union representatives who have honestly endeavored to get along. They are, for the company, Bernie Hess and Les Loomer, and for the union, Business Agents Bill Foard and Jack Bray, and Shop Steward Harold Webber. This company has no intention of using the new law as an excuse for stirring up trouble. I have much confidence that the union members and representatives have the same motives. If this confidence is warranted, no one need expect any adverse effect from the enactment of the law.

What, then, is the reason for all the denunciation the Taft-Hartley Act and its supporters have been getting from labor officials? Is there the remotest reason for thinking it will enslave labor? Can it possibly work to wreck unionism? These and other similar claims have filled the air and the press for many months. If they are valid, there's reason to be disturbed; if not they should be challenged, and it's up to employers in the absence of much other defense to put the facts truthfully before their employees and the public.

An interesting poll of public opinion was presented in the Minneapolis Sunday Tribune of September 21, being the results of a national survey by the Opinion Research Corp. to determine employees' attitude on the act. Fifty-four percent of all employees and 64 percent of union members disapproved of the act. However, when questioned as to their views on 10 individual provisions in the law, every such provision was strongly approved by from 86 percent to 56 percent of all employees which included union members. All but one such provision was approved by from 85 percent to 50 percent of union members, only 48 percent of them favoring outlawing the closed shop.

Similar results have been obtained in many other opinion surveys. If we think we don't want something, but want everything in it, isn't it likely that we have misunderstood the proposition? Perhaps the campaign to discredit the Taft-Hartley law has convinced a majority of workers that it must be bad, even if it has much in its favor. Well, in such a case we have to examine the whole question—to see just what is in the law, and especially to look for any hidden jokers.

It's pretty tough reading to study the law as written, but we have it for anyone who wishes to do that. Many summaries have been prepared by supposedly disinterested persons, and they agree pretty well, so I've tried to summarize the summaries.

In actual fact, the Taft-Hartley law could well be described as an act to protect the rights of labor. It could be enthusiastically acclaimed, if its proponents were as vocal as its enemies, as a guarantee of the freedom of individual employees.

A very large part of the law is devoted to provisions that prevent practices common in some unions which are detrimental to members collectively and individually. Among these provisions are: prohibitions of secondary boycotts and jurisdictional strikes, which often resulted in large-scale unemployment even though there were no labor disputes with the employers so involved; requiring that unions as well as employers refrain from unfair labor practices, such as coercion, or charging excessive initiation fees; regulating the expenditure of union funds obtained from members dues, and requiring financial reports; altering the structure and procedure of the National Labor Relations Board so that it can work more effectively in the interest of the individual and with equal fairness to employer and union; prohibiting the closed shop under which an individual could be denied a job; limiting the reasons for which a member could be expelled from a union thus requiring loss of his job in a union shop (or maintenance of membership contract such as we have). Every provision designed to protect employees in the old Wagner Act is continued.

The above and still other similar provisions have only one reason, the protection of individual rights, even though they may restrict practices formerly employed by some (by no means all) unions. They are definitely gains for the whole of labor, although definitely a curb on certain excesses that had become so common in many places. So far as I know these things have not been issues here, consequently we may never be aware of the change in the law.

The rights of the general public have been recognized. Strikes in large public-service types of industries cannot now be hastily called to the immense detriment of all people. They are not prohibited, but steps must be taken to give every possible chance of settlement without strikes. Mediation procedure is strengthened in an effort to avoid strikes. Federal Government employees may not strike. We've all been affected by labor difficulties in the past, in which we had no direct part whatever, and the above and other provisions are designed to reduce loss and even suffering on the part of the public. If it does, we all benefit equally.

Employers do get some concessions. They have greater freedom of expression in labor matters, no longer being subject to prosecution so long as they avoid threats or promises of favors. They can now petition for an election to determine the proper bargaining agent for employees. They can now sue unions for breaking contracts just as unions could previously sue them (but the individual union member still is not jeopardized). That looks fair enough, and nothing in those provisions should be any cause for concern.

Union officials in certain capacities must sign affidavits certifying they are not Communists. International unions do not have a preferred status over independents. Unions can now be found guilty of unfair labor practices. They are prohibited, as are corporations, from engaging in certain political activities. Certainly these do not appear to be excessive restrictions.

That, as I see it, is the essence of the Taft-Hartley Act. It has been treated this fully not because we may be directly involved, but because it is a matter of great national importance which so far has been inadequately presented. Instead of loud denunciation, and personal vilification of its sponsors, which seems to be the chief methods of attack, it should have calm judgment and full appraisal. That should indicate to fair-minded people that it is a fair act and deserves a fair chance to succeed.

E. F. JOHNSON.

Postage Rates on Gift Packages to Foreign Countries

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. BLATNIK. Mr. Speaker, I have today introduced a bill to reduce postage rates to a token payment for gift packages of food, clothing, and medicines to various foreign countries. This bill resembles the measure introduced in the other body by several of its most distinguished Members—Mr. LANGER, Mr. THYE, Mr. BUTLER, Mr. GREEN, Mr. MCMAHON, and Mr. O'CONOR—and is similar in principle to several House measures which have been sponsored by my distinguished colleagues—Mr. POTTS, Mr. YOUNGBLOOD, Mr. AUGUST H. ANDRESEN of Minnesota, and Mr. Gleason. During the House debate last week, the able gentleman from Michigan, and my very good friend [Mr. SADOWSKI], sponsored this proposal in the form of an amendment to the European emergency relief bill, and presented in a most logical manner the reasons for its adoption.

My bill is a simple one, and embraces the following two major provisions:

One, the bill provides that postage rates on gift packages containing food, clothing, and medicines mailed by individuals in this country shall be reduced by at least 75 percent, or allowed to go postage free at the discretion of the United States Post Office Department, when addressed to individuals or accredited relief organizations in the countries of Europe (including Eire, Great Britain, and Iceland, and China and Korea.

And two, the United States Post Office Department is reimbursed for the loss of postage revenue resulting from the reduction, and for the cost of handling said relief packages, from relief funds already appropriated by Congress for foreign countries.

The justifications for this measure are obvious. During the last few years, the common people of America, in the spirit of Christian charity and humanitarianism, have been giving generously to the needy everywhere. Churches and religious organizations—Catholic, Protestant, and Jewish—and other private relief organizations have been raising money and collecting food and other supplies for the suffering people of the world.

During the fiscal year of 1947, over 317,000,000 pounds of relief supplies have been sent by individuals and private organizations to Europe alone. An additional 137,000,000 pounds of such supplies have been mailed since last July, which makes a total of 454,000,000 pounds of private relief for the last 17 months. These relief packages, valued at an amount of at least $50,000,000, have not cost the taxpayer one single cent, but represent the voluntary contributions of individual citizens.

Unfortunately, the flow of private relief to Europe and Asia has been restricted by the heavy postal rates on relief packages. It costs 14 cents per pound to send these packages, which means that postage is often more than the cost of the contents. Total postage payments on private relief shipments to Europe for the 1947 fiscal year amounted to $44,447,265.38, and nearly $20,000,000 have been paid out for the same purpose since July 1.

Mr. Speaker, the generous American people have contributed voluntarily well over $115 millions in relief packages and postal charges to the hungry people of Europe. This is genuine Christian charity, motivated by real friendship, and it deserves to be encouraged. The reduction of postal rates, or permission to send these packages postage free, would stimulate and encourage the sending of private relief to Europe. The Post Office Department estimates that the effect of this bill would double the volume of private relief shipments. In other words, this measure would provide over $100 millions of private relief per year to supplement the Government relief program which we have considered.

In my opinion, private relief of this kind creates more good will for America among the peoples of the world than any Government relief program that we may enact. The recipients know that there are no political strings attached to these packages, nor political considerations involved, but that they represent contributions by common people who have a real concept of relief.

Motivated by the belief that this bill will help feed and clothe thousands of destitute people, and will help create international good will, I submit this measure for consideration by the Congress.

Radio Address to My Constituents

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me over Station WNBF on December 13, 1947:

Dear friends of the Triple Cities and my congressional district, as the season of peace on earth and good will to men approaches, I want to propose something for the benefit of a forgotten group which, although relatively small, is nevertheless a large number when considered in round figures.

I speak to those men who, during the recent war, were punished for minor infractions against military discipline and who lost the opportunity thereby for honorable discharge.

Most of the millions of our boys who came out of that struggle terminated their services without blemish or taint. Yet, there are many against whom still rest charges of desertion, going over the hill, eluding the guard and a dozen other lesser breaches of Army deportment.

Because of this misbehavior, most men did not receive an honorable discharge. Yet they put in several years, in practically every case, of military service, much of it overseas.

I am not referring to extreme examples where major crimes against society more than justified the heavy punishments meted out by Army authorities. I would not defend men in this category because it is obvious they deserved what they got.

But so many boys appealed to me to save them from the threats of court-martial and dire consequences because they had jumped camp to reach a dying mother's bedside or to visit some other relative seriously ill.

So many young men appealed for my assistance in helping them wipe off an ugly mark from their records by trying to obtain an honorable discharge when it had been denied them.

It is all the more unfortunate when you consider most of these offenders were mere boys. However, now they are men and must face the grim world with two strikes against them whenever they apply for jobs, either of a public nature or in private business.

It is a pretty desperate employer who will hire a man who cannot produce an honorable release from the fighting forces. The door is barred in nearly every instance to

those upon whom there remains a black mark of the type I am describing.

Every time some offender writes to me for help as a last resort, I think of the great act Abraham Lincoln did while the Civil War was raging.

A frantic mother gained the audience of the President and begged him to pardon her son, just about to be shot for going to sleep on guard duty.

This boy had been raised on a farm, accustomed to going to bed early and working hard all day. Natural sleep overtook him while he was a sentry but the military tribunal sentenced him to execution.

Lincoln remembered his own youth and his hard early years. He recalled his own shortcomings.

Reassuring this pleading mother, Lincoln wrote out a pardon which set the young man free and saved him from the firing squad.

Now that the war is over, I believe the War Department can well afford to look into a great number of cases with transgressions far less glaring than sleeping on sentry duty. I think all these incidents deserve a general review. Wherever the old order can be changed or the penalty made lighter, I think serious consideration should be given to this end.

Let us not deprive these people forever of the chance to make their name in peacetime pursuits. Such a barrier placed in their way constitutes a handicap most of them cannot surmount.

Therefore, I say to the military and naval authorities of our country, be generous with these young men, let the spirit of Christmas pervade your minds and hearts and after careful review, make it possible for as many of these minor military offenders to obtain the honorable discharges they so zealously seek and are in such dire need of receiving.

Thank you.

British Round Recovery Corner and Optimism Pervades Islands

EXTENSION OF REMARKS
OF
HON. HUBERT S. ELLIS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. ELLIS. Mr. Speaker, the following item by Glenn Williams should be good news to everyone, especially to the bleeding hearts who have been pleading that the world is coming to an end and that we should give the United States Treasury to Europe. The item follows:

BRITISH ROUND RECOVERY CORNER AND OPTIMISM PERVADES ISLANDS

(By Glenn Williams)

LONDON, December 13.—Increasing evidence that Britain is surely beating back national poverty has brought a new surge of optimism to these islands.

Deputy Prime Minister Herbert Morrison declared in a speech prepared for nation-wide broadcast tonight that Britain had rounded the recovery corner.

"Let's look at the facts and figures and be proud of ourselves as a people," he said.

"I am the last to start cheering before the game is won," he added, "but it's not going too badly."

The new optimism has spread even to the office of Sir Stafford Cripps, dour boss of Britain's economics and finance, where a spokesman said "things are on the up and up."

The optimism is as clear a change of spirit as was the tiredness and let-down feeling that followed the war. Good news now is hailed in headlines that for months have told only of ration cuts and one crisis after another.

The most spectacular bright spot is in coal production, which has risen above safety levels and allowed renewal of exports. Even the black spots in the industrial picture—a severe shortage of freight cars, comparatively low textile production and the foreign trade deficit—are brightening a little.

European Scrap Supplies

EXTENSION OF REMARKS
OF
HON. LINDLEY BECKWORTH
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. BECKWORTH. Mr. Speaker, I desire to include in the CONGRESSIONAL RECORD some letters I have recently received concerning scrap in Europe:

DEPARTMENT OF STATE,
Washington, December 3, 1947.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

MY DEAR MR. BECKWORTH: This is in reply to your letter of November 20, 1947, in which you forward the suggestion that iron and steel scrap be brought back to this country from Europe by the boats used to transport foreign aid materials.

The possibility of obtaining European scrap as return cargo has been a subject of widespread interest in recent weeks. Investigation has shown, however, that western Europe is suffering from a shortage of scrap more serious than our own. In fact, the report of the Committee of European Economic Cooperation estimates that a deficit in European scrap supplies of at least one and one-half million tons will exist in each year of the period 1948–51.

Although the potential supply of scrap in western Europe may be large, much of it is in inaccessible locations, and much of it is rubble scrap, and the collection and transportation of such materials involve extreme difficulties in the present state of the European economy. In Germany, which is presumed to be the richest source of European scrap, the obstacles to the organization of a successful collection program are particularly serious. In the meantime, presently available supplies of steel scrap in western Europe are inadequate for local requirements. In certain areas, notably Italy and Austria, stocks are so low that there is danger of an enforced reduction of even the present low levels of production and employment in the steel-making and fabricating industries of these countries. There are considerable quantities of United States Army scrap in overseas theaters which might be used to alleviate this situation, but a present directive requires that this material be sold only for return to this country.

You will understand that in these circumstances the Department does not wish at the present time to press for shipment of indigenous scrap from Europe to this country. If, at a later date, we ascertain that there is surplus scrap abroad which could be shipped to the United States without such serious detriment to the European economy, consideration of a change of policy will of course be in order.

Sincerely yours,

FLORENCE KIHLIN,
Special Assistant
(For the counselor).

MUNITIONS BOARD,
NATIONAL MILITARY ESTABLISHMENT,
Washington, D. C., December 11, 1947.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Your very interesting note of November 20, 1947, on the subject of iron and steel scrap, which was addressed to Secretary Forrestal, has been referred to the Munitions Board for reply.

For some time the Army, Navy, and Air Force have been alert to the critical shortage of iron and steel scrap. However, in the sale of scrap the authority of the service is limited to that generated from service-owned supplies and equipment. Nevertheless, to assist in alleviating this shortage, aggressive action has been taken to effect maximum return of these critical materials to industrial channels. This action has included an "as is, where as" sales policy of overseas scrap. Under this policy the purchaser is required to return the scrap to the United States. In this manner large quantities of scrap generated by the military have been made available for domestic use.

The broader aspects of this problem, such as the export of iron and steel scrap to Europe under a foreign-aid plan, as well as the availability of manpower and transportation for the collection and preparation of scrap in Europe, should be considered in evaluating the proposal you suggest in your note of November 20, 1947. These are factors, however, involved in viewing the problem from the standpoint of the over-all of national economy and are not necessarily the factors which are of direct concern to the military services.

Your suggestion is greatly appreciated; however, it is felt that it should be given consideration by other departments of the Government more directly concerned with over-all national economy, such as the Executive Committee on Economic Foreign Policy.

Sincerely yours,

T. J. HARGRAVE, *Chairman.*

UNITED STATES LINES,
New York, N. Y., December 12, 1947.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BECKWORTH: Referring to your letter of December 10, the United States Lines, through our European representatives, have been working for months on the potential movement of scrap iron from United States and British zones of Germany to the United States.

The processing of the scrap for transportation and moving to the ports for loading on ships has been the bottleneck, but these are being overcome and it is hoped before long there will be a steady flow to the ports.

The vessels of the United States Lines and those of the other United States flag lines maintaining regular service to and from German and other continental European ports, are in position to lift very substantial tonnages of scrap as the quantity of other cargo offering is small.

If there is any further information you would like to have please let us know.

Cordially yours,

P. E. MCINTYRE,
General Freight Traffic Manager.

MOORE-MCCORMACK LINES, INC.,
New York, N. Y., December 12, 1947.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I have your memorandum of December 10, with regard to ships moving scrap iron from Europe and I am happy that you called this to our attention.

We operate a service to Scandinavian and Baltic countries termed "American Scantic Line" and have weekly ships in both directions calling at Norway, Sweden, Denmark, Gdynia in Poland, and also Finland.

Yes, indeed; we could handle scrap iron from Baltic German ports but, unfortunately, at this time this section is under the control of the Russians. We have had no inquiries as to movement of scrap iron from Scandinavia nor from Poland; however, we have our own man in these fields and if any scrap is offered would be mighty glad to handle it. Also, if extra ships were required to handle scrap iron from German ports, such as Hamburg, or Bremen, we undoubtedly could supply some of them.

Generally speaking, scrap iron is difficult and slow cargo to handle, however, if large tonnages were available shippers could no doubt arrange wherein the material is pressed in rather uniform blocks or packages, which would permit quicker handling in loading and discharging and necessarily a lower freight rate than if it were just shipped loose.

Sincerely yours,

ALBERT V. MOORE, *President.*

Public Housing Administration

EXTENSION OF REMARKS
OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. HARNESS of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following memorandum:

MEMORANDUM

To: Hon. FOREST A. HARNESS, chairman.
From: Frank T. Bow, general counsel.
Subject: Public Housing Administration (formerly FPHA).

At the direction of the chairman, your counsel proceeded to San Diego, Calif., by air on October 9, 1947, arriving in San Diego at 10:30 a. m., October 10. The purpose of the investigation was to determine whether or not the Public Housing Authority in the San Diego region had indulged in improper practices in relation to its publicity and propaganda, complaints having been received by the subcommittee which would indicate propaganda had been used for political purposes, as well as the union activities of the United Public Workers—CIO, Local 263. In the course of the brief investigation made by your counsel, certain matters came to his attention which he deemed to be irregular and should undoubtedly be the subject of further and intensive investigation.

In the consideration of the subjects of the following report, it should be borne in mind that your counsel was limited in time and facilities and of necessity, therefore, this report is directed to subjects and leads for investigation and is not complete in all details. To properly complete an investigation of the subjects referred to, competent auditors, as well as investigators, should be assigned.

I submit to you for your consideration the following subjects:

POLITICAL ACTIVITY OF FEDERAL EMPLOYEES

Several days before the election of 1946, political posters appeared in prominent places throughout every housing project in the San Diego area, particularly at bus stops and especially in front of management offices. These posters were captioned "Save your home" and contained alleged statements of certain candidates which were unfavorable to the Public Housing groups. Statements were made as direct quotes, and investigation proves the quotations to be inaccurate.

All housing tenants have the first 5 days of each month to pay their rent, and approximately 78 percent of the tenants do so on the fifth day, which was the day before the Federal election. Signs were placed prominently around the management offices, with the obvious intent to impress the tenants when paying their rents.

There is attached to this report and marked for identification exhibits — and —, which show the posters in front of the management office at Bay View Terrace in the San Diego area. There is also attached and marked as exhibit —, one of the original posters taken from one of the housing projects in San Diego.

Your counsel believes this to be not only improper propaganda, but a violation of the civil-service regulations which prohibit "helping to get out the voters on registration or election days."

A further activity of a similar nature to the one above referred to by the Federal employees in the Public Housing Administration was the circulation of petitions to abolish cross filing in the State of California. These petitions were handed out during a Public Housing Administration meeting, and your counsel is informed that at the request of Mr. John Arvin, former regional director of the project, they were circulated by two Public Housing officials on Government time and on the Housing properties. Signatures of many of the employees of the Public Housing Administration appear on the petitions.

There is attached hereto and marked "Exhibit —," photostatic copies of the petition, together with the Civil Service Commission's warning to Federal employees. Particular attention is directed to the language of the warning, declaring that "initiating or circulating political petitions, including nomination petitions" is prohibited.

Your counsel was informed that considerable political activity was inspired by officials of the Public Housing Administration; that at a meeting on October 4, 1946, at the Orlanno Cafe in San Diego, that the area housing manager, Mr. John Arvin, requested a $50 contribution from each Federal employee, such contribution to be made to one of the major political parties.

Your counsel also conferred with Mr. Aubrey Davis, a realtor of San Diego, and former area housing manager of the Public Housing Administration in San Diego, who stated that one of the reasons for his resignation from the Public Housing Administration was the pressure put on him by higher authorities in the Administration to indulge in political activities in the administration of the project.

I believe it pertinent to the subject here under consideration to quote from an affidavit of Hinton A. Miller, which was subscribed and sworn to on the 10th day of August 1947. Mr. Miller, who lives at 1100 Fuego Court, San Pedro, Calif., is presently employed as assistant housing manager, Banning House project, Los Angeles City Housing Authority. In the affidavit referred to Mr. Miller stated in part as follows:

"John A. Arvin's political activities became increasingly evident as time passed. As the Jackson Day dinner approached in 1946, Milton Kraft, areas procurement officer at the time took me aside one day and said that the boss (meaning Arvin) wanted me to attend the dinner. I had never attended any prior Jackson Day dinner. It was not a matter of invitation but more of a command. I am a registered Democrat and had never given a thought to attending this dinner. I took these instructions as an order. This was later evidenced at the dinner when John Arvin made a speech at this Jackson Day dinner and boasted of being the head of an organization that could muster that kind of a turnout. There were 35 to 50 of us housing managers and divisional office employees. Collections for the dinner in the amount of $25 a plate was made by a check written to the order of the Jackson Day Dinner Committee. I gave this check to Hale Berlin, who turned this check over to William Meyer, our personnel officer, in my presence in the area office.

"Later as the primary campaign developed, I was asked to attend a luncheon for Charles Dail, who was the Democratic candidate for State senator. I do not recall who asked me to attend. It also happened that I personally favored Mr. Dail and intended to vote for him. I rode with Everett Stevens, another FPHA employee, in his car to this luncheon, which was held after the Jackson Day dinner and before the primaries in 1946 at the El Cortez Hotel. This luncheon was attended by the FPHA area officials and managers and about the same group was in attendance as was at the Jackson Day dinner, there were 35 to 50 present. I can specifically recall John A. Arvin, Milton Kraft, Hale Berlin, William A. Meyer, Everett Stevens, George Weeks, Harry Asborn, and Walter Alley, as well as Omer Mills, assistant regional director, and Candidate Charles Dail. Mr. John A. Arvin presided and told us that the purpose of this meeting was to organize us as a machine to swing the primaries for Dail by organizing the tenants in our projects and getting out their vote on primary election day. Since it was felt that some of us might have qualms about being politically active in the face of the Hatch Act, Mr. Omer Mills, assistant regional director of San Francisco, was present to assure us that we had the O. K. of the regional director (Langdon Post) to take part in such activity as was suggested by Mr. Arvin. In furtherance of this instruction, I looked up one of the tenants in the Coronado housing project whom I knew to be interested in politics and told him to see Charles Dail. This man's name was Mr. Pumprey; his first name I do not recall.

"As the primary campaign wore on I received a call from Hale Berlin to the effect that John Arvin had promised to assist Charles Dail financially in the sum of several hundred dollars and my share of this contribution would be $10. I gave Hale Berlin a check made out to cash in the sum of $10 and I noticed that he has endorsed this check. I paid this to Berlin in his office. Berlin is FPHA area commercial facilities adviser."

COMMERCIAL LEASES

As a part of the Linda Vista development, there is a large commercial section embracing dry-goods stores, grocery stores, drug stores, restaurants, bakeries, confectioneries, and many other types of commercial establishments. These buildings were built and equipped at Government expense as a part of the housing development. There was a great demand by merchants and others for leases of the buildings. It should be noted in this regard that Linda Vista is adjacent to San Diego and 125 miles from Los Angeles. However, an exclusive agency contract was entered into between the Federal Public Housing Administration (now known as the Public Housing Authority) and the Land Improvement Co. of Los Angeles. The Land Improvement Co. was located at 727 West Seventh Street, and later moved to 407 Roosevelt Building, Los Angeles, Calif. The president of the company was Harvey L. Silbert, the vice president was Guido Braccini, the treasurer was Philip Cravitz, and the manager was S. L. Price.

Under the terms and conditions of the exclusive agency contract, the Land Improvement Co. was to receive a straight 5-percent commission on all rentals regardless of the number of years provided for in the lease.

No real-estate firm in San Diego had an opportunity to make leases in the commercial center, and it is of particular significance that the schedule for commissions established in San Diego is 4 percent of the rental for 3 years, and 1½ percent thereafter.

Your counsel was advised by a reputable realtor of the city of San Diego that in his opinion this difference in commissions cost the Government between $150,000 and $200,000. No explanation could be made as to the reason why this exclusive agency contract was entered into with the Los Angeles firm, nor why there was a difference between the established San Diego rate and that contained in the Land Improvement Co. contract. The contract further provided that where there was a fixed sum contained in a lease the total commission for the entire period would be paid by the Government within 30 days.

Your counsel was further advised by the area housing manager that at the present time some of the properties are now being operated and leases held by S. L. Price, the former manager of the Land Improvement Co., and that one leasehold of a confectionery and liquor store is now in the name of E. Blum and operated by Henry B. Cramer. The regional director stated that in his opinion no one by the name of E. Blum was in existence, and that, in his opinion, this lease was actually held by someone formerly connected with the Land Improvement Co.

The question of commercial leases and the operation of commercial properties should undoubtedly receive close scrutiny and minute investigation. This is also true of a number of other contracts entered into by the Public Housing Authority and renovating and janitorial concerns.

There is attached to this report copies of contracts and some correspondence and affidavits which, in the opinion of your counsel, should be carefully checked by competent auditors. Conversations held with some of the employees of the Public Housing Authority lead to the inevitable conclusion of the possibility of fraud in the letting of the contracts, and to the fact that some officials of the Public Housing Administration had direct interest in the contracts herein referred to. It will be noted from a consideration of the contracts that even though services could be rendered in the city of San Diego, in some instances they were placed with concerns several hundred miles away—in San Jose, San Francisco, and other cities.

IMPROPER USE OF GOVERNMENT PROPERTY

Investigation should be made of the flagrant abuse of the use of Government-owned cars for personal use by officials of the Public Housing Administration. A specific example is the use of a Cadillac by John Arvin while serving as area housing manager, car NH 1773. Repairs on this car amounted to $1190.85 from April 15, 1946 to June 3, 1947. (See exhibit — attached.) Some of these repairs are reported to have been made as the result of accidents occurring while being operated for the personal use and pleasure of housing officials. It will be noted that purchase order No. 4803–58, dated August 9, 1946, to the Muelheisen Manufacturing Co., is a tarpaulin in the amount of $60. This tarpaulin was used as a part of a fishing camp of the area housing manager, although directly charged to the Cadillac automobile referred to herein. The fishing camp, located on the Colorado River, was enjoyed by the manager and other housing officials. Attached to this report are photographs taken at the camp showing the Cadillac, NH 1773, also the PHA pick-up truck, NH 490. The pick-up truck from the housing project preceded the party to the camp with equipment and the camp would be set up and ready for the housing officials upon their arrival. Much of the equipment used has been identified by competent witnesses as property of the United States Government, to wit, the Public Housing Administration (blankets, cots, mattresses, etc.).

Also of interest in this regard is the daily time card of employee Howard B. Shyrock, badge No. 272, dated October 13, 1944, job No. W–6353, "Help clean shot guns for Mr. Arvin." Arvin was the area housing manager.

To complete the camp and properly use the tarpaulin, steel tubing was necessary and purchased from the Western Metals Co. of San Diego, purchase order No. 4803–62, in the amount of $13.

Under date of July 29, 1946, order No. 4803–29 was issued to the San Diego Auto Electric Co. for a radio for Mr. Arvin's car, the cost of which was approximately $90. In reference to this matter, Marguerite Snell Nelson, who is in the Procurement Division at Linda Vista, made the following statement:

"When requisition No. AS–53L covering a purchase request for one Model 705 Golden Voice car radio for approximately $90 was received at my desk I contacted the Budget Department to ascertain if it had been noted—I was told it was in line with budgetary purposes. As I recall Mr. Rhodes was out of town on the day of the receipt of this order. However, a call came in to me from Mrs. Florence Harrell of the Procurement Section in the Regional Office and I discussed the purchase of the radio with her. Mrs. Harrell advised me not to make the purchase—and that they had had a very hard time securing approval to put short-wave radios into certain cars during the war black-out but she was sure no pleasure radio would be approved.

"Upon Mr. Rhodes' return I showed him the requisition and told him that according to manual instructions only certain accessory items were permitted to be purchased for automobiles and I knew that a purchase of a radio would require special action. I told Mr. Rhodes of my conversation with Mrs. Harrell. Mr. Rhodes replied that this radio was to be used in the Cadillac, which was Mr. Arvin's pet. Mr. Rhodes told me that he was sure that Mr. Arvin had clearance for the purchase and that I was not to question requisitions covering this car. In Mr. Rhodes' words, "the Big Chief is pretty fond of that car and we will just have to humor him." This order was later canceled.

MISLEADING INFORMATION

Efforts of public agencies to mislead officials and the Congress are quite apparent from the activities of the Public Housing Administration in the San Diego region. One example is that of the registration of prospective tenants and the acceptance of their application without regard as to whether or not the applicants are eligible for public housing.

Your counsel believes that the information supplied by Mrs. Marjorie Gregory, a former receptionist for the War Housing Center, gives a clear outline of the procedure. A brief summary of Mrs. Gregory's interview is as follows:

"First of all, private listings at the War Housing Center reached the saturation point and there were no accommodations in the Government housing projects. When I was interviewing and screening applicants, I took particular interest in trying to advise them as to what the housing situation really was and what appeared to be to their best interests and advantage. Where requests were made for a type of prewar housing which I knew was not available and would not be available and the applicant's family status would not warrant placing an application at all, I explained the situation to them as thoroughly as possible and left it up to them to decide whether to place an application or not. I did this for one reason alone, namely, if I were the other fellow I would much prefer to know what I was up against and would feel far more friendly toward an organization which showed enough personal interest in my problem to tell me the truth. I know of no better way to obtain good will.

"With this thought in mind, I carried on until one day, a few days after Mr. Woodward became active manager of the Center and Mr. Markle, field representative for NHA, called me into the office and stated that Washington was beginning to question certain facts and figures regarding applications—that 'my virtue was my fault', and that applications would have to be built up at any price. In other words, stuffing the files was to be the new policy, and obviously at the applicants' expense. Increasing listings to any degree, even through periodical publicity, was out of the question. Increasing applications for the purpose of appeasing Washington was merely a matter of misleading the applicants.

"One method of doing this, and the most lucrative, was to see that every person applying for war housing and particularly Federal Public Housing, was sent to the prewar housing desk, to also place their applications there. The procedure was to advise the applicants to fill out a card either before or after placing an application with FPHA on the theory that they might find something before they could be housed through FPHA. Many applicants were urged to change their applications from FPHA to title 6 or Conversions in an effort to build up that department and warrant a change of policy on passing on eligibility. Those figures, unless broken down in the proper way, naturally presented a very different picture to Washington of the real operation of the Center. The true percentage of business legitimately handled by FPHA, which was the majority, was not to be kept in the foreground in connection with the new policy of building up facts and figures for the approval of Washington."

I am attaching hereto and marked as "exhibit —" the manner in which the records of applicants were kept by the Public Housing Authority in the San Diego region. It is apparent from the records herewith submitted that the number of applications could be increased with ease, and that there was no attempt to keep any record of the eligibility of those inquiring.

There is also attached hereto and marked "exhibit —" copies of literature distributed through the offices of the Housing Authority in the San Diego area by the UPW-CIO.

NATIONAL ASSOCIATION OF HOUSING OFFICIALS

Much of the publicity and propaganda relating to the Public Housing Authority emanates through an organization known as the National Association of Housing Officials, more often referred to as NAHO. This association has been very active throughout the country and most of the officials and employees in the Public Housing Authority are also members of NAHO.

Your counsel suggests that a full and complete investigation be made of the activities of Federal employees in the organization, and also that the expenditures committee make investigation as to the use of Government funds in paying the expenses of Federal employees to the various regional conventions of the organization, as well as the national conventions. (Violation of title 5, sec. 83, and title 31, sec. 551, U. S. C.)

At a recent convention of the Pacific Southwest regional council of the association held at Santa Barbara, Calif., many high ranking officials both from the national level and the regional levels were in attendance. The following is found in the Los Angeles Housing News, October 1947:

"From the opening luncheon at which PHA Administrator Dillon Myer made light of the fact that so far all he had had time to do between investigations was to prepare for other investigations."

It is further stated in the same article:

"Both Myer and Epstein dwelt on the importance of getting the correct information on the struggle for housing to the public. 'The great bulk of the American people,' said Myer, 'do not understand how vitally the outcome of this struggle can affect their welfare.' He went on to point out that the whole future of housing was now the basis for what amounted to a life-and-death battle between 'a small group of power-hungry men and the larger interests of the world as a whole.' He named some of the power hungry as the 'national officers of the National Association of Real Estate Boards, the National Association of Home Builders, the Building Products Institute, the United States Savings and Loan League, and a few other similar organizations with direct interest in housing activity.' Epstein pointed out the difficulties that faced housers in trying to deal with the rapid shifts of the Eightieth Congress. As an example of congressional inconsistency, he mentioned the constant pressure on PHA to get rid of so-called excess-income families, only to have a law passed in the last days of the session which virtually nullified all the Agency's efforts in that direction."

The foregoing quotations are but an example of the activities within NAHO. The organization has further been used for propaganda purposes in furthering of the Taft-Ellender-Wagner National Housing Commission bill. Federal employees have also used the association to foster and promote State legislation, the purpose of which is to carry on in the public housing field after the Federal Government has ceased to function in the activity at the conclusion of wartime emergency.

CONCLUSION

Your staff is continuing its investigation as it relates to publicity and propaganda within the Public Housing Administration, and shall hold in the files of the committee supporting documents and evidence relating to this report, for the use and benefit of any committee or investigator assigned to make further study of the subjects referred to.

Respectfully submitted.

FRANK T. BOW,
General Counsel, Subcommittee on Publicity and Propaganda.

Use of Tin for Containers of Certain Products

EXTENSION OF REMARKS
OF
HON. CHARLES R. ROBERTSON
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by R. S. Solinsky, president of the Can Manufacturers Institute, Inc., Chicago, on proposed restrictions on the use of tin for containers of dog food, beer, coffee, motor oil, and certain other nonfood items:

I speak for the Can Manufacturers Institute, of which I am president, and which represents more than 50 makers of metal containers, as well as for myself as the head of a typical small company of the industry—Cans, Inc.

For the last several weeks there have been numerous press reports from Washington to the effect that the Department of Commerce is considering restrictions on the use of tin plate for the packaging of coffee, beer, pet foods, motor oils, and other nonfood products.

We are told in these releases, some of which have been attributed to Secretary Harriman and others merely to authoritative sources, that an order calling for such restrictions is now in the making, although the can manufacturing industry, which will be most directly affected, has had no formal notice of how far the Department intends to go, nor has it had an opportunity, as an industry, to participate in the planning.

The proposed ban by the Department of Commerce on metal cans for packaging of beer, coffee, pet foods, motor oils, and nonfood products would be an unnecessary and unjust hardship on many small businesses and would accomplish negligible results.

Such an order would seriously affect the businesses of many small manufacturers and processors, as well as wholesalers, retailers, and consumers, and add a greater burden to the country's already overtaxed transportation system, while actually having little effect on the supply of critical materials.

It has not been made clear to us just whether the purpose of these drastic restrictions is to save tin, as some press reports of Commerce Department statements indicate, or whether the Department of Commerce is using its right to control tin as a means of curtailing the use of steel.

The Can Manufacturers Institute has requested of Secretary Harriman that the Government's Can Manufacturing Industry Advisory Committee, which worked closely with Government agencies during the war to conserve steel and tin, be called to Washington to present facts and figures and to help develop a constructive plan for accomplishing whatever purpose the Department has in mind.

Complete banning of all cans for the coffee, beer, pet food, and motor oil industries and the consequent disruption of these businesses, would result in a saving of only 1 percent of the country's 1948 steel production. By the same token the total saving in tin consumption through such an order would be less than 2½ percent.

Can manufacturers and their customers believe that little hardship would be suffered by anyone if this small curtailment of steel and tin consumption were applied across the board to all steel-using industries in the same proportion. On the other hand, many businesses as well as consumers will be badly hurt by arbitrarily concentrating the hardship, as the Department apparently now intends to do.

While the estimated 1948 usage of steel for the products that would be affected by the order would be 20 percent of the can manufacturers' total usage, it would be only 1 percent of the estimated 70,000,000 tons of steel to be produced in 1948, since the entire can manufacturing industry uses less than 5 percent of the total steel. Likewise, the savings of tin would approximate only 2,145 tons out of the 88,300 tons estimated consumption by all industries in 1948.

The can-manufacturing industry has probably gone further than any other industry in finding ways to conserve critical materials essential to its operation. Development, in cooperation with the steel industry, of substitute plates, and research in ways of using less tin in solder and in metal cans generally, has resulted, since 1940, in accumulated savings of more than 80,000 tons of tin in can manufacture. The saving this year alone has been nearly 18,000 tons, or nearly 60 percent of the amount that would be used in 1948 if we were working by 1940 methods.

In spite of this voluntary action which has made it possible to limit United States can manufacturers to specific tin coatings for all canned products, tin plate exported to foreign countries is carrying the maximum coating of tin. We use very little tin plate with more than 1¼ pounds of tin to the base box of metal, and for many products we use as little as one-quarter pound to the base box, while nearly all tin plate exported uses 1½ pounds. It seems to me that considerable savings could be effected by reducing the amount of tin permitted on export plate. I understand that in Brazil, for example, motor-oil cans are being made of 1½-pound tin plate, while in this country we use one-quarter-pound electrolytic plate or terneplate.

A tremendous, extra burden would be placed on transportation through the use of glass as a substitute package for metal cans. Because of the greater weight and bulk of glass, the thousands of extra freight cars, motor trucks, and large quantities of fuel, which would be needed and which are already in short supply, would more than nullify the small savings in other critical materials. A recent survey made for the United Brewers Foundation showed that if the beer industry alone attempted to market its estimated 1948 volume of canned beer in bottles (if bottles and bottling equipment were available), 42,500 extra freight cars would be needed if shipment were made in fiber cartons, and 51,300 extra freight cars if shipped in wooden containers.

The coffee people have announced that there is no way in which their total product can be marketed if they are deprived of cans. The canned pet-food industry was practically driven out of business during the war when restrictions prohibited its use of metal containers. Brewers have publicly stated that their volume will be drastically curtailed if they are deprived of this method of marketing and that thousands of small merchants will suffer seriously as a result. Many of the smaller can manufacturers who depend entirely on nonfood items for their business volume, were completely out of the can business during the war and would not be able to turn to other types of manufacture as they did when war work was available.

The dire results in the various affected fields would be entirely out of proportion to any benefits gained.

We are thoroughly in sympathy with the Marshall plan and we believe that sacrifices must be made here at home to supply the reasonable needs overseas, but we do not believe that the burden should be concentrated in a small segment of American industry. If it is necessary to conserve this 1 percent of the country's steel, or any greater amount, the Congress has the power to authorize fair and equitable allocation. It is not the democratic way to single out a few industries on which to impose crippling restrictions merely because it is expedient, in that their use of steel is presently the only usage that can be restricted through the control of tin.

Headed for War

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. HOFFMAN. Mr. Speaker, remember how, before the Congress in

1941 officially declared war, President Roosevelt was secretly carrying on a shooting war in the Atlantic, although he had,shortly before that,promised that American youth would not be sent into any foreign war? The internationalists insisted our frontier was on the Rhine? That England and the British Navy were our only defense? That we should extend all aid to Britain short of war in order to keep out of war?

Many of us fell for that last one and unwittingly contributed to getting us into war. We have a similar procedure now.

President Roosevelt, at Yalta and Potsdam—in fact, at every conference he ever held with foreign representatives—apparently made pledges of which we then knew nothing. Although he had no authority to make treaties, he nevertheless made agreements which, it was later argued, were binding upon the people and the Congress. The State Department is now following a like course.

The result of New Deal policies and later those of President Truman got us into our present situation, where we are now told that, in spite of the billions we have given to foreign countries, we must make further contributions in order to defeat communism.

December 11, the House, because the strategy was controlled by politicians, without a record vote passed the so-called "stopgap emergency relief bill," authorizing the appropriations of more millions to be spent abroad to stop communism and aid the unfortunate. When that bill comes back from conference, it is my purpose to insist upon a record vote, for the people are entitled to know who supports and who opposes this bill.

We should also know what we are getting into. In the November 17, 1947, issue of Life, which is more or less international in its policy, I find this statement:

Let's stay in—

* * * * *

So if the United States is to defeat the Molotov plan our effort must be predicated on more than emergency relief, more than a certain number of dollars, more even than one Marshall plan. It must be predicated on a resolve to banish fear from the hearts, and to quicken the hands, of all our friends. If we are to see this war through, we must take responsibility for nothing less than the restoration of economic hope and self-respect to all of Europe, east and west; indeed to all the world.

There you have the plan and purpose of the internationalists in a nutshell. It calls not only for this emergency relief, for the Marshall plan with its sixteen to twenty billion dollars; it calls for an army to translate into a realized actuality a falsely-assumed responsibility to make everybody everywhere prosperous and happy. It means war.

The plan means that 140,000,000 people here in the United States must do all the work to supply the needs of the balance of the population of the world, some 2,010,960,000 people, provided they either cannot or will not do the job themselves.

Forgetting that it has always been our policy to give to other nations the right to determine for themselves the form of government, the kind of religion, they wish to adopt, a right we established for ourselves by the Revolutionary War, the internationalists now propose that we emulate Alexander the Great and, with our dollars or, if need be, our arms, conquer the world and compel its people to subscribe to and follow our ideas and views.

In the first place, as pointed out previously in other statements, the thought of a people cannot be molded by force or by purchase. In the second place, the task is an impossible one.

Every ambitious would-be dictator who sought to conquer the world, from Pompey on down, has failed. Even those who sought to build the Tower of Babel, who had no idea of conquest, who only wanted to join all mankind into one people, all talking one language, all peaceful, happy, and prosperous, did not succeed.

For myself I will be quite content with doing as we have in the past—extending aid to the unfortunate to the utmost of our ability, whether the misfortune comes through fire, flood, or war; keeping ever in mind, however, that we must retain sufficient of our resources, of our productive ability, to make our national defense impregnable, our independence in the world of warring nations secure.

I want no more war, nor do I propose to follow a plan—Marshall or otherwise—which leads to war.

Socialists in America

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, Mr. Robert Bliss, editor of the Janesville Daily Gazette, Janesville, Wis., has called the turn on the American Socialist in an illuminating editorial on December 5. He states that the Socialists do not speak for America. I am including said editorial as part of my remarks:

SOCIALIST DOES NOT SPEAK FOR AMERICA

One of the distinctions of American democracy is that all political beliefs may be voiced, for we have free speech, a free press, and free religion. Therefore, we print the Socialist communication in the Voice of the People today.

The writer objects to our quotation of Winston Churchill, October 29, 1947, in this column that Britain's Socialist government policies are delaying British recovery. (Note we quoted Churchill). Then she uses her objection to our statement about the Socialist failure in Great Britain to forward the worn-out Socialist propaganda that not only is socialism better for Britain, but that the American system of free enterprise is outmoded and that socialism would solve all our American ills.

The Socialist strategy in using the press is like the Moscow strategy in using the United Nations—as a sounding board for propaganda.

What our editorial actually said: "England's future lies in simple hard work. It was Prime Minister Attlee of Great Britain who said that. Britain will rise or fall according to how hard the people work. It was Winston Churchill who pointed to the United States and called upon the British Labor government to follow our lead in removing price controls. He also advised discarding of Socialist planning which he said is holding up national recovery."

We also said: "Churchill is right. Socialism is not for Britain. It is failing now and will continue to fail—meaning that Britain will continue to lean upon us till they learn the truth."

Britain indeed seems to be learning the truth about socialism. So are Denmark, France, Holland, and others where recent selections proved that the people are turning away from Socialist tendencies and policies toward the right.

State socialism is not working out in Britain. Neither will it work in the United States. Through the Roosevelt administration, when we approached nearer to Socialist planned economy than ever before, we saw how miserably top-heavy bureaucracy fumbles the ball in an economy as complicated as ours.

What the writer is really interested in is not the British socialism but socialism in this country. To begin this trend she would have us return to planned price controls and rationing—but she does not mention wage controls.

The fallacy of that reasoning is obvious in her omission of wage controls because control over prices cannot be had without control over wages. Socialists don't believe that, or don't want to accept it. That is simply one weakness in their program to harness the people to top-heavy Government control over the people, assuming that Government, as a sort of expert, knows more than the people themselves what is good for the people. Socialists don't believe in America.

We believe in the American system. We believe that the least government is the best government. We believe the reason this country is the greatest country in the world is that free enterprise has provided the initiative and has made possible the productive capacity of the American people to lift themselves to the highest standard of living the world has ever seen.

Stabilization of Commodity Prices

EXTENSION OF REMARKS

OF

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. BYRNES of Wisconsin. Mr. Speaker, the Marshall plan was conceived as a program of American aid to help Europe help itself prevent its own economic and political collapse. It has been described as a great cooperative enterprise. Born out of the critical European crisis, its essence is voluntary action.

We are now faced with a serious internal problam—runaway inflation. If it is not checked, the President tells us, we face an economic catastrophe, which will not only nullify our program of foreign aid but will mean disaster from which our economic system, as we know it, might not recover.

Is not this, then, one of the greatest paradoxes in history: that a national administration which has had the imagination and faith in the American system to evolve a program of voluntary self-help for the nations of Europe to solve their economic problems has completely failed to enlist the voluntary cooperation of the economic elements in our

country in a program to help this Nation avert an economic catastrophe? Is it not tragic that an administration which would offer the fruits of the American economic system to succor an ailing world has failed miserably to recognize the genius of that system and has made no attempt to bring that genius into full play to meet the domestic problem?

We can only charge the administration with a failure in leadership. We charge that the administration has failed to assume its responsibility in evolving a plan, just as broad in scope and just as fired with imagination as the Marshall plan, to meet the economic crisis by the same methods implicit in that program—voluntary action.

What should be the broad outlines of such a bold program?

I think that the essence of voluntary action on the part of the producers in our economy—capital, labor and agriculture—to curb the effects of inflation is this: that for their own benefit and in their own enlightened self-interest, the members of our economic team, by mutual consent, agree to give up certain privileges and benefits, for a limited period of time, to alleviate the pressures upon our economy and to prevent the economic collapse which historically follows uncontrolled inflation.

The virtue of such agreements is that they obviate coercion by statute and they enlist a spirit of cooperation not to be gained by compulsion. They would, further, substitute the possible for the theoretical, by leaving the restraints in the hands of the restrainees rather than in the hands of the restrainers, in this case, a Federal bureaucracy.

Will such agreements work? They will work just as surely as the American economic system works, provided that the agreements are kept scrupulously voluntary, both in conception and implementation. They will work if compulsion by any means is avoided, lest their basic spirit, the spirit of cooperation in enlightened self-interest, be irrevocably lost.

That is the fallacy of the President's theory of stand-by controls. It reduces the prospect of the success of voluntary methods to a minus quantity. There would be as much volition in agreements obtained under that program as there would be volition on the part of a bridegroom at a shot-gun wedding. Without that volition, as in the latter days of OPA, there would be noncooperation and dismal failure. In truth, the agreements outlined in the Harriman bill, for instance, might better be called "compulsory voluntary agreements," if such a description were not absurd on the face of it.

But, such agreements are possible under the Wolcott resolution. It removes every stigma of compulsion. It clears the way for voluntary agreements by industry, labor, and agriculture. It opens the way for dramatic, imaginative, and constructive action by the President.

We can only suggest what that action should be. It is perhaps naïve to think that such action will be taken, in view of the administration's dalliance in the past few months, but we would be derelict if we did not carefully spell out one possible line of action that would compare in thoroughness to the suggested plan for European aid:

First. The President should summon to Washington representatives from every element in our economic structure—industry, small business, labor, agriculture, and finance—to meet in conference with the Council of Economic Advisers to the President and leading Cabinet members, representing the executive branch and the Joint Committee on the Economic Report and the Senate and House Committees on Banking and Currency, representing the legislative branch.

This would compare in imagination to the summoning of Europe's nations to the Paris Conference.

Second. This group should be asked to remain in conference until they had agreed upon the basic and contributing causes of the present inflation. They should be urged to compromise any serious disagreement over causes, and in the event of complete disagreement on any one cause, they should be urged to pass on to the others. The roll of the executive and legislative representatives in this phase of the conference should be advisory and conciliatory.

This would compare, in common sense, to the action of the European nations in determining causes for their difficulties before seeking remedies.

Third. The resulting agreement on inflationary causes should be publicized as no toothpaste or cigarette has ever been advertised in America before. The American people must know what is wrong before they can intelligently assist in a vast Nation-wide voluntary program.

This would compare to the publicity given to the basic causes of European distress.

Fourth. The conference should then break up into economic groups. Each group should determine, in consultation with the whole body it represents, what it can do, in its own self-interest, to mitigate or remove either a contributing or basic cause for our rampant inflation. Each group should not only determine what it would do without any action on the part of the other groups, but it should also determine what it would be willing to do if other represented groups make certain concessions.

This is the spirit of self-help implicit in the Marshall plan.

Fifth. The conference should be reconvened, and under the guidance of Government representatives, and with frequent consultation between the groups represented, should hammer out a voluntary program to curb inflation—to be followed faithfully for a definitely limited time by all of the groups involved. It should be stressed that no compulsory action on the part of the Government could enter into this plan.

The conference should call upon the representatives of the executive branch for action which it believes the President should take to help further their program.

It should call upon the representatives of the legislative branch for action to help further the voluntary program, and for action that it believes necessary to attack the basic causes of inflation.

The conference representatives should pledge the whole-hearted cooperation of their group, insofar as they are able to give it, to the prosecution of their plan.

This would be similar to the final report of the European nations and could be compared to the pledges of cooperation given to this Nation by the signatories of that report.

Sixth. The final program agreed upon should be publicized and promoted with all the vigor that the United States Government possesses, and through appropriations willingly granted by this Congress.

This would capture the imagination of the American people just as surely as the boldness of the Marshall plan has captured it.

Seventh. The conference should then break up up into executive committees representing each group. Their job would be to see that their particular group participated wholeheartedly, and in their own self-interest, in an American program mutually and democratically agreed upon. The Congress and the President, each in their own wisdom, would then act upon the measures suggested by the conference.

This is the kind of program we need immediately. This is the kind of all-out national effort that cries for the assumption of leadership by our chief executives. It would be American, because it would be voluntary—in spirit, in method, and in action. It would be sound—because it would seek voluntary agreement upon causes, before it sought voluntary agreements on action. It is the only kind of program that will work.

By the passage of this resolution, we make such a program possible. By the passage of this resolution, let us signify our desire that the President will seize this opportunity, and lead us away from cringing words concerning the inevitability of national catastrophe.

Stabilization of Commodity Prices

EXTENSION OF REMARKS

OF

HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. TOLLEFSON. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include therein an editorial from the Tacoma Times, October 14, 1947. I respectfully direct the attention of every Member to this extremely thought-provoking article at a time when we are considering the problems of inflation. It follows:

CAN SOCIALISM HAPPEN HERE?—CONGRESS MAY GIVE US THE ANSWER

Can it happen here?

It is a question worth asking.

Socialism is on the march. Conservative parties in such nations as England, France,

and Italy cannot raise an effective voice against government ownership of basic industries.

In those nations mammoth corporations have in the past controlled entire industries. The small producer had no place.

Meanwhile, output was stifled, prices increased.

The average man felt he had nothing to lose, perhaps much to gain, by government instead of private monopoly. The average man acted. Socialism found a new haven.

And what is happening here?

The Federal Trade Commission reports that in the first quarter of 1947 more corporations were merged than in any corresponding period since the depression year of 1931. There were 20 percent more mergers than in the last quarter of 1946.

Two hundred fifty corporations now control two-thirds of this Nation's manufacturing capacity. That is the equivalent of all United States manufacturing facilities in 1939.

In a monumental study published recently by the Twentieth Century Fund, Dr. J. Frederic Dewhurst and associate economists say that the United States, under capitalism, can virtually "abolish poverty" by the latter half of the century.

But Dr. Dewhurst warns that we must "exercise eternal vigilance to keep competition free of the ever-recurring trend toward monopoly and cartelization that ruined private enterprise in Europe and brought about the demand for socialism."

At the present time the United States has one policeman shouldering almost the entire burden of checking monopoly's growth.

It is the Antitrust Division of the United States Department of Justice.

Many small businessmen in Tacoma and Seattle know the Department well.

Perhaps a big eastern firm or a big western firm was undercutting prices—selling at a loss to smash competition. Or perhaps a large competitor had agreed with a producer to cut cut the little man.

An antitrust representative met with executives of the large and small firms. An agreement was reached, sometimes under the threat of prosecution.

Seattle personnel of the Antitrust Division was almost moved to Los Angeles this year. Only vigorous protests by the Grange and other groups prevented it.

Congress, in granting the entire Division its customary appropriation of about $2,000,000, had insisted on stringent economies.

It seems to us that this was another example of the "false economy" so enthusiastically practiced at the last session of Congress.

Here are some facts:

From 1940 through 1946 the Antitrust Division received appropriations totaling $12,030,600.

Fines assessed through court action brought a return of $5,902,979.03 to the Government, almost half the Division's cost of operation.

As the result of a single antitrust suit royalties were reduced by 50 percent in one industry, bringing yearly savings to consumers of over $4,000,000.

Meanwhile, the Antitrust Division receives more than 650 written complaints per year. It can act on a mere 50 of them. Adequate funds are lacking.

It is proper and necessary that this Nation spend billions of dollars a year to conserve its national resources.

Is it not equally necessary that it spend more than a niggardly $2,000,000 to preserve its democracy?

It is a question worth asking.

We shall see how Congress, including Representatives of this State, reply.

The Chicken Situation

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, the United States Department of Agriculture on November 10 set up a chicken-purchase program that provided a 15-cent per pound floor for 3½- to 4½-pound chickens and 20 cents per pound for 4½ and above weight chickens. It also provided 22.50 to 28 cents per pound support for New York style, but evidently the New York style are not producer prices.

There are two questions involved right here: First, Where does the USDA get the authority or power to put a 15-cent per pound support price on chickens when the law states "not less than 90 percent of parity"? Ninety percent of parity is 24.8 cents per pound for chickens as of November 15, 1947. Second, Where does the USDA get the authority to set up a purchase program on November 10 that gave the processor 7½ cent per pound for processing 3½-pound fowl and 8 cents per pound for processing 4½ pound chickens? Then again under what law did the USDA advise the processor on December 1, 1947, that he could increase his processing charge from 7½ to 11 cents per pound on light fowl or by 46 percent? Or, where did the USDA get the authority to raise the processors charge from 8 cents per pound to 11 cents per pound or by 37½ percent?

The War Powers Act is supposed to have expired. If the USDA can do this to the chicken industry, why are they asking for more power and more authority?

The producers of 7- to 10-cent roosters in the Midwest and the 10- and 11-cent-per-pound chickens in the Midwest are being denied the protection of the Steagall amendment.

In the Appendix of the CONGRESSIONAL RECORD, on page A4361, can be found my letter to Secretary Anderson. The answer and my reply are as follows:

WASHINGTON, D. C., *December 8, 1947.*
Hon. REID F. MURRAY,
House of Representatives.

DEAR MR. MURRAY: This is in reply to your letter of November 24 regarding poultry prices and the Department's fowl purchase program.

We can understand your concern in the matter and appreciate this opportunity to explain the basis for establishing the announced producer prices. However, we should first like to point out that effective December 1 purchase price levels were adjusted to permit a more effective operation of the program. A copy of the press release announcing these price adjustments is enclosed.

Under the recent fowl purchase program announced by the Department of Agriculture, prices for fowl were established at levels which would reflect not less than 90 percent of parity to producers.

Accordingly, the prices announced were based upon the September 15 index of prices paid by farmers including interest and taxes. This was the latest available index prior to consideration by the Commodity Credit Corporation Board of Directors. The parity price upon which the purchase prices were based is a national average farm price without seasonal adjustment. The purchase price covers fowl weighing more than 3½ pounds live weight, and of A and B grade. These prices are to be determined on an area basis and will reflect appropriate location and quality differentials. However, at the outset of the program, purchase prices were announced for the Midwest area only.

As the index prices paid by farmers including interest and taxes was 237 on September 15, 90 percent of parity for all chickens was 24.3 cents per pound. If purchases are made, they will probably be made in the Midwest area. It is this area which produced over 65 percent of the total tonnage of chicken meat raised on farms and is the area which produces in excess of local needs. In 1937-41 the average spread between United States average farm prices and those of Midwestern areas were 2 to 2½ cents per pound. Spreads in the market currently are 3½-4½ cents a pound. Accordingly, in developing our fowl purchase program, the initially announced producer prices in the Midwest are 3½ cents per pound less than the United States average price at 90 percent of parity, rounded off to the nearest one-half cent.

The Bureau of Agricultural Economics estimates that during 1947 about 45 percent by weight of the chickens marketed would be young stock and about 55 percent fowl. Since fowl prices are generally discounted from young stock prices, it appears only reasonable to establish average purchase prices for fowl below those of young stock. However, the two prices when weighted and averaged should reflect the average Midwest support levels.

Present price patterns and buying practices in the Midwest indicate that the weighted average price for fowl is about 3 cents below the national average price for all chickens at 90 percent of parity or 18 cents per pound for all fowl. Since lighter weights of fowl are being substantially discounted below heavier birds, it was recommended that purchase prices reflect a breakdown between light and heavy. Estimates of the proportion of heavy and light fowl marketings for the United States as a whole and 60 percent and 40 percent by weight. Applying these weights to the above average price for fowl and allowing for a spread of 5 cents on light and heavy on the basis of actual current marketing practices results in farm prices for heavy fowl being 20 cents per pound, and light fowl at 15 cents per pound.

Accordingly, on the basis of an index of prices paid of 237, farm prices on live basis established were as follows: Heavy fowl, 4½ pounds and over, live weight, 20 cents a pound; light fowl, 3½ to 4½ pounds, live weight, 15 cents a pound.

It is believed that these prices, when averaged with prices received by farmers in other areas, which may be expected during 1947 to be as much as 6 cents above Midwest levels, together with prices received for other types of chickens such as fryers and roasters, will result in returns to producers of at least 90 percent of parity.

Sincerely yours,

N. E. DODD,
Acting Secretary.

WASHINGTON, D. C., *December 12, 1947.*
Mr. N. E. DODD,
Acting Secretary, United States Department of Agriculture, Washington, D. C.

DEAR MR. DODD: Thank you for your letter of December 8 in reply to my letter to Secre-

tary Anderson. The many courtesies and considerations extended to me at the FAO conference soften the comments I will make.

1. I fail to find anything in your letter that indicates that the support price announced by the United States Department of Agriculture is in conformity with the law, nor in compliance with the Steagall amendment, or the Taft-LaFollette amendment.

2. Your letter states that on September 15, 90 percent of parity for all chickens was 24.3 cents per pound; 90 percent of parity on November 15 was 24.8 cents. So far so good.

3. If, as you state, 90 percent of parity was 24.3 cents per pound, under what provisions of law did the United States Department of Agriculture set up a program paying as low as 15 cents per pound for chickens, or less than 60 percent of parity?

4. The Steagall amendment provides, "not less than 90 percent of parity." Therefore, there has been no reason why chickens should not have had a 24.3 cents or 24.8 cents per pound floor. The Secretary of Agriculture has had the authority to put the floor above the 90 percent of parity, but there is nothing in the law that gives him any authority to support a price that is below the 90 percent of parity. For example, the Secretary had authority to announce a support price for flax that was over 150 percent of parity, but there is nothing in the law that would give him authority to announce a 60 percent parity on flax, chickens, or any other Steagall commodities. Neither have I found anything in the law to authorize the Secretary of Agriculture to pick out any one part of the country and subject the producers to a support price below the 90 percent of parity. If it is in the law, I wish you would have one of your attorneys point it out.

Permit me to call your attention to the President's message to the Congress on November 17, 1947, in which his fifth recommendation in his anti-inflation program was for legislative action "to authorize measures which will induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain." When the President is asking for this power in his message, who in the Department of Agriculture can take the position that he now has such authority.

5. I repeat, there is nothing in the law that gives the Department of Agriculture the authority to pay below 90 percent of parity for one class of fowl based on weight. If I am wrong, please have your attorneys quote the law to me.

I note in your revised purchase program that the department increased the processor's fee 3½ cents per pound on lightweight fowl and 3 cents per pound on heavy fowl. The original program then would allow processors to receive 26 cents instead of 22½ cents per pound for light fowl and 31 cents per pound instead of 28 cents per pound for heavy fowl. In other words, there seems to be a willingness to justify the processors' margin even if the farmer did not receive the legal support price for the chickens he has raised. Where in the law is the Secretary of Agriculture given the authority to have control over the processing charge? I realize he has the power over sugar in the Sugar Act, but where is this power over chickens and other farm products?

My contention is that the weight of the chicken has nothing to do with the Steagall amendment. Further, if the law is not followed in conformity with the spirit of the law as passed by the Congress, the Steagall and Taft-LaFollette amendments may as well be repealed.

Since the reign of Mr. Luckman, I am sure it is evident that someone must put a little common sense into this program or the entire agricultural-support program will be jeopardized. The 5-percent increase in the egg production in November 1947 over a year ago should be an indication of the importance of approaching these problems in a sensible manner. If properly administered in accordance with the law, the Steagall and the La Follette-Taft amendments are really the foundation of the agricultural program.

Sincerely yours,

REID F. MURRAY,
Member of Congress.

Mr. Speaker, if the USDA is going to be allowed to juggle producer prices and the processors' "take," then we surely have a country of men and not a country of laws.

Proceedings in Democratic National Committee

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 11, 1947

Mr. CANNON. Mr. Speaker, under leave granted me to extend remarks in the RECORD, I include the following addresses by Hon. Robert E. Hannegan, of Missouri, the retiring chairman of the committee, Hon. J. Howard McGrath, of Rhode Island, the newly elected chairman, and Hon. Francis J. Myers, of Pennsylvania, speaking for the city of Philadelphia, at the recent meeting of the Democratic National Committee at the Mayflower Hotel in Washington:

ADDRESS OF ROBERT E. HANNEGAN

The time is appropriate for a brief reference to certain events of the past 3 years and to set forth to you candidly the position of our party at this time.

The Democratic National Convention of 1944 and the national election of 1944 are historic milestones in the annals of American democracy.

When I assumed the post which I now relinquish we were engaged in a great global war, enlisted as a Nation in defense of the democratic way of life. Today, at the end of my tenure as chairman, our Nation and our party are still enlisted in defense of the principles for which we fought, and, we are enlisted for the duration of the struggle.

We commenced that struggle under the daring and matchless leadership of a great captain, Franklin D. Roosevelt. Everyone of you, like me, is proud to have fought under the banner which he carried and proud that we had an opportunity to work under his leadership.

When on the evening of April 12, 1945, Harry Truman became President of the United States, the problems that faced America were even greater than Americans themselves could foresee. Crisis involving all mankind hung over the world. And the voice of America trying to measure the man who had become their leader could only hope that he would guide them safely through. They did not know. Now, after almost 3 years of his leadership, they do know.

Already the American people have recognized the capacity and quality of his statesmanship. His devotion to American ideals, his courage in the face of difficulties, his calm, serene, and balanced judgment in the face of abuse and calumny at home and abroad have built for him an abiding place in the affection and confidence of the American people. I know that you are likewise proud to have had an opportunity to work under the leadership of Harry S. Truman.

Our strength as a party derives from three sources:

First, we Democrats are clear on the policies of our own leadership, both in the foreign and domestic field and we stand by those policies with a firmness of purpose, a unity of thought;

Second, we have the man in Harry S. Truman. His record of performance in the service of this Nation has earned the deepest loyalty that we of his own party are able to give him. That loyalty now reaches far beyond our own party's limits. Americans, millions of them, are with our President heart and soul, and their voices are calling ever more clearly for him to stay at the helm. We shall keep him there.

Third, I am convinced that the record of the Eightieth Congress in control of the Republican Party would alone be sufficient to assure the triumphant re-election of President Truman and the election of a Democratic Congress in 1948. Not a single forward step has been made toward the solution of the many domestic problems which called for decisive action. The Eightieth Congress has kicked the lid off the smoldering fires of inflation and has released a conflagration of rising prices, which still threatens to consume the substance of the American economy.

On the important issues of housing, minimum wages, medical care and social security, the Republican leadership has shown a callous indifference to the needs of the people.

The memories of my association with you and of my activity in the service of my party will lay close to my heart so long as I shall live. I am proud of the work that we have done together. I wish to express to you the deepest gratitude of which I am capable for your loyalty and support.

To my successor I pledge unreserved loyalty and assistance in the service of the only political party which has survived since the commencement of our Government. I know that under his guidance we will assure the President of the full support of our party organization, and that we shall continue to live up to our heritage as the progressive and liberal party in America.

ADDRESS OF SENATOR J. HOWARD M'GRATH, OF RHODE ISLAND

I appreciate the great distinction which you have conferred in selecting me to be chairman of the Democratic National Committee. With all my heart I express my great happiness for the confidence thus entrusted and bestowed.

I wish that it were not necessary for you to face the task of choosing a new chairman at this meeting. Would that your duties could be confined to set in motion the machinery for our national convention.

This wish expresses for you no less than myself the deep feeling of loss occasioned by the force of circumstances that now deprive us of the continued leadership of Bob Hannegan. All of us understand the natural impulse to see happily concluded the tasks to which one's hands and heart have long been set. Chairman Hannegan has devoted himself over the past recent years to guiding our party organization with the sole aim in view that we might again triumph in the elections of 1948.

I undertake my new assignment with the utmost good will toward all the component parts that constitute the Democratic Party. I have a firm intention to serve with unbiased devotion those causes for which our party has always stood and which have been the foundation of its every success. These are briefly, to direct our actions toward the good of the many rather than the few, service to

humanity rather than worship of the materialistic.

Before us lies a great tradition of human progress under Democratic Presidents. Franklin Delano Roosevelt gave our party a tradition to which, if we remain loyal, there can be no doubt of success. Franklin Roosevelt put together the team of Roosevelt and Truman and when the hand of Divine Providence made President Truman the heir and custodian of all the great traditions to which I have alluded it indeed placed them in the hands of a trustee who has by his every word and deed proven exceptionally worthy.

With much of the world living in fear and discouragement, Harry S. Truman has become a great inspiration of confidence. He has grasped the reins of world leadership; he has spread the spirit of neighborliness and good will among the nations that are composed of men of good will. He is the beacon light to which democratic countries look for guidance into the harbors of peace and security. Humble yet firm in his manners and decisions, he has appealed to the hearts of American citizens as a true product of all that has gone into the make-up of American culture.

In the workings of our democratic process there is little that he can do to safeguard his own political future. That task is ours.

With democracy threatened on all sides, our greatest challenge in 1948 is to give an example to all mankind that we in the United States not only appreciate our institutions of freedom by accepting their benefits, but that we are willing to make sacrifices for their preservation. If we could achieve through the common efforts of both political parties in this world of 1948 a record enrollment of American voters, we would be giving the most practical answer to the followers of totalitarian and Fascist states that Americans of every party persuasion love their country and its institutions and their freedoms. Such an enrollment would, to my way of thinking, be the best service that we could render our party and our country and the finest guaranty that the Democratic administration in the four years to follow 1948 will be truly representative of the wishes of the American people.

ADDRESS OF SENATOR FRANCIS J. MYERS, OF PENNSYLVANIA

The Democratic Party stands at one of those fateful crossroads which periodically have marked the history of our party over many generations. The election in 1948 will be a fundamental test of the place of principle in the political maturity of America.

Our party will go before the electorate next year on a platform which will be largely the platform of performance of our record. It is a magnificent record, and we are proud of it. Four times in the last 15 years the Democratic Party has swept to victory. Each of those times our standard bearer was the magic man of destiny, Franklin D. Roosevelt.

Franklin Roosevelt is gone. But the Democratic Party still carries the heritage of his political genius, still treads the path of political decency, which he brought to full flower in America, still hews to the principles of economic decency which Franklin Roosevelt established in the pattern of American life.

Now, I do not intend today to try to sell you on the idea that you must come to Philadelphia in 1948 in order to assure the election of President Truman. I have a whole lot more confidence in his assurance of victory than that, and so do you.

I want to invite you to Philadelphia. I want to urge you wholeheartedly to come to Philadelphia, because Philadelphia will provide a fine and fitting setting for the launching of America's oldest major political party into a new era of victories—victories based on a consolidation of our 16-year record into a continuing upward level of American economic prosperity and even more firm adherence to the principles of political freedom.

When a party such as ours comes to Philadelphia for a national convention, it is coming to the recognized shrine of American freedom, and that is where the Democratic Party belongs in these troublesome times of international upheaval.

In the shadow of the Liberty Bell, warmed by the spirit of love of freedom and of our fellow man which characterized the founding of Pennsylvania and of the Nation, and which today characterizes the approach of the Democratic Party to national and international problems, our Democratic delegates next year can add further luster not only to our party but can, in turn, put new sheen on the brightest pages of American history by rededication, in Philadelphia, to the principles of Jefferson and Roosevelt, two of our greatest men who in Philadelphia in past years made great history.

It was in Philadelphia that Jefferson wrote the Declaration of Independence. It was in Philadelphia that he and other great patriots met and wrangled and argued and compromised and agreed, in the American way, on the principles of our great Constitution.

It was in Philadelphia that Franklin Roosevelt awoke America and Americans to their new role in world affairs. It was in Philadelphia that he told us, a few short years ago, when many faint-hearted Americans were ready to sell our Nation, that our generation of Americans had a rendezvous with destiny.

Those were words cut out of the pattern of Philadelphia's history, which is the history of America and of political democracy throughout the world.

Ever since the time of the Constitutional Convention in Philadelphia many generations ago, a Constitutional Convention which drafted into the framework of American political principle the principles of William Penn and Philadelphia, Philadelphia and Philadelphians have stood steadfastly committed to the spirit of that Constitution and to the principles of political equity among men and among nations.

This is not to say that other cities, other States, do not also have proud heritages. It is only to say that in Philadelphia you Democrats will feel at home because Philadelphia, all of Philadelphia, believes in the things which our own Democratic Party holds sacred.

You will find friendship for our party in Philadelphia. You will find real and sincere and genuine affection for, and belief in, our President, Harry Truman. You will find a spiritual kinship in Philadelphia which will make you glad you brought our convention to Philadelphia.

Finally, when our convention comes to Philadelphia, you will find our city much more than friendly and interested in your deliberations. They will want a ringside seat in the pageant of history our party will create there. Philadelphians, my friends, are at heart a liberal people. They live so close to the reminders of the origin of America's liberal greatness that it has become part of their own personalities. Liberal Philadelphia, which gave our party such resounding victories in 1936, 1940, and 1944, will be with us again next year, wholeheartedly, to launch Harry Truman on a magnificent path to victory.

Chicken and Meat Prices

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, some people are advocating a ceiling on meat prices. This administration has the power, authority, and money to control the price of all domestic food. The program of the United States Department of Agriculture has resulted in distressingly low prices for chickens. The United States Department of Agriculture states that eggs and meat are both splendid sources of animal protein. Everyone will concede that meat prices have stimulated egg consumption. This is evidenced by the 40-percent increase in egg production.

These situations bring up a few questions: First, Is there anyone who believes that it makes sense to have eggless Thursdays and still complain about the price of meat? Second, Is there anyone who believes that it makes sense to have eggless Thursdays and advocate less egg consumption when the United States Department of Agriculture has millions upon millions pounds and dozens of surplus eggs? Third, Do you believe it makes sense to have eggless Thursdays so long as section 32 funds are used to procure eggs on the basis by law that eggs are in surplus? Fourth, If you realize the price and food relationship between eggs and meat, do you believe that meat prices will be increased or lowered by eggless Thursdays? And what would be the effect of eggless Fridays, Saturdays, Sundays, Mondays, Tuesdays, and Wednesdays? The answer is evident.

The People's Foreign Policy

EXTENSION OF REMARKS

OF

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. BYRNES of Wisconsin. Mr. Speaker, under leave to extend my remarks, I would like to call the attention of the House to an editorial which appeared in the Green Bay Press-Gazette of December 10, 1947. I think we can all learn much from this editorial and the excerpt from the resolution recently adopted by the Wisconsin Farm Bureau Federation:

THE PEOPLE'S FOREIGN POLICY

Pundits in Washington and New York sit in their tall office buildings composing long and complicated creeds about the drift of American opinion on national and world affairs.

They employ elaborate sentences, sprinkling their dispatches with technical, political, and philosophical phrases. Often the word "isolationism" creeps into their learned essays when they write about the great American heartland, the Midwest.

We commend to all of them the concise but eloquent statement of principles and belief which recently prefaced the resolutions adopted at the convention of the Wisconsin Farm Bureau Federation.

There is probably no more representative farm organization in Wisconsin than this federation, composed of typical, hard-working, loyal American rural families, sons and descendants of virtually all of the peoples of Europe.

The federation declared:

"Throughout the world humanity despairingly searches and prays for guidance toward peace and security. With all of

Christian humility we most covet this trust that all of mankind may share the fruits of freedom, liberty, and democracy. To share in this responsibility of world leadership with other Americans, the 25,000 farm families of the Wisconsin Farm Bureau Federation dedicate themselves to work toward producing abundantly goods and services which the world needs, and to exhibit such conduct so as to merit the confidence and the respect of all nations."

There is the voice of responsible, work-a-day citizens of Wisconsin.

It is the simple voice of American democracy, generous, trusting, humble.

American foreign policy and American propaganda abroad has fumbled and hesitated for several troubled years since the bloody curtains fell on World War II. We have traded and dealt. We have participated in secret covenants and shady compromises. We have been a part of the power politics so dearly loved by the gentlemen in the striped pants in the chancelleries of Europe.

But we have failed to convey the essential good will and the generosity of the American people, their desire to share their own liberties and opportunities with the rest of the world. Beaming the resolution of the Wisconsin Farm Bureau Federation to the people of Europe on the propaganda radio would be more effective than a bundle of the political appeals of our professionals.

Republican Way

EXTENSION OF REMARKS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks, I insert the following editorial from the Washington Post of December 15, 1947:

REPUBLICAN WAY

The outstanding feature of the Wolcott bill, which goes before the House today with the blessings of the Republicans, is its emphasis on voluntary agreements by private industry for the allocation and inventory control of scarce commodities. Although the Wolcott bill provides that such agreements shall be subject to approval by the President, Senator O'MAHONEY points out that, unlike the Harriman bill, it does not give the Government the power to limit the scope of agreements and set standards for the guidance of industry. The President will, so to speak, be put on the spot if Congress relies on the purely voluntary system of agreements contemplated by the Republicans. For if he should reject an agreement that he considered too restrictive or otherwise unfair, there would be nothing to put in its place, since the Government would be powerless to act.

While we think it highly desirable to give voluntary methods a preliminary trial, the chances that they will succeed will be poor, unless the administration is armed with weapons of coercion that can be used if or when needed. In the national interest it may become necessary to impose restraints on free enterprise to which private industry will not voluntarily submit. There will almost certainly be nonconformist individuals or groups that will not agree, except under the threat of coercion, to even the most reasonable plans for husbanding our resources and checking price advances. Furthermore, voluntary agreements of the restricted kind contemplated under the Republican plan would not afford protection against increases in the prices of essential materials or wage increases that would inevitably result in higher prices of finished products.

Yet, apart from the provision for voluntary agreements and noncontroversial proposals to allocate transportation facilities and export controls, the Republican program offers nothing except a recommendation for curbing credit expansion by increasing reserves held by the Federal Reserve banks against note issues and deposits. This proposal would have little, if any, immediate effect in restraining over-all credit expansion, although Representative WOLCOTT believes that it would have "a very strong psychological effect." He says that it should be taken as a sign that Congress disapproves of the easy money policy of the administration. Since the administration is committed to that policy and shows no signs of retreating, we doubt whether this method of expressing disapproval will yield results. Moreover, from a long-range viewpoint, tightened reserve requirements are open to serious objection. For the Federal Reserve System needs leeway in carrying out its operations, and its usefulness might be seriously impaired in the future, as has been the case in the past, by a high level of reserve requirements.

That many Republicans are dissatisfied with the program of the House Banking Committee is indicated by demands of some Senate Republicans for its expansion. Significant also is the declaration of the Republican Policy Committee that it will consider at the regular session phases of the general anti-inflation program that it has not been possible to study at the extra session. Meantime the Republicans are relying on the inadequate Wolcott bill to eliminate industrial waste and hold back inflationary tides. For the reasons given we do not believe the kind of voluntary program contemplated by the bill will succeed unless the Government is equipped with the reserve powers of control requested by the President.

Soil Conservation

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. MILLER of Nebraska. Mr. Speaker, under leave to extend my own remarks in the Appendix of the RECORD, I include a resolution as passed by the soil conservation districts in western Nebraska, at a meeting held in Alliance, Nebr., November 17, 1947.

Mr. Speaker, the soil conservation program of America should be of the utmost interest to this Congress and all the citizens.

Our soil is being depleted because of the tremendous drain in trying to produce enough food to feed ourselves and the world. I hope the Agriculture Committee and the Appropriation Committee will recognize the need for not only a sound program, but sufficient appropriations to carry out the plans for a good soil conservation program.

The resolution follows:

Whereas the necessary legislation was enacted by the Nebraska Legislature in 1937, for the organization and operation of soil conservation districts, and recognizing that there is some overlapping and duplication of purpose between governmental agencies, no legislation should be enacted by Congress, unless it be to more clearly define the scope of operations of each agency dealing with agriculture; and

Whereas there are now 82 soil conservation districts organized and in operation in the State of Nebraska, covering almost the entire area of the State; and

Whereas throughout the United States upwards of 2,000 soil conservation districts are now in operation and more than 1,000 farmers and ranchmen are giving freely of their time and resources to govern these 2,000 districts, and each district being governed by 5 local farmer supervisors, who do not receive any pay for their services and their only interest in this program is the conservation of our land and water resources; and

Whereas during the past few months there have been introduced in the Congress of the United States, legislative bills, namely, H. R. 4150, H. R. 4151, and S. 1621, which vitally affect the welfare of the soil conservation movement: Therefore be it

Resolved, That we as conservation supervisors, responsible under our Nebraska laws for the carrying out of a soil-and-water program in our districts, assisted by other agencies willing to cooperate, do oppose the passage of the bills above mentioned, for the reason that they would destroy the soil-conservation program, built up during the past 8 or 10 years, destroy the local farmer planning and control, and eliminate the Soil Conservation Service's technical assistance to farmers and ranchers, by combining it with the already overloaded Extension Service; be it further

Resolved, That we favor the present program of Soil Conservation Service, as an independent, qualified and separate agency, under the Department of Agriculture, and make it responsible for all soil-conservation activity of the Federal Government; be it further

Resolved, That inasmuch as present relations between the State Soil Conservation Committee, Soil Conservation Districts, State Extension Service, the Soil Conservation Service, and other cooperating agencies are satisfactory, efficient, and effective, such relations should be maintained as they now are. The assistance from the United States Soil Conservation Service should be increased. It should include more technical assistance, more conservation equipment, and more conservation material such as seed, trees, etc.; be it further

Resolved, That a copy of this resolution be sent to members of the Nebraska congressional delegation, to the Secretary of Agriculture, Chief of the Soil Conservation Service, and to interested organizations.

Why Not Do Something for the People in the United States?

EXTENSION OF REMARKS
OF
HON. WILLIAM H. STEVENSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. STEVENSON. Mr. Speaker, I have a letter from a constituent this morning, reading as follows:

Why not do something for the people in the United States? Do you know that there are countless families who are unable to get any fuel oil? You can cut down on eating but when you have nothing to keep your house warm what is a person expected to do?

Many people here are plenty worried over the situation. Why not do something to help us? The situation now is much worse than during the war. It's really cold here and how are we going to get through the winter without heat in our houses? These are the things that make life pretty tough.

Please do something about this. Surely in America we can at least have our houses heated.

The Housing Problem

EXTENSION OF REMARKS

OF

HON. ROLLA C. McMILLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. McMILLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. RALPH A. GAMBLE, chairman, Joint Committee on Housing, before the New York Metropolitan Association of Real Estate Boards, Commodore Hotel, New York City, December 12, 1947:

It is not mere pleasantry when I tell you that it is a privilege to address this gathering of realtors, banks, builders, and others interested in the housing in metropolitan and urban New York. Neither is it an exaggeration to state the time is most propitious. It is so because we have reached a crisis in our Nation's economy. Trying to help others restore the substance lost to them through years of war, we are in danger of losing our own substance through rising prices.

Because all of you are specialists in the subject which the Joint Committee on Housing is investigating, I shall take it for granted that you already know much of what we have just learned, which is, that there is an economic housing shortage of perhaps as many as 5,000,000 units, that there is plenty of money to erect, rent, or buy these houses, and that labor is willing and efficient, but that prices are far too high. The plain fact is that prices are prohibitively high. So it is about prices and the part you have to take in reducing them, that I wish to speak to you today.

Our congressional committee recently completed some 25 hearings in every part of the United States. Not so long ago we were in New York City. Everywhere we found the specter of high prices moving uneasily among the thousands of new dwellings under construction. In some places we found this specter a reality. Even in a time of prosperity, there are unmistakable signs of home builders, or realtors, pricing themselves out of the market.

Let us first take a look at this market, this economic market. It is not found in the income classes of Park Avenue, or in those of the other extreme in Orchard Street. It is found in that great middle group which constitutes the body of America, and from which came those ex-servicemen and women whose housing requirements it should be our patriotic obligation to meet. How shall we meet them?

Before attempting to answer my own question let me reassure you that I am not edging up for an oblique attack on the so-called "real estate lobby." If there is such a lobby, it is, in the opinion of some, inept, in contrast with other lobbies active in Congress, and prominent among which is the quasi-government lobby for so-called public housing at the taxpayers' expense. If you are benignantly negative as a lobby in your own behalf—as I and many of my colleagues believe—my personal hope is that, after hearing my remarks today, you will transform yourselves into a positive force and help us to bring down the costs of home building.

The estimated average cost of a one-family home started in January this year was $5,669, exclusive of land, land improvements, and the builders' profit—22 percent higher than the average in 1946. By October this same type of home had a further increase up to $6,635, an increase of $1,000 in 10 months exclusive of land and land improvements and the builders' profit. And the increase continues, with no sign of abatement in the near future.

This disturbing fact, supplied to me by the Bureau of Labor Statistics, Department of Labor, is admitted to me everywhere I go. Who is to blame? Recalling conferences which we have had on the Pacific coast, in the South, in the Midwest, and in the East, whoever was to blame was never present—it was always the absent ones, it was always somebody else. That absent one was not a person or a thing. It was, and is, nothing more than indifference to individual responsibility, that personal selfishness which collects its profit while inflation spreads.

Now, to erect a home, three essentials must be considered. For simplicity (and not just for alliteration) let us call them money, men, and materials. Let us examine each.

Money is easy. Money is cheap. It hasn't been so cheap for 10 years.

Men (by which is meant construction trades labor) do not constitute a problem today. They are returning by the thousands to their trades from war industries and from war itself. And be it said to the great credit of their leaders in the building trades department of the AFL that they have not yet followed the CIO's latest will-o'-the-wisp of demands for another round of wage increases.

This leaves us mainly materials to consider. And there, in my opinion, lies most of the responsibility. Let us look at the record, as supplied by the Bureau of Labor Statistics. Statistics are dry, but here, important.

Since August 1939 to October 1947, here are the percentages of increase:

	Percent
Brick and tile	60.9
Cement	31.5
Lumber	221.9
Paint and paint materials	96.6
Plumbing and heating	71.5
Structural steel	33.3
Other building material	70.4

You will note that, by grace of steel and cement, the average increase for all building materials is 107.4 percent.

You will also note, however, that the increase for lumber is 221.9 percent. I do not know why. I have sought an explanation from lumbermen from Oregon to Arkansas, and it seems that they do not know. But I assure you that before my committee concludes its work we will not only know, we will have done something about it.

Even this fantastic rise of 221.9 percent doesn't tell the whole story of lumber. By species—and again I quote the Bureau of Labor Statistics—here is the percentage of increase since August 1939 to October 1947: Douglas fir boards, No. 2, up 317 percent; Douglas fir dimension, No. 2, up 228 percent; oak flooring, up 224 percent; southern pine boards, No. 2, up 266 percent; southern pine dimension, No. 2, up 219 percent.

When our committee got underway our first step was to examine acute shortages and consequent high prices. We called in the manufacturers of various commodities. We found many reasons and excuses. I do not propose to pass judgment on either. The ones most frequently given were gray markets and export drains. Between the two there is, of course, a kinship. Asked as to increasing supplies, the manufacturers were willing enough. We were assured that 60,000 mills were sawing lumber, that in 1948 gypsum products would be up 25 percent over 1947, that nails would be boosted from 16,000,000 kegs in 1947 to 18,000,000 kegs in 1948.

But when it came to prices, it was another matter. Many "matters," so to speak. And believe me, I can sympathize with each and every manufacturer with whom I talked. So you see, I have no desire to hold them up to contempt as profiteers at the expense of a homeless public. One of the inhibitions, I soon learned, was that certain of the trade associations and some of their members were either under consent decrees from the Department of Justice, or had been visited very recently by Department agents. Is it any wonder that they were disinclined even to discuss prices, let alone concertedly reduce them? So what else could they do except to gather the dollars while they might, dollars from desperate domestic homeseekers, and dollars from European governments which had been lent to these governments by ourselves.

It is just such conditions as these that led the Republican Party leaders in both Houses of Congress to recommend immediate amendment of the antitrust laws to permit industry-wide agreements to hold living costs in line. It is also such conditions that impelled it to call for continuation and expansion of export controls. As a matter of fact, nearly 3 months ago, I requested the Department of Commerce to retain export controls on lumber after I had learned through our investigations on the west and east coasts that such an inflationary move actually was about to be made by the administration.

TACOMA, WASH., *December 12, 1947.*

Hon. RALPH A. GAMBLE,

Chairman, Joint Housing Committee:

In response to your question as to what can be done about lumber prices, you know this industry is made up of over 50,000 individual small producers, no one doing as much as 5 percent of the business. So individual action is completely ineffective; and, under the laws and consent decrees, joint action is impossible. If you will call a meeting of industry leaders, we will participate and endeavor to work out some effective plan to lower lumber prices, provided, of course, it can be executed with the approval of the Department of Justice.

WEYERHAEUSER TIMBER CO.,
LAIRD BELL, *Chairman.*

I shall be glad to call such a conference at once. I know that certain lumber companies are ready to make substantial price cuts right now. I have no doubt the industry will reach a price-cut agreement. If the Department of Justice doesn't interfere, I am hopeful that lumber prices will shortly be reduced by as much as 25 percent. If the Department of Justice does block this sincere attempt on the part of lumber manufacturers to speed up and cut costs of housing, then Congress will see that the laws are amended. I believe that one industry-wide agreement, such as is proposed by Weyerhaeuser—the biggest lumber company in the world—will lead the way to other agreements, and thus bring immediate relief to consumers. I believe this will mark the beginning of the end of inflation.

I can assure you that the seven Senators and six other Congressmen of both parties constituting my committee are solidly with me in our feeling that the costs of home building should come down. I know they can come down, for I have seen a sufficient number of balance sheets to convince me that this is possible. I demand that they do come down, at once, and voluntarily, in the public interest and in the interest of American individual enterprise.

Now, do you ask, what has all this got to do with us? It has a lot to do with each and every one of you. I do not know how many thousands of realtors belong to the National Association of Real Estate Boards, but the 500 in this room today are sufficient

in numbers, intelligence, purchasing capacity, and prestige to persuade your material sources that the patriotic course, the profitable course, the only wise course, is to reduce prices—voluntarily and at once.

And while you are about it let me suggest that you scrutinize yourselves, for in this battle to build the missing homes of America, and to "bust" the inflation, there can be no exceptions.

But there is a brighter side. In spite of all our difficulties, we are making progress.

The number of new homes started this fall has reached record levels for this season of the year, even exceeding the past record set in 1925. A total of 92,000 homes were started in October—the same number were started in September—and preliminary reports to the Bureau of Labor Statistics indicate a less-than-seasonal drop in November. The Bureau of Labor Statistics predicts that total starts for the year will reach 860,000 dwelling units compared with 670,500 in 1946 and 937,000 in 1925.

As a result of better materials supply, the average time required to complete a dwelling has dropped from more than 7 months in the summer of 1946 to 4½ months currently. By the end of October 658,000 dwelling units had been completed this year—50 percent more than the total last year.

About 10,300 apartment units (three-family and more) were started in October. More than twice as many as in May, and 3½ times as many as in January. These figures reflect decided improvement in construction for the enormous rental market. Apartments still represent only 11 percent of the total of 92,000 permanent dwellings started in October, however.

Two other subjects should be touched upon before I close. One is so-called public housing and the other certain aspects of labor. We believe we have discovered the first steps out of the controversy over public housing. They are to be found in facts. Our committee has been directed by Congress to help it lick the housing shortage. Public housing is a part of the problem and consequently a part of the answer.

We have called on the Bureau of the Census and the Bureau of Labor Statistics, which, together, constitute the most reliable sources of Government information at our command, to supply us with the record of normal requirements for housing based on the number of families. They have projected the increase in the number of families up to 1960. On this basis of reasoning, it is possible to arrive at a defensible estimate of the economic shortage in housing, regardless of social standards.

Public housing for social betterment of the lowest-income classes is quite a different matter. The need for differentiation has required us to insist at our hearings that witnesses make it clear just what they are advocating and that they understandably define the words they employ.

At the hearings I conducted there appeared some earnest and sincere people who seemed to think that it was the Federal Government's responsibility to house all the middle-class workers as well as the lowest-income class, made up mostly of the indigent. In effect, some regarded "housing" and "public housing" as being synonymous. This is incorrect.

Speaking for myself only, it would not appear to me that there is any inclination to reject the proposition that some sort of housing assistance should be given in urban communities to the indigent and to the lower income group. And if this is true of urban populations, it is logically true of rural populations. The question is not so much one of a housing shortage as it is one of social betterment.

At our hearings and conferences there was evident a widespread conviction that, if public housing is to be paid for by Federal taxes, there will come a time (if it has not already arrived) when competition by cheap Federal loans, 100 percent insured loans, or outright Federal capital grants, will have a deadly effect on private capital and individual enterprise in the construction industry.

In Indiana, Illinois, New York, and elsewhere there were visible signs of the conviction that, as there is only one place from which Federal moneys can be drawn, namely, local taxes, it follows that real responsibility for public housing should rest, not on the Federal Government, but on the municipality, or the State, or a combination of the two.

Comment on public housing would be incomplete without reference to the fact that, in city after city, and particularly in this city of New York, Communists were boisterous in their advocacy of more and more public housing. Public housing, rural or urban, on a sound basis, has nothing to fear from this committee, I believe, but it has much to fear from the ardent activity of the Communists.

Now one final word about the home builder's and realtor's great partner—labor. Members of the committee were in general agreement from the outset, I believe, that we could make more progress through cooperation than through compulsion. At all the subcommittee hearings thus far held, members, regardless of party, made it plain that while this Joint Committee on Housing is to be no witch-hunt, neither is it to be a whitewash.

Of the three essential elements—money, materials, and men—labor, in the long run, is by far the most important. Although the index of union wage rates now stands at 147.4, as compared with 100 in 1939, labor costs in a 6-room frame dweling unit are now 69 percent of the total cost, as compared with 56 percent in 1939.

From testimony, and from personal observation by committee members, it would appear imperative that labor productivity be increased. To this end, I have been working with international officers of the AFL building trades, while in every city where hearings have been held, subcommittees have discussed the problem with local union heads. Proof that this approach predicated on cooperation, friendliness, and mutual respect, is sound, is found in a progressive reduction of defensive restrictions, in the "American will to work to produce," rather than simply to jack up pay through monopoly and cultivated overtime. Impressive evidence of the sincerity of labor's approach came from various quarters. In Cleveland, for example, a lather's local which had barred Negro apprentices, even though there was a shortage of lathers, reversed itself at the insistence of the head of the Cleveland building trades council and now conforms to the nondiscriminatory policy of the AFL Building Trades Department, in Washington. In supplementing his testimony at the New York hearing, the head of the carpenter's local specifically stipulated anti-feather-bedding practices in the use of time-saving machinery, such as power saws. In Chicago, the head of the building trades council went on record as to the willingness of painters to use spray guns and of all trades to erect prefabricated houses.

Further proof is seen in the appointment by the president of the AFL building trades department, at our request, of an AFL committee of six, bipartisan and representative of various parts of the country as well as of principal home-building trades to meet with our committee. The appointment of this AFL committee may be one of the most significant developments thus far apparent in our investigations.

Highly skilled on-site labor merits commensurate high wages, high productivity justifies high wages. High productivity of on-site skilled labor will assure the success of a 4- or 5-year housing program, even though the other elements—money and materials—may fall somewhat short of the challenge which confronts them.

It is my belief that the same cooperation, through special committees, should be sought among the financial interests, material producers, home builders, and realtors as has already been established with labor, and I am taking steps toward this end.

Through cooperative effort, we are bound to succeed.

Conservation of Natural Resources

EXTENSION OF REMARKS
OF
HON. RICHARD J. WELCH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. WELCH. Mr. Speaker, one of the most disturbing problems facing our Nation today is that involving the proper utilization and conservation of our natural resources. Our entire future destiny rests squarely upon a proper solution of this increasingly critical problem.

The Committee on Public Lands of the House of Representatives, of which I am chairman, held hearings during the congressional recess in several States and gained expert knowledge of the grave importance of this matter. I should like to call to the attention of the Congress a statement I made in opening a hearing by the Committee on Public Lands in the city of San Francisco a few weeks ago which was attended by the Governor of California, Hon. Earl Warren, and the mayor of San Francisco, Hon. Roger D. Lapham, both of whom addressed the meeting:

When Congress convened last January I had the choice of becoming chairman of one of three committees—Merchant Marine and Fisheries, Public Lands, or Labor. I selected the Committee on Public Lands, which under the Reorganization Act consists of six former legislative committees—Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs. The merger of these six committees into one under the title of Public Lands gave to it the responsibility of nearly all the Nation's natural resources, which are principally in the Western States.

In selecting this committee, I did so in the hope that I could help conserve our fast-dwindling natural resources, particularly our irreplaceable oil reserves and our forests on public lands, and to develop our water supply. Shortly after the turn of the century, as a member of the California State Senate, I was active in the good fight of saving the big basin grove of redwood trees in Santa Cruz Mountains from the woodsman's ax. You will see those forests, my colleagues, in a couple of days. These giants of the forest are known only to certain sections of California and no other place in the world. As I have stated before on the floor of the House, they are the oldest and largest living things in the world.

They were there when Moses was a baby in the bulrushes and when the Saviour was carrying His cross up Calvary Hill. This historic fact, however, has no appeal to those who would destroy the remaining forests of the country.

At the present time there is being cut nearly 1½ times more timber than is being replaced by natural growth. Last year over

a billion board-feet of lumber was shipped out of the United States. Add to this the terrible loss by devastating forest fires and also the loss through forest diseases, particularly of the young trees, and it can readily be seen it is only a matter of a limited number of years until this country will be completely denuded of its forests.

The States of Michigan, Minnesota, and Wisconsin are gruesome evidence of what is sure to happen if the great forests of California, Oregon, Washington, Montana, Idaho, and other States where they still have large stands of timber are continued to be cut at the present rate. Congress owes it to the next generation and their children for the years and centuries that lie ahead to follow the wise policy of Belgium, Norway, Sweden, and Germany by passing mandatory laws providing for selective removal of trees on a sustained yield basis followed by immediate reforestation.

Oil and electricity are two of the greatest assets of both our national economy and our national defense. Our national petroleum resources are limited and every barrel of oil we take from the ground is gone forever. We are now shipping irreplaceable oil to foreign countries at the rate of 140,000,000 barrels a year. During the past year our petroleum resources were further diminished nearly 40,000,000 barrels for the production of electric energy. In those areas where hydroelectric power can be developed it is a sinful waste to use this irreplaceable oil for that purpose. In the State of California alone we are using between ten and fifteen million barrels annually to generate electricity.

The American Petroleum Institute estimates that the oil reserves from known petroleum deposits in the United States at the end of 1946 amounted to approximately 20,000,000,000 barrels of crude oil. Consumption is now at the rate of 1,750,000,000 barrels per year. This means that our known reserves will be exhausted in 12 years.

Hydroelectric power is inexhaustible. Every reclamation project developing hydroelectric power conserves just that much of our oil reserves for future uses and extends the life of those reserves. Money advanced for irrigation and conservation projects from which hydroelectric power can be developed, is not a Government subsidy. It is an investment, an investment in the future of America. Every dollar must be repaid. There is no honest objection to the development of hydroelectric power by private capital. On the other hand, private power interests have no right to interfere with public development of great hydroelectric power projects beyond their scope or with infant projects which are made economically feasible by Government participation.

There is a critical power shortage in the State of California at the present time. So critical has the shortage become that a number of industries have been forced to curtail production and lay off help. It has been suggested that the United States Government permit the Navy Department to generate electricity to help this shortage. To meet the present and future demands for water and power in this State, every potential source of water and power supplies should be brought to its maximum development either by private or public enterprise.

The city of San Francisco is generating approximately 534,700,000 kilowatt hours of hydroelectric power annually. This power crop could and should be trebled without further delay to meet the growing demands for hydro-electric power in this section of the State of California.

There is a critical shortage of both water and hydroelectric power in every section of the State of California. Because of the fact that 2,750,000 people have located in this State since Pearl Harbor and are continuing to do so by thousands weekly, it is imperative that every potential acre-foot of water and every possible kilowatt of hydroelectric power be developed to meet the present and the future demands of this fast-growing State. The present shortages of water have already affected Government military and naval establishments so necessary to our national defense.

Finland

EXTENSION OF REMARKS
OF
HON. WALTER NORBLAD
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. NORBLAD. Mr. Speaker, it is my privilege to call to the attention of the House an editorial from the Washington Post of December 13 and another from the Evening Star of December 14. Both pay well deserved tribute to Finland and should be read by every Member of Congress.

The editorials point out that Finland made another payment last week of $260,852.24 on its World War I debt. The Washington Post so rightfully says, "Gallant little Finland, the country that believes in living up to its obligations."

As we consider further loans and gifts to foreign countries at this time and reflect on loans made by us over a period of years, it is, indeed, gratifying to know that at least one country has had the sense of honor and obligation over this long period of years to never fail to make debt repayments to us. It has not been easy for this small country as it has been beset with wars and political upheavals for the past 8 years, but despite the fact that their economic plight has been a difficult one, they have never forgotten their obligation.

I concur heartily, Mr. Speaker, with the suggestions made by both newspapers that it is high time that we gave recognition to the Finnish nation in something more tangible than words and expressions of gratitude. The Post states, "Hasn't the time arrived to let bygones be bygones, including the debt, and with further payments to do something tangible in Finland's behalf to show that in America's opinion the obligation has been more than honorably discharged?" Quoting from the evening Star editorial, "It would seem that the time is at hand when we should make some adjustment of this transaction."

The fact of the matter is that in interest and principal payments, this country has paid us $3,060,000 on a debt of $8,400,000, and the time has come for the Congress to give proof of its appreciation by cancellation of the balance of that debt. When the Congress reconvenes in January for the regular session, I shall introduce a resolution formally declaring the entire debt paid and canceling any and all financial obligations arising out of this loan between the United States and the gallant Republic of Finland. I earnestly request your consideration of this proposed resolution at this time and your support for the measure when I have introduced it.

For your information the contents of these editorials are as follows:

[From the Washington Evening Star of December 14, 1947]

FINLAND PAYS AND PAYS

The brief announcement that Finland has paid another $260,852.24 on its post-World War I debt to this country comes like a voice from a dead past.

With this payment, the Finns keep intact their record of being the one country which has not defaulted on its debts of that period to the United States. All of the other debtors have fallen by the wayside, and, after defaulting, most of them have come back to obtain millions and billions more from us. Only the Finns continue to pay and pay.

They are proud of this record, and justly so. We have less reason for pride. We loaned Finland $8,400,000 at 3 percent interest. They have repaid a total of about $8,060,000, but they still owe us more than $8,000 000, practically all of the past payments having been applied to interest.

It would seem that the time is at hand when we should make some adjustment of this transaction. Finland has been pulled into the Russian orbit and life there is not what it used to be. When the United States has collected the amount of the original loan, why not write off the remaining balance as a tribute to a people who have set for this world a splendid example of national integrity?

[From the Washington Post of December 13, 1947]

REMEMBER THE FINNS?

On Friday a tiny item appeared in our news columns which must have stirred our readers' memories. It merely related that the Finns had made their usual half-yearly payment on their "war" debt. Gallant little Finland! The country that believes in living up to its obligations! This is the 24th year in which the money has been forthcoming. It has been the only constant phenomenon in the turbulent life of Finland since the settlement was signed. At that time she was an infant of five, a new country who had been freed by the new Russia. By the time she had attained youth she had become an ideal commonwealth. In 1939 she started to undergo trial by fire just because she happened to be in the way of the big fellows, and it left her prostrate. Even the signer of the debt agreement, Risto Ryti, is in jail, languishing there at Russia's insistence as a war criminal. All he did was to do his part in the defense of Finland. Hasn't the time arrived to let bygones be bygones, including the debt, and with further payments to do something tangible in Finland's behalf to show that in America's opinion the obligation has been more than honorably discharged?

Veterans' Affairs

EXTENSION OF REMARKS
OF
HON. WILLIAM G. STIGLER
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. STIGLER. Mr. Speaker, I recently read an article in one of the local newspapers by Mr. Tyrrell Krum on veterans' affairs which describes a new racket with reference to our repatriated heroes. According to his article, it seems that in some sections of our country there are

some overenthusiastic undertakers running up unwarranted bills in the reburial of our war dead. The condition described by Mr. Krum should be immediately investigated by the appropriate committee of the House.

As part of my remarks, I wish to include the following article by Mr. Krum:

VETERANS' AFFAIRS

(By Tyrrell Krum, lieutenant commander, U. S. Naval Reserve, retired)

Here's a low-down racket we certainly hope doesn't get a foothold in these parts.

It has to do with one very important phase of the Government's return of our overseas war dead to this country.

Let's start at the beginning and you'll see what I mean.

When the Congress passed the repatriation-of-the-war-dead program a coupe of years ago, appropriations were made for having the Government defray all the costs of bringing the remains back to the locality the next of kin desired in addition to furnishing a $500 steel casket and all costs of a military funeral.

In order that the family which had lost so much might not be called upon to bear an added burden, the Government authorized the advancement of $75 to the next of kin toward defraying the cost of conducting the final rites and burial in private cemeteries.

This figure was based on evidence submitted by the War Department after a national survey indicated that $75 was deemed sufficient to conduct the final stages of the repatriation program—conveying the remains from the train to a chapel and thence to the final resting place.

And look what happened in a number of cases that have arisen in recent days as certain overenthusiastic undertakers indulged in slick salesmanship to run up wholly unwarranted bills in connection with the repatriation program.

The mother of a young marine who lost his life in the Marshall Islands in 1944 received the remains of her son in New York. Before the reburial had been completed, a bill totaling $300 had been run up.

There was $75 for use of the funeral parlor for 3 days; $35 for use of draperies, palms, and candelabra; $25 for a canopy and artificial grass mats at the grave; $22 for use of the hearse; $20 for pallbearers; and $45 for three limousines.

Also included was $50 for opening and closing the grave, and there were additional incidental expenses to make up the total.

In another case in an eastern city the following charges were accumulated: $25 for undertaker's professional expenses; $45 for use of the chapel three nights; $28 for use of hearse from church to national cemetery; $22 for open car for flowers; $23 for one limousine; and $5.60 for death notices in local newspaper. To offset this, the Government advanced the usual $75 fee plus a free lot in a national cemetery.

There are many similar instances of gouging along the same line.

We put the proposition up to the head of a local undertaking firm which has the reputation of being the largest of its kind in the country. It handles upward of 30 percent of all funerals in the Nation's Capital. Here is what he told us:

"We have laid down a policy that no funeral of an overseas hero shall exceed the regulation $75 in any instance, so far as our services are concerned. If we remove the remains direct from the train to the grave, we have a stipulated price of $50. If the family desires the use of our chapel, that will be an additional $25. But we never charge more than $75 in any case.

"We deem it a fair price and we intend to stick to it, and we can't see how any undertaker can take it upon himself to try and work a clip on the next of kin in their hour of sorrow."

"We don't think it is very widely done. But, as the popular saying goes, 'There's bound to be some rotten apples in every barrel.'"

We certainly hope, as we said above, that the racket of playing upon the emotional heartstrings of bereaved families doesn't get a foothold hereabouts.

Because, if it does, it can only work harm to one of the finest and noblest operations in which Uncle Sam is engaged in the whole postwar period.

Truman Plays Politics With Inflation

EXTENSION OF REMARKS
OF
HON. HUGH D. SCOTT, JR.
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. HUGH D. SCOTT, JR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Inquirer of December 15, 1947:

TRUMAN PLAYS POLITICS WITH INFLATION

President Truman's implied threat to veto the Republican anti-inflation program—if it is adopted by Congress—is a shocking piece of political high-handedness.

This outrageously dictatorial attitude on an issue that concerns the bread and butter of all the people is a throw-back to Mr. Truman's political expediency of last summer when he twice vetoed tax-reduction bills which had been passed by Senate and House with the support of Democrats as well as Republicans.

The Republican counterproposals to the President's 10-point plan to curb ruinous prices haven't yet been debated in Congress. They are just now being revealed in detail. Based on voluntary agreements rather than compulsion, they include tax reduction and Government economy, important matters that aren't mentioned in the President's program.

But, with a grim recklessness suggestive of a return to the one-sided Roosevelt New Deal, Mr. Truman sneers in advance at the Republican measures and, judging from his slighting remarks at his press conference, has turned his back on all anti-inflation plans not originating in the administration.

In thus closing his mind against all proposals but his own the President is putting politics ahead of inflation controls. If Congress, torn by partisan rivalries, now fails to solve the immensely difficult problem of curbing prices without imposing hamstringing restrictions upon the Nation, the chief blame will lie with Mr. Truman.

And at what cost? When he twice swung his political veto ax at the tax-cut bills a few months ago he compelled taxpayers to go on, needlessly, shouldering war-high income taxes. If he should succeed in twisting inflation curbs to his own political purposes the possible cost staggers the imagination.

When the President brought out his proposed anti-inflation checks last month this newspaper praised him for trying, however belatedly, to combat the inflation menace. But when he lightly pooh-poohs the Republican program for voluntary curbs before he knows what it is all about, he reveals a partisan prejudice that is a grave threat to the Nation.

Why does Mr. Truman think his own plan is sure fire, to the exclusion of all others? Is there anything in the history of the Truman administration which could prove its economic infallibility? Most assuredly not.

Immediately after Japan surrendered in August 1945 and before this bewildered country realized what was happening, President Truman, with one magnificent gesture, swept away the wartime curb on wages and gave price inflation its first big push.

The fireworks came fast. Demands for higher pay poured from all sides. Industrial disputes developed overnight. In the next few months the steel, automobile, and coal industries were stalled by great strikes which cut down the production of goods critically needed to avert shortages and consequent price boosts. Then Mr. Truman's recommendation of an 18½-cents-an-hour wage boost to end the steel strike, and the Government's permission for a $5 a ton increase in steel prices, hurried inflation on its disastrous way.

The price-wage spiral is now in full swing, a third round of wage demands is threatened and the country is in the throes of a price inflation which already is grinding down vast numbers of our people, including those who must live on small fixed salaries, pensions, and annuities. If price inflation is not checked promptly the whole country—and its ability to feed hungry millions overseas—will suffer.

By making inflation curbs a partisan issue President Truman is inviting, with appalling disregard for the national welfare, failure of Congress to agree on real anti-inflation controls. His defiant imprudence will be remembered, we believe, by the voters in November 1948.

Meanwhile it remains the imperative duty of the Republican majority in Congress to pass the soundest, most practicable measures it can devise to halt skyrocketing prices. The President's political veto is his own responsibility.

Commissioner Parkhurst's Address to Graduates of United States Maritime Academy

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Commissioner Richard Parkhurst of the United States Maritime Commission before the graduating class, United States Merchant Marine Academy, Kings Point, Long Island, N. Y., on December 10, 1947:

Admiral Knight, Admiral McNulty, officers of the Academy, distinguished guests, parents and friends, and members of the graduating class, I am grateful for the invitation to be here on this pleasant occasion. Likewise, I deem it an honor to come to Kings Point as a member of the United States Maritime Commission and to say to you at the outset how much the Commission believes in this school, what it stands for, what it teaches; how earnestly we endorse its continuance and how vital we believe it to be in present and future considerations regarding the well being of the United States merchant marine. We take deep pride in the accomplishments of its graduates, and we remember with deep affection and a sense of personal loss those of its student body who, following the path of duty in the war years,

gave their all, even to life itself. Their endeavors and the spirit which actuated them, are now part of that intangible we call tradition and, in contributing so nobly to it, these men have enriched it for this Academy forever.

A good many years ago, gentlemen of the graduating class, I sat as you do now, a member of the graduating class of my college. My classmates and I looked up at the platform on which sat the president of the college, the trustees, our professors and instructors, and the graduation speakers. They were there to give recognition to our 4 years of effort, to wish us well, to bestow upon us the final accolade as undergraduates. I remember being a little overwhelmed by it all, feeling a sense of unreality—and hoping that the speeches would be short. The outside world in which we were to take our places was the comparatively uneventful one just before the First World War. The future seemed to us to hold much that was bright. There was not the challenge in the air that you men face today, nor were we equipped, as you are through your training here, to embark upon a chosen profession so directly and immediately concerned with the welfare of our country.

Civilization has many facets; it is never static and as it pursues its course down the years, it imposes, upon successive generations, new refinements of duty based upon timeless virtues. In this evolution, "citizens are made by doing the things for which, at a given time, citizenship stands."

You who have chosen the merchant marine as your profession have placed yourselves in a position to be of great service to your country and the way of life it represents. You will be the first to agree with me when I say to you that the mark of the real officer is not his diploma alone, well deserved and meritorious though it is. From that milepost at which you begin your career as an officer, the extent to which you succeed in that career will depend upon your individual initiative and your determination to develop yourself through profitable experience and further study. There will always be the opportunity to pursue and overcome the difficult—seize it. In a practical profession always remember, too, that the stars shine down upon us all. Reach for one, and thus add to the technical and business elements of your profession so urgently required by the exigencies of our times, a search for things of the spirit to help guide you on your way.

Perhaps you have heard the story of a conversation said to have taken place between a famous major league second baseman and a rookie shortstop just assigned to the team. The former had accepted a hard-fielding chance and had made a brilliant play for the final out. As the players walked to the bench, the new shortstop said to the veteran: "I sure am glad that I did not have to make that tough play you just made." The veteran replied: "Don't let me hear you say that again. You'll never be a major leaguer, my boy, until you are not only ready to accept the hard chances, but until you also hope they will come your way."

As to the merchant marine of which you are about to become a part, the question of United States flag shipping service is no longer one of commercial enterprise alone. It is definitely a question of national policy of the highest consequence. We are no longer an isolated country. We are the leading international power, and plans and procedures as to our merchant marine must envisage the responsibilities which that new status implies. In the marine, no less than in other fields, there is a heavy task of readjustment and reconversion, historically the aftermath of such an upheaval from whose effects we are now struggling to right ourselves.

Over a century ago the first oceangoing steamer, the *Savannah*, set forth on that history-making voyage from Savannah to Liverpool. This was a daring enterprise, under the flag of the United States, and it has a parallel today in the challenge facing us to keep at sea a merchant fleet under that flag, to carry a goodly number of passengers, to handle a substantial part of our own commerce, and to be a bulwark in our national defense. If the element of drama is more evident in the *Savannah* voyage of long ago than in this current undertaking, the opportunity for a great achievement is nonetheless present and compelling—the rehabilitation of the American merchant marine to serve the needs of our country, whatever those needs may be.

It falls to the lot of the Maritime Commission to take the lead in this matter. The Commission is not a restrictive body. It was created to serve shipping, not to dominate it, and it is our full and continuing intention to emphasize not only the desirability but the necessity of closer coordination of effort between the Commission and all segments of the shipping industry. To all of you here I emphasize that this project of building up our merchant marine is a joint venture. It will rise or fall as such. Men in the ships and on the docks, men in steamship management and operation, men in the Government—I fully believe that a team of this composition, a team so made up and so great as to astonish the world in the war years, will continue to play ball together in these times of less evident but nonetheless trying stress and strain. Speaking for the Commission and our participation in this venture, I want you to know that in the deliberations we undertake, in the decisions we reach and in the rulings we make, we try always to keep in mind the fact so well pointed up in the words of Victor Hugo: "We make the road, others will make the journey."

Two wars found this country without adequate reserve ships and merchant officers and seamen to meet our needs. Briefly, as to each of these, national reserve fleets of merchant vessels have now been established on the three ocean coasts of our country. The Commission is in close cooperation with the armed forces in establishing the number and types of vessels which are to compose these fleets. The ships are being preserved by sound and economical methods, determined by careful experimentation. They are not rusting away, and they will not do so. On the manning side, meeting the wartime requirements for men was as big a task as that of building ships. Maritime personnel increased from about 50,000 officers and men available at the start of the war to more than 400,000 trained officers and men. With the return of peace we have, of course, scaled down our training program to meet changing needs. The training will be more thorough; it will emphasize the part the merchant marine must play in world passenger and cargo trade, not forgetting the aspects of national defense. To serve adequately our domestic and overseas trade, our best estimates are that we should maintain in regular service by 1950 about a thousand vessels. This fleet will require, we anticipate, between ninety and a hundred thousand men for operations afloat and ashore.

The war left the cargo-carrying side of our merchant marine in much better shape than it was in the preceding years of peace. The best of our war-built cargo ships have been sold to our American-flag companies. They are the fastest, safest, most efficient ships this country has ever operated. Yet, despite this fact, our cargo fleet is out of balance. For example, in wartime we built no ships specifically designed for our coastwise and intercoastal trades and few had been built in the years before the war. Also, we are short some special types for special trades and to accommodate the problems of certain trade routes. At present, new construction is very limited. The Commission has, however, a carefully developed program by which the existing gaps in our fleets can be filled. In order properly to service the products of American farms, mercantile establishments, and manufacturing plants, we must not only fill these gaps but we must endeavor so to plan that the standard of the merchant marine as to size, speed, and type will be constantly maintained in terms of established decisions concerning these factors.

Among the matters with which we are most concerned is the provisions for a safe, fast, and efficient passenger fleet for the traveling public, for the American businessman, and for our national defense. One look at the present United States passenger fleet is enough to invoke the most serious thought. Our studies indicate in no uncertain terms the shortage of passenger and passenger-cargo combination ships for the principal trade routes which have been declared essential to the economic requirements and to the defense of our country. Reverting to the experiences of the war, you will readily recall that our prewar passenger ships proved a vital link in the chain that led to final victory. Even though some of these ships were old and slow, we were nevertheless better prepared upon our entrance into this conflict than we were in 1917 and 1918 when nearly all our men and supplies were carried in foreign-flag vessels. A large number of our troops and equipment were likewise carried by foreign-flag ships in this war. In both instances our allies gave us a measure of time in which to shape our destiny. Will there be time if another war comes, and is that a chance we dare take? To the Maritime Commission, for one, the answer is "No."

The Merchant Marine Act of 1936 directs that insofar as practicable the fleets should be privately owned and operated by American citizens. We of the Commission subscribe to that objective. We want to get out of ship operation and in support of our feeling in this respect the following statement seems sufficient. At the war's end the Commission, through the War Shipping Administration, was operating over 4,500 vessels. Today, a short 29 months after VJ-day, we are operating about 200 of the active American-flag fleet of 2,400 vessels. To the extent that we do remain in the shipping business, it is only because of necessity and to meet relief and rehabilitation needs and special situations here and there around the world.

As of the world at large, so it can be said of the development of the merchant marine, there would be no greater folly than for us to proceed on any assumption other than that the days ahead are decisive days. The whole problem of the merchant marine is now under the most searching scrutiny in many responsible circles, both in and out of Government. I sincerely hope that the outcome of these studies will result in a sound program of long-range development on a scale which will insure not only first-class American-flag service in the domestic and foreign trades, but also a modern and dependable maritime organization shipside and shoreside, which will be able at a moment's notice to place itself again, if needed, in the front line of defense of our country. This is a hope in which I know you all join as we reflect upon the larger aspects of our maritime outlook. To protect our competitive picture in peace, to have our own ready ships if war comes again, that is, in brief, why we need an American merchant marine.

Gentlemen of the graduating class, in behalf of the Commission and personally, I congratulate you and wish you well as you enter upon the age-old calling of the sea. The case for this Academy rests not upon what it has nor upon what it may lack, but upon its product—men, trained men, yourselves. I am certain that as you pass through

Vickery Gate with the imprint of this school upon you, you will remember this and face your life's work four-square.

I have known as you have, and with you hope to know again, the starlight on the tropic seas, the sweetness of the landfall, the breath of soft air over the blue waters. I have likewise known, as you have, the churning of the western ocean swells, the scream of the headwinds and the shrouding of the swirling fog. These are components of that universe we call the sea, and enter into the being of those who serve upon it. Smooth sailing and rough sailing—both are there. I believe you are ready to accept both with pride, with courage, and with distinction.

Tax Reduction

EXTENSION OF REMARKS
OF
HON. HUBERT S. ELLIS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ELLIS. Mr. Speaker, today I submit for the consideration of my colleagues an editorial from the Jackson Herald of December 12, 1947, edited by Mr. Sattis Simmons, which you will find is a forthright statement on the tax question.

This paper is published in one of the great farm counties of the Ohio Valley, and the statement indicates forcibly that the people are tax conscious and want, and expect, relief from the high wartime tax rate. They will know that our high tax rate is manifested in our price structure and plays an important part in the high cost of living.

The editorial follows:

TAX REDUCTION

It is becoming evident that one of the first things to be considered in the coming session of Congress will be tax reduction. Many people are wondering why, if we have billions to spend for the relief of Europe, we can't give a little relief to the American taxpayer.

The New Deal economists who oppose tax reduction say that it is inflationary in that it will give the people more money to spend and increase the monetary circulation.

This is nonsense. If this money is not given to the people in tax reduction it will go to the Government and will be spent by the New Deal bureaucrats, putting exactly the same amount of money into circulation. What the crackpots are afraid of is not inflation through tax reduction, but the cutting down of the bureaucratic squander-mania if the golden faucet at Washington is turned off. They want the people's money spent by the bureaucrats, not by the people who earn it.

Some of them prate about the necessity of reducing the public debt. Once again they have their tongues in their cheeks, for during the past dozen years or more they have been busy not in lowering the national debt but in pushing it higher.

Present high tax rates discourage not only production but the movement of our present grain supply. Observers who have toured the grain belt tell us that there is far too much corn still on the farms. Part of this is due to lack of transportation, while we are shipping new boxcars abroad. Part of it is due to the fact that the farmers who have much of their 1946 corn crop still on hand know that if they dispose of it and the new 1947 corn crop together the income tax collector will punish them. Having two crops to dispose of in one year, they will get more than a double dose of tax assessment. No good reason has yet been advanced why the people should not have tax reduction at this time.

Hot Oil or Hot Lunches

EXTENSION OF REMARKS
OF
HON. JAMES DOMENGEAUX
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. DOMENGEAUX. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following radio address which I delivered over a network of radio stations in Louisiana on Wednesday, November 26, 1947:

IS EARL K. LONG HONEST?

My friends, I am going to speak tonight on a most important subject. I am going to speak on a subject which vitally touches the welfare of every school boy and every school girl in Louisiana. I am going to speak on the subject of hot oil!

I am going to explain what hot oil means and why some of the former hot oil gang went to the Federal penitentiary! I am going to show you Earl Long's encouragement and approval of this practice when he was governor, and of the support of Earl now by these "hot oil" operators.

I hope to make it abundantly clear to you that if Earl Long, who is backed by these hot oil operators goes back into office and the running of hot oil is resumed, then you must face the fact that there will be less money to pay for hot lunches for your school children; there will be less money to purchase school books for your children; there will be less money to finance school busses and less for the teachers and other school employees. There will be less for your whole public school system if the hot oil operations are resumed by Earl's supporters. For it is this money which supports your public schools. The school children and the hot oil operators cannot both have it at the same time.

Let us see just what we mean by running hot oil. I think you can realize immediately my friends, that if you had a way of buying gasoline at a filling station without having to pay the State tax on the gasoline that it would represent a lot of money. If you could find a way to bootleg gasoline without paying State highway taxes to a large group of people you would have a very lucrative racket. You would simply put that enormous amount of tax money in your pockets.

The hot-oil racket works in a somewhat similar manner in its final effect. In the interest of conservation, our State requires that all oil and gas wells be held down to a certain number of barrels per day. The severance tax and other State taxes are computed on that basis. But, suppose, my friends, that with the connivance of the governor and his conservation commissioner and one or two others of the conservation department, certain oil or gas men in the dark hours of the night were allowed to open their wells full flow and run a flood of hot oil. There is no record of such runs, of course. No taxes are paid. The purchaser of that hot oil pays cash at a reduced price. The seller in effect pockets the amount which would have gone to the State in taxes.

You can see what happens, my friends, those running hot oil get rich almost overnight. Our oil resource is the biggest thing we have in the State.

But, while the hot-oil operators are getting rich, something else is happening. Revenues to the schools are reduced. That tax money which the hot-oil operators put in their pockets is money that would have gone to purchase hot lunches for the school children and to purchase school books and pay teachers. The running of hot oil literally means taking hot lunches away from school children and hot oil means reducing all the other things needed for the education of our school children.

What is the background of hot-oil operations in Louisiana? Well, before going into that, my friends, I should like to remind you that Bob Maestri, ex-mayor of New Orleans, one of Earl's strongest present supporters, has always dominated Earl Long. He is the man who has always called Earl Long's political plays. Maestri had Earl come down for governor in 1944 and take second place on Morgan's ticket.

Mr. and Mrs. Robert S. Maestri and Earl Long had important real estate transactions together while hot oil was being run and during the time Bob Maestri was conservation commissioner in charge of the oil and gas resources of Louisiana. Later some of these hot oil folks committed suicide; some went to the Federal penitentiary.

Federal Judge Davidson said from the bench that Maestri was as guilty as those who went to the Federal penitentiary for failure to pay income tax on the money they took in from running hot oil.

The real estate transactions which I refer to between Bob Maestri's wife and Earl Long may be found in book 51, folio 446 of the conveyance records of the parish of Winn.

I will repeat this reference and I will ask that some of you get your pencils and take it down and look up these references. You will find the real estate transactions between Mr. and Mrs. Robert Maestri and Earl Long recorded in book 51, folio 446, of the conveyance records of Winn Parish. You will find that the dates on these deeds correspond with the period that hot oil was being run in Louisiana.

In this deal with the Maestris, Earl acquired a magnificent ranch of 577 acres in Winn Parish, on which was located a fine residence and other improvements worth many thousands of dollars. He has also acquired apartment houses, and other real estate in New Orleans, worth a fortune.

Where did Earl get the money to purchase ranches and apartment houses if not from hot oil? Earl's profession is law, but Earl has never made an appearance in court in his life. Earl has never really earned a dollar practicing law in his whole lifetime. It is true that Earl billed the Louisiana Public Service Commission $10,000 for legal services while he was lieutenant governor and made them pay it. Later, since he couldn't deny it, Earl said he gave some of that money to Huey's widow. Huey's widow said she got no part of the $10,000. At all events, that fee was a direct swindle on the State of Louisiana. It was a swindle on the people.

Now Earl didn't go in for mansions on the "gold" coast or gold fauceted bathtubs. Earl was satisfied with a large ranch and apartment houses. Not a bad take, my friends, for a patent medicine salesman and a lawyer who has never tried a case in his life.

What is the secret? How was it done? How did Earl get so well fixed overnight? Hot oil is said to be the explanation for his fortune.

No wonder Governor Earl could give hot lunches to only 64,000 school children in the whole of Louisiana. Money was going to hot-oil folks. No wonder Governor Earl starved mental patients on 9 cents per day. Money was going to the hot-oil folks at that time. No wonder, my friends, Earl could only pay old folks $11.90 per month. Money was going to political big shots at that time. Our

old people are now receiving an average of $24 monthly under Sam Jones' philosophy of honest government.

Earl was either getting his cut or did not have the courage to speak up. Or Earl was too dumb to see what was going on around him. He was second in command—right in the middle of things. But Earl said nothing against these hot-oil crooks.

Maestri, Earl's bosom friend, is not Earl's only hot-oil backer. Consider another big shot from Ouachita Parish, the multimillionaire, Mr. Bill Feazell. He is reputed to have put up a fortune on Earl's candidacy.

Bill Feazell was in partnership in gas contracts with Dick Leche. Bill Feazell is an old head at the business. When the State sued Leche to recover some of the $350,000 Leche swindled the State out of on a State highway truck deal, a garnishment was run on Bill Feazell to reach Leche's interest in the gas contract that Dick Leche and Bill Feazell owned together. This contract was made at a time when oil and gas leases on our State lands were being given for the price of a smile and a "much obliged." And, also, my friends, a kick-back. Let's not forget the kick-back, for that's what spark plugged the deals.

Bill Feazell, now putting up a fortune on Earl, was in cahoots with Dick in the gas business. Do you think Bill Feazell loves Earl any more than he loved Dick Leche, or do you think he is backing Earl so he can go in business with Earl just as he went in business with Dick Leche?

What's wrong with Bill Feazell and Governor Earl going in the gas business together? Not a thing, my friends, if you are willing to take hot lunches away from your school children, take their books away from them. If you are willing to pauperize your teachers, stop your school busses from running, and destroy the educational opportunities of your children.

The coastal waters of Louisiana are indescribably rich in oil and gas deposits. Competent geologists estimate that there exists over 15 billion barrels of oil to be found in these mineral deposits, located off the coast of Louisiana; the State should collect ultimately, if properly handled, at least 3 billion dollars from royalties, bonuses, and leases from these tidewater lands; a sum sufficient to liquidate and pay our total State debt, leaving enough to pay for the paving of every road in Louisiana and to build State hospitals in every town of over 4,000 population, together with the payment of adequate old-age pensions and the soldiers' bonuses. These rich oil deposits represent too much money not to attract the attention of oil operators, like Maestri and Feazell. It is true that the title and ownership of these coastal lands are now claimed by the Federal Government. I believe that Congress will enact legislation, as it did previously, but vetoed by the President, recognizing the ownership of these lands to the State. The Dick Leche-Earl Long administration made millionaires of many hot-oil operators. If you put Earl in again he may make not millionaires but billionaires of others by the favored operations of these coastal oil State lands.

I would like to call to your attention that under Sam Jones and the present administration there has been a great improvement in the financial structure of our schools. In 1939, when Earl Long was governor, the State provided approximately $13 dedicated funds for each child under our school system. Today the State pays $40 for each child; or more than three times as much as was paid out under the Leche-Long administration. School teachers received a salary, under Earl Long in 1939, of $1,100. Today, under the Jones philosophy of Government, the salary paid to school teachers is an average of $2,400 per year, or twice as much. How was this done? In 1939 the State, under the Leche-Long administration, received from bonuses, rents, royalties, and severance tax, approximately $11,000,000. Under honest administration the State today receives approximately $33,000,000; three times as much. Instead of these revenues going into the pockets of the hot-oil operators and those who trafficked their influence to secure valuable State oil properties, the revenue now flows into the State treasury for the use of our schools.

There is one other thing that I wish you to consider, my friends, before I close. Not only does the running of hot oil deprive your children of educational benefits rightfully belonging to them, but it also depletes your most valuable natural resource. Our oil and gas reserves are honestly, wisely, and carefully administered at this time to give the utmost benefits to the people over the longest possible period of time. When hot oil is run, conservation is thrown to the winds. The good of the State is forgotten. The welfare of the people is considered not at all; only the enrichment of a few big shot politicians is considered. The oil and gas resource unlike our forest, is not a replenishable resource. If this resource is raided and wasted by hot oil operators, it is gone forever. There is nothing we can do to retrieve the awful mistake.

Earl says that I have vilified him. I have said, and will say again, that Earl was a slacker of World War I—that he kept out of the Army under false pretense; I have also said, that Earl tried to swear his own brother, Huey P. Long, into the penitentiary—his own flesh and blood. I have said further that Earl on January 19, 1932, in his speech at Gretna stated, "Huey P. Long was the yellowest physical coward that God ever let live." I have said that Earl swindled the State of Louisiana of $10,000 on a faked charge for legal services; I have said that Earl acquired valuable properties worth thousands and thousands of dollars while hot oil was being run in Louisiana and during the time he served as lieutenant governor. I have said that Earl, while governor, starved mental patients under an allotment of 9 cents per day. This is not vilification—I am telling the absolute truth and quoting from the public records.

This is Earl Long's record. His unpatriotic act establishes him as a slacker who would avoid responsibility and escape duty. His attack on his brother shows him to be an unnatural person with a distorted mind and intellect. His swindle of $10,000 from the State and his questionable acquisition of other valuable properties worth thousands and thousands of dollars shows him to be a dishonest person.

Earl would like for you to feel that he just came into the world the day he became governor. He would like for you to forget that he was second in command under Leche. That Earl was elected lieutenant governor at the same time Leche was elected governor.

Huey Long fell out with many men including Earl Long. But, Earl didn't fall out with Dick Leche. They worked together harmoniously and well. The Dick Leche-Earl Long partnership worked without any friction whatever. Earl didn't fall out with Dick and Dick didn't fall out with Earl because they needed each other.

If Earl Long thinks we are going to suppress the truth about him to the detriment of our school children, he is mistaken. We are not about to do that. Earl was not born on the day he was sworn in as governor. Earl had a record before he became governor and the people are entitled to have it. A lot that Earl did as governor will not bear too much light. If Earl cannot face the record then Maestri and Feazell had better get him out of this race. We are not going to suppress the truth at the request of Earl Long, Maestri, Feazell, or anyone else.

Now at the close: Do you want Earl Long and hot oil and less for your school children or do you want Sam Jones and honest and efficient administration?

It is Earl Long and the hot-oil boys against your school children. You will decide the issue when you vote on January 20. My prayer is that your answer may be for the school children.

I thank you.

Budget Saving Versus Lost Taxes

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. FORAND. Mr. Speaker, under leave to extend my remarks, I include the following article by Joseph Hanlon which appeared in the Washington Sunday Star on December 14, 1947:

TAX SLASH HELD POSSIBLE IF THE "CHEATING" STOPS—BUDGET SAVING THROUGH FIRING THOUSANDS OF INTERNAL REVENUE INVESTIGATORS IS OUTWEIGHED BY LOST TAXES

(By Joseph Hanlon)

Shortsighted economy practiced by Congress early this year when it trimmed the budget request of the Bureau of Internal Revenue is costing the United States about a half billion dollars a year. That is the estimate of Treasury officials.

Others who have studied the matter have come up with the conclusion that if the Bureau of Internal Revenue had enough money to catch all the tax dodgers it would be possible, without curtailing any Government activity, to cut Federal taxes by 20 percent. This is a theoretical figure. It is possible to make an arguable case for this conclusion, but no Treasury officer will assume responsibility for it.

LOSS EASY TO FIGURE

The Treasury estimate of something like a half billion dollars in potential revenue lost is a matter of simple arithmetic. The Treasury, in its budget request, sought for its Bureau of Internal Revenue $208,000,000. Congress shaved the appropriation to $188,000,000. This made it necessary for the Bureau to drop 7,000 of its 27,000 tax auditors and investigators.

On the average the employees dismissed were paid $4,000 a year—a total of $28,000,000. On the average these people brought into the Treasury between $20 and $25 for each dollar they were paid.

The saving in Government salaries, then, was $28,000,000. The loss in taxes—taking the minimum figure of 20 to 1 as additional revenue produced by a tax investigator or auditor in return for his salary, would be $532,000,000. That represents the difference between the $28,000,000 which would have been paid to the tax investigators, and the $560,000,000 they might have collected from tax cheaters.

HIGHER MATHEMATICS

The more intriguing alternative—that 20-percent tax cut—involves a complicated calculation and several assumptions. It assumes a Government budget in the vicinity of $40,000,000,000 and that the official Treasury estimate of $5,000,000,000 in potential tax revenue not now collected might prove to be about $8,000,000,000—if an army of tax investigators were put to work.

By an army of tax investigators is meant 50,000 instead of the present 20,000. A further assumption is that the 50,000 would be able to perform at the same scale of efficiency as the 20,000—that the law of diminishing returns would not come into operation.

Granted these assumptions, the rest is easy. The extra $8,000,000,000 in revenue works out to 20 percent of a national budget of $40,000,000,000.

Under Secretary of the Treasury A. L. M. Wiggins puts the figure of revenue lost through tax dodging at a conservative $5,000,000,000. Other Treasury officials lean toward the higher figure of $8,000,000,000.

In recent years the Internal Revenue Bureau has stepped up its investigation of tax returns. Results have been quite revealing. Considering only the war years—1941-47, inclusive—recoveries of evaded taxes have risen from $383,320,585 for fiscal 1941 to $1,928,710,237 for fiscal 1947. Each year has shown an increase, but it was not until fiscal 1946 that the total rose above the billion mark.

LARGE RECOVERY EXPECTED

Curiously, despite the cut in personnel this year, the expectation is that the total in recoveries for fiscal 1948 will go above the two-billion mark. This is because an investigation often requires several years, and the fruits of work done in the last year or two will not become apparent until next year or two.

The smaller figures for the fighting war years are attributed in part to the circumstance that Internal Revenue men skilled in investigations were in the Army. They think, at the Bureau, that a trained and skillful man can almost "smell" an untruthful return when he looks at it. With many of the Bureau's skilled men in uniform, their places were taken by others who lacked the necessary experience.

But as the fighting war approached its close, the Bureau regained the services of its old hands and it was they who were primarily responsible for the great increase in recoveries for 1946 and 1947.

Early in 1945, as the war drew toward its end, a decision was made to make fuller use of the trained men returning after military service. Congress agreed then, and the Bureau was authorized to about double its staff, bringing the total to the 27,000 previously mentioned.

With its present staff the Bureau can investigate thoroughly only about 5 percent of all tax returns. All the larger ones receive a complete audit. That means that an investigator not only scans the return as filed, but almost always goes back to the taxpayers' records and double checks them against the return.

Every return gets some form of scrutiny and even these casual examinations sometimes turn up information which calls for a more thorough inquiry.

"For instance," a Bureau spokesman said in describing its operations, "a return is filed by a store assumed in its community to be prospering, but the return shows that it has done no more than break even. That calls for investigation.

"Sometimes we get tips from workers that their employer is falsifying his returns. Sometimes the deductions appear to be out of line. Sometimes tips come from busybodies, who may have a grudge against the taxpayer.

"Instead of the 3 to 5 percent of returns on which we make a thorough investigation, we ought to investigate 15 to 20 percent, but we don't have the staff to do it.

"We have found that when we do make an investigation and discover income understated word gets around among friends and acquaintances of that taxpayer, and often some of them come in voluntarily to amend the returns they have filed."

MANY CAN'T CHEAT

One who submits information of a false return to the Bureau—a tipster—is entitled to as much as 10 percent of the amount recovered in additional taxes. These payments are not made when suspicion of a false return is reported, but only on the basis of evidence. Surprisingly, few of the tipsters claim payment for their evidence. In the last 10 years the Bureau has paid out as rewards for evidence only about $80,000. For that $80,000 it was able to collect $20,000,000.

Most taxpayers are so situated that they could not even attempt to cheat on their returns. They are the salaried workers whose employers report to the Federal Government what has been paid to them. They are the people whose income is derived from dividends, also reported to the Treasury by the companies which pay them. They are the vast majority of incorporated companies whose profits are known to stockholders and many others.

The self-employed—the farmers, the doctors, individual retailers, barbers, plumbers, taxicab drivers, waiters, gamblers, black-market operators, promoters—these and a host of others are the people whose income is known to themselves alone or to few others. They are the people whose opportunities for cheating and getting away with it are best.

They are also the people who pay through the nose when they get caught. Many will remember Henry Lustig, who owned a chain of restaurants in New York and kept two sets of books—one for income tax purposes, another so that he himself could keep track of how much he was making. It took Internal Revenue Bureau agents several years to work up the case against Lustig. When they did they presented him with a bill for $7,000,000 and the Federal Court sent him to prison for 4 years. To pay the $7,000,000 he had to sell his business.

Penalties for tax evasion are severe. Aside from the criminal punishment—the inconvenience of spending time in prison—there are civil penalties. On top of the tax owed there is, as a civil penalty, an additional levy of 50 percent plus interest at the rate of 6 percent a year for whatever time the tax has been due.

POULTRY DEALER CAUGHT

One poultry dealer in an Eastern State has been finding out about the cost of tax cheating. The Bureau came across him in the course of a general investigation of black markets in poultry.

He had reported total income over a 5-year period of $38,000. But agents of the Internal Revenue Bureau say he used two methods to conceal his actual income.

He went to his business establishment about 4:30 o'clock in the morning, as this account goes. That was 3 or 4 hours before his employees reported for work. In that interval he sold—without knowledge of his employees, because he feared they might report to the Treasury the business he did not report—a considerable volume of chickens, ducks, and turkeys.

He had still another method of concealing the amount of his income. He wrote checks to nonexistent farmers for nonexistent poultry he claimed to have purchased and resold. Then he cashed the checks and pocketed the proceeds.

Over the 5-year period, as stated, he reported net income of $38,000. Now the Internal Revenue Bureau has submitted to him a bill for $720,000 in additional taxes and has referred the matter to the Justice Department with a recommendation for criminal prosecution.

All the revenue men had to do, once they began their investigation, was to take his invoices for poultry purchased and try to find the sellers. They couldn't find some of them and were told by others in the business there were no such persons.

Rail Accidents Crime Under Law

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. PRICE of Illinois. Mr. Speaker, while a large number of our Nation's railroads plead with the Interstate Commerce Commission for exemptions from an order for installation of safety devices the list of rail accidents and the toll in dead and injured increases to refute claims of railroads that the ICC order should be subject to a survey by the roads themselves to determine whether they feel these safety devices should be installed on certain stretches of track.

While men die—are crippled—while valuable equipment is smashed out of service at a time when shortage of such is a blow in our domestic economy—railroads continue to stall.

Witness the latest rail accident on the Missouri, Kansas and Texas lines—not of national disaster proportion only because the two trains involved were not more crowded. Had they been filled with crowds returning to their homes on a holiday week-end, the casualty list would have been in figures to command greater attention from the Nation. We rejoice in the good fortune that the cars were not crowded, but we would not pass over the wreck lightly and regard it as a minor incident.

Its seriousness is told in the many, many other rail disasters that have preceded it—and that will follow until the time arrives when the Interstate Commerce Commission has the power and the will to compel the railroads to take this matter of rail safety as serious business.

The ICC certainly cannot be exonerated of blame in many of these accidents. The mere issuing of orders is not enough. It is time the Commission does something about enforcing orders. If it does not have sufficient power, it should come to Congress and ask for it, and let Congress act.

Somewhere along the line, someone is responsible for the loss of many lives, the crippling of many railroad workers and rail passengers—it is time to place that responsibility. It is long past time for the responsible authorities to give some measure of protection to the riding public and the thousands of rail employees.

To show how ridiculous is the Nation's concern for adequate safety precautions on our railroads, the Congress has given the ICC the power to fix blame in accidents, and if it finds that an accident resulted from the railroad's failure to carry out an ICC order the carrier can be prosecuted and if convicted can be fined the amount of $100. Think of it, fined $100 for "wanton carelessness" which might have resulted in an accident taking 100 lives.

I am going to use every ounce of energy at my command to do something about that. I am going to seek suggestions from the ICC, and I hope and feel it will be cooperative—but, notwithstanding,

the least this Congress can do is to fix a penalty which will take such a crime out of the class of a misdemeanor and brand it the felony that it is.

In conclusion I want to commend two great newspapers, the St. Louis Star-Times and the St. Louis Post-Dispatch, which have waged a militant fight to spur the Interstate Commerce Commission to action and to influence railroads to become more progressive in the matter of rail safety.

I include with my remarks, under leave to do so, an editorial from the St. Louis Post-Dispatch of December 12, 1947. It follows:

WANTON CARELESSNESS ON M-K-T?

Four persons are dead today and nine are injured because the Missouri-Kansas-Texas lines, like many others in the United States, operate crack high-speed passenger trains with the primitive methods of stage-coach days.

Two M-K-T trains which crashed head-on near New Braunfels, Tex., Wednesday night were operating in what is known as the time-table and train order system, the most primitive method of dispatching.

They lacked the protection of the block-signal system. Yet the Interstate Commerce Commission recommended to Congress 44 years ago that the operation of passenger trains without this protection be outlawed, and 27 years ago Congress gave the ICC the power to prohibit it.

Sixty-five years ago the president of the Union Pacific Railroad, Charles Francis Adams, Jr., said what he thought of operating trains without the block-signal system. He said it indicated a degree of wanton carelessness, or an excess of incompetence, for which adequate provision should be made in the criminal law.

In other words, it was a crime in fact and should be made a crime under the law.

Yet regularly ever since, the railroads have gone on killing employees and passengers because they lacked the safeguard which Adams said it was a crime to lack, which the ICC asked Congress to require, and which Congress authorized the ICC to require.

Wanton carelessness and excess of incompetence are harsh words. If they apply to the railroads, as Mr. Adams said they did, they apply to the ICC with equal accuracy.

Bankrupt GOP Leadership

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an editorial from the St. Louis (Mo.) Post-Dispatch of December 11, 1947. It follows:

BANKRUPT GOP LEADERSHIP

Rejecting rationing and wage-price ceilings, the principal Republican leaders in Congress have offered their substitute. They propose continued controls over exports and domestic transportation and higher gold requirements behind bank credit and the currency. This agrees with administration policy on exports and transport, and increased reserves are a time-honored weapon against the expansion of credit.

All together, however, these measures cannot arrest today's inflation. Intelligent voters know that they can hardly slow it. Therefore, as their big measure, the GOP planners want to set aside the antitrust laws and use Government funds to obtain voluntary industry-wide agreements to hold down prices.

This is the National Industrial Recovery Act of 1933 in reverse, but this engine will not run in reverse. It will stall. Manufacturers who want to reduce prices will do it more readily alone than by agreement with their competitors, because going it alone gains good will and competitive advantage.

Adam Smith, the Moses of capitalism, showed 171 years ago that such groups do not encourage their members to reduce prices, but deter them from reducing. Smith wrote that businessmen get together to restrict trade and raise prices—not to liberate trade and reduce prices. The GOP scheme will not bring prices down but, like the original NRA, will hold them up after they pass the peak and would otherwise fall of their own accord.

This proposal is as unconvincing as the NAM's desperate efforts to slough off the blame for the dangerous boom which it did so much to bring about. It is a strange thing for Senator TAFT to sponsor, who was preaching just the other day about the beauties of "natural economic law." It is a strange thing from the party which praises competition and condemns the "unsound economic experimentation" of the New Deal. On top of all that, the Supreme Court may have knocked out the "GOP, NRA" when it found the original NRA unconstitutional.

Leadership that offers nothing better than this is intellectually bankrupt. This "program" is as futile as Senator TAFT's repeated sermon to "save more and spend less"—as though most families could save anything after swollen living costs—as though a year and a half of the NAM-Taft medicine had not left the country sicker than ever it was under OPA.

In spite of 14 years of defeat because it would not cope with the boom-and-bust cycle, in spite of the probationary status in which it was returned to power in Congress, the GOP offers puny arrows and a hollow pretext to combat a scourge that already makes millions of Americans suffer cruelly. So it is fair to ask, as a labor journal does elsewhere on this page, if the Republicans "will win an epitaph as the party that killed free enterprise and plunged America into the greatest depression of history."

Against Rationing

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, the people of my part of the country certainly are opposed to reimposition of price controls, rationing or any other form of New Deal planned economy. This is expressed in the following editorial from the Tulsa Daily World of December 11, 1947:

AGAINST RATIONING

It is evident Congress is against rationing of great staples, and it is also fairly plain that the people are against it. How to get around the inflation evil without going into wartime controls is actually the big question.

There is a majority counterproposal in the House of Representatives; it calls for voluntary rationing, with the Government financing and supervising the effort.

The President's plan, as expressed in a bill framed by Secretary Harriman, is undoubtedly socialistic. The practical phase which Congress must face is whether any such drastic action is necessary. Certainly it is not desirable. There is an unfortunate air of politics over the whole situation.

Steel and oil are two of the main items in the administration program. Steel is a sore point; it develops that the lack of steel, or the insufficient quantities thereof, affect almost everything. Hence, the steel market is a great alibi. It develops that oil is largely dependent upon steel and that an oil shortage is actually setting in. The rationing of gasoline by some method is practically certain.

The anti-inflation plan as proposed by Mr. Truman would put the Government very much into the railroad business; the allocation of freight cars is a whale of a detail in management. The car shortage, naturally, hooks into the steel supply; it also is allied with prices, for the lack of transportation for wheat, for instance, was and is a very serious matter. Livestock business, poultry and almost everything else of the larger sort are involved. The prospect is that if the control bill, or power to the President to invoke controls, should be granted there would be vast derangement and a lot of black marketing.

This country, engaged in a world-wide fight with communism, is not strongly disposed to adopt socialism. In this connection it is noted that Soviet Russia is abandoning, or pretending to abandon, rationing of food.

The relation of our own food supply to foreign aid is an inescapable factor in the whole situation. We seem to be committed to shipping great quantities abroad and there must be reasonable changes in our own economy. How they will come about is a job for Congress, possibly the toughest of the generation. There will be appropriations for foreign relief, but they will be reduced from estimates and guards will be set up.

Me, Too

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. HOFFMAN. Mr. Speaker, the morning mail brings me a letter from a constituent, a small businessman and a manufacturer, who writes that if we continue to have high prices, the people will insist on "having a new group in Washington."

He did not write whether he was displeased with the adminstration or the legislative branch.

Doubtless, the gentleman is quite familiar with the fact that the administration and the New Dealers are responsible for the present situation. However, that means nothing to him. What he wants is relief from high prices.

That is what everyone wants—except those who have something to sell—and some of the sellers are beginning to realize that the high price they get does not do them very much good because they have to pay more for what they must buy. The net result is they get no more of what they want than when they sold for a lower price.

From my constituent's letter, I do not know whether he is going to vote against Republicans and, having forgotten that the New Dealers are responsible for what he has now, thinks he will try another and larger dose of new dealism.

The cure for our present ills will come only when we have a Republican administration determined to think of and act for America, make our own welfare our primary objective. The people forget that Republicans have control, and that more apparent than real, of but one branch of the Government. They forget that the administration blocks every effort a Republican Congress makes.

The people do know, however, that Republicans have not been as aggressive and as persistent as they might have been. They do know that not a few Republicans still have the "me too" habit. That they are aware of the situation is made evident by an editorial from the Saturday, December 13, Chicago Tribune, which expresses the thought of many Midwest Republicans.

Many eastern Republicans, many bipartisan Republicans, some "one world" Republicans, think the Chicago Tribune attempts to dictate to Midwest Republicans. With all due appreciation of the leadership displayed by the Chicago Tribune, in my humble judgment the Tribune also reflects and makes vocal the sentiment of Midwest Republicans.

The editorial is as follows:

The Republicans in Congress seem determined to swallow the Truman program of foreign aid whole. This will be a matter for great satisfaction in Wall Street and in the counsels of the New Deal Party, but it is profoundly disturbing to the great majority of the people of this country.

Voters who had looked to the Republican Party for independence of Wall Street's influence are becoming increasingly alarmed. The Republicans once again are saying "me too." The policy proved disastrous in the 1940 and 1944 elections but the lesson of those defeats has not been learned.

The strategy of the New Dealers has been obvious from the start. Their goal is the adoption of the Marshall plan with its $20,000,000,000 drain on American resources and its implied commitment to go on supporting the European loafers until our people are reduced to a misery equal in all respects to theirs. Mr. Truman isn't too smart but he was smart enough to know that he would have to go slow at the start if he didn't want to arouse an overwhelming opposition.

Hence, the stopgap plan, floated on a sea of propaganda alleging the utter inability of the French, for example, to live through the winter without help from us. In fact, French hoarders hold something like $3,000,000,000 in gold which the Government in Paris could mobilize if it wanted to. The same French whose plight is declared to be desperate, have lately been refusing to unload ships bearing the grain and coal which stopgap appropriations are supposed to supply.

The Republicans nevertheless fell for Mr. Truman's phony arguments. If the bill passes, as seems almost inevitable now, he will be able at the regular session in January to say that this country is already so heavily committed to his program that there can be no backing out. Europe, he can say, has been given assurances of American support which, if not fulfilled, will surely drive Britain, France, and the rest of them into the arms of Russia.

This is the plan and all that can be said against it is that it is highly offensive to the voters, that it will impoverish our country, and that it won't solve Europe's problems. It invites our noble allies to go on loafing, pursuing their socialistic experiments at our expense and making none of the political and economic adjustments that must be made, if there is to be a prompt and genuine recovery.

England has accomplished more toward recovery since the billions of the gift loan were exhausted than before. Italy, receiving relatively little from America, has taken genuine steps toward self-support. The lesson is obvious. Europe's recovery must start in Europe. As long as Europe can look to us as to Santa Claus, nothing substantial is going to be accomplished.

Gerhart Eisler

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. McDOWELL. Mr. Speaker, on December 15, 1791, 156 years ago today, the precious Bill of Rights became a part of the Constitution of the United States.

Mr. Speaker, a few days ago Gerhart Eisler, a German Communist, an agent of Soviet Russia, identified by the Department of Justice as the boss of the Communist Party of the United States, convicted and sentenced for contempt of the Congress of the United States, arrested and convicted for violation of the Passport Act, known to be in violation of the McCormack Act, for many years known to be in violation of the Voorhis Act since the day it was adopted, a known terrorist who was personally responsible for the death sentence by torture of hundreds and hundreds of Chinese patriots fighting for their country, has been making a lecture tour of educational institutions of the Middle West, speaking to students. The other night, in Chicago, this foreign agent provocateur said this, and I quote:

The world will once again see an American Boston tea party, with the Un-American Committee in the role of the tea.

Mr. Speaker, here is a known and established enemy of the Constitution of the United States and its Bill of Rights preaching pure treason and sedition almost every waking moment of his time. I here and now call upon the President of the United States and his Attorney General to apprehend Gerhart Eisler and place him in custody in confinement on Ellis Island until his case is finally disposed of by the courts of the United States.

Mr. Speaker, there is ample precedent for this. It is known that men whose patriotism cannot be denied, who fought gallantly, and whose bravery and devotion to the flag were recognized by the United States Army and Navy, but because of left-wing influence on various Government officials, were taken to Ellis Island and held in durance until their cases were finally settled conclusively by the courts of the land.

I feel very sure, Mr. Speaker, that this demand will be concurred in not only by a vast majority of the Members of the Congress of the United States, but by an overwhelming majority of the people of the Nation.

Gerhart Eisler is known to have violated the income-tax law, the registration law, the Voorhis and the McCormack Acts; he has been convicted and sentenced for contempt of Congress and has been a constant violator of the passport and immigration laws of the United States for more than 20 years. Here is a Communist who publicly and openly threatens to throw a committee of the United States Congress into the water. Here is an agent of the same powers that shot down American aviators flying on a friendly mission over a little corner of Soviet territory. Here is an agent of the Moscow conspirators who insist that the United States is war mongering.

Mr. Speaker, here is a man who most certainly ought to be in jail for the protection of the people of the United States.

Lest We Forget

EXTENSION OF REMARKS
OF
HON. JAY LeFEVRE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LeFEVRE. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include an article by Mark Sullivan appearing in yesterday's New York Herald Tribune.

Mr. Speaker, Mr. Sullivan is justified in bringing to his readers' attention the part Mr. Truman played in starting high prices. My criticism is that he does not go back far enough. Lest we forget, you may recall that the Democrats with their New Deal policy came into power in 1933 on a platform that promised a 25 percent reduction in the cost of government. Almost immediately it broke that promise. Bureaus with their tax-eating bureaucrats grew in leaps and bounds. And finally the American people guided and led by the Republican Party had a little relief, after a hard-fought battle to cut some of the personnel from the Federal pay rolls. Mr. Truman vetoed the two bills which would have reduced taxes. The Republicans were able to pass a sound and just labor relations bill, over the President's veto, which short history has proved to be a great benefit to all Americans. Increased production is the secret and key to all our present price troubles. If the administration can keep its hands off and we can enjoy less Government interference our domestic economy will right itself. Let the record speak for itself. We must have a change of administration and one not living on emergency measures.

START OF INFLATION IS TRACED TO 1946 STRIKE OF STEEL UNION—MARK SULLIVAN SAYS ADMINISTRATION ADOPTED POLICY OF ENCOURAGING WAGE INCREASES AND THUS IS IN VULNERABLE POSITION IN "WHO DONE IT" DEBATE

(By Mark Sullivan)

WASHINGTON, December 13.—As Congress deals with President Truman's proposals to check high prices and inflation, the leaders

of the two parties wrangle over "who done it"—that is, who and which party caused the stage of inflation that now exists.

The wrangling is futile. The inflation is here, and it will destroy us unless we check it. But for the sake of history as well as present understanding, it is worth while to identify the steps in the upward spiral. One that is especially concrete and easy to see took place 6 months after the ending of the war.

On January 21, 1946, the United Steelworkers of America, having 750,000 members, went on a strike for an increase in wage rates. It was, as a publication of the Department of Labor put it, "the largest strike on record, the Nation's steel industry was brought virtually to a standstill."

TRUMAN TOOK A HAND

During negotiations between heads of the steelworkers union and heads of the steel industry President Truman personally took a hand. After several conferences he recommended a wage increase of 18½ cents an hour. This was agreed to, and the strike was ended February 15.

On the same day came the pay-off by the public, the upward step in the inflation spiral. The manner of its coming to public attention was described in the New York Herald Tribune:

"President Truman disclosed at his press conference today that the Government pricing agencies had agreed to grant a $5-a-ton general increase in the steel industry." (This, of course, was to compensate for the raise in wages.)

The inflationary effect was obvious. Because steel would cost more, everything made of steel would cost more, and everything into which steel enters. This was brought about by action of the government itself, by President Truman personally and by official action of Government pricing agencies.

CONTRADICTION CHARGED

The step was directly counter to an administration policy which had for months been proclaimed and publicized and urged upon the public in the form of a slogan: "Hold the line against inflation." The contradiction between proclaimed policy and actual action was obvious to everybody, including newsmen, one of whom asked the President about it. As told in the New York Herald Tribune:

Mr. Truman was "asked whether the new order was not a retreat to a new line. He replied no, it isn't. After a dramatic pause he added: It is a bulge in the old line; if you will all cooperate with me there will be no break-through."

But no such soft word as bulge could accurately describe what had taken place. Bernard M. Baruch, blunt and wise, stated it starkly: "It is a break, and a serious one."

It may be that this one break in the line was what destroyed the whole hope of averting inflation and led to what we have today. It was especially serious for several reasons, including the immensity of the industry involved and the psychological effect of the fact that the break had been brought about by the actions of the administration.

The incident as a whole worked doubly toward inflation. The increase in the price of a commodity so basic as steel had enormously ramifying effects, for it led to increased costs of hundreds of kinds of goods into which steel enters, from automobiles and freight cars to needles and nails. An increase in the cost of such things as freight cars, for example, led in turn to higher cost of carrying freight, and this to higher costs of everything carried by freight. The spreading automatic effects of increase in the price of steel ran into practically every industry and countless kinds of goods. It was an immense contribution to inflation.

Besides, the strike preceding the wage raise and price increase made goods scarcer and postponed production. During the 25 days of the strike, as available supplies of steel became exhausted, "related industries," said the Department of Labor Monthly Review, "were forced to curtail production." And scarcity of goods was, in the condition existing, a cause of inflation. At the same time increased production is a cure and preventive, and this was interrupted and postponed. The loss of steel production by that strike nearly 2 years ago has never been made up and is a serious factor in inflation today.

But too much emphasis need not be laid upon the wage raise and price increase in one industry. The case of steel is especially vivid, but it illustrates the whole course of the administration.

RAISES WERE ENCOURAGED

After the end of the war the administration adopted a policy of encouraging wage raises. The policy, as officially phrased, included a kind of double talk which said or implied that the wage raises need not lead to price increases. One statement by President Truman, in a message of Congress on September 5, 1945, said: "Hold wages in line where their increase would cause inflationary price raises." That declaration of policy was directly violated when Mr. Truman himself recommended a wage raise in the steel industry and simultaneously the Government pricing agencies increased the price of steel.

As the policy was phrased by John W. Snyder, new Secretary of the Treasury and then Director of Reconversion, it said, October 15, 1945: Many industries should be able to grant wage raises that will not in turn mean price increases." But President Truman, by his part in what was done about steel, admitted with stark plainness that wage raises would lead to price increases. It took place again and again, in automobile, in coal, in so many industries as to be practically universal.

Administration policy favoring wage raises encouraged unions to demand them and strike to get them. One strike, in General Motors, lasted nearly 4 months. The wage raises and ensuing price increases made for inflation along one line. Suspension of production and scarcity of goods made for inflation along the other line.

This went on in great volume a year before Office of Price Administration was terminated. In the present "who done it" debate over who and which party is to blame for inflation, the Truman administration has a hard case to defend.

Fuel-Oil Shortage

EXTENSION OF REMARKS
OF
HON. JOHN W. HESELTON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. HESELTON. Mr. Speaker, during a hearing before the Interstate and Foreign Commerce Committee on Friday afternoon, testimony indicated the possibility of some actual relief of the fuel-oil shortage through conversion from oil to coal heating in some Federal Government buildings. Obviously, if this can be done speedily, it will be welcome news to everyone in New England and in other areas of the country now faced with the problem of heating their homes and keeping industries in operation.

A subcommittee from the New England delegation in the House was recently appointed by the Speaker, with three other subcommittees, to work on various phases of the problem. This subcommittee is charged with following developments at the hearings before the Interstate and Foreign Commerce Committee. Consequently on Saturday morning it was decided by those members of the subcommittee, who were available, to send a telegram to the President reporting the suggestion and requesting immediate action in ordering an investigation of the possibilities. The gentleman from Minnesota [Mr. O'HARA] joined in the decision and the telegram, as a member of the Interstate and Foreign Commerce Committee and as a representative of region No. 3, which is confronted with an acute heating situation also.

Prompt and effective action on this suggestion by the Federal Government is imperative. Any lessening of its use of fuel oil will be reflected immediately not only in the supply available for other consumers but also in increased shipping and other transportation space vitally needed now. If conversions can be made by the Federal Government in other parts of the country not affected by the fuel oil shortage, that will also increase the supply and permit the diversion of tankers and tank cars to the areas desperately needing them.

It is also reasonable to believe that such a concrete example of conservation on the part of the Federal Government would lead to similar investigations of possibilities by State, county and local governments. Although there is not adequate data as to the use of fuel oils by governmental units at this time, it might be that practical adjustments by those units, if made promptly, would lessen substantially, if not eliminate the threat of shortages in industry and in individual homes. The telegram to the President was as follows:

DECEMBER 13, 1947.

Yesterday afternoon in the testimony of William E. Gannon, Purchasing Agent, Bureau of Federal Supply, before the House Committee on Interstate and Foreign Commerce, it appeared that many suppliers of fuel oil, Diesel oil, and kerosene have determined not to bid for the period of 6 months beginning February 1. It also appeared that a number of Government buildings had reconverted to oil heating units within the last year. The witness stated that he did not know why they could not reconvert to coal. The total requirements for the 6-month period in region No. 1 was 28,500,000 gallons, and for region No. 2, 27,500,000 gallons. We do not now have the figure for region No. 3. We understand the supplies of coal for all those regions are much more adequate than the supplies of fuel oil. As you know, the shortages of fuel oil in portions of both regions one and three have created emergency conditions which may become much worse soon, and appeals have been made and are being made to the public of those areas to carry out conservation measures. We believe it is of the utmost importance that immediate steps be taken to investigate the possibility of conversions in Government buildings not only in the affected areas but throughout the country to determine the wisdom of such means of relieving the fuel-oil situation and that vigorous action should be taken to that end. If it is possible to do this it should also have the further effect of encouraging the conservation suggestions now being urged on the general public. We respectfully and urgently request that you order that such

investigation be conducted immediately. Mr. O'HARA signs this telegram as a member of the House Interstate and Foreign Commerce Committee and as a Representative from Minnesota in region No. 3, an area deeply concerned with the existing fuel-oil situation. The others sign as members of a special committee appointed by Speaker MARTIN to inquire into possibilities as to the fuel situation in New England and as to developments before the House Interstate and Foreign Commerce Committee.

ANGIER L. GOODWIN,
ROBERT HALE,
JOHN W. HESELTON,
THOMAS J. LANE,
WILLIAM J. MILLER,
JOSEPH P. O'HARA,
ANTONI N. SADLAK,
Members of Congress.

Long-Range Spending Program for Europe

EXTENSION OF REMARKS
OF
HON. J. EDGAR CHENOWETH
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. CHENOWETH. Mr. Speaker, there seems to be a great deal of discussion these days concerning a long-range spending program in Europe. It has been labeled the Marshall plan, and at other times known as the Truman doctrine. It makes little difference what the name is, the plan seems to be fairly clear, even though the details have not been announced. We are being told that in order to preserve world peace and prevent another war we must spend about $20,000,000,000 in Europe during the next 5 years. This is probably a conservative estimate, and if we do embark upon any such program we will no doubt spend twice that amount.

I am among those who are not convinced that any such spending spree is necessary for the security of our Nation. I have seen no assurance that at the end of the 5-year plan we will be any better off than we are today, and no one can guarantee what type of government the European nations will adopt in the meantime. We are told we must spend this money or these countries will go Communist. It appears the Communists could take over several of them now without much effort. I have never been able to see where our security is inseparably tied up with the government of every nation of Europe. I am wholly out of sympathy with the utopian idea that we are going to make a democracy out of these nations, and they will embrace our own ideas of free enterprise and individual worth. They do not easily change their conceptions of government, and American dollars will have very little influence, in my opinion, in changing their thinking.

I have voted for appropriations of money to assist these people of Europe and to prevent them from starving. I have had no illusions about stopping communism or spreading democracy. As a Christian nation I believe we should help those in distress, not with any idea in mind of changing their type of government but solely as a Christian obligation to feed those who are hungry. I draw a line between charity and business. It looks like we have been very liberal in sending billions of dollars to help foreign countries, but I do not see how we have committed ourselves to now go ahead with another program involving reconstruction and rehabilitation. These nations will have to work out their own salvation—we cannot do that for them. Up to now some have shown very little interest in helping themselves. They seem to like the idea that the United States will continue to feed and clothe them, so why should they be concerned.

Mr. Speaker, I wish to include in my remarks an editorial from the Pueblo Chieftain of Pueblo, Colo., on this subject. I think it is time for the Congress to do some serious thinking on this proposal of committing the United States to a 5-year program of spending in Europe. The editorial deals solely with the picture in Europe and calls attention to the fact that there is very little we can do to change human nature, wherever it is found. I concur in the observations contained in this editorial and hope it will be read by every Member.

WHY COMMIT OURSELVES TO A 5-YEAR SPENDING PROGRAM IN EUROPE?

Already signs of improved production are coming out of Great Britain. This is good news and should be hailed by Members of Congress as an indication that at least some European countries can come back to normal production, in which case they surely will not need continual financial aid from the United States.

In France Communist troublemakers are being defeated which will also mean that production in that country may be materially improved; it has been the program of the Moscow Communist Party in France for several years past to cripple production and thereby try to have the people adopt the Communist form of government.

In Italy the conditions are not so hopeful. In that country the Communists seem to have obtained a stronger hold on industry than in Britain and France. It is hoped, however, that the far-thinking people of Italy will not finally succumb to the hollow promises of leaders of the Communist Party who are taking their instructions from Moscow, just as Moscow is giving instruction to the Communists in France.

Just now the United States is coasting along on a wave of prosperity, but just as sure as the sun shines we are going to have a period of reckoning during which we may be extremely sorry if we commit ourselves to a long-range reconstruction program in Europe.

What most people seem to forget, or at least seem to fail to realize, is the cold fact that we, the people of the United States, owe approximately $260,000,000,000, which is more than the combined debts of all the civilized nations on the face of the earth.

When the certain depression in the United States comes, where are we going to get sufficient income even to pay interest of approximately $5,000,000,000 on this debt, much less enough Federal income to pay it off. In the event that we fail to pay interest or reduce the debt, then Government bonds will begin to shrink in value, and if and when that time comes then good-bye to all forms of investments and securities in the United States, and if and when that time comes then nothing under the sun can prevent bread lines and soup kitchens again in America.

This may sound pessimistic, it is only pessimistic to the extent that unless and until we begin to have some concern for our own future welfare, then nobody but ourselves will be to blame for the catastrophe which may ensue before the 5-year period of reconstruction aid in Europe, which we are sponsoring, comes to an end.

In other words, we may be officially committed to supply four or five billion dollars a year to be spent on aid and reconstruction in Europe when we may not be in a position to fulfill our commitments without incurring disaster at home.

Every public official, newspaper correspondent, and radio commentator who have come from a visit abroad are unanimous in their opinion that what Europe is demanding is overstated and that it should be pared down before we give the spendthrifts over there continued financial aid.

Furthermore, unless the Socialist Labor government in Great Britain shows even more signs of improving on their fallacious policies and unless the Socialist government of France or the middle-of-the-road government of France, whichever finally prevails in that country, show signs of greater production, then our 5-year aid program will be of little, if any, permanent benefit.

It should be definitely remembered that most countries in Europe always have been in a state of chaos, with factional wars always in progress, and with bread lines and soup kitchens always prevalent. These facts are indisputable, so why can we hope to change human nature in countries where human nature always has been and always will be just what it is at the present time.

United States Soil Conservation Destroyed by Measure Proposed to Congress

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Louis Bromfield:

A VOICE FROM THE COUNTRY

"The sum total of the common sense of the common people is the greatest and soundest force on earth." (Thomas Jefferson.)

(By Louis Bromfield)

(Louis Bromfield is one of America's leading writers; author of The Green Bay Tree, Early Autumn (a Pulitzer novel), The Rains Came, Pleasant Valley, and numerous other books.)

UNITED STATES SOIL CONSERVATION DESTROYED BY MEASURE PROPOSED TO CONGRESS

There is an iniquitous bill seriously and adversely affecting the welfare of every American citizen now drafted and ready to be presented at the regular session of Congress. It is commonly known as the Cooley bill and seeks to destroy the United States Soil Conservation Service. If it is passed it will set back agriculture in America at least 50 years.

It not only affects the farmer—in fact, it affects him perhaps least of all. It affects you, the housewife, who, if it is passed, will pay higher and higher prices for your food as your husband will pay higher and higher taxes in order to subsidize bad farming. It affects you, the property owner, who is damaged by floods; and you, the sportsman, who wants good fishing and hunting; and you, the average citizen, who loves his country

and wants to see it preserved and remain prosperous.

The purpose of the bill is to abolish soil conservation service and place the soil conservation program under the direction of the various State agricultural colleges and the affiliated extension service districts. This means simply that the whole of the soil conservation program as well as much of the forestry program and the various flood-control programs would go down the drain.

For the sake of the uninitiated, it would mean that each State had its own conservation program and that there would arise immediately the kind of confusion and cross-purposes which have complicated, delayed, and wrecked any attempt to control the disastrous floods of the Mississippi River Basin. It would mean that soil conservation which is a program of action in the field, would be placed under the direction of 48 different State agricultural colleges represented in certain counties only by county agents, with training or experience.

The function of the State colleges is education and research and I have been unable to find one instance in which an action program undertaken by a State college has been successful. The truth is that if the State colleges and the extension services really did the jobs they are authorized to do (and some of them do) they have more than they can handle already.

Poor substitute

State colleges, it should be pointed out, do not have uniform standards. Some of them are excellent, some are still operating in the "middle ages" of agriculture. The existing United States Soil Conservation Service is made up of trained experts whose experience and achievements are uniform and are respected and sought not only by the farmers of the Nation, but by the Governments of China, Palestine, Venezuela, South Africa, Greece, India, and many other nations which suffer from problems of erosion and bad land use similar to our own.

So far as I have been able to discover, no State college in the United States contains an expert with similar experience and practice in the field. The proposed law would destroy the soil-conservation districts established in 48 States by which farmers join together under a self-governing committee to correct the ravages of erosion and bad farming in their particular area.

You might well ask, "Who is for such a bill?" The answer is an organization known as the Farm Bureau, favored over private business by tax laws and possessing one of the strongest lobbies in Washington—a gigantic cooperative, which operates fertilizer factories, agricultural machinery plants, oil refineries, insurance businesses, retail stores, and many other activities.

The National Grange, the Farmers Union, the United States Soil Conservation Districts Directors Association, and even some of the local Farm Bureau organizations, as well as countless regional farmers' organizations have passed strong resolutions against the so-called Cooley bill.

You might ask why the Farm Bureau alone of all the farmers' organizations is for the bill? Some of the motives are obscure, some of them obvious. The reason the bureau gives is economy and this has misled some business organizations into a half-hearted support of the bill.

No more hypocritical reason has ever been given for the support of any bill. In the first place, the United States Soil Conservation Service receives but a tiny fraction of the gigantic appropriation of the Department of Agriculture—appropriations which go, many of them, for destroying millions of bushels of potatoes to hold up the price to the consumer; for price supports to subsidize the bad agricultural practices by the majority of the absentee landlords of the Nation; for the old triple A (now known under the fancy name of the Production and Marketing Administration) which bribes farmers; and most of all, big landholders and absentee landlords, to do what any good intelligent and prosperous farmer does anyway.

Present service excellent

The Soil Conservation Service bribes no one with taxpayers' money. Its experienced hard-working experts work in the field with the farmer to save the soil, water supply, woodlots of the Nation; to control floods and to achieve the better yields per acre which will bring down prices and taxes for every citizen. They do not sit in swivel chairs in the vast Department of Agriculture offices in Washington, concocting plans to subsidize the inefficient and destructive agricultural, grazing, and forestry practices which have so largely destroyed our natural wealth and raised all our taxes and food prices steadily. The United States Soil Conservation men are working with fundamentals and not subsidies and bribes.

The Farm Bureau in some States has been urging members to write their Congressmen to support this iniquitious Cooley bill. If you are interested in the future of this Nation, in the conservation of its natural resources and real wealth, in lower taxes and a dollar which buys more, if you are interested in game and wildlife, and in a good agriculture write your Congressman to hit this destructive bill on the head, before it destroys the most constructive and economical agency that American agriculture has ever known.

Passage of Cooley Bill Would Prove Costly to Taxpayers of Country

EXTENSION OF REMARKS

OF

HON. J. HARRY McGREGOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Louis Bromfield:

A VOICE FROM THE COUNTRY

(By Louis Bromfield)

(Louis Bromfield is one of America's leading writers; author of The Green Bay Tree, Early Autumn (a Pulitzer novel), The Rains Came, Pleasant Valley, and numerous other books.)

PASSAGE OF COOLEY BILL WOULD PROVE COSTLY TO TAXPAYERS OF COUNTRY

This is the second article about the proposed Cooley bill which is aimed at the destruction of the United States Soil Conservation Service and the turning over of what is one of America's greatest problems to the 48 different State agricultural colleges of decidedly varying merits and abilities.

The so-called Cooley bill (H. R. 1621) has the support of only one farm organization—the Farm Bureau—and has from its rank and file membership either lukewarm support or none at all. The officers of the organization have made their principal argument one of economy which has deceived some business groups, among them many actually suffering from competition from the tax-favored Farm Bureau itself.

As I pointed out last week, the United States Soil Conservation Service has been the most constructive single service in agricultural history. During its comparatively brief history, it has created more wealth for the Nation and more prosperity for the individual farmer than any other agricultural agency ever established. Its experts work in the field with the farmer rather than resting in arm chairs devising ways of mulcting the taxpayers and housewives of money to bribe and subsidize the bad farmer, the big landholders, and the absentee landlords.

The Soil Conservation Service works to create a better, more productive agriculture rather than to subsidize a bad agriculture. It works with fundamentals.

Moreover, the State colleges and the allied extension service are already overworked if they are doing their jobs, and the transfer of the Soil Conservation would mean either the abandonment of the problem, a half-hearted ineffective program, or more taxes, both State and Federal, to provide for a whole new set-up.

The economy angle put forth by the Farm Bureau lobby does not hold water at any point, especially in view of the fact that the expenditures of the Soil Conservation Service are only a small fraction of the money spent by the old triple A, now called the Production and Marketing Administration, which is favored by the big landholders and absentee landlords of the Farm Bureau and serves to bribe farmers to do what any sensible farmer would do anyway.

Damage in millions

In its negative aspect, the possible damage done to the Nation's agricultural resources by the destruction of the Soil Conservation Service can run into billions.

Soil conservation, good forestry practices, flood control can never be practiced effectively under individual State or local controls, simply because God did not lay out watersheds along the surveyed lines of States, counties, and townships. For example, it does the State of Texas no good to undertake good soil-conservation and flood-control practice if the State of Oklahoma chooses to do nothing and continues to dump flood waters, topsoil, and useless silt and gravel over the State border into Texas.

The Farm Bureau had honorable beginnings. It is an association of State cooperatives loosely linked together and possessed of a powerful lobby skilled in confusing all issues as it has sought to confuse the Soil Conservation Service with the production and marketing corporation (a new and fancy name for the old triple A). The two services have no connection whatever, the one being based upon constructive efforts and the other upon an agriculture subsidized by the taxpayer.

Originally the Farm Bureau cooperatives were organized justifiably by farmers to protect themselves against certain big business abuses, but the bureau has long since ceased to be a simple ordinary farmer's organization. It has itself become big business, owning in some States factories, oil refineries, insurance businesses, retail stores, etc. While not exempt from taxes it has, as a cooperative, been greatly favored by the tax laws.

In some States it has gradually come to represent principally, if not exclusively, the big landholders and absentee landlords, to the neglect of the average farmer and the ignoring of the small farmer. It has even begun to develop some of the vices of big business.

In the early days in some States farm bureau members were recruited largely by the State agricultural colleges through the extension service and in some States today the extension service and the farm bureau work so closely together as to be practically indistinguishable. This is clearly a case of State employees paid by all the taxpayers working for the special interests of a self-interested minority. Some have said, perhaps rightly, that the farm bureau advocacy of the Cooley bill is based upon the obliga-

tion to pay off in terms of power the debt it owes some State colleges and extension services for their early and still existing aid to the bureau.

In any case, it is extraordinary and a reason for suspicion that of all the great farmers' organizations, the farm bureau alone sponsors the iniquitous Cooley bill which would deliver over the vital soil-conservation problem to 48 different State agricultural colleges of extremely varying degrees of excellence.

Why the State colleges, and the extension service, already overburdened, should want to take over so vast a responsibility as soil conservation with its allied problems of good forestry and flood control, is another mystery to which the only answer can be the politics and power hunger which have always affected some of the State agricultural colleges to the detriment of American agriculture.

In any case, it is in the interest of every American citizen—farmer or city dweller—to fight by every means possible, this iniquitous bill. Its passage would be little short of a national disaster.

Seeds for Europe Under Aid Program

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. FOOTE. Mr. Speaker, I trust that those who have jurisdiction over the allocation of funds under H. R. 4604, the emergency foreign-aid bill, will give serious consideration to the fact that in the interest of economy to the American taxpayers and efficiency and speed in the rehabilitation of the recipient nations, seeds be specifically provided for. In the report of the Foreign Affairs Committee, $7,000,000 is allocated for seeds, fertilizer, and pesticides for Austria, but I do not know how much is set aside for seeds. I understand the United States occupation authorities in Austria have surveyed the situation carefully and late last summer requested about $11,000,000 worth of seed for 1948 planting. No allocation of funds for seeds for Italy and France is included.

The most economic way to increase the food and feed supply of the war-torn European countries is to supply the seeds necessary for them to grow everything possible for themselves. This is such a self evident fact that one would assume that seeds would be given first consideration. Millions of acres in Europe lay idle last summer or only partially productive for the want of seeds. This statement may be confirmed by agricultural experts who have been sent over to survey the conditions and yet no adequate provision has been made to supply the seeds needed. Certainly fertilizer alone will not bring results. In France the dollar shortage has caused the government to refuse import licenses so that the French seedmen have been unable to acquire seed they need for next spring's distribution. In both of these countries we will have another heavy demand for food next winter if they do not have maximum seed production. We are fortunate in having large supplies of many important kinds of seeds well adapted to European conditions. Undoubtedly food is required for immediate relief, but if we are to avoid repetition of that same urgent need next winter, we must see that seed is made available to produce every pound of food and feed possible for feeding themselves and their livestock. For its most effective use, the seed should be on hand not later than March 1, 1948.

Housing

EXTENSION OF REMARKS
OF
HON. JOHN A. CARROLL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. CARROLL. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include the planks on housing adopted by the American Veterans' Committee—AVC—at its recent national convention in Milwaukee, Wis.

The AVC has long played an active part in the fight to secure adequate housing for veterans and other citizens. I am sure that Members of Congress found in their own home States and districts that housing remains one of the most important problems facing World War II veterans. The problem remains to be solved and I am sure that this session of Congress will devote full attention to developing an adequate housing program.

I am glad to see that the AVC favors the early passage of the Taft-Ellender-Wagner long-range housing bill. This bipartisan measure offers the only comprehensive solution to the housing crisis which has yet appeared on the congressional horizon. By lowering costs of both rental and sales housing for all groups, as well as making possible housing for those lower-income groups who simply cannot afford any of the housing now being offered on the market, the bill is a vital item on the agenda for this session.

Another prominent objective of the AVC is the extension of rent controls without mandatory increases. With the continued increase in the cost of living any lifting of rent controls might well be the straw which will break the consumer's back.

The AVC also emphasizes the importance of aid to the industrialized housing industry which offers the hope of low-cost housing by utilizing modern mass production techniques.

HOUSING

100. The No. 1 domestic issue in the United States today, as it was a year ago, is housing. We believe that the country has failed in its obligation to house the veterans of World War II. Therefore, we feel that the Government must assume the responsibility for getting homes for the veterans.

101. From the Federal Government, we insist that rent control be continued in its original form and be properly enforced until the housing shortage is largely eliminated: We ask for the immediate passage of the Taft-Ellender-Wagner bill, with an amendment authorizing an unsubsidized self-supporting public housing program, and the Douglas bill; we ask for the continuation of a vigorous program to assist producers of new building materials and industrialized housing; and finally, we ask for the development of a comprehensive financing program to encourage home purchasing and low-cost rental housing. We further ask that the low-rent housing program now administered by the Federal Public Housing Authority be continued and that adequate appropriations be made to assure the low-rent character of the program.

102. We urge the adoption of the principle of cooperative housing to help solve the housing crisis.

MODERNIZE BUILDING CODES

103. From State and local governments we ask for the modernization of building codes, the encouragement of State enabling legislation to finance local housing authorities. We urge the use of State and local funds for the construction of subsidized public low-rent housing and the encouragement of unsubsidized public housing, and we demand the abolition of zoning practices which prevent the setting up of low-income housing in new areas. We ask the abolition of real-estate covenants that deprive persons of the right to live where they choose.

104. From industry we ask for greater emphasis on the development of new housing materials, and a greater emphasis on the construction of rental units. Since industry cannot supply such rental units at rents which veterans can afford, we insist that the Government undertake the responsibility of providing adequate shelter through programs of its own. We call upon industry to reduce the over-all price of building materials as a first step to bring building costs within the range veterans can afford.

105. From labor we ask that the supply of building mechanics be expanded by increasing the number of apprentices, where necessary. We ask the adoption of industrialized methods of building construction, training in new methods being given any employees adversely affected so that members of the building trades will not be displaced. We ask that support and assistance be given industrialized housing where that type of housing receives structural approval from the Government. We urge that cooperation be given in modernization of building codes.

106. We favor the setting up of joint committees by AVC, other veteran and progressive organizations, and trade unions, to fight by legal methods evictions of tenants unable to pay increased rents.

107. The building industry is in the beginning of a slump at the time when the need for construction is the greatest in our history. Rather than waste precious time trying to assign the blame, we call upon the Congress to acknowledge the need for at least 1,500,000 new homes each year for the next 10 years and to underwrite this level of production. The Government should undertake to produce, through the medium of local housing authorities, whatever number of houses may be necessary in addition to the volume produced by priority builders to build up to the total of 1,500,000 units.

Folly of the Fake MVA

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the

RECORD, I herewith include an editorial from the St. Louis (Mo.) Post-Dispatch of December 12, 1947:

A NINE-FOOT CHANNEL

The Post-Dispatch believes that the time has come for some plain talk about the 9-foot navigation channel the Army engineers propose to build in the Missouri River under the Pick-Sloan plan.

There are two big questions about the 9-foot channel. The first: Is there enough water in the Missouri River to supply it and at the same time provide for the irrigation which the upper valley needs? The second: Is it likely to save enough in transportation costs to pay for itself?

Nobody knows how much water flows in the Missouri River. The records don't exist.

Nobody knows how much water would be required to maintain a 9-foot channel for the 8 months of the navigation season.

As former Governor Sharpe, of South Dakota, one of the main mouthpieces of the Army engineers, testified at a congressional hearing: "They do not know right now what water they are going to have to sustain any of these plans."

But by the best educated guess the Army engineers have been willing to make, it would require a flow of 20,000 cubic feet a second or more at the upstream end of the channel. That's approximately the whole flow of the Missouri River according to the best available records.

It is possible, of course, that there is enough water in the river to maintain the 9-foot channel and to irrigate 5,000,000 new acres as the Reclamation Bureau plans. At the very best, it is a terrific gamble. And if both the navigation and the irrigation projects are carried out, and there turns out not to be water for both, a lot of money will have been thrown away.

The Army engineers are confident they can stand on their constitutional priorities and take the entire flow of the river if that much is required for the channel.

The Reclamation Bureau says it is confident that its rights are protected by a congressional provision which gives irrigation the priority in the event of conflict with navigation.

Since a statute of Congress doesn't amend the Constitution, the Army engineers seem on the face of it to have the advantage here.

But if there is only enough water in the Missouri River for either the navigation channel or the irrigation project but not for both—as the known facts indicate—one of the agencies will have to give way.

If the Reclamation Bureau wins, the people will lose the $338,000,000 or more they had spent on the 9-foot navigation channel.

If the Army engineers win, the people will lose the $298,000,000 or more they had spent on irrigation.

But in that latter event the people will also lose something more precious than money—the financial stability and productiveness and wealth of a vast area which irrigation alone can sustain.

Plainly, the 9-foot channel isn't worth what it would cost in water.

Is the channel worth what it would cost in money? The Army engineers have made only one documented study showing how much it would cost to maintain and operate the channel and how much it would save in shipping charges.

This study shows that the channel would cost $2,500,000 a year more for maintenance and operation than it could save in shipping charges—to say nothing of the cost of building it. And that would be every year, $2,500,000 down the drain. Little wonder the Missouri River division engineer of the Army engineers, Col. George R. Spalding, said in 1933: "I am unable to convince myself that the undertaking is sound."

Plainly, the 9-foot channel isn't worth what it would cost in money either.

The course of wisdom, it seems to us, would be to use the present channel as much as it can be used without robbing irrigation of water, and to abandon this scheme for a 9-foot channel, which has been discredited by every authority, including those same Army engineers who are now spending millions of dollars on it.

There is another thing that is as plain as day on the face of the facts. These agencies—the Army engineers and the Reclamation Bureau—do not commend themselves to public confidence by the monumental gamble in which they are engaged.

They have shown a crass disregard for the public interest and for the prudent use of funds.

They have, in effect, sold out the future of the Missouri Valley for no better reason than to keep the development program in their own hands.

We submit that it is long past time for an appropriate agency to be formed and placed in charge of this valley's development. We mean an agency that won't have to take political gambles with the Treasury's money or the valley's future. We mean a Missouri Valley Authority.

Do We Owe Europe a Living?

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. VAN ZANDT. Mr. Speaker, several days ago, as I was reading my morning mail, I came across two interesting items of information concerning our policy of foreign aid.

First I read a compilation of information by the Office of Coordinator of Information, House of Representatives, entitled "Around the World With Sixty-six Billion," in which was furnished a break-down of the amount of aid to foreign countries and the purpose for which it was used. The report is as follows:

Around the world with $66,000,000,000—how United States dollars were spent

A. LEND-LEASE

Belgium	$158,598,000
Bolivia	5,611,000
Brazil	331,651,000
Chile	21,880,000
China	1,564,698,000
Colombia	8,127,000
Costa Rica	155,000
Cuba	6,093,000
Czechoslovakia	503,000
Dominican Republic	1,614,000
Ecuador	7,541,000
Egypt	1,060,000
El Salvador	894,000
Ethiopia	5,252,000
France	3,233,859,000
Great Britain	31,392,361,000
Greece	75,604,000
Guatemala	1,779,000
Haiti	1,443,000
Honduras	374,000
Iceland	4,809,000
Iran	4,798,000
Iraq	4,000
Liberia	7,237,000
Mexico	38,617,000
Netherlands	248,896,000
Nicaragua	902,000
Norway	52,503,000
Panama	84,000
Paraguay	1,965,000
Peru	19,033,000
Poland	16,954,000
Saudi Arabia	$17,531,000
Turkey	27,457,000
Uruguay	7,141,000
U. S. S. R.	11,297,883,000
Venezuela	4,418,000
Yugoslavia	32,036,000
Total	48,601,365,000

B. SURPLUS PROPERTY

Austria	2,000,000
Belgium	380,000,000
China	824,000,000
Czechoslovakia	9,304,694
Denmark	20,000,000
Egypt	11,800,000
Ethiopia	1,000,000
Finland	15,000,000
France	1,398,000,000
Great Britain	587,800,000
Greece	45,000,000
India	50,000,000
Iran	25,000,000
Italy	565,000,000
Korea	25,000,000
Netherlands	20,000,000
New Zealand	5,500,000
Philippines	638,000,000
Poland	50,000,000
Saudi Arabia	2,000,000
Turkey	10,000,000
Uruguay	666,666
Yemen	1,000,000
Total	4,686,071,360

C. DIRECT LOANS

Great Britain	3,750,000,000
Greece	250,000,000
Mexico	50,000,000
Turkey	150,000,000
Total	4,200,000,000

D. EXPORT-IMPORT BANK LOANS

Argentina	583,000
Austria	14,005,000
Belgium	100,000,000
Bolivia	20,629,754
Brazil	168,111,477
Canada	31,385,000
Chile	83,067,330
China	217,210,280
Colombia	49,379,452
Costa Rica	7,259,607
Cuba	63,478,473
Czechoslovakia	22,794,444
Denmark	20,000,000
Dominican Republic	3,283,932
Ecuador	17,490,000
El Salvador	1,476,000
Ethiopia	3,500,000
Finland	106,903,832
France	1,200,000,000
Greece	25,000,000
Haiti	10,680,000
Honduras	1,000,000
Iceland	590,000
Iran	462,429
Italy	143,376,265
Mexico	98,066,782
Netherlands	351,025,000
Nicaragua	4,650,000
Norway	50,226,612
Panama	2,487,704
Paraguay	6,200,000
Peru	450,000
Poland	43,547,412
Portugal	1,335,866
Saudi Arabia	25,000,000
Spain	13,681,074
Sweden	4,111,000
Turkey	28,060,000
Uruguay	14,373,875
U. S. S. R.	10,782
Venezuela	5,744,078
Total	2,960,636,460

E. UNRRA, UNITED STATES SHARE

Albania	40,502,284
Austria	86,000,000
China	229,000,000
Czechoslovakia	211,000,000
Finland	2,100,000

Greece	$316,000,000
Hungary	3,000,000
Italy	262,000,000
Philippines	12,000,000
Poland	392,000,000
U. S. S. R.	383,500,000
Yugoslavia	342,000,000
Total	2,279,102,284

F. WAR DEPARTMENT CIVILIAN SUPPLIES

Austria	65,665,000
France	9,314,000
Germany	431,127,000
Greece	6,500,000
Italy	380,868,000
Japan	294,971,000
Korea	41,641,000
Netherlands	7,730,000
Philippines	57,230,000
Total	1,365,046,000

G. AID TO PHILIPPINES

Philippines	695,000,000
Total	695,000,000

H. OCCUPATION LIRA CREDIT

Italy	258,000,000
Total	258,000,000

I. INTERNATIONAL BANK LOANS

Denmark	40,000,000
France	250,000,000
Netherlands	195,000,000
Total	485,000,000

J. FIXED WAR INSTALLATIONS

Australia	37,394,000
Iceland	65,000,000
Netherlands	44,384,624
New Zealand	207,069
Total	146,985,693

H. FOREIGN ECONOMIC ADMINISTRATION RELIEF

Italy	140,000,000
Total	140,000,000

L. ALCAN HIGHWAY

Canada	138,312,166
Total	138,312,166

M. RFC LOANS

Canada	5,000,000
Philippines	25,000,000
Total	30,000,000

N. AIR BASES

Liberia	20,000,000
Peru	2,000,000
Total	22,000,000

O. CULTURAL AND TECHNICAL PROJECTS

Brazil	680,000
Chile	195,000
Colombia	342,000
Costa Rica	240,000
Cuba	190,000
Dominican Republic	75,000
El Salvador	160,000
Guatemala	425,000
Haiti	86,000
Honduras	63,000
Mexico	574,000
Nicaragua	180,000
Panama	34,000
Paraguay	38,000
Peru	470,000
Uruguay	67,000
Venezuela	144,000
Total	3,963,000

P. INTER-AMERICAN HIGHWAY

Costa Rica	1,300,000
El Salvador	167,500
Guatemala	232,700
Honduras	354,500
Nicaragua	$1,250,000
Panama	13,000
Total	3,317,700

Q. U. S. COMMERCIAL COMPANY

Bolivia	2,080,474
Ecuador	5,190
Total	2,085,664

R. OFFICE OF DEFENSE SUPPLIES

Bolivia	300,000
Ecuador	160,944
Total	460,944

S. STATE DEPARTMENT CREDIT

Mexico	217,901
Uruguay	30,163
Total	248,064

T. EDUCATIONAL AID

Iraq	41,000
Lebanon	90,000
Turkey	65,000
Total	196,000
Grand total	66,017,790,335

Source: New York Daily News, Oct. 5, 1947.

Mr. Speaker, after reading the above report, which has outlined our mammoth program of sending American dollars abroad, I came across the following editorial from the pen of Mr. Robert Boyer, editor, Altoona Tribune, Altoona, Pa., which appeared in the December 9 issue of the Tribune. The editorial is filled with facts that should have the earnest consideration of every thinking American.

DO WE OWE EUROPE A LIVING?

Reports from abroad by the most qualified and impartial observers, most of whom are American newspapermen, inform us that the average European believes that American wealth is endless.

Raymond Daniell, New York Times reporter, writing from London had this to say, "An Italian, better informed and more pro-American than the average, told me recently in Venice that even if the funds appropriated for European rehabilitation under the Marshall program were on a scale proposed by the Paris conference (which made most thinking Americans shudder) the cost of the individual American would only amount to about one good-sized beef steak per year. He remained skeptical and unconvinced when I assured him that the cost to the American taxpayers would be close to $400 each, which would buy quite a number of beef steaks even in Italy's most expensive black market restaurants."

Mr. Daniell quoted a truculent German burgomeister of the Ruhr, who demanded of the American reporter, "If you haven't got the wheat for us yourselves, why don't you buy it for us from the Argentine? Your country has plenty of money, hasn't it."

Says Mr. Daniell, "Wherever you travel in Europe, you find the feeling that no matter how much America does, we could and should do more. A British friend remarked the other day that he thought it shameful that a nation as rich as the United States does not share some of the good things of life."

Yet, with this prevailing feeling, it is remarkable and shocking to find that Europeans hold a feeling of cultural superiority over Americans.

"Even Europeans untouched by Communist propaganda are fond of expatiating on the superiority of their culture and civilization of America's" writes Mr. Daniell. He goes on to say that the European judges culture by Beethoven and Bach, fine wines, and alluring art.

It is apparent that the European's conception of civilization needs a modern renovation.

He does not think that his "superior civilization" has produced the most barbarous warfare of modern times; that his fine European culture has almost completely destroyed a major part of the European Continent twice in this century; that his type of civilization has produced, with its fine art and music, the most degrading experiences for the European people since the Middle Ages; that this "superior civilization" of Europe has lost sight of the humanities, the true wisdom of the ages, and has completely failed to produce a constructive civilization, either in cultural thought, which is in fact spiritual thought, or in material production.

Instead, it turns constantly to the "uncivilized and stupid" democracy of America, where it demands constantly a renewal of its sustenance, so that it may continue its culture, while we feed its women and children, while European men plan more world conquest while meditating over their fine wines and their inspiring music.

All of these things indicate that the leaders of this country are ignoring too many facts with regard to our relief program for Europe.

They are letting their sympathies blind them to the fact that Europe has come to depend upon this country to produce for it—to make this country in fact, if not in name, a slave producing nation for European indolence and rotten government, from Moscow to Paris and London.

Too little attention is being given by our State Department to this acquired atitude of the people of Europe; this feeling, gradually taking root since World War I, that the United States of America owes them a living.

Too little concern is shown for the vitally important job of telling the people of Europe the truth, in such strong and repetitious fashion that they will not remain unconvinced, as the Italian was to whom Mr. Daniell spoke.

We are tardy with our educational program. We have been content for years to swallow the propaganda of Europe, and to make little or no effort to educate Europeans to the real America, the real conditions, and the all-important fact that America is rich, and Europe is poor because we in America give more time to work and production than to concocting grandiose schemes for world conquest, for wars, and for power-mad governments.

Europe still has that lesson to learn, and we are doing nothing to help those people learn it.

Instead, we are feeding their illusions concerning us.

Mr. Speaker, after digesting the contents of both of these articles, I find myself in the same position as that of millions of American citizens, who are asking, "How long can we keep financing the world?"

Helping Inflation

EXTENSION OF REMARKS
OF
HON. HUBERT S. ELLIS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. ELLIS. Mr. Speaker, today I submit for the consideration of the House a splendid editorial from the Parkersburg News of December 11, 1947, edited by Mr.

Francis Pierce Fisher, which clearly indicates that the President is not getting by in his effort to blame everyone except himself for the high cost of living. The administration is solely responsible for the existing inflation and high prices, and everybody knows it.

HELPING INFLATION

One of the worst phases of the price problem is the attempt to over-simplify it by blaming the whole inflation on particular groups, such as industry.

This misleading device has been used, unfortunately, by a number of Government officials whose positions give them ready access to the newspapers and radio. The truth is that Government itself has been one of the most important, and perhaps the most important, influence which has pushed prices inexorably upward. As long ago as last February, writing in the New York Times, Henry Hazlitt pointed out that abnormal demand was bringing higher prices and that demand was "far greater than it was before the war because money incomes are far greater; and money incomes are greater principally because the supply of money and bank credit has been almost tripled since the outbreak of the war." There has been little change in the situation since then.

Few businesses want high prices, and most businesses are doing what they can to resist them. As an example, William Eden, vice-president of American Stores Co., a large chain system, recently testified that his company's volume of business is up 31 percent—yet its net income is down some $500,000. That is not an exception in the retail field, where all kinds of stores have voluntarily shaved profits when possible to hold their customers.

The Government cannot attack the price problem with clean hands until it puts its own house in order. Our Government fiscal policy alone makes more inflation inevitable.

Texas Commissioner of Agriculture Says Secretary of Agriculture Is No Friend of the American Farmer

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I am just in receipt of a letter from Mr. J. E. McDonald, commissioner of agriculture of the State of Texas, enclosing a copy of a telegram he recently sent to the Speaker of the House of Representatives, JOSEPH W. MARTIN, Jr., and Senator TAFT, in which the Texas commissioner of agriculture says that the Secretary of Agriculture is no friend of the American farmer and agriculture.

I assume that Commissioner McDonald is in a position to know, and perhaps actually does know, as much about agriculture and the needs and interests of the farmers of this country, and particularly of the great Southwest, as any other man in the country. He certainly has manifested a sincere interest in the farmers and the agricultural industry of this country. He is to be complimented for his forthright and courageous appeal in this and other instances to prevent the destruction of our free institutions and in his effort to prevent the Federal Government from putting the American farmer in a strait-jacket. I agree with Commissioner McDonald heartily when he says that if we give the Secretary of Agriculture, or any other Government bureau, control over commodity exchanges, it will naturally result in their attempt to control and fix prices, and be the entering wedge of bureaucratic price control. Surely we are justified in judging the future by the past.

I am pleased to quote the telegram sent by Commissioner McDonald to Speaker MARTIN and Senator TAFT, as follows:

AUSTIN, TEX., *December 8, 1947.*

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House,
Washington, D. C.

Senator ROBERT TAFT,
Senate Office Building,
Washington, D. C.

In the interest of our national welfare and free Government I urge you not to give Secretary Anderson or any other Government bureau control over commodity exchanges. This will naturally result in their attempt to control and fix prices and be the entering wedge of bureaucratic price control. We now have the best marketing system and the cheapest and most plentiful supply of food and commodities in the world whereas foreign countries who have price controls are asking us to help feed and clothe them. Secretary Anderson and the Department of Agriculture have proved they are no friend of the American farmer and agriculture who are producing the food, fiber, and clothes for our country. Although agriculture represents 25 percent of our population yet they receive less than 12 percent of the cost of manufactured goods to the consumer. Therefore it is evident that 88 percent of the cost of living is due to labor, manufacturing, transportation, and distribution charges coupled with high taxes. Also we should bear in mind that our country has never been prosperous and cannot be prosperous without a high wage and price level and equitable prices for the farmer. With the existing Government debt and high taxes, low wages and commodity prices would result in deflation, millions of unemployed, and disaster for our country far worse than what happened in the 1929–32 disaster and debacle.

J. E. MCDONALD.
Texas Commissioner of Agriculture.

Why Should Employers Deal With Agents of Foreign Plot?

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. MULTER. Mr. Speaker, under unanimous consent to extend my remarks in the Appendix of the CONGRESSIONAL RECORD, I include an article entitled "Why Should Employers Deal With Agents of Foreign Plot?" that appeared in the Brooklyn (N. Y.) Eagle on Friday, November 28, 1947:

WHY SHOULD EMPLOYERS DEAL WITH AGENTS OF FOREIGN PLOT?

Within recent weeks 10 men have been cited for contempt of Congress. The House of Representatives, by a sizable majority, sustained the contempt proceedings of one of its committees. On Tuesday, the employers of these men, the movie magnates of Hollywood, decided to suspend the 10 without pay or fire them outright.

Serious questions hang up on this sequence of events. The issue lay in the refusal of the defendants to answer one question: "Are you a member of the Communist Party?" In evident, prearranged unity each one refused to answer. Has a congressional committee proper jurisdiction to ask such a question? Eventually the final and decisive reply will have to come from the Supreme Court. Nothing forbids the public discussion of it.

The so-called liberals claims that such a question infringes upon a man's right to think and speak as he wishes according to the nature of civic rights in America. This, to them, is a violation of a citizen's right to hold whatever political belief he wishes.

There is a vast difference, in our opinion, between a man's personal political beliefs and membership in the Communist Party. The one is merely the possession of radical or nonradical thought; the other is actual membership in an international conspiracy, the purpose of which is to defend a foreign nation's interests and by any and all means to substitute the totalitarian state not merely in place of capitalism but by destroying in our present form of democratic government.

It is true that such a conspiratorial organization has not been declared illegal as yet by a definite statute. We believe that it is implicitly contained in the tradition and the decisions of our courts.

Whether these 10 men are actually Communists or not will have to be decided by the proper public authority. Whether or not a congressional committee has the right to question their status will likewise be settled by the courts. But there is an even broader question involved, namely: "Has a member of the Communist Party a right to a job in the United States of America?"

Every discussion we have ever heard on the subject of communism has ducked the answer to this one. We will put our neck out and deny the Communist such a right. We do not believe that an employer has any more obligation to hire a Communist than he would have to hire an habitual drunkard or a man who, though unconvicted, was known to be a robber.

Membership in the Communist Party is a declaration of intent to place the Soviet Union above the United States of America, to engage in sabotage of American industry whenever or wherever the Commie leaders give the word, to break down subtly or openly the traditional form of society in which we live, to undermine American institutions at all times, to use trade unionism as a vehicle for bringing other workers to the same state of mind and to engage in the same kind of tactics as the Communists.

We do not believe that a member of such an organization has any right to be supported by American industry so that he might the more easily destroy it. Employers are forbidden to sign a contract for a closed shop. Why should they be obliged to deal with the agents of an international conspiracy?

The Role of the United States in Economic Affairs

EXTENSION OF REMARKS
OF
HON. ALBERT W. HAWKES
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Tuesday, December 16 (legislative day of Thursday, December 4), 1947

Mr. HAWKES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the speech which I made before the American Tariff

League at its sixty-second annual dinner at the Waldorf-Astoria Hotel, New York City, on October 17, 1947, on the subject entitled "The Role of the United States in Economic Affairs."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ROLE OF THE UNITED STATES IN ECONOMIC AFFAIRS

It is unfortunate that we who serve you in Washington have so little time for public group discussions of important matters. For that reason I value this opportunity to discuss with you the role of the United States in world economic affairs.

Of great and growing concern is the role of these United States in the world of today. Not a unified world answering the concept, One World, about which much has been heard, but a world more seriously divided than ever before.

The division is not a trivial one. To the contrary, it goes to the very roots of our civilization. In short, it is a conflict between freedom and statism. One philosophy holds that government is an agent of its people, the other that it is their master.

It makes little difference whether we think of communism or socialism. Both are forms of statism and as such are in opposition to the concept of freedom on which the Government of the United States was founded.

Communism would have the world regard it as similar to our political parties. As I understand it, it is nothing of the kind. It is a world conspiracy aimed at the destruction of every aspect of freedom, spiritual, political and economic.

Nor should we be deceived by the label, socialism. It promises greater freedom for the individual, but where is there an actual instance of it ever having increased such freedom? We have an example before our eyes in the case of Britain. What we see and hear indicates an increasing denial of freedom to the individual and a disastrous brake on productivity.

And lest we preen ourselves on our superior virtues in this regard, let me remind you that almost daily I see citizens of our as yet free country, coming to Washintgon demanding socialized this and that. It is this creeping statism of which we should beware.

We must steadfastly resist these socialistic practices for ourselves lest we, too, lose our most-prized possession—freedom—and come under the dominance an all-powerful state.

As we plan our participation in world affairs, we need to keep ever in mind the fact that all statism is a denial of individual freedom.

We like to think of this as a day of great opportunity to help and perhaps to lead the world to better things. It may be such an opportunity, provided we have the wisdom to lead but not to carry, to help but not support.

You in the Tariff League are interested in the specialized field of international economic relations, including the tariff policy of the United States. Let us look at that first.

The Congress enacted a Trade Agreements Act of 1934. Stripped of the wordy nonsense as to its purposes, the real object was to permit reduction of United States tariffs by other means than provided by the Constitution. Despite the fact that the much-condemned tariff of 1930 was already lower than the tariff of most great nations, as clearly shown in the study published by your league in 1942, a very drastic further reduction in rates has been made under the authority of the Trade Agreements Act since 1934. This policy was enthusiastically supported by the groups who expected to profit the most from the expected increase in exports, and by those attracted by the idealism of the propaganda. More than a decade of propaganda, which even now is at floodtide, has sought to convince our people that increased foreign trade is the alpha and omega of prosperity for the Nation.

PROPAGANDA AND PUBLIC THINKING

Over a year ago the city of New Brunswick, in my State, was used as a guinea pig to prove that concentrated propaganda could alter public thinking about the value of foreign trade.

Sponsored by the World Trade Foundation, there was created an advisory group in New Brunswick, which included representatives from educational institutions, women's organizations, churches, parent-teacher associations, and others. They got the support of the publisher of the daily newspaper. Then they put on a 10-week "educational" effort. Quoting from the magazine Tide, August 2, 1946:

"They kept the world-trade message under New Brunswick noses virtually all day, every day. They ran poster and essay contests for the pupils in the schools. They sat up photo exhibits, charts, and three-dimensional displays in the shop windows. Through Rutgers they got the international message on radio programs, wound up with a town-wide quiz contest.

"All the community organizations, most of which had representatives on the Advisory Committee, sponsored lectures, socials, and formal discussions of the world-trade problem. And most of them heard talks by Foundation speakers to keep them on the right track. Backbone of the campaign, of course, was Boyd's newspaper, which kept the message on the front page, published all the stories, and gave invaluable publicity to the whole drive."

Then they took up a new survey, asking certain questions, and found that while New York, under the influence of dismal international news, had shifted toward so-called isolationism, New Brunswick had developed a much greater awareness of the importance of two-way trade and lasting peace. In other words, New York, with greater actual knowledge of the subject, did not react the same as did New Brunswick under the propaganda ministrations described.

Some time ago, at an affair in Montclair, a very prominent lady said to me that she was supposed to write me a letter but had for the moment forgotten what she was to write me about. I asked her if she would recognize the subject if I told her what it was. She said she would.

So I told her, "You were supposed to write me a letter asking me to vote for the renewal of the Trade Agreements Act without any amendments."

"Yes; that's it," she said, "but how did you know?"

I told her that I had already received several hundred such letters from other ladies. I asked her what she knew about the trade-agreements program and she said she knew nothing about it at all.

I said, "My dear Mrs. Blank, do you think it is fair for you to urge me as to how I should vote on something you know nothing about?"

A propaganda campaign is now being carried on by the Advertising Council, sponsored by the World Trade Foundation (now out of business), Carnegie Endowment for International Peace, Twentieth Century Fund, the National Planning Association, and others.

The objective is to inform the average person as to the vital importance of increased foreign trade. Translated into the simplest language this means that our people are being propagandized into thinking that 10 percent of our trade is of relatively greater importance than the other 90 percent. Obviously, whatever is said about the great value of the 10 percent, which is our foreign trade, only serves to point up the much greater importance of the 90 percent, which is our domestic trade. Yet the internationalist propaganda continues to insist that the tail should wag the dog.

LOOKING AT THE FACTS

But suppose we look at some facts. Exports recently were at the annual rate of more than fifteen billion and imports at approximately one-third of that rate. You know that it isn't trade at all unless we get paid for the exports.

There is the rub. We are told of the shortage of dollars. Everyone wants them. All we are asked to do is to supply them in adequate amount. Of course, other nations don't want dollars. They want the goods which we can produce and which dollars will buy.

After the most destructive of all wars, their need is unbelievably great, but they are producing little, if anything, with which to repay us. That is why they want us to supply the dollars as well as the goods. In fact, they are falling so far short of producing for their own needs, that they must use the dollars they get to buy such things as food and coal. Yet coal was formerly the chief export of the United Kingdom.

Besides, they say: Isn't the United States rich? Do not some of her own citizens boast of being a great creditor nation? How to become a creditor through the accumulation of uncollectible debts is, however, another story long and fantastic. What is more important is that the American people, misled into thinking of present fantastic exports as profitable trade, are persuaded to work like the devil in order to preserve the illusion. We can provide dollars through loan or gift or foreign investments or travel or, more normally, through the purchase of foreign commodities or services. In a futile attempt to provide enough dollars, the same groups who have all along supported the trade agreement program want to continue it to the point apparently where United States producers will not have effective tariff protection.

Sometimes I think it might teach our people a wholesome lesson if this Nation were to establish barter as the compulsory method for the conduct of foreign trade for a year or so. More people might then comprehend that real trade is the exchange of goods you have but can spare, for goods you need or want but do not have.

The mechanism of money tends to obscure this fundamental truth so that people talk of dollar shortage whereas they really mean shortage of commodities with which other nations can pay us and, more importantly, supply some of their own needs so that they would need less dollars. But even if the other nations had the commodities with which to trade, we in the United States could not make enough of them to balance currently the fantastic value of our present temporary export volume without at the same time upsetting our domestic production of the items reported.

So far as I know, the United States has never denied itself of any imported commodity which it needed or wanted. In fact the United States is the world's largest importer of many things, of which I might cite rubber, silk, sugar, newsprint, wood pulp, tin, furs, tea, and coffee, as examples. Of the commodities mentioned all except sugar pay no tariff duty at all.

DIVISION, NOT EXPANSION

Aside from increases in our imports of duty-free commodities, or of raw materials or special qualities of manufactured goods, any gain in dollars through sales to us by other nations must depend on increased sales of competitive goods, which we can produce as well or better ourselves.

To expect the United States to follow such a course is unreasonable, to say the least. It is just silly to talk of providing enough dollars that way. Besides, this is division of trade. It is not expansion of trade, which is supposed to be the objective of our policy.

If, as is often boasted, we in the United States have the ability to produce more than half of all the world's manufactured goods, that fact alone explains why we have no great need to import them.

The inescapable fact is that the Nation gains only through its imports of what it needs or wants. Unless the value of imports and exports eventually balance, the excess of exports are gifts, not sales. Therein lies the deception of propaganda to make people believe that these excessive exports are profitable trade providing increased employment whereas, actually as taxpayers we must pay for the excess exports. For when Government loans the money abroad, it must collect it from its own citizens as taxes.

Current propaganda of the advertising council uses the slogan: "Part of every dollar you get comes from foreign trade." The truth is that at present part of every dollar you get goes to pay for foreign trade.

The emphasis on exports puts us on the wrong foot. We have the ability to produce and export, but we do not have the corresponding capacity to import an equal value. Reduction or even elimination of United States tariffs altogether will not increase our need for foreign commodities.

When a government, under pressure from special interests within the country, unduly lowers tariffs on competitive products, it strikes a devastating blow at the vital basis of its own prosperity and by its own act creates the conditions for unemployment.

Some bankers and merchants are vociferous in their denunciation of tariffs or other legitimate regulatory devices as barriers to trade. At the same time they advocate huge foreign loans in order to finance continued vast exports. Such trade, they say, makes for peace.

As we read the sweet things currently said about us by those to whom we have loaned the most, we may wonder if the peace tag put on these things has any validity or whether perhaps it is just the carrot before the donkey. There is truth in the old adage that the way to lose a friend is to loan him money.

DEFINITION OF TRADE

What is trade anyway?

It is an exchange or a bargain. Exchange of what? Obviously an exchange of something you have for something you want.

It is just as simple as that; nations who already have or efficiently produce something, do not at the same time want it. As they have no need for it, they can either forbid its import or they can levy a tariff which permits its import anyway on payment of a fee. In one case there is prohibition, a barrier; in the other a tariff, which is permission to import for a fee.

The merchants and bankers say both are barriers to trade, peculiarly enough concentrating their fire on tariffs, which are the devices permitting trade. Virtually, they say that distribution of the commodity, that is, trade in it, is of greater importance than the need for the commodity which was the reason for its production.

Of greater importance to whom? To the merchants and bankers, of course.

How often have you heard it said that because of our great productive ability we have nothing to fear from European competition, particularly in view of the wrecked industries there. But contrariwise, it is also said that we cannot support Europe in idleness and that, therefore, we must help her get back into production. That means that we furnish new, up-to-date equipment and "know how" which, coupled with low wage and living standards, can create again the kind of competition it is impossible for us to meet and yet retain our higher standards.

Admittedly we mass produce certain commodities so efficiently that despite higher labor rates we can, nevertheless, realize low-unit costs. There may be other reasons resulting in a similarly favorable position in other cases.

Wherever this is true so that we can compete without any tariff equalization, then by all means let us remove the tariff, if any. So far as I recall, no producers of motor cars or business machines have as yet put in a plea for such action on their products.

My guess is that the differences in standards and in resulting cost of production will be long continued. If we are wise, we will not demolish our tariffs, which are the fairest equalizing device yet created anywhere.

Access to our United States markets by the world without equalizing protection to our industries based on the difference in living and wage standards as they are reflected in unit costs will, if persisted in, destroy the position of the United States and its leadership and bring untold suffering to American labor and those who have built the industries of this Nation. This can be best illustrated by taking one example such as the textile industry.

D. F. Edwards, president of Saco Lowell Shops, a man who knows the textile industry intimately, said, in addressing the Foreign Policy Association in Boston, in February 1946, that the difference in wages paid textile workers in New England, as contrasted with southern mills, accounted for the loss of two-thirds of New England's cotton spindles, yet the differences in wages ranged only from 17 to 35 percent. These relatively moderate differences were enough to destroy two-thirds of New England's greatest industry, yet the differences were small as contrasted with those between United States and foreign textile mills. He said, admitting that our equipment is modern and more efficiently operated, the advantages still fall far short of enabling our mills to realize as low a unit cost as the foreign mills in normal times.

In this connection, let me quote you a statement, the like of which is often made:

"American industries which require protection do not bulk large in our economy whereas, industries which profit from large foreign markets affect millions of workers and a great proportion of the Nation's invested capital. Tariffs are maintained to protect inefficient industries characterized by low wages."

The automotive and textile industries come to mind as perhaps representing the two groups referred to. What are the facts?

In 1939 the automotive industry gave employment to approximately 400,000 and the textile industry to about 2½ times that number. The actual wages paid were about $650,000,000 for automotive and $908,000,000 for textiles. The value of their product was almost the same, approximtely $4,000,000,000 for each. The investment in each case was also very close at about $3,250,000,000.

In this instance, therefore, the actual facts do not bear out the glibly made assertion, for while the value of the product and the amount of the investment are very nearly the same, the textile industry provides a very much greater amount of employment. Admittedly, wages in the textile industry are lower than in the automotive. Why? Simply because the United States automotive industry has such a world leadership that is foreign competition is inconsequential as compared with that met by the textile industry. Every nation that has done any industrializing at all has a textile industry. In normal times there is very keen competition. Nor is it a question of the American industry being inefficient, for it is actually more efficient than most foreign textile industries. The difference is in the wages it pays, which are very much higher than those of any of its foreign competitors. Increased efficiency can absorb part of this but not all of it.

It is a good idea also to define what we mean by efficiency, which is the ratio of effect produced to the energy expended. Thus, United States producers may be more efficient and yet their product be more costly per unit. When cheapness is regarded as synonymous with efficiency, it means that we are confusing energy expended with the cost of that energy.

Of far greater importance and of course including tariffs is the proposal to establish an International Trade Organization as a specialized agency under the Economic and Social Council of the United Nations. Our concern about this was so great that, as you know, the Finance Committee of the Senate held hearings in March and April in order to interrogate key figures in the Department of State as to what it all meant. I hope you have read the printed hearings giving the questions and answers. You will not like many of the answers, but you will know more about what is afoot.

PROPER ROLE OF ITO

Most of us would agree, I think, that there are constructive functions for such an organization even in the present chaotic state of the world. They are statistical, consultative, and advisory. I do not favor the creation of more and more international bureaus that will largely write their own ticket as to bureaucratic activities, including administrative functions. An International Trade Organization that will help us to cooperate in the economic field is desirable. An organization based on the concept of one world with ideas of world planning, controls, and administration, is untimely and undesirable and in many respects the negation of our concept of freedom and thus is a surrender to statism.

The proposed ITO charter contains many provisions that require interpretation. As an example of this, Max Suetens, representative of Belgium and chairman of the Preparatory Committee at the Geneva conference, in explaining the ITO charter said, "two sentences in the draft charter provide a working basis for ITO ideals. They are of such importance as to deserve separate, careful analysis." He stated the first of these to be:

"To further enjoyment by all countries on equal terms of access to markets, products, and productive facilities which are needed for their economic prosperity and development."

Continuing, Mr. Suetens said:

"This is, as it were, the high command policy for ITO's attack on the systems with which many countries have built a wall around their international commerce."

Certain internationalists have become much enamoured of these phrases. What do they mean?

Denial of access to products and productive facilities took the form of preclusive buying during the war years in order that critical materials would be kept out of enemy hands. Subsequently, Russia has denied access to the foodstuffs of eastern Europe.

The first probably ceased with the war's end so that anyone able to pay for what they wanted could have access on equal terms. No set of fine phrases seems likely to affect the Russian action.

But what about "enjoyment of all countries on equal terms of access to markets."

The best market of all is here in the United States, and every other nation wants access on equal terms. To them that means abolition or drastic lowering of our tariffs. Otherwise they must pay tariff whereas the United States producers do not, hence no equal access.

On the other hand, access on equal terms is to apply to all countries. With tariff removed, would the United States producer have equal access to his own market?

What the internationalists pretend not to understand is that we have a tariff in order that we may preserve for ourselves equal access to our own market by equalizing differences in unit costs which are due to lower standards elsewhere.

A COMPROMISE OF PRINCIPLES

The more I have studied the present proposed charter for ITO the more convinced

I have become that to accept it in its present form would be extremely unwise. One of the convincing reasons is the apparent need to sacrifice almost every sound principle, in order to gain adherents to the charter. If other nations voice agreement with the principle only providing there are sufficient exceptions to permit the indefinite continuance by them of their present practices, then I conclude that the charter is premature.

Mr. Clayton in his radio talk from Paris referred to the criticism of the compromises in the charter. Said he, "Compromise is a virtue, not a defect." Compromise of nonessentials to reach an important goal or objective is permissible. Compromise of basic principle is anything but a virtue and is like compromise with truth. If we indulge in it, we can only end up in failure.

That is a grave fault of the charter. It so abounds in compromise of principles as to make a mockery of them. We should make up our minds and, if the principles are sound, then steadfastly adhere to them. As it stands they are for immediate observance by the United States, which is as it should be, but for all or most of the other nations they are at best only far distant and perhaps from their viewpoint not too desirable goals.

One of the glaring examples of conflicting principle is in the denunciation of private monopolies in one chapter of the proposed charter and the provision for their wholesale creation in another. True, the new monopoly cartels would not be called that. They would be called intergovernmental commodity arrangements or agreements, but this is hypocrisy.

To me the remedy for monopoly is not more monopoly and particularly not monopolies created and run by governments.

Why people pretend to believe that the same human being is a devil when acting as a private citizen but is positively angelic when an officer of government, is difficult to understand.

Yet human beings would operate the monopoly whether under private or governmental auspices. In one case he would pay for his own mistakes, legal or otherwise. In the other, mistakes would be at the taxpayer's expense and abuses beyond reach.

With the exception of the United States and Canada, and one or two others, almost every country represented at Geneva has a policy of planned or controlled economy. What chance has private enterprise and the objective of less-restricted trade when the charter embodies the ideas of those who believe in and practice contrary programs?

PITFALLS IN ESCAPE CLAUSE

In my opinion, the escape clause, upon which the advocates of reciprocal trade agreements and the International Trade Organization depend so much, carries with it great danger, while at the same time being presumably devised for safety. Whenever I have shown any advocate of the International Trade Organization the dangers which come from our being the leaders of the world who must live up scrupulously to our agreements, whereas weaker nations might be excused for deviations—the enthusiastic advocates always say—yes, but don't forget the escape clause. My point is, we must not do things in contemplation of using the escape clause because, if we do, we will create 10 times as much enmity through its liberalized use as we could possibly do without having a charter.

It is reported that the United States representatives have endorsed the idea of customs unions among European states. Thus, if Britain were to declare that she and a number of western European states planned a customs union to be effective even 25 years hence, they could immediately adopt preferential customs treatment among themselves.

Before Geneva, we were told with much fanfare that British preferences were to be eliminated. The British apparently think otherwise, and presently are discussing customs union for their Commonwealth of Nations, which in effect would put the United States at a still greater disadvantage than it is now under the preference system.

A customs union for western European nations is also under discussion; it paves the way for the formation of several trade blocs. There would be a western European and an eastern European bloc, one practicing complete totalitarianism, the other its near relative, a planned and controlled economy—two versions of statism.

Perhaps geographical divisions may have merit, particularly if each within itself would function as a customs union; that is, have no trade restrictions or only limited ones. That would be a constructive process of evolution.

Of the 17 nations other than the United States who have been working on ITO charter, all but about 5 would be in 1 or the other of these customs unions. In arriving at all the compromises of principle they have each voted as individuals, of course. The point is that it makes the whole present concept of ITO ridiculous unless it is held exclusively to advisory, consultative, and statistical functions. If this were done, it might help to eventually bring the groups closer together on matters of principle and policy.

Voting procedure is important in any international organization. We recall how a series of vetoes makes the United Nations look rather sick. In the proposals for ITO, the United States representatives want one vote for each country. This would be of less concern if ITO were limited to its advertised statistical, consultative, and advisory functions. In the absence of such limited functions, it is difficult to see why a country like Lebanon should have a vote equal to that of the United States. The reported vote on subsidies was 8 to 1 against the United States. Perhaps it should have been on that particular issue, but I mention it only to illustrate how the United States can be outvoted at will, so that European ideas of statism, cartels, monopolies, and controlled economy will prevail. This can and will entail changes in our domestic policies and laws.

It is not true, therefore, to say as its proponents do that ITO as now planned will not have powers enabling it to interfere in the internal affairs of its members.

FREEDOM AND STATISM

There are those in the United States who advocate a world government. If that is the real objective, the people should have the opportunity to vote for or against it after the definite proposal and its consequences are clearly put before them. They should not be eased into something they do not want by false assurances that it is something else.

I remind you of my earlier statement that the conflict is between freedom and statism. If to procure adherence to the principles of freedom we embrace the practices of statism, what happens to the principles and to freedom?

I have no quarrel with the work an ITO can do in working for universal agreement on rules of the game in international trade, such as uniform practices as to taxation, freedom of transit for goods, antidumping laws, customs formalities, statistics, terminology, etc. To the contrary, I think that work would be constructive.

On the other hand, I am unalterably opposed to the idea of an international agency to determine employment policy and to plan and administer economic policy for the United States or for the economic development of nations, just as I am opposed to the creation of intergovernmental cartels under false labels.

Would you subscribe, as I do, to this as a good statement of the case?

"The pattern of international trade that is most conductive to freedom of enterprise is one in which the major decisions are made not by governments but by private buyers and sellers, under conditions of active competition and with proper safeguards against the establishment of monopolies and cartels." (President Truman at Baylor University, Waco, Tex., March 6, 1947.)

A framed copy of this quotation should hang over many desks in the Department of State. The proposed charter for an ITO does not meet this standard.

Now where do we go from here?

In my opinion proposals for acceptance of ITO and the renewal of the trade-agreements program will both come before Congress early next year. You will do well to keep in very close touch with this situation.

No one in the executive branch of this Nation should obligate us on an important matter such as the International Trade Organization, which affects the economic life and future welfare and happiness of every American citizen, by making prior agreements with other nations which can in any way obligate the Congress to carry through and approve such agreements unless the Congress, in its own judgment, deems the proposed arrangement to be in the interest of the American people and the peace of the world to such an extent as to justify its ratification and confirmation by the Congress.

If we have reached the point where an executive agreement without authorization from the Congress can bind this Nation on things against which our forefathers tried to protect the American people through the constitutional provision requiring a treaty with congressional approval—then if the American people wish to preserve this Nation it is time for them to wake up and say so in no uncertain terms.

I have already stated my belief that a properly constituted ITO could do a constructive work in the field of international commerce. I am opposed to the creation of an international bureaucracy, with authority to control and direct such commerce.

Otherwise we help in the extension of statism and sacrifice freedom such as few other nations have ever had.

On the more specific question of tariff policy, my views are simply stated:

1. I think tariffs are the fairest means of equalizing conditions with which we do not want to compete—low standards which affect cost.

2. Unless there is definite need for a tariff, we should not have one, except where for revenue purposes.

3. A new Tariff Commission should be created. The Commissioners should be men of the highest ability and integrity. They should have adequate salary and a long tenure. This Commission should be given authority to determine through hearings and otherwise, the facts necessary to a calculation of a proper tariff rate to implement the policy laid down by the Congress.

4. Such Tariff Commission should have the further authority to make or change rates, such changes to be proclaimed by the President, if not disapproved by Congress within a specified time.

5. The Congress should enact a statute establishing the principle or basis on which rates shall be made or changed within prescribed limits. Provision for flexibility should be provided to meet changing conditions but with some practical limit on the frequency of change.

6. A program of tariff changes by negotiation, through the Department of State, could perhaps be continued provided there was reasonable equality of concessions and that the rate to be used in such trade shall be set by the Tariff Commission, as before described.

Actual legislation would naturally spell this out and probably include things I have

omitted. In essence, however, these are my views.

In any discussion involving international trade policy there is the immediate problem of how best to aid in the rehabilitation of Europe.

THE MARSHALL PLAN

In his speech at Harvard, Secretary of State Marshall made what I think was a timely suggestion. It is distressing to see the way this has been distorted first in Europe but also here at home. It is referred to as the "Marshall plan." The Secretary proposed no plan. He asked the nations of western Europe to propose one. The very essence of his suggestion was the idea of maximum self-help. Inherent was the idea that the United States might then extend such further aid as to help them to help themselves.

The first thing that happened was that those nations drew up a schedule of how many dollars they wanted. Really this was not surprising in view of some of the news treatment here which discussed the idea in terms of its aid to United States exports.

Sam Pettengill recently said that the universal question among nations is "What is my fair share of what you make? Is it a contest between the producers and the dividers?"

The lead article in the July issue of Anglo-American News said:

"Economically the Marshall plan is one way of distributing dollars and of giving Europe a chance to cash in on the United States passion for backing enterprise in a big way."

Just so long as Britain and other nations of western Europe continue to think of United States aid in this way, it is worse than futile to tax our people in order to provide it, and will lead only to increasing ill will when it is no longer possible for us to make gifts or unsound loans.

People are asking why we should supply coal and petroleum products to Britain. They have one under their own soil and the other close by in the Near East. The first requisite ought to be for them to go to work and produce these things for themselves. If they fail to do so, what justification is there for us to supply them?

If all Europeans go to work and do everything possible to help themselves, it will not only lighten the tax burden on our people, but it will also make what we do contribute very much more effective in restoring their ability to produce, which is all important.

The British Trade Journal for October, discussing their government's proposals to deal with their proposition, says:

"The public (British) will want to be assured that effort asked for is to be put to maximum purpose before pledging wholehearted support."

Such an assurance seems wholly reasonable. It is precisely the kind of assurance we in the United States should be given.

These facts ought to be hammered home. Otherwise, the United States and its people voluntarily assume the role of a conquered nation paying tribute to all the world.

OUR PRICELESS HERITAGE

In closing I want to emphasize again our priceless heritage of freedom and our belief that moral forces are all important. Let me quote a short passage too often forgotten and to many of our people unknown. It is from the Preamble to the Declaration of Independence:

"That all men are created equal; that they are indowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

This is most apropos when we consider all of our relations with the rest of the world.

Here is a ringing declaration of our faith. We acknowledge God as our Creator and that human rights are God-given. Every one of the rights mentioned in the part of the Preamble I have quoted is today under attack. Ex-President Hoover may have had this in mind when in an address on the occasion of his seventy-first birthday he said:

"America should again proclaim our faith. We should proclaim our resolution to hold it. We should cease to apologize for it. Our first postwar purpose should be to restore it."

We have problems complex and innumerable before us. We have opportunities likewise. In our approach to a just solution I like to keep a sort of guidepost in my mind's eye. This is my guidepost:

1. A Christian Nation in fact in which we seek and follow divine guidance.
2. Rededication to our Constitution, the greatest ever written by man.
3. Complete return to a government of laws.
4. A strong, prosperous United States.
5. Practice of the Golden Rule in our international relations.

Universal Military Training

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, December 16 (legislative day of Thursday, December 4), 1947

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD the attached partial text of a speech on universal military training by Dr. Robert M. Hutchins, chancellor, University of Chicago, before the National Council for the Prevention of War, December 14, 1947, in Washington, D. C.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Universal military training would be useful if it could prevent another war. Large numbers of men who have gone through "squads right" under the auspices of obsolescent officers are not likely to help us win a war.

They are not necessary to help us occupy a country the cities of which have been destroyed by us. That can be done by forces recruited for the purpose at the time—such forces would not have to be large or particularly skilled. But does anybody imagine that training men, even for ambulance duty, nursing, fire fighting, or first aid, will assist us much in case of an atomic raid?

In Hiroshima the men trained for this purpose could not function; they were killed. The complete disorganization produced by a surprise atomic attack means that no form of preparation can be of more than accidental advantage.

Can universal military training prevent a war? The notion that large military forces preserve you from attack is as old as mankind. It is like the notion that wars will stop because they are so horrible. The fact is that large military forces merely stimulate other nations to build up their military forces.

They suggest to the warmongers and jingoes in other countries that you are out to dominate the world and that every country must arm against you.

For this country to talk about universal military training is the acme of provocation, for this country now possesses the exclusive monopoly of the most deadly weapon in history and has greater productive power than all the rest of the world put together.

If this country, so equipped, has to have military training, what does it have to have it for? No other nation will believe that it has to have it to protect it from attack. It must therefore want to have it in order to attack somebody itself.

Universal military training in the United States is an act of war.

It is a ridiculous and wasteful act of war. It cannot protect us. It will inflame other nations against us. It will weaken us, for it will waste our resources and the time which our young men should be giving to more profitable undertakings.

And since other nations know that universal military training is a military absurdity in the United States in the atomic age, they will not be deterred from attacking us because we have such training.

If they are bent on attacking us, they will attack us whether we have universal military training or not; for they know that large masses of men cannot threaten a country which has the atomic bomb; and they know that large masses of men cannot defend any country against the atomic bomb. Large masses of men are now irrelevant.

So much for the military aspects of universal military training. The program is so weak as a military program that it has been thought necessary to bolster it up by calling it an educational program as well. It is even suggested that it will have splendid effects upon the morals of the young.

As to this I can say only that it would never occur to me, after 2 years as a private in the the Army, to attempt to improve the character of my son by putting him in the care of a marine sergeant. Education, it would seem, can best be conducted in institutions established for the purpose by persons who have dedicated their lives to the cause.

The Army can train men to be soldiers, just as engineering plants can train men to be mechanics. Neither armies nor engineering plants can educate men to be men.

If I understand the proposal correctly—and I may not, for I have not had a chance to read the 188,000 words of the report—it involves discriminatory provisions like those which afflicted the Army Enlisted Reserve Corps of unhallowed memory.

Apparently boys who can afford to go to universities, at least to those which have Reserve Officers Training Corps, will not be required to spend the last 6 months undergoing the trials and hardships of Army life.

They will be privileged to enter the university, and there spend a few hours a week in polite military maneuvers, while their less fortunate brethren remain under the supervision of the armed forces.

The primary requisite for entering upon the higher learning in America is money. Those who have the money can go to the university. Those who have not cannot.

Therefore this proposal—if I understand it correctly—is a proposal to give 6 months' military training to those who have money and 12 months' to those who have not.

The whole plan reflects that American attitude toward education. Only a country which regarded education as unimportant could seriously consider such a scheme, unless, of course, it was in imminent danger of attack and felt it necessary to keep its full manpower under constant mobilization.

The United States is not in imminent danger of attack. It is the most powerful nation on earth. If it were in imminent danger of attack, or if it were the weakest nation on earth, universal military training could not assist it.

But I venture to predict that little objection will be raised to the proposal on the basis of its most serious defect, and that is its interference with the educational opportunities of the young. The reason why little objection will be raised on this score is that we do not regard such opportunities as of

much significance. They are nice, but they are not necessary. And they may not adequately fulfill the parent's dream which is to have him taken off his hands and taught the things he should be taught at home, such as punctuality, neatness, discipline, and good order.

"These," the American Parent will say, "will be drilled into my son in the Army. I do not want to take the trouble to teach them to him myself. He may not learn them at college. I am for universal military training."

I will not here discuss questions of etiquette, for they do not seem to me of much importance one way or another. But certainly if we are talking about character, the place to develop it is anywhere but the Army.

By character we mean the moral habits of a man. Habits are formed by acts. But those acts, if they are to have any significance in a democratic country, must be the result of free and independent choice. The Army is distinguished by absence of choice.

The soldier is told what to do, and he soon learns not to do anything he is not told to do. Only if we want a race of men who will do what they are told and will not do anything they are not told should we look to universal military training to build character.

The Acadians in Louisiana Today

EXTENSION OF REMARKS
OF
HON. JAMES DOMENGEAUX
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. DOMENGEAUX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by President Joel L. Fletcher, of Southwestern Lousiana Institute, Lafayette, before the Cambridge Historical Society of Massachusetts, October 30, 1947:

We have come from Acadian Louisiana to do honor to the distinguished poet of Cambridge on the centennial of the writing of the beautiful poem, Evangeline.

In that Eden of Louisiana where dwell the sons and daughters of the Acadian exiles, the name of Henry Wadsworth Longfellow has become an established part of their most cherished heritage.

This chronicler of the wanderings of their fathers after their deportation from Nova Scotia until they reached a haven among their kith and kin in French Louisiana has been adopted by them as not only their favorite poet, but also one of their greatest historians.

We are here representing the Acadians, as well as all other citizens of Louisiana, to pay homage to a great American writer and to extend an invitation to you who love the poet and his creation, Evangeline, to visit Louisiana in order that you may see how faithfully he recorded that lovely land and those who live there.

I hope that each one of you will be privileged to visit the Acadians in Louisiana. I know that you would make every effort to come to their land if I had the words today to describe properly the beauty and charm of my native State. I am sure that if you made such a visit you would realize that the Acadian wanderers have now been amply rewarded for the trials of their deportation and the long journey southward with all of the hardships which they endured.

Nearly 200 years have elapsed since the Acadians came to Louisiana and 100 years have now passed since the distinguished poet of Cambridge made these wanderers and their way of life familiar to all men. Yet today the descendants of that group live in southwest Louisiana much the same as their fathers did in Nova Scotia, adhering still to many of the old customs and traditions and holding to their quaint language.

Today is harvest time in the fertile fields along the bayous and among the prairies of southwest Louisiana. If you were to ride along one of the highways in the bayou country tonight, you would smell the sweet odor of freshly cut sugarcane and in countless factories you would see the lights gleam as the cane is crushed and its juice boiled to make sugar. There are a few of the primitive sirup mills left in which horse-drawn crushers are used, but the greater part of the cane is processed in modern sugar factories which have equipment that costs in the hundreds of thousands of dollars. Some of the plants are owned by outside interests, but more and more they are being owned and operated by the Acadian farmers themselves and financed through the bank for cooperatives.

In the western part of the Acadian country where grazed great herds of cattle during the early days of Basil, the blacksmith, and his fellow Acadians, there today thrives the valuable Louisiana rice crop. While the cane crop was developed altogether by the French in the alluvial regions, the rice crop was first grown commercially about 1804 on the prairies of southwest Louisiana by emigrants from the Midwest. At first the Acadians resented the breaking up of their grazing land, but today these same Acadians have become the leaders in rice growing, and in the rice territory many persons who bear the Anglo-Saxon names of the Yankee emigrants of 60 years ago are as Acadian as the natives. Where women are as fair as Longfellow describes that Acadian maiden of 17 summers, and where the men are well-favored, gentle, and kind, it is impossible for a staid Yankee farmer, whether he be of English, Scotch, or Irish stock, to rear his children in the Acadian section and not have grandchildren that are true Acadians.

The Acadian girl is not only fair to look upon and sweet to be around, but also superior as a wife and as a mother. However gay during girlhood, she becomes at marriage the most decorous of wives, with her entire attention centered upon her home and family.

In the land of the Acadians big families are still in vogue, and what real happiness and joy is to be found in the Acadian home where, with few exceptions, the children are like stairs in a great staircase, one following right after the other. Holidays and feast days, which are numerous, are times of family reunions and rejoicing, and how these fathers and mothers and brothers and sisters and uncles and aunts and even distant cousins love one another and with what joy they gather around the festive board on such gala occasions.

There are few drunkards among the Acadians, but wine is an integral part of all such holiday feasts. The Acadian does not gulp his liquor as the Anglo-Saxon for the effect, but sips and laughs and gaily chats with his kinsmen and his friends, one small glass lasting for an hour or more of such festivities. The wine for merry occasions may be purchased, but in many cases it is made in the home. Blackberries, the flower of the elderberries, dewberries, and many other native fruits are used for this purpose. A favorite drink for winter is cherry bounce, which is made by soaking the small native wild cherry in sugar, and later thinning this thick sirup with bourbon.

The Acadian, like all people of French descent, is a connoisseur of good food and tends to be a rather heavy meat eater. The Acadian woman, however, is very thrifty and able to make much from little. During the winter the main dish may be a heavy soup which can be made from a soup bone or a small piece of a cheap cut of meat with a so-called soup bunch consisting of only a carrot, onion or leek, and a few leaves of some green vegetable. On feast days mutton, pork, beef, chicken, goose, or duck may be the main dish. In some of the more prosperous homes three or more kinds of meat may be served at one meal. On Friday and the other fast days shrimp, fish, both fresh water and salt, crabs, and oysters form the source of the main dish. These fish dishes, delicately flavored, as only an Acadian cook can season, with bay leaves, garlic, and the different types of onion and pepper which form an integral part of every Acadian pantry, will compare favorably with the cooking of any of the world's finest cooks.

The Acadian men are usually as skillful cooks as the women and enjoy nothing so much as preparing their specialties over a camp fire. One who has not enjoyed a Good Friday fish dinner prepared and served by an Acadian man along one of the numerous bayous of French Louisiana has missed the finest in the way of food. The dish may be courtbouillon, a fish soup prepared with a roux of flour and water gravy as its base, or the more sophisticated bouillabaisse, in which special cuts of fish are prepared and placed in a cast-iron vessel, together with a layer of green pepper, another of fish, a third perhaps of tomatoes, and so on, until the pot is filled. This is then covered and placed upon a fire of coals, where the contents are cooked for hours in their own juices. It is delightful to sit on a sward of green clover in early spring and smell the delicate odor while the pot is boiling for some 2 or 3 hours. One can enjoy no finer meal than a dish of bouillabaisse, with a crusty loaf of French bread toasted brown and a glass of red wine, and even though the Acadian who serves it may never have been out of his native parish of St. Martin or Vermilion, he has enjoyed a way of life that few others know.

While the Acadian still speaks the French language, there is in his heart no divided allegiance. He is a citizen of the United States, and, as I told countless FBI investigators during the last war who were looking into the loyalty of men being considered for strategic positions, "When a man has an Acadian name, there is no need of further investigation. Without exception, an Acadian loves this country devotedly, and will give of his all to preserve it."

The Acadians are very proud that their sons have taken part in every war in which this Nation has participated. In 1779 their men went with the young Spanish General Galvez against the English in what was then West Florida, and thus weakened what might have been a successful British attack from the south upon the armies of the Colonies. In 1812–15 with Louisianians of all races and creeds, they remained loyal to their new country and aided Jackson in repelling the mighty British invasion from the Gulf. In 1845 Louisiana was, of course, the spearhead in the fight against Mexico, and in the ranks of the lost cause there were no more gallant soldiers than the Louisiana Acadians. I like to tell my students—youths named Arceneaux, Broussard, Breaux, Mouton, Landry, Martin, LeBlanc, and Hebert—of the great tribute paid to the courage of their fathers by Stonewall Jackson. These Acadians were members of the brigade commanded by Gen. Dick Taylor, son of President Zachary Taylor. Dick grew up on a Louisiana plantation and knew and liked the Acadians as few outsiders ever have. For Taylor, the Acadian soldier would fight to his utmost. At the time Taylor reported to Jackson just before one of the early engagements of the Civil War, it is related that his soldiers began playing on mouth organs and dancing with one another. When Taylor spoke to Jackson, the dour old Presbyterian remarked concerning his lack of confidence

in men who would be gay on the eve of battle. Taylor replied, "General, those are Louisiana Frenchmen. They and their fathers have made love to the women and fought the men all over the world. Please reserve your judgment of them until you have seen them in action." Surely enough, after the battle was over, Jackson called Taylor in to his headquarters and told him that, although he had seen brave soldiers, never had he seen men display such courage under fire as had those Louisiana Frenchmen.

The two World Wars were no exception to this rule of Acadian bravery. An Acadian, a country doctor, Claude Martin, of Welsh, was the most decorated Louisianian during World War I. An Acadian from St. Martinville, Brig. Gen. Robert Maraist, was one of the two American commissioners at the surrender of the African Corps during the last war. Later General Maraist commanded the Sixty-ninth Division in France. A Breaux Bridge Broussard was the executive officer who was given much credit for the survival of the cruiser *Houston* when that ship was so badly damaged during one of the early Pacific naval battles. Jefferson DeBlanc, a brave, young St. Martinville Acadian who served as a marine aviator, had the Congressional Medal pinned on him by the President of the United States. St. Martin Parish claims the honor of having more of her sons decorated in this last war than any other parish in Louisiana.

As far as loyalty to France, today there is only a cherished old memory of the connection that once existed with that nation. The severest criticism of France that I ever have heard was from the Acadian boys who were in that country either during 1917-18 or at the time of the last war. Their comparison of the people of France with those of the Louisiana French today was stringent.

The description of the Acadian would not be complete without touching upon his contribution as a citizen. I do not wish to leave the impression that I am here to laud the Acadians and to paint them as being perfect. These are—as are all groups—men with varying degrees of morality, honesty, and idealism. In Louisiana, however, as a group the Acadians are an influence for good. Where people have not been educated, where ignorance is still too prevalent, especially in the older generation, demagogs are prone to rule. However, the average Acadian is a man of high ideals, and when properly informed will choose the way of right and honor. If one were to list the leaders of the State who have been the most honorable in their public service, men who have had integrity to stand for right and the courage to carry out their convictions, one would find the names of the Acadian leaders in the forefront.

Originally the Acadians all settled on farms which they laid out along the bayous, notably those of the Teche and Lafourche. Later, as they increased in numbers, they pushed westward to the boundless Louisiana prairies, which they first used as meadows for grazing herds of cattle, then later as fields for the cultivation of rice. Families of 10 and 12 and even more children, however, soon made it necessary for other means of livelihood to be sought. Today Acadians are trappers of muskrat, miners of salt, pickers of the gray Spanish moss, trawlers for shrimp, and workers in all the industries and commercial undertakings of their native State. Literally thousands of Acadians have treked on to the new industrial cities of east Texas, and in Beaumont, Port Arthur, Port Neches, Texas City, and Houston these people comprise a large percentage of the industrial workers. The telephone directories of those cities now look like a replica of one of the Acadian cities—Lafayette, Opelousas, New Iberia, or St. Martinville.

The poet's description of the promised land sought by the wanderers as one where under the feet is a garden of flowers is literally true in Acadian Louisiana. There is no place where every month of the year there is a greater profusion of flowers. This is especially true of the winter months, which in Nova Scotia are bleak and cold, but in this Acadia are the season when the lovely camellias and azaleas are at the height of their bloom. During February and March one may stand in the second-story window on the campus of the college at Lafayette and look out over a veritable sea of azaleas, with here and there an island of Pink Perfection or Governor Mouton camellias. Forming a background for all of this bright color is the dark green of the live oak, a tree which has become symbolic of the Acadian section of Louisiana. The great masses of crepe myrtle which bloom during the late summer are just as lovely, their pink, red, and melon colors being more delicate than those of the winter-blooming camellias and azaleas. The most perfect flower of that Eden of Louisiana, however, is the wild iris, which grows in profusion along every ditch bank and all over the marshes during spring. This flower is more like an orchid than is any other blossom and is today being bred to grow as a cultivated plant.

The Acadian has been deeply influenced by all of this natural beauty which surrounds him, and in the yard of every home, humble or otherwise, there are always flowers blooming—camellias, azaleas, and many others in their season.

In Lafayette each January hundreds of Acadians gather to pay homage to the lovely camellia in a pageant which is presented annually at the college. Acadian beauties decked in the lovely blooms which the Jesuit Kather Kamel brought from the Orient long ago attract tourists from many States. These visitors are amply repaid by the beauty of the pageant and the exhibits of the hundreds of varieties of camellias of every hue and color, every size and shape, displayed in the camellia show which is held at the same time.

Later the State Iris Society, a small but enthusiastic group, hold their show, and in Louisiana it is accepted as a matter of course that such shows and festivals are always held in the Acadian section of the State.

It has been my good fortune to serve as a teacher for 28 years in the State college which is located in the Acadian section of Louisiana. I have come to know and respect and love the Acadian citizens of my State. Today with an enrollment of 3,500 students, a large majority of the students at that college are descendants of the Acadian exiles. On that beautiful Louisiana campus dotted with live oak, pines, camellias, and azaleas one may occasionally hear the patois as it was spoken in far off Nova Scotia, and there abides still among these children the gracious courtesy and genuine friendliness of old Acadia. On that campus everyone speaks to everyone else when passing and strangers coming there for the first time are impressed with the friendliness and graciousness of the people.

You will be interested to know that this college is the direct result of the vision and leadership of an Acadian leader, Robert Martin, of St. Martinville. Mr. Martin, a successful lawyer, sugar planter, and banker, in his only term of office as an elected official secured the appropriations with which to found this school for his people. Until his death in 1928, he served as an active member of the board which controls the institution. The growth and development of the college founded by Robert Martin mirrors to a great extent the development which has taken place among the Acadian people during the past half century. When the college opened its doors for the first time on September 18, 1901, admission was based upon completion of the second grade. Even then there was difficulty in securing enough students to make it worthwhile to keep the school open.

Fortunately for the college a brilliant young scholar, Edwin Lewis Stephens, was selected to be its president. Dr. Stephens was a member of an old Louisiana Anglo-Saxon family, and he was aware of the many good qualities of the Acadian people and immediately charted an upward path for this school over whose destiny he was to preside for 38 years. It had been Robert Martin's idea originally to confine the efforts of the school to vocational or practical studies, but as time passed Edwin Lewis Stephens convinced him that education of the hands alone was not enough and that regardless of vocation or profession a thorough basic education is an essential to success in all fields of endeavor.

Today the college which was guided for so many years by Edwin Lewis Stephens with the support of its founder, Robert Martin, adheres to the course which they marked out so well. Although the school now comprised of four distinct colleges or divisions, namely agriculture, education, engineering, and liberal arts, the basic subjects of English, mathematics, history, and other liberal arts courses still form the most important part of the curriculum and the selection of able teachers in those departments is looked upon as the most important phase of the college administration.

When the Acadian leader, Robert Martin, made a fight in the Louisiana Legislature for a school to serve his people, there was not a public institution of learning worthy of the name in all of Acadian Louisiana. Today within 30 miles of Lafayette in any direction one may take there are consolidated standard public schools housed in modern brick plants; enrollments of above a thousand students are a common occurrence in that thickly populated section of the State. I realize that it is daring for one from the deep South to make claims for educational progress in this very center of learning, but Hughes and Lancelot in their recent publication Education, America's Magic, aver that some States have made great advances in education in recent years compared with what they had made a few decades ago. They cite Kansas, Wisconsin, and Louisiana as examples. Much of the progress that Louisiana is making today is being accomplished within the Acadian territory, where not only the public schools and colleges are working earnestly to overcome ignorance, but where there are many efficient church schools, especially those of the Catholic faith. Catholicism is the religion of the Acadians.

During his early days in Louisiana the Acadian youth was taught by French teachers, textbooks in French being used. All books and newspapers of the people too, were in that same language. By the time of the Civil War, however, the ties with the mother country had been severed to such an extent that it was impossible to secure the French publications. There was a long period from about 1861 to the beginning of the present century when education of any kind was lacking in the South. Even after the Anglo-Saxon peoples had begun to recover from the poverty and ignorance of the post Civil War period, southern Louisiana made little or no effort to develop public education. Today, however, that section is making greater progress educationally than is any other part of the State. A recent study made by the department of education of Southwestern showed that in the Acadian parishes high-school enrollment and graduation have increased seven times more than high-school enrollment and graduation have increased for the State as a whole.

Those of us who are in educational work realize that much, much more progress is needed, but if one of you had visited Acadian Louisiana 25 years ago and had not returned until today I believe that you, too, would be greatly impressed.

Those of us who are responsible for the training of the Acadians are eager for them

to have as excellent an opportunity for education as the children of any section. We do not, however, feel that standardization of these people into an accepted mold for Americans is good either for them or for the Nation. There are those of us who are working through the schools, through the colleges, and through civic clubs to retain the beautiful Acadian language and the delightful Acadian customs. We feel that it would be a tragedy indeed to allow Heberts to become Herberts, LeBlancs to become Leblanks, or Sonniers Swinneys. We know that in Acadian Louisiana exists a basic culture and patriotism which is today found in too few places and is genuinely needed in our Nation.

If you stood today on one of the highways or roads in lovely southern Louisiana, you would see hundreds and hundreds of the descendants of the Acadian wanderers climbing into the busses which transport them to modern high schools. If you could see those bright-eyed Acadian boys, those countless maidens, many with eyes black as the berry that grows on the thorn by the wayside, I am sure you would agree with me that this Nation is fortunate indeed to have such fine children among its future citizens.

Grain-Exchange Gambling

EXTENSION OF REMARKS
OF
HON. C. WAYLAND BROOKS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Tuesday, December 16 (legislative day of Thursday, December 4), 1947

Mr. BROOKS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter from C. M. Yager, editor of the Modern Miller and Bakers News, transmitting an editorial entitled "Grain Exchange 'Gambling,'" which appeared in that publication on December 13, 1947.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

MODERN MILLER AND BAKERS NEWS,
Chicago, December 13, 1947.

Senator C. WAYLAND BROOKS,
Washington, D. C.

DEAR SENATOR BROOKS: There is a great threat to the functioning of the grain exchanges through possible Government controls, additional to those already imposed. It is likewise a serious threat to the flour-milling industry and the handling of grain.

I am enclosing you herewith a tear sheet of our December 13 issue of Modern Miller and Bakers News, and as it would be useful in clarifying congressional thinking on the speculative element in grain exchanges, I am in hopes that you can have this inserted in the CONGRESSIONAL RECORD. If, after reading this, it meets with your approval, I hope you can find the opportunity to so use it.

Sincerely yours,

C. M. YAGER,
Editor.

GRAIN EXCHANGE GAMBLING

Is there any wonder that the President of the United States lacks understanding of the fundamental basis of grain exchange trading?

There are, of course, millers who have devoted study to the essentials of this functioning, but on the other hand in many years of contact we have found successful commercial millers and others associated with the milling industry, who are equally lacking in an understanding of what is essential to sustain exchanges, commodity exchanges as well as grain exchanges.

And in our many contacts with the bakers, we have never found one who did not consider a large part of grain exchange trading as gambling.

When lawsuits have tested this evaluation of grain trading they have consistently found for the exchanges. Judges given the facts are competent to render decisions.

The grain exchanges are partly responsible for not making clear what grain exchanges do in serving the public economy. The fact that the public, Congressmen, and the President lack this knowledge is evidence of the failure. The Washington grain hearing was the first dominant elucidation that should clarify grain exchange functioning and this should include millers who think that hedging is legitimate and that they can use exchanges so that they can make a profit in processing grain without risk, at whatever price they pay for it, which they call protection. But the elements of protection many have not analyzed.

Just who can differentiate risk taking between speculation and gambling? Consult your dictionary as to taking chances which involve human efforts to progress in business or life's betterments.

Is marriage a gamble? The marriage ceremony admits that it is and it defines it when the parties accept marriage for better or worse.

If it is gambling, should marriage be stopped?

Risk is defined in different ways. If a man buys or sells real estate he is assuming a risk and 10 times more money is lost and made in real estate every year than in grain trading.

If a man buys stocks it is called speculation or investment and if he buys them for speculation or investment he takes a risk which in measure involves possibly a hundred times more than is made or lost in grain trading. You cannot eradicate the hope for gain any more than the desire for marriage. Is there a human who does not aspire to betterment through gain, be he poor man or rich man?

Is buying of Government bonds a gamble? Ask someone in Russia, Germany, or France?

Washington spends huge funds to influence bond holders not to sell their Government bonds, to precipitate a flood of selling and price decline. After the First World War many who bought bonds on faith in our Government lost money in precipitate selling to invest in better paying investments.

The element of risk is involved in every human activity. There is a risk in money. How good is Chinese money, the Russian ruble, the French franc, and the German mark? There is a great obligation in Washington to protect industry against loss to investors, infinitely more than protecting the public from grain trading in wheat. Gambling is better defined as crooked trading and this does not exist in commodity exchanges, supported by men of character, operating under legal procedure.

Crippling the grain exchanges is a serious matter. Men who attended the grain hearing in Washington asserted that the fundamental functioning of grain exchanges got the best factual presentation ever rendered. Senator TAFT was present at all the hearings. He gave studious attention and held an open mind to absorb the facts. Congress as a whole will observe the facts as given and for the first time will evaluate exchange functioning to true up their lack of knowledge and temper prejudice.

The heads of grain exchanges gave important facts to the Joint Committee on the Economic Report and of particular interest to the millers and baking trade were the statements of Mr. Henry H. Cate, president of Flour Mills of America, Inc., the only miller who presented facts. Most of Mr. Cate's statement is given elsewhere in this issue. As to regulation of exchanges, control over margins and limiting trading in grain so as to control the movement of prices, he said: "To any such legislation I am opposed. We are not speculators and do not want to be compelled to speculate. But speculation is inherent in the marketing of grain. It is in the public interest that such risks be carried by those who wish to assume them. The proposed legislation is unsound because it would have the effect of casting the burden of risk upon the trade and so upon the public.

"I am opposed to granting the Administration requests on principle. Who should have the power in such a country as ours to regulate the volume of business and to control prices? A free market in a free country should do these things without the bungling intervention of men. Does Congress want to grant power to a bureau to turn trade off and on with the purpose of influencing prices? If so, shall that power be used to benefit the producer or the consumer."

He showed how a thin trading market is a threat to the function of hedging—a real threat to the milling industry. Mr. Cate's statement should be studied.

Bankers are directly concerned. They are not going to loan money for buying and storing unhedged wheat, and they showed the committee the necessity of hedging facilities. Without hedging of flour sales there would be no forward selling of flour.

As one prominent grain man remarked, tampering with hedging facilities just a little bit is like taking a watch apart and expecting it to run with parts missing.

Major H. G. L. Strange, director of research for the Searle Grain Co., Ltd., Winnipeg, Canada, gave a vivid picture of Canadian grain trade under Government control, which has eliminated all hedging under control, price-fixing and guaranteed prices. It has resulted in lower flour prices to British and Canadian consumers but has cost Canadian farmers $419,000,000, an average of $1,600 to each farmer, making him an humble servant to the state.

Major Strange's full statement will be given in an early issue of Modern Miller and Bakers News. He concluded his statement in Washington:

"Today, in Canada, our farmers have unwittingly become merely humble servants of the state. The state is their master. Thousands of us in Canada look longingly to the United States, where farmers still enjoy the liberty and freedom fought for and won by their ancestors against kings and governments. Many of us in Canada today believe fervently that the United States is an oasis of liberty in a gradually extending world desert of human servitude.

"It was not to have their every action policed and dictated by bureaucrats, with a constant fear of fine and imprisonment for the breaking of minor regulations, that Canadian farmers made very great sacrifices in order to assist in winning two great wars for human freedom. We in Canada are hoping, therefore, that some day we may again be blessed with that same individual liberty and freedom which is still fortunately enjoyed and cherished by our brother farmers in the United States."

A United States Government agency, after investigation, recently made a report on exchange grain trading which was factually complete, outlining hedging and speculative trades. The report substantially absolved speculative trading as a dominant factor in price inflation, which couldn't be otherwise because there couldn't be buying without selling, and every buyer will eventually sell. But the concluding summary emphasized that speculative traders included bankers, lawyers, doctors, farmers, barbers, and clerks.

To deny them grain-trading facilities would drive them away from grain to the stock exchanges or real-estate trading, a slower but more potent hazard in these uncertain times.

But what the report omitted was the recent prediction by a Government official in the same department that wheat in December would sell at $4. It was an official prediction which electrified the market and made every barber and doctor and speculator buy wheat. This intemperate temptation was inspired by a Government official far beyond anything contemplated by the grain trade.

And again, if the author of the report on grain exchanges imagines that grain trade functioning can be confined to hedging, he has a lot to learn. When a billion bushel crop must be sold and buyers store it, those buyers all sell hedges. They don't buy cash wheat and buy hedges at the same time.

Without two elements, buyers and sellers, after the wheat leaves the farms, market prices would show violent shifts which this normal exchange functioning obviates. You can't take away part of the functioning any more than you can take a watch apart and expect it to run with parts missing.

Universal Military Training

EXTENSION OF REMARKS
OF
HON. ERNEST K. BRAMBLETT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. BRAMBLETT. Mr. Speaker, it is my privilege to offer for inclusion in the CONGRESSIONAL RECORD the text of what I consider to be a very comprehensive editorial regarding universal military training and its adoption by this Nation. The author of this editorial is Col. Allen Griffin, publisher of the Monterey (Calif.) Peninsula Herald, who served this country with distinction during World Wars I and II, and who is eminently qualified by his military experience to give his views on this important issue, which undoubtedly will be before the Congress soon for its determination. I commend it to my colleagues in the Congress for study and consideration.

Colonel Griffin's editorial follows:

Universal military training will be one of the most acute issues after Congress convenes in regular session, following the present special session.

Lines are sharply drawn on this issue. UMT is sponsored by the Truman administration. It has many adherents among the Republican majority in both Houses. It has strong opponents, particularly among those Republicans that will line up with the opposition already bluntly announced by Senator TAFT. It is opposed by the Wallace wing of Democrats.

While many educators favor it, organized education is opposed. Organized labor is also opposed, officially, as a matter of policy; but it is doubtful if it will make a vigorous fight against the measure. Many church organizations have announced opposition, especially the Methodist Church. Bedfellows with conservative opponents are the political left wingers.

In innumerable cases the issue is entirely an emotional one. However, it is an error to state that the entire foundation of attack on universal military training is emotional. Much of it is by critics who believe in a strong military force but who think that universal military training will not provide strength commensurate with its cost.

The people of a republic founded on essentially democratic principles, economically devoted to free enterprise, suspicious of government control over the lives of people, are not the sort who willingly agree to the drafting of youth in time of peace as a matter of principle.

Rightly or wrongly, the American people have been historically reluctant to see growth of power in the armed forces, particularly in the Army. That is a tradition from earliest times. It has repeatedly caused the disintegration of the armed forces, due to lack of appropriations sufficient to maintain even modest forces.

These conditions are coupled today with natural revulsion at the thought of war. No matter how unrealistic that attitude may be, no matter how often the error of pacifism has been offset only by the lives of allies who stood between us and the enemy in the early years of war, it is an attitude that exists and that is a factor in opposition to universal military training.

If the hopes of the world had been served by the outcome of the recent war and by the strength of a United Nations Organization as an immediate promise for long-standing peace, this newspaper would not support universal military training.

The unfortunate fact remains to confront us, that there is no peace. Although the desire for peace is greater than it ever has been among the multitudes, the affairs of the world are in the clutches of power politics as cynical and as ruthless as man has ever experienced.

The very fact of power politics has called for power to offset power, since weakness has been demonstrated to be nothing other than an invitation for an aggressor to act. It doesn't matter what a country stands for, the question of the nations and peoples caught in between is: Has it the power to uphold what it stands for?

The plagued and unfortunate people of Europe ask that question of us today. They ask it because they fear war more even than we do, because they know our repeated historical weakness that has twice within less than a generation invited attack upon our friends and our kind of a world.

UMT is a system of military training that prepares young men for the Organized Reserve.

It is not military service but preparation for military service in the event the latter becomes necessary.

It is 6 months of preparation, indoctrination, and small-unit training, an introduction to military life, after which the youth has a wide selection of his future affiliation as a reservist.

The young man who completes his 6 months of preparation may then return to his home and join the National Guard, the Naval Reserve, the Coast Guard Reserve, the Air Force, or Army Reserve, or, if qualified, some specialist branch. His future schooling or jobs are not affected any more than they are affected where young men join Reserve units or the National Guard today.

On the other hand, if he has found satisfaction and opportunity for a successful career in his period of introduction to military life, he may enlist and continue a military career—certainly better fitted to make his choice than volunteers straight from civilian life.

We are convinced that until the world takes a permanent turn for the better, with the present bitter tensions removed and an appropriate international military force provided, it is a threat to this country's safety and to the world's shaky peace for the United States to fail to construct a mighty reserve behind its armed forces while applying itself to the job of maintaining those forces at full authorized strength.

UMT will assist in maintaining the strength of the professional forces by introducing in them innumerable young men who will discover, through UMT, opportunities and advantages in military life that they do not understand or appreciate today.

In that respect it will improve the quality of the regular establishments.

UMT will fully recruit the National Guard and the various other reserves and, moreover, provide much-needed specialists for the highly specialized branches of the services. It will affiliate with the services in a reserve capacity the young men who will continue their education in science and in the professions.

In the event of a great emergency, this prior affiliation of youth in the Reserve and in its specialities would prevent the maldistribution of useful men, that has been a circumstance of previous emergencies, when the sorting out of qualifications is done in a state of confusion despite staff studies and directives to the contrary.

UMT will not be an immediate military wonder-maker. It is an introduction to military service, not military service itself.

It will take several years for the graduates of UMT to be so apportioned through the Reserves, that the Military Establishment may look upon its reserve rolls and distribution of manpower and say that this country has at last a reserve to substitute for the rapidly depleting veteran strength of World War II.

In the meanwhile, however, that strength will be developing, and the world will know that the United States has taken a practical common-sense step to maintain its military house in order. That will be a reassurance to free peoples. It will mean to them that our program to maintain our military power will stand as a deterrent to the aggressor.

To Clarify the Public Mind Regarding Highways

EXTENSION OF REMARKS
OF
HON. PAUL CUNNINGHAM
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. CUNNINGHAM. Mr. Speaker, by virtue of permission to extend my remarks, I would like to include herewith a copy of a statement by F. R. White, chief engineer, Iowa State Highway Commission, regarding the national system of interstate highways as it applies to Iowa. There has been much confusion in the public mind regarding the national system of interstate highways and the so-called superhighways. Mr. White's statement will help to clarify the confusion existing in the minds of many people regarding the Federal road program. His statement pertains to Iowa, but it is equally applicable to other States since Iowa is an average State.

The statement follows:

NATIONAL SYSTEM OF INTERSTATE HIGHWAYS

On August 3, 1947, the Federal Works Agency (U. S. Public Roads Administration)

announced from Washington the designation of the national system of interstate highways. In Iowa the routes so designated include U. S. Road No. 6, east and west across the State; U. S. Road No. 69, north and south across the State; U. S. Road No. 75, from Sioux City to Council Bluffs; U. S. Road No. 275, Council Bluffs south to the Missouri State line.

Numerous articles in the press and many inquiries addressed to this office indicate a widespread misunderstanding of this matter. This memorandum is written to set forth the facts.

1. DESIGNATION OF THE NATIONAL SYSTEM OF INTERSTATE HIGHWAYS

Section 7 of the Federal Aid Highway Act of 1944 provides:

"SEC. 7. There shall be designated within the continental United States a National System of Interstate Highways not exceeding 40,000 miles in total extent so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of the National System of Interstate Highways shall be selected by joint action of the State highway departments of each State and the adjoining States, as provided by the Federal Highway Act of November 9, 1921, for the selection of the Federal-aid system. All highways or routes included in the National System of Interstate Highways as finally approved, if not already included in the Federal-aid highway system, shall be added to said system without regard to any mileage limitation."

That is all there is in the Federal laws pertaining to this matter. The law merely provides for the designation of certain roads to be called the National System of Interstate Highways.

2. FUNDS FOR IMPROVEMENT

There are no funds earmarked for the improvement of roads included in the National System of Interstate Highways. These roads are a part of the regular Federal-aid road system (primary roads). They are, therefore, eligible for improvement with regular Federal-aid road funds (primary-road funds) the same as any other part of the primary-road system.

3. PROGRAM OF CONSTRUCTION

There is no special program for the construction of the roads included in the National System of Interstate Highways. These roads must await their turn in the construction line-up, the same as all other parts of the primary-road system. If, as, and when necessity may require and funds may be available for improvement of any particular section of road included in the National System of Interstate Highways in this State, such section will be improved. The same is true of any other portion of the primary-road system. Inclusion of any road in the National System of Interstate Highways does not give that road any priority of improvement over any other part of the primary-road system.

4. NATURE OF IMPROVEMENTS PROPOSED

Contrary to popular concept, there is no plan or proposal for the building of superhighways, or four-lane highways, or divided-lane highways, or military highways. Each section of the National System of Interstate Highways, when it is built, will be designed to conform to the traffic which that section of the road then carries or may reasonably be expected to carry in the near future. In other words, the improvements on any road included in the National System of Interstate Highways must be designed to fit the traffic on that road. That is just what is being done now on all primary roads. It would be foolish to put number 12 shoes on a 10-year-old boy. It would be equally foolish to build a four-lane road or divided-lane road on a highway where an ordinary two-lane road is sufficient to carry the traffic.

5. TRAFFIC

Traffic records of the State highway commission show that the roads in Iowa, outside of cities and towns, which are included in the National System of Interstate Highways, now carry traffic as follows:

(a) Lowest traffic section, 560 vehicles per day.

(b) Highest traffic section, 5,300 vehicles per day.

(c) Number of miles on which the annual average daily traffic is 2,700 vehicles or less, 550.

(d) Number of miles on which the annual average daily traffic is 2,700 to 3,300 vehicles, 26.

(e) Number of miles on which the annual average daily traffic is 3,300 to 5,300 vehicles, 28.

(f) Number of miles on which the annual average daily traffic is over 5,300 vehicles, none.

(g) Total mileage of the National System of Interstate Highways in Iowa outside of cities and towns, 604.

6. WIDTH OF PAVEMENT REQUIRED

The standards adopted by the United States Public Roads Administration applicable to projects on the National System of Interstate Highways, require various widths of pavement and numbers of traffic lanes, depending on the amount of traffic on the particular section of road under improvement. Stated in simple, easily understood language, these standards require,

(a) Where the annual average daily traffic is 2,700 vehicles or less, a two-lane pavement 22 feet wide, is required.

(b) Where the annual average daily traffic is more than 2,700 vehicles and less than 3,300 vehicles, a two-lane pavement 24 feet wide is required.

(c) Where the annual average daily traffic is 3,300 vehicles or more, but not over 5,300 vehicles, a 4-lane pavement 48 feet wide is required, but dividing the pavement into separate slabs for traffic moving in opposite directions, is not required.

(d) Where the annual average daily traffic is over 5,300 vehicles, a divided pavement of four lanes or more is required.

Applied to the traffic volume on the Iowa portions of the National System of Interstate Highways, as shown in the preceding paragraph, we find these standards require—

1. Two-lane pavement 22 feet wide on 550 miles.

2. Two-lane pavement 24 feet wide on 26 miles.

3. Four-lane pavement 48 feet wide but not divided, on 28 miles.

4. Divided pavement, none.

Total mileage of national system of interstate highways in Iowa, outside cities and towns, 604 miles.

Thus Iowa traffic is such that on 95.4 percent of the mileage of the National System of Interstate Highways in this State, only two-lane pavement is required by the standards adopted by the United States Public Roads Administration.

The Iowa State Highway Commission's standards for two-lane pavements on primary roads which carry 800 vehicles per day or more, call for pavement 22 feet wide. These standards have been in effect since before the end of the war.

7. WIDTH OF RIGHT-OF-WAY

On a road of the National System of Interstate Highways where the traffic is such that a two-lane pavement is all that is required (and that includes 95.4 percent of all the mileage of such highways in the State of Iowa) a right-of-way 120 feet wide is required as an ordinary minimum standard. That is the same width of right-of-way as is now being purchased, and has for the past several years been purchased for all primary roads. Additional width of right-of-way (over and above 120 feet) will be purchased on national interstate routes where necessary on account of deep cuts or high fills, just the same as additional right-of-way (over and above 120 feet) is purchased where needed, on regular primary road projects.

8. IMPROVEMENTS NOT MATERIALLY DIFFERENT

The kind and timing of improvements on the roads in Iowa included in the National System of Interstate Highways will not be materially different from the kind and timing of improvements on other parts of the primary road system which carry a comparable amount of traffic. The entire mileage of the National System of Interstate Highways in this State is now surfaced with pavement. Some of this pavement is badly battered by traffic and the elements, and must be replaced within the next few years. Some of this pavement is in excellent condition and may reasonably be expected to provide suitable traffic service for many years.

Improvements on these national interstate roads will be made as needed and as funds may become available. The kind of improvement on each portion of the national interstate system will be determined by the traffic requirements. There will be no building of four-lane roads to handle two-lane traffic. Nor will two-lane roads be built to handle four-lane traffic.

The same may be said with respect to the improvement of all other portions of the primary road system. In fact, the improvement of the national interstate routes and the improvement of the other parts of the primary road system will move along together. The type and kind of improvements built on both of these groups of roads will be based on the traffic requirements.

9. SUPERHIGHWAYS

In the press and in popular conversation the national system of interstate highways is frequently but erroneously called superhighways. They have never been so referred to by any official source. The term "superhighway" is a popular or catch term which has no exact meaning. It does not appear in the 1939 dictionary. Insofar as the word "superhighway" has any real meaning, it may be assumed to refer to a multiple-lane, divided highway, on which access is controlled and limited to certain infrequent points; a land service road is constructed on each side of the main highway to provide local service for adjacent properties, and cross traffic at grade is eliminated by grade separations. That is a far cry from the two-lane roads which will be built on a very large percentage of the mileage of the national system of interstate highways in the State of Iowa under the standards of construction applicable to these roads. Traffic on about 95 percent of the mileage of the roads included in the National System of Interstate Highways in Iowa is such that the construction of multiple-lane pavements, or anything approaching "superhighway" proportions, is not necessary, nor is it economically justifiable. No one in an official capacity has ever proposed such a program.

Succor and Propaganda

EXTENSION OF REMARKS
OF
HON. GEORGE B. SCHWABE
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I am pleased to quote the following editorial, which appeared in the Tulsa Daily World, Tulsa, Okla., December 8, 1947:

SUCCOR AND PROPAGANDA

There is a big natural question: What will be the mental and moral effects of our impending help upon the people of Europe?

It is a fact that we have not properly prepared the ground for the large crop of gratitude and appreciation we may expect to reap. It may be that most Europeans will be more hostile, sullen, and suspicious after aid than before. These possibilities are not factors in the legislation at Washington just now, but they are matters to think about in the whole period of operation and experiment. What we are trying to do is, to put it baldly, head off communism and thus prevent all Europe being openly and formally hostile to us and our way of life. The liberal samples of life we expect to send over should be preceded, accompanied, and followed up by more intelligent publicity than we have ever had. Europe and America are suffering from misconceptions, and Russia has carefully fostered bad impressions both ways.

The matter of propaganda has come alive. The word itself is a hateful one which we derived from the First World War, but it sticks in our vocabulary and in world practices. Senator HENRY CABOT LODGE, who spent several months in Europe, says: "My broad conclusion is that in western Europe we are losing the battle for men's minds. The most improbable and unsavory things about America are being widely circulated. More unfortunately they are also being widely believed * * * The lies that the Communists tell are being repeated so often that, like drops of water wearing away stone, they are making a real impression. * * * I am convinced that a Government information bureau, beneficial though it is in a limited sense, is only a drop in the bucket. Due to the war and enemy activity, the great problem was and is how to get the message abroad."

There have been experiments. We tried broadcasting messages to Russia, but testimony of observers is that the people did not listen. The intelligensia listened, but that doesn't help much. Russia, like most of Europe, has many wrong conceptions of the United States and Americans.

The idea extant in Europe, outside Russia as well as inside, is that Americans are rich, greedy, vulgar, selfish, and unappreciative. Didn't they let us whip Germany for them? Their generosity in that respect entitles them to everything we have, so they claim, and they say now we are holding out on them and not doing all we can. Simple reasoning is that wheat is the greatest necessity in Europe; that we have about all the money in the world; that Argentina has the wheat; hence, why don't we buy all Argentina's wheat and ship it over. The people point to our extravagant tourists and spending soldiers and the big, shiny automobiles as evidence that everybody in America is rich. They don't believe that a great many of our people are poverty-stricken and that real suffering comes to a vast number of our families and that some of our resources are strained.

Just what can be done by palpable, conscious propaganda is uncertain. But it is certainly incumbent upon our Government, particularly the State Department, to adopt sensible, realistic methods of putting our message across along with our aid.

Do Ye Even So

EXTENSION OF REMARKS
OF
HON. GEORGE W. ANDREWS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. ANDREWS of Alabama. Mr. Speaker, under leave to extend my remarks, I include the RECORD the following thought-provoking and constructive editorial written by Mr. Horace Hall, publisher of the Dothan Eagle, Dothan, Ala.:

DO YE EVEN SO

The troubles that beset this chaotic world today are so unnecessary that Shakespeare's "What fools these mortals be" is probably more applicable now than at any time in world history. By the simple application of the Golden Rule all the distrust and suspicion that forbids the meeting of minds of our leaders would disappear as if by magic.

If Mr. Molotov should suddenly decide to apply that rule in his deliberations with other members of the Big Four at London, and if they, in mind, were willing to meet him halfway, how quickly peace could be restored to the world. Gone would be the bickering and conniving, the threats and demands.

Just suppose the Jews and Arabs, now at each other's throats in the Holy Land—on whose very soil the lowly Galilean teacher spoke the undying words from which stemmed this great rule—should remember what He said, and decide to live peacefully together. What a difference it would make in the world picture.

Near the close of His Sermon on the Mount, as recorded by St. Matthew, the Master said: "Therefore all things whatsoever ye would that men should do to you, do ye even so to them; this is the law and the prophets."

Upon these words most of the common laws of the world are based. There is no need for any law in any land except that man should "do unto others as he would have others do unto him." One is led to wonder why in the name of common sense people are such fools. Why do they bring upon themselves so much trouble and grief, when it would be so simple to keep it away?

God, we are told, was pleased with His handiwork after He had made the world. Then He made man and His troubles began, and there will be no end to these troubles as long as the world stands, unless men decide to live with one another without greed. For it is greed, perhaps more than anything, that causes men to fight wars and make conquests. Greed for gold and greed for power.

We have just come through the greatest war in the history of mankind. More fearful weapons than ever before were used in this last war. Even more fearful ones are even now being manufactured for the destruction of men and nations.

It is an awesome thought that in the twinkling of an eye whole cities can be reduced to rubble, thousands of lives snuffed out, and thousands more maimed to a life of misery and suffering.

All because man is trying to run the world his way, without taking a thought toward running it God's way. The Galilean has shown the way to peace and happiness for all the world, for all nations, and for all men of all races and creeds. His rule is no halfway measure, for He says, "all things whatsoever."

In this United States of America, whose very Constitution is founded upon the principles of Christianity, the principles laid down in the Golden Rule, we have the key to the solution of the world's ills. We know the way—we know God's way. Let us then arise and heed God's way, and point the way for the rest of the world, for as "ye would that men should do to you, do ye even so to them."

Taxes Should Be Earmarked To Insure Debt Retirement

EXTENSION OF REMARKS
OF
HON. SID SIMPSON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. SIMPSON of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Quincy (Ill.) Herald-Whig:

TAXES SHOULD BE EARMARKED TO INSURE DEBT RETIREMENT

This Nation is carrying the biggest national debt ever borne by any country at any time, yet many of those who were alarmed over the relatively small debt at the end of World War I or the deficits of the thirties appear unconcerned at the huge obligation incurred during World War II. It may be that unusual conditions become commonplace through long association or that faith in the country's economic power has been strengthened.

The fact remains that the United States Government owes to the people of the country a total of $258,000,000,000, with interest. Broken down, this is an average obligation of $5,540 for each American family. In addition, there are heavy State, county, and municipal debts in many areas. But for the average family the national debt is sufficient source for worry. It represents, under normal conditions, more than the value of the average home and more than the average family's savings over a long period.

America is rich in resources and it is currently prosperous. But the economic history of our own and other nations proves that prosperity never is static. It varies often. Good days are followed by times that are not so good. Perhaps the world will find a formula for permanent prosperity as well as for permanent peace. But that remains in the field of wishful thinking.

The most disturbing thing is that no provision has been made for systematic liquidation of the national debt. Congress goes along from year to year in the hope that after all bills are paid there will be something left for debt retirement. But no specific provision has been made to insure regular payments.

The Nation's finances would be on a better permanent basis if certain sources of revenue were earmarked for debt retirement, or if a fixed portion of the income tax could be reserved, by congressional action, for application on the debt. This would make possible the orderly liquidation of the debt within a period of time—say, 75 to 100 years.

It also would result in a steady reduction of interest charges and would be an added guarantee of sound currency. Similar plans have been used in financing road building in Illinois and in many other things. Financing of private debt usually calls for a schedule of payments and proof of the probable ability to meet them. Uncle Sam is the only borrower who is able to get money in large amounts without a sound plan for repayment.

No nation can prosper for long with unsound financial policies. Our currency is the world's strongest, but so long as an unfunded debt hangs over it there can be no guarantee of continued strength. A long-range program of amortization is as necessary in the case of public indebtedness as in private financing. It is folly for officials or private citizens to refuse to admit the cold fact that the public debt is a mortgage on the future of every citizen.

It is high time for Congress to set up a plan of earmarking certain revenues for debt retirement and for no other purpose. This is more important to the future economy than tax reduction or any of the suggested credit or monetary controls.

Bill To Remove Duty on Imported Exposed Medical X-Ray Films

EXTENSION OF REMARKS
OF
HON. AUGUST H. ANDRESEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I have introduced H. R. 4739, which proposes the removal of the tariff duty on exposed medical X-ray films which are frequently brought into this country for medical purposes. The bill has been referred to the Ways and Means Committee for consideration. The language of the bill provides:

That paragraph 1629 of the Tariff Act of 1930 is hereby amended by inserting after "Par. 1629." the letter "(a)", and by adding at the end of the paragraph a new subparagraph to read as follows:

"(b) X-ray film, exposed, whether or not developed."

I desire to point out that thousands of people from other countries come to the United States each year for medical treatment. Many of these sick persons have been under treatment of local doctors in their respective countries. Frequently local doctors have made X-rays showing the progress of the disability of the patient. The use of such X-ray films by doctors in this country can be very helpful in the making of a proper diagnosis. These X-rays should be made available without governmental delay and red tape, and without the payment of duty.

Exposed X-ray films serve only one purpose and enter the United States in relatively small quantities. Individuals coming to the United States for the purpose of consulting physicians or clinics because of physical ailments frequently bring X-ray pictures as an aid to the examination. Some exposed X-ray films are sent to this country by mail, also for the purpose of scientific examination. The importers are clinics, institutions, hospitals, and physicians.

In many cases the X-ray films are reexported after examination, either being taken out by the owner or mailed out by those who have studied them.

There seems to be no particular reason why such films brought into the United States should be dutiable. The imports are so small that the revenue collected is insignificant and the costs of collection probably exceed the amount collected. On the other hand, X-ray films brought into the country frequently are used in emergency cases and any delay at ports of entry is objectionable.

There is no competitive industry in the United States as X-ray film is not exposed except for the purpose of taking a particular picture to be used for medical purposes or to expose flaws in various types of apparatus and is of no value except for the particular purpose for which it was exposed.

Although X-ray is used in the examination of articles in order to discover flaws or weaknesses, there is little need for the shipment of exposed films used for this purpose. Used X-ray film after it has served its original purpose is considered waste. Small quantities of this waste have been imported into the United States mixed with waste motion picture and other film. The amount has been and is likely to be inconsequential. It seems, therefore, unnecessary to restrict the free entry to exposed X-ray film for medical purposes only. To do so would make administration difficult and would offer little protection to any domestic industry.

Not the Nation's Wish, but Washington's Will

EXTENSION OF REMARKS
OF
HON. WILLIAM C. COLE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. COLE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following poem by Horace C. Carlisle:

NOT THE NATION'S WISH, BUT WASHINGTON'S WILL

Immediately under the spacious rotunda,
  Beneath the great Capitol dome,
The crypt was perfected—but later rejected—
  For Washington's last earthly home;
For he had requested, as his will attested,
  To be laid away, to his rest,
To sleep through the stages of Time's ageless ages,
  As Mount Vernon's time-honored guest.

While, like a song-poem, the river below him
  Sings on 'neath the sky's changing gleam,
Unharmed and unhurried, unwatched and unworried,
  He wished there to silently dream,
In unbroken slumber, through years without number,
  Till his Lord and Master shall come,
And gently awake him, and lovingly take him
  To his waiting, eternal home.

Yes, directly under the vaulted rotunda,
  Beneath the world's most noted dome,
His Nation intended that, when his life ended,
  He should rest in this rock-wrought home;
But, since he requested to sleep, unmolested,
  At Mount Vernon, he's laid away,
Contentedly sleeping, in her care and keeping,
  Until dawns the great perfect day.

—*Horace C. Carlisle.*

A New Labor League

EXTENSION OF REMARKS
OF
HON. LAURIE C. BATTLE
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. BATTLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Birmingham Age-Herald on December 11, 1947. I would like to commend it to the Members of this House:

A NEW LABOR LEAGUE

The American Federation of Labor has decided to enter the political scene to an extent unprecedented for that organization. Samuel Gompers always advised against the kind of action the organization he headed so long has now agreed to take. The whole aspect of labor-management relations has changed so greatly since Gompers was alive and active that one may wonder whether he would have been as strongly as ever opposed to the political line now under promotion by his successors.

For the AFL has announced that its present aim is to "house clean" Congress. President William Green says that every Member of Congress will be rated according to his stand on labor legislation and that no Member who voted for the Taft-Hartley bill will get an endorsement for reelection. His hope is that a fund can be raised quickly for political purposes; if every one of the 8,000,000 members contributes a dollar there will be a huge sum to be expended for what the AFL calls favorable propaganda. Thus, through the sponsorship of what President Green has announced as Labor's Educational and Political League, the hope is that an organization as potent as the older Political Action Committee of the CIO may come into being.

Mr. Green insists that labor must have the chance to express its own point of view. He is correct in that statement. No fair-minded person would have the leaders of labor muzzled before the American public. Green points out that the NAM has funds to pay for newspaper advertising and radio time; he insists that labor's cause must be as widely publicized. His plan cannot be criticized insofar as it intends to present widely the beliefs which labor holds important.

Nor can there be any objection to any group of Americans binding together for political preferment so long as they stay within the provisions of the law. The AFL has every intention of doing that. But there is a danger if any large organization, no matter whom it may represent, chooses to press its beliefs by concerted action upon any individual or group of individuals who choose to withstand them. The danger lies in use of pressure. It is unsound, too, to pass judgment on a Congressman on the basis of his vote on one measure alone. If the fund is used for educational purposes and if no harm is ever done

to the civil rights of any individual, no matter what his views, the move may be constructive in some respects.

But it is well to point out that any building up of a cleavage between classes is essentially dangerous. It is probably well that no two persons can agree about everything all the time. Should the time ever arrive when labor and management are arrayed in two utterly hostile camps which rank behind them all their sympathizers on either side, then we should likely see a calamity descend upon our Government and our land. It is only by the American system of give-and-take that we can accomplish the feat of living together in amity, of disagreeing at times with good nature, and of cooperating frequently for the welfare of all.

If the American Federation of Labor can use the newly created Educational and Political League for purposes consistent with the American tradition of fair play, it may prove a good thing. If it ever becomes a hardened group of die-hards who never see any point of view but their own, then it may lead to serious new trouble.

Keep America Strong

EXTENSION OF REMARKS
OF
HON. ROBERT J. TWYMAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. TWYMAN. Mr. Speaker, under leave to extend my remarks, I wish to include a resolution adopted by the executive council of the International Association of Machinists. I believe that we are all concerned about the unsettled condition which exists in the world today. While we hope for peace we do not dare let down our guard. The best insurance that we have against war is a strong, well-prepared United States of America. No country would dare to attack us or any country in which we were interested, if it is known that we are well prepared to withstand attack or aggression.

RESOLUTION ADOPTED BY THE EXECUTIVE COUNCIL, INTERNATIONAL ASSOCIATION OF MACHINISTS, IN SESSION, NOVEMBER 17-DECEMBER 5, 1947, WASHINGTON, D. C.

Whereas the international situation respecting relationships between the great powers continues to deteriorate and the concepts of democracy are being challenged in the international field; and

Whereas the democratic-minded allies of the United States are being forced to reduce their military strength as a result of critical economic conditions growing out of the war; and

Whereas the sudden outbreak of a future war may endanger the whole idea of democratic government and will give the United States little time to revamp its production machinery for war production: Therefore be it

Resolved, That the executive council of the International Association of Machinists recommend to the Federal Government that it undertake every possible measure designed to increase the armament potential of the Nation—on land, sea, and air—through continuing experimentation and expanded production; and be it further

Resolved, That copies of this resolution be furnished to the President of the United States and to every Member of the Senate and the House of Representatives.

Tax Revision

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. McDONOUGH. Mr. Speaker, taxation determines the type of government we have. The kinds of taxes levied, the amount of taxation, and the use of funds raised by taxation affect the individual lives of all of us.

It is generally recognized that Federal taxation must undergo some revision in the immediate future, and that reduction of some taxes is necessary and elimination of many excise taxes should be considered. Readjustment of the Federal-State tax relationship also should have attention when the tax problem is considered by Congress.

The joint conference of Representatives of the Congress of the United States and of the Governors' conference has issued a statement concerning the need for tax revision and long-term objectives toward which we may work. I recommend this statement which follows to the Members of the House for their consideration:

STATEMENT OF JOINT CONFERENCE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES AND OF THE GOVERNORS' CONFERENCE, SEPTEMBER 27, 1947, CHICAGO, ILL.

We recognize that the power to tax is the power to destroy. But it is equally true that a sound, coordinated use of the taxing power of all levels of our Government can contribute to the strength and durability of the American system.

Tax systems and the raising and spending of public moneys substantially determine in the last analysis the type of government we have.

The American form of government is founded upon the principles of local government and citizen participation in government. If these principles are to be developed and maintained—local, State, and Federal governments all must be strong.

The unprecedented high total tax bill now being paid by the American taxpayer to support all levels of government requires an immediate readjustment of the Federal-State tax relationship for the purpose of preserving a working Federal system.

This conference of Representatives of the Congress and Governors of the States, recognizing these principles, has agreed on a plan of action and has demonstrated that the problem is a joint problem and that progress can be made toward constructive solution by joint action.

To achieve a higher degree of efficiency, reduce duplication, and achieve economy and stability in our coordinated system of Federal, State, and local governments, our States must cease relying upon the Federal Government to do things for them and their citizens which they can do for themselves as well as, or better than, the Federal Government. In order that the State and local governments may be enabled to assume those functions, the Federal Government should reduce those taxes which can be administered best by State and local governments.

The accomplishment of these objectives is largely dependent upon economy in government and the establishment of fiscal self-sufficiency among the various levels of government. Reduced governmental expenditure is a prerequisite to tax reduction and payment of the national debt.

These are long-term objectives, but first steps can now be taken. Accordingly, this conference is of the opinion:

1. That the Federal Government should reduce Federal excise taxes as soon as practicable; [1]

2. That the Federal Government should amend inheritance and estate taxes to provide more equitable division of this revenue between the Federal Government and the States;

3. That the Federal Government should relinquish to the States the Federal tax on employers levied to cover the administrative expenses of the State employment security programs, and the States will assume the responsibility for the administration of the unemployment compensation and employment service programs;

4. That the Congress take the earliest possible action to correct by Federal law the income-tax inequities existing between the community-property and the non-community-property States;

5. That the States should avoid encroachment upon tax fields which are peculiarly adaptable to Federal uses.

The Conference believes that the beginning here made has demonstrated the desirability of cooperation between the Federal Government and the States in the consideration of tax and revenue problems. It is therefore recommended that the procedure initiated at this Conference be established on a continuing and regular basis.

Alaska Land Problems

EXTENSION OF REMARKS
OF
HON. E. L. BARTLETT
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. BARTLETT. Mr. Speaker, the matter of Indian land ownership in Alaska has been a vexing problem for several years. Now, it seems more than ever urgent that some settlement based upon justice to all parties be arrived at with least possible delay. Such settlement will remove beyond all possible doubt any barriers which may exist with reference to title to the great forest lands of southeastern Alaska. These forests, constituting the major timber reserve of this Nation, can provide an inexhaustible supply of pulp for the manufacturing of paper. Question as to title has been one of the stumbling blocks in the way of entry of the pulp industry to Alaska. I had occasion recently to express my views on this subject in a letter written to Mrs. Josephine Peele, president, Camp 14, Alaska Native Sisterhood, Ketchikan, Alaska, and, under permission to extend my remarks, that letter is reproduced here:

DECEMBER 13, 1947.

Mrs. JOSEPHINE PEELE,
President, Camp 14,
Alaska Native Sisterhood,
Ketchikan, Alaska.

DEAR MRS. PEELE: I have received your radiogram, dated December 12, which reads as follows:

"Alaska Native Sisterhood, Camp 14, ask you protest Joint Resolution 162."

Senate Joint Resolution 162 was introduced December 4 by Senator BUTLER, chairman of

[1] Special consideration should be given to local telephone calls, intrastate electric energy, gasoline, and admissions taxes.

the Senate Public Lands Committee, for himself and Senator WATKINS, of Utah. On the same day Congressman D'EWART, of Montana, introduced an identical joint resolution in the House of Representatives. It is styled House Joint Resolution 269. Congressman D'EWART is chairman of the House Public Lands Subcommittee on Indian Affairs.

These joint resolutions, after a general statement in the preamble, seek repeal of section 2 of the act of May 1, 1936, which gives the Secretary of the Interior authority to establish Indian reservations in Alaska. They also rescind the orders of the Secretary of the Interior heretofore made with respect to the establishment of reservations at Akutan, Karluk, Wales, Unalakleet, and Venetie, or any other Indian reservations in the Territory of Alaska.

Since your radiogram was the first message received by me from Alaska seeking to ascertain my position with respect to these joint resolutions, I consider it appropriate to reply to you in some detail so as to outline my position on reservations and related subjects. It should be noted here that before Senator BUTLER and Congressman D'EWART introduced the resolutions in the Senate and House, respectively, I had been requested to take such action by the Ketchikan and Juneau Chambers of Commerce and the Ketchikan Bar Association.

As I see it, the problem relating to Indian lands in Alaska is threefold, and a considerable degree of confusion exists in the public's mind about the whole issue. The three phases now of interest revolve around:

1. Reservations.
2. Validity of House Joint Resolution 205.
3. Aboriginal possessory rights.

Such research as I have been able to make convinces me beyond all measure of doubt that section 2 of the act of May 1, 1936, was not intended for other than establishment of comparatively small reservations for townsites and related purposes. The history of congressional understanding and action on the bill demonstrates that. I do not think any of us could quarrel with such usage of power granted by the act. Certainly, such protection could often be justified for the benefit of the native people.

It was not until some years later that a different interpretation of section 2 was arrived at. Use of the 1936 act for much broader purposes is well exemplified in the creation of the Venetie reservation in the Chandalar district of northern Alaska. There something like 1,400,000 acres were set aside for a total population variously estimated to number between 23 and 400 persons. In one of the last speeches, if not the last, he made on the floor of the House, former Delegate Anthony J. Dimond called attention to the alarming trend toward the establishment of big reservations.

Weighing the possible economic advantages that would be gained by reservations as against the deficiencies of the reservation system, the Alaska Native Brotherhood and Alaska Native Sisterhood for a number of years stood for an anti-reservation policy. Although I have not yet seen the resolution adopted at the Thirty-fourth Annual Convention at Hydaburg, my information is the organizations have now reversed their positions.

Notwithstanding, it still seems to me that reservations will not and cannot provide the answer to the problem which is ours in Alaska.

It is my firm belief that no matter what is said to the contrary, reservations mean more and more Government control and less and less individual initiative and right. With reference to the Indians of Southeastern Alaska, I maintain that our economic resources are sufficiently great to permit them to gain a better living than they now can without resorting to a system which certainly has not been a shining success in the States.

One has only to study the reservation system in the United States proper to agree with those who allege that it has overwhelming defects and deficiencies. Admittedly, the Indians in the States were oftentimes placed on the least desirable and productive lands and that is one reason for their inability to prosper.

The situation in southeastern Alaska may be and, in my opinion, is quite different with respect to economic opportunities and natural resources.

I know that those in Washington and those elsewhere who favor these reservations in Alaska—I refer now to the white proponents of the reservation idea—insist that the Indians would have a free hand and would not be hedged about by Government restrictions. But I do not believe it. Government has a habit, when it has the power, of edging in and taking over whenever it has the opportunity. We all see this in our daily lives and the observation does not have to be confined to the Government's relations with the Indian people.

Few Americans, indeed, would trade away their democratic rights for a slight economic gain. And I submit in all sincerity that some of those rights would have to be traded away once the reservation system had reached full flowering in Alaska. An Alaska Indian leader has repeatedly called upon the Government to restore his people to the status of free men and women. Certainly, they are infinitely freer now than they would be as reservation people. They would not have title to the land upon which they lived. And I predict that notwithstanding everything they may be told that once they were established upon reservations their lives would be more or less directed by rules and regulations utterly foreign to them.

No, I cannot believe that reservations can ever provide the answer. I can understand, however, why the Indian people who have felt themselves neglected and deserted and left alone could come temporarily at least to the conclusion that they should advocate reservations. I hope that when they have thought the problem through they will reverse their present position and revert to that stand they formerly advocated. It could well be that some of their distant friends who are lavish with great and grandiose promises to them have painted false pictures. That, I think, is one of the great tragedies of the present situation. There are men and women, some quite new to the Alaska scene, who have given assurances which never, never can be fulfilled. Bitterness unrestrained will be the natural sequel but these men and women who do not live in Alaska and who have never lived there will be as alien to that as they are to the realities of the present moment.

Allow me to give you a concrete illustration. There was introduced in the House of Representatives, on June 16, last, H. R. 3859. This is a bill "To authorize the leasing of salmon-trap sites in Alaska coastal waters, and for other purposes." Upon its face this bill would reduce the number of traps controlled by present operators by means of a preferential schedule and would, it was argued, be beneficial to the Indians because they would have opportunity to obtain some of the traps released by the larger operators. Long before the bill was introduced there were various meetings and conferences on the desirability of having such legislation. From the very first I attacked this proposal because I saw it as an instrument designed to give owners of salmon traps a legal right to that device. My opposition has not diminished since the bill was introduced, although a then Assistant Secretary of the Interior appeared before both House and Senate committees early last summer in support of the bill.

In a letter which appeared in the magazine The Nation on October 4, 1947, Miss Frances Lopinsky, a law associate of Mr. James E. Curry, took me drastically to task for protesting "vigorously against Secretary Ickes' antimonopoly regulations." Those regulations, which never came into being are now sought in the bill above described. If there is one Indian in Alaska in favor of that bill I failed to find him on my visit to the Territory last summer. I wonder if Miss Lopinsky will go before the congressional committees when the regular session of Congress starts in January in support of that bill. I wonder. Likewise, I wonder if the Department of Interior will continue its support of the measure. I have a feeling that some of those who thought I was taking an antinative position when I attacked this bill may now be ready to admit privately I was right. I cite this merely in an attempt to demonstrate that some of the white friends of the Indians who actually live in Alaska—and I am proud to count myself as one of these—have more real understanding and fuller comprehension of the realities than those so distant from the scene of our daily lives that they can deal only in theories, not in realities.

The Butler resolution and the D'Ewart resolution would never have been introduced if there had always been prudent employment of the powers granted under section 2 of the 1936 act. And especially would they not have been introduced if the word had not spread that those powers were intended to be used in ever increasing measure.

Referring to the intention or purported intention of the Indians of Kake and Kasaan to sell timber to a New York corporation, you will remember the United States Forest Service has publicly stated it will resist in the courts any such attempt. That, I should think, will be exclusively a matter for determination by the courts. Congress has acted by passing House Joint Resolution 205. If a suit is brought in court, that would simply be carrying to a logical conclusion the belief expressed before congressional committees by the counsel for southeastern Alaska natives that the provisions of the resolution are not constitutional. Concerning this, I do not think there is anything further for Congress to do.

Now as to the matter of possessory rights. All of us will agree this is a subject the final determination of which must be reached at the earliest possible moment. The trouble is, all of us have been saying that for a long time and nothing has happened. There is an exceedingly sharp divergence of opinion as to what course of action should be taken to bring about settlement. For my part I had hoped it could be done through the courts. There the issue could be dealt with on its merits. There the emotions which increasingly surround this issue would be lacking. There we could hope the facts, and the facts alone, would prevail. But I note increasing belief on the part of some lawyers who have studied this problem that it is going to be a matter of great difficulty to present the issue, complete and in one package, for early judicial determination.

There is, of course, the alternative method of congressional settlement. Here again there is difference of opinion as to what method of legislative procedure ought to be followed. One school of thought has held out for a simple extinguishment bill giving the Indians access to the Court of Claims where they could present their case for compensation. This proposal for court action should not be confused with the proposal previously referred to for settling the existence or nonexistence of aboriginal rights through the Federal courts. Another school has urged that the hearing method heretofore employed should be continued with congressional blessing. The findings of the board or boards appointed thereunder by the Secretary of the Interior would have to be later ratified by Congress to become effective, I have joined with those who have urged this latter plan if the matter is to be settled by

Congress. In fact I have introduced a bill along those lines. A preliminary hearing took place last summer before the House Subcommittee on Indian Affairs of the Public Lands Committee. The Department of the Interior testified for the bill and the salmon industry and the Forest Service against it. Nothing further has been done. It is impossible to predict what the outcome will be in the presence of this opposition. An extinguishment bill of the type first referred to would also run into difficulties. I for one, as I have stated many times in the past, would offer such opposition as I could to such a bill because I do not think it gives the Indians an even break.

It had occurred to me that my bill, which is H. R. 190, might meet with more favor from its opponents if an independent commission were appointed to conduct hearings in Alaska instead of a board named by the Secretary of the Interior. I am advised informally by industry, however, that opposition would not be withdrawn. The position of industry as explained to me is that its fundamental objection to such a bill is because passage would indicate congressional acknowledgment of the existence of aboriginal possessory rights, and this industry denies.

A report on this subject was prepared a few days ago for the use of the Senate Public Lands Committee. It expresses in rather vigorous language the opinion that no aboriginal possessory rights exist in Alaska. So far as I know, the report has not been taken up by the full committee and so cannot at this time be construed to represent the attitude of the committee. Nevertheless, it is indicative of what can easily be discerned in Washington by even a casual observer as an increasingly hostile attitude toward the Indian position. Categorically, it can be said this feeling has been strengthened and intensified since the reservation issue has been projected again in recent weeks.

Despite the findings of the circuit court of appeals at San Francisco with respect to the Miller case and the Karluk case, it is obvious that decision of this perplexing issue must be made in the future. If the circuit court conclusions were final there would be no need for anyone to concern himself further. The decision would irrevocably have been against the Indians. That so many people are concerning themselves is sufficient proof that the end of the story has not yet been written.

For my part, I sincerely believe the Indian people should be given complete opportunity to present their case in support of the aboriginal rights they claim to have, either before the Congress or before the courts. I cannot reconcile criticism of dictatorial processes elsewhere with failure on our part to give these American citizens, truly the first Americans, all the consideration which in justice and equity they are entitled to. Further, if it should be finally determined they have possessory rights with respect to specific areas I do not think the heavens would tumble if title to these tracts was to be conveyed to them. It might be they would prefer money settlement but in any event the right of choice should be theirs. After all, if at long last it is determined that these possessory rights do exist they truly would be rights deriving from "time immemorial." Other rights, including Government reservations of one kind or another, are of much more recent derivation.

To recapitulate:

1. I do not favor the establishment of large reservation for the exclusive use of Indians. My observation is that the 1936 act was never intended to be used for such reservations.

2. I do not know if aboriginal possessory rights exist and no one else knows. I shall, recognizing the obstacles outlined above which stand in the way of speedy action, do everything I can to assist in an early solution. And so long as I am Delegate in Congress I shall do nothing and in fact actively oppose any movement intended to foreclose the Indians of their every last right to obtain a fair and impartial hearing.

Since this detailed statement is an explanation of my position I know you will not object if I send copies to other interested parties.

Sincerely yours,

E. L. BARTLETT,
Delegate.

Thinking Toward Peace

EXTENSION OF REMARKS
OF
HON. HOMER A. RAMEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the article entitled "Thinking Toward Peace," reprinted from the Christian Science Monitor:

"THINKING TOWARD PEACE"

Under this title, the Christian Science Monitor has been presenting some forward-looking proposals for newer new orders, put forth by various groups. Such a presentation would be incomplete without a consideration of the oldest new order in existence—the "new covenant" which God made with His people centuries ago, and which never has been abrogated:

"I will put my laws into their mind, and write them in their hearts: and I will be to them a God, and they shall be to me a people."

Some of the plans reprinted in these columns have envisioned a world union of nations. It is patent that an organization on that order is humanly necessary. But unless it first honors God's covenant and is made subordinate to His government, it cannot be wholly successful, for it will be built on the sands of human fallibility and man's misconception of practicality.

No experienced business man would, on taking possession of an invention, discard the basic rules for operation provided by the inventor or manufacturer. Yet that is what men, for the most part, have done in their attempt to run God's creation—this earth which is "the Lord's and the fullness thereof."

Again and again God's words and laws, while honored in the abstract, have been shrugged aside as too impractical for the meeting of everyday problems. Men have gone on their "practical" way producing want and woe and war, when, through obedience to God's laws, they could have been reaping plenty, joy, and peace. Years of research, countless sums of money have been devoted by men to new machines only to have them turned against themselves.

And always, regardless of the surface causes, the roots of the trouble have been selfishness, hatred, and injustice, which are in direct contradistinction to the laws of God.

On the other hand, obedience to His laws enforces the acknowledgment that this is God's universe, not a universe belonging to different races and nationalities. It bespeaks a willingness to let the Government rest on God's shoulder, with man responsive to that government and its loving consideration for the welfare of all humanity. It necessarily rules out individual and national greed, false nationalistic pride, unbridled desire for power.

Many years ago, Mary Baker Eddy, on being appointed fondateur of the Association for International Conciliation, wrote:

"Right thoughts and deeds are the sovereign remedies for all earth's woe. * * * When pride, self, and human reason reign, injustice is rampant. * * * Individuals, as nations, unite harmoniously on the basis of justice, and this is accomplished when self is lost in love—or God's own plan of salvation." (The First Church of Christ, Scientist, and Miscellany.)

Human plans, organizations, and laws are, of course, essential, but their only potency is in the degree to which they are based on man's adherence to his Maker's covenant, and his utilization of that most practical of all methods—love.

The Late Dr. Charles Browne

EXTENSION OF REMARKS
OF
HON. FRANK A. MATHEWS, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. MATHEWS. Mr. Speaker, the Members of this House who served as early as 1925 and other Members who may recollect him, will be saddened to learn of the death of Dr. Charles Browne, of Princeton, N. J., who served one term, from 1923 to 1925, in the House, representing the district in which Princeton was at that time located.

Dr. Browne passed away at the Princeton Hospital after a long illness.

One of the outstanding members of the local Democratic Party, Dr. Browne numbered among his many activities, four terms as mayor of the borough of Princeton, three terms in the New Jersey Assembly, and membership on the New Jersey Public Utilities Commission. He was also a well-known gourmet, writing two books on the subject and participating in the organization of the Nassau Gun Club.

Born in Philadelphia in 1875, son of the late William Hardcastle Browne and Alice Beaver Browne, Dr. Browne prepared at Rittenhouse Academy in Philadelphia and received his bachelor of arts degree at Princeton in 1896. In 1900 he was graduated with honors from the University of Pennsylvania medical school.

STUDIED IN BERLIN

From 1900 to 1902 Dr. Browne served as resident physician at the University and Presbyterian Hospitals in Philadelphia. After a year of study in Berlin he returned to Philadelphia in 1903 as a staff member of Phipps Institute for Tuberculosis, also serving in the outpatient department of Children's Hospital.

Dr. Browne came to Princeton in 1906 and combined his medical practice with welfare work and politics until he was elected mayor in 1915, the first Democratic mayor of Princeton since 1892. He

retired near the end of his fourth consecutive term to serve one term in the House of Representatives, from 1923 to 1925.

Dr. Browne was president of the board of trustees of Princeton Hospital from 1923 to 1925. For 6 years, beginning in 1925, he was a member of the New Jersey Public Utilities Commission, and the same year was a member of the board of control for the New Jersey Department of Institutions and Agencies.

HEADED POWER STUDY

In 1926 Dr. Browne was appointed chairman of the joint giant Power Commission of New York, New Jersey, and Pennsylvania, formed to study regulation of electrical power crossing State lines. In 1932 he served as chairman of the New Jersey Block-Aid Commission, organized by the legislature to conduct emergency relief drives during the depression. He was a member of the assembly for three terms, beginning in 1936.

During World War I, Dr. Browne was commissioned a lieutenant in the Medical Corps. He was advanced to captain when named commandant of the reclamation hospital at Lawrenceville. He served in New Jersey throughout the war as medical officer and examiner at various installations.

Dr. Browne was the author of the extremely popular Gun Club Book, published in 1939. He was a founder and the first president of the Nassau Gun Club, established about 1917, as a shooting group, but which later gained fame as an organization of connoisseurs of fine food and drink. He always insisted that gun-club members, rotating as hosts, should prepare their own meals. In 1939 he became the first president of the Gourmet Society of New Jersey and the next year wrote a supplement to his cookbook, titled "Gun Club Drink Book."

MANY CLUB AFFILIATIONS

Dr. Browne was a director of the Princeton Inn, the Kingston Coal Co., Delaware & Bound Brook Railroad, First National Bank of Princeton, and the Beneficial Loan Society.

At one time he was a member of 20 different clubs, among them the University, Racquet and Tennis, Princeton, and Manhattan Clubs, all of New York City, and the Nassau and Colonial Clubs of Princeton.

Dr. Browne leaves his wife, the former Georgeanna Gibbs, of Haverford, Pa., and four sons, Colston H., Anthony D., Charles B., and Archibald.

B. F. Goodrich Co.

EXTENSION OF REMARKS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John L. Collyer, president of the B. F. Goodrich Co.:

(By John L. Collyer, president, B. F. Goodrich Co.)

It is always gratifying and interesting to meet with new fellow citizens and to consider relationships that are essential for success when a company takes out its industrial citizenship papers in a community.

This was an experience that Dr. Benjamin Franklin Goodrich, founder of the B. F. Goodrich Co., had—and happily so—back in 1870, 77 years ago, when he started his little company in Akron, Ohio, the first rubber company west of the Allegheny Mountains.

The consumption of rubber in the United States in 1870 totaled only 4,000 tons. The consumption of rubber in the United States last year was 250 times greater, totaling 1,000,000 tons. This year the consumption of rubber should approach the 1946 record, but next year there will be a reduction in consumption as the pent-up demand for tires and other rubber products, resulting from wartime shortages, will have been substantially met.

B. F. Goodrich over the years has kept pace with the enormous growth of the rubber industry. The small brick building that had been built in Akron in 1870 has now grown to buildings having floor space of 125 acres. However, this phenomenal growth in Akron is only half the story of B. F. Goodrich expansion because in more recent years our manufacturing operations have reached out far beyond the confines of Akron, as Tuscaloosa well knows.

There are now 19 B. F. Goodrich plants located in 12 different States, and more than one-third of these plants are in the great South. In addition to these plants, B. F. Goodrich has manufacturing interests in eight foreign countries, including Canada and Mexico. B. F. Goodrich products are sold throughout the world.

We look forward to the future with confidence because it is our firm conviction that rubber manufacturing is still a growth industry with great opportunities for the future use of the vital and indispensible material—rubber—and supplementary materials.

Benjamin Franklin Goodrich in founding his little company for manufacturing fire hose and wringer rolls declared, "we will make goods destined for service." Our company has never wavered from this wise course.

B. F. Goodrich policy has always been to produce better and better products at lower and lower costs, making for broader and broader markets and providing more and more good jobs for Americans.

This march of progress by B. F. Goodrich included the founding of the first research laboratory in the rubber industry, 52 years ago, and the pioneering of most of the important inventions and developments in the rubber industry.

I would mention such developments as the rubber chemicals—age resisters which multiplied the life of rubber products—accelerators which shortened the time of vulcanization from hours to minutes—the introduction of the cord tire—the use of carbon black in tires, an abrasion resister five times better than the material that it replaced.

Then I would mention the wonder material Koroseal; B. F. Goodrich Chemical Co.'s Geon; and most important, American-made rubber which made possible the winning of the war.

TUBELESS TIRE

These and other B. F. Goodrich pioneering developments have earned for our company the title, "B. F. Goodrich—First in Rubber."

I should like to remind you of the major role that the B. F. Goodrich Co. was privileged to play in helping our country survive the almost tragic rubber crisis that developed at the outset of World War II.

It was on June 5, 1940—18 months before Pearl Harbor—that our company manufactured and introduced for sale to the American people for the first time, automobile tires in which our rubber—the first general-purpose rubber produced in the United States—replaced more than 50 percent of the normal crude rubber content.

There was no economic reason for our company taking this important step, but we believed then, as we do now, that a rubber program for national security was vital. Back in 1940 we had two objectives in mind, both of which, I am glad to say, were realized: First, to stimulate Government and public opinion for national security action in terms of rubber; and, second, to challenge American industry in the field of research and development for the production and use of man-made rubber.

B. F. Goodrich did not act any too soon because, as everyone knows, our country's rubber-supply line was severed, suddenly and completely, in the days that followed Pearl Harbor. Thanks to our company's pioneering of man-made rubber, our demonstrated know-how, and in urging that a program for its manufacture to be undertaken before the war broke out in the Far East, we were called upon to play a major role in the engineering, construction, and operation of gigantic plants to produce man-made rubber.

Perhaps you are aware, too, that we had made such progress in new technique with rubber and the many other component materials that go into tires that a few weeks after VJ-day we were able to introduce the first new postwar tire—a tire that outwears prewar tires.

Turning to the present and future rubber position, it is the will of the American people that never again should our country depend on sources on the other side of the world for all its rubber supplies. This is why Congress is now giving consideration to legislation for a rubber program for national security.

The B. F. Goodrich Co. has consistently and urgently made recommendations for such a rubber program to be based upon a foundation of competitive enterprise, because we know that aggressive competition between private companies is the key to the most rapid progress in development of American-made rubber. We want to get the Government out of business.

I have talked to you about certain aspects of our company's business, because we now consider the citizens of Tuscaloosa to be part of the B. F. Goodrich family—B. F. Goodrich and Tuscaloosa interests are mutual.

It is no exaggeration to say that the decision to locate a new manufacturing plant is about as important as any that a company is called upon to make. Many factors must be considered carefully, some of them tangible and other intangible, but all combining to make the enterprise either successful or unsuccessful, depending on how well the program has been formulated and executed by the company and the community, whose respective responsibilities are based on mutual confidence.

You know that the conception of this plant in Tuscaloosa was originally part of the Government's wartime program of expanding tire-production facilities to meet the critical needs of the war emergency. B. F. Goodrich was selected by the Government to engineer, construct, and operate the plant, which was canceled before construction was anywhere near completed.

The decision by our company to purchase and complete the plant at enormous cost was far from an easy one to make. In addition to the basic economic considerations of

personnel availability, power, water, transportation, and accessibility to markets, there were other considerations less tangible but equally important. These included such factors as character, general disposition, and industriousness of the citizens, the caliber of the schools, churches, the university, and parks—in short, the kind of environment to be found here. These are some of the intangibles on which the Tuscaloosa score appeared favorable and reassuring.

Success or failure for a company, its employees, and the community is measured largely by the degree of adherence to the basic principle—responsibility. The community, as you know, has the important responsibility of providing an environment which will encourage its industries to prosper, because only prosperity can benefit the community and bring a measure of security for the employees, stockholders, and customers, whose interests are mutual. From time to time these interests may seem to be in conflict, but taking the long view they are one and the same, because the success of each depends on the stability and prosperity of the company.

Providing a favorable climate for successful business involves responsibility for good government and peace and order, made possible by honest and competent officials.

The city government is responsible to its citizens for good government, for the education of their children, for adequate police protection, for fire protection, for sanitation, for the maintenance of streets and public facilities.

On the other hand, it is the responsibility of an industrial concern to provide reasonable working hours, earnings that are fair, good and safe working conditions, and equal opportunity for advancement.

The B. F. Goodrich plan of organization for its various plants and divisions is one of decentralized management and administration within a broad framework of company philosophy and policy, with responsibility and authority going hand in hand.

Members of the B. F. Goodrich management team who head up the great Tuscaloosa plant were carefully chosen by Mr. Graham and Mr. Gulick for the important responsibilities which they shoulder as this plant moves toward completion and high levels of production. Joe Herbert and his team have performed admirably.

And now I desire to extend to the citizens of Tuscaloosa and the great State of Alabama the sincere thanks of B. F. Goodrich for the helpfulness and for the many courtesies that have been accorded to members of our organization.

B. F. Goodrich and the city of Tuscaloosa are off to a good start but the pace will get hotter. We know full well that in the rubber industry the race is long and the competition severe.

Yet I am supremely confident that everyone who has a part to play will do better than his best to make the Tuscaloosa plant a winner and a perpetual champion.

How We Got That Way

EXTENSION OF REMARKS
OF
HON. ROSS RIZLEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. RIZLEY. Mr. Speaker, the following editorial from the Monday, December 8 edition of the Daily Oklahoman contains excellent food for thought and ought to be interesting reading to the do-gooders and spenders who would give America away without asking any questions, and who seemingly question not only the intelligence but the patriotism of anyone who opposes in any manner the various and sundry gift programs for billions of dollars of the American taxpayers' money to foreigners:

HOW WE GOT THAT WAY

A well-known newspaper and radio commentator recently took time out from his intent gazing at the national and international scenes and came out into the Middle West to view some of the individual trees. And he finds himself both disturbed and puzzled at what he saw.

His first impression, the observer wrote, is that the citizens of this sprawling region "like those elsewhere in America, though perhaps a little more so, are in the very old and human state of mind of wanting to have their cake and eat it, too," in their attitudes on both domestic and foreign affairs.

He also complains that while midwesterners want Russia curbed, they are not very enthusiastic about the Marshall plan and want to know if we aren't being suckers to pour all that money and food into Europe. Striking out at the general impression that Europe's plight is due to laziness and for going in for socialism, the observer wrote with doleful finality: "Few persons seemed to realize that the principal cause for the mess in Europe was the most devastating war in history."

Yet, in almost the same breath, he conceded there is ample evidence of the inherent generosity of the mass of Americans out here in the way they lavished food gifts that bulged the Friendship Train and believes if they could really be convinced that the Europeans were starving there is no doubt they would come through generously with whatever was needed.

This observer, upon rediscovering mid-America, placed his finger squarely on the people's thinking but blithely overlooked the reasons for it. There is little, if any, mystery how we got that way.

Sure, we want to eat our cake and have it, too. Haven't we been told for the past 14 years that this was not only desirable but possible? Didn't work beyond the 40-hour week become a national legislative felony? Didn't pay rates hike skyward, all on Government order, while the same political leadership urged us to work less? Weren't we given the example of a government pursuing the greatest and costliest war in history with one hand and social reforms with the other? Hasn't central government consistently plugged this "Hit Parade" winner: "The more we borrow and tax and spend, the richer we'll surely be in the end"? We've been fully educated to the eat-your-cake-and-have-it-too theory.

Certainly, we are suspicious of the Marshall plan or any other. And why not? The most devastating war in history ended in 1945. We have fed Europe and much of the rest of the world, too, through that crop year, through the 1946 harvest time and through the 1947 grain gathering. And we are being asked to feed the folks again—at least through the 1948 crop season. Maybe longer.

The Marshall plan, folks recall, runs through 1951. True, factories, railroads, and cities were badly battered and smashed. But nobody made off with the land which supplies the world's physical basis for living. We made seed available for these past crop years and pardon our curiosity if we rise to inquire why food still is so terrifically short. We know there was some unfavorable weather in parts of Europe this past year but we also know, for one example, that France actually seeded about 20 percent less grain acreage in the spring of 1947 due to socialistic tinkering with price controls.

And why shouldn't we be a little gunshy of other rehabilitation plans? Haven't we seen the bulk of our governmentally-supplied food relief go straight into Europe's black markets? Haven't we seen our heavy machinery and equipment rusting on the docks to which it was delivered months and months ago? And, last but not least, haven't we seen continuing shipments of supplies, vital to both peace and war, going to Russia, Yugoslavia, and other countries whose aims, per choice or per force, run counter to our concepts of living together in a world at peace? So pardon us if our skepticism is showing just a tiny bit.

These are just a few of the many very good reasons why we got the way that so puzzles and disturbs this modern Columbus. He could render yeoman service if he would quit worrying about our symptoms and seek a diagnosis of the cause which, if the truth be known, is probably so close to the nose he keeps glued on international and national affairs that his eyes simply cannot focus on it.

Fertilizer Production

EXTENSION OF REMARKS
OF
HON. J. VAUGHAN GARY
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. GARY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which was made by Mr. Charles E. Heinrichs, of the Virginia-Carolina Chemical Corp., Richmond, Va., before the Fertilizer Subcommittee of the House Committee on Agriculture at its hearing December 9, 1947:

Mr. Chairman, my name is Charles E. Heinrichs, manager, phosphate-mining department of Virginia-Carolina Chemical Corp., of Richmond, Va.

Eleven months ago production estimates were presented before the subcommittee of the House Agricultural Committee by representatives of industry with respect to the available supply of fertilizer materials. Certain estimates, especially with respect to phosphate rock and superphosphate production, may have appeared to be on the optimistic side. Certainly at the time they were made it was with the hope that equipment, supplies, and materials would be available for shorter deliveries and in ever-increasing quantity for expansion of production facilities. It was further hoped at that time that there would be a marked improvement in the transportation situation and that there would be an end to crippling strikes. In fact, the estimates were based to a certain extent on the expectation of a rapid return to something approaching normalcy.

As matters turned out, there was an improvement in the labor situation as concerns the number, nature, and severity of strikes. However, severe car shortages have continued at intervals throughout the intervening period, and supplies, material, and equipment are still being procured only on the basis of deliveries ranging all the way from 4 months to 5 years.

Nevertheless, the production of phosphates has met and exceeded all predictions and further expansion of production is proceeding, even under adverse conditions, at an amazing rate.

With 5 months of the 1947–48 fertilizer year already behind us, it is apparent that the production of phosphate rock in Florida alone for the year will equal, and possibly even exceed, 6,000,000 gross tons. The production of the entire country, including Florida, Tennessee, and the western field, is expected to be in the neighborhood of 8,000,000 tons with the possibility of reaching 8,500,000 gross tons. With new construction already completed or nearing completion it is now estimated that the production capacity of the industry for the year 1948–49 will have been brought to the level of more than 10,000,000 tons. Of this total the expanded capacity of the Florida field alone will be between 8,000,000 and 8,500,000 tons. This national production should be ample to meet all requirements in the United States and at the same time leave a substantial tonnage available for export. As a matter of fact, it appears that in the opinion of the United States Department of Agriculture a condition of sufficiency is expected to be reached in the current year. In the report of the Production and Marketing Division (November 1947) it is stated that "World production of phosphate rock will probably be sufficient to meet world demands in 1947–48."

It was properly stated before the committee in January of this year that there was no dearth of capacity to make superphosphates and that a material expansion of concentrated superphosphate capacity was definitely under way. It was at the same time pointed out that the production of superphosphates is limited merely by the ability to supply the raw materials, phosphate rock and sulfuric acid.

The soundness of these representations has been demonstrated by the increased production of superphosphates which has accompanied the expansion of phosphate-rock production and the improvement in sulfuric acid supplies. According to data published by the United States Department of Agriculture, a total of 8,968,000 net tons of superphosphates was produced in the United States in the year 1946–47 and it was indicated that a substantial increase could be expected in the year 1947–48. It now appears, however, that the actual increase in the current year will far exceed such indications. In view of the greatly expanded rock production, increased acid supply, and construction of new superphosphate plants, it is now considered likely that the production of superphosphates of all types will exceed 10,000,000 tons in the year 1947–48 and should reach a total of well over 11,000,000 tons in the year 1948–49.

It is a matter of pride to the industry that, though the domestic demand for phosphate rock in 1940 was for only 3,000,000 tons and though the demand has nearly tripled during the past few years, the production capacity has been increased at such a rate and in sufficient amount to now be able to meet the mushroomed demand. And it must be borne in mind that this expansion has been accomplished by private industry on its own initiative and at its own expense, not under normal conditions but during a period when construction projects met more and greater obstacles than have perhaps ever before been encountered by an expanding industry.

There are ample mineral phosphate reserves within the boundaries of continental United States to dispel any fear of a shortage of this raw material. Of the total known world reserves of phosphate rock, estimated by competent authorities at approximately 26,000,000,000 metric tons, the United States has about 51 percent or approximately 13,500,000,000 tons.

The findings of a joint congressional committee substantiate this fact, phosphate resources of United States—hearings before the Joint Committee to Investigate the Adequacy and Use of Phosphate Resources of the United States—Congress of the United States, Seventy-fifth Congress, third session, 1938, printed in 1939.

These United States reserves are distributed approximately as follows:

Eastern States:	
Florida	5,081,839,000
Tennessee	194,468,000
South Carolina	8,798,000
Kentucky	863,000
Arkansas	20,000,000
Total	5,305,968,000
Western States:	
Idaho	5,736,335,000
Montana	391,323,000
Utah	1,741,480,000
Wyoming	115,754,000
Total	7,984,892,000

The joint congressional committee in 1938 found that the mining of phosphate rock was conducted on a high plane of efficiency and with due consideration for the conservation of mineral resources, but this has received little or no publicity.

Allowance of Income-Tax Deductions To Cover Cost of Relief Parcels

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. KEATING. Mr. Speaker, charitable bequests up to a limit of 15 percent of one's income are very properly deductible for income-tax purposes.

In order to obtain the benefit of this deduction, however, it is necessary to show that the gift was made to an established corporation or organization engaged in charitable, educational or religious activities.

Thus, contributions to the Cooperative for American Remittances to Europe, otherwise known as CARE organization, are deductible. The only difficulty with limiting such deductions to gifts to this or other established relief organizations is that, in most instances, those who sacrifice the most in sending parcels abroad and who, therefore, most need the benefit of an income-tax deduction, are not able to take advantage of the provision in the existing statute.

Those who go to the corner grocery, make up a package, and send it off to their stricken relatives or friends in Europe cannot share in this tax advantage because their gifts are not made to an established relief body.

As I said when I introduced legislation to reduce by one-half the postal charges on shipments of relief supplies abroad, this voluntary method of helping our stricken friends across the seas should be encouraged in every reasonable way.

I am today endeavoring to give a further impetus to this method of extending relief by introducing a bill to amend the Internal Revenue Code so as to provide that one who sends to persons in foreign countries parcels containing food, clothing, medical supplies, or other necessities of life may deduct the fair value of such parcels as a charitable contribution, when he files his income-tax return. The value is to be determined at the time the parcel is mailed and to be shown on the postal receipt which is issued at that time and on the accompanying customs declaration.

There would seem to be no difficulty in administering the provisions of such a law since it will not require that anything more be done than is now the established practice. It will certainly result in definite encouragement to those who are trying to help suffering in the world. It will not result in any appreciable loss in revenue to the Government. Such contributions, like all others, will be subject to the 15-percent limitation. It will, however, mean a great deal, particularly to those with relatives or national origin ties in foreign countries, many of whom are now making such great sacrifices in order to share a few of the necessities of life with the less fortunate.

It is my hope that the Committee on Ways and Means will grant an early hearing and a favorable response to this suggestion.

Criticism of Congress

EXTENSION OF REMARKS
OF
HON. E. E. COX
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. COX. Mr. Speaker, we all have been aware, somewhat painfully, perhaps, of the propaganda which has been under way for years to belabor and belittle the legislative branch of the Government. We have recognized that campaign as a concerted effort to destroy the confidence of the American people in the Congress. We have also recognized that if this could be brought about, our American system of government would be destroyed, and the very things against which Thomas Jefferson warned us would come about.

Some years ago, I was one of several Members of the Congress, embracing both sides of the aisle, who helped to organize the American Enterprise Association, which is an educational organization designed to render a wholly objective, nonpartisan, unprejudiced, free service to the Members of the Congress in the interests of good government.

A large number of the Members of the House of Representatives and many Senators have taken this service for years, and we have found that it is wholly objective and is devoted to the cause of good government.

Recently, I learned, Commander Guy E. Wyatt, of West Orange, N. J., the executive vice president of the American Enterprise Association, has interested himself in a public relations activity on

behalf of the Congress. He made a speech recently at New Orleans, La., and later a similar speech in Nashville, Tenn., to large and appreciative audiences, in which he pointed out how unthinking or careless persons might lend themselves to the evil and cunning schemes of the subversionists to destroy our American form of government by falling in with the quick and easy criticism and ridicule of the Congress.

So effective was Commander Wyatt's speech in New Orleans that the New Orleans States, a very large and influential newspaper, ran an editorial which I wish to insert in part in the RECORD.

Then in the Nashville (Tenn.) Banner, another large and influential paper in the South, a very fine first-page article appeared which quotes a part of the speech delivered by Commander Wyatt and commends his views.

Mr. Speaker, this is all very gratifying to me, because it indicates that the American people have not been as infected with this accursed virus of communism as perhaps some of us might have believed.

The confidence of the American people in their Congress has not been destroyed. I think it is a very wholesome development that a gentleman like Commander Wyatt, an official of an organization maintained by very responsible citizens for the purpose of affording a free service to Members of Congress, should go out on a mission of acquainting the people with the excellence of the legislative branch of their Government. I think it will be gratifying to all of us, as it has to me, that the response has been so marked and so enthusiastic, and I think this is a public service which will have very important results.

[From the New Orleans States of December 6, 1947]

BANTERING CONGRESS

Mr. Guy E. Wyatt, of West Orange, N. J., the executive vice president of American Enterprise Association, Inc., in a talk before the Members Council Thursday deplored a prevalent tendency in the country to ridicule and belittle Congress. He thinks this is subversive conduct in these particular times, or that it serves the purposes of the subversive groups.

Mr. Wyatt's point is, we believe, well taken. It is stupid of the American people to deride, lampoon, and satirize, as a whole the people they themselves have chosen to transact their public affairs. This is equivalent to ridiculing themselves. They are belittling their own acts and their own judgment. Any citizen feeling impelled to criticize National Congress as a unit should pull himself up short and take himself out to the woodshed for a self-administered booting.

[From the Nashville (Tenn.) Banner of December 9, 1947]

WYATT FLAYS CRITICISM OF CONGRESS

Americans who belittle and fail to support Congress are playing into the hands of subversive forces which are trying to discredit our form of government, Guy E. Wyatt, executive vice president of the American Enterprise Association, declared today in an address before the Nashville Rotary Club.

Wyatt, who directs the activities of a fact-finding organization representing some 500 small and large businesses throughout the country, was introduced at the luncheon meeting in the Chamber of Commerce Building by Lipscomb Davis. Joe Sills, Rotary president, presided.

"There has been for many years now a concerted and studied propaganda campaign designed to break down the people's confidence in the legislative branch of our Government," Wyatt declared. Stressing the seriousness of this movement in view of the fact that Congress is the people's special instrument of control, the speaker added, "if your confidence in it and your support of it are not destroyed, you may hold a constantly growing bureaucracy in check and keep down a constant tendency for the Federal Government to encroach upon local and State governmental functions and private prerogatives."

Stating that it is true there have been instances when legislation was counter to public interest, Wyatt said this situation, which has existed for years, takes a more sinister note when subversive forces and enemies of representative government pounce upon this means to belittle and discredit our form of Government.

Such subversive movements can be detected and corrected, the speaker said. However, a condition more difficult to diagnose is the blind faith of the people that a law in and of itself will achieve a desired result and the people's consequent abandonment of interest and support after a constructive law has been enacted.

It is in this respect that industrial statesmanship must be developed and put to work to interpret, protect and uphold the operation and respect for laws and for those elected representatives of the people who make them.

Wyatt pointed out how difficult it is for Congressmen to secure the necessary information to handle a myriad of different legislative suggestions. "Like businessmen who learn to depend upon able assistants and department heads," he said, "Congressmen need a service from business which will provide factual, objective, boiled down information on controversial issues.

"It behooves industry to rise to the measure of its responsibility to bring forth objective leadership," he concluded, "to spread the knowledge and understanding of the mutual advantages of free enterprise, to volunteer readjustments of known equalities between industry, labor and the consuming public, to cooperate with Congress either individually or by supporting organizations set up for that purpose, and, in doing all of this, to strengthen and perpetuate this great bulwark of freedom, this cherished institution of representative government, the Congress of the United States."

This is the purpose of the American Enterprise Association, Wyatt explained.

The speaker also attacked government on a basis of want and need. The wants of one era become the needs of the next * * * unless our capacity to provide increases to the same degree, it is only a matter of time before we complete the cycle of folly.

GOP, NAM, and Inflation

EXTENSION OF REMARKS

OF

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ALBERT. Mr. Speaker, the Democrats in this House have a better name for the so-called Republican anti-inflation program, as set forth in House Joint Resolution 273. It should be called a relief bill for the members of the National Association of Manufacturers. If it passes the Congress, it will, from the very language of the bill, relieve the giant monopolies of this country from "the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law." I agree with the Attorney General's recent statement that there could be no more effective check against inflation than for Congress to increase the appropriations for the enforcement of the antitrust laws. Remove the antitrust laws, and what protection against the monopolies is left for the little man, the farmer, the laborer, the small businessman, the white-collar worker? This legislation is supposed to control inflation. Yes, it will control inflation, but it will so control it that the upward spiral will be sure to continue until Wall Street has once again attained domination over the Nation's wealth as it did in 1929.

This is said to be a bill for the voluntary control of inflation, but voluntary on the part of whom? Big business will have the power, free from the operation of the antitrust laws, to allocate materials. There will be nothing voluntary about it on the part of little business, which will be subject to the allocations made by big business whether it agrees to it or likes it or not.

The bill is no anti-inflation measure. By its very terms, agreements to control prices are not authorized. Its object is to prevent inflation; its effect is to insure the continuance of inflation to the profit of big business.

This subject is a very important one, indeed. How inflation might be controlled by legislation is a problem which should require the full and complete consideration of the Congress. Whether we should attempt to legislate in this field at all is a matter about which considerable argument has been heard through the years. It is difficult, therefore, to understand how such an important measure could be brought to the floor of the House under a gag rule with only 20 minutes of debate on each side. The Democratic Party will not be made the goat of this attempt by the Republicans to dodge their responsibility. They can make their appeal to the big-money campaign contributors if they like; we will rest our case with the American people.

Amending National Housing Act

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, I am in favor of passage of H. R. 4675 and will vote for the bill. A critical housing shortage still exists in this country and the bill will go a long way to assist in maintaining a high volume of new residential construction. This high volume can be maintained under

the bill without supporting unnecessary or artificial costs.

In particular, Mr. Speaker, the bill will authorize the Federal Housing Administration to insure mortgages on new residential construction under title VI of a National Housing Act as amended. According to the report of the committee which is handling the bill, it appears that under title VI that the original authorization was rapidly approaching exhaustion and unless this bill is passed it would mean that the Federal Housing Administrator would be compelled to discontinue receiving additional applications for mortgage insurance.

Mr. Speaker, passage of this bill will also assist former servicemen who are trying so desperately to establish new homes for their families. If this bill does not pass, it follows that construction of new homes will be curtailed to a great extent and certainly it is incumbent upon the Congress to do all it possibly can to insure a high level of home building in this country. I am sure that there will be almost unanimous approval of this legislation.

Inflation

EXTENSION OF REMARKS
OF
HON. KATHARINE ST. GEORGE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wall Street Journal of December 15, 1947:

REVIEW AND OUTLOOK
ON A DANGEROUS ROAD

The November monthly letter of the National City Bank of New York contains significant observations which are pertinent to the current discussion of remedies for inflation in the United States. We quote:

"In Sweden, the Government central bank has been maintaining a fixed support of 3 percent bonds at a time when the country's gold and foreign exchange resources were being rapidly drained away to finance large import surpluses. Thus the tendency for import surpluses to draw off excessive purchasing power has been neutralized in major part by the shift to the central bank of public debt previously held by the banks and the general public. The inflation problem remains on hand. To meet the crisis, the Swedish Government has invoked a series of direct controls, including a severe cutback in building activity, tightened limitations on imports, and seizure of all private holdings of dollars, Swiss francs, Argentine pesos, and Portuguese escudos of Swedish nationals plus certain other assets in those countries."

Thus, by keeping money cheap so that the Government might finance easily, Sweden succeeded in converting hard currency into a soft currency; the policy achieved the ridiculous result apparently of causing a flight from Swedish currency into the currency of poor little Portugal.

That is not all the Swedes achieved. Having fed the sources of inflation, they then went through the familiar resort to repressive measures, such as curtailing building activity and limiting imports.

We quote further from the National City Bank's statement:

"The experience of the occupied countries suggests that when governments try to borrow money at rates too low to attract genuine savings, or to compete with alternative outlets for funds, the government bonds they sell wind up in the central bank, which pays for the bonds by issuing new notes or by giving banks credits to their reserve accounts on its books. The end result is a dressed-up version of old-fashioned printing-press inflation. In fact, the results can be worse if the doors of the central banks are held open to the 'monetization' not alone of current government deficits, but also of government securities originally taken up by the public in financing previous government deficits. It is little wonder that in so many countries respect for the money of the realm has descended to such low levels."

We hope that those who make and those who accept statements that monetary inflation has been stopped in this country because Treasury deficits have been replaced by Treasury surpluses will read the above carefully. Because when bonds issued to finance past deficits wind up in the central banks, past deficits are doing their deadly inflationary work.

And at this moment the central bank in this country is helping to maintain an artificially low interest rate on Government securities and unless it stops doing so the results will not be different than they have been elsewhere.

It is always the other fellow in some other country who is taking inflationary action. Those who are doing it in a particular place at a particular time can always tell why their policy and actions are sound and why conditions are different. But the end result is always the same.

The Federal Reserve supports the price of Government bonds, and already we have what developed in Sweden and the occupied countries, that is, the proposals to repress the results of monetary inflation by a network of sanctions and controls, the feeding of inflation at its sources and trying to repress its symptoms.

And if anyone thinks that there is not a flight from the dollar, let him listen to the testimony of one of President Truman's advisers who said quite candidly that he sent his dollars into commodities to hedge against inflation.

The remedy is clear. Only the courage to act seems lacking.

Honor Paid Col. Milton B. Ochs Well Deserved

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. KEFAUVER. Mr. Speaker, I believe in passing around a few bouquets to people who deserve them during their lifetime. Col. Milton B. Ochs, of Chattanooga, brother of the late Adolph S. Ochs, publisher of the New York Times, has devoted a lifetime to the assistance of his friends and of worthy causes in the State of Tennessee. A list of his beneficences is too long to set forth. Sufficient it is to say that Col. Milton B. Ochs through his thoughtful generosity has brought much happiness to thousands of people and has done much to make a better place of the community in which he lives. It is very fitting, therefore, that the Kiwanis Club of Chattanooga has selected him as the man of the year. A few words about Colonel Ochs and his life were well set forth in Alfred Mynders excellent column, Next to the News, of December 10, as follows:

[From the Chattanooga Times]

NEXT TO THE NEWS

(By Alfred Mynders)

In selecting Col. Milton B. Ochs as the outstanding citizen of the year, the Kiwanis Club honors a man who has devoted his adult life to Chattanooga and its social, civic, and journalistic interests. The Kiwanis Club adds to its long list of distinguished outstanding citizens a man whose good fellowship seems to have reached its climax in his presidency of the Chattanooga Half-Century Club. He is the beloved fountainhead and guiding spirit of that unique organization.

The Half-Century Club is the outward and visible form of an inward and spiritual grace which has dominated Colonel Ochs' thoughts for many years and which has been expressed daily in his Looking Backward column on this page of the Chattanooga Times.

This writer frankly envies his infinite variety and his capacity for reflecting the golden youthful years and events in the lives of the Half-Century Club members through his Looking Backward column.

It is no secret that Colonel Ochs is past 80. Even the lovely Miss Fan, whom he married as the belle of Chattanooga is, herself, just past 80. But the amazing man writes his Looking Backward columns in longhand every day.

It would be a job of work for a newspaperman of just 30 years of age, but being a labor of love with him, he seems to like it and to thrive on it.

If he goes out of town on a trip—too often of late a sad trip to see his beloved sister, Miss Nannie, or to attend some sorrowful farewell to a friend who has not stuck it out as long as Colonel Millie—he leaves his columns in advance, all hand-written and all in order.

Daily, there are thousands who read Looking Backward and who anxiously turn to it and echo Longfellow's words:

"This is the place. Stand still, my steed,
Let me review the scene,
And summon from the shadowy past
The forms that once have been."

The Kiwanis Club told his part in persuading the late great Adolph S. Ochs to build that religious gem, the Memorial Temple to Julius and Bertha Ochs out on McCallie. Adolph Ochs furnished the money and Milton Ochs furnished the time and the dreams to give Chattanooga a great Lookout Mountain Park, which will be preserved for the people.

Colonel Ochs was married on the 26th of April 1893 to the beautiful Miss Fannie Van Dyke, the daughter of the late William D. and Anna (Deadrick) Van Dyke. Three children blessed the union. The elder son is Col. William Van Dyke Ochs, of the United States Army, retired. The second son is Adolph Shelby Ochs, former general manager of the Chattanooga Times. The third child, the only daughter, is Mrs. Margaret Elizabeth Ochs Palmer.

A friend of the military cadets in his younger days, a worker for every patriotic movement here in two World Wars, a newspaperman in Philadelphia and Nashville, and a vital force in the newspaper life of this city for two generations, Colonel Ochs' daily column on this page is easily one of the best of its kind in the South. One marvels at his play of wit and sentiment, and one knows

that over the coffee cups, Looking Backward is the most widely read feature of the Chattanooga Times.

"Trade hardly deems the busy day begun
Till his keen eye along the sheet has run;
The blooming daughter throws her needle by,
And reads her schoolmate's marriage with a sigh;
While the grave mother puts her glasses on
And gives a tear to some old crony gone."

Its appeal is to all, for it deals in the light which glows forever in human hearts—the light of other days. That is the light never seen on land or sea, but the light which is never quenched—the light of other days.

"Oft in the stilly night,
Ere slumber's chain has bound me,
Fond memory brings the light
Of other days around me;
The smiles, the tears, of boyhood's years
The words of love then spoken;
The eyes that shone, now dimmed and gone,
The cheerful hearts now broken."

The Kiwanis citation says:

"When he took over the presidency (of the Half-Century Club) there was a membership of approximately 175. Today, under his guidance, there is a membership of 610 active and 203 have passed away * * *. The members of the Half-Century Club all agree he has endeared himself to more people during the last 10 years than any individual in our city."

Colonel Ochs has held too many honors to be enumerated in this space. He has been so active a force in journalism from his salad days that his life confirms what so many of us slaves of the lamp believe—that there is no other profession like journalism. He has promoted civic progress in every way. And with all he has been a vivid, charming, and informative writer.

The outstanding citizen of the year is still a newspaperman and a very hard-working one and his life in Chattanooga has been reflected in the things newspapermen do and the friends they cherish.

"Nor ever once ashamed, so we be named
Pressmen; slaves of the lamp; servants of light."

Are We Subsidizing Communism Abroad While Increasing Inflation at Home?

EXTENSION OF REMARKS
OF
HON. JACK Z. ANDERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. ANDERSON of California. Mr. Speaker, I wish to call the attention of every Member of Congress to the following profound communication I have received from a man who has spent a lifetime studying international financial problems. The most careful consideration should be given to his observations and advice before the Congress takes action on the proposed Marshall plan or any phase of it.

Freedom and plenty abroad are not compatible with regimentation, inflation, and loss of liberty at home.

SARATOGA, CALIF., *December 2, 1947.*

Hon. J. Z. ANDERSON,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: In June I wrote you calling attention to the pegged prices required by order of the stabilization fund to be observed in exchanging foreign currencies into United States dollars, an order entered upon demand of the governments of western Europe. I used the pegged price of the French franc as illustrating the insuperable barrier interposed by these pegged prices against export of French merchandise to the United States. My purpose was to make it clear that by thus preventing exports to the United States the French Government had, by its own act, created a shortage of dollars in France and could relieve it by raising the barrier. A new spending project calling for advances unrelated to food to western European governments, including that of France, is now before Congress. In its support it is urged that these countries are suffering from economic ills caused by events beyond their control; that they must have dollars which are unobtainable through their own exertions or they will "collapse." It is in respect to this new spending project that I am writing. What I am about to point out is this:

That the principal countries of western Europe are in economic chains of their own forging and the major economic ills from which they suffer are the natural and inevitable consequence of these self-imposed shackles.

That they cannot recover until freed, and their freedom is to be had only through drastic political and economic reforms.

That these reforms present political difficulties of great magnitude and must come from within and not from without.

That sound and stable money must be provided and honestly maintained within these countries. That production and trade must be freed from an intolerable control the purpose of which is to force persons having things to sell, or services to render to accept in payment a debauched paper money at whatever values bureaus decree—decrees the people decline to obey since they know them to be founded upon false pretense.

That they must reduce expenditures to the level of revenues, a process which requires the cessation of subsidies and gratuities; the denial of hand-outs to powerful pressure groups; the abolition of the 4-day week with reduction of salaries and wages to the fair level of production.

That they must purge the public pay rolls of hosts of unnecessary clerks and useless functionaries.

In short, that governments must return to those policies of fiscal sobriety and common honesty essential to normal life in an orderly society. Money must cease to be common harlot to political expediency and return to its true position as an honest and respected servant of the people. No Member of Congress need be told that as things now stand in many of the countries, such reforms present near insuperable political difficulties. Held prisoner by interests now well vested, the natural fruit of their own follies, these governments will encounter fierce resistance in respect to every necessary reform. Success will be possible only under indomitable leadership, and then only when conditions are ripe: Under such circumstances, subsidization will not be required. If governments are weak and conditions not ripe, subsidization will be worse than useless, since it will perpetuate the evils. This is because subsidies granted those in power will strengthen their hold upon office, and thus assure continuation of existing practices. Request for $3,000,000,000 to be expended in efforts to maintain pegged prices for debased paper moneys of itself betrays lack of courageous purpose and intent upon the part of those concurring in the request.

Both reason and experience sustain each of the conclusions just expressed. But in their support I propose to summon not only reason and experience but painful circumstance as well, the first circumstance being that $20,000,000,000 already have been appropriated by Congress and spent by bureaus for world rehabilitation since the surrender of Japan with as little permanent good as $20,000,000,000 spent for wheat to be broadcast upon a desert as an agricultural experiment.

II

That there may be no misunderstanding of my position, let me make it clear that I offer no objection to the gratuitous provision of food and all other necessities to the conquered peoples and those residing in occupied areas. Since we hold them in military custody and deny them freedom of action, we must provide for them or confess ourselves no better than those keepers of starvation camps we have hanged. Neither do I offer objection to the gratuitous provision of food and clothing within the liberated areas where it is proven that the country itself cannot make provision for its own needy, and where its distribution to those for whom it is intended is adequately assured. I make this qualification since it is my understanding that foods heretofore sent abroad gratuitously have not been supplied gratuitously to the needy but, on the contrary, have been sold by those in power, and the money used as the government saw fit. Neither do I oppose combatting the spread of totalitarian communism by methods likely to prove effective.

It is because the present project goes far beyond feeding and clothing needy persons and contemplates immense gratuities to existing foreign governments for expenditure in such manner as they choose that I am troubling myself to write this letter and you to receive it, for I do not believe that such gratuities under present conditions will either bring prosperity to the people of those countries or serve to combat the spread of communism.

III

Those who advocate this new spending project, despite the failure of those which have preceded it, say that the way to prevent the spread of communism throughout western Europe is to make the people of that area prosperous and hence contented; that the people of the states they propose to aid are not prosperous—at least, not as prosperous as they would like to be—and cannot become so through their own exertions. It is for this reason that they propose to aid them. The aid they suggest is twenty-odd billions in American money to be secured through the imposition or continuation of extraordinary taxes on the people of the United States, this money to be transferred as subsidies to foreign treasuries. Upon receipt the money is to be used by the recipient governments in such ways as they deem proper to make their people prosperous. Even in a mad world, Congressman, it is difficult to soberly accept the doctrine of subsidizing governments which on their profligate record stand as proven purveyors of poverty and destroyers of plenty.

Since France is the largest and most important of the states proposed to be aided by gratuitous capital grants, I propose to consider this plan in respect to that country.

The French people are strong and capable. They possess great wealth both at home and abroad and invaluable natural resources. There are many wealthy individuals and families. I shall refer to these in greater detail before I have finished. Throughout a long history the French have demonstrated industrial genius as well as great military valor and aggressiveness. By force of arms they have conquered and now hold peoples and lands in subjection both in Asia and Africa. Since the year 1800, a period of less than a century and a half, which is less than the lives of two 75-year-old men running consecutively, their armies have more than once overrun all of Europe. So complete was this conquest that throughout that Continent they were enabled to place French kings of their own selection upon forcibly vacated

foreign thrones. In turn, within that period, France herself has been overrun. Heretofore French recoveries both from defeat in wars and from internal revolution have been remarkable. The country is self-sustaining because of its naturally fertile and highly productive lands, and as a farmer the French peasant has no superior. He is industrious, frugal, and intelligent. He cherishes the land and spares no effort to maintain its fertility.

As compared to other war-torn countries, the physical destruction in France was relatively little, and agriculture continued with slight interruption throughout the occupation. Nearly 3 years have passed since the liberation and the return of the French prisoners of war to their occupations. In addition to domestic production and that of her overseas colonies, France, since the war's end, has had several billions of American production in exchange for which she has parted with nothing. Yet despite the exertions of the French people, supplemented by princely gifts from abroad, their Government has felt compelled to reduce their bread ration to a level below the lowest received during the German occupation, and, admitting no malfeasance in its own administration, appears as suppliant for free gifts from abroad.

IV

In my letter to you of June 28, to which I have already referred, I pointed out how invalid is the claim of the French Government that it has made a genuine effort to obtain American dollars through its own exertions, that is by honest reciprocal trade between Americans and Frenchmen. But a moment's examination of its conduct is required to demonstrate that by deliberate act in establishing a grossly overstated pegged price for the franc through the mechanism of the Stabilization Fund, it has so heavily penalized American travelers and merchants as to make substantial sales of French merchandise and services to Americans impossible. The facts speak for themselves and require no elaboration. By a coldly calculated expedient, whatever its purpose, the French Government has created its own shortage of the dollars of which it claims to be in need, and it is not an unfair deduction that the French Government proposes to part with French merchandise in exchange for American dollars only when hope vanishes of obtaining them for nothing. I say this because it is impossible to suppose that a government seriously desiring export business for its people would enact an insuperable barrier against it. But a government which believes that course of conduct to offer possibility of obtaining dollars without consideration would most certainly do so. The effort itself affords a melancholy commentary upon the French estimate of American intelligence.

V

In the period following the liberation the French Government, according to its statistical reports, has issued more newly printed francs in payment of treasury deficits than did the Vichy government during the occupation. By this flagrant abuse of the sovereign power to issue money French politicians in office have made pretense of giving the people something for nothing. Its deficits represented subsidies of every conceivable sort; outrageously built up pay rolls; free services and wasteful extravagances including increased pay for a 4-day week. But in truth the miracle of providing the people with something for nothing consisted of nothing more than the shabby and ill-concealed robbery of every man, woman, and child in France who owned paper francs or obligations payable in francs, as well as all pensioners and annuitants and all wage and salary earners who lost steadily because of the lag between ascending prices and pay readjustments. Rationing and price exchange controls were resorted to in the hope of concealing the declining purchasing power of the franc. With these controls came scarcity, their inseparable companion. These measures, senseless since they sought to defeat the protective forces of human nature itself, deceived no intelligent Frenchman and should deceive no intelligent American. They seriously aggravated a situation already becoming unendurable. They have driven free markets underground and forced trade from the hands of established tax-paying merchants into the hands of free-booters who dare not declare their unlawful gains to the tax collector even if so disposed. In this manner they have both dried up the revenues of the state and converted normal plenty into abnormal scarcity.

There are few among the French people who do not understand paper money inflation and none understands it more clearly than the French peasant. His understanding is born of experience and family tradition. He will not willingly submit to being victimized through an oft repeated deception. It is for this reason that he hoards gold coins, both of French and foreign minting, even resorting to the purchase of thin cuttings from gold bars to be added to his hoard. He also acquires such foreign currencies as he deems stable, and it is well known that a great portion of the United States currency spent in France by our armies found its way into French hoards where it still remains. It is because of his understanding of what has been and is daily being done to debase the franc that the French peasant withholds his produce from the price-controlled markets and secretly disposes of it upon the underground free market where the true value of the franc is recognized. A realist from experience and hard circumstance, he declines acceptance of the doctrine that false pretense becomes truth at the will of the lawmaker or bureaucrat, and that by legal enactment and printed inscription paper can be given whatever value government decrees.

But the hoarding in France is not confined to peasants. Obeying the most natural of all protective instincts, people of every class seek to save themselves from loss or impoverishment. Thus they quietly convert francs into things of permanent value and find ways to secretly get their money and valuables out of France and into other countries. The drain of French-owned capital from France through such measures has been enormous. A vast amount of this French-owned capital is known to be invested in American securities deposited by French owners in American strongboxes. It is this French capital driven into hiding because of the notorious delinquencies of its own Government that is to be replaced through taxation of Americans, if Congress gives consent.

Yet all human experience proves that when the French Government again establishes and maintains an honest medium of exchange and discontinues price controls and rationing, food will return in abundance to the free markets of the cities, as it has many times in the past. Expatriated capital will come home, gold will be returned to the banks, commerce and industry will revive, and the national revenues will be restored. Americans should understand this. Did not meat and butter disappear from our own controlled markets, reappear when controls were lifted, and disappear again when controls were reimposed, only to promptly reappear when freedom was restored? Only persons of short memory can fail to recall this.

VI

Public distress in France because of the steadily falling value of the franc has now reached the stage where a resolute Government might hope for success in drastic fiscal and monetary reform. All law-abiding persons in France and all who must work for wages or salaries or subsist upon income payable in francs are victims of a destroying force from which they are frantically seeking escape. The Communist leadership understand this far better than do those Americans of little understanding who suppose the situation controllable by gifts to the French Government or some additional food for sale to the French people. The Communists propose the overthrow of a Government which has failed to provide either honest government or an honest media of exchange. Under the leadership of Moscow, both intelligent and conscienceless, they have made headway, a fact which should astonish no one. A people fleeing from a great evil may readily fail to discern the greater evil toward which they are being directed.

In reply to those who in their desperation have alined themselves under the leadership of the Communists, the Government has announced its purpose to print and distribute additional francs. This is perhaps its only feasible recourse at the moment. But this temporary palliative must be followed forthwith by the essential and drastic operation, or nothing permanent will have been accomplished. Should subsidization from abroad result in postponement of this operation, it will have worked evil and not good.

It must be borne in mind that monetary inflation is of political origin though its manifestations appear in the realm of economics. It finds its source and its continuation in political expediency. Its purpose is to enable those in power to increase public expenditure without a corresponding increase in taxation. As example, by the printing and expenditure of additional paper money or credits convertible into money, appearance is given of something being obtained for the people for nothing. So it is that by the mass of the people in its early stages monetary inflation is deemed Santa Claus, and, since in the homely vernacular of a great American, "Nobody is going to shoot Santa Claus," protests of those who understand the ultimate effect go unheeded. The people accept appearance for reality and vote to support those they deem to be their benefactors. Not until it is learned by the mass of the people through painful experience that behind the benevolent mask of Santa Claus hides the cruel countenance of an ogre which from the beginning has created nothing, but on the contrary has secretly taken cruelly and ruthlessly, is there political hope of bringing monetary inflation to an end. Once started, as long as there is political gain in its continuance, the practice will be continued; only when its continuance has come to mean political loss will it be discontinued.

If freedom survives the present crises, there is but one serious possibility of long postponement of remedial action in France. That possibility lies in unwise American interference by subsidizing the French Government. By supplying the French politician in office with the means with which to continue his subsidies, his extravagances, and services with neither increased taxation nor the printing of additional francs, it is within our power to prolong the French economic malady, even to the exhaustion of our own available resources. But in essence the operation will consist of nothing more than the temporary expedient of importing to our shores and unjustly inflicting upon our own people a portion of the misery brought upon the French people through the maladministration of their own government. And in the end, when our own exhaustion compels cessation of our intervention, every responsible American official and every lawmaker and publicist party to the process will be detested for it both at home and abroad; at home for starting and continuing the practice, abroad because of its discontinuance. And, Congressman, should any of your constitutents inquire as to the probable duration of economic distress in France, and you

may be sure many of them are wondering, you may with perfect safety reply that the duration will at least be coextensive with continuation of the practice of shipping American wealth to France in attempts to shore up a rotting franc; a franc rotting not because of exhaustion of French resources, but because French politicians in office decline to be honest.

VII

There is ample support of a current factual nature for the conclusions just expressed. It is to be found almost daily in press reports from France indicating the declining value of the franc under pressure of new issues and the discontent of the people because of it. It is to be found in speeches by French Cabinet members; in strikes and demands for increased wages; in the withholding of agricultural produce from the price-controlled markets of the cities, though there is no evidence of scarcity in the country. Of equal significance are reports from returned American travelers. The correspondent, Marquis Childs, has recently reported from Paris that expensive Parisian restaurants are daily filled with French diners, while the French Riviera, the expensive gambling and resort center has just closed its most profitable year. Others have made similar reports.

Dr. Heiser, the distinguished American physician and author who gave a lifetime to the service of humanity through the Rockefeller Foundation, has just returned from a 3 months' motor trip through France and Italy. He speaks both languages and talked freely with the people of the country and cities. This competent man declared upon landing in New York that he found no evidence of serious lack of food in either country and that the shops of Florence in Italy where there is no meat rationing carried more steaks and chops on display than he observed in similar New York markets.

The distinguished San Francisco weekly, the Argonaut, of October 24, contains a letter from John Gallois, a prominent San Franciscan. It was written at sea to the editor by Mr. Gallois who was returning from a 4 months' tour of Sweden, Belgium, Holland, France, and a small part of Germany. In this letter he says, "These Europeans are not suffering, alhough they appear broke. Never, even in the heydays of the late twenties have I seen such spending, luxury, gambling, and so forth as in France and Belgium. It's not like the old days when the Americans, British, and Russians were the great spenders in Europe. Now it's the local people. What these people now need is to get down to work and forget about our helping them. The countries and people look healthy and prosperous, and unless the 16 nations now assembled in Paris can form a sort of perpetual United States of western nations which would forget their dollar demands without productive planning, I would let them paddle their own canoe. * * * If France wants to get out of her mess, she must revise her ways of living and abandon the habits of luxury she has acquired in the years since the liberation. The exhibition of indecent riches I saw in French summer resorts has certainly not given tourists the impression she needs financial help. You cannot ask for help and live as well as before the war. * * * At present France offers a strange picture. Her industrial production is equal to 1938 but she lacks essential manufactured commodities. Her agricultural output equals 1938, yet she goes begging for wheat and meat. The cause is hoarding for black-market prices. Her cities go short of food and the countryside eats as never before." Many other interested travelers have reported similar observations. None of the indecent display of wealth and luxury on the part of Frenchmen, described above, has escaped the eyes of the helpless middle and wage-earning classes of France, desperately struggling against the declining value of their francs. Their bitterness and resentment are manifested in the strikes and disorders now being experienced. This resentment will continue until conditions are changed, and change will come only with removal of the causes.

VIII

Proof of the cause of scarcity in the French cities and of the rapidly declining value of the franc is to be found in the Government's financial reports. In January of this year there were published in the Commercial and Financial Chronicle, of New York, a study of the French situation by a competent economist, Egon Kaskeline. The figures which follow are taken from that study. I have seen none of them questioned and have no reason to doubt their authenticity. The French national debt is $453 per capita as compared with a per capita debt in the United States of $1,185, and in Great Britain of $2,152. In December 1946 the controlled price level in France, as a consequence of the paper money inflation, had reached 800 percent of the 1938 level. It is now much higher and moving upward steadily. Upon the free or black markets which were then doing over one-third of all French business, the price levels had reached 1,600 percent of the 1938 levels. The franc, officially valued at the pegged price of 119-plus per the United States dollar by the International Stabilization Fund, was selling at 350 per United States dollar. It was estimated by M. Phillip, the new Minister of Finance, in his December address to the assembly that the tax frauds of the year 1946 ran as high as 150,000,000,000 francs. One hundred and fifty billion francs, Congressman, at the pegged rate of exchange is $1,250,000,000. The total deficit of the French Government for the year 1946 was reported as 415,000,000,000 francs of which two hundred and three billion came from losses in the nationalized railways and industries. This deficit was met by the issuance of newly created paper francs. The deficit for 1947 was estimated at 500,000,000,000 francs to be met in the same manner.

The foregoing are shocking figures but those which follow must appall every Congressman who is giving serious consideration to the question of voting taxes against his own constituents on behalf of a French Government which openly declines to do its duty. Taxes collected in France represent but 22.7 percent of French income as against nearly double that percent in the United States and 40 percent in Great Britain, while from the estimated annual 400,000,000,000 francs worth of agricultural production, but 2,000,000,000 francs (one-half of 1 percent) are taken in taxes. It is in the face of these figures that it is gravely proposed that additional taxes be laid upon all Americans, rich and poor, farmer and factory worker, to support the Government of France.

The French Government's reported income for the fiscal year ending in 1946 was 373,000,000,000 francs. This equals $3,130,000,000. The division of this by 40,000,000, the estimated population of France, gives $78 as the per capita tax burden imposed upon its people by the French Government in the fiscal year ending in 1946. Now subject to the same calculation the $40,000,000,000 tax collection of the Federal Government of the United States from the American people. In a word, divide 40,000,000,000 by 140,000,000, the population of the United States. This calculation discloses that the tax collection from the American people by the Federal Government alone during the year 1946 was $285 per capita, nearly three times that collected by the French Government from its people.

It is not for taxing lightly that the French Government is to be condemned. It is for taxing lightly while spending heavily and meeting the deficits by the printing of paper francs. For this it is inevitable that it will soon be called to account by the French people. That is, Congressman, the French Government will very soon be called to account by the French people unless you and your colleagues can be persuaded to tax your own constituents to make good its deficits.

IX

If the Congress of the United States is to become tax collector extraordinary for the bankrupt governments of Europe and the American citizen taxpayer extraordinary on behalf of those governments, it is well that Congressmen visit those countries on whose behalf they propose to enact tax measures. But one day spent in examination of French books readily available in translation will afford great enlightenment both to those legislators who travel abroad in search of information and those who remain at home. For French scholars, with the industry and meticulous care characteristic of their race, have assembled and analyzed the records pertaining to the great French paper-money inflations of the past, even to the daily police reports respecting the feelings and conduct of the people.

In these studies one is enabled to observe, as in a mirror, precisely the conditions to be observed in France today. The disappearance of food from the price-controlled and policed markets of the cities; food in plenty in the country; black markets flourishing; expensive restaurants and gambling resorts filled to overflowing; speculation rampant and discontent and unhappiness everywhere; an overstaffed and wasteful Government unceasingly pouring newly printed paper francs into the country's circulation while harassed and impotent officials struggle to force the people to accept the printings of the Government at such values as bureaucrats prescribe, the people declining to do so. History is repeating itself in France. The French people, knowing their own history, and understanding the ways of the French politician, far better than do Americans, are resisting and rejecting a great imposture. There are, of course, persons in France, as in the United States, who lay the blame for stagnation of trade in price-controlled markets, the scarcity of food in the cities, and the steady increase of prices, upon the demands of labor and salaried persons for increased pay; others lay the blame upon merchants, others upon bankers, and still others upon industrialists and farmers. These charges are as false as they are unjust. The blame lies with none of these but upon those Frenchmen who cojointly constitute the French Government. By their dishonest fiscal practices they have destroyed an essential factor in French civilization, the lawful medium of exchange of France, while the struggle of labor, of salaried persons, of merchants, of farmers, and industrialists for additional francs is but the natural struggle to survive. In it is exhibited the protective instinct of the individual to safeguard himself and his family, and nothing more. The issue of economic recovery in France lies between the French people as a whole and the French politician, and there it must be decided. Our intervention can prolong the struggle and the agony and import a portion of it to our own country. But it cannot determine its final outcome.

X

I have used France as example, but in one respect the case of England is more illuminating. When I wrote you 18 months ago expressing opposition to the British loan in the form then advocated, I stated that I opposed it not because of antagonism toward the British people but because upon objective reasoning I believed the loan would prove harmful both to the British and to ourselves. I stated that reason led to no other conclusion than that it would impair Anglo-American friendship since the conditions attached to the loan could not be met and therefore should not be imposed. I also stated that the ad-

verse effects of so great a drain on American resources, the total of $20,000,000,000 then under consideration for foreign grants being, interestingly enough, the same as at present, could not be postponed but would promptly manifest themselves. Little time has been required to vindicate the accuracy of these conclusions. As an alternate to the blanket loan as planned, I suggested a careful examination of the fiscal affairs of Great Britain and that approach to its financial problems dictated by all experience. But it soon became apparent that the great mass of the American people, moved by humane instincts and high purpose, was being won by a skillful campaign of official propaganda to accept the representations inscribed upon the bottle with no real knowledge of its contents. Congress thereupon succumbed to the pressure of the administration. It was but a repetition of similar administration successes. The result was but a repetition of past failures. Events have moved swiftly in America. The people have demonstrated that they like neither the scarcity and the advancing inflation they are experiencing at home nor the news they receive from abroad. They have learned that fine phrases and lofty declarations of purpose are poor substitutes for objective reasoning, and that an economic untruth does not become truth because advanced in support of a cause deemed worthy.

XI

We now know in enlightening detail what happened to the British loan. To make use of an ancient expression it went for corn and games for the British populace, for food and clothing subsidies, for tobacco, for Hollywood films, for doles, for losses incurred in nationalized industry with that increased pay for decreased production which makes for political popularity and national bankruptcy. By indirection through the subsidies it went for unprecedented welfare programs and the pay of new heavily staffed bureaus to control the mechanisms of the new order.

Bewildered Americans express astonishment that by-elections in Great Britain in regular succession have sustained the Socialist Government, a seeming anomaly if things in Britain are as bad as reported. There need be no astonishment. During the past year the pay of British labor in shillings has been higher than ever before, and the cost of food and clothing relatively less because of prodigious Government subsidies made possible by the American loan. As a consequence of this and of the little left to buy because of the export program of his Government, the British wage earner has a surplus of shillings in his pocket. It is for this reason that absenteeism has reached proportions hitherto unknown and the increased attendance at horse racing, dog racing, professional football matches, and all other forms of public and private gambling have become a national scandal. The churches gambling committee has just reported that receipts on greyhound racing tracks in England, Scotland, and Wales last year were $796,000,000; that bookmakers' takings are estimated at slightly more, bringing the total expenditure at greyhound racing tracks over $1,600,000,000. And who, Congressman, one may ask, paid for the colossal food and clothing subsidies, for the tobacco, for the Hollywood films, for the absenteeism, for decreased work with increased pay? The answer is not difficult. It was paid for in substantial part by Americans under compulsion of an act of Congress. It was paid for out of the loan which, confidently supposed by well-meaning Americans to last 4 years and assure the rehabilitation of British industry, was dissipated in living expenses and amusements in 1 and served no real purpose except to enable the Socialist government to keep itself in power.

Is it great wonder that so many Americans now meeting this bill through taxes and higher prices witness with grave concern the efforts of elements within the administration to exact from them under force of law additional contributions to so little purpose?

XII

That which objective reasoning made clear has been proven by events. From every part of the world into which American money has been poured the story is the same. The four and a quarter billions received by the Government of Great Britain from the Treasury of the United States has all but disappeared in a year, and with what result—increased austerity for the British people and no abatement in the economic distress of their country. Billions to the Government of France, and with what result—conditions more critical than before, and a decrease in the bread ration of France to levels below that of the German occupation. Billions to Russia and her satellite states and the measure of their gratitude is the murder of innocent young Americans and the denunciatory charge that we are imperialists, war mongers, and enemies of mankind. Billions for the liberation and rehabilitation of China and our Government dares not publish the report of its official observer, so gruesome are the details of corruption and malfeasance; hundreds of millions for Greece, and the dispatches of yesterday disclose the discovery of $75,000,000 in supplies abstracted and hidden in the interest of Greek individuals.

Among all who have accepted our benefactions, which since the surrender of Japan have aggregated the great sum of $20,000,000,000, few are to be found who believe our motives to be other than those of calculated self-interest. Nor are they entirely without justification for this belief, since each successive overseas-spending project has, like the present, been represented by its promoters as demanded in our own national interest.

In every city, village, and hamlet in America people are crying out against scarcity and high prices. The oppression is real and not fancied. There is scarcity and prices are high. One has but to pass through the food markets and observe the anxious faces of poorly dressed women to gain first-hand knowledge of what this condition means to many. Even the President coupled to his demand for these new gratuities abroad a demand for action against scarcity and high prices at home. It is a demand for relief from the very ill he proposes to inflict. It is a demand that one be subtracted from five and the result be six.

To contend that these proposed shipments of billions of American resources and production abroad do not inflict definite shortages and consequent higher prices at home is to indulge in meaningless abstraction. To say that it is the American wheat eaten by Americans and not the American wheat eaten by Europeans that makes prices high; that it is the American steel consumed by Americans and not the American steel consumed by foreigners that makes steel scarce, are distortions of reason into nonsense. In appraising the working of an entire economy earmarking of portions in the manner indicated is impossible. But it is indisputable that for every million bushels of wheat and every million tons of steel sent abroad there is an equivalent decrease in supply upon the home market. It is also indisputable that the addition of dollars and convertible credits to our already overexpanded circulation sharply increases demand upon those markets.

XIII

There are persons who say that the United States can well afford to send an additional $20,000,000,000 worth of its resources and production abroad with nothing to be received in return, and should make provision to do so not only without delay but apparently without study insofar as Congress is concerned. In lieu of independent congressional study, they demand that Congress act upon the recommendation and report of committees, composed of lay individuals, selected by the Executive to instruct Congress respecting its duty. These committees have presumed to ascertain what "the economy of the Nation" can afford. I propose to point out the callous falsity of the concept underlying these studies of what "the economy of the Nation" can afford: a concept bearing no greater relationship to reality than the doctrine that the Government's debt is meaningless because "we owe it to ourselves."

The Government of the United States, the proposed bestower of these foreign grants, does not own the wealth of the Nation. The purchasable and exportable wealth of the Nation is owned by individuals and corporations, and in varying proportional shares. The income of the Nation is also received by individuals and corporations in varying proportional shares. Whatever goes abroad pursuant to these spending projects must be purchased, paid for, and withdrawn from the supplies otherwise available for purchase by individual Americans. The impact upon individuals will vary with their income and their necessities. Every item must be secured in the markets in competitive bidding against American citizens, few of whom are rich, the vast majority of whom are at best in no more than moderate circumstances, and many of whom are desperately poor. I beg of you to mark carefully the contrast between these two classes of purchasers in the American market, the individual American who is compelled day by day to earn his own, often meager, supply of dollars, and the foreign government which is supplied with dollars gratuitously. And having carefully marked this contrast consider the handicap under which the American purchaser labors since he must not only earn his own dollars but provide the dollars spent by the foreign government as well. Slight analysis of the facts is required to demonstrate the falsity of that singular concept which presumes to determine a question so vital to individuals upon an examination of what "the economy of the nation" can stand. The question is not what "the economy of the nation" can stand. The question is what that tangible flesh and blood creature already desperately struggling to make both ends meet, the average American, can stand. It is upon his back that Congress is asked to strap this load and it is with him that Congressmen and the political parties to which they belong must reckon in the end.

I have in mind, Congressman, the average people of the United States, the men and women, old and young, of small or moderate income who with mounting anxiety are struggling day by day not only against the present unparalleled rates of taxation which add heavily to the price of everything they buy but against the grinding burden of the national debt as well, a burden applied through the gross inflation of our circulating media. Among these men and women are to be found the best the country has, all salaried workers, all teachers, the clergy, all civil servants, all labor which suffers loss because of the lag between increasing prices and increased wages, the five million families recently declared by Government to be without present possibility of procuring homes of their own because of high costs and scarcity of materials. There are also those whose life savings, once sufficient for their support, are no longer adequate because of advancing prices.

It is true that there are poor persons in Europe and persons paralleling in circumstance those I have described. It is no less true that there are rich persons in Europe and great resources available to those Europeans willing to work as Americans work. There is poverty and destitution in Asia of an appalling character, and until the nature of man changes there will be poverty and destitution throughout the world as there always has been. But the cure does not lie

in seizing that produced by the provident and industrious and giving it to the improvident and those who decline to work. Through that process all will assuredly be reduced to a common level of indolence and destitution.

XIV

A lawful medium of exchange in the continuing value of which the competent persons of a modern society repose confidence is as indispensable to production, distribution, and trade as tools are to the erection of buildings. Without such a medium a civilized society in the modern sense cannot exist since its existence requires a steady accumulation of liquid as well as of permanent capital, and contemplates a broad diversification of production with a continuing exchange of the things produced. When confidence in its established medium of exchange is lost or seriously impaired, every phase of the economic life of such a society sickens. It is a sickness for which there is no cure except in removal of the cause. France is suffering from this sickness in an acute stage. Great Britain suffers from it as well but in a lesser degree. Nevertheless her illness is aggravated by practices already pointed out. In both countries production and commerce are stifled with those controls never absent when money, forced to forsake its true function of handmaiden to commerce, becomes harlot to politicians. The purpose of such controls is neither to stimulate production nor facilitate distribution. The purpose is to force trade to accept debauched currencies at prices fixed by political bureaus. They constitute an attempt by government to enforce expropriations designed to serve the political interests of men in office.

To subsidize a government is to subsidize the men who constitute it and their policies. Demonstration of this is plain in the case of the British loan, which is now clearly seen to have constituted subsidization of the Socialist Government of Great Britain. If the practices of a government are prodigal, subsidization of that government constitutes subsidization of prodigality. If the policies of a government promote scarcity and stagnation of production and thus promote the spread of communism, subsidization of that government promotes the spread of communism by perpetuating the conditions that foster it. If the correct method of combatting the spread of communism in western and central Europe is to restore prosperity, measures calculated to restore prosperity must be adopted. The subsidization of western European governments is not such a measure. Neither are measures for the reshackling of Americans. Such measures will do no more than destroy production at home. There is but one method of restoring prosperity in western and central Europe. That is to unbind the people, provide them with an honest medium of exchange and permit them to create prosperity.

Congress can tax Americans until they cry for mercy and millions of them are uttering that cry today, and it can subsidize existing foreign governments without end, but until governments are set up which will establish and maintain honest media of exchange, live within their means, and free their peoples from bureaus and harmful controls there will be no recovery. And when they do establish and maintain such media of exchange, reduce government expenditure to the level of government income, and free commerce from its chains, there will be no occasion to cry for foreign relief. The cure for Europe's economic distress, Congressman, is to be found neither in the exportation of American resources gratuitously to European governments nor in re-regimenting Americans. It is to be found in the freeing of Europeans.

Very truly yours,

WILLIAM CHAMBERLAIN.

Proposing a Consistent Foreign Policy

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. MUNDT. Mr. Speaker, under leave granted me by the House, I am herewith incorporating as part of the permanent RECORD the transcript of a broadcast which I delivered on Thursday night of last week under the title "A Consistent Foreign Policy":

A CONSISTENT FOREIGN POLICY

(Radio broadcast by Representative KARL E. MUNDT, of South Dakota, over the Nationwide facilities of the American Broadcasting Co., Thursday, December 11, 1947)

My fellow citizens, citizens in every walk of life, these days are becoming increasingly disturbed by the failure of our Government to develop and declare an American foreign policy which is both consistent and constructive. Congress is now in the process of completing action on a program of interim aid for France, Italy, Austria, and China which is being adopted with the hope it will help stop the militant aggressions of communism abroad. Nobody in Washington, however, believes that the aid provided by this extra session of Congress will be sufficient in size or adequate in scope to restore order and security in Europe. For that reason, it is generally referred to in the Halls of Congress as stopgap aid or what amounts to a device for buying a few months of time during which Americans can hammer out for themselves a positive foreign policy. It is hoped a realistic program can be developed to free America and the world from the danger that revolutionary communism, inspired and guided by Russia, will take over where Hitler left off and plunge the world into another war for survival.

As we discuss for a while tonight some of the elements which it appears must be incorporated in any affirmative American foreign policy of positive and practical action, it is well that we keep in mind some of our mistakes of the past. I want to recount a few of them now. I do this not for purposes of recrimination or political indictment but in order that as we plan ahead we may not become the victims of repeating or continuing policies which have failed us so miserably in the past.

After VJ-day, America hoped that we might continue in peace as we had in war to cooperate with Russia for our common good. Russia and America had spearheaded the successful military battle against Hitler and fascisim. While a wide gulf separated the economic, political, and ideological patterns of Russia and the United States, it was hoped that each could use its own formula to help rehabilitate the war-stricken world and to give both big and little nations a decent opportunity to function as independent countries in a peaceful world to be patrolled and policed by the United Nations.

APPEASEMENT IS A POLICY OF FAILURE

Well, unfortunately, that dream did not come true. While the United Nations organization has quibbled and quarreled without meeting such major challenges as how to control the atomic bomb, how to set up an effective world police force, and how to modify or amend the veto provisions of its charter so that specific progress can be made toward collective security, things have been happening in Europe and Asia in the years since the war. These developments have materially reduced the comparative strength of the United States while substantially increasing the comparative strength of the Russians. It is a trend which must be stopped if peace is to prevail.

Even during the war we know that our wartime leaders lost diplomatic contests and surrendered to the more insistent and vigorous Russian advocates on so many important decisions that our dreams for mutually acceptable peacetime cooperation with Russia were probably foredoomed to failure even before they began.

At Cairo, at Tehran, at Yalta, and at Potsdam, in four successive conferences, the administration appeased and apologized, surrendered and succumbed, backed down and backed off on so many important matters that our Russian allies quite understandably convinced themselves that loud talk and swift action could always continue to confuse and intimidate America. So proceeding on this false premise which our diplomats helped to create, and encouraged by numerous other examples of indecision and weakness on the part of the United States, the rulers of Russia while blocking constructive action in the United Nations moved rapidly to build by direct action the size, and scope, and significance of the Russian orbit. Now we find that what was once the one Communist-dominated country — Russia — with which we cooperated in war, has today become a Red phalanx comprised of what formerly were 12 independent countries when the war began. Suppose we call the role of the Red parade through Europe: Russia, Latvia, Lithuania, Estonia, Yugoslavia, Albania, Bulgaria, Rumania, Hungary, Poland, Czechoslovakia, and Finland.

The State Department, the White House, and our foreign-policy makers in America have watched and worried as this great Red wave of aggression has splashed down from Moscow to engulf 11 additional countries of Europe. But only within the past few months have they presented any program which even remotely could give hope that Communist aggression might be stopped short of the point where it feels strong enough to challenge the Western Hemisphere or to try stretching its string of conquests from its present clutch of 12 captive countries into a world controlled by godless, atheistic communism.

And even now—in December 1947—as our country contemplates and considers proposals which have been far too long in coming and which are still woefully short of being complete and consistent, we find our administration in Washington still dismally pursuing some of the same appeasement policies and hang-dog apologetic programs that contributed so substantially to the seriousness of our present situation.

For example, in 1947, during the very year that Russia refused to permit a committee from the United States Senate to visit our own embassy in Moscow,. we find that our State Department has granted over 3,000 official visas to visiting Russians, all of them Communists, mind you, since only the faithful are permitted to leave Russia legally—yes; has granted over 3,000 visas to Russians for the purpose of surveying, studying, and observing the progress and the plants of America. Is it any wonder, I ask you, that the men of Moscow still cling to the idea that tough language and swift action will confuse and intimidate our Government?

There is other evidence, too, that our Government still clings to the appeasement policies which have served us so poorly since the end of the war. Last week, to be specific, the House of Representatives approved overwhelmingly a resolution (H. R. 366) which I introduced for the purpose of compelling our reluctant or embarrassed Department of Commerce to give Congress all the facts in connection with our current shipments of freight cars, farm machinery, machine tools, petroleum products, and other war-serving and critically short supplies to Russia and her

satellite countries. Why was this resolution necessary? Because, my fellow Americans, even now while we are being challenged to make great sacrifices to send needed supplies to western European countries and to China in an effort to stop communism from conquering the continents, this administration is not using the export controls for which it asked and which Congress has given it to prevent shipments of war potentials to a country which will not even permit Members of the Senate to enter its boundaries.

There are still other humiliating policies which this administration continues in conformity with our appeasement program as accepted at Cairo, Teheran, Yalta, and Potsdam. If time permitted, the whole sorry sequence of appeasement attitudes and activities could be expanded even further. I believe, however, that the evidence is clear enough by now to prove that running from the Russian bear every time it growls or bares its teeth is not a policy which will build a permanent home in this world for the dove of peace.

THIS ADMINISTRATION MUST MAKE UP ITS MIND

What, then, of the future? Bad as have been the consequences of past blundering and the disaster of permitting left-wing pressure groups at home to influence the pattern of our foreign policy, I do not believe the future is hopeless or that war is the only harvest we must now await. The hour is late—much later than so many realize—but in this late hour there is still time for action and room for hope.

In the first place, Secretary of State Marshall at long last is letting the Russians understand that there may be an end to American appeasement. If he achieves nothing at the Foreign Ministers' Conference it is becoming clear that he will also surrender nothing more. Secondly, his proposal to provide such aid as America can afford to foreign countries who will help both their neighbors and themselves while resisting the tyrannical efforts of Communists from within and without their borders is another signal to Russia that the days of her easy conquests may be over.

A third encouraging indication is the belated admission that the Morgenthau plan for Germany has dismally failed and the start at least toward utilizing the German economy for general European recovery instead of keeping it as a cancer to infect Europe with hopeless disaster.

But, my good friends, these three encouraging signs are still not enough. If we are to avert war by positive action instead of to invite war by appeasement policies we must round out and shape up an American foreign policy which is both consistent and constructive.

The time is here when this administration must make up its mind. Either we are trying to stop communism abroad or we are trying to support it by sending overseas as we still are the very supplies and equipment it needs to make its aggression formidable. The White House and our State Department have too long followed the disillusioning and futile policy of bailing water out of the boat with one hand while dipping it back in from the Red sea with the other!

A CHALLENGE TO REPUBLICANS

If this administration fails by the January session of Congress to present a consistent program of foreign policy, then, I submit that responsibility falls to the Republican Party and I hope we can come through with a constructive and consistent program. I propose that as a fourth part of such program, therefore, we cease exporting to Communist countries supplies of which free countries are critically short or equipment which can be adapted to war purposes.

As a fifth point, I, personally, recommend that we establish and operate an information program overseas which will not only present the positive virtues of freedom as practiced in America but which will also answer and expose the false allegations and accusations of the noisy communism propaganda machine. Surely, if we feed only the stomachs of Europeans while the Communists feed their minds, we are engaging in an expensive and a futile exercise.

In the sixth place, moving concurrently with the rest of this program, we must provide vigorous leadership in the United Nations to develop policies and to secure the necessary modifications in procedure so that organization can achieve its purpose of collective security rather than degenerating into a name-calling society in which wars can be incubated more easily than they can be outlawed.

Finally, as a seventh step toward peace, I recommend that in all matters our policy toward Russia and her captive countries be revised to operate strictly on the basis of a firm and friendly formula of reciprocity. We should henceforth make no concessions and yield no privileges to Russians which they are unwilling to grant to Americans. That reciprocal formula, in my opinion, should be put into operation straight across the board. Americans are more proficient bargainers than they are beggars. By reciprocal exchanges I think we can succeed where we have conspicuously failed as appeasers and as supplicants.

Speaking as one who has worked long and hard in support of the interim foreign-aid program now completing its passage through Congress, I plead for leadership in an era where followship has failed. The past can be rescued in part from its dismal colorations if from our mistakes we can evolve the outlines of an affirmative American foreign policy of positive action and consistent procedure which even yet can win the peace. Let us, as Americans, dedicate our prayers and devote our mightiest efforts toward that common goal.

I have enough confidence in the dynamic power of freedom, as we know it in America, to conquer the destructive forces of communism, to believe that by vigorous, constructive, and consistent action we still can win and hold this peace.

Modification of the Land Limitation Clause

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. MILLER of California. Mr. Speaker, last May, M. C. Hermann, quartermaster adjutant of the Veterans of Foreign Wars of the United States, Department of California, and Robert W. Pontius, member, postwar planning committee, Veterans of Foreign Wars of the United States, made the following statements before a committee with respect to the modification of the land limitation clause made part of the Reclamation Act in 1902:

STATEMENT BY M. C. HERMANN, QUARTERMASTER-ADJUTANT, CALIFORNIA DEPARTMENT OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and members of the committee, my name is M. C. Hermann, and my address is Veterans Memorial Building, San Francisco. I am quartermaster-adjutant of the California Department, Veterans of Foreign Wars of the United States.

My department, representing organized veterans, believes that to repeal the 160-acre water limitation is contrary to the interests of veterans. Ever since 1944 when we first took a position against the Elliot rider to the Rivers and Harbors bill, we have considered the various bills that attempt to repeal this water limitation, and we oppose them all, including the latest one, S. 912. On February 23, 1947, the VFW Council of Administration for California passed a resolution requesting that immediate steps be taken to protect the rights and opportunities of veterans of World War II in the Central Valley project. That resolution is the authority under which I appear before you today representing veterans.

Briefly there are three principal points which express the views and program of the California Veterans of Foreign Wars:

1. More veterans—many more veterans—of World War II want farms than will get them. That is our fear and regret. We want the number of disappointed veterans to be as small as possible.

2. Repeal of the 160-acre water limitation is a direct deprivation of opportunity for veterans to make homes on the land. As citizens and as veterans we are against this.

3. We want veterans to get on farms while they are young—not to wait until 10 years from now, or until they are old men. We want Congress not only to kill repeal, but to pass simple legislation like it passed on Columbia Basin to authorize Government purchase of excess landholdings. That will make veterans' preference effective on all projects which benefit private lands like Central Valley, and will make it effective now.

Let me explain these points in detail.

First, the veterans of World War II want farms, and more of them want farms than are able to get them. About 3,000 veterans filed for 86 farms at Klamath project recently, a ratio of around 30 to 1. For the land opening to take place near Yakima, around 10,000 veterans have filed for 28 farms, a ratio of over 300 to 1. The lands on these two projects are public lands, on which veterans have preference by act of Congress. No one looking at the overwhelming evidence which is before our eyes can doubt that veterans qualified to farm are hungry for the chance to do it. No one can doubt that unless the Government does more than it is doing—more than to provide veterans' preference on public land—there are going to be a lot of disappointed veterans. We do not believe in inaction at home. The Veterans of Foreign Wars, California department, wants just as few disappointed veterans as possible.

My second point is this: To repeal the 160-acre limitation would be for Congress to go in just the wrong direction—180 degrees wrong. In the first stage alone of the Central Valley project there are around 230,000 acres in excess holdings. That is enough for 2,900 farms of 80 acres each for the families of veterans. Full development of the Central Valley is going to bring around 3,000,000 acres of land under irrigation. That means a chance for a lot more families to farm. The purpose of the water limitation, ever since 1902, has been to give them that chance. The effect of S. 912 is to throw that chance away. Let's not do it.

Speaking for the Veterans of Foreign Wars in California, I want to say to Members of Congress from other States that your veterans are eligible for settlement on Central Valley farms, just as ours are eligible on reclamation projects in Washington or Colorado or Texas. A reclamation project is national, not local, and the veterans of the Nation will benefit from each and every one of

them—that is, they will benefit unless we kill their chances now. S. 912 is a bill to kill the veterans' chances, and you can't make anything else out of it, no matter how hard you try.

Out in California we are getting to understand the Central Valley project pretty well now. On the technical side and on the side of the tactical maneuvers it seems a bit complicated at times, and these complications have made things easier for those people who are trying to take the small man's chances away from him, without his knowing it. We think that they have succeeded in confusing people outside California, some of them even in the Congress, into doing what we don't believe most of the Members of the Congress want to do. We have found by watching the tactics of the land monopolists, that outright repeal, as proposed in S. 912, isn't the only way they have of killing the veterans' chances in Central Valley for their own special benefit. They have at least three other ways, maybe more, and we think that the Congress ought to know them.

Their second way, besides direct repeal of the water limitation, is to persuade you, in the War Department civil-functions bill, to appropriate money for the Army engineers to build dams in Central Valley. They try to do this because they know that the Army will not enforce the reclamation law. Their third way is to have the State of California take over the project, for the same reason. Their fourth way is to employ threats, defying the Government of the United States to enforce the law in the hope that the Congress will yield to their threats and repeal the law. These beneficiaries of reclamation threaten to use deep wells and powerful pumps to suck the small farmer's water away from him underground, and they threaten to tie up the project in endless and costly litigation. They decline to sign the contracts to repay and to comply with the laws of Congress, at the same time they ask for more appropriations from you. They fight the simple legal provision which would secure fair enforcement of a fair law, and work tooth and nail for repeal, asking you to believe they do it all for the sake of the small man.

In these ways, and maybe in more ways that we shall discover before we are through, they seek to secure the same ends that direct repeal by passage of S. 912 would give them. "There are many ways to skin a cat," and there are many ways to skin the veterans. We oppose all of them.

It isn't nearly as hard to enforce the law as the land monopolists who are trying to escape it want you to believe. Just attach to your appropriations the clause that there shall be no construction until those who are private beneficiaries of congressional expenditures shall have signed contracts agreeing to comply with, and to make repayment under the reclamation law. To require this procedure is not novel; Congress uses it repeatedly. It's the only business-like procedure there is, and we believe you should use it on every appropriation to develop water resources in Central Valley, no matter to what agency you may make the appropriation.

I could elaborate this very important point, but to conserve the time of this committee may I request that a brief statement made recently by Robert W. Pontius as a member of the postwar planning committee of the California VFW before a joint legislative committee in California, be printed immediately following my testimony. The San Francisco News described that statement, which spells out the point I am making, as a "block-buster," because those who heard it knew that here was a simple, sound, and sure way to enforce the law, and that threats to evade will not prevail against it. We ask only that this Congress act upon its own best precedent for protecting public policy and the Treasury when spending the public's money.

While discussing how S. 912 and the devices for evading the law will kill the veterans' chances, I would like to clear up a couple of other confusions which appear to have been cultivated. One of these confusions is the statement that land subdivides naturally when you irrigate it; therefore, why not repeal the law? Congress was familiar with that argument in 1902 and rejected it then. History and the census, now as then, prove that sometimes land does subdivide naturally and a lot of times it doesn't. Even if the land does naturally subdivide, every veteran who tries to buy a subdivided farm under the project without protection of the 160-acre water limitation will be forced to pay to the present landholder a price to include the capitalized value of water improvements created, not by the investment or labor of the landowner, but by the appropriations of Congress. If, relying on what you are told about the land breaking up easily and naturally, you should decide to repeal this 160-acre water limitation, you will be repealing the law that controls speculation as well as monopoly, and you will leave the veteran who purchases a farm to be shorn like the lamb.

Some people think, when we talk about water limitation, that we are deciding only about farm opportunities. Some think—even some Members of Congress, I regret to say—since the opportunities to farm are so inadequate, anyway, that they might as well yield to the pressures of special interests to support repeal. The California Department of the Veterans of Foreign Wars is interested in standing up for those veterans of World War II who want to farm, even if they are in a minority, and even if all our best efforts will not be enough to get farms for all who want them. Even that position is too narrow, and we take our stand on one that is broader. The 160-acre water limitation insures more than opportunity to farm. It assures opportunity for those veterans who want to go into small business or who want to practice their professions in small cities and towns located within reclamation projects. That is another important reason why we are against any move to defeat enforcement of the reclamation law. Everybody knows that family farms make better communities with better business and professional opportunities than do large corporate farms. And we don't want veterans of World War II to have to wait for them, staking their hopes on somebody's overoptimistic prediction that better communities will happen just naturally.

Now for my third and final point. The Veterans of Foreign Wars, California Department, wants veterans of World War II to get their farms now, not 10 years from now, or when they are old men. The present contracts offered by the Bureau of Reclamation in Central Valley allow excess landholders 10 years in which to sell, but neither provide them a market nor give veterans any preference. The existing preference granted by Congress on public land remains a pretty empty gesture while there is so little public land on reclamation projects. It will not be difficult to give that gesture the sincerity with which the Congress undoubtedly intended to make it. Nor will it be without precedent. We ask you simply to provide, as you did in the Columbia Basin Act of 1943, for Government purchase of excess landholdings. By so doing, you will provide for prices fair to seller and to farmer alike; and, wherever lands are held in excess of the legal water limitation you will create areas on which qualified veterans will be able to exercise their preference.

I want to say to the committee in conclusion that our position on this issue is not taken hastily, and bears no taint of demagogery or expediency. It is founded on the highest public principle. No body of men is more dedicated than the Veterans of Foreign Wars to the principle that sound homes make a sound nation. We recognize a drive against family farms in our State or Nation when we see it. We are not ready, under the guise of these wholesale exemptions or by any other subterfuge, to throw overboard the family farm. We are not ready—neither as citizens nor as veterans—to junk the reclamation law.

STATEMENT OF CALIFORNIA DEPARTMENT, VETERANS OF FOREIGN WARS OF THE UNITED STATES, BY ROBERT W. PONTIUS, MEMBER POSTWAR PLANNING COMMITTEE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

We are wholeheartedly in support of measures to increase the number of solidly based American homes. That is why we stand opposed to any attempts to tear down the antimonopoly provisions of the reclamation law. The motto of the movement for reclamation a generation ago was "make homes on the land." With that we are in entire agreement. When the first attempt was made to break down acreage limitation at the 1905 session of the National Irrigation Congress, Judge Baker answered the representatives of the large landholders in these words:

"The committee of 17 that originally planned and arranged the adoption of the national irrigation law secured its adoption and presentation to Congress solely and entirely upon the question that the great land monopolies would be prohibited from getting the benefit of it by getting the lands to be watered, and after they were watered by the Government to go in with large means and take up all the land irrigated and thereby prevent the homeseekers from getting homes. Schemes which would limit development for private gain must give way to larger works and greater general benefits. We must stand by the law, by the Government that is in favor of building up the home in the great arid West and making it an empire in itself."

That is how Judge Baker of California answered those who would repeal the acreage limitation in 1905. There are many ways to defeat the law designed to make homes on the land, and repeal is only one of them. Another way to defeat the law is for the Army to build flood-control dams. Still another way is for the Reclamation Bureau, itself, to proceed with the construction of canals before the owners of land that are to receive water officially ask for the water. It is recognized as good business that contracts for the water must be completed before construction of dams or canals are begun.

The Bureau of Reclamation has always recognized it to be the best practice to require execution of recordable contracts agreeing to comply with the law, in advance of construction. Upon more than one occasion the Congress has written this wise provision into law. For example, the Reclamation Extension Act of 1914 provided that "before any contract is let or work begun for the construction of any reclamation project hereafter adopted, owners of private lands must be required to execute contracts to agree to dispose of their excess holdings." A similar provision was included in the Columbia Basin Act in 1943. The same rule should prevail in Central Valley, and is necessary if veterans and others are to have any substantial opportunity to make the homes on the land which the National Reclamation Act intended to provide them.

The veterans' interest in compliance with acreage limitation on water extends to dams and other irrigation structures built by the Army Engineers as well as by the Bureau of Reclamation. Indeed, veterans have been particularly shocked by the apparent willingness of high Army officers in responsible position to sacrifice acreage limitation, and at the same time to sell the opportunity for their own veterans to make homes on the land down the river. I refer particularly to Pine Flat Dam, where construction is about to begin, with no contracts for repayment or

compliance with excess land provisions. To this situation the veteran can only make the most vigorous protest. We will insist, before any further appropriations are made, and before further construction is made under presently appropriated funds, that recordable contracts be executed by private landholding beneficiaries, agreeing to abide by the law of repayment and acreage limitation.

More specifically, we recommend as follows:

1. That all initial features of the project be completed as soon as possible except that no appropriations be made for or construction started on the Friant-Kern canal beyond the Kaweah River until recordable contracts for disposition of excess lands within the SJMUD are received by the Bureau. And that no appropriations be made for, or construction begun to continue the canal further southward unless the present law is fully carried out.

2. That no further appropriations be made for, and no construction be started on the Kings River unless and until the beneficiary landowners, the Army engineers and Bureau of Reclamation comply fully with the law in this respect.

3. That if the present recommended budget of $20,000,000 now under consideration by Congress contemplates Friant-Kern canal construction beyond the points mentioned above, it be reduced by this amount.

We are convinced that when Central Valley construction is completed as I have indicated, it will afford full irrigation and other benefits to about 97 percent of all the people within the great Central Valley. Further construction at this time will benefit only 2 or 3 percent of the people of the valley and these people have not yet officially asked for help.

We recommend to Congress that here is a legitimate place to cut the budget

Price and Rent Control or a Christmas Holiday?

EXTENSION OF REMARKS
OF
HON. WALTER A. LYNCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LYNCH. Mr. Speaker, I regret that the distinguished majority leader refused to yield, so that I might propound the question, "Do you think it is more important for the Members of the House to enjoy the Christmas holidays at home than it is to debate and determine the all-important question of anti-inflation controls?" It was an embarrassing question—I intended it to be so. I wanted to know whether it was more important in the war against inflation for us to go home or carry on the war. The Republican majority decided it was more important to go home, especially as they do not want a price-control bill and they are opposed to inflation with their tongues in their cheeks. For my part, I am opposed to any holiday adjournment until a price-control and a rent-control extension bill is passed, and I shall oppose any such adjournment.

Mr. Speaker, in our generation we have fought two world wars—the last more destructive than the first. World War II has left the world in short supply of the things that are needed for normal life. Scarcity has produced high prices. High prices make sellers hold out for still higher prices and thus the vicious circle goes round and round. If we are to stop the spiral upward we must have a Government edict that will say, "Prices must be rolled back to June 1946." This may cause some loss to those who have speculated in foodstuffs but, I can assure you, it will be for the benefit of the general welfare.

President Truman called this Congress into special session for two purposes, namely, to aid Europe as a foreign program and to aid the United States by anti-inflation legislation. We spent days debating foreign aid; in fact, so much time was allocated to this subject that at times there was a scarcity of speakers and a surplus of time. The Republican majority, unmindful of its responsibility to legislate, sought by every parliamentary device to delay the final consideration of the foreign aid bill. Their so-called political strategy is now apparent—they wanted to use up as much time as possible before the Christmas holidays so as to prevent any extended debate on price control.

What is their strategy? The tide of inflation is sweeping on. The housewives of the country daily see their dollars purchasing less—if they never knew what inflation was before, they know it now. They have had enough. The whole country has had enough of ever-increasing high prices. The country looks to the Congress of the United States to enact legislation that will not only curb present-day high prices but will also roll back prices to the level of June 1946. They look in vain, for the Republican majority brings in this bill, House Joint Resolution 273, introduced on December 10, reported on December 12, without giving the Democratic administration a chance to utter a single word of objection before the Banking and Currency Committee. Before the House on December 15 the Republican majority not only disclosed its disdain for the Democratic administration and the Democratic Members of the House, but they have shown to the American people an unprecedented callousness to the whole inflationary spiral by allowing only 20 minutes' debate on either side and by insisting on a suspension of the rules so that a two-thirds vote, instead of a majority vote, would be needed to pass the bill.

The bill itself is a travesty. It insults the intelligence of the American people. It is called a price-control bill. In truth and in fact, it definitely provides on lines 1 and 2, page 3, that although the President may approve voluntary agreements provided for in the bill, "he shall not approve any agreement which provides for the fixing of prices."

What kind of a price-control bill is that which specifically provides that there shall not be any price control? How can we have price control unless there is the power to fix the prices at a definite level? What else does the bill provide? Voluntary agreements on the part of industry and agriculture to stem the tides of inflation. The President has issued the warning and has called upon Congress to strengthen the dikes against the tide of inflation—and what does the Republican majority responsible for the legislation in Congress do? They offer the President a broom to sweep back the tide. They do not even give him the broom when they insist that this bill pass by a two-thirds vote instead of the usual majority, because they know they cannot muster a two-thirds majority. I wonder if it is the intention of the Republican majority to duck the responsibility for legislation that goes with the majority-ship by henceforth demanding that all legislation be passed by a two-thirds vote.

The cynicism of the Republicans toward the plight of the people is evidenced by the fact that they would extend export controls another year from February 28, 1948, when the present export controls expire. No one has any fear that export controls would not be extended. But what of rent controls that expire the same day? Not a word about that in the bill. Thousands upon thousands of tenants are being blackjacked into the so-called voluntary rent increases because Congress wants to go home for the Christmas holidays and will not pass legislation so that the tenants can know where they stand.

It is my intention to ask the President to call another special session of Congress to convene immediately upon the adjournment of this session and to keep the Congress here in Washington until it passes a price-control bill that will roll back prices and provide for rent control.

The Late Honorable Raymond S. Springer

EXTENSION OF REMARKS
OF
HON. FRANK L. CHELF
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Monday, November 17, 1947

Mr. CHELF. Mr. Speaker, I was on board the *Queen Mary* this summer heading for Europe with the Fulton subcommittee to make an inspection of displaced-persons camps, when the sad news of the passing of my good friend, RAY SPRINGER, of the Tenth Indiana District, was beamed via radio out to sea. I was shocked and deeply saddened by the broadcast and somehow, without warning, a hot lump immediately appeared in my throat and I found great difficulty in swallowing. Slowly, very slowly, I forced myself to realize that RAY had been summoned by the Master of all lodges and men to his final reward.

RAY SPRINGER was a Christian gentleman, a great lawyer, and a splendid Congressman. Although it had been years before, just after World War I, in fact, that he had laid his country's uniform away in moth balls; nevertheless, he was stricken in the service of his country, his native State, and his district. He was a victim of overwork in the interest of his people whom he loved with all of his heart.

I had the pleasure of working and serving with RAY on the Judiciary Committee of the House. I had a better opportunity to know, love and understand RAY

by reason of the fact that we served together on Subcommittee No. 4 of the Committee on the Judiciary. He was always in good humor and his smile had a way of easing tension whenever a controversy threatened. His advice and excellent judgment contributed much toward the solution of many difficult problems before our committee for final decision.

RAY SPRINGER shall be missed by all, for to have known RAY was indeed to have loved him. By his exemplary life here among us, he has constructed an everlasting monument to his name.

May God bless and keep his loved ones forever and a day.

Mr. Laski's Slurs

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. BOYKIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter addressed to the editor of the Washington Star and appearing in that newspaper under date of December 5, 1947, by Mr. Edward Boykin, well known historian and lecturer, of Charlottesville, Va. Mr. Boykin and I have a common ancestor in Edward Boykin, who came to Virginia from England in 1685.

MR. LASKI'S SLURS

To the EDITOR OF THE STAR:

I am writing to reply to the slurs and innuendos directed at the United States and contained in the interview with the British economist, Harold Laski, which was published recently in the Sunday Star.

I resent these ungenerous slaps at a nation that last year gave Britain over $3,500,000,000 and is just now considering another blank check. It is about time some American told the bunch of political inepts, who are fast running Great Britain into the ditch, just where to head in.

Mr. Laski says that we are politically immature, that we have failed, as yet, to reach political maturity. If political maturity means the sort of maturity Great Britain is now enjoying, then God save America from such maturity, reached as it was by the sweat and degradation of millions of people to whom a helping hand was never even offered.

Mr. Laski slurs the unity of the United States. In 1776, the 13 United States had unity enough to snatch from Mr. Laski's then predecessors in office the greatest prize in the world's history. Indeed, Canada would have unified with the Thirteen States had it not been for a vile intrigue that included paying the Indians $2 apiece for American scalps. We had unity enough to save Great Britain's scalp in 1917. We had unity enough to save Great Britain's scalp as well as her hide again in 1941.

Mr. Laski says we are a Santa Claus people. That's just a jealous, smart-aleck crack. It is reminiscent of the Uncle Shylock slap that followed World War I. But, who made us a Santa Claus people? That's one for Mr. Laski to answer.

Maybe we are a Santa Claus people. But isn't it better to be a nation of Santa Claus people than a nation of those who sponge on other people's generosity? Mr. Laski, seated "beside his cozy fireplace," as the Star describes him, is a fine example of those who bite the hand that feeds them.

THE LIST IS LONG

Mr. Laski accuses us of an inherent distrust of Europe, of being wary "of being outdone by those skillful European diplomats." Why shouldn't we be wary? Would that we had been more wary. But who taught Europe and the world all the backdoor tricks of secret diplomacy? Who took the secret run-out powder on the Balfour Declaration on Palestine? Who intrigued with the Confederate States to overthrow the United States? Who plotted against every move President Lincoln made to save this Union of ours? What nation burglarized the American Ministries in Europe when we were but an infant nation? Who plotted to snatch Texas from the arms of the United States? The list is long—too long.

Mr. Laski could not resist taking a potshot at the Congress of the United States. He comments with sarcasm on "the clamor of the raucous voices of the American Congress" arguing the merits of foreign relief. I daresay the voices of our Congress did not sound so "raucous" to Mr. Laski last year when they voted ayes enough to give Great Britain over $3,500,000,000.

Mr. Laski takes a backhand slap at Winston Churchill. Well, Churchill was the best salesman Great Britain ever had and one of her greatest citizens. He will be remembered gratefully by the world long after Mr. Laski has lapsed back into the obscurity from which he has temporarily emerged. Winston Churchill it was who sold America the idea of coming to the rescue of Mr. Laski and his fellow-travelers in 1941. It now looks as if Winston Churchill will have to be called on again to lift Mr. Laski and his friends out of the mire of dole and distress.

Mr. Laski complains, "Whatever you wanted, you got," So did Great Britain, but she didn't even ask for most of it. For two centuries she ranged the world, grabbing whatever she wanted—and now look at her, with a bunch of half-red, muddle-headed politicos steering her around and around from one bright theory to another, with no idea of where to land the drifting ship.

I, for one, am sick and tired of having my country sniped at by British officials. One would think they would at least have good taste enough to keep their mouths shut when our President is at the moment asking Congress to tigthen the noose about the American taxpayer's neck to help the very ones who are sniping at us.

EDWARD BOYKIN.

CHARLOTTESVILLE, VA.

Letter of Mrs. T. J. Talbert, of Columbia, Mo.

EXTENSION OF REMARKS
OF
HON. MAX SCHWABE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. SCHWABE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

COLUMBIA, MO., *November 8, 1947.*

Hon. MAX SCHWABE,
Member of Congress,
Washington, D. C.

MY DEAR CONGRESSMAN: Our American civilization has reached the crossroads of its destiny. As one of your constituents in the Second Congressional District of Missouri, I am taking the liberty of writing you concerning the great need for a better understanding of our own ideology. I find much bewilderment everywhere.

A radio report only this morning revealed that Russia has a bumper wheat crop and is rushing aid to the people of her satellite countries. Another radio commentator assures us that a Friendship Train is traveling across the continent collecting food and clothes for the hungry and cold Europeans.

May I ask, Have both the Russians and the Americans adopted the philosophy of the pigsty? Might we not compare them to two men interested in pouring the most corn into the trough to determine who would get his porkers fattest the quickest in preparation for the winter kill?

Surely America is not bidding for the brawn and brute force of the Europeans. Are we not more interested in preserving their civil liberties that like the Americans they may use their creative abilities to secure the necessities of life by civil means?

How can we protect the birthright of the peoples of other nations if we sell our own for a mess of pottage? Civilizations, like men, do not live by bread alone.

If I understand our American ideology, it was not formed by men who adhered to the law of the jungle and the survival of the fittest. Our ideology does not guarantee men the material things of life. It does under the Constitution and Bill of Rights guarantee men and women their spiritual freedoms to secure necessary food, clothes, and shelter by just and civil means. The means must justify the end, not the end the means.

Granting that many Americans have digressed from the philosophy of our way of life and are seeking refuge in a philosophy which they think would guarantee their food, clothes, and shelter, the fact remains that it was the desire of the latter that prompted the leaders of two pagan ideologies to try to change the world and whose followers now lie prostrate seeking help from America.

Food, clothes, and shelter are not the real issue. They are but the cry in the wilderness of the war lords of Europe to perpetuate themselves by a man-made philosophy on one hand and the politicians of the Western Hemisphere to do likewise by the same token.

The real issue is the destruction of human personality and its potentialities which would make every individual a slave to the state and those in power on one hand and the preservation of the human personality and its potentialities and what he can contribute to the general welfare of his fellow man by the exercising of his spiritual freedoms on the other.

The iron curtain of Russia must be melted and the smoke screen of America blown away. Then and then only can the world make progress toward a lasting peace.

The masses are on the march for a higher standard of living. Let us help them to gain their objectives not by leveling down the culture of past generations but rather by extending to them the civil liberties and the right to use civil means to accomplish their end.

Our American ideology may be crucified upon a cross for a time but it shall roll back the stones by its impact of spiritual strength and stand unconquered before the world. Let us never forget that it was the spiritual impact of our 250,000 veterans, who now lie beneath the sod in every section of the world, against the cold steel of foreign foes in World War II which has preserved our freedoms. Their spirits rest today in the realm of the unconquered.

May I request that you as a Member of Congress and a Christian gentleman help to make the real issues crystal clear.

MARY W. TALBERT
(Mrs. T. J. Talbert).

Pearl Harbor Day

EXTENSION OF REMARKS
OF

HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the sixth anniversary of the Pearl Harbor meeting of the American Legion, Arlington, Mass., on December 7, 1947:

It is a great pleasure for me to come to Arlington and see all of my wonderful friends who have been so fine and generous to me. I am particularly glad to be here on this occasion, the anniversary of this eventful tragic day in our country's history.

It is most fitting for us tonight to meet here to commemorate the memory of our brave men who gave their lives fighting to save freedom. Throughout the historic towns and countryside of old Middlesex, here in Arlington, over these familiar hills and valleys, the freedom which we prize so highly was won. It was here that the brave men who came to a new world to establish freedom decided to make their stand. And when the alarm was given to every Middlesex village and farm, that alarm was "heard 'round the world." The autocrats, the rulers, the dictators, the kings by so-called Divine right were concerned because men in a new world had taken a stand to establish the freedom of mankind. This was something new. This was the dawn of a new civilization.

Several times, in almost every generation since that time, some selfish, egotistical, foolish, insane men have tried to take this freedom away from America. Every time they have failed. Every time we have met the challenge successfully. On December 7, 1941, a Sunday, the day of rest and worship, the day when Americans exercise one of their precious freedoms, the right to worship God in their own way, a terrific blow was struck at our freedom. The sneak attack of the Japanese on that fateful Sunday morning 6 years ago caught this great nation of ours asleep. It was devastating. Many of our brave men did not even have the chance to fight. Although this smashing attack found us asleep it proved to be a most beneficial awakening. Immediately the Nation was aroused. It was humiliated. It was mad. And when freemen get mad and work and fight together no power on earth can stop them or prevent them from achieving their goal. The power of this great Nation working and fighting together as freemen beat the Jap and eliminated Hitler. We annihilated the forces which were threatening to abolish our free way of life.

But we must never forget Pearl Harbor or permit those brave men who died to have died in vain. If we keep their banner flying we must follow the lessons we learned so expensively on that sleepy Sunday morning. Now what is the gain? What is the lesson? What does Pearl Harbor mean to freemen?

It is this. If freedom is to survive, those of us who are trusted with it must be constantly prepared to defend and meet every challenge. Never again can we afford to be caught asleep. Never again can we afford to be unprepared. Never again can we wait for the enemy of freedom to strike first. If we do not obey these truths our freedom will be lost, our country defeated and civilization annihilated.

The question arises as to how we can insure against unpreparedness. I believe it is the duty of free people, the citizens of this great and valuable country, to demand that the Congress provide for a strong Navy, a strong Army and Air Force. Our military forces must have the advantage of every scientific advancement and discovery originated by man. Don't be fooled or misled by enemy propaganda and jealous assertions by selfish military men that the day of the great Navy is over. Never before in the history of warfare has the modernized Navy been so important and essential. With modern inventions the Navy can hit any enemy in the world from the sea. Moscow can be bombarded from great ships at sea, which can immediately change their position and hit again and again. Because of modern inventions the great surface ships of the future will be able to take care of their own defense even against air attacks using atomic bombs. Only by luck could any enemy bombing airplane get close enough to these ships to damage them.

Our subsurface fleets are the greatest threat to any possible enemy that exists today. The modern submarine can travel very deep in the sea and shoot at its target without coming to the surface. And the important thing is, it will not miss the target, due to modern invention.

Our submarines of the future will be able to surface within enemy waters and shoot rockets and missiles with atomic warheads far inland as well as destroy all harbor facilities of the enemy. Such ships and submarines on the drawing boards, in the planning stage, are of little value. They must be real. They must exist, fully equipped and fully manned. They must be ready.

In addition to the strong surface and subsurface fleets, we must possess a powerful naval air force, made up of both land-based and ship-based aircraft and air weapons. This is most necessary because these air weapons will be the first and foremost striking force of the country. It will be near the enemy, within range of the enemy without first making a 5,000-mile flight. It will be there in position to strike quickly and effectively. A 1,000-plane naval air attack on the enemy in addition to the use of other air weapons might very well be the difference between victory and defeat, in the future—in this new age that is just beginning to appear over the horizon. To be adequately prepared, however, our Navy needs your support, my support, the support of Congress and the President. The necessary appropriations must be provided.

A necessary part of the Navy is the Marine Corps. I do not need to tell you that the United States Marine Corps is the finest, most courageous military organization in the world. It is always ready. It is always prepared. In its long history not once—never has it failed. This organization must be continued and strengthened and provided with every piece of scientific fighting equipment known. It must remain with the Navy, for both are interdependent on the other. There is no person in this land, loyal to the country, who will tolerate for one moment, any effort to reduce the strength and duties of the marines. Our country depends on their valor. Don't ever forget, ladies and gentlemen, our Navy today controls the sea and for any country to win a war it must have control of the sea. If we ever lose control of the sea and the air over the sea, we will lose out and go down to defeat. Don't ever forget that our Navy is our first line of offense, and I do not need to tell you that a strong offense is the best possible defense.

Scientific developments in aviation and air power must be constantly under way in order to provide our Air Force and naval air power with the most effective airplanes and weapons which can be developed. It is the duty of our Air Force to defend the United States from any enemy air attack. They must be equipped and ready to prevent any enemy air force from ever getting close to this country. This is their primary job. In time of emergency it will be the duty of the Air Force to control the air over the entire North American Continent and all of the approaches. It is possible this responsibility will include, in cooperation with our friends and neighbors of the South, the control of the air over all of South America. The Western Hemisphere is a primary responsibility of the United States from a military viewpoint and this responsibility rests heavily with the Air Force.

As an offensive striking power the Air Force must be adequately prepared to strike devastating blows at the industrial centers of any enemy. The enemy's production must be destroyed quickly in any war of the future. The Air Force must be able to completely and adequately support the Army in all of its operations in enemy territory. To assure victory in a war of the future our Air Force must be the finest, best equipped, best trained, and the most modern fighting organization for air warfare in the world. It is not only essential but very wise for us to provide the necessary means and equipment.

Constant effort must be applied to the development of new weapons for the Army and ground warfare. Our Army must be well trained. Our Army must be maintained at sufficient strength to meet any prospective threat. Our Army must be ready to fight on the spot at a moment's notice. This is the time to prepare for there will be no time when the next attack on freedom, when the next war, begins.

It takes time to train and equip an army. The war of the future will not allow this time after it has started. Because of modern inventions, the atomic bomb, and other methods of striking down a people, the war of the future may last no longer than a few weeks. The nation that is prepared will win and the country which is unprepared will be defeated. No war was ever won without a strong army. No enemy was ever taken without a strong army. No war was ever prevented without a strong army in the background.

A strong army needs every type of equipment science and invention can develop. It needs strong men, strong women, well trained and in fine condition. To obtain these necessities after the next war begins will be too late. If we wait until then we will lose our freedom, our country will be defeated and our people destroyed. Our Army must be provided with every necessary requirement now and in the days just ahead. It needs your support and it needs the confidence of the whole country. We cannot survive another Pearl Harbor—nineteen hundred and—your guess is as good as mine.

I have been speaking to you about the needs and requirements, the duties and responsibilities of our Navy, Marine Corps, Air Force, and Army. Under the National Security Act of 1947, commonly known as the Unification Act, an attempt has been made by the Congress to provide the country with the best possible military organization. Under unification we think of the respective military services as the Nation's armed forces. The basic motive of the Congress behind unification was complete cooperation between the different services and the saving of money wherever it was possible without interfering with the proper functioning of any of their activities and responsibilities. Certain specific language was written into the law for the protection of the Marine Corps and naval aviation as well as their responsibilities and functions. Recently, I not only have heard of cases, but I have seen statements which have as their direct objective the undermining of the legal duties and responsibilities of other services such as naval aviation and the Marine Corps. Such action is contrary to the law and the spirit of Congress, detrimental to the security of the Nation, and violates

the exact purpose of unification, namely, cooperation. This activity should stop immediately. If it does not stop, those either directly or indirectly responsible should be relieved of their command and dismissed from their service. There is no room in our military organization for officers, thinking of their own selfish advancements at the expense of the activities and responsibilities of other services. There must be cooperation in accord with the law or an effort will be made to find officers who will cooperate. There must be an end of this attempt by one service to absorb another service. Congress and only Congress has the power to determine and set up the military organization of the United States. Any officer who thinks he is bigger than the Congress and can defeat its will, desires, and motives, as well as its laws, is indeed walking on very thin ice in regard to his own future. Unification will work but it cannot work if it is subject to selfishness, unwise thinking, and a complete lack of cooperation.

There are some who might say that my plea for preparedness, complete preparedness now—has the atmosphere of warmongering. I say to you that no person is a warmonger who believes in his country and its protection—who believes in peace and its constant continuance—who believes in freedom and its protection. When peace is no more, when the country is lost, when freedom is lost—all is lost. I hate war. I dislike the spending of huge sums of money for our military forces just as much as anyone. But I know it must be done. I know the only protection at this hour against war is to be completely prepared. I know we cannot afford the luxury of making a mistake. This time it is necessary to be right to live as we know living today.

All of these developments, these scientific improvements, this modernizing of our armed forces requires money. This undertaking demands large appropriations. But foolish, utterly foolish, is the person who places more value on money than on freedom, than on the security of his country, than on the lives of himself and his family. I believe in cutting out all foolish spending by the Government and saving our money where it is possible. But on the other hand, I believe my country comes first, my freedom comes first, I believe civilization must be preserved regardless of cost. This is our challenge today. This is the lesson of Pearl Harbor. We must not forget it. We cannot forget it Will you stand with me and support me in this challenge and crusade to protect America, to protect freedom, to protect civilization? I know the men and women of Arlington and Middlesex will not fail—just as they did not fail on that dark night many years ago to answer the call made to every "Middlesex village and farm."

Blank Check

EXTENSION OF REMARKS
OF
HON. FRANCIS J. LOVE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. LOVE. Mr. Speaker, when the special session of Congress was called I was led to believe, as was the general public, that the purpose of the "stopgap" aid bill was for the relief of the hungry and cold people of Europe.

The facts are that the bill provides for much more, including so-called incentive goods to be taken from short supplies in the United States; petroleum products, industrial materials, and fertilizer. I was ready to support this program as far as necessary food was concerned but under these circumstances I could not feel justified.

The bill provides for the same old blank check method of relief as was used in the $20,000,000,000 already given to Europe since the war which has kept prices high here and failed to rehabilitate Europe. Agents of the State Department bought some 100,000,000 bushels of wheat for this program in the months of October and November 1947 before authorized by Congress thereby causing the price of wheat to jump from approximately $2.80 a bushel to $3.15 per bushel.

As a Member of Congress who would like to help the needy and war stricken people of western Europe, I do not intend to be led around by the State Department or any group and forced to vote for legislation to approve unauthorized purchases that result in certain high prices at home and uncertain relief abroad. The fact that this legislation does not specifically prohibit aid from going to governments under the influence of communism is another reason why I could not support the bill.

Un-American Political Organizations

EXTENSION OF REMARKS
OF
HON. CHARLES A. HALLECK
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks, I include an article written by Frank C. Waldrop, appearing in the Washington Times-Herald of December 16, 1947.

It is a powerful and well-reasoned argument in support of a measure introduced by my able and patriotic colleague, Representative WILLIAM C. COLE, of Missouri.

HOW TO DO IT

(By Frank C. Waldrop)

At last somebody has put the bell on the cat. Representative WILLIAM C. COLE, Republican, of Missouri, has a bill before Congress to bar from the ballot all political organizations which are un-American.

Yesterday, Mr. COLE laid the case before the Congress in language nobody can misunderstand.

Last week, he pointed out, the House of Representatives voted $600,000,000 of emergency money to stop communism in Europe. Billions more are being asked by the Truman administration for the same purpose. Billions have already been spent for that purpose.

Mr. COLE wants to know why it is therefore, that the same people who are shoveling billions abroad to "stop communism" in other countries, are so timid about stopping it here. Has anybody an answer?

His project to bar Communists from the ballot and along with them all others who teach, justify, advocate or aid or seek the overthrow of our Constitution by force and violence, is something that ought to have been done years ago.

It can hardly be left out of any program against communism worthy of the name.

Just how to put Communists over into the camp where they belong, outside the law, is worked out in Mr. COLE's bill very neatly. Wonder why nobody ever thought of it before?

For instance, he starts with the basic proposition in our Constitution, article 4, section 4, which states:

"The United States shall guarantee to every State in this Union a republican form of Government and shall protect each of them against invasion."

The Federalist papers of John Jay, Alexander Hamilton and James Monroe, throw plenty of light on the background thinking by the founding fathers, as to what they had in mind when they put that in the basic law of the land. In paper No. 43, it seems almost as if they were talking about today:

"Who can say what experiments may be produced by the caprice of particular States by the ambitions of enterprising leaders, or by the intrigues and influence of foreign powers?"

Long-headed men, those constitutional founding fathers.

Now as to what is meant by the one word, "republican," itself, we have a Supreme Court statement, and it just about tells the story:

"By the Constitution a republican form of government is guaranteed to every State in the Union and the distinguishing feature of that form is the right of the people to choose their own officers for governmental administration and pass their own laws in virtue of the legislative power resposed in representative bodies, whose legitimate acts may be said to be those of the people themselves.

"But while the people are thus the source of political powers, their Governments, National and State, have been limited by written constitutions, and they have themselves set bounds to their own power, as against the sudden impulses of mere majorities."

That admirable description can be found in the case of *Duncan* v. *McCall* (139 U. S. 461) and was written by Chief Justice Fuller.

Its doctrine is that the people own the Government but they cannot lawfully overturn it except by constitutional amendment.

Now where do the Communists stand in the matter of our Constitution? The Department of Justice has put that in the plainest possible language: That the Communist Party teaches, advocates, and advises the overthrow of our Constitution by force and violence.

The Communists do not seek to amend the Constitution. They seek to destroy it. They say it a thousand ways. All their history and all their declarations say it.

Therefore, it is plain crazy to give them any political fighting room whatsoever.

The only trouble with Mr. COLE's bill is that it doesn't go far enough. Not only should Communists be prohibited from political activity as a formal organization but it should be illegal by any test to hold membership in any kind of Communist organization.

These babies are out to destroy us. No need to make it easy for them to stay in the business.

Foreign Relief

EXTENSION OF REMARKS
OF
HON. HERBERT A. MEYER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. MEYER. Mr. Speaker, because of the lack of safeguarding, restrictive provisions, despite repeated efforts for the enactment of such amendments, I

am one of those who cannot support this so-called stopgap foreign-aid measure.

I am ready to vote the taxpayers' money to halt the spread of communism and, with due regard to our own solvency, to help feed the hungry people of the world. I am not, however, willing to vote another blank check to the administration, which, in the light of past performance, gives no assurance that these two objectives will be accomplished. And that is what this measure is—another blank check.

Let us take a look at some of the features of this alleged foreign-relief bill. We find that out of this $597,000,000 over $100,000,000 will be spent to furnish coal for industries in France and Italy, yet France was forced to take over its coal mines to break the recent strike. Then $35,000,000 will go to furnish petroleum while gasoline and fuel oil are being rationed by the petroleum industry in our country. France is also to have $17,000,000 for payments to Belgium and $10,000,000 to pay Brazil on a commercial account, $26,000,000 to pay off interest on the French foreign debt, $10,000,000 to the International Monetary Fund, and $28,000,000 to pay for the export of food into the French zone of Germany, so it appears that we are to provide France with dollar exchange to square her accounts in these other places. If any indebtedness is to be paid off, how about the need for something being paid on our own national debt? And how is the United States going to get any credit for the food which France takes into the French zone in Germany? Yet all this is classed as stop-gap relief for the needy.

The other alleged purpose of the bill is to stop the spread of communism. And, again, how absurd it is to spend millions on such a plan and continue the shipment of heavy machinery, petroleum, and other materials to Russia, the fountain head of communism, thereby strengthening her as an aggressor.

During the first 9 months of this year, the Russian Government has purchased from this country $113,700,000 worth of heavy machinery and farm implements. Official records likewise show that some 216 freight cars found their way by undisclosed sources into the Soviet during the period running from April through October. The fact that these cars were built to the broad-gage specifications of Russia's railroads constitutes thin excuse for any such sales. In a statement to the Associated Press of November 21, the President says he sees no need to halt heavy machinery, farm-tool and freight-car shipments to Russia.

As for extending relief to the destitute, I would have America, as always, be charitable, but I would have her extend relief through private charitable organizations in which there would be less chance of waste and black markets and we would have assurance that it would go to those in need. For a program of that kind and for an appropriation to implement it I would vote.

Mr. Speaker, I cannot support a foreign policy of which this so-called relief legislation is a part which will not accomplish its intended purpose and at the same time draws on our already short supply, thereby aggravating our growing national problem of inflation, and which makes us weak and vulnerable to the very forces we wish to destroy. Proponents of the measure say that the bill specifically states that a vote for it will not commit us to future aid to Europe, but during the course of the debate it was apparent that this measure is an integral part of the long-range Marshall plan calling for the expenditure of billions of dollars with the resultant spiraling of prices and the infliction of regimentation for bureaucratic controls.

Let it not be forgotten that President Truman in his message to the Congress, said that our aid to Europe necessitates our giving him wartime powers and restoring these controls over our daily lives—controls which only a short time ago the President told us were a part and parcel of the police state.

And so, Mr. Speaker, while I yield to no one in the desire to feed the hungry and clothe the naked, I cannot in good conscience support this so-called stopgap foreign relief measure. Our first responsibility is to protect the interests of our own people, to reduce the cost of living, to preserve the financial solvency of our own Nation. Let us take care of the aged, the disabled, and the needy at home. Let us build up our own defenses against both foreign aggression and weakness within.

Mr. Speaker, I feel that the greatest contribution we can make for the future peace of the world is to keep America strong, and in that purpose we should follow reason as well as emotion and not lose our balance wheel completely.

Mayor Thomas D'Alesandro

EXTENSION OF REMARKS
OF
HON. HUGH A. MEADE
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. MEADE of Maryland. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered last evening by Hon. JOHN W. MCCORMACK, of Massachusetts, at a testimonial dinner given in honor of Mayor Thomas D'Alesandro by the Italian-American Civic Club of Baltimore:

Mr. Toastmaster, distinguished guests, friends and associates of Mayor D'Alesandro, when I received the kind invitation from the Italian-American Civic Club to join with you tonight in paying tribute to your distinguished mayor, I confess that it stirred within me mixed emotions.

At one and the same time I was impressed with a sense of loss and a feeling of elation.

The fact that a testimonial dinner was being tendered to our guest of honor as mayor of Baltimore made me realize that we would no longer have the close and continuing benefit of his valued services in the National House of Representatives.

On the other hand, I was acutely aware that the occasion signified his entry upon a new phase of a career wherein he could render even greater service to the people he loves.

For him and the people of this famous American city, therefore, I was happy to think that the servant and the served were mutually fortunate.

I came to know your city's chief executive well during his service at Washington.

Before his advent at the National Capital, his fame and reputation had preceded him.

His service in the State house of delegates had equipped him admirably with a thorough knowledge of legislative technique.

His business experience had fortified him with a training which enabled him to analyze expertly the complexities of our national fiscal, industrial, and economic problems.

His manifold fraternal and civic interests had imbued in him a social consciousness which instinctively led him to the path of sympathetic consideration for his fellow man.

His active part in the enactment of progressive social legislation during his period of congressional service eloquently demonstrates his devotion to the cause of human welfare.

Service in the municipal council of this city and with the office of the internal revenue collector happily combined to extend his legislative and executive experience and to broaden his knowledge of local and national governmental problems.

Such was the gentleman which the Third Maryland District sent to Congress in 1938.

He was welcomed with open arms.

The broad background of his training and experience made him invaluable in the national legislative councils.

He enjoyed the confidence of congressional leaders.

His sage counsel and sound advice were sought, considered, and frequently adopted.

The confidence which his political associates reposed in him was matched by the respect and esteem in which he was held by his political opponents.

Without regard to his political affiliation, he was recognized as a man and a legislator of unimpeachable honor, probity, and integrity.

His advance within congressional circles was steady and deliberate, and was finally rewarded with assignment to the important and powerful House Committee on Appropriations.

In the deliberations of that committee and on the floor of the House, he again distinguished himself with a display of keen analysis, cogent reasoning, and sound judgment.

If I may be pardoned for the injection of a personal note, I should like at this point to pay tribute to those splendid personal traits of his which shall be so sorely missed in Washington.

As his party leader in the House, it was my good fortune to be able to rely upon him at all times.

He remained steadfast in his adherence to high ideals of public service.

His personal honesty and integrity were ever beyond reproach.

His sense of justice was never distorted by considerations of expediency.

He subscribed to the ideal of statesmanship in national affairs and was always motivated to act for the common good.

His own Americanism, and his devotion to American principles, stamped him as a leader in the fight against subversive elements whose avowed purpose is to destroy the world's greatest temple of democracy.

And above all, he never departed from the rigid dictates of that code of ethics by which a true gentleman is defined as one who never knowingly gives offense to even the least of his fellow men.

This, then, is the man whom the people of Baltimore have recently wisely chosen to be their Chief Executive.

We here tonight do honor to ourselves in honoring him.

For in his person and in his character we recognize the flowering and the promise of the American way of life.

He himself would be the first to agree with me, I think, when I say that more important than the man, is what he stands for.

A sturdy American of Italian descent, Mayor D'Alesandro represents the fulfillment of the American tradition.

By personal effort and diligent application, he gradually made the force of his personality felt in his community. As larger areas of service beckoned to him, he spread his talents to the State and National scenes.

A tireless worker, he nevertheless enjoyed the companionship of people and kept his finger constantly on the pulse of life around him. His keen sense of public spiritedness has made him ever willing to serve. His charming manner and sympathetic responsiveness makes friends quickly and wins the affection of all his associates.

His knowledge of the affairs of government is surpassed only by his love for and devotion to God and country.

His life, his career, and his example have all been dynamic inspirations to those who have been privileged to know him.

We are sorry to lose him from the House of Representatives in Washington.

We congratulate the city of Baltimore and the State of Maryland for their wise choice and sound judgment in calling him home.

The increased responsibility of his present high office will be a challenge to his talents—and if his past career is any omen of success, he will welcome the challenge as a further opportunity for service.

With all of you here tonight—with all of the people of Baltimore who have bestowed high honor upon him—I join in extending to him that testimony of high esteem than which there is no higher praise: "Well done, thou good and faithful servant."

Central Valley Project

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. MILLER of California. Mr. Speaker, under leave to extend my remarks, I have received permission to include therewith a statement by the Honorable C. J. Haggerty, secretary, California State Federation of Labor.

The California State Federation of Labor has actively and aggressively supported the Central Valley project and has continuously urged the Congress to appropriate money for its immediate completion.

In carrying out this long and well-defined policy Mr. Haggerty made the following statement before a subcommittee of the Public Lands Committee of this body, in San Francisco on September 24, 1947:

My name is C. J. Haggerty, and I am speaking as secretary of the California State Federation of Labor, representing more than a million organized wage earners in California.

We are grateful to you, Congressman WELCH, for inviting your House Public Lands Committee to California. We are pleased that your colleagues have been willing to take the time and make the effort to come here to listen to our statements and to see our water problem at first hand.

We have a natural pride in the great prospect which full development of the tremendous water resources of the Central Valley holds before us. But we also have a feeling of responsibility to prevent any program of divided development or divided operation in the valley. We feel that a divided program would be a sell-out of the future of California, and, speaking for the State Federation of Labor, our future is not for sale. What we want is a thoroughly unified program under a single set of Federal laws, with engineering, financial, and administrative unity. Furthermore we intend to stay with this issue until we get it.

We know that our people cannot be fully and profitably employed unless we have greater and more rapid development of our water and power resources. Within the past 30 days members of our own organization working at a chemical plant in this bay area have felt the results of suddenly curtailed production. Our members are beginning to learn the hard way that full development of our water power is not just a problem of some remote future. They are getting their heads bumped by a power shortage now.

For years we have battled in this State with special interests which have tried to block any water and power developments they were unable to control. But the State Federation of Labor and the people of California always have stood for public development and transmission of power, and we are in the fight to win.

In 1933 we held a special election in this State to see whether the people wanted public water and power development of the Central Valley or not. The private-power trust tried its best to get the people to decide against it. They failed; the people wanted development and voted for it. But the opponents of public water and power development have not ceased their efforts. They continue to use the very arguments and to promote the same ends which the people of the State expressly repudiated. From the beginning, the State federation of labor has played its role and thrown its strength on the side of the public interest, and we shall continue to do so.

Our direct interest is in cheaper power and more jobs. We said so at the time of the Water and Power Act fight in 1933. With your permission I should like to submit for the record, without reading, the resolution of our State executive council in 1944, which endorses development of the entire Central Valley water and power resource by the United States Bureau of Reclamation, under reclamation law for the reason that reclamation law contains provisions against water monopoly, against land monopoly, against power monopoly, and against land speculation.

For the sake of economy of the committee's time, I will read the latest official declaration of the California State Federation of Labor on development of Central Valley water resources, which is a restatement of policy within the past month. It reads as follows:

"California has no resource more important than water. Scarcity of water, more than any other single factor, places an ultimate ceiling to the future economic development of the State. If our present efforts to develop this water resource, warped under pressure of special interests, should prove defective and partial, the ceiling will rest low upon us; if our efforts are sound and are carried to completion, that ceiling can be pushed high.

"We have the plain warning now. Curtailment of employment and production from shortage of power in 1947 is a failure not so much of rain as it is a lack of sufficient facilities built to conserve water and generate power. It is for us to heed the warning. Only the fullest and most skillful development of our water resources will enable California to keep its rapidly growing population employed and to maintain us all for generations to come at a high level of living.

"This interest which the million members of the California State Federation of Labor hold in the future of our Commonwealth is very great, but it is not special or peculiar to themselves; it is broad enough to embrace the hopes and to enlist the support of all citizens.

"Our demand is for adherence to simple principles that will assure maximum utilization of our water resources and the most equitable and widespread distribution of their many benefits. We oppose the callous disregard of those principles which, under the driving and deceptive tactics of special interests, now threatens to channel the benefits of Central Valley water into their pockets and to lower permanently the ceiling of the State's economic potential.

"THE FIRST PRINCIPLE

"I. The California State Federation of Labor stands first upon the principle that unity, not disunity, must govern development and operation of water resources in the Central Valley.

"Water control is not the simple task which some may suppose it to be, something to be parcelled out to whomever may be ready to build a dam here or there. In a great valley stretching over 500 miles, fed by a score of streams, each with its own basin, which is but a depression in the floor of the greater basin, the water-control works to be constructed must constitute a system. In the Central Valley these works will embrace nearly two score major reservoirs, hundreds of miles of main canals, thousands of miles of laterals and drains, more than two dozen hydroelectric plants, hundreds of miles of power transmission lines, with substations and feeder lines.

"The end to be attained is stability and dependability in the use of every drop of water that can be made available for irrigation, for power, and for the other purposes to which it can be put. This great and difficult end must be achieved by harnessing a resource which in its natural condition exhibits the widest diversity and instability. Along the 500-mile watershed of the Central Valley the rains and snows fall unevenly. From north to south, precipitation tapers off sharply. Through the seasons it comes unevenly. From year to year it fluctuates in volume irregularly.

"The uses of water caught in the reservoirs also are diverse, changing, and at times contradictory. Flood control demands the emptying of reservoirs in anticipation of coming floods; irrigation demands the filling of reservoirs to capacity while flood waters are high, with release during seasons after the danger of flood has long passed; power demands the release of water through the turbines steadily and evenly through the year.

"The technical problem of achieving the maximum potential of these uses requires that the intricate system of reservoirs and other works which we are creating shall be so skillfully interlocked in design that the whole shall indeed be greater than the sum of the parts.

"The task of operating the water controls of the Great Central Valley development will tax the highest capacities of a master dispatcher of water, one who can foresee by many days the need of an irrigator for water in a field 400 miles away, and the requirement for power of an industry in a distant city.

"Two or more agencies simultaneously attempting to develop and operate so intricate a system of controls can only cause friction and confusion and cannot possibly achieve the full economic potential to which Cali-

fornia is entitled. To do this is a task for one agency alone.

"The California State Federation of Labor has watched the drive by special interests to destroy the unity of Central Valley water development for their own purposes with an ever deepening apprehension. Their disruption appears principally in the form of efforts to install the Army engineers, as a second agency operating under separate and conflicting laws upon the Kings, Kern, American, or other streams within the great valley. Already they have won footholds upon the Kings and Kern. We condemn unsparingly this threat to the future of our Commonwealth.

"We call upon the people, the legislature, and the State administration to recognize unity as an elementary necessity, and to insist upon it. The issue is no mere contest between two Federal agencies—Army versus Bureau. The issue is Unity versus Disunity. Are the people of California going to have unity in a great project which cannot succeed fully, except with unity?

"The time has come to demand, and we do demand, that Congress shall pass basic legislation placing under reclamation law all water development within the Central Valley, and assigning sole authority and responsibility for success of the entire project to the United States Bureau of Reclamation.

"THE SECOND PRINCIPLE

"II. The California State Federation of Labor, as its second principle, holds that power for production, for employment, and for convenience must reach consumers at the lowest possible economic cost. To this end we demand full and rapid development of Central Valley public power plants and transmission lines.

"We reiterate our traditional stand against private power monopoly. The people of California, who voted their approval of a full public-power program and their opposition to private monopoly at special referendum in 1933, ought not to have to face repeatedly the obstacles which special interests continue to place in the way of achieving the public's own program.

"THE THIRD PRINCIPLE

"III. As its third principle, the California State Federation of Labor insists that water monopoly and land speculation based upon private receipt of publicly financed Central Valley water shall be prohibited, and that the benefits of water shall be distributed widely.

"Limitation upon reclamation water to an amount sufficient for 160 acres per farm family, is the tool by which the reclamation law holds water monopoly and speculation in check. We condemn all efforts to evade this beneficial law, whether by direct repeal, by the subterfuges of technical compliance or other lawyers' devices, by threats of defying enforcement, by purposeful neglect to require that beneficiaries shall execute the customary contracts for compliance and repayment in advance of spending public moneys, by threats to take the project away from the Bureau of Reclamation, ostensibly in the name of the State of California but really for the benefit of special interests, or by intruding the Army engineers, who operate under separate laws, into the Central Valley.

"The principal means by which special interests seek to monopolize water and to monopolize power are the same means—namely, use of the Army engineers—by which labor and the people are robbed of a unified project.

"The California State Federation of Labor stands, as it always has stood, for development of the entire water resources of the Valley under reclamation law, administered solely by the United States Bureau of Reclamation, because that is the only way to secure widespread distribution of the benefits from water development, and to attain the maximum resource development needed to secure the future of California."

The members of congressional committees holding hearings in Washington must often be confused by the apparent conflict in views among Californians who come to testify on the Central Valley. I should like to take advantage of your presence here to offer an explanation that may help.

The explanation is this: There are a very few, powerful vested interests—great landholders and private utilities—that want to reap the major benefits of congressional appropriations for themselves. The only way they can get those benefits is to get out from under the antimonopoly provisions of the reclamation law in one way or another—by repeal, by having their interpretations warped, by paralyzing enforcement, or by substituting the laws without anti-monopoly provisions which govern Army flood-control work. However appropriate those flood-control laws may be in the humid regions, they are both inappropriate and injurious here. The Flood Control Act is limited practically to authorizing a construction agency to construct, and has no broad public purpose. The reclamation law was designed so as to distribute the benefits of water and power development as widely as possible.

That is the reason why some men from California will lobby to have you authorize and appropriate to the Army engineers in Central Valley. If they can persuade you to do that, they believe they can escape the 160-acre limitation on distribution of public-financed water. They think they can get water cheaper for themselves under the Flood Control Act, because they believe the Army engineers expect them to repay less of the public investment than does the Bureau of Reclamation under the reclamation law. Finally, they can use the limited legal authorizations under which the Army engineers build dams as a convenient device to postpone and to obstruct power generation and transmission, which they cannot control.

Whether these unfortunate conditions prevail elsewhere in the country I am not in a position to say, but in the Central Valley the evil of injecting the Army engineers and the special set of laws under which they work is devastating to us. I will be as specific and clear as I can, within the limits of brevity.

The fact that special interests regard use of the Army as a neat device for escape from the reclamation law has been an open secret for a long time. As long ago as May 13, 1944, the national magazine Business Week described the tactics of those interests in detail. During their unsuccessful attempt to repeal the 160-acre water limitation in 1944, Business Week named the three other tactics to be employed if direct repeal should fail. Under the title "Valley Divided," Business Week said:

"If the big land owners in the valley lose out in this particular fight, they have several other proposals to accomplish their end. One of them is a House bill which would authorize the Army to add irrigation and power development to its present navigation and flood control powers. The legislation also would call for construction of a series of irrigation and power projects throughout the country, especially in Central Valley.

"This would circumvent the 160-acre rule, since the Army is not bound by that restriction.

"Another proposal, said to have originated among the big land owners of Fresno County, is for the State of California to take over the Central Valley project, paying the entire bill. This, too, would side step the 160-acre limitation. Still other land owners are sinking wells around their holdings in order to be prepared to pump irrigation water from the raised water table, thus getting a free ride on the Central Valley project."

Business Week was right. Special interests have played and continue to play these four tactics—direct repeal, use the Army, use the State, use pumps. First one, then another, then two or three at a time, like a man running his hands up and down the keyboard of a piano. Sometimes they use the soft pedal, sometimes the loud; frequently they confuse the audience, but they never forget their monopoly purpose.

The purposes of the land monopolists and of the private power monopolists make them natural allies. To both of them the Army engineers look like a useful tool. The land monopolists use them to obstruct the power development now, which our members need to keep employed.

May I illustrate specifically. Special interests in this State used their influence to kill appropriations to the Bureau of Reclamation to build Pine Flat Dam as part of a $53,000,000 irrigation, flood control, and power unit of the Central Valley development. The record of the testimony before committees of the House shows specifically and in so many words that they wanted this full development checked for two principal reasons: First, they wanted to escape the water limitation; second, they wanted no power development on Kings River now. In 1944 and 1945, Congress was persuaded to drop a program of full and early water development on the Kings River.

The very next year, in 1946, the special interests which had been blocking action by the Bureau so successfully, now suddenly became impatient to get action on an Army engineer appropriation for the same river. At this point, I regret to say, the State Engineer of California swung into action on the side of the special interests. At one time the State engineer's office stood as a true pioneer of unified water development, but by 1946 it was standing for something far less creditable; namely, a divided valley. Through his Washington representative testifying before the House Appropriations Subcommittee on War Department Civil Functions Appropriations, the State engineer urged strongly a no-power-now appropriation to the Army engineers on Kings River and on several others. The California State Federation protests that action by the State engineer and his Washington lobbyist as a direct injury to its members.

Not only did our State engineer choose the interest of the few, rather than the interest of the many, but the testimony in his behalf falsified the issue and otherwise beclouded the record. For just a moment I ask you to examine that testimony with me. I believe that by so doing I can clear up some decisions the Congress will doubtless be called on to make in the next and in succeeding sessions.

The testimony on behalf of the State engineer reads in part, as follows:

"There has in some instances been disagreement between the War Department and the Reclamation Bureau as to which agency shall construct some of these projects, and in what manner they should be operated. At this point the State does not want to become involved in rivalry between those splendid organizations. We want to have these projects. We want the dams started and let the issue be settled later as to who will operate them and in what manner. If appropriations are postponed now, the delay in getting flood relief will be a year or a year and a half. The need is urgent."

The plausibility of that statement that "the State does not want to become involved in rivalry" between the Army and the Bureau lies in its seemingly reasonable appeal to abandon partisanship for either Army or

Bureau, and in its implication that the differences between laws and points of view which govern construction and operation by Army or by Bureau, respectively, are of such secondary importance to the State of California that they safely can be put aside for settlement later.

Of course, by that action the engineer placed our State in a very unfavorable position. His action was one of utmost partisanship for the Army and for its laws and its point of view. The State federation, and we believe the State itself, is concerned, deeply and immediately, over what laws shall be applied, is concerned over the blocking of power development, and is concerned whether one or whether two agencies shall construct and operate dams at one and the same time within its Central Valley watershed.

By using the prestige of his office to bring the Army engineers into the valley, the State engineer has in addition done incalculable financial damage to the chances for ultimate development of the Valley, and to the farmers who have been looking to power revenues to help them get water at reasonable rates. By choosing the Army and its flood control law, the State engineer has chosen to funnel the power revenues from Kings River, if ever there should be any, clear out of the Central Valley development. Under the Flood Control Act of 1944 these revenues can never be credited to the valley in support of repayment of its obligations, and in support of full development of all its water resources. The State engineer has foreclosed that hope on Kings and Kern Rivers already, and he is trying now to persuade Congress to foreclose it on the American River.

The State engineer's representative ended his appeal to the House committee with the words "the need is urgent." One is tempted to question whether the "urgency" of flood damage which the State engineer's representative cited as a spur to hasten Congressional action for the Army really was an urgency for flood control, or whether perhaps it was an urgency for something else. We, too, think construction is urgent, but if the State engineer really was serving the interest of our State in the "urgency" for action, why did he fail to appear upon any one of several occasions which were prior to his "urgent" appeal for the Army? At any of these he could have helped to secure construction of Pine Flat Dam by the Bureau of Reclamation even earlier than when he seemed so anxious to save a year or a year and a half in 1946. Can it be that the State engineer's sense of urgency was something less than a genuine desire to obtain prompt construction in the interest of the people of California, and more a desire to serve special interests which notoriously and publicly have proclaimed they would prefer no development at all on Kings River rather than to have development under the national reclamation law, and who have said they want no power now?

Gentlemen of the House Public Lands Committee, I thank you again for coming to Congressman WELCH's home city to hear us.

Lynn Heartbeat

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article entitled "Lynn Heartbeat," by Tom McGovern, which appeared in the Lynn Telegram News Sunday, December 14, 1947:

LYNN HEATBEAT

(By Tom McGovern)

"BAD WILLIE" A MEMORY

As the short stocky gent started down the hallway stairs at 484 Summer Street the other evening, the Reverend Thomas J. Heagney, pastor of St. Patrick's church, reminded him, "Turn the knob and the latch toward St. Mary's Billy."

The man's tread never faltered but his response was rapierlike, "The time will never come when you can tell me how to open doors, Father."

In a few minutes, William Edward Gray, who gives his home address as 484 Summer Street, was swallowed up in the darkness and Father Heagney laughed and exclaimed, "What a fellow."

I felt much the same way myself after having spent 2½ hours with this squatty gent, who is bald and whose face isn't pretty, due to an automobile accident which nearly claimed his life.

Fifteen or sixteen years ago this same Mr. Gray was confounding the police of Massachusetts and four other New England States with as bold a series of escapades as there appears in the annals of criminology.

It was at a hold-up in Boston they caught up with him one evening. Billy tells it something like this, if I can remember correctly, as I took no notes.

"I was having something to eat in a Boston restaurant with a friend one evening, and a couple of buddies came along who were out of cash and wanted to knock off a place. I was pretty well fixed at the time and wanted no part of it. They insisted, however, and I went along to be a good sport.

"A gambling spot was the destination, and it was decided that myself and another fellow would do the actual robbing. The other two were to watch the house and the street.

"It wasn't long after that we had entered the house and I was covering a gang of 30 men with a pistol. I could see that my companion had no experience and that it was a tough spot. He should have been searching them, but instead he was removing nickels and dimes from a cash register. I figured that the best bet was to get out as quickly as possible.

"What I didn't know, however, was that there was a railroad dick in a telephone booth taking in everything and as I started to leave he stepped out behind me and ordered me to drop my gun.

"As I wheeled around, we both began shooting at the same time, I hit him three times and he hit me twice in the leg. I got out somehow but when I reached the street my leg was nearly paralyzed. They had to drag me into the car and we headed for New Hampshire."

That particular experience of our Mr. Gray was followed by his capture in a lonely cottage in New Hampshire. Somebody squealed and the Boston cops came up to kidnap him. They wanted no truck with extradition proceedings. Forty-five cops all supplied with machine guns, searchlights, and tear gas made the trip to New Hampshire but there was little fight in Billy when they arrived. He was so ill they didn't even bother to shackle him on the return trip.

Awaiting trial, the erstwhile "Bad Willie" was confined to the hospital ward at the State prison under heavy guard. He wasn't there a week when friends had smuggled in files to him and in the wee hours of the morning, he was sawing away at bars heretofore described as escape-proof.

One night Billie made the break in typical Hollywood fashion. He had such little room to work with, the bars scraped the skin from his chest, but he got down nevertheless with the aid of sheets which he felt were going to give way at any minute.

Friends were awaiting him on the outside and whisked him to a downtown lodging house where exactly 30 hours later he was recaptured on another tip.

Ten to twenty years was the original rap assigned Willie and they tacked on 15 more for the escape, which was a pretty kettle of fish for a gent who loved the great outdoors and was an epicurean by nature.

At this point they made certain Billie wouldn't escape, placing him in solitary confinement at the prison where he spent 27 months of his 13 years of incarceration incidentally.

The records will show that about 10 years ago a change came over Willie Gray. Suddenly he decided that he had been a damn fool all of his life and he vowed that if ever given the opportunity to walk God's good earth again he was going to be an honest to goodness peace loving citizen.

There weren't many people who believed that story, excepting one—he being the then pastor of a church in Holbrook, the Reverend Father Heagney. He listened to Billie's stories of his early youth, his misadventures, his career in crime, and didn't laugh when Billie suggested that he'd like another fling at society.

The story is old, of course, about Father Heagney and his appearances before the parole board on Willie's behalf. He was a thousand to one shot so far as obtaining a parole was concerned.

Came the day when Billie appeared before the parole board and Harold Lundgren, one of the board members, inquired, "Billie Gray, if you were in my spot and a fellow with your record came in here and asked for a parole, what would you say?"

Billie's response was lightning like. "I'd say 'No,'" he returned frankly.

But somehow or other they said "Yes" and Billie walked from State's prison after serving 13½ years behind bars.

A lot rests on the square shoulders of this 49-year-old man. With him rests the hopes and desires of many thousands of men not only at Charlestown but all over the weary world. Billie Gray is an experiment. If he can continue to go straight, then there is hope for the most hardened criminal.

I asked Billie the other evening if he ever had any desires to resume his career in crime.

"Not me, Tom, it's more fun working for a living," he replied smilingly.

For the past 2½ years Billie has served as a deck engineer on a merchant marine boat. During his prison stay he improved himself by mastering three extra languages, French, Spanish, and Italian, and his added value to his company is evident from the promotions he has received in the short space of time. He presently holds a full card in the seamen's union, so is seemingly set for life.

Father Heagney hasn't the slightest worry over Billie Gray. The good priest invested more than his sympathy by the way. When Billie got out of prison the pastor advanced him sufficient money to start him in a little business and, while the business failed, Billie is still paying back faithfully.

In his travels around the world Billie has kindly consented to represent Lynn Heartbeat, gratis of course. From time to time he's going to contribute little items of interest from various parts of the globe and I know that the people of Lynn will be more than happy to digest them.

I'm certain that after today Billie Gray will have more rooters in the city of Lynn than the few people he knows intimately. We can say with full confidence that bad Willie Gray is no more. He is a memory and an exciting one at that.

Los Angeles Housing Situation

EXTENSION OF REMARKS
OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to revise and extend my remarks in the RECORD, I include the following report from the Right Reverend Monsignor Thomas J. O'Dwyer, president of the Los Angeles Citizens Housing Council, to the members of the Joint Committee Investigating the Housing Shortage:

LOS ANGELES CITIZENS' HOUSING COUNCIL, INC.,
November 11, 1947.

To Members of the Joint Committee Investigating the Housing Shortage:

As president of the Los Angeles Citizens' Housing Council, a nonpartisan delegated body consisting of representatives of veterans' organizations, labor unions, church groups, and civic bodies, I have requested to be heard in order that I may present such information regarding the Los Angeles housing situation as the council has compiled in the course of its work.

That a vast housing need exists in Los Angeles is scarcely debatable; the question is just how great that need is. On this point we have the figures of the special census taken by the Census Bureau at the request of the city on January 28, 1946. The survey showed the population of the city of Los Angeles as 1,805,687, a gain of 301,410 persons since April 1, 1940. Percentagewise, this represented a gain of 20 percent. (See table below.)

Population comparisons: City of Los Angeles

(U. S. Census Bureau, Series P-SC No. 188 (final figures)

Total population Apr. 1, 1940	1,504,277
Total population Apr. 28, 1946	1,805,687
Net increase in population	301,410
Percentage increase	20

On July 1, 1947, the county regional planning commission issued a report showing that Los Angeles had gained in population an additional 6.7 percent in the intervening 17 months, making a total gain of 26.7 percent since April 1, 1940. (See table below.)

Los Angeles Regional Planning Commission, July 1947—Dwelling units and population, city of Los Angeles

Total population Jan. 28, 1946 (U. S. Census Bureau)	1,805,687
Total population July 1, 1947	1,905,824
Total additional increase in population from Jan. 28, 1946, to July 1, 1947	100,137
Total population increase since 1940	401,547
Percentage increase	26.7

The regional planning commission report set the total number of dwelling units in the city of Los Angeles on April 1, 1947, at 612,361, as compared with the number of dwelling units in 1940 of 529,261, or a gain of 83,100 dwelling units. The city department of building and safety reports that an additional 3,424 dwellings were completed during May and June 1947. Thus, the total number of new dwellings in the city on July 1, 1947, was 86,524.

The United States Housing Census of 1940 reported that there were 3.05 persons per occupied dwelling unit within the city of Los Angeles. By using this formula, it is possible to divide the 401,547 increase in population since 1940 into a total of 131,654 dwelling units which would be required to shelter the new population.

However, as reported above, the Los Angeles Regional Planning Commission and the city department of building and safety estimated that only 86,524 new dwellings became available through July 1, 1947. Since July the completions of new homes have been inadequate to house the continuing increase in population. Thus it may be fairly established that there is an absolute minimum need for 45,130 dwellings in the city of Los Angeles at this time.

In all probability the actual number of homeless families is somewhat higher. The 1940 formula of 3.05 persons per occupied dwelling unit fails to take into consideration the accepted fact that a large percent of the population increase represents the smaller, newly married veteran families. In this regard it is interesting to note that the United States Census Bureau recently conducted a special study of the housing problem of veterans of World War II. The release, known as Census Release P-21, No. 30, dated August 18, 1947, estimated that there were 83,000 homeless veteran families in the Los Angeles area. On the basis of the city's proportionate 49 percent share of the population in the area, it may be estimated that there are approximately 40,670 World War II veteran families alone among the thousands of homeless residents of the city of Los Angeles.

Furthermore, if the 7 percent vacancy ratio of 1940 is taken into consideration, and maintained as a normal factor to be achieved before the acute housing shortage can be declared ended, then the total dwelling units required would be proportionately higher. However, the estimated minimum total of 45,130 families without homes of their own does not tell the final Los Angeles story by any means. The census of 1940 showed 58,419 substandard dwelling units in the city of Los Angeles, exclusive of overcrowded dwellings. That many families were then living in housing which was not fit to live in, due to its need for major repairs or lack of necessary sanitary facilities.

With nothing having been done to better the situation during the seven intervening years, with the exception of the small but significant slum-clearance program undertaken by the city housing authority, we certainly cannot say that the number has decreased. Indeed, the problem has been seriously aggravated as desperately homeless families have carved out thousands of additional slum dwellings from garages, attics, and chicken coops.

The 1940 United States housing census also reported that 19,039 families in Los Angeles were residing in overcrowded homes, that is, with more than 1.51 persons per room. The combined total of both overcrowded and physically substandard dwellings is not available. Undoubtedly, however, many families reported as overcrowded in 1940 were not listed among the 58,419 families residing in substandard housing.

The surveys of the Regional Planning Commission indicate an increase in population of 68,602 persons between October 1946 and October 1947. There is no evidence to assume that this trend will be reversed during 1948. Again using the 1940 formula of 3.05 persons per occupied dwelling unit, this population increase can properly be translated into an additional need for 22,492 dwellings to house the estimated potential increase in population during the ensuing year. (See table below.)

Los Angeles Regional Planning Commission population estimates, city of Los Angeles

Total population October 1946	1,852,683
Total population October 1947	1,921,285
Total population increase since October 1946	68,602
Estimated number of dwelling units required to house increased population between October 1946 and October 1947 (1940 U. S. Housing Census: 3.05 persons per occupied dwelling unit)	22,492

Additionally, there are in the city today 8,967 temporary dwellings, exclusive of temporary student accommodations provided by the universities and colleges in the city. These were built by the Federal Government, or Federal and State Governments, either in the interests of the war effort or in the Veterans' Emergency Housing Program. According to the terms of their erection, they must be demolished as soon as practicable. This emergency housing, if left for any great period, will degenerate into still further slums, and must, therefore, be included in any overall view of Los Angeles' housing needs.

Adding these various necessities—homes for the homeless, the slum dweller, the temporarily housed veteran, and the estimated number of homes needed to house the increased population during the coming year—we arrive at the total housing need figure of 135,008 homes (see table below); a figure which, I am constrained to say, I personally feel is overconservative.

Summary total of estimated housing need for city of Los Angeles

Additional dwellings needed to provide housing for increase in population over increase in dwellings since 1940	45,130
Additional dwellings needed, or existing dwellings requiring major repairs, to remove all substandard dwellings in city (United States census, 1940)	58,419
Additional dwellings needed to replace existing temporary public housing	8,967
Additional dwellings needed to house estimated increase in population due to immigration and new marriages during ensuing year	22,492
Total housing need in the city of Los Angeles	135,003

To meet this overwhelming expression of need for shelter, we have the following information from the Los Angeles City Department of Building and Safety. The department reports a total of 14,811 new homes that have actually been completed during the first 9 months of 1947. (See table below.)

Los Angeles Department of Building and Safety report on residential completion by number of dwelling units

Month, 1947:	*Dwelling units completed* [1]
January	1,282
February	1,207
March	1,317
April	1,737
May	1,626
June	1,799
July	2,156
August	1,646
September	2,041
Total dwellings completed in the city of Los Angeles between Jan. 1, 1947, and Sept. 30, 1947	14,811

[1] Completion papers filed, as required by law.

According to the report of the California State Legislative Joint Committee on Housing, released April 9, 1947, approximately 65 percent of the homeless families within this State desire to secure rental accommodations.

Yet, during the first 7 months of this year, permits for rental housing averaged only 15 percent of the total number of residential building permits issued.

The United States Bureau of the Census in special housing studies made in Los Angeles County during the past year has reported that the average World War II veteran family can afford a maximum of $7,300 as purchase price on a home, and an average of $48 in monthly rental payments, including all utilities. The Bureau made a special study of a selected area of bad housing in the city of Los Angeles, reporting a maximum of $5,700 as the amount the average veteran could pay for a home, and $38 as the average rental payment, including utilities, which the veteran families in the area studied could afford. World War II veterans of minority groups indicated $5,500 as the average amount they could pay for a home. Twenty-five percent of all veteran families in this area of worst housing in the city could afford a rental of only $32 or less monthly.

Meanwhile, estimates emanating from various Government agencies and private lending institutions in this area have quoted the average cost of houses sold in Los Angeles the past 9 months in excess of $12,000.

The picture regarding rental construction is similarly dark. Prior to July 1, 1947, estimates on average rentals being charged on new home construction in Los Angeles exceeded $70. Upon the lifting of all rent controls on new construction on July 1, estimates have exceeded an average of $100. Neither figure includes the cost of utilities.

Thus, on one hand, we have a housing demand never before reached in the history of our city. On the other, we have a declining home-construction industry which is apparently incapable, under existing legislation, to meet the low-cost housing needs of the average family, veteran and nonveteran alike.

Needless to say, the consequences to the community are deplorable. Juvenile delinquency steadily increases. Tuberculosis, diphtheria, and venereal disease are gaining constantly. The Los Angeles divorce rate, 35,731 divorces to 42,063 marriages during the past year, is a shocking indictment of the low moral standards created by bad housing. That this terrible figure is directly related to the lack of housing was vouched for by Superior Court Judge Georgia Bullock and concurred in by several of her fellow jurists some months ago. The judicial opinion was unanimous that bad housing and lack of privacy, with concomitant friction and uneasiness, was a basic factor in local divorce actions. On this ground alone speedy building of houses should be mandatory.

Without the almost 14,000 units of public housing that Los Angeles has, it would be difficult to imagine what the situation would be in this city today—especially for that large part of the population which cannot afford to bid for housing against all comers.

During our years of work in the interest of adequately housing the community, we have encountered many times claims that this public housing is more expensive than private housing and that Government building has contributed to the present inflated cost of construction. The facts do not bear out these claims.

The temporary housing built under the veterans' emergency housing program in Los Angeles cost $2,450 to $3,200 per unit, including site improvements and utility lines. At the same time, private houses were costing $6,000, exclusive of land. Of course, one was permanent construction and the other was temporary, but it is to be recalled that the temporary structures were moved in from other locations and re-erected. This emergency housing program provided immediate shelter without putting any significant drain on the tight material market.

When one considers the vast distances that some of this housing was shipped—from Washington to California, for instance—in order to effect this material-saving, we do not think that the Government can be charged with wastefulness or contributing to the inflation of building costs. And again, the emergency projects often went forward on a 24-hour, 7-day schedule to provide the veterans with shelter as soon as humanly possible, while private building usually proceeded at a leisurely 8-hour, 5-day pace. These facts must be considered in weighing comparative cost factors.

As for the efficiency of permanently built, federally aided housing, that, we have always understood, is built by private contractors on competitive bids. Therefore it would be difficult to see how it could be more expensive or less efficient than comparable private housing. The public records of the Los Angeles City Housing Authority for the prewar period when that agency was building such housing under the provisions of the United States Housing Act, reveal that comparable costs with private enterprise were consistently maintained.

The council has repeatedly counseled criticism for certain local and national organizations representative of special interest and privilege within the building industry. There can be little question that the repeated and powerful representations on behalf of these lobbying groups have been in major part responsible for the premature lifting of building controls, the effective blocking of all remedial legislation, the flagrant violation of congressional and administrative intent regarding nonresidential construction, and the unprincipled attacks upon constructive efforts to meet the housing crisis.

That this Nation needs a coordinated, sense-making housing program would seem to be obvious. The Los Angeles Citizens Housing Council is of the opinion—repeatedly expressed—that such a program is to be found in the Taft-Ellender-Wagner National Housing Commission bill (S. 866). Lowered interest rates, lengthened amortization periods, and yield insurance would doubtless stimulate private building into a vastly expanded construction program. Moreover, the very safety features named would make it a "boom" without the apprehension of an attendant "bust."

The public housing provisions are an absolute necessity for those of our families who cannot possibly reach into the competitive private home-building or rental market. As long as low-income families are a part of American life it is only intelligent self-interest to see that they are properly housed. A slum cannot be contained; its effects—disease, delinquency, moral corrosion—wash over the community in black waves, defiling all that they touch.

On behalf of the citizens' housing council I urge your committee to do all in its power to help exercise the twin evils of bad housing and no housing, by recommending immediate passage of the Taft-Ellender-Wagner National Housing Commission bill.

Respectfuly submitted.

Rt. Rev. Msgr. THOMAS J. O'DWYER,
President.

The Labor Bosses Will Live To Learn That American Workers Are Not Fools

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. BOYKIN. Mr. Speaker, back in colonial days when the people determined they wanted to establish a government—of their own—and on these shores—they laid aside their tools and proceeded to organize one.

When they completed the task and established the form they desired decision was reached that they would themselves elect their officials and pay taxes to support the government of their choice.

They each went back to his work.

They did not tackle the problem as cotton or tobacco farmers, as fishermen or as miners, as carriage or harness makers.

They tackled it as Americans all.

The representative government and their representatives to the halls of the legislature were chosen from out of their midst—not as artisans of this or of that craft—as members of this or of that profession—they were chosen by the electorate of each community to represent that community in the Halls of Congress.

Mr. Speaker, the press of the Nation for the last week has been telling of a great fight that organized labor is about to launch against certain members of the people's government.

Personally I regard the statement that "organized labor is going to launch that fight" as a gross misstatement. I think it far more proper to say professional labor leaders—men who make their living, not by sweat and toil, but by being professional labor leaders—just the same as other men make their living by being lawyers, dentists, doctors, or as vendors of snake medicine in a medicine show in a street carnival.

The press announces that these professional leaders of organized labor are about to spend $8,000,000 to defeat 331 Representatives to Congress elected by the people only last year.

That is the equivalent of more than $25,000 for each House seat.

Inasmuch as only about one-half of the total are from districts in which these self-anointed hold sway, it is comparable to the expenditure of $50,000 in each congressional district to prevent the election of a real representative of the people, in their insane desire to gain control of the Congress of these United States.

Mr. Speaker, I have here in my hand an editorial clipped from the New York Journal-American, and carried by all other papers published by the Honorable William Randolph Hearst, a former Member of this House.

This editorial by our former colleague is so replete with the wisdom and sagacity which has characterized our friend throughout his long, useful life that I am offering it for insertion in the CONGRESSIONAL RECORD today.

America is to be congratulated upon the patriotic spirit which still burns in the heart of our former Member. May he live long to point out to all that the people created the Government and pay the taxes to finance its every endeavor.

The editorial reads as follows:

LABOR IN POLITICS

Both the American Federation of Labor and the Congress of Industrial Organizations declared war on the Taft-Hartley Act at their national conventions.

Both organizations have announced their purpose of causing the defeat in 1948 of Senators and Representatives who voted to

override President Truman's veto of the measure.

Each organization is raising a large campaign fund to carry out the purpose.

The declared hope of the leaders is to bring about a repeal of the Taft-Hartley Act.

This is definitely and distinctly a movement of the labor bosses, whose arbitrary powers have been curtailed by Congress in the interests of labor peace and industrial justice.

If they should succeed in their punitive and intimidating endeavor, the United States will take a long step toward class—or labor—government dominated by a ruling clique.

But well-informed surveys indicate that the labor bosses will not succeed.

They cannot succeed because the actual political situation will not permit their success.

And they will not succeed because, even if other factors were favorable to them, they will not have rank-and-file support when the 1948 election day arrives.

The Congressional Quarterly, a nonpartisan information-service publication, has made an inquiry into the congressional candidacies involved, and comes up with this revealing report:

"Organized labor cannot defeat enough Congressmen in 1948 to bring about repeal of the Taft-Hartley Act in the Eighty-first Congress.

"Although there are an estimated sixteen million union members, they are so unevenly distributed geographically that organized labor has little or no strength in the districts of most of the Congressmen who voted to override the veto of the Taft-Hartley Act.

"Of the 331 Representatives who voted to override the veto, all but 118 are from districts which professional politicians in Washington consider safe.

"Of these 118—106 Republicans and 12 Democrats—about half, are considered beyond the reach of organized labor.

"In the Senate, 28 out of 68 Senators who voted to override the Taft-Hartley veto are up for reelection, but only nine are from States in which labor is politically important.

"Some of the Congressmen whom labor opposes may be defeated on other issues, local or national, and some of those in safe districts may not get their party's nomination even though the district remains in the same party.

"But insofar as the CIO, AFL, and Railroad Brotherhoods depend on union members for political action, they have reasonable chances of defeating only about one-fifth of the Congressmen whom they regard as their enemies.

"Their chances of defeating the other four-fifths range downward from improbable to zero."

The labor bosses, in other words, do not wield the political power which they pretend to have and, in fact, which they seemed to have when the New Deal was using the United States Treasury as a campaign fund in their support.

Second, the labor bosses have discredited themselves by the indefensible nature of their attack on the Taft-Hartley Act.

Instead of presenting any kind of analysis of the new statute, they have attacked it in demagogic language as a slave-labor law.

The position of the labor bosses in this respect has been completely torpedoed by Opinion Research Corp.

Opinion Research conducted a poll among workers, not on the Taft-Hartley Act as an unexplained whole but on the separate provisions and requirements of the statute.

The poll showed that as many as 80 percent of all workers and 70 percent of labor-union members favor and approve, on its own merits, every part of the law which they had been misled into opposing as a whole.

The implication ought to be obvious, even to a labor boss.

American workers are not fools.

Long before election day, they will know that the Taft-Hartley Act confers upon them the very benefits which they themselves want.

And they will not vote to deprive themselves of these benefits merely because labor politicians have sought to apply a false epithet to the legislation.

The Housing Shortage

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, housing for millions of our American families, especially our veterans, is a national scandal. The answer of the Eightieth Congress to this all-important problem was to set up an investigating committee to discover whether or not there really was a housing shortage.

Mr. Speaker, I wish to include in the RECORD a letter which was part of the report I sent in reply to a request from Representative RALPH A. GAMBLE, chairman of the Joint Senate-House Committee To Investigate the Housing Shortage, for information on housing in Los Angeles.

DEAR CONGRESSMAN GAMBLE: Pursuant to your letter of September 8, 1947, I have proceeded to gather such information pertinent to the lack of housing in my area as is available.

I have done this several times for bureaus or committee in the pious hope that something might be done about the deplorable housing situation in downtown Los Angeles. To date, those hopes have not materialized. Now, the situation approaches the hopeless.

In the last session of the Eightieth Congress, we spent a great deal of time talking about the incipient dangers of communism. Communism, in my view, is the last refuge of those who are without hope—and certainly there is nothing better calculated to drain a man of hope than the denying to him of the basic decencies of life.

In California—in Los Angeles—in my Fourteenth Congressional District that denial is taking place. A great group of our people have literally no place to live. Another, even greater group, is living in housing which is not fit to live in. And no housing is being built at a price that those who need it most can afford to pay.

Population in the Fourteenth Congressional district grew from 319,000 in 1940 to 377,000 in January 1946. In July 1947 the population of the city of Los Angeles had increased an additional 6.7 percent. Assuming that the Fourteenth District shares equally in the increase, and considering that an additional quarter year has now elapsed, there can be no reasonable doubt that the population of the Fourteenth Congressional District as of today exceeds 400,000 persons.

In 1940 we had in the Fourteenth District 120,680 dwelling units, of which 7,276 were designated as overcrowded, and 30,420 were stigmatized as substandard. Granted that there may be a certain amount of overlapping between these two figures, it cannot, in the vast aggregate, be important. Suffice it to say that in 1940 more than one-quarter of all our housing was bad housing.

Far from improving, this situation has deteriorated markedly. The regional planning commission gives figures for existing housing in Los Angeles by districts which do not coincide with congressional district lines, but two of them, designated as central and eastern, furnish pertinent information. The central district, which lies almost wholly within the Fourteenth Congressional District, is shown as having 5,053 less dwelling units in 1947 than in 1940, while that part of the eastern district, which lies within the city boundaries, and of which probably one-half is in the Fourteenth Congressional District, is shown as having gained 622 dwelling units since 1940. Thus, a net loss of 4,400 units is indicated.

This figure is readily believable, since while there has been no appreciable residential construction in the Fourteenth District during the war and postwar period, there has been considerable demolition involving war-expanded commercial facilities, the creation of downtown parking lots, and the putting through of a so-called Freeway system by the State department of highways. Important to note in connection with this is that because of the necessarily arbitrarily chosen sites for these projects, there has been little or no selectivity of demolition. Whatever was in the way had to go, whether good housing or bad. Consequently, we may safely assume that our outrageous "substandard" percentages are today no smaller.

On a series of housing-study charts made by the Los Angeles city planning commission, I have outlined the Fourteenth Congressional District. On chart after chart, these district lines correspond almost exactly with the areas of worst housing that the planning commission designated. Similarly juvenile delinquency and tuberculosis incidence, which are inseparably tied to bad housing, follow almost the same lines.

One more housing fact bearing directly on American life may be noted. Last year, a caucus of Los Angeles County Superior Court judges gave it as their considered opinion, based on the hearing of thousands of cases, that Los Angeles' fantastic divorce rate (five divorce actions to every six marriages in 1946) was in large measure attributable to the dire lack of housing in which families could be reared in some degree of decency and permanency.

On the basis of the facts adduced, I think it may be categorically stated that what is needed in the Fourteenth California District—and, for that matter, in Los Angeles generally—is (1) more houses as speedily as possible, and (2) an immediate program of slum clearance.

Moreover, all available studies make it clear that by and large the worst-housed group are the veterans. A special census report on veterans' housing in central Los Angeles shows that there are two and one-half times as many veterans without homes of their own as there are nonveterans.

The same report states that the average monthly rental, including utilities, which these veterans are able to pay is $38 per month, and that one-fourth of them are only able to pay $32 per month or less.

Further, of those veterans who signified their desire to buy or build individual homes, it was stated that the average total cost they were able to shoulder was $5,700 at monthly payments of $43, including utilities.

Nor do these figures tell the full story, for the survey did not cover transient hotels, commercial rooming houses, trailers, or tourist cabins. Obviously, many of the poorer and most overcrowded veterans live in one or another of these facilities.

However, contrast the figures quoted above with the average cost of single houses sold in Los Angeles County during the first 7 months of this year, $12,350; and the average rent charged for rental construction during the same period, $70; as well as the

monthly rental anticipated to be charged on rental construction since that time, $100.

When this juxtaposition is made, the reason for my introduction of H. R. 1750, my veterans' housing bill, will become clearly evident. That bill calls for Federal loans to local bodies to enable the construction of veteran housing to rent at not more than $50 per month for the duration of the housing emergency.

In further support of this proposed action, but even more strongly in support of the public-housing features of the Taft-Ellender-Wagner bill, are the figures submitted by Al Weinberg, coordinator of the veterans' advisory committee of the Los Angeles City Housing Authority. This advisory committee is made up of the county commanders of all the 11 veterans' organizations functioning in Los Angeles, plus the director of the veterans' service center. Speaking for this blue-ribbon committee, and testifying before the O'Gara committee, Mr. Weinberg stated that a survey of 1,000 veterans' applications for housing, picked at random from the applications on file at the Los Angeles City Housing Authority, revealed that 83.2 percent—17 out of 20—have incomes ranging from $900 to $2,400 per year.

In summing up the Los Angeles situation, Mr. Weinberg stated: "Limited incomes—lack of adequate rental opportunities at prices these veterans can afford to pay—are creating tremendous hardship. Disease is on the upgrade. Juvenile delinquency and adult uneasiness, because of housing problems, are fomenting added social disorders. Divorces are frequently mentioned among our young veteran families as a means to an end of family responsibility. * * * Despite all laws, promises, and plans, the only entity actually providing shelter is the public-housing program. Until private enterprise produces houses for rent, then public housing must be provided and expanded."

On November 21, 1946, the Los Angeles City Housing Authority, which since VJ-day had been accepting only veterans' applications, closed the doors of its applications office. Housing Commission Chairman Nicola Giulli stated that with 16,000 applications on hand and no up-coming housing in sight, "further taking of applications would constitute a fraud on the veteran."

Eight months of intensive interviewing of applicants designed to weed out all who had died, left the State, or found some housing, no matter how bad, plus 1,000 additional State-aided temporary units, plus available turn-over, brought the total figure down to manageable proportions. On August 1, 1947, the housing authority reopened its applications office. Almost immediately, applications started pouring in at the rate of 1,100 per month.

Remember that these figures concern veterans of World War II only; no provision whatever is made for nonveterans or veterans of World War I.

Concurrently, the city housing authority has several hundred families whose incomes exceed the figure set for continued occupancy of a low-rent housing development. In an effort to clean up this situation, the authority wrote to the local Apartment House Association, the real-estate board, the chamber of commerce, and various real-estate agents, detailing the need, the number of potential renters and buyers, and the approximate prices they would be able to pay, and asking if any of them could be accommodated.

The answers were a complete blank. No one had anything either for rent or for sale that these so-called excess-income families could possibly afford.

Indeed, the great potential housing market that exists all over Los Angeles is being systematically strangled by the skyward-bound costs of real estate and construction. Less and less residential building is being done because no one can afford to buy it.

Light from another angle was recently thrown on Los Angeles housing by Dr. George M. Uhl, the city's chief health officer, who stated bluntly that "animals in the zoo have better housing than some of Los Angeles' human residents."

Dr. Uhl cited a one-room, corrugated iron building which housed over 60 persons; an ancient, rat-infested, 14-room building in which 71 persons lived; people actually living in packing cases; in abandoned warehouses; in semidemolished buildings; in junked truck bodies; and as many as 10 people eating and sleeping in shifts in a single hotel room.

If any sense is to be made of this chaotic condition—if people are to be prevented from being driven to the brink of absolute desperation, and from the elemental social upheavals that such desperation inevitably induces—then, I submit that we must have a housing program; some such well-rounded program as is provided in the Taft-Ellender-Wagner national housing commission bill.

The low rates of interest and long period of amortization provided by that bill would allow people to build who cannot now do so. The so-called yield-insurance features would encourage the building of desperately needed multiple housing. And the relatively small but vitally important allocations for subsidized public housing would be a veritable God-send to those many low-income families who are now completely priced out of the market and reduced to competing with each other for living space that is not fit for man to live in.

We need the Taft-Ellender-Wagner bill for the setting up of a sensible, orderly, long-range program. We need the Douglas-Taylor bill for immediate veteran housing. These, in my humble opinion, are minimum needs; legislation that should now be effective.

If further investigations are necessary or desirable, I suggest an investigation of construction and real estate prices, with special emphasis on the profits involved; an investigation of hold-backs on scarce building materials for higher prices; an investigation of commercial building, much of which must have been done in complete violation of all Federal regulations; and above all, an investigation of the activities of the so-called real-estate lobby in effectively smothering all national legislation.

But I do not press for these things. Investigations, at best, are backward looking. I urge your committee to look forward instead; to make recommendations that will halt the sacrifice of tomorrow's generation on the altar of the real-estate lobby; to uphold and strengthen our democracy (or our republic, if you prefer) by advocating the right of the American child to grow up in a decent home.

The need is urgent. Let us meet it.

Mr. Speaker, there can be no doubt that a vast housing need exists in Los Angeles. Our desperate need for homes is not debatable. What is to be done about it? That is the question.

If the investigating committee proceeded in other parts of the country as it did in Los Angeles, Calif., it had better have stayed in Washington and not spent the people's money.

The hearings of the joint Senate-House committee to investigate the housing shortage held in Los Angeles were not a success.

They were an affront to the people of Los Angeles.

Mr. Speaker, I include a letter from the Right Reverend Monsignor Thomas J. O'Dwyer, president of the Los Angeles Citizens Housing Council, to Congressman GAMBLE in criticism of the conduct of the Los Angeles hearings:

LOS ANGELES CITIZENS
HOUSING COUNCIL, INC.,
Los Angeles, Calif., November 20, 1947.

Congressman RALPH A. GAMBLE,
Chairman, Joint Committee to Investigate the Housing Shortage,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN GAMBLE: It is the feeling of the Los Angeles Citizens' Housing Council that you should be informed of the council's reactions to the recent visit of the Subcommitee of the Joint Senate-House Committee To Investigate the Housing Shortage.

Although we realize that the suddenly called special session of Congress must have necessitated certain alterations in plans as to hearing dates and committee make-up, we are nevertheless of the opinion that the investigation of the housing shortage in the Nation's second largest State by a one-man subcommittee is thoroughly unjustifiable. Especially is this so when the one-man committee, Representative CHARLES K. FLETCHER, lists himself in the Congressional Directory as "now president of the Home Federal Savings and Loan Association of San Diego" and may thus, at the very least, be said to have a special interest in the results of the investigation. Other men, detailed in investigatory or judicial capacities, have disqualified themselves on lesser grounds.

Although Representative FLETCHER repeatedly stated for the record that he had an open mind, had arrived at no preconceived conclusions, and wanted only to get at the facts so that a solution could be reached, he was quoted in the local press as stating at a luncheon tendered to him in the chamber of commerce building that, of course, we don't want any public housing. Who "we" referred to was not specified.

The housing council, of course, takes exception to this statement, both on the ground that public housing is acutely necessary in Los Angeles, and on the further ground that it clearly demonstrates bias and prejudice on the part of the subcommittee.

This bias was clearly evident all during the hearings as Representative FLETCHER insisted on referring to charity housing, of which, he indicated, approximately 6,000,000 American families stood in need.

The hearings were, seemingly, unnecessarily rushed; at least, as far as any witnesses were concerned who might conceivably be expected to support public housing or the Taft-Ellender-Wagner bill. Such witnesses were admonished that no testimony regarding need was necessary; only specific recommendations were wanted.

On this ground, Howard Holtzendorff, executive director of the Los Angeles city housing authority, was denied permission to read a statement, although he had been requested to attend for the purpose of presenting public housing's side of the picture. How public housing could possibly be discussed or defended without going deeply into its need or non-need is difficult to comprehend. On the other hand, witnesses representing groups known to be opposed to the Taft-Ellender-Wagner bill were not only in no way limited, but were encouraged to engage in philosophical colloquies with the chair, even to the extent of being asked the uttermost in leading questions when they did not say exactly what the chair wanted in the record.

In the waning moments of the hearing, several names were called rapidly as potential witnesses, and remarks made that it was too bad they were not present as they had signified a desire to be heard. That they were not present is easily understandable. It had been announced that hearings would continue throughout the afternoon and it was only during the morning session that the Congressman announced that the hearings would be rushed to finish at noon.

The council, therefore, wishes to protest the validity of the Los Angeles hearings on the groups of the totally inadequate time allotted, the obvious bias displayed by the subcommittee, and the thoroughly unbusinesslike quality of procedure.

Los Angeles' great and crying need for low-rent and lower-middle-income housing is fully documented in the mass of statements and statistics submitted to the committee, but it will not be found in the stenotype records of the hearings.

Sincerely,

Rt. Rev. Msgr. THOMAS J. O'DWYER,
President.

Woolen Prices Due to Inflated Costs, Not Profits

EXTENSION OF REMARKS
OF

HON. FRANK A. BARRETT

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. BARRETT. Mr. Speaker, I am very much impressed with the concise and forceful statement of Curt E. Forstmann on the question of high prices in the wool-textile industry. The administration has attempted to show that the industry is controlling production in order to keep prices up, and as a consequence its profits are unduly high; in fact, exorbitantly so. If you will but read his statement, you will see there is absolutely nothing to the charge. The wool-textile industry is working on a 24-hour basis and in many cases on a 7-day week. It is going all out to produce at maximum capacity to supply consumer needs.

It has held its selling prices down to a point where raw material and labor have increased more than twice as much as prices. In this inflation controversy it is easy to blame the other fellow. The administration has over 3,000,000 employees on its pay roll. It resists every effort to reduce that army. Take a million off the Federal pay roll and let them produce goods in private industry and the story would be different.

Now, Australia does not attack its woolen industry. It rebates 27½ percent on the cost of raw wool on fabrics sold in Australia. It has placed an embargo on imports of woolens and worsteds. Another thing the administration should take note of the fact that the joint agency raised the price of its United Kingdom wool by 9 percent as soon as our tariff was lowered 25 percent.

Mr. Speaker, in my opinion, Mr. Forstmann has put the blame precisely where it belongs. I commend him for the forthright manner in which he has stated the position of his company and the industry on this question.

The statement follows:

WOOLEN PRICES DUE TO INFLATED COSTS NOT PROFITS

(By Curt E. Forstmann, president of Forstmann Woolen Co., of New Jersey)

The inflationary policies of our own Government, and the aftermath of war, not excessive profits, are directly responsible for today's high wool textile costs, Curt E. Forstmann, president of the Forstmann Woolen Co., declares in a documented analysis of costs and selling prices from 1932 until the present time, made public today.

The statement, entitled "The Corporate Cost of Living in the Wool Textile Industry," was issued, Mr. Forstmann explains, to clarify a price situation which directly affects the public's cost of living, and which has given rise to Administration threats of a return to price controls. While the facts and figures cited relate specifically to his own company, Mr. Forstmann declares he believes that they have a broad application to the entire industry.

Seventy-five percent of the cost of a yard of cloth consists of raw materials and labor, it is stated. A series of charts showing the trends of these costs, and of selling prices from 1932 on, are presented to illustrate that since 1932 costs of raw fibers have risen 180 percent and average labor costs have increased 171 percent, whereas selling prices have advanced only 75 percent.

In addition to these higher raw material and labor costs, increased costs of machinery and improvements to enable it to produce more efficiently and economically are requiring the company to expend 86 percent of its net income after taxes for the years 1945 through 1947, Mr. Forstmann states.

GOVERNMENT CREDITS INCREASE WORLD WOOL PRICES

Price increases at the fabric level are attributed to: (1) the policies of the Government itself, (2) the inexorable general results of inflation brought about by these policies and (3) the usual results of war.

"The price of our chief raw material—wool—has for many years been controlled by the American and the British Governments. Domestic wool is bought at legally established prices by the Commodity Credit Corporation," the statement points out.

"Our chief sources of fine wools, of which this country is the largest user, are the British Dominions. These wools are sold under the direction of a closed corporation owned jointly by the United Kingdom, Australia, New Zealand, and South Africa. American mills, to secure the foreign wools which they require, must bid against the entire world at prices which must be at least higher than the floor levels set by the British Joint Wool Organization."

Present high prices for these wools, Mr. Forstmann declares, are due in considerable measure to our own administration's foreign policy.

"Through huge extensions of credit, primarily to Great Britain, it has made it possible for the British, the French, and the Italians to bid up the prices of wool in Australia, South Africa, and South America," Mr. Forstmann says. "Those wool buyers on the continent of Europe whose own finances were insufficient have operated on credit granted them by Great Britain.

"They have bought chiefly fine wools in contrast to their historic practice of using larger quantities of coarse wools. A large percentage of the tops, yarns, and fabrics made of these wools has subsequently gone to Great Britain to be sold in the world markets as British products. The balance is being offered by foreign mills largely as exports to South American countries, who, lacking dollar exchange, have a virtual embargo on American textiles.

"We therefore have the almost incredible situation where our own dollar credits make it possible for competitor nations to increase world wool prices to such an extent that American buyers hesitate to buy in the world wool markets. Thus, our own Government, by following a policy which has permitted loans without restrictions or designated end uses, has made it possible for a virtually bankrupt Europe to outbid the solvent United States."

CAN CONTROL SELLING PRICES—NOT COSTS

Beginning with the National Recovery Act, the Government has encouraged increased wages and higher labor costs, the statement declares.

"Manufacturing costs were increased by prohibiting the operation of a third shift in the wool textile industry; thereby decreasing potential production and increasing costs in individual mills," it is asserted. "Simultaneously, wages were increased, and minimum wage levels were established by Government fiat. Ever since then countless agencies, and a long succession of Executive orders, regulations, and laws, have progressively contributed toward the constant rise in production costs."

Declaring that under existing conditions the company has little or no control over the costs of raw materials, labor, and high taxes, the statement adds there is one factor over which it has complete control—its own selling prices. It then states:

"The Forstmann Woolen Co. makes the unqualified statement that its mark-up from standard cost to selling price is less than one-half as much today as it was in the depths of the depression of the 1930's, and is furthermore less today than was permitted under the fabric ceilings imposed on the company during the operations of the Office of Price Administration."

INDUSTRY PRODUCING AT UTMOST CAPACITY

"Far from withholding textile production with which the industry has been charged, the Forstmann Woolen Co. has been operating on a 24-hour, three-shift basis, 6, and partially 7, days a week, and it is producing and shipping by far the greatest yardage in its history.

"The remedy for the admittedly critical phase of an inflationary period," it is declared, "does not lie in condemnation of industry.

"It resides in the policies of our own Government which controls and directs those physical factors of taxes, credits, farm, and other subsidies, wage policies, and foreign loans and grants—all of which are a direct charge upon production and distribution over which industry has absolutely no control.

"I certainly do not advocate a return to the low-wage levels of the depression, nor do I feel that wool prices should return to the low levels of the early 1930's. However, there is a palpable injustice in first encouraging increased costs and then viewing the resultant price increases of manufactured consumer goods with an alarm which overlooks the very facts that have caused them."

MACHINERY AND IMPROVEMENT COSTS TREBLED

Declaring that every company engaged in business has a corporate cost of living, Mr. Forstmann emphasizes the tremendous increase in the costs of repairs and renewals of machinery.

During the war it was impossible to replace, or even adequately repair, machinery, equipment, and buildings which were being operated and worn out at an unprecedented pace," he says. "The corporate cost of living of making these repairs and replacements has increased to a greater extent than has the Bureau of Labor Statistics cost-of-living index for an individual.

"The price of textile machinery has increased from 200 to 300 percent. In the early 1930's industrial building in the textile industry could be constructed for $4 per square foot. The cost today is approximately $11.

"Because of these facts * * * it has been necessary for the Forstmann Woolen Co. to spend and appropriate 86 percent of the company's total net income, after taxes, for the postwar years 1945 through 1947 for machinery replacement and modernization. This money is not being spent to enlarge

production facilities, but to enable the company to manufacture still better goods at still lower prices.

"The ability to invest money in new machinery and new methods is the only way to cut production costs, and therefore selling prices, in the future. It is the only way in which to further counteract the continued increases in costs of raw material and labor."

Preservation of Civil Liberties

EXTENSION OF REMARKS
OF
HON. HELEN GAHAGAN DOUGLAS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, there has come to my attention a copy of a letter sent to the President of the United States, the Secretary of State, and the Speaker of the House of Representatives, signed by 22 of the 26 members of the faculty of the Yale Law School and relating to present problems in connection with the preservation of civil liberties.

A news story on this letter appeared on the front page of the New York Herald Tribune for November 27 of this year.

In view of the distinguished authorship of this letter and because of the eminently fair and objective way in which it treats a matter of concern to all the American people, I offer this letter for inclusion in the RECORD:

YALE UNIVERSITY SCHOOL OF LAW,
November 26, 1947.

The PRESIDENT OF THE UNITED STATES.
The SECRETARY OF STATE.
The SPEAKER OF THE
HOUSE OF REPRESENTATIVES.

SIRS: It is clear from the bold and forthright report of the President's Committee on Civil Rights and other facts of common knowledge that the liberties which have so long distinguished our Nation are in danger from within as well as from without. Irremediable tragedy only can result if the advice of the President's Committee is ignored. We, the undersigned members of the Yale law faculty, take this opportunity to urge immediate and decisive action. This Nation needs not alone to be reminded that our Government is one fashioned for courageous men, who prefer the conceded hazards of living in liberty to the indignities of the police state; it needs also to reaffirm its faith and to secure its freedoms by vigorous and appropriate measures now.

We are not insensible that in a world becoming increasingly divided, our Government must take all rational precautions against acts which threaten or seem to threaten our national security and existence. Precautions cease to be rational, however, when they defeat the very ends they are designed to secure. We need not create a police state to escape a police state. It can make little difference to the citizen who loses his liberties and dignities as a human being whether his loss comes from an enemy or from a native oppressor who subverts democratic government in the guise of protecting it.

There is in our history no evidence that our faith in freedom of thought and speech is not well founded. For a hundred and fifty years the most violent dissidence of political expression has been allowed, not only as a monument to "the safety with which error of opinions may be tolerated when reason is left free to combat it," but in the abiding belief that "the ultimate good desired is better reached by free trade in ideas." It is not now apparent why the American people should be so wanting in courage or so skeptical of our foundations as to fall victim to the fears of frightened men either inside or outside the government. It is, however, unhappily true that America appears to be embarking on an era similar to that which followed the First World War. There are alarming signs that persecution for opinion, if not soon curbed, may reach a point never hitherto attained even in the darkest periods of our history. With it, we may expect racial, religious, and every other kind of bigotry which, if it is to run its full course, can loose such a flood of intolerance as utterly to destroy the civil liberties without which no democratic society can survive.

A pattern of suppression is today evolving at the highest levels of the Federal Government. The more alarming aspects of the situation include the President's loyalty order of last spring, the recent "Statement of Security Principles" by the Department of State and the current performance of the Committee on Un-American Activities of the House of Representatives. The procedure followed by the committee and that prescribed by the order and the statement are such as to subject the citizen to intimidation and abuse without redress and to expose the Government worker to loss of reputation and livelihood without the opportunity to defend his honor or his job.

It is the right and the heritage of every American freely to form political opinion and to express it; when accused of offense, to be presented with the charges against him, confronted by his accusers and given a fair opportunity to defend himself before an impartial tribunal. Under the cloak of congressional immunity or the cloak of anonymity, high officials of the national Government are today acting in disregard and in defiance of the American tradition of civil liberties and, in our considered judgment, in violation of the Constitution of the United States. It is, we believe, high time that the executive and legislative branches of the United States Government foreswear belief in witches and, by practicing democracy, set an example to those parts of the world which we hope to have embrace its principles. We therefore, urge (1) that the House of Representatives immediately abolish its Committee on Un-American Activities and (2) that the President and Secretary of State revise their present policy with regard to governmental employees suspected as disloyal or as security risks, so as to bring that policy into conformity with both the spirit and the letter of the United States Constitution.

Very truly yours,

Fred Rodell, Ralph S. Brown, Jr., Thomas I. Emerson, Eugene V. Rostow, S. E. Thorne, James Wm. Moore, A. G. Gulliver, George H. Dession, F. S. C. Northrop, Walton Hamilton, Fowler V. Harper, Wesley A. Sturges, Boris I. Bittker, George D. Braden, Henry A. Fenn, Grant Gilmore, Griedrich Kessler, Edwin Borchard, Myres S. McDougal, Addison A. Mueller, David Haber, Fleming James, Jr.

The Age of Great Challenge

EXTENSION OF REMARKS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address entitled "The Age of Great Challenge," by Fred M. Vinson, Chief Justice of the United States, before the annual meeting of the American Bar Association, Cleveland, Ohio, September 22, 1947:

At some point in the distant future, scholars poring over the history of our time may well label the days through which we are passing as "The Age of Great Challenge." There can hardly be a thinking person in our country today who has not experienced the sense of urgency and crisis which our age envisions. The challenges cannot be ignored. They confront us in every aspect of human activity—in the political and economic, in the social and intellectual, and in the moral and spiritual realms.

Fundamental values upon which we have erected the edifice of our civilization are under attack. Our very successes in responding to the challenges of our time have bred new crisis and new challenge. Thus, confronted with the military might of the Axis, we rose to meet that test. In achieving success, we have fallen heir to the grave problems growing out of a postwar world in need of physical and spiritual rehabilitation. Our age gives striking confirmation to the observation of Mr. Justice Holmes that "repose is not the destiny of mankind."

The symptoms of this age of crisis are many and familiar. Perhaps the most striking evidence of the confusion of our time is the conception of the nature of man which forms a part of many widely-held ideologies. Under this view, man is a mere automaton incapable of sharing in the determination of his own destiny, bereft of dignity, capable of responding only to the grosser of materialistic motivations and irrational passions. That such a creature is incapable of exercising the high privilege of self-government is obvious. Essentially this conception of the nature of man underlies all of the totalitarian doctrines of our day, and unfortunately, it underlies the thinking of some in our own midst who shrink from its inevitable and logical conclusion. This conception contains the seeds of destruction. We must resist it and prove it fallacious.

But we see evidences of crisis elsewhere. We are confronted with the challenge of the weakening of the family and the loss of the spiritual values growing out of the strong family bond. As lawyers, we have been made disturbingly aware of a growing lack of faith in and respect for law and the legal process. After the First World War the ideal of the supremacy of law was subjected to successful attack in many countries with the result that the legal systems of those nations abdicated their high functions and in cynical subservience served the demands of all-powerful states. But the challenge to the supremacy of law has not been confined to the totalitarian regimes. In our own country we have seen evidences that there are those who have failed to realize that the only alternative to the supremacy of law is anarchistic chaos or the region of a personal dictator.

We need not explore the symptoms of our age at greater length. We are all conscious of their existence; they confront us at every turn. They confirm the proposition that we are, indeed, passing through the age of great challenge.

An age of great challenge is an age of danger and difficulty, but it is also an age of great opportunity. Though the hazards are real and menacing, the opportunities for great achievement are correspondingly enhanced. Rarely in human history have men been accorded so high a privilege and so appalling a responsibility. The release of atomic energy, for example, is fraught with dangers which could spell the doom of our civilization, but it also creates opportunities for advances in human welfare never before contemplated.

As lawyers, we have been accorded peculiar privileges and, therefore, we have inherited peculiar responsibilities. Perhaps no group in our society is in so favorable a position to observe and to contend with the challenges of our day. It is entirely appropriate, therefore, that we, from time to time, should give particular attention to the problem of how we may intelligently respond to the challenges that confront us, and then go forth to meet the demands of our age.

Men react to challenge in many different ways. In every age of crisis, there are those, for example, who react by attempting to escape challenge or to ignore it. Those persons live in the vain delusion that by avoiding responsibility and shrinking from the struggle they may find peace and security. In the words of Justice Holmes, they exist under the peril "of being judged not to have lived." We cannot escape the challenges of our time. Failure to respond in the face of crisis results in quite as positive consequences as the courageous assumption of responsibilities. A policy of drift can lead only to disaster. I would leave this thought with you: "He who lights a candle is better than he who curses the darkness."

There are also those who react to challenge by rigidly opposing all change and all innovation. There are others who reject all the methods and techniques of the past and find virtue only in the new. Frequently, such persons are sincere and well-intentioned. They are aware that the civilization which they value is under attack. The one group attempts to preserve and defend it by insisting that, in a changing world, the old institutions shall remain unchanged and inflexible and that the old forms of action shall remain unaltered. The other group reacts by insisting upon the precipitous abandonment of the entire legacy of the past without adequate consideration of the consequences. Both groups make the error of failing to distinguish between the essential values of their civilization and the transitory forms by which those values are given expression. They fail to realize that by insisting upon the use of outmoded techniques or by indiscriminately rejecting all that is old, they make impossible the effective defense of the foundation rocks of their civilization which are essential and timeless.

But there are other more constructive ways in which to react to the crisis of our time. We need, first of all, to reaffirm our faith in the fundamental values upon which has been based all that is worthwhile in our society. We need to revitalize our conviction that that society is best which gives the greatest practical recognition to the dignity of individual man and which affords greatest opportunities for the development of the higher potentialities of all men. We need to develop the same high sense of personal responsibility which led the early American statesman, George Mason, to write: "The debts we owe our ancestors we should repay by handing down entire those sacred rights to which we ourselves were born." We need, finally, to devote our full intelligence and greatest efforts to the task of devising ways and means whereby those essential values can be given their most complete expression in a world of flux and change.

Perhaps the greatest hazard which besets us today is the danger of losing faith in ourselves. In the fact of the crisis of our time, some may be tempted to doubt the adequacy of human capacities to contend with the challenges which confront us, to fear for our ability to defend and preserve our civilization—our way of life. Such fears are irrational, but their consequences can be grave. The courage and sacrifice of our people in time of war mounted the heights. Courage and sacrifice were the paramount ingredients of the miracles of production on the home front and the heroic deed on land, sea, and in the air. The courage and sacrifice of our sons and daughters in the face of death should shame us for our fears today. "Courage," 'tis said, "is fear that has said its prayers." And sacrifice, to paraphrase Emerson, is the real miracle out of which all the other miracles grow. We must be alive and alert to the problem of a shaken world; we need not be mercurial in arriving at quick conclusions as to the efforts to solve our problems; we must have patience, tolerance, and understanding. We need always to keep a sense of proportion. The problems we face are human problems, and, therefore, are capable of human solution.

We should recall that this is not the first period of crisis and challenge in which the American people have found themselves. Our Nation was born in crisis. It was founded upon a political ideal held in hatred and contempt by the rulers of powerful and hostile nations. We too easily forget the fears and doubts which must have beset the minds of those who had pledged their "lives and sacred honor" to the task of founding a government by the people in the face of internal dissensions and external opposition. We have recently celebrated the one hundred and fifty-eighth anniversary of the adoption of the Federal Constitution.

During the long period in which our National Government has been functioning there has not been a generation which has been free from crisis and challenge. Our fathers emerged from those struggles in the past with added strength and wisdom. Our children—and their children—demand no less of us. The courage and sacrifice necessary for us to keep faith with them must be grounded on the conviction so well expressed in the opening lines of An American Creed, written by a great contemporary, Cardinal Spellman:

"I believe in America, in her high destiny under God to stand before the people of the earth as a shining example of unselfish devotion to the ideal that has made us a great Nation; the Christian ideal of liberty in harmonious unity, builded of respect for God's image in man and every man's right to life, liberty, and happiness."

With this faith in our country, with a spirit of understanding, courage and sacrifice, we may be assured that the age of great challenge will usher in the age of great achievement.

Stock Piling of Critical Materials

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 17 (legislative day of Thursday, December 4), 1947

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Stock Piling Critical Materials," written by John Gerrity and published in the current issue of the Pathfinder magazine. The article deals with the stock piling of critical materials, with particular reference to how that might be done in conjunction with the Marshall plan.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STOCK PILING CRITICAL MATERIALS

(By John Gerrity)

Until world peace becomes a reality—not frail promises of good behavior—threats of violence between nations will force the United States to consider and prepare for the awful business of war.

For its own defense and for the protection of weaker, friendly nations, this country's military and industrial leaders are building an arsenal of war tools; piling up vast stocks of raw materials for future war tools. Far from being warmongers, these men, charged with maintaining United States military strength, are simply using good common sense. For should another war arise, victory or defeat will hinge upon how much mercury, tin, tungsten, quinine, pepper, and other critically needed strategic materials the United States has to throw into that war.

Without some 85 of these materials this Nation could not even begin to fight. With not enough, she would certainly lose the fight. And if she is able to secure and hold large enough stocks of the world's supply she can, by denying other nations these same materials, dissuade them from starting wars.

That, in a nutshell, is why the United States will spend about $2,500,000,000 for critical materials between now and 1952. As long as the now whimsical hope of the Atlantic Charter for "abandonment of the use of force" remains only a hope, this Nation must literally buy world peace.

False cloak-and-dagger notions of stock piling to the contrary, only the size and locations of stock piles are kept secret. Such information, if made public, could indicate the cope and nature of military plans. Hence few Americans know the listed needs. Nor do they know precisely why those materials are needed or how they are used.

Yet if any American is curious enough to find out just what his country is buying and saving to preserve world peace all he need do is wander into his own kitchen—and open his eyes. For there, in one form or another, are many of the scarce 85 materials which United States military authorities consider vital to the successful waging of war.

Tungsten is in his light bulb. The essential insulator, mica, is in his wife's toaster or electric iron. Tin covers cans of food. Pots and pans are made of aluminum. The dry-cell battery for an electric doorbell probably has a manganese base. A cocktail shaker is chrome plated. Match heads contain antimony. The kitchen sink was bathed in zirconium before it was enameled. Without thin plates of quartz a kitchen radio would be useless. Tantalum or beryllium was used to harden the interior of the oven so that it could stand great heat. Mercury rises and falls in the glass tube of a thermometer. And in at least a score of places rubber can be found.

Because these and other materials of commonplace use in most homes are scarce, the United States is now engaged in a world-wide race to build great reserves. Without them America's "have" position in many essential minerals like iron, copper, and lead would be meaningless. For only through rare-metal alloys can guns, tanks, warships, bullets, medicines, aircraft, radar, atom bombs and the rest of the items in the national war-chest be made.

LOWLY TIN TOPS THE LIST

Using a few of the samples found in the average kitchen, it is worth while to examine their sources, the estimated amounts available and their uses in war.

Tin, most critical of strategic materials, comes mainly from British-owned Malaya, the Netherlands' East Indies, and Bolivia. Next year these three sources alone will furnish the world 151,000 tons of the total 207,000 expected tons. Of this world supply America needs about 90,0000 tons for civilian and military purposes. From Britain and the Netherlands—participants in the European recovery program (the Marshall plan)—United States expects to receive for stock-piling purposes $85.6 million worth of tin. Since tin is used in nearly every weapon and

because United States must depend entirely upon foreign sources, it is easy to understand why one-third of the $253,000,000 worth of strategic materials which the Harriman committee hopes for, will be spent on the "least respected" of all metals.

Chromite, which turns up on radiator grilles and bicycle handle bars, is another strategic metal for which United States must rely mainly on imports. The Philippines, Turkey, Union of South Africa, Greece, Yugoslavia, Southern Rhodesia, Cuba, and New Caledonia are main sources. From Britain (Southern Rhodesia), France (New Caledonia) and Turkey—three suppliers covered by ERP—Munitions Board expects to receive next year about 104,250 tons worth about $6.2 million.

Three times as strong as aluminum, chromite shows up in a host of war tools. America can proudly say that it put a chromium plated Army of 15,000,000 men on the field in World War II, for every GI uniform was dyed and toughened with a chrome-base dye. The rear sight on every Garand rifle was made of a chrome-steel alloy, which a housewife calls stainless steel. Stainless steel covered most light-weight armor plate. And the wings and fuselages of many American planes were made of the same critical stuff.

BERYLLIUM FOR JET ENGINES

Of little known—but vitally important—beryllium, the United States had 4,118 tons in stock last September. Because Argentine and Australian sources are fast being depleted, future supplies of beryllium are a matter of great concern to the Government. For beryllium, along with tantalum, is the material which will make jet planes and self-propelled missiles of future wars possible. Mixed with steel it creates an alloy capable of resisting extreme heat—such as that generated by jet engines. Without that alloy a jet pilot might easily find his tail burning behind him.

Beryllium has an even more vital use. A casing made of it is the only thing which will raise the explosive efficiency of the plutonium in an atomic bomb, assuring its instant disintegration.

Other metals are equally important and hard to get. Tungsten is another steel hardener. Mercury forms the explosive base of detonators. Antimony, for which the United States depends almost entirely upon Britain, is still another hardener. Tantalum, which can be found in an ordinary radio tube, comes mainly from British-owned Malaya and the Dutch East Indies. Its rust-resisting qualities made it indispensable in bayonets. Its acid-resistance makes it essential for the manufacture of synthetic rubber. Many a broken skull has been repaired with a tantalum plate. And radar can't work without it.

So it is with every one of the 85 strategic items. Each contributes much to America's security. If, in 1952, the United States can point to the world's finest stock pile, the $2,500,000,000 will be well spent.

Stock piling is no hush-hush mystery. In July 1946 Congress, knowing the United States to be a have-not nation in many vital war materials, authorized the Munitions Board to find out what was needed and go out and buy it. The Board, headed by Thomas J. Hargrave, president of the Eastman Kodak Co., is comprised of Secretaries of the Army, Navy, and Air, and professional soldiers and sailors, expert in what it takes to make a war machine tick.

Twice each month the Board meets, reviews inventories of present stocks, considers most urgent needs, and orders the Federal Bureau of Supply to buy whatever is available.

While it is true stock piling has lagged—of $350,000,000 scheduled purchases only $250,000,000 were acquired last year—the scare-report, that the men in charge of the program have fumbled the ball, is untrue. The Federal Stock Piling Act specifically rules out any purchases which civilian industry needs, thus sharply restricting the Board's buying. Moreover, while there is a "buy American" clause in the law (it's obeyed) many critical materials can come only from abroad. Hard hit by the war, most foreign producers cannot now meet the United States demands. So long as these conditions persist, stock piling will lag and strategic materials will become more critically short.

In this light, early this month when Congress begins its study of the administration's European recovery program, the question, "How much can Europe repay in strategic materials?" will gravely influence the volume of aid to 16 nations.

FOR US—FROM EUROPE

Admitting that its estimates are not much better than guesswork now, the Harriman committee claims that the United States can draw from Europe about $250,000,000 a year in strategic materials.

Should ERP funds expand production to the extent that the program sponsors hope for, here's how some recipient nations and their empires can bolster America's stock pile:

United Kingdom	$119,312,000
Belgium	63,740,000
Netherlands	48,600,000
France	11,549,000
Portugal	4,500,000
Norway	2,000,000
Sweden	2,000,000
Turkey	1,600,000
	253,801,000

Still to be decided is which of two systems the United States will use to get these strategic materials. Under the first method proposed by the House Foreign Aid Committee the 16 western European nations would simply transfer the materials to the United States. The dollar value of the transfer would then be regarded as part payment for aid.

The other proposal—which the State Department favors—would allow foreign producers to sell for dollars whatever critical materials they will not need for home use. In this way, State argues, United States would provide American dollars which could be used to pay for some of the benefits granted under ERP. Furthermore, the State Department insists, because the most critically needed of all strategic materials are those which must be bought abroad, the buy-American clause of the stock-pile purchase law would not have to be changed.

BUY EARLY AND SAVE

The stock-piling law and whatever law Congress writes to make ERP possible would dovetail to the mutual advantage of the United States and European nations. Frankly admitting that some degree of dollar imperialism is inevitable—even desirable—State claims that dollar purchases, plus 50-percent tariff cuts on many imports of critical materials effective January 1, will serve as potent shots in the arm to Europe's production.

While there is no preclusive buying comparable to that of 1942–45 (Portuguese wolfram, from which tungsten is made, rose from $5 a ton to $463 a ton), some aspects of a buying race are already apparent. Argentina, for example, has signed a 5-year contract to buy 8,000 tons of Bolivian tin at 76 cents a pound—and none of this will be for reexport. All will go into Peron's war stock pile, since his government has stopped exporting any strategic materials.

And while no Government experts are sure of amounts, they know that Russia is building up all its stocks as rapidly as it can.

Grain Conservation Program

EXTENSION OF REMARKS
OF
HON. THRUSTON B. MORTON
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Louisville (Ky.) Courier-Journal of December 14, 1947:

COX CLAIMS GRAIN-SAVING PROGRAM IS CREATING DISTILLERY MONOPOLY—SAYS PUBLICKER IS BENEFITING

The Government's grain-conservation program is fostering a monopoly in the distilling industry, Millard Cox, counsel for the Kentucky Distillers Association, charged yesterday.

It has given one company—Publicker Industries, of Philadelphia—a commercial advantage over all others, Cox declared.

Wartime expansion by the Government made Publicker the country's largest producer of beverage spirits, Cox said. And the Government's grain-allotment program gave Publicker the lion's share of grain, he added.

TRACES GROWTH OF FIRM

If shut-downs—such as the present whisky holiday which Cox said Publicker asked for—and other restrictions continue, Publicker will be able to "force the trade at its own price" to buy the beverage spirits valuable in blending whisky, Cox said.

Cox traced the growth of the Publicker Co. as part of his answer to the Government's request that distillers hold down their use of grain to half of normal for at least 6 months after the present whisky-making holiday ends Christmas Day.

This proposal, recommending that the industry ration itself to 2,500,000 bushels of grain a month, would give Publicker as its share 416,000 bushels a month, or 100,000 bushels more than is used by the next largest producer, Joseph Seagram & Sons, Cox said.

WON'T SAVE MUCH

Cox further charged that such a program of "partial" rationing won't mean much in the over-all saving in grain anyway because the distilling industry "never has used more than a fraction of 1 percent of the entire grain crop."

"It was the only grain-using industry that was called upon to shut down completely, although it is one of the smallest users of grain."

Cox, who with a group of Kentucky distillers will attend a meeting in Washington Wednesday to consider the Government's rationing proposal, also noted that the grain saving during the present whisky holiday has been less than negligible because:

"The whisky holiday was announced October 5 and became effective October 25," Cox said. "And in October the whisky production for the United States declined from September.

SAYS MORE GRAIN USED

"But the spirits production went up. It was 7,000,00 gallons in September; 20,000,000 gallons in October. In those 20 days between the time the whisky holiday was announced and it went into effect, more grain was used than would normally have been used in 3 months.

"And who used it? Why it's obvious that the country's largest producer of beverage spirits and the one that originally asked for the whisky holiday did," Cox said, referring to Publicker.

Going back to October 1942, Cox observed that the country's distilleries were converted to wartime use because of the need for alco-

hol. This wartime need was so great that existing facilities had to be expanded and new plants built.

The Government built three plants in Iowa, Nebraska, and Missouri and then decided that it would expand the Publicker firm in Philadelphia.

"The Government spent $13,000,000 expanding the Publicker Co. and used steel and copper and other materials which had high priorities," Cox said. "These, of course, were denied to other distillers for expansion."

After the war, when the industry began to reconvert, tthe Secretary of Agriculture, under the War Mobilization and Reconversion Act, allocated grain for beverage distilling. At that time, Cox said, Publicker had a production capacity equal to the 61 distilleries in Kentucky.

CAPACITY BASIS USED

"The grain was allotted on a capacity basis," Cox said, "and as a consequence Publicker received an enormous share.

"Before the war Publicker produced 2.8 percent of the beverage spirits in this country and Seagram's produced 20 percent. In August 1946, Publicker produced 20 percent and Seagram's 10 percent."

In February 1947, the restrictions on the whisky industry were lifted and the distillers could produce in practically unlimited quantities. During this time Publicker's production of beverage spirits declined.

"But in the fall when the President recommended a curtailment on a 50-percent basis Publicker asked for a shut-down," Cox said. "Publicker had a great deal of immature whisky on hand which during a shutdown would have greater value. Continued operations would have the opposite effect—it would depreciate.

PRICE ALMOST DOUBLED

"Although Publicker asked for the shutdown because the company said they wanted to save grain for Europe, more grain was used in the 20 days prior to the whisky holiday than normally would have been used in 3 months.

"The trade has been forced to buy the valuable beverage spirits from Publicker and the price of spirits almost doubled. A series of indefinite shut-downs plus an inequitable grain-allotment program would force all the trade t buy from Publicker."

Under the Government recommendation advanced yesterday grain would be allotted on the basis of usage during December 1946, and January, February, March, 1947, and on plant capacity.

This program again would give Publicker the advantage, Cox maintained. He suggested that the program be based on the percentage of use of grain for beverage purposes by the distilling interests during the 4 months mentioned.

Secretary of Agriculture Clinton Anderson proposed that the new plan, which also calls upon the distillers to forego the use of wheat after the distillery hoiday ends, be carried out "during the next 6 months and so long thereafter as the need for grain conservation continues."

Anti-American Propaganda in Europe

EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. CASE of South Dakota. Mr. Speaker, under permission granted by the House, I place in the RECORD my remarks at Town Hall's Town Meeting of the Air, New York City, December 9, 1947, on the subject How We Can Combat Anti-American Propaganda in Europe:

Thank you, Mr. Denny. As you said, Congress is considering a program for half a billion dollars' worth of additional aid in war-devastated countries. That is in addition to one billion three hundred and thirty million already appropriated this year for overseas relief, and does not count another half billion requested for additional relief in the occupied countries. It is discouraging to spend such money and have our motives misconstrued by anti-American propaganda.

Mr. Mellish seems to think this anti-American propaganda is increasing. General Donovan sees it clearly as a subversive war, a war of maneuver against us. Senator LODGE, as a good former newspaperman, suggests that we must decide what to say and how to say it.

I have three points of comment, Mr. Denny, and three suggestions.

First of all, while anti-American propaganda may be increasing in volume, violence, and Vishinsky, I do not think it is increasing in effectiveness. For basically no government can gain converts by professing democracy while it liquidates its political opponents, keeps war prisoners for slave labor, and sends its civil prisoners to Siberia.

A wise man once said, "What you do speaks so loudly, I cannot hear what you say."

In Hamburg, Germany, I met a woman who spent months in a concentration camp. Storm Troopers heard her say, "Hitler is crazy." "How did you come to say that—out loud?" I asked. "Because after every raid Berlin radio would say 'Royal Airforce Kaput'," she replied. "But next day RAF come again and our cities were kaput."

So, comment No. 1 is to remember that facts speak louder than words. Comment No. 2, it doesn't pay to waste time and effort trying to answer every Red that talks.

Theodore Roosevelt once got a letter from a son in college. "Why don't you tell these critics off," the boy wrote. "I'm too busy getting my work done," the great Roosevelt answered. "If the postman stopped to argue with every dog that barked, he'd never get the mail delivered."

Dogs bark. Bears growl. That's their nature. If they didn't the crowd back home would think they had gone soft. So if what we are doing is right, let's keep on doing it and let the Russian bear growl.

Comment No. 3. We should not hide our light under a bushel.

Sterling Morton, whose salt always pours, told me this personal experience. He was getting a tire fixed in France. The French repairman told him that Russia was a great friend. Why? Because they had sent two shiploads of wheat to France last winter. What about the United States? Oh, he hadn't heard of anything they had done. Congressman ANDRESEN says all we had done was to supply the money that paid Russia for the wheat.

You remember the old saw about kissing a girl in the dark; you know what you're doing, but no one else does. So point No. 3: Tell 'em.

Now then for suggestions. The Voice of America needs money of course. It would have had more money last year if Mr. Benton had resigned earlier. He simply had lost the confidence of Congressmen who control the purse strings.

Why? The messy, so-called art pictures, for one thing. The circus girl—and those futuristic splotches which Mr. Benton himself couldn't identify. They looked like the mural atrocities perpetrated in the post offices back in WPA days. That such stuff should get $49,000 of taxpayers money bred suspicion of the whole program.

Incidentally, Benton's chair has been empty for months. If this work is so important, Mr. Truman better get somebody on the job. But now for the suggestions.

No. 1. Better teamwork between Washington and the field.

Last week, a former South Dakota woman wrote me from Costa Rica: "Why not give the whole world the same programs the average American listens to at home? The programs have been so terrible that no one bothers to listen to them."

In Austria and Germany it was hard to find anyone who listened. Finally in Heidelberg, two university professors said they had. "How do you like them?" we asked. "Too high brow," the professors said. "These people are hungry."

No. 2 Use the normal channels of publicity more.

I asked some German city officials what paper they liked best. "Stars and Stripes," our Army paper, they replied. Why? "Because it's what you publish for your own people," they said. "We think it's more likely to be the truth and not propaganda.

Several good American publications have foreign language editions. They should be put in all the reading rooms of Europe—including the so-called satellite countries.

No. 3. Make more paper available in the occupied countries.

Our one overt paper, Die Neue Zeitung, has about 1,000,000 circulation where it could have 3,000,000 if they had the newsprint. In Berlin, where we have a chance to tell our story in our sector and let it spread into the Russian zone, circulation has been cut from 200,000 to 100,000 for lack of paper. In Munich, Catholic and Protestant leaders joined in appealing to us for paper to counteract a flood of communistic publications. They wanted magazine paper to print Bibles and religious publications. A youth organization with 150,0000 members did not have a single medium of printed publicity or communication.

If the metropolitan press which cries so loudly for more funds for the Voice of America would share their newsprint with Europe—well, our homes wouldn't be so cluttered up on Sunday morning and there would be more paper to do the job, over there.

Summing up, Mr. Denny, the way to combat anti-American propaganda in Europe is to be sure we are doing a good job and then—let the Eagle scream.

Veterans' Emergency Housing Program

EXTENSION OF REMARKS

OF

HON. GEORGE MacKINNON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. MACKINNON. Mr. Speaker, under leave to extend my remarks, I include the following statement prepared by the Federal Housing Administration setting forth the new-home mortgage commitments issued under section 603 of the Federal Housing Act—veterans' emergency housing program—from May 22, 1946, through October 31, 1947.

Sec. 603, veterans' emergency housing program—new home mortgage commitments issued, May 22, 1946, through Oct. 31, 1947

Insuring office	Commitments issued		Metropolitan districts entirely within insuring office jurisdiction
	Number [1]	Amount	
Zone I:			
Connecticut: Hartford	504	$4,015,150	Bridgeport, Hartford-New Britain, New Haven, Waterbury.
Delaware: Wilmington [2]			
District of Columbia: Washington	3,030	23,313,500	District of Columbia (Washington metropolitan area).
Maine: Bangor	324	2,104,200	Portland.
Maryland: Baltimore	3,497	25,393,150	Baltimore.
Massachusetts: Boston	1,055	7,709,850	Boston, Lowell-Lawrence-Haverhill, Worcester.
New Hampshire: Manchester	197	1,286,900	Manchester.
New Jersey:			
Camden	970	7,699,950	Atlantic City.
Newark	4,112	31,897,350	
New York:			
Albany	488	3,671,200	Albany-Schenectady-Troy, Syracuse, Utica-Rome.
Buffalo	907	7,196,200	Binghamton, Buffalo-Niagara, Rochester.
New York	6,736	51,121,500	
Pennsylvania:			
Philadelphia	6,724	55,688,750	Harrisburg, Lancaster, Reading, Scranton-Wilkes Barre, York.
Pittsburgh	2,179	16,801,800	Altoona, Erie, Johnstown, Pittsburgh.
Rhode Island: Providence	75	570,600	
Vermont: Burlington	133	842,050	
West Virginia: Charleston	178	1,245,400	Charleston.
Total for zone I	31,109	240,556,950	
Zone II:			
Alabama: Birmingham	2,630	18,002,450	Birmingham, Mobile, Montgomery.
Arkansas: Little Rock	1,855	11,686,250	Little Rock.
Florida:			
Jacksonville	4,797	33,890,600	Jacksonville, St. Petersburg-Tampa.
Miami	5,798	42,362,800	Miami.
Georgia: Atlanta	3,390	21,683,150	Atlanta, Macon, Savannah.
Kentucky: Louisville	1,518	11,092,400	
Louisiana: New Orleans	3,690	27,322,350	New Orleans, Shreveport.
Mississippi: Jackson	1,840	11,283,250	Jackson.
North Carolina: Greensboro	3,629	24,754,500	Asheville, Charlotte, Durham, Greensboro, Winston-Salem.
Oklahoma:			
Oklahoma City	3,959	21,152,900	Oklahoma City.
Tulsa	2,262	14,238,300	Tulsa.
South Carolina: Columbia	1,326	8,705,250	Charleston, Columbia.
Tennessee: Memphis	6,948	47,063,590	Chattanooga, Knoxville, Nashville.
Texas:			
Dallas	4,484	32,595,750	Dallas, Waco.
Fort Worth	4,090	25,817,050	Amarillo, Fort Worth.
Houston	2,879	0,511,200	Beaumont-Port Arthur, Galveston, Houston.
San Antonio	2,297	16,429,700	Austin, Corpus Christi, San Antonio.
Virginia: Richmond	5,123	33,182,200	Norfolk-Portsmouth-Newport News, Richmond, Roanoke.
Puerto Rico, San Juan	988	7,321,200	
Total for zone II	63,503	429,494,200	
Zone III:			
Illinois:			
Chicago	4,463	34,582,700	Rockford.
Springfield	491	3,485,300	Decatur, Peoria, Springfield.
Indiana: Indianapolis	5,595	39,357,950	Fort Wayne, Indianapolis, South Bend, Terre Haute.
Iowa: Des Moines	1,093	7,723,800	Cedar Rapids, Des Moines, Waterloo.
Kansas: Topeka	2,961	20,845,250	Topeka, Wichita.
Michigan: Detroit	12,117	90,338,050	Detroit, Flint, Grand Rapids, Kalamazoo, Lansing, Saginaw-Bay City.
Minnesota: Minneapolis	2,584	20,091,700	Minneapolis-St. Paul.
Missouri:			
Kansas City	1,051	7,215,100	Springfield, Mo.
St. Louis	740	6,154,750	
Nebraska, Omaha	1,682	13,718,200	Lincoln.
North Dakota: Fargo [3]			
Ohio:			
Cleveland	4,861	37,446,350	Akron, Canton, Cleveland, Toledo.
Columbus	3,066	23,097,600	Columbus, Dayton, Hamilton-Middletown, Springfield.
South Dakota: Sioux Falls	371	2,633,450	
Wisconsin: Milwaukee	1,671	12,489,100	Madison, Milwaukee, Racine-Kenosha.
Total for zone III	42,746	319,178,500	
Zone IV:			
Arizona: Phoenix	3,846	24,318,400	Phoenix.
California:			
Los Angeles	17,924	143,223,600	Los Angeles.
San Diego	2,340	17,821,150	San Diego.
San Francisco	16,479	126,617,050	Fresno, Sacramento, San Francisco, San Jose, Stockton.
Colorado: Denver	2,604	17,109,700	Denver, Pueblo.
Idaho: Boise	258	1,696,800	
Montana: Helena	175	1,232,900	
Nevada: Reno	354	2,525,700	
New Mexico: Albuquerque	928	6,894,150	El Paso.
Oregon: Portland	1,460	10,319,500	Portland.
Utah: Salt Lake City	1,263	8,883,250	Salt Lake City.
Washington:			
Seattle	2,824	20,381,450	Seattle, Tacoma.
Spokane	935	7,101,250	Spokane.
Wyoming: Cheyenne	181	1,304,350	
Alaska: Juneau	1	7,000	
Hawaii: Honolulu	158	1,203,750	
Total for zone IV	51,730	390,640,000	
Total	189,088	1,379,869,740	

[1] Mortgages on 1-, 2-, 3-, or 4-family structures.
[2] Included in Philadelphia, Pa.
[3] Included in South Dakota.

They're Out To Get Taft

EXTENSION OF REMARKS
OF
HON. HUGH BUTLER
OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, December 17 (legislative day of Thursday, December 4), 1947

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting and enlightening editorial which appears in today's issue of the Philadelphia Inquirer.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY'RE OUT TO GET TAFT

Democratic National Chairman MCGRATH has hit something like a new low in political bad sportsmanship in announcing that his party would be "out to get" Senator ROBERT A. TAFT, whether or not the latter wins the Republican Presidential nomination next year.

Mr. TAFT, apparently, is to be made the "whipping boy" of the Democratic Party, if the plans of the neophyte chairman are carried out. Upon him the Democrats will vent their spite and spleen, regardless of the outcome of the Republican National Convention. They will try to "get him"—an elegant phrase much used in hoodlum circles.

We do not believe this expression of malevolence directed at Senator TAFT will do him any harm. More than anything else it would seem to indicate that MCGRATH is terribly frightened of TAFT, of his influence and his ability.

Mr. TAFT has gained the respect and admiration of the American people for his distinguished service in the United States Senate, and he is not likely to suffer any loss of political stature because of Chairman MCGRATH's ill-tempered and unsportsmanlike threat to "get him."

The Why's and Wherefore's of the Marshall Plan

REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. MASON. Mr. Speaker, paraphrasing the old saying, "Chickens come home to roost," I want to point out that our leaders' international mistakes have now come home to roost, in the form of the Marshall plan. In their futile efforts to appease Stalin at Teheran, at Cairo, at Quebec, and again at Potsdam, President Roosevelt, and later on, President Truman, made mistake after mistake, all of which have now become history. As a result of these mistakes we have thrown away in two short years since hostilities ceased almost every advantage we won in the war, and we have already handed out something like $20,000,000,000 in an effort to try to correct those mistakes. Now we are told that in the cold war in which we are now engaged, largely as a result of those mistakes our leaders made, we must adopt the Marshall plan

and give away at least twenty to thirty billion dollars more.

Mr. Speaker, when President Roosevelt agreed with Stalin and Churchill to divide Germany into four zones of occupation, each zone to be governed or controlled by one of four victorious nations—thus dividing the German economy into four different segments—he made a great mistake. When later he accepted the Morgenthau plan for postwar Germany—a plan to make Germany into a pastoral nation, a nation of potato patches—the German people's postwar conditions was made impossible. To pay for these mistakes we have spent during the past 2 years $500,000,000 to keep Germany from starving. This burden will get heavier when Britain pulls out of Germany as it is reported she intends to do. Because of the mistakes made by our leaders in trying to appease Stalin we now have to support our defeated enemy. As Lewis H. Brown, president of Johns-Manville Corp., says in his excellent report on the German situation:

> The decision of President Roosevelt to stop the forward push of the western Allied armies until the Russian Armies from the east could take eastern Germany and reach Berlin was one of the most fateful mistakes of the war, and it may well have repercussions in the pages of history yet to be written.

Eastern Germany, now under Russian control, is the breadbasket of Germany. With this in Russian hands, how can western Germany, the industrial Ruhr, feed itself? Because of this mistake of Roosevelt's, Stalin now holds the breadbasket of Germany and we supply the breadline of Germany. In destroying the German industrial system we destroyed the whole economy of Europe, damaging friends along with foes.

Mr. Speaker, the industrial heart of Germany for many years before the war was the hub of European industrial activity. Around this hub the economic life of all Europe revolved. Under the Morgenthau plan we destroyed the industrial heart of Germany, so there is no longer any hub around which European industrial and economic life can revolve. As a result Europe is flat on her back—industrially, economically, financially, and politically. Because the European nations are in such a prostrate condition, Stalin has a golden opportunity to communize the whole of Europe. He planned it that way and our leaders were foolish enough, shortsighted enough, to agree to his plans.

The Marshall plan now proposes to correct, if possible, the mistakes we made when we adopted the Morgenthau plan and divided the German economy into four segments. The Marshall plan, if adopted, would provide during the next 5 years from twenty-five to fifty billions of dollars worth of needed materials, such as coal, steel, machinery, railroad equipment, trucks, factory equipment, and so forth, to put the European nations back upon their feet so that they may once again support themselves. The hope is that by doing this we will prevent them from falling victims to the Communist octopus.

The Marshall plan, if adopted, will mean that the American taxpayer will continue to pay the present high wartime taxes, and perhaps have them increased. However, the greatest impact of the Marshall plan will be felt by us in present scarce goods becoming more scarce, and present high prices going higher and higher. With the adoption of the Marshall plan we Americans must continue to pay for the mistakes made by our leaders.

Mr. Speaker, the mistakes our leaders have made are also costing the German people vast sums in the booty that has been and is being taken from them, mainly by Russia. The extent of this booty being looted from Germany by the occupying forces is shown in the following article from the front page of the Chicago Tribune of Monday, December 15, 1947:

REICH SEES SEVENTY-ONE BILLION PAID SO FAR—LISTS LOOT TAKEN BY VICTORS

(By Hal Foust)

FRANKFURT, GERMANY, December 14.—British, French, and Russian enslavement of between 2,000,000 and 3,000,000 former German soldiers for more than 2½ years since VE-day constitutes reparations payment of $2,000,000,000, according to German calculations.

The robbery of 10,000,000 Germans and Germanic people shunted from their homes in Stalin's expanded zone of influence is listed by the Germans as a reparations payment of $16,200,000,000. This is their estimate of the value of private fortunes stolen from families jammed into the shrunken reich under the Stalin-Truman-Attlee pact at Potsdam.

STATEMENT OF ITS CASE

Figures are from a study nearing completion which will become Germany's statement of its case if and when it has the opportunity to bargain with World War II victors over their collections of loot, booty, and compensations for losses. The study concludes that the equivalent of $71,000,000,000 has been taken from Germany since the end of the war. It is almost as much as wartime damage estimated at $100,000,000,000.

The American taxpayers have a peculiar interest in this bargaining and therefore in this German statement of the case. The United States alone among the victors is not grabbing for slaves, territories, goods, and properties. It is also alone in paying around $1,000,000,000 a year to relieve distress in Germany caused by Washington bowing to the cupidity of its World War II allies.

DISMANTLED FACTORIES

Expropriated German factories, still being dismantled while the Marshall plan is being implemented to boost Europe's productivity, are listed in a survey as accounting for $5,000,000,000 reparations payment. Another $3,200,000,000 is drained from the German economy to cover the cost of dismantling and shipment.

The largest single item in the accounting is $28,000,000,000 listed as the value of the Saar taken by France, and the slice of east Germany given to Warsaw by its Kremlin patron as compensation for the Soviet taking of eastern Poland.

Russia and France are charged in the report with having requisitioned German food and manufactured goods from current production worth $2,000,000,000. This one extraction from Germany by Russia and France is approximately at the same rate as the American donations to the German economy, mainly in food gifts.

REDS COLLECT TAXES

Taxes collected by the Soviet in its occupation zone are listed for another $1,800,000,000.

The ruthless slaughter of German forests, with little regard for detriment to agriculture or the future of woodland industries, is listed as reparations payment of $400,000,000 to date. England and France are still avidly felling more trees.

Manipulations in currency in the British zone are charged as a $700,000,000 reparations payment.

Patents, trade-marks, and scientific reports taken by the Allies are evaluated at $5,000,000,000. German assets sequestered abroad are valued at $3,900,000,000, gold seizures at $300,000,000, and merchant ship confiscations at $200,000,000.

For mixed services performed for the four occupation powers, German accounting presents a bill of $1,800,000,000.

Establish an Educational Fund for Citizens of Finland Out of World War I Debt Payments

EXTENSION OF REMARKS

OF

HON. JOHN B. BENNETT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. BENNETT of Michigan. Mr. Speaker, I have introduced a joint resolution which would provide that all future payments by the Republic of Finland on its World War I debt to the United States be placed in a special fund in the Treasury of the United States. This fund would then be used to finance studies, instruction and technical training in the United States for citizens of the Republic of Finland. This education and training would enable the people of Finland to have the services of a new generation of technical experts to aid them in their efforts to rebuild their country and its shattered economy.

Finland is the only European country which has consistently recognized the sanctity of its financial obligation to the United States. Year in and year out—in good times and bad—Finland has pinched and saved to make payments upon its World War I debt to this country. Other nations have fallen by the wayside—repudiated their obligations to us one day and come back the next asking for more money. Finland alone has paid and paid. If we were to do real justice to the Finns, we ought to cancel the balance of their World War debt in its entirety. The original loan to Finland amounted to approximately $8,400,000. Up to now approximately $8,060,000 has been repaid but practically all of the past payments have been applied on interest and hence the principal of the loan has not been greatly reduced. The original indebtedness of Finland arose on account of relief supplies which we furnished that country under an act of Congress approved February 25, 1919. It seems ironic, in the face of our generosity in giving away billions in relief to other countries, without any expectation of being repaid—that we should require payment of a similar obligation from the Finns.

I intend very shortly to introduce a resolution to authorize the President to cancel the remainder of this indebtedness.

But in the meantime, and as long as further payments are being extracted from Finland, it seems to me that we should do something in the way of repaying that gallant nation for its basic honesty and integrity.

The present resolution which would provide educational benefits for young Finnish people would at least partly atone for our policy for austerity toward Finland.

Address of Hon. Charles A. Halleck, of Indiana

EXTENSION OF REMARKS
OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech of Congressman CHARLES A. HALLECK, of Indiana, majority leader of the United States House of Representatives, at the annual dinner of the Pennsylvania Society, Waldorf-Astoria, New York City, Saturday evening, December 13, 1947:

Mr. President, General Eisenhower, members of the Pennsylvania Society, and fellow Americans, it is indeed an honor and a privilege for me to be invited here tonight. The Pennsylvania Society is recognized as one of the most unique and distinctive in the United States. I can readily understand why that is so.

From what I have observed tonight I have no doubt that your organization has done much for furthering the best interests of Pennsylvania. You have definitely convinced me—a native of Indiana and a zealous Hoosier—that there is more than one reason why Pennsylvania is known as the Keystone State.

Many years ago, when historic Georgetown still was the metropolis of the north bank of the Potomac and the city of Washington was little more than a plan on paper, a bridge was erected to connect the two across Rock Creek. There were 13 stones on the face of the arch of the bridge on which were inscribed the abbreviated names of the 13 States that had created and successfully defended the Union. On the keystone of that arch were the letters "PA."

It may be a matter of debate as to whether that was the actual origin of the nickname Keystone State. Nonetheless, the name is aptly descriptive of the outstanding role of Pennsylvania in American history and industry. I do not believe any State has made a greater contribution to the building of America, from the year of its founding by William Penn to the present day.

Pennsylvania is a great producer of coal, oil, and steel. It is rich in raw materials, in agriculture, in industry, and in vitally necessary financial institutions. But in more than this, Pennsylvania is great. It is rich in culture and tradition. Indeed, here are people with vision, initiative, ingenuity, and drive. It can be truthfully said: "Pennsylvania has everything."

Philadelphia is the birthplace of American liberty. Even today it is the Convention City. You will forgive me if I make passing mention of the fact that it will be in Philadelphia next June that the next President of the United States will be nominated. I hope you have taken special note that I was careful to refer to the June convention.

As a loyal and devoted Hoosier, I naturally wondered why I should be invited to this dinner of loyal and devoted Pennsylvanians. I imagined I might find mysef in somewhat the same position that my good friend George Wharton Pepper, tells that Cal Coolidge found himself in when he was Vice President.

According to Senator Pepper, the Coolidges were living in the Willard Hotel in Washington, when a fire alarm in the middle of the night brought every guest into the lobby in a variety of attire. Mr. Coolidge speedily surmised that there was no danger and started to trudge back to his room.

"Nothing doing," said the fire marshal, "Get back in that lobby."

"You are speaking to the Vice President," said Coolidge with some dignity.

"Okay, then," said the marshal, "go ahead."

A moment later he called suspiciously, "What are you vice president of?"

"The United States," said Coolidge.

"Come right back down here," ordered the marshal. "I thought you were vice president of the hotel."

As deeply as each of us loves his native State, we have a common love and devotion that is even deeper and more abiding. That is our love and devotion to these United States and to the principles of freedom and justice for which she stands. And we have a common task. That is to preserve and to make secure those cherished principles that make this country the one great hope of the liberty-loving people of the world.

Under the bold and brilliant military leadership of such men as your guest of honor, Gen. Dwight Eisenhower, a God-fearing man devoted to his country, we fought and won a bloody and costly war to preserve the American way of life. That we might continue to enjoy the material, cultural, and spiritual riches that only freemen can attain, thousands of our young men and women made the supreme sacrifice. They, and the things for which they fought and died, are part of our great heritage. We must prove ourselves worthy.

The problems confronting us, as an aftermath of the war, are as real and vital as those that confronted us during the war. We won the war. But we have yet to win the peace.

On the economic, diplomatic, and political fronts the conflict between freedom and totalitarianism continues.

To achieve victory for the cause of freedom we must be no less realistic, no less courageous, and no less self-sacrificing than we were in the achievement of our great military and naval victories. To make freedom secure we must be as courageously determined in our efforts as men like Benjamin Franklin, James Wilson, and Robert Morris, of your great State of Pennsylvania, who helped draft the Constitution of the United States. And, most important, we must be wedded to the fundamental principles of our republican form of government the Constitution embodies and its guaranties of freedom, of religion, of press, of assembly, and of free private enterprise.

Our problems are many and complicated. We have a $260,000,000,000 public debt—the largest in history—to carry and pay. We have a tremendous Federal budget to cut back. We have a burdensome tax rate to be reduced. We have other impediments to sustained production to eliminate. Production has not yet balanced with demand, and prices are high.

Our internal difficulties are further complicated by the demands from abroad. These demands are not so much for money as for goods in terms of money. They constitute a tremendous drain on our wealth and resources. They affect our budget, taxes, and prices. They strain our whole economic structure.

There are no simple, magic-wand solutions. Indeed, the failure of our Government in the past to do the hard and sometimes unpleasant but necessary things has contributed in large measure to our present difficulties.

An even greater tragedy than Europe is facing today would be for the United States to adopt the very methods of government that have contributed to Europe's desperate plight. It must be realized that Europe's problem is not solely economic and that it cannot be resolved by outside financial assistance alone. What has been happening in Europe is not just that they have been running out of goods in terms of dollars. They have also been running out of freedom by too much government.

That must not happen here. But it can happen here. There are those who today urge more Government regulation and control as the solution to the problem which Government regulation and control itself helped create.

If to be free the rest of the world depends upon our strength, then we must remain strong. That can only be done by reemphasizing, not by discarding or ignoring, the very principles of government that have been our source of strength. America can and will solve its related problems of inflation and aid to distressed foreign countries without adopting the communistic philosophy of Marx, Lenin, and Stalin.

There are many other questions of immediate interest and importance I might discuss here tonight. But on this occasion, when we do homage to the great Keystone State and honor a great American it is appropriate to direct our thoughts to the status and rights of the States.

This is the hour and the place to rededicate ourselves to the principle that all powers not delegated to the Federal Government are reserved to the States.

This is the hour and the place to resolve that we will bring our Government back home where it belongs. By so doing, we will be preserving a principle of government which has been a source of our great strength as a nation.

Our American way of life, as most of us understand it, depends in large measure on local home rule. The nearer the government is to the people the more the people like it, and the better it is likely to be. A nation of 48 States, spanning a great continent from ocean to ocean and from the lakes to the gulf, cannot be completely and wisely governed from Washington.

The Federal Government has been intruding into governmental areas formerly controlled and properly belonging to the States, until the centralization of power in Washington has become a menace to our form of government and to our whole economy. If this process of centralization of government is permitted to continue unchecked, the States will become little more than convenient geographic boundaries, and our people will have lost their capacity for self-government.

Through the political influence of Federal employees, the money-power of Federal dispensing agencies, and the punitive and administrative power of the centralized bureaucracy, the States and local communities and the individual citizen are held in a sort of bondage repugnant to our ideal of free government.

In the last 14 years the Federal Government has expanded from 521 agencies and bureaus to 1,141 and the number of employees increased from 582,000 to 2,000,000.

Of the approximately 2,000,000 persons constituting the Federal machinery, only 533 are elected by the people. Obviously, there is no elected person, not even the President of the United States in whose department these appointees serve, who can possibly know what these individuals, acting as agents of the Government, are actually doing. Yet they have extensive authority. They are not only expending the people's money but

exercising over them far-reaching governmental powers.

This is the direct result of the centralization of governmental power and authority in Washington. And, if the trend continues unchecked, the end will be the destruction of the States and the loss of individual rights and liberties.

I venture to say that the general assembly of my State of Indiana also voiced the sentiments of you Pennsylvanians in a resolution it recently adopted.

This resolution said:

"Indiana needs no guardian and intends to have none. We Hoosiers—like the people of our sister States—were fooled for quite a spell with the magician's trick that a dollar taxed out of our pockets and sent to Washington, will be bigger when it comes back to us.

"We have taken a good look at said dollar. We find that it lost weight in its journey to Washington and back. The political brokerage of the bureaucrats has been deducted. We have decided that there is no such thing as Federal aid. We know that there is no wealth to tax that is not already within the boundaries of the 48 States."

The resolution says:

"We have grown up. We serve notice that we will resist Washington, D. C., adopting us."

And it resolves:

"That we respectfully petition our Congressmen and Senators to vote to fetch our county courthouse and city halls back from Pennsylvania Avenue. We want government to come home."

Much of the extension of Federal Government has been for worthy purposes, but the accomplishment of those purposes could have been committed to local agencies. Our highly complex mechanized society cannot be governed as in the simpler days before the railroads opened up the West and the telegraph, telephone, radio, automobile, good roads, and the airplane brought us all closer together. What was once parochial has in many instances become national in scope.

But the movement has gone too far. Many of the trespasses could have been avoided. There never was any need for so great a centralization of power in Washington. The trend is dangerous and should be stopped.

The inevitable end result of the centralization process is a government by men, by propaganda, a government arbitrary, wasteful, and extravagant. The Government becomes the master of the people.

There are, in general, but two sorts of government: One which operates from the people upward, and the other which operates from the top downward. The one is a government of law, responsive to the will of the people. The other is a government of men, responsive only to the will of their official superior. It is an ominous fact that we have been becoming less and less a Government operating from the people upward and more and more a Government operating from the top downward.

The history of free government proves that when men and women cease to exercise their privileges as citizens in the conduct of their local affairs, they lose the strength and the fiber requisite for the retention of freedom itself. The present dependence upon a great central government is not calculated to develop a citizenry capable of self-government.

The road to the centralization of power in Washington is the road to a fat government and thin citizens. A huge bureaucracy, far removed from the people and out of their direct control, is wasteful and extravagant.

The secretary of one of the Federal supernumeraries, who had very little to do walked into her boss' office one day and suggested that in view of the shortage of file cabinets that she destroy all correspondence that was over 6 years old.

"Yes, that's a good idea," he responded. "But be sure to make copies of it."

Whether that actually happened, I do not know. But from my observation of bureaucrats in operation, making work and doing useless things, I would not be surprised if the story were true.

It seems to me axiomatic that the closer a government is to the people and the closer the collection of taxes is to their expenditure, the greater will be the efficiency in their expenditure and the greater the public resistance to wasteful and unnecessary expenditures. The people then definitely see the relationship between taxes and expenditures.

But in recent years the people have allowed themselves to believe that money out of Washington does not cost them anything. The fact is that it has cost the people many times more, not simply because of the duplication of State and Federal operations but also because of the inability of a government far removed from local situations to make wise and prudent expenditures.

At the present time $1 out of every three of our national incomes goes to defray the cost of government. But, as I can personally testify from my experience in our economy drive at the last session of Congress, it is difficult to economize unless there is the will and the courage to economize. It is politically easier to leave expenditures alone than to reduce them. Every government expenditure has vested interests and supporters, both in and out of government.

Centralization of governmental authority also leads to government by propaganda. The various bureaus and agencies issue a flood of press releases, pamphlets, booklets, and all manner of publications to sell the public on their particular program or some new program. There are several thousand employees in the Federal Government engaged in public relations or propaganda work. It is difficult—extremely difficult—for the people to learn the truth concerning a particular operation. It is even difficult for a Member of Congress to get the facts.

Free representative government depends on informed public opinion. When a government operates close at home, through the local communities and the States, it is harder to fool the people about what the government is doing and how well it is doing it.

One of the major methods by which the Federal Government has increased its powers at the expense of the States is by the increasing use of the so-called grants-in-aid system, whereby Federal funds are granted to the States for purposes and upon conditions that may or may not be within the constitutional ability of Congress to control by more direct methods.

The system had its beginning in the land grants to the States for roads and canals. Today it is used for all manner and kinds of programs.

In some circumstances Government subsidies are justifiable. But it is perfectly clear that over the last several years the Federal Government has all too extensively used this device. It has been the expedient and politically popular method of dealing with particular problems and situations.

Grants and subsidies have frequently served as a refuge from reality. They have tended to encourage dependence rather than independence. They tended to destroy individual initiative and often postpone to a fateful day the sound solution of the problem involved.

The power to grant or withhold large sums of money is a tremendous power. And there is abundant evidence that the Federal bureaus administering the funds have used this power to impose their will on the individual States. Arbitrary formulas or standards set up in Washington to which the States must conform, regardless of their unique geographic or economic situation, are pressured upon the States. It is in this way that the Federal bureaucracy has been able to extend further its power and authority at the expense of local governments.

If we are to retain a government that is close to the people and responsive to the will of the people, we must never cease to resist the tendency toward centralization.

As dark and as grave as the present situation may appear, I am confident the American people can find effective solutions to our many problems. We surely have learned the lesson that there is no substitute for individual initiative and incentive. This is something which the people of Europe must learn. All of us must realize that collectively we get for a dollar what we individually are willing to give for a dollar in time and effort. Commissions and boards making plans and regulating the affairs of a people, while the rest of the people are unable or unwilling to do the constructive things because of the plans and regulations, do not make for national strength.

Freedom and production may be failing elsewhere in the world, but it will not fail in the United States, if the people continue to emphasize that the Government must be their servant and not their master.

We are suffering today from too much government and too little production.

Let us bring our government back home. By doing this, I am sure the United States will continue to be the citadel of democracy and world progress, and we will enjoy peace and stability.

Trans-Atlantic Air Mail Contracts Discriminate Against American Carriers

EXTENSION OF REMARKS
OF
HON. ALBERT L. REEVES, JR.
OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. REEVES. Mr. Speaker, I think every Member of the House will be interested in the article by Wayne W. Parrish which appeared in a recent issue of American Aviation. It outlines an extremely critical situation affecting the rates paid international air lines for trans-Atlantic mail and emphasizes the discrimination which appears to be employed against our own air carriers.

Mr. Parrish's article is as follows:

THE MAIL PAT SCANDAL

Along toward the end of this year the three American trans-Atlantic air lines are going to come forth with a lot of red ink on their 1947 balance sheets. The poor showing early this year combined with the seasonal slacking off now in process will more than offset the very fine spring and summer records.

So there will be talk that trans-Atlantic carriers need subsidy to keep in business and a lot of wise guys who either don't have the facts or who don't want to have them are going to be painting gloomy pictures of our international air policy. The unsuspecting public is going to conclude from the financial reports that it is going to cost an unholy amount of subsidy to keep our trans-Atlantic air lines in operation.

Then someone will recall that the New York Times for August 15 published in a leading news position an interview with CAB Chairman James M. Landis in which Landis visualized an early end to Atlantic subsidies [sic] and had said that the three American

carriers over the Atlantic might well show profits this year even without counting subsidies [sic] paid by the Government in the form of air-mail contracts.

Mr. Landis will be asked how he could have made such a prediction in August when the three air-line companies piled up so much red ink for the year, and Mr. Landis with his customary facility, will squeeze out of that one and the public will be left with the thought that either air-line management is awfully stupid and incompetent, or this flying business over the ocean is a very expensive thing for the taxpayer. Meantime, the air lines will have to scream for more money because they have pay rolls to meet and other obligations to perform.

But the actual picture is neither gloomy nor difficult to see in the correct focus, and before the American international air policy again undergoes attack through ignorance or conniving, or both, the proper Government authorities had better get the correct focus.

This has been a good year for trans-Atlantic air traffic despite the critical economic situation in Europe and the crippling effect of the recent British action in keeping their own people either at home or on British transport. There were 2,254 eastbound departures by 7 airlines for the first 8 months of this year, not counting cargo flights and trips of other carriers, and if anyone tells you that over 5,000 roundtrip flights by 7 airlines in the first 8 months in the second full year of trans-Atlantic air service isn't an historic and praiseworthy achievement in the annals of world transportation, he has been asleep for 20 years and fuzzily groggy since birth.

We get awfully sick and tired of hearing loose talk about subsidies and it's about time the record was set straight. If the three American trans-Atlantic carriers were going to end up the year with heavy red ink after payment of subsidies, then the public would have reason to complain.

But the record is not one of subsidies. It is a shabby record of underpayment by the United States Government for carrying the United States mail. The answer to this year's forthcoming red ink is abundantly clear. The United States Government is paying a ridiculously low price for carrying the mail on which it is reaping a big profit, and it is even paying foreign carriers four time as much for carryir ך United States mail on the same routes. If the same situation existed in private industry the Attorney General would be seeking legal means to break up the racket.

Look at the figures. For the first 6 months of 1947, the 3 American flag carriers, American Overseas, Pan American, and Trans-World, carried 1,040,000 pounds of United States mail from this country to Europe.

For carrying this mail the carriers received less than $2,000,000, roughly as follows: AOA, $600,000; PAA, $500,000; and TWA, $890,000.

But the Post Office Department took in about $6,250,000 for the sale of stamps for this 1,040,000 pounds of mail—at a conservative estimate. This is figured at the standard count of 40 pieces to the pound and a stamp charge of 15 cents per half ounce. (Much of the mail going east-bound requires more than 15 cents per half ounce.)

In other words, the payments to the three air lines averaged 32 percent of the estimated stamp revenue to the Post Office Department. (TWA estimates it is paid 28 percent of the stamp revenue for mail it is carrying.)

What this amounts to is that the post office is making money out of international air mail during what should be considered a development period, that the Civil Aeronautics Board is negligent in its duties for setting fair mail payment, and the air lines will get kicked in the pants at the end of the year for failure to make a profit.

But that's only part of the story. The rate paid by the European governments to their air lines for mail carriage is set by the Universal Postal Union and is presently 6 gold francs per ton-kilometer. This works out to $2.87 per ton-mile, or nearly four times the ton-mile rate paid to United States air lines by our own post office.

But here is where the blood vessel bursts. When a foreign air line carries mail out of the United States, our own Post Office pays it at the Universal Postal Union rate of $2.87 per ton-mile. (The American companies get 75 cents a ton-mile.) The records show that only a limited amount of mail is being handed over to foreign air lines (174,000 pounds in 8 months), but the principle of discrimination against United States carriers is there just the same. The United States Government, in short, is working a bargain counter racket against its own air lines.

Somebody in the back row will now get up and suggest that the $2.87 per ton-mile rate set by the Universal Postal Union is undoubtedly a sinister foreign subterfuge for subsidy and that the European taxpayers are paying the freight. But let us counter immediately with the fact that the UPU, to which the United States belongs, is not a subsidy organization and that payments in Europe to European air lines under the UPU rate structure are less than half of the stamp revenues for mail carried.

The profit mark-up to the Post Office is terrific. It should be brought down to a reasonable business-like level. If a private business maintained such a mark-up it would either go out of business or be prosecuted for monopolistic practices.

Instead of the United States subsidizing the air lines, the air lines are running in red ink subsidizing the United States Government for hauling huge quantities of mail at starvation rates of pay.

The next person who gives out a statement to the papers or writes a newspaper article or makes a speech mentioning the word "subsidy" for trans-Atlantic air service should be made to stand in the public square at high noon and read dictionary definitions of the word for one solid hour. Subsidy is not a fair payment for services rendered. Subsidy is a gift, or a grant, for activities or services deemed advantageous to the public. The trans-Atlantic air lines would be receiving subsidy if they were paid amounts over and above the stamp revenues received by the Post Office and over and above Post Office overhead. But when they receive 32 percent or less of the stamp revenue, and operate in the red because of it, they are being severely and shamefully short-changed.

One may well ask how this situation has evolved. It has evolved through red tape, narrow thinking, lack of realism, and tedious procedural delays. The present mail rate is said to be temporary, but the prospects for a permanent rate are far away. The system operates on a quaint theory by the CAB that it will set a low temporary rate to see how things go, then permit the air lines to come screaming for help if they run into financial trouble.

That's a fine way, indeed, to build up a strong international air system. Not only does it put air-line management in the class of street walkers, but it is forcing them to curtail, to lay off trained personnel and to spend large sums unnecesarily to prove to CAB underlings that what they have done in the past has been sound. It is sound business in absolute reverse. In the old days the Government helped air lines to get a start. Today it is throwing up a barrier to keep private enterprise from operating efficiently and prevents a reasonable profit by holding off legitimate payment for services rendered.

Trans-Atlantic air service has been an overwhelming success operationally and traffic-wise. If it faces red ink this year it is only because of underpayment for carrying the mail. The United States, in the second full year of air service to Europe, cannot withhold the profits for itself and expect private management to make a respectable showing.

WAYNE W. PARRISH.

No Block Signals

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith the following editorial which appeared in the St. Louis Star-Times on Saturday, December 13, 1947:

(The accident occurred on a single straight-line track. No block signals are used along that part of the line and trains pick up orders from points along the line, officials said.—News report on M-K-T wreck.)

On June 19, 1947, the Interstate Commerce Commission ordered all railroads to install additional safety equipment on tracks over which trains are operated at high speed and at the same time revealed the amazing fact that there are 45,000 miles of track with inadequate block signal systems, automatic train control, train stop or cap signals—or none at all.

The order gave the railroads no alternative. It set December 31, 1952, as the mandatory deadline. It looks as though some roads have taken full advantage of the generosity of this time element, since wrecks due to faulty safety devices or their absence continue to pile up.

Exhibit A of what may be expected to happen under such circumstances is noted in the wreck of the two Missouri-Kansas-Texas passenger trains which collided head-on Wednesday night near New Braunfels, Tex. Relying entirely on the human element to avoid wrecks on this particular section of the track, the inevitable happened—the human element failed. Result, the death of four trainmen and injury to nine persons, not to mention the loss of much valuable railroad equipment needed in the present transportation emergency.

The explanation of Mickey Pattillo, special agent for the railroad, was very simple. He said the two engineers evidently got their orders mixed up.

The engineers could have had their orders as mixed up as eggs in an omelet, and there still would have been no wreck if they had seen the red arms of block signals turned against them. By relying on a method that was invented soon after the replacement of stage coaches by the iron horse, these two engineers sped their trains to their doom without an inkling of knowledge that another train was on the same single track headed in the opposite direction.

There is some understanding of the fact that the foolproof methods, such as automatic train control and train-to-control-tower radio are not adopted on lines handling little traffic. But it does seem strange

that so elementary a protection as the block signal is omitted on any line with regular and frequent schedules. The records of the Interstate Commerce Commission show that installation of automatic block signals were ordered on 18,556 miles of track, some as many as 25 years ago. But many of them have ignored or resisted the application of such orders which accounts for the fact that there are still 45,000 miles of unprotected track.

The recurrence of wrecks due to faulty protection or no protection at all indicates that the Interstate Commerce Commission, in setting December 31, 1952, as the deadline, was far too liberal with time. When it is compiled, the casualty list for 1947 to 1952 will be a long one. The need for this type of safety is far more pressing than the commission seems to realize.

Perhaps what is needed is a streamlined commission to govern the railroads, replacing the present body that dates back to 1887 and has too much to do anyway. Needless to say, a modernized commission should have a new set of commissioners who don't think in the terms of the mid-nineteenth century.

Fact and Fiction About Mergers

EXTENSION OF REMARKS

OF

HON. ANGIER L. GOODWIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. GOODWIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address recently given by Gilbert H. Montague, a member of the New York bar, at the annual meeting of the Cotton Textile Institute, Inc., in New York City. This address will be of interest to Members of the Congress because of its pertinency to the discussion of the Kefauver bill, H. R. 3736, and the O'Mahoney bill, S. 104, seeking to amend the Clayton Act regarding acquisition of corporate stocks and assets. The address follows:

FACT AND FICTION ABOUT MERGERS

(By Gilbert H. Montague, member of the New York bar)

Because about 1,800 mergers have occurred in the manufacturing and mining industries in the United States between 1940 and 1946, a pressure group of Government officials are now besieging Congress to transform the Federal Trade Commission into a vast governmental bureaucracy that would shackle American business with the following fantastic procedure:

No corporation shall be allowed to acquire more than $100,000 assets from any other corporation, even though there is no competition between them, unless and until clearance has been obtained from the Federal Trade Commission.

This clearance will be practically unobtainable, because the legislation urged by this pressure group of Government officials requires that this clearance shall be conditioned upon a long list of requisite findings by the Federal Trade Commission, and few if any proponents of an acquisition can ever produce the proofs needed for establishing these findings, and fewer still can afford to wait the time and spend the money required to complete the litigation and proceedings necessary to obtain these findings, before acquiring assets from another corporation.

This procedure will put a strait-jacket on every small- and medium-sized corporation, and will guarantee every big corporation against the possibility that its small- and medium-sized competitors can ever approximate by merger or acquisition the size and efficiency of the big corporation, and will protect the large competitor, and will hurt the small- and medium-sized competitor, and will place the dead hand of arrested development upon the entire national economy.

This proposal is particularly disastrous to the cotton-textile industry, because that industry is now entering a period when the demands of new fabrics, new finishes, and new techniques, inspired by the rapidly changing requirements of a highly imaginative fashion world, call for new machinery, new processes, and new methods, all the way from the purchase of cotton through every stage of processing to the marketing of the consumer product, and requires of the cotton-textile industry a greatly increased degree of consolidation, if the industry is to continue to perform its full duty of service to the public.

PRAISES INSTITUTE BRIEF

The Cotton Textile Institute is one of the few trade associations that has recognized the threat presented by this proposal which this pressure group of Government officials is now pressing upon Congress.

The presentation in opposition to this proposal, which Dr. Murchison and Dr. Michl submitted to the committees of both branches of Congress in behalf of the Cotton Textile Institute, is a masterpiece of statistical research, sound economics, and common sense, and completely refutes the statistical untruths regarding the cotton-textile industry which are contained in the propaganda of this pressure group of Government officials.

This presentation by Dr. Murchison and Dr. Michl dealt only with the cotton-textile industry, and the mergers and consolidations that are needed in that industry in order to raise competition to a level of far greater efficiency and service.

I assume their presentation is familiar to everyone in the cotton-textile industry, so that today I shall call attention only to some other and more general and more fundamental fallacies that vitiate and invalidate the propaganda of this pressure group of Government officials.

This pressure group of Government officials suppress in their propaganda the following facts:

NO LEGISLATION NECESSARY

No new legislation is now necessary, because today any form of economic concentration, be it any person, firm, corporation, or group of them, that has the power to raise price or exclude competition, even though it never exercises such power, is unlawful under the Sherman Act, and may be prosecuted criminally and civilly, and be fined, imprisoned, enjoined, and dissolved under that act, as that act has been interpreted and enforced by the unanimous decision of the final Federal court on March 12, 1945, in *U. S.* v. *Aluminum Company of America* (148 F. 2d 416, CCA 2 C), and in the unanimous decision of the Supreme Court of the United States on June 10, 1946, in *American Tobacco Co. et al.* v. *U. S.* (328 U. S. 781).

Relying on these unanimous recent decisions, the Attorney General of the United States has created in the Department of Justice a merger unit to scrutinize all mergers, and to halt before consummation all mergers that are questioned. In June 1947, the Attorney General obtained in Wilmington, Del., an injunction staying the acquisition of assets of the Consolidated Steel Corp. by the Columbia Steel Co., a subsidiary of the United Steel Corp.[1]

The effectiveness of the existing laws in respect of improper mergers and acquisitions is carefully suppressed in the propaganda of this pressure group of Government officials. They talk about 1,800 mergers in the manufacturing and mining industries in the United States between 1940 and 1946, but they suppress the following facts:

Between 1940 and March 31, 1947, the total number of concerns operating in manufacturing and mining industries in the United States rose from 237,500 to 339,600.

Between 1940 and March 31, 1947, the numbers of new concerns starting in the manufacturing and mining industries in the United States are as follows:

1940	33,300
1941	37,900
1942	34,700
1943	21,200
1944	27,200
1945	43,100
1946	64,500
3 months, January-March 1947	13,400

Certainly it is absurd, unfair, and deceptive for this pressure group of Government officials to talk about 1,800 mergers in the manufacturing and mining industries in the United States between 1940 and 1946, and to suppress all mention of this phenomenal rise in the number of new concerns starting in the manufacturing and mining industries in the United States between 1940 and March 31, 1947, especially since VJ-day.

OMIT REASONS FOR MERGERS

Nowhere in their propaganda does this pressure group of Government officials mention the reasons for any of these 1,800 mergers.

Questioned by congressional committees before whom they have testified, they have confessed that they have not investigated to find out the reasons for these mergers.

Strangling taxation is a primary cause.

Every business corporation pays a combined normal tax and surtax of 38 percent (plus 2 percent for consolidated returns, but with a preferential graduated return of 21 to 38 percent on taxable net income up to $50,000), and is required by law, subject to

[1] The Government's application for a permanent injunction against the acquisition of assets of Consolidated Steel Corp. by Columbia Steel Co., a subsidiary of United States Steel Corp., was denied by Judge Rodney on November 7, 1947 in the United States district court in Wilmington, Del., on the ground that the proofs showed that this acquisition would result in no substantial lessening of competition, in fact less than 2 percent, in the market served by the Consolidated Steel Corp. Though Judge Rodney denied the Government's application for a permanent injunction, Judge Rodney conceded throughout his decision that any merger or acquisition, whether of stock or of assets, is now prohibited by the existing Sherman Act and Clayton Act, if such merger or acquisition results in any substantial lessening of competition in the market served by the company whose stock or assets are merged or acquired. Under Judge Rodney's decision, therefore, the existing Sherman Act and Clayton Act are ample and effective to deal with any improper mergers or acquisitions. Judge Rodney's decision may be appealed by the Attorney General, and if the higher court disagrees with Judge Rodney, and decides that the proofs show that this acquisition would result in any substantial lessening of competition, the higher court may reverse Judge Rodney's decision, and may direct that a permanent injunction be issued against the acquisition of assets of Consolidated Steel Corp., by Columbia Steel Co.

penalty taxes, to distribute 70 percent of the net income as dividends, unless it can demonstrate the need for greater retention of earnings in the business.

Because each small business concern is owned by a few individuals, all dividends become subject to high individual taxes.

With all the risks and responsibilities in business today, and the growing multiplicity of labor complications, labor laws, voluminous reports to manifold Government agencies, collection of social security taxes, salary withdrawal taxes, sales taxes, excise taxes, and with heavy estate taxes on the death of any of the principal owners, which may require taking out a large sum of money to pay estate taxes, thereby wrecking the business, it is not surprising that owners of small business concerns frequently find that if they sell out, pay the capital gains tax on any increment in value, and put the money into diversified investments and trust funds, they will be better off than if they continue in business.

What About Hotels?

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. DAVIS of Georgia. Mr. Speaker, one of the pressing problems affecting millions of people in the United States is that of living quarters. To many people "home" means a hotel room, and even hotels are experiencing the pressure which results when demand exceeds supply. In the last issue of the magazine Dixie Business, published in Atlanta, Ga., Mr. Andrew A. Smith, manager of the Robert Fulton Hotel, discusses problems which are interesting both from the standpoint of the hotel and the guest, including the very vital problem of eliminating fire hazards. On the leave granted, I insert Mr. Smith's article herewith:

WHAT ABOUT HOTELS?

(By Andrew A. Smith, manager, Robert Fulton Hotel, Atlanta, Ga.)

Businessmen are on the move—today perhaps more than ever before—branching out, seeking new markets, making contacts, attending conferences.

When they leave home, hotels become their hosts. They provide rooms for a good night's rest, space for business and fraternal meetings, and accommodations for conventions.

Because the South's hotels are so intimately involved in its commercial and industrial activities, and because so many businessmen spend so much time in hotels, some knowledge of the hotel industry and its problems should be of interest to them.

USEFUL KNOWLEDGE

Here is one fact which many businessmen, who are familiar with it, have been able to use to advantage; commercial hotels are less crowded during the latter part of the week than during the first part. It is easier, therefore, to get rooms needed for meetings, conventions, or overnight lodging, from Thursday through Sunday.

The opposite is true of resort and pleasure hotels, which are filled during the last days of the week with week-end vacationists, and are comparatively uncrowded during the early part of the week.

One of the biggest headaches to those in the hotel business is the "no show," a person who makes a reservation which he fails to claim, but never cancels. He not only deprives other persons of accommodations, when the room is held, but also deprives the hotel of its revenue. A hotel room is one of the most perishable commodities on the business market; there is no way to salvage even a part of the revenue lost on one when it remains empty.

SIZE OF INDUSTRY

The Nation's hotels provide rooms for about a million and a half guests each night. Occupying some of the most expensive real estate in their respective communities, they represent investments totaling $5,000,000,000, and are important taxpayers. About 362,000 persons depend on their pay rolls.

During the war most hotel men faced an unprecedented demand for rooms at a time when many of their experienced employees were in the armed forces or war plants. Unable to maintain their usual standards of service under these conditions, they had to adopt practices which would provide adequate accommodations for the maximum number of persons.

Because of this high percentage of occupancy, the gross income of many hotels reached an all-time high. Profits were good too, but not as good as they appeared to be, because many normal and ultimately essential expenditures were prohibited by wartime shortages. Equipment wore out and could not be replaced. Neither could damaged furniture, and often it could not be repaired. Hotel renovation, normally a more or less constant operation, was dishearteningly slow and inadequate when it was possible at all.

ILLUSIVE PROFITS

Funds which would have been spent on these things, had labor and materials been available, could not be saved for the day when the expenditures inevitably must be made. Instead they became part of the hotel's profits, subject to heavy taxation. With a return to peacetime conditions hotels embarked on a program, still in progress, of replacement, renovation, and alteration which the American Hotel Association estimates will involve an expenditure of $360,000,000.

A great deal of this money is being spent to incorporate fire-safety principles learned from the Winecoff disaster and other recent hotel fires. Salient lessons learned from these fires are the importance of eliminating vertical openings which act as flues, spreading flames from floor to floor; sealing transoms through which smoke and fumes could spread from hall to room; and providing enclosed escape stairs protected by fire doors at every floor.

LEVEL OF OCCUPANCY

The labor problem has been relieved since the end of the war, and, in most sections, hotels still enjoy high occupancy percentages. They are operating profitably. If they are to continue to operate profitably, however, they must maintain this high level of occupancy; it would be disastrous for them to drop back to a level considered "pretty good business" before the war. In 1940 the average hotel could break even if it kept 65 percent of its rooms filled. Today it is necessary to fill 84 percent to make expenses, and the margin threatens to become even more narrow.

Reason for the decreased margin of profit, as most businessmen can guess, is the increased cost of labor, equipment, and operating supplies. United States Bureau of Labor statistics show the hourly wages of hotel employees have risen 78 percent since 1941. Cost of supplies and equipment has risen somewhat more, and, of course, taxes have increased. Most hotels lifted their rents slightly when transient were decontrolled, but, broadly speaking, their volume of business is limited by physical capacity, while there appears to be no limit in the advance of operating costs. To grasp an idea of the enormity of the hotel pay roll, figure what it costs to keep one servant in a home for a few hours each day, and remember the vast services a hotel must maintain 24 hours a day.

NEW HOTELS?

Do we need more hotels? Persons who are unable to obtain rooms when they want them, and groups which cannot schedule conventions on the dates they prefer, are sure that we do. Hotel men, however, are more cautious.

The question must be localized to individual communities, of course, and the answer depends upon conditions affecting each community. Unquestionably, more hotel rooms are needed in many sections today, but veteran hotel men question whether the current demand for accommodations will continue. They remember the building spree set off by the apparent need for more hotels following World War I, and the bleak years of the early thirties when 81 percent of the Nation's hotels were in bankruptcy or suffering serious financial loss. This is not to say they believe any new construction would be unwise; they simply approach the problem with the caution of experience.

While many hotel men are planning to expand their present facilities, most of them feel that the current scarcity of materials and high cost of building renders new hotel construction, from the ground up, impractical, if not impossible. Experts estimate the cost of a new hotel in the South to average about $10,000 a room; in some other sections it is as high as $14,000; also, experience has shown that old hotels enjoy certain advantages over new ones under competitive conditions; regular transients generally prefer the familiarity of long-established houses, provided these are comfortable and properly managed, to the newness of new hotels.

New hotels will be built where they are needed, and no doubt many will spring up where they are not needed, but it appears evident there will be no widespread construction in the near future. Construction costs must drop before many investors can feel they can get a fair return on the dollars poured into a new hotel.

Congress Should Adopt Voting Machines

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MACK. Mr. Speaker, pursuant to permission granted me to extend my remarks in the RECORD, I desire to insert an editorial from the Spokesman Review of Spokane, Wash., which is one of the greatest daily newspapers in the State of Washington.

The Spokesman Review editorial highly approves the bill of the gentleman from Nebraska [Mr. MILLER] which would provide for the installation of voting machines in Congress for taking roll calls. I am in complete agreement with the purposes of the Miller bill.

The editorial follows:

GIVE CONGRESS A VOTING MACHINE

Push-button warfare may be a long way off, but push-button voting in the House

of Representatives in Washington will soon be a reality if Nebraska Congressman A. L. MILLER has his way.

Mr. MILLER has introduced a bill calling for the installation of mechanical voting machines to replace the time-consuming roll calls of the membership that frequently take place every day.

Anyone who has ever visited the House or Senate Chamber in the National Capitol usually comes away with two distinct impressions about Congress. The Members present at the usual legislative session rarely seem to pay attention to the man who is speaking, and the methods of voting are slow, antiquated, and boring.

People back home should not criticize their Members of Congress too severely for not sitting through each legislative session. If he did nothing but sit and listen to some colleague drone on and on he'd never get his letters answered nor do his messenger work around the scores of Government offices in Washington.

Every Congressman's constituent, however, has a right to demand an end to the roll-call method of voting, by which a clerk hollers out the name of each of the 435 legislators, who respond in turn with an aye or a nay on the measure under discussion. This procedure now takes about 45 minutes for each vote. Several roll calls in one afternoon can thus easily kill a whole day.

Push-button voting could enable each Congressman to register his opinion almost simultaneously with that of other Members. A totalizer board could flash the results momentarily and could record the total vote.

In this day of electronic marvels isn't it about time that Congressmen adopted a modern method of casting their ballots?

Veterans' Reemployment

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. McDONOUGH. Mr. Speaker, many people believe that veterans' reemployment is now practically completed with most veterans of World War II already placed in suitable positions. But this is not true.

Not only do we still have some disabled veterans who are waiting for employment and others who will need jobs when discharged from veterans' hospitals, but we also have over a million veterans in our schools and universities who will seek jobs upon completing their education within the next few years.

Our obligation to provide employment for our veterans of World War II has not been discharged until all of them have jobs including 1,350,000 who are now enrolled in educational institutions. The problem of finding suitable positions for these young men is a big one, and we are facing it now.

The following report from the Labor Department bulletin, Labor Information, outlines this problem of jobs for veterans who sought to complete their education:

In his 1947 annual report, Perry Faulkner, chief of the Veterans' Employment Service, calls attention to a big job facing the employment services—that of finding employment for 1,350,000 World War II veterans who enrolled in educational institutions this fall, and will leave school in later years.

"The task of finding employment for the veteran who left the service over the last 2 years and sought employment in the civilian labor force largely has been completed," Faulkner said. "The big bulk of the nearly 13,000,000 veterans who sought employment are now gainfully employed.

"But finding jobs for veterans still remains a major activity of the employment service. One of the biggest tasks before us is assisting veterans who have taken advantage of the educational provisions of the GI bill to secure the right kind of jobs when they graduate or leave schools and colleges. This is not a distant problem. It is with us right now. Each month many thousand veterans leave school for one reason or another and enter the labor market. In January and again next June, large groups of former soldiers, sailors, and marines will be graduated or leave to go to work. Over the next couple of years perhaps a million of these veterans will seek jobs.

"Employers who have been hiring veterans in unprecedented numbers over the last few years have found that these men are premium manpower. They are young, ambitious, anxious to get ahead. The men who have deferred entering the job market to increase their earning ability and usefulness by taking scientific, professional, business and administrative, and other college courses are the cream of the crop.

"Veterans who were graduated from colleges this last year had little difficulty in finding employment. What job prospects will be for the veterans who graduate this coming June and the year following will depend to a great extent upon general economic conditions. If employment remains high, their job problems can be solved through well-planned, vigorous placement programs. If a recession occurs they will face the same problems as other unemployed persons with the added handicap that they have had no previous experience on the job."

Faulkner said the major part which the employment service has taken in securing employment for veterans is indicated by figures showing local employment offices made more than 3,700,000 veteran job placements since the war's end.

So-Called Stabilization of Commodity Prices

EXTENSION OF REMARKS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. JARMAN. Mr. Speaker, in view of what happened on the floor Thursday and all other circumstances, it was but natural for me to have been dumbfounded when I read yesterday that the Republican leadership would probably bring this purely political bill up under suspension of the rules so that it cannot be amended and debate is limited to 40 minutes. Think of bringing legislation relative to at least the second most important question which confronts America today, if not the first, to the floor without hearings—and members of the Banking and Currency Committee have repeatedly stated that no hearings have occurred on this bill—and under a procedure by which it cannot be amended and can be debated only 40 minutes.

The President submitted a program along two definite separate lines. We debated one of them six full days after elaborate committee hearings and what I considered much waste of time. But for the unnecessary waste ample time would have remained to appropriately consider this important phase of the situation which confronts us. Because of it, I suppose, this phase of it now comes to the House for only 40 minutes debate after no hearings whatever. It was my belief that the aid bill was being deliberately delayed to prevent acting to curtail inflation which caused me to loudly criticize the tweedledee and tweedledum which was causing that delay.

On page 11308 of last Thursday's RECORD we find that the majority leader the gentleman from Indiana [Mr. HALLECK] said:

Mr Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday next to file reports.

Shortly thereafter the gentleman from Virginia [Mr. SMITH] inquired of the majority leader his reason for having indulged in this request. Replying that he would be glad to explain, the majority leader referred to the anxiety to conclude the program in time for Members to reach home by Christmas and said:

Moreover, there is a high degree of urgency in connection with all these matters. If these bills are reported from the Banking and Currency Committee, it will be our plan that the Committee appear before the Committee on Rules and if the Committee on Rules sees fit to grant rules making these measures in order, that they might be taken up early next week.

Why, Mr. Speaker, was not the regular, normal procedure of securing a rule which could have provided for amendment and adequate debate not followed, particularly in view of that statement so recently made by the majority leader? I have no recollection of any measure having come to the floor from the Banking and Currency Committee under such gag circumstances as suspension of the rules during my 11 years as a Member of this body. I am told by those who have served longer that they do not recall one. Consequently, the answer to the question I propounded a moment ago appears to be "politics, politics, politics."

Under these circumstances, coupled with the fact that the average Member of the House has enjoyed no opportunity whatever to familiarize himself with the bill and must simply cast his vote on the basis of what he is told, I cannot get my consent to betray the people of the United States by voting for this legislation which has been referred to by responsible members of the Banking and Currency Committee as so very vicious. I doubt whether the majority of you can and I am quite confident two-thirds of you cannot. I am strongly of the opinion that our Republican friends are well aware of this fact and that this effort is merely a cheap, senseless attempt to

transfer the blame for fiddling while Rome burns from their shoulders to ours. In making it I believe they underestimate the intelligence of the American people, who I predict will not forget.

Termination of Foreign Ministers' Conference

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MACKINNON. Mr. Speaker, because of the importance of the recent termination of the Foreign Ministers' Conference, under leave to extend my remarks, I include the following text of the statements by Secretary of State Marshall at the final session of the Foreign Ministers' Conference in London on December 15, 1947, as reported in the Evening Star, Washington, D. C., December 16, 1947:

TEXT OF MARSHALL STATEMENTS

LONDON, December 16.—Texts of statements by Secretary of State Marshall at yesterday's final session of the Foreign Ministers' Conference, as made available by the American delegation.

General Marshall began the discussion with the following statement:

"The United States came to this conference to work for a comprehensive settlement which would overcome the present division of Germany. It hoped to obtain agreement on a treaty for Austria and the reestablishment of that country as a free and independent state.

"As regards Germany, the United States sought to achieve at this meeting a solution which would revive German economy through economic unity, thus enabling Germans to contribute to the restoration of Europe, which has so grievously suffered from German aggression. The United States recognized that Germany in its present state of destitution would require outside assistance and was prepared to accept a fair share of the burden of such aid until a unified Germany could become self-sustaining.

"The Soviet delegation Friday evening put forth a statement regarding reparations which, to put it in the simplest of terms, is not at all acceptable to the United States delegation. That is the situation as I now understand it."

SECOND STATEMENT MADE

Later in the meeting, after Mr. Bevin had spoken, General Marshall made this statement:

"We have reached, quite evidently, a fundamental difference regarding the question of reparations. Mr. Molotov's last statement seemed to me a repetition of statements which we largely felt were without foundation. Now at the expense of some repetition of the views Mr. Bevin has just stated, I would like to review the situation as it is seen by the United States delegation.

"The United States hoped there would emerge from this conference the beginning of a united and self-respecting Germany which could find its way back to peace and freedom and achieve its own well-being and redemption through cooperative effort with other European countries.

"The United States had even higher hopes for an Austrian settlement.

"It will be useful, I think, at this point to see just where we are."

Cites Soviet claims

"We have failed to reach agreement on a treaty for Austria because the Soviet Union has demanded for itself properties and special privileges in Austria in an amount and to an extent which far exceed any rightful claims and which far exceed what a free Austria can afford. If Soviet claims were admitted it would be at the price of Austrian independence and in violation of past agreements.

"At Moscow the United States, the United Kingdom and France, although differing in some details, found a common basis for agreement on the essential unagreed article in the Austrian treaty—the problem of German assets. The Soviet Union was in disagreement. To resolve our differences we appointed a treaty commission which for 5 months conferred in Vienna last summer. Again three delegations found a common approach. Again the Soviet Union was in disagreement. At the present meeting the French delegation presented a new proposal for a concrete settlement which sought to avoid the problems that had prevented agreement. To three delegations that proposal appeared to present a practical basis for settlement. On December 4 it was rejected by Mr. Molotov, who added that he had no new proposals to make on the subject. Thus the Soviet delegation has persistently blocked agreement by reason of its unjustified demands on Austria."

Unable to agree on frontiers

"As regards Germany, taking first the subject of frontier, we have been unable to agree on what we mean by Germany. Three delegations are in accord that the Saar territory should be detached from Germany and economically integrated with France. The Soviet Union does not agree.

"With respect to the eastern boundary of Germany, the Potsdam protocol clearly provided that the 'final delineation of the western frontier of Poland should await the peace settlement.'

"The United States believes that an effort should be made to establish a frontier which, while it would compensate Poland, would not become a formidable economic barrier preventing Germany access to food and raw materials from this eastern area upon which it has heavily depended.

"Three of the delegations agree that boundary commissions be at once established to examine all frontier questions. The Soviet Union rejects this proposal. We neither agree on what Germany is to be nor do we agree on establishing commissions to study these vital boundary problems."

Disagree on financing

"In examining the discussions on economic principles, we have progressed only in agreeing to procedures without substance.

"We have failed to reach agreement on sharing of the financial burdens. An ostensible agreement on the equitable distribution of indigenous resources is deprived of all meaning by the Soviet demand for continuation of present Soviet withdrawals of current German production for reparations.

"The Soviet Union has refused to furnish vitally necessary information with respect to reparations removals. Thus, we have been asked to reach agreement while information essential to such agreement is withheld by the Soviet representatives."

Won't relinquish German property

"The Soviet delegation has refused to agree to the relinquishment of property interests in Germany unilaterally seized under the guise of reparations. As matters now stand, a large share of the produce of the eastern zone of Germany is drawn off for the Soviet account. An important part of its industry has been placed in a gigantic Soviet trust which enjoys special privilege and which is put above German law, presumably in perpetuity.

"These Soviet practices in eastern Germany have prevented Germany from playing its part in the recovery of Europe. In fact, they have greatly increased the necessity for outside aid provided by the United States and the United Kingdom to enable western Germany to live. Nevertheless, the Soviet representatives have chosen to charge this aid has as its purpose to use western Germany as a 'strategic base against the democratic states of Europe' and to advance 'expansionist aims.' Apart from the complete absurdity of these charges, to discontinue this aid to some 40,000,000 Germans in the United States and United Kingdom zones until they have become self-supporting would doom them to mass starvation."

Rejects Soviet demands

"The Soviet Union demands reparations for itself and Poland of $10,000,000,000 at 1938 values, which is at least $15,000,000,000 today. These reparations payments to an undisclosed degree would take the form of current production over 27 years. This demand is not in accordance with the Potsdam agreement. It is utterly impossible of achievement on practical economic grounds. It implies the establishment of an economic power so comprehensive that it would be in reality a power of life and death over any German Government.

"It was accepted by all at Moscow that full agreement on economic principles was essential to the establishment of political unification. We are unable to agree on what shall be the area of German economy; we cannot agree how to make German resources available to Germany as a whole, a condition prerequisite to the revival of German economy; we are confronted with a demand for reparations in excess of the Potsdam agreement which would make a German government subservient to its reparations creditor. It is therefore clear that agreement can be reached only under conditions which would not only enslave the German people but would seriously retard the recovery of all Europe.

"If real economic unity could have been established the United States would have been ready for the German people to be immediately accorded, under agreed controls, self-government with the authority, responsibility and initiative this entails. But free government cannot succeed under conditions of economic serfdom. True political and economic unity would require a free movement of goods, persons, and ideas throughout Germany and the establishment of a rule of law and political freedom which the occupying powers themselves would respect."

Sees Government powerless

"A German government of any type established to function in present conditions and under the supervision of a control council reflecting these basic disagreements would be powerless. In such circumstances a German government would be only a façade and its establishment would subtract rather than add to a real union of the German people. It is useless to debate the characteristics of a German government when actual governmental power would be elsewhere.

"The simple fact is the present division of Germany has been caused by the policies and practices of the occupying powers themselves. Only the occupying powers can create German unity in the present circumstances. That is why the United States has consistently pressed for certain fundamental decisions by the occupying powers themselves

as the absolutely essential first step for the achievement of a unified Germany.

"Three delegations at this conference have registered their willingness to take these decisions here and now. The Soviet Union alone refused to agree.

"In view of these facts, it seems impossible at this time to make practical progress. Therefore I reluctantly conclude that no useful purpose would be served by a debate on the other points on our agenda and I suggest that the Council of Foreign Ministers might now consider adjournment of this session."

UNITED STATES RELEASES ADDITION

In Washington, the State Department released the following addition to the text:

"Secretary Marshall's proposal was agreeable to the French for adjournment, following which Mr. Bevin raised the question of the Austrian treaty, and whether it should be sent to the deputies for further study.

"It was so decided.

"Mr. Bevin then called for discussion of the motion to adjourn. General Marshall made the following remarks:

" 'I proposed the adjournment and I therefore do not think that I have to express myself again.

" 'When we meet again I hope it will be in an atmosphere more conducive to the settlement of our differences.' "

A Republican Blunder

EXTENSION OF REMARKS
OF
HON. FRANK BUCHANAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. BUCHANAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Arthur Krock, from the New York Times of December 17, 1947:

A REPUBLICAN BLUNDER—HOUSE TACTICS EXPOSE LEADERS TO CHARGE OF PARTISAN TRIFLING ON INFLATION BILL

(By Arthur Krock)

WASHINGTON, December 16.—The plan of Senator ROBERT A. TAFT, announced today, to bring before the Senate certain anti-inflation measures, and pass them by the week end if possible, can hardly cancel the blunder of the House Republican leaders yesterday in this same legislative area, even if Mr. TAFT should get his program through the Senate.

The House leaders made their anti-inflation bill and the procedure to pass it so completely political that they split their own membership, produced a solid Democratic front for the first time in many years and failed even to get a simple majority of the House for their proposal. This was that the rules should be suspended to bring up the bill at once and vote on it after 20 minutes' debate without the right of amendment. That required the assent of a two-thirds majority.

The total membership of the House is 434 (there is one current vacancy). Of this only 202, or 16 less than a simple majority and 88 less than a two-thirds majority, stood with the Republican leaders. And they were supported by 58 less than a two-thirds majority of the 390 members who were present and voting.

POT AS BLACK AS THE KETTLE

It would not be surprising, therefore, if the views of these leaders—whose White House spokesmen are Speaker JOSEPH W. MARTIN, JR., and Representative CHARLES A. HALLECK—are now minimized in effect when bipartisan conferences are held on inflation problems. A political command which tries for two-thirds support on the harshest of propositions gives good basis for the charge that, since it could not sensibly have expected to get this support, it was engaged merely in partisan trifling with a situation which is bitterly afflicting the American people.

This is no way to acquire influence in council with an administration of the opposite party. On the contrary, it serves to persuade the administration that Democratic programs can now be more firmly pressed on a Republican majority in Congress whose leaders have exposed it to the popular belief that it is playing politics with inflation. The administration has been accused of that, and with ample justice; also of being largely responsible for the acts and policies on which inflation was nourished. But yesterday's procedure in the House shows the pot to be at least as black as the kettle, and more likely to crack over a hot fire.

NORMAL PROCESS IGNORED

If the majority leaders had wished to make an impressive demonstration of sincerity in their effort they would have sought a rule providing reasonable debate and the right to limited amendment. That is the normal process toward emergency legislation, indicated even more strongly when the subject is complicated. But the course they followed enabled SAM RAYBURN, the minority leader, to rally the Democrats against suspension on these grounds: (1) It was a partisan maneuver designed to put in the hole all candidates under that party label as well as the President with whom they must run for office next November; (2) It gave not the slightest recognition to the rights and dignity of the minority.

These points were so plain, and Mr. RAYBURN made them with such vigor, that the Democrats in the House effected a solid front, virtually unknown among them since 1938 on domestic measures. And 26 Republicans deserted their leaders in the belief that the Democrats would have the better of this argument before the people.

Mr. TAFT may be able to repair the Republican position. Or the Republican chieftains in the House may find some way to do it and put the administration again on the defensive with respect to inflationary controls. But they must act with sincerity and acquire finesse they did not reveal yesterday, if this is to be the end result of the political game both sides are playing with an acute national problem.

Scarce Kilowatts

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MACK. Mr. Speaker, under authority granted me to extend my remarks in the RECORD and to include a newspaper editorial, I desire to call attention to the present great power shortage in the States of Oregon and Washington.

Despite the great power developments at Bonneville and Grand Coulee, Oregon and Washington during December were using 99 percent of the available power being developed from that river.

Since these two States have no gas or oil and since their coal supply is limited, industries of the region are almost totally dependent upon hydroelectrical energy for the operation of their plants.

If present industries are to expand and new ones enter these two States to provide pay rolls and produce the goods upon which our living standards depend, these States must have more hydroelectric energy as rapidly as is feasible.

In order to make clear to the Members of Congress the urgent need of more power development on the Columbia River, I include in the RECORD the following editorial entitled "Scarce Kilowatts," published December 9 in the Aberdeen World, one of the outstanding daily newspapers of western Washington:

SCARCE KILOWATTS

Guessers on the Northwest's power needs have been badly refuted by peak power demands this week. The Bonneville power administration revealed that Oregon and Washington at 5:30 o'clock Wednesday afternoon were using more than 99 percent of the electricity that can be generated in the two States. The record instantaneous peak at that time was 2,847,000 kilowatts. For comparison, Grays Harbor's peak load is 24,000 kilowatts. That may give some idea of the tremendous power requirements in the two Pacific Northwest States.

Generation capacity in the western division of the Northwest power pool—Oregon and Washington—is 2,853,000 kilowatts, while the generating capacity of the entire Northwest power pool is 3,800,000 kilowatts. At the time of the peak power demand in Oregon and Washington some power was fed into the western division from Idaho and Montana.

Wednesday's record load was even more than that for the day before when there were only 28,000 kilowatts of reserve energy in the power pool's western division. At that time 63,000 kilowatts were "imported" from Montana to build up a reserve of 91,000 kilowatts. This is working on a pretty narrow margin, far too narrow to encourage new industry. In fact, the peak demands this week overshot by 22,000 kilowatts the predictions made a year ago in a Tacoma meeting of public and private power utility experts. They predicated a peak of 2,825,000 kilowatts this month.

Roy F. Bessey, executive secretary of the Interior Department's coordination committee, told a conference of western governers in Portland yesterday that an additional electric power capacity of 7,000,000 kilowatts is needed in the 11 Western States. He said the boost in power production—and 1,800,000 acres more of crop lands—are needed to maintain the vastly increased population of the West indicated by present growth. The additional 7,000,000 kilowatts, he said, will be needed by 1960. We could use a portion of it right now. In fact, industrial growth of the West is based upon electric energy and the West will grow no faster than the available supply.

Radio Broadcast of George E. Reedy

EXTENSION OF REMARKS
OF
HON. JOHN F. KENNEDY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. KENNEDY. Mr. Speaker, under leave to extend my remarks, I wish to

place in the RECORD the following radio broadcast by veteran commentator George E. Reedy, which contains much wisdom:

Blunt-spoken Senator LANGER, who has never kept anybody in the dark on his stand on any issue, has come out with a statement that is long overdue. It may not make some of his colleagues too happy, but it is in the nature of a real public service.

The statement is aimed at several of his colleagues who have long made the Government worker a No. 1 whipping boy. The Senator thinks it is a practice that should be stopped—stopped by going out and getting a few real facts—for the public.

Everyone who has lived in Washington for any length of time knows exactly what he is talking about. He is referring to Senators and Representatives who fall back on sensational charges against Federal employees—just to make a few headlines.

Since the average civil-service worker is voteless, this is usually a pretty safe way of getting some publicity. The people who are under fire have no way of answering the charges. They can only sit tight and hope the storm will blow over.

As a rule, the accusations are a variation on the theme, that the Government employee, is not doing enough work. He is charged with everything—from chewing bubble-gum, to playing tic-tac-toe on the public's time.

Fortunately, Senator LANGER is in a position where he can do something about the situation. He is head of the Senate Civil Service Committee—and can make a full-scale investigation. He has ordered just exactly that.

It's about time that something was done along these lines. The charges have been a part of every political campaign, from the time that the American Government was first organized. Usually, they crop up during slack news periods

We have all heard the stories. Sometimes they describe offices, where the only work, is a community solution of the daily crossword puzzle. Sometimes, they involve complicated flirtations, between people who should be batting out their daily quota.

Most of us can cite cases where these things have actually happened. They are bound to, since human nature is pretty much the same, anywhere in the world. The real question, is whether the stories describe the typical Government worker.

If they do, the whole civil-service system, should be drastically overhauled. If they do not, then they should be scotched, once and for all time. They should not be left dangling in thin air, for the use of headline hungry politicians.

Over the years, we have reached a point where there is a certain stigma attached to Government service. Federal employees have been slammed and lambasted from so many directions, that they are almost ashamed to admit they are working for Uncle Sam.

To say that this is an unhealthy situation, would be a masterpiece of understatement. It goes far beyond that. If it keeps up, it is going to produce an inefficient class of Federal workers, who take the jobs—because they cannot get anything else.

In the early days of our Nation, this would not have made too much difference. But today, our Government has become a huge, sprawling thing that reaches into the lives of everyone. To staff it with second-raters—would be a major tragedy.

Senator LANGER has promised a really thorough investigation, which will bring all the facts to the light of day. His past record, is insurance that it will be no whitewash. It might well turn out to be, one of the most useful investigations of this Congress.

For Peace in Two Worlds

EXTENSION OF REMARKS
OF
HON. LEROY JOHNSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. JOHNSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an editorial from the Washington Evening Star of December 16.

I believe that the editor is correct in that we may have two worlds instead of one for the purpose of bringing about international security and peace. If Russia continues her obstructive and delaying tactics, I believe we should join with all of the other countries of the world who are willing to join us in trying to find some way of developing a system of international security. Only in that way can we feel certain that we are going to have reasonable assurance of security in the future. In the atomic and scientific age which we have entered we must find some means of avoiding a war. Otherwise, all of us may perish. The article referred to reads as follows:

FOR PEACE IN TWO WORLDS

The London meeting of foreign ministers has ended in a bleak failure for a reason that is at once simple and obvious. As Secretary Marshall has said, France, Britain, and the United States were ready and eager to make it succeed, but Russia was not, and that is the sum of the story.

From the moment the conference opened, Foreign Minister Molotov seemed certain to adhere to a line calculated to kill it. That he did so is not really surprising, but it is instructive. It makes clear beyond doubt that the Soviet Union at this juncture—unless it can have its own way—has no desire to write an Austrian peace treaty or to make a definite beginning on a German settlement.

This policy can hardly be explained as anything but a policy designed to keep the Red army deep in Europe as long as possible and to promote and perpetuate abnormal conditions in order to make it easier for the Kremlin to entrench and spread its dominance as far west as it can. It is not a peace policy; it is a wrecking policy—a policy that the western powers could never accept without surrendering the continent.

It is a policy, moreover, that the Russians appear determined to pursue for a long time to come. It fits in perfectly with their world-wide program of obstruction, noncollaboration, and vilifying propaganda against the United States, Britain, France, and all other like-minded nations. The spirit that animates it is the same spirit that animates the Soviet position in Korea, the Soviet paralysis of atomic control, the Soviet boycott of the Balkan "watchdog" commission, and the violent Soviet opposition to such great undertakings as the projected long-range European recovery program. The collapse of the London Conference serves merely to round out the picture and to indicate that the men of the Kremlin, far from having a change for the better in mind, are bent on following a lone-wolf course, come what may.

In such circumstances there seems little or no reason to hope for a near-future bridging of the gulf between east and west. The idea we must now get used to is that this situation—this grim division of the world—is not likely to end for many years, if ever. The failure at London leaves scant room for doubt that the dream of collective security on a global scale, with all lands working together, is still only a dream, and a very remote one at that. This does not mean, however, that mankind has had its last chance for an enduring peace and has lost it. War is not inevitable by any means. America and the other free and independent countries of the earth have overwhelming power among them, and there are things they can do to insure their common safety.

France, Britain, and the United States, for instance, can now unify their three zones in Germany into a great force for the good of the Continent. The 16-nation European recovery program can be effectuated. We can see to it, through the machinery of the United Nations and our own American efforts, that countries like Greece and Italy are not robbed of their independence. We can cultivate powerful economic and political ties with our friends abroad, and with them we can intensify informational programs designed to spread more and more light behind the iron curtain. Above all, always leaving the door open for an agreement with Russia, we can maintain our military readiness at the level demanded by the present situation.

If a program of this sort is carried out by the United States and like-minded powers, at least part of the world—a large part—will be able to organize its own system of collective security, and it may even succeed in eventually persuading the Russians to come in. The "if" involved is a crucial one, of course, and there is no certainty that it will be met. Assuming the best, however, the cooperating nations can do much to guarantee their own safety even if the Soviet Union chooses to keep the globe split in two. Grave as it is, the London failure does not justify despair. We still can have peace if we work for it.

Waging the Peace

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. HOLIFIELD. Mr. Speaker, the problem of how to obtain universal peace is the most important one that faces the world. If we are to have an atomic or biological war, we know it will mean practically the destruction of civilization and will probably usher in a new dark age. Intelligent people throughout the country are thinking and speaking on this problem, to their friends and neighbors.

An article written by the Honorable Ralph C. Dills, of the Sixty-ninth Assembly District of the State of California, has recently come to my attention. This article appears in the December issue of the California Teachers Association Record, southern section.

Because of the vital message contained in this article and because it will be read by many of our leading educators in southern California, and because of our high regard for the character and ability of Assemblyman Ralph C. Dills, under unanimous consent I include his article in the Appendix of the CONGRESSIONAL RECORD, as follows:

WAGING THE PEACE

(By Assemblyman Ralph C. Dills, Sixty-ninth District, California)

Blessed are the peacemakers, for they shall be called the children of God. (Matthew 5:9)

Nearly 2,000 years ago the Prince of Peace taught men how to live together as brothers. Yet man has not learned the lesson of the Master Teacher. We have with the centuries learned to wage war effectively; we have made little progress in waging peace.

A glance at the figures showing some of the results of World War II allied air raids demonstrates our warring ability: Killed 560,000 individuals; wounded 1,192,000 individuals; homes demolished or burned, 5,810,000; individuals made homeless, 16,700,000.

This amazing destructive power, however, is now as obsolete as the dreaded German Zeppelin of 1915 to 1918 which in raids over England in those years killed but 435 individuals and wounded 1,069 others.

But what of the future? Listen to the scientists! They tell us that there is no defense against atomic warfare. Even if we could be 90 percent effective in intercepting piloted bombers or pilotless missiles the 10 percent penetrating defenses could wipe out any target.

Bombs now available are fifty times more powerful than the primitive Hiroshima and Nagasaki type and, as if this were not enough to fill our souls with a sense of impending disaster, we learn from Rear Adm. Ellis M. Zacharias, USN (retired), the wartime Deputy Chief of Naval Intelligence, that there are other absolute weapons of chemical, biological, and climatological types capable of exterminating from the face of the earth the last vestige of human, animal, and even vegetable life. They are being manufactured now! They are not an American monopoly and are of such a nature that small nations with limited industrial facilities may develop them. (United Nations World, November 1947.)

Yes, there is no longer doubt of our ability to wage a war which will mean the extinction of civilization. The ordinary person in all lands knows this and his faith in the probability of ending all wars is at an all-time low.

As never before the teacher, the clergyman, the civic leader, the man in public life must teach, preach, and practice the belief that we are on the threshold of everlasting peace. We must understand that peace can no longer be a static or negative thing. We must wage peace in a new and dynamic manner.

A recent survey disclosed that 86 percent of those questioned indicated that they had a direct and active part in some phase of winning the war. Only 36 percent believed they were making contributions toward winning the peace. How can this situation be altered? Here are some suggestions:

First, we must attack the basic causes of war, the sources of irritation and friction. The existence or threat of starvation and want at home or abroad creates a fertile breeding ground for conflicts which grow into major international problems. Lack of food, raw materials, and health facilities must be dealt with on an international scale and with sympathy and understanding.

Second, the problem of ignorance which is the source of the malice, hate, distrust, and misunderstanding that lead to strife and war must be attacked with even greater resources, vigor, and vision than we employed in successful prosecuting the war. The Sermon on the Mount might well be a good guide for future action and attitudes. The elimination of educational inequalities in America which resulted in 350,000 draftees being unable to sign their names—could well be "operation immediate." Only by adequate Federal aid to education can we cope with this problem.

Third, we must believe that war is not inevitable and that man can live in peace. The preamble to the Constitution of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) declares that "since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed." We must have faith in the United Nations organization, in UNESCO, and all of the special organizations established by those who are endeavoring with ever-increasing success to lay a foundation for a new era of peace and plenty.

Fourth, we must undertake as a personal duty and responsibility a study of world problems, international affairs, and international peace organizations. We must daily strive to do something worth while and significant to promote true democracy, good will, and understanding among those with whom we come in contact. Above all, each of us should acquire a sense of personal responsibility for promoting in every conceivable manner the cause of world peace. None of us is too unimportant. We have to face the fact that we are in all-out fight to save our own lives and our civilization. Death and total destruction are the alternatives. An unknown author in the following words has caught the spirit of the need of our times:

"I AM ONLY ONE

"I am only one;
But, I am one.
I cannot do everything
But I can do something.
What I can do, I ought to do;
And what I ought to do,
By the grace of God,
I will do."

The peacemakers of the world cannot draft your services. But what you can do toward waging the peace, they fervently hope you will do.

August H. Scheid: 50-Year Veteran of School Boards

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. WEICHEL. Mr. Speaker, the days of the little red schoolhouse have about ended in Ohio, and I want to pay tribute to a man who has served more than 50 years on boards of education in Erie County, having done much for rural education. I am including a news item from the Cleveland Plain Dealer covering the service of August H. Scheid:

STARTS FIFTY-SECOND YEAR ON SCHOOL BOARDS—OHIOAN ENDED REIGN OF LITTLE RED SCHOOLHOUSES

SANDUSKY, OHIO, November 22.—August H. Scheid, of neighboring Huron Township in Erie County, instrumental in bringing about the abolishment of the one-room little red schoolhouses today is entering his fifty-second year as a member of county and township school boards.

It was in April 1896, that he was first elected to a post in the county educational system and his service of more than a half century is believed to be unequalled in Ohio.

In the same year, he was elected township clerk and he also was ex officio clerk of the board of education. His opponent for the clerkship was the late John C. Drake of Kimball, a former State senator.

Scheid at the November 4 election was again reelected for his eighth 4-year consecutive term to the Erie County school board and of which he is president. He and Dr. E. C. Alexander of Castalia were unopposed at the polls.

CAREER STARTED IN 1896

His first election to the county board came in 1919, and prior to that time he was on township boards. His educational career began with his election as an Oxford Township member in 1896.

He recalled that 50 years ago teachers in the one-room rural schools received a salary of $22.50 a month, and remembers that instructors in those early days were more plentiful than in the present day. At one time he recalls 26 applications for positions as teachers in four one-room schools, 22 more than the number required.

He was instrumental in closing the first one-room school in Erie County, which had only six pupils.

He attributed the recent teacher shortage to the fact that salaries for teachers have not kept pace with those paid in private industry.

Stabilization of Commodity Prices

EXTENSION OF REMARKS
OF
HON. JOHN C. KUNKEL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. KUNKEL. Mr. Speaker, under permission to extend my remarks, I am including a radio speech made by me on Sunday, December 14, over Station WHP in Harrisburg, Pa.:

Last Thursday, December 11, President Truman held a press conference at which he announced his flat rejection of the Wolcott bill to stabilize the national economy and to aid in curbing inflationary tendencies. He said further that he would send down some specific suggested legislation on this subject within the next few days.

The special session is nearing its close. It could not last longer than early January of next year when the regular session is due to start. It is a legislative impossibility for the Congress to consider and act upon these proposals of the President's during this session. Mr. Truman spent 10 years in the Senate. He knows this just as well as does every Member of Congress. The purpose of his making such statements now—nearly a month after the special session began—can be rationalized only on the ground of being a purely political maneuver. When President Truman vetoed the price control extension bill in 1946 on the day the old law expired, he knew then it was a legislative impossibility for the Congress to enact a substitute bill without a gap during which prices would gyrate and go completely out of hand. As the leader of his party then, he knew his own party was split wide open on many phases of price legislation. He insisted upon disorder. He created it at the sacrifice of the national interest in 1946. He added to the flames when he threw all orderly controls out of the window by his own actions in the fall of 1946.

The Republican proposals in the Wolcott bill contain everything which the many Cabinet members, testifying before our committee, indicated the President would do at this time or in the immediate future. Even if the President were given the most unlimited grant of powers imaginable, the Cabinet members insisted that only voluntary controls would be tried for a considerable period of time. They said that any more drastic

future steps would only be taken if it developed that voluntary controls would not work. From that point on, the suggestions of the Cabinet members became increasingly vague and contradictory. No one could tell just what they meant. They could not tell what they would do, nor how they would do it. Remember this, the present bill does cover completely all that was to be put into effect during the next few months.

Mr. Truman took the occasion of this press conference to demonstrate his complete lack of knowledge of the bill itself. He criticized the provision permitting consultation and agreement between the Government and representatives of industry, business and agriculture in respect to the problems indicated below in the quotation from the bill itself. The President attacked this violently as a complete disregard of the antitrust laws. It might be well to read this provision in full so that you can judge for yourself just what it says and does:

"SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making by persons engaged in industry, business, and agriculture, of voluntary agreements—

"(1) providing for allocation of transportation facilities and equipment;

"(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

"(3) providing for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production;

"(4) providing for regulation of speculative trading on commodity exchanges; or

"(5) which will otherwise carry out the purposes declared in section 1 of this joint resolution.

"(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

"(c) Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreement and with respect to carrying out such agreement prior to March 1, 1949, in conformity with its provisions.

"(d) As used in this section the term 'person' means an individual, corporation, partnership, or association."

You will notice:

1. The representatives of industry, business, and agriculture are authorized to consult with the President or his designated representatives.

2. The President is authorized to approve any such agreement only when he finds it will carry out the declared purposes.

3. He is directed not to approve any agreement which provides for the fixing of prices or which extends beyond the effective date, March 1, 1949.

4. The President is not required to approve any agreement unless he feels it is wise; therefore, no agreement entered into can ever be valid unless the President, himself, approves that specific agreement. The only possible way in which the antitrust laws could ever be infringed upon under this law would be if the President, or his designated authorities, attempted to violate them or connive in their violation. Presumably, the President would designate the Attorney General to perform this duty. The attorney general has the responsibility of enforcing the antitrust laws.

The best comment I have read on this statement of Truman's appeared in the Washington Star, a paper usually friendly to the President. The Star said, "President Truman's do-or-die stand in behalf of the untouchability of the antitrust laws might be touching if he were not so egregiously wrong about it." The President's position is made more ridiculous because Secretary of Commerce Harriman on that same Thursday submitted proposals for compulsory enforcement of priorities and allocations to the Senate Judiciary Committee. In these Harriman proposed industry agreements more sweeping than those permitted under the present House bill.

The present system seems to be for each Cabinet member to bring in some suggestions. The first one was brought up by Harriman on Thursday. Then the Cabinet member makes it clear to the Congress that he is speaking only for himself and distinctly not for the President or the administration. Secretary Schwellenbach proposed some others on Friday and said he would propose some wage controls later. He was careful to describe them as "his personal recommendations," thereby avoiding any possibility of their being construed as administration recommendations. Despite his public statement about sending up suggestions to the Capitol, the President has not done so as yet. He is obviously leaving himself free to repudiate the recommendations of his subordinates if and when they prove unpopular or are found to be unworkable.

The bill also extends export controls and the power to allocate transportation facilities for a year. By adequately using these powers already at his disposal, a great deal of the impact of the foreign aid program on prices could have been cushioned. The bill also permits the President to exercise any authority granted through any department, agency, or officer in the executive branch of the Government. Lastly, it increases the reserve requirements applicable to Federal Reserve Banks from 25 to 35 and 40 percent. This is the same reserve required for years prior to 1945. It was lowered in 1945 at the request of the executive branch of the Government. The President was then openly advocating inflation. As a matter of fact, the inflationary policies of President Truman during the last half of 1945 (although somewhat forgotten today) have more to do with present high prices than any other one factor, with the possible exception of the huge shipments overseas of goods in short supply in this country. It was then he forced the increase in the price of steel, finally resulting in an increase of $5 a ton early in 1946. This price increase was reflected all along the line. It created a major dislocation in the entire price structure which was then under price control.

This reserve requirement provision is intended as an initial step toward "tightening up credit and deterring inflationary pressures." It will have little, if any, present effect except psychologically. It does recognize the dangers in the potential credit availabilities in our Nation. The Federal Reserve Board and many other Government agencies under their existing powers could have taken many steps during the past 2 years to restrain inflation, if they had been disposed to do so. Generally, these steps have not been taken. The usual policy has been to neglect and ignore the use of powers at their disposal, thereby avoiding responsibility for what might happen through the exercise of the powers. The next step was to come up to the Congress and request new and more sweeping powers in order to combat an alleged crisis, the situation having been created or at least made worse by their own failure to carry out judiciously and fairly the duties previously placed upon them.

No one claims this bill is a cure-all for high prices. You cannot pump billions into the spending stream of the Nation year after year and you cannot continue to ship a huge volume of our products out of the country without there being a long, cumulative effect. You cannot offset this in a day. Haste and ill-considered action could easily curtail production here at home, thereby causing far more harm than good. We must maintain and increase production. If our production recedes it will lower the standard of living here and jeopardize any foreign-aid program which we might contemplate. Our standard of living depends upon goods created. Foreign aid depends on goods far more than upon dollars. You could easily slip back to the troubles and shortages of the OPA if you did not avoid the errors of the past which occurred in that program and particularly in its administration. There is a wide difference of opinion on what should be done. The present bill represents what can be done at this special session. The committee looks forward to further action early next year. If certain controversial issues had been included in the proposal, the chances of the passage of any legislation at all on this subject during the balance of this year would have been nil. There is a wide difference of opinion now, as there was in 1945, in both parties on how many phases of this general subject should be handled.

You can summarize the present bill by saying:

1. It is the maximum which can reasonably be expected to go through the Congress to final enactment in the allotted time of the special session.

2. That it gives the President everything which his Cabinet members have decided he would do as of the present and immediate future.

3. It provides the necessary ground work upon which any future action will necessarily rest.

On some of the issues President Truman would probably be opposed by at least one-half of his own party in Congress. You can check this by looking at the votes when these same issues were voted upon in one form or another in sessions of past Congresses. Even the present bill has provoked some argument.

Labor-Management Act of 1947

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. KEATING. Mr. Speaker, there have been so many exaggerated and misleading adjectives bandied about, regarding the Labor-Management Act of 1947, that it would not be surprising if the public gained an entirely inaccurate picture.

One labor union member of my congressional district, however, voices the sentiments of all working men and women, who thoroughly understand this law, in a letter to the Rochester Times-Union of Rochester, N. Y.

The editorial comment on his letter is set forth below under leave to extend my remarks:

TAFT-HARTLEY LAW BAD FOR WHOM?

Tom Crinnen, of Rochester, wrote the editor of the Times-Union that the Taft-Hartley law "will be a God-send to men and women working for a living."

How different that from the cries of "slave-labor law" raised by some of the big union bosses!

Where lies the truth?

No law is perfect. But the Taft-Hartley law definitely is in the right direction and any faults can be corrected as we go along because machinery is provided for periodic review.

The law aims at equal justice for the lowliest member of a union no less than for the top union official; for the little employer no less than for the man employing thousands.

The self-seeker who says it's all bad should be asked: "Bad for whom?"

Certainly, Tom Crinnen holds, it's not bad for the workingman.

A lot of people, as we've remarked before, are just finding out what the law really is and does. As more and more learn the truth the feeling against those who've been misrepresenting it is apt to be something to see.

Hudson County Bar Association Dinner

EXTENSION OF REMARKS
OF

HON. EDWARD J. HART

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. HART. Mr. Speaker, one of the outstanding functions of the year in the New York metropolitan area is the annual dinner of the Bar Association of Hudson County, N. J. Last Saturday marked the seventieth anniversary of this important and delightful function. There were in attendance more than 900 diners, nearly all of whom were lawyers. The special guests were Hon. John F. Drewen and Hon. Thomas J. Stanton, presiding judges of the Hudson County court of common pleas. The other guests were Hon. Clarence E. Case, chief justice of New Jersey and the remaining members of the supreme court, Hon. A. Dayton Oliphant, the chancelor, and vice chancelors; the lay judges of the court of errors and appeals; the judges of the circuit court; and Hon. Gerald McLaughlin, judge of the United States circuit court of appeals, judges of the United States District Court in New Jersey, Hon. Paul J. Duffy and Hon. August Ziegener, judges of the Hudson County court of common pleas, together with Hon. Thomas J. Brogan, former chief justice of New Jersey, Hon. Luther A. Campbell, the former chancelor, Hon. David Nimmo, judge of the Hudson County juvenile court, Hon. Marshal Van Winkle, Hon. David A. Pindar, advisory masters of the court of chancery, and Hon. Joseph Summerill, Jr., president of the New Jersey State Bar Association.

The toastmaster was Hon. William T. Cahill, referee in bankruptcy and president of the Hudson County Bar Association.

The guest speaker of the evening was the distinguished United States Senator from Illinois, Hon. SCOTT W. LUCAS. He delivered an eloquent and thoughtful address, and received from the large audience, which included many of the most eminent members of the New Jersey Bar, rapt attention and well-deserved applause. At the close of the dinner, Senator LUCAS was the recipient of many congratulatory expressions from those who were moved to admiration by his speech, which I herewith append:

I am delighted at the opportunity of speaking to the lawyers of the Hudson County Bar Association of the State of New Jersey. I am convinced that those of us who are skilled in the arts of the law have a special and peculiar responsibility in helping maintain the blessings of liberty which are being threatened seriously throughout the world.

Our country has enjoyed the advantages of democratic government for over 170 years. Today we are the leaders of mankind in every human endeavor. It is admitted that ours is the greatest and most celebrated form of government in the eyes of freemen everywhere.

As we watch the uncertain and tragic developments in nations of the Old World, it should be a source of great pride to every American patriot that in the Government of the United States we find strength, confidence, and stability. We are proud that we have been able to resist the influences which have altered radically the forms of government in the rest of the world. But, my friends, I sometimes wonder whether we are all awake to our solemn responsibilities as freemen to cherish and defend the way of life we hold so dear. My doubts stem not only from what is going on in Europe and Asia today, but also from what is occurring within our own borders. We know that subversive forces labor aggressively in seeking to undermine our institutions. We see smugness, complacency, selfishness, and greed as a cancerous growth on the body politic.

A cynic once said that people tend to have the form of government which they deserve. Despots and tyrants, on that theory, are the reward of peoples who do not hold liberty dear. Because we were a free people yesterday, because we are a free people today, it does not follow that we shall be free tomorrow. As a people we shall continue to be free only if we are prepared to defend our liberties against encroachment from whatever source, with the same devotion and self-sacrifice as the great patriots who threw off the yoke of England and established the Government of the United States of America.

The ideal toward which those patriots were working was best expressed by John Adams, contained in the bill of rights of the Constitution of Massachusetts, that the American Government should be a government of laws and not of men. This phrase which slips so easily off the tongue is pregnant with meaning. It is a shield against the arbitrary and capricious exercise of power by elected officials of the Government. No action of an individual can be visited with punishment unless a law condemns such action. Each of us can govern his conduct in accordance with the law, safe in the knowledge that if we have truly followed the law we need have no fear of the consequences.

But for lawyers, the expression has a special meaning. A government of laws implies that there will be lawyers to write the laws, and judges who will interpret the laws and try your cases.

But, in all seriousness, without the help of skilled men to provide and to interpret the law, there can be no government of laws. And throughout the whole of American history, the lawyer has played a role of which we today, the inheritors of a great tradition, should be justly proud. The Constitution of the United States, which the English statesman Gladstone, characterized as "the most wonderful work ever struck off at a given time by the brain and purpose of man," and which Macaulay said was "the wonder of the ages," was almost exclusively the handiwork of lawyers. It was not only a noble charter of liberty, which sprang from a deep belief in the dignity of the individual; it was also a set of laws to be interpreted and applied by lawyers and judges. We are in even better position than Gladstone and Macaulay to evaluate the worth of that document. Since that day we have passed through a period of great social and economic change, when new methods had to be devised to meet new crises in government. We have come through two great world wars which shook to the roots the governments of the world. Science in the last few decades has made enormous strides, so that Gladstone and Macaulay would hardly recognize the world in which we live; and science has brought with it changes in our lives, and the prospect of changes, of which we are only now dimly aware. Through it all, the American Constitution has proved itself to be so supple and so hardy an instrument, that only 21 amendments were necessary in the 170 years of its existence to make it conform to the needs of the American people. That it has continued its capacity for growth without serious impairment in our modern and complex society is a glorious tribute to the genius and vision of the founding fathers.

John Marshall saw perhaps more clearly than most the durability of the Constitution and expressed his feelings in the happiest language. In McCulloch against Maryland he spoke of the Constitution as "intended to endure for ages to come and, consequently, to be adapted to the various crises of human affairs." And again, in Cohens against Virginia, he said, "a constitution is framed for ages to come and is designed to approach immortality as nearly as human institutions can approach it." But, in the same case, he gave voice to another truth, which we are sometimes inclined to overlook. "The people," he said, "made the Constitution, and the people can unmake it. It is the creature of their will, and lives only by their will."

You may perhaps think it strange that I should come to you from the Senate of the United States, where matters of world-shaking importance are being debated, to talk about the basic principles of our Government. And yet, as I look about me, and particularly as I review the situation across the seas, it seems to me that we are living through a world crisis which could well endanger our constitutional freedoms before it runs its course. And, because I fear that such a dreadful eventuality could take place, I have taken this opportunity to try to drive home the necessity for constantly examining first these basic and fundamental principles.

The liberties of which I speak are, of course, not absolute. Some liberties must yield to the common good. A man is not free, as Mr. Justice Holmes remarked, to shout "fire!" in a crowded theater, nor indeed is he free to use economic power to crush those whose lot is poorer than his. The basic liberties are those which recognize the dignity of the individual and his inalienable rights. They are based on the concept that we are all children of God and that some part of the Divine spark is in each of us. Unless we cherish the dignity of the least of our fellow citizens, we are not truly devoted to the ideals of our country and its Constitution.

We cannot expect our people to cherish our way of life unless they understand and appreciate the things which make up our way of life. How many of them do you suppose can explain the nature of the relationship between the State and Federal Governments, or the specific guaranties contained in the Bill of Rights, or the basis on which the Supreme Court of the United States has the power to declare an act of the Congress unconstitutional. Or how many have a deep understanding of the momentous proceedings of the Constitutional Convention, when that band of patriots hammered out our Constitution, or understand the constitutional crisis precipitated by the threat of South Carolina to secede from the Union.

In spite of the fact that many lay persons do not have a deep understanding of our history and the political principles which have kept us a great Nation, I venture to say that there is a deep thirst among our people for just such understanding. We have recently been witnessing the thrilling spectacle of the Fredom Train, which, under the auspices of the American Heritage Foundation, has been traveling to the cities and towns and villages of America, carrying aboard its precious cargo, the documents which are the visible symbols of the greatness of our country. The newspapers tell us that people come to see these documents by the hundreds, lining up in the cold, to get a glimpse of those priceless pieces of paper, the Magna Carta, the Mayflower Compact, the Declaration of Independence, the Constitution, and the Gettysburg Address.

They are not thus crowding aboard a train because they are antiquarians, interested in old manuscripts for their own sake. Rather, they go aboard as Americans; interested in the traditions of their country and how they grew—interested to find out how a little group of men who were bound together by the tie of liberty forged out of the necessities of the time a new form of government which has lasted for over a century and a half. Their hunger for information, their interest in these documents is the most eloquent testimony to the deep yearning in the American people for the preservation of American ideals and aspirations.

It goes without saying that our schools and our colleges are the places to begin the process of the education of Americans for the responsibilities which are theirs. This education should come in the most specific terms. Not only should those attending be taught the duties and responsibilities of citizenship, and how those duties and responsibilities came about—they should also be taught the ways in which our liberties are threatened and how they are sometimes violated.

It is of equal importance that our students be taught the facts about the governmental systems which compete with democracy—the twin menaces of fascism and communism. They should learn the origin of fascism and under what circumstances communism arises. We have nothing to lose by making perfectly clear the nature of the governments which compete with democracy. On the contrary, it is only by the most specific understanding of the nature of our Government and the governments of other countries that our citizens will learn to cherish their democratic heritage all the more.

I am not suggesting that our schools embark on a calculated propaganda campaign. I am suggesting only that they tell the honest uncolored truth. Communism within this country the communism abroad have cast their shadow over our beloved country. We must devise methods of dealing with both those dread specters. We can be successful only if our people have learned to love democracy, not only by instinct, but also with understanding. The more deeply they understand what is at stake in the battle against the menace of communism, the more vigorously will they be prepared to meet its challenge. The Communists themselves are finished students of our Constitution. They use it as a shield to protect their un-American activities in the name of personal and political liberty, while in the dark hours of the night they plot to destroy the very foundations of individual liberty.

My friends, I speak as I do because we in America live in the center of a world of terror and turmoil. The countries of Europe have been torn asunder by a devastating war, from which some are slowly and painfully recovering with our help. We see also the great bear of Russia walking over the prostrate life of one nation after another, both by force and by the stealth of political infiltration. In Russia, and her satellite countries, liberty as we know it does not exist. In those countries man is taught that the be-all and end-all of his existence is to serve the state and to glorify the name of the state. France, which was our ally in the Revolutionary War, and which stood at our side in the two world wars, is now locked in a struggle with the forces of communism. Italy is likewise in grave danger of falling into the hands of communism. Only England, the country which, since the Magna Carta, has been devoted to the ideal of individual liberty, has so far escaped the struggle with internal and external communism. But today the English people are worse off economically than they were during the war. "Austerity" is the word heard on every tongue.

To me, our duty under these circumstances is very plain. We cannot abandon Europe to decay and thus inevitably to communism. If we are not moved by our natural humanitarian instincts to spring to the aid of an ally still suffering grievously from the wounds inflicted by a common enemy, then certainly we must be moved by our own self interest. In this atomic age, there is no impenetrable Chinese wall which surrounds our country, and which tells potential aggressors that they may go so far and no farther. However, I am very much afraid that some Americans, including some of our statesmen, are closing their eyes to these fairly obvious facts. From their deportment and demeanor, it is apparent they would rather not live in such a world, but for good or ill, it is the only world we have in which to live.

Fortunately, for our country, the two great political parties have created out of the necessity of showing to the world an America united, a foreign policy which embrances both parties. The men who forged that policy saw clearly that wide differences of opinion, freely expressed, would weaken America's hand at the conference tables and in the foreign offices of the governments of the world. As a result, there is no democratic foreign policy, there is no republican foreign policy, there is only an American foreign policy. That immediate policy requires us to embark on a specific program for the temporary relief of western Europe, on the theory that the people of France, Italy, and Austria shall not suffer the pangs of hunger and the chill of winter for the lack of bread and coal. The passing of this humanitarian program by the Senate and House has had a tremendous psychological effect upon the people of Italy and France. The Communists headed by the Kremlin in Moscow at last realiz that we mean business.

Our long-range policy calls for the enactment of the Marshall plan, on the theory that the 16 nations of western Europe, who propose to participate in the plan, must remain friendly and free, if we are to work out an everlasting peace.

The Marshall plan is not a one-way street. It is a plan for the mutual benefit of all. While we shall loan to these nations some sixteen to twenty billions of dollars over a period of 4 years, it will not be a program of waste and extravagance. The Congress will enact legislation to see that this money is not frittered away.

Candor compels me to admit that what we do under the Marshall plan is a gamble. But, can we afford to do nothing and let the expansion of communism run its ungodly and ugly course throughout Europe and Asia? I, for one, choose to assist those 16 nations devastated by the most disastrous war in all history to retain their right to be free through a program of economic stability.

It is amazing and fantastic to know that in this country many isolationists are agreeing with Communists in their opposition to this program. They are either against any relief at all, or desire to see the appropriation reduced to the point where it would be worse than no appropriation at all. Too little and too late may plunge all Europe into economic chaos and disaster, and that means communistic domination of that continent. Any American who fails to comprehend the grim implications of such a communistic victory is playing fast and loose with the future of this country. In our own self-defense, I respectfully submit that we must do everything within our power to maintain the traditional independence and freedom of the 16 nations included in the Marshall plan. This is a realistic and progressive outlook which will pay rich dividends in future security and happiness. It is an absolute necessity unless we are willing to subject ourselves to world humiliation by beating a cowardly retreat from the dominant and leading position our Nation holds throughout the universe.

My fellow Americans, Congress must soon decide this momentous question. No graver peacetime problem has ever faced the legislative branch of the Government. And yet, most Members of Congress know today whether or not they favor the basic objectives of this plan. The debate upon the issues involved will be lengthy and thorough. All the facts should be presented. However, in this critical hour, there is no room in this debate for the politician. This is truly a great American issue. It is the hour when Members of Congress should rise above the fog in public duty and in private thinking. The ramifications of this program and its implications to the future welfare of our country demand that Congress act upon this measure with all convenient speed. It is not the type of legislation which should meet with emasculating and dilatory amendments. Sixteen to twenty billion dollars to aid in the rehabilitation and reconstruction of the 16 countries in western Europe might mean the difference between peace and another war.

If the Congress had not promptly voted to support the President's proposal for aid to Greece and Turkey, we should now be in serious danger of Communist infiltration or seizure in that part of world. The Government of Greece would now be in the same position as the Government of Yugoslavia—a puppet of the Soviet Government. Turkey would find Communist forces desperately trying to get a foothold in that country. Fortunately for us, the Congress saw the nature of the emergency in those two Mediterranean countries and acted swiftly enough so that we were able to stop the expansion of communism before it took over the strategic spots in the Mediterranean area.

No one in this country particularly enjoys the situation in which we find ourselves. Had we any choice, it would, of course, be better if we could turn our attention to finding the solution to America's problems, and let the rest of the world go its own way, without the necessity for our aid. But there is no choice except to do what we propose to do. So long as the spectre of communism looms as large as it does, we have to meet its challenge affirmatively.

The savage attack made by the Communists on our European policy is the best evidence of the correctness of that policy. The men of the Kremlin understand perhaps better than we possibly can that a Europe which can regain its feet and resume its place in the economy of the world, will not fall a prey to communism. When Russia is firmly convinced of this all-important fact, Molotov may be glad to talk to Marshall, and may even contemplate talking to God. Vychinsky's libels and vilifications of this country could be forgotten, if these two all-powerful nations could find a way to live together in the same world. This old earth is big enough for both.

But, my friends, while, through the Marshall plan, the United Nations organization, and the drafting of treaties, we are seeking to work out the destiny of this country, we must, during all these trying hours, be adequately prepared to meet any act of aggres-

sion that might endanger the peace of America. Our Air Force must be armed, equipped, and ready to strike at a moment's notice. Our Army and Navy must have the latest and most effective weapons of war. We cannot afford to economize with the defenses of our country. We must be everywhere armed, everywhere vigilant, until we are certain that world peace is a fait accompli. Our precious liberties must be preserved at any cost.

I pray we shall never have to call on our arms and our young men to go forth again to defend our country. You and I have lived through two world wars. I wore the uniform of my country in the First World War and I have some understanding which only a soldier gets of the meaning of war in all its dreadfulness. While we must be adequately prepared for attack from any quarter, it is imperative that we continue with the help of God, working night and day toward preserving the peace of the world. I am confident a well prepared, united and informed America wil find its way to peace.

Editorial by Robert N. Kindred

EXTENSION OF REMARKS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial, written by Robert N. Kindred, editor and publisher of the Central City Nonpareil, Central City, Nebr., because it is pertinent and timely:

This column's prime concern, under ordinary circumstances, is with the affairs of central Nebraska. Usually, the affairs of the Nation and of the world are left to those who have a wider field of expression.

Sometimes, however, there is a special occasion on which something needs to be said, and no one else is saying it.

This is one of those occasions.

Calling policemen "cops" in news stories is wrong, according to a letter received by a daily newspaper's editor. The letter writer explains that "cop" is a slang expression and that its use robs the policeman of his dignity. Children, the writer continues, take up the term and then the youngsters grow up having no respect for law and order.

Cartoonist Al Capp has been having trouble over recent episodes in "Lil' Abner." Some readers complained that the public's faith in Congress was being "undermined" when one of Capp's fictitious characters (a make-believe Member of the Senate) was shown as a demagogue and a racketeer.

Movies are under fire for burlesquing businessmen—because to poke fun at any form of private enterprise is "pouring forth Communist propaganda."

Radio is being attacked as "low brow" on grounds that programs are aimed at "the lower levels of intelligence" and have no "uplifting value."

We Americans surely must be sensitive, thin-skinned creatures nowadays. Our dignity and our faith must be awfully fragile, to be so easily cracked. .

Either that or our sense of humor is fleeting.

There has been too much reliance on phony dignity * * * too many attempts to convince the people that ordinary 'mortals become little tin saints, once they're lifted to high places * * * too much effort to teach a lesson through media which should be left to pure entertainment.

After all, you read a newspaper for news, knowledge, and opinion, interestingly presented. You go to the movies or switch on the radio in search of entertainment. If you want a sermon, you go to church, read a religious article or tune in a church-sponsored program.

You know your police officers, lawmakers, and business tycoons pretty well. If they have real dignity, that dignity can withstand kidding. If they do not, no glorification can give it to them.

The do-gooders who are raising most of the fuss now are not really beliviers in democracy.

They are afraid you're such a dope you can't make up your mind for yourself. They want to approve or disapprove what you shall read, or see, or hear, first by improving the quality of newspapers, movies, books, and radio programs, later probably by censorship.

Next, they'll be telling you that you have no right to vote, that they'll have to pick the candidates for you, that they'll have to decide upon your laws.

That's how democracies become dictatorships.

People, as a whole, aren't so dumb.

Most of the troubles of the last 50 years can be traced to wise guys who thought that only they were qualified to solve the people's problems.

The International Workers Order

EXTENSION OF REMARKS
OF
HON. VITO MARCANTONIO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MARCANTONIO. Mr. Speaker, Attorney General Clark's listing of organizations of alleged questioned loyalty denies every element of democratic procedure and fair play. It has all the earmarks of the police state, in violation of the Bill of Rights. The attempt of the Attorney General to question the loyalty of the International Workers Order is a travesty of justice and a blow below the belt against the distinguished record and achievements of this organization. A fraternal insurance organization which provides low-rate insurance and various vital sick and health benefits to the laboring and common people of the United States, the International Workers Order was conspicuous throughout the war as an outstanding war-service organization.

More than 300 of its members died in the service of our country during the war, while close to 8,000 of its members are honorably discharged veterans of World War II.

Approximately 40 members of the International Workers Order distinguished themselves on the field of battle and received commendations for their heroism, ranging from the Distinguished Service Cross and the Distinguished Flying Cross to the Purple Heart.

Throughout the war the IWO placed the victory of our country above everything else and geared all its activities to the mobilization of its membership for the wide variety of home-front services which were essential for victory. During this period it received scores of letters from the White House, the Treasury Department, the War Production Board, the Office of Civilian Defense, the USO, American Red Cross, the Army and Navy, and governors and mayors throughout the country, commending it for its patriotic war activities.

On December 17, 1941, for example, Secretary to the President, M. L. McIntyre, wrote the International Workers Order, declaring that "the President of the United States wishes me to convey his deep appreciation of the patriotic support which you so genuinely pledge."

The Treasury Department on April 1, 1944, commended the IWO for the sale of war bonds and declared:

Your organization is fully entitled to the commendation we are delighted to extend for the cooperation evidenced, in recognition of which we are glad to extend the enclosed Treasury Department citation.

The Fraternal Outlook, official publication of the IWO, was listed by the Treasury Department's Third War Loan Roll of Honor of national magazines. The war record of the IWO and its patriotic contribution to victory is well known and it is officially embodied in the records of our Government agencies.

The IWO has a particularly distinguished record as a champion of the rights of minorities and the foreign-born. It is an organization that is composed of the men and women of the diverse national groups, the Slavs, Italians, Jews, Negroes, and many others that comprise the American Nation and are a source of its greatness and strength; the IWO has enhanced the cultural diversity of our Nation. Most of its members are part of America's laboring force and it is evident that the questioning of the loyalty of the International Workers Order is part of the inexcusable attacks upon the foreign-born, the national minorities, and the American labor movement.

As an organization fighting against discrimination and for the rights of America's national groups, the IWO has made a profound contribution to true Americanism and to the realization of the American ideal that all men are created free and equal.

This aspect of the composition of the IWO is also reflected in its unique relief contributions. Many of the members of the IWO have relatives and kinfolk in Europe. Long before our Government agencies even began to discuss relief for Europe, the members of the International Workers Order began to develop intensive relief campaigns, out of a personal interest in their kinfolk and an abiding interest in American aid to Europe without any political strings attached. The IWO has adopted many children's homes in the various European countries and has contributed literally millions of dollars to virtually all the countries of Europe for the relief and rehabilitation of its war-ravished peoples.

The International Workers Order has proven its loyalty with deeds. Its contributions to the struggle for the betterment of the standards of living of the working people of this country will be long, long remembered after its traducers will have been forgotten.

IWO CHALLENGES CONSTITUTIONALITY OF ATTORNEY GENERAL CLARK'S REPORT—PLANS LEGAL ACTION

(Statement by the officers of the International Workers Order)

Without notice or hearing, without charges or evidence, in violation of the Constitution and elementary democratic procedure, Attorney General Clark took it upon himself to question the loyalty of the International Workers Order. The International Workers Order is initiating the necessary legal action against Mr. Clark's attempt at character assassination.

The 188,000 members of the International Workers Order, Negro and white, of 15 different nationality groups, are outraged by this attack upon a legally constituted fraternal insurance organization to which they and their families have entrusted their insurance protection and their fraternal and cultural welfare.

The International Workers Order is proud of its record of loyalty and patriotism, its war effort and service to the people. We have nothing to apologize for. The membership of the IWO will meet this irresponsible attack and will fight back with every means at its disposal to protect its integrity and security.

The IWO has been in existence for 18 years. It is a fraternal benefit organization, chartered and operating under the insurance laws of the State of New York and licensed to operate in many other States. We have paid out 160,000 claims totaling $11,000,000 in benefits. Our members carry $125,000,000 in insurance.

Due to the devotion of our membership and the nonprofit character of our organization, we have achieved a financial stability and integrity which ranks among the highest of all fraternal insurance organizations, as attested by the official reports, examined and approved by the insurance department.

The character of the IWO is unmistakably embodied in our constitution and bylaws which read, in part:

"The IWO provides sick, disability, and death benefits. It organizes for its members medical aid and other forms of fraternal services. It pledges aid and comfort to its members in case of need.

"The doors of the International Workers Order are open to all regardless of sex, nationality, race, color, creed, or political affiliations.

"As an American organization the International Workers Order accepts responsibility for the defense of the democratic institutions of our country."

Mr. Clark's arbitrary and unconstitutional designation of the IWO as an organization of questionable loyalty is contrary to the facts. The laboring and common people who built this organization to answer their need for low-cost insurance protection and other vital benefits will not be intimidated. In the tradition of our long-standing fight for social security, health insurance, democracy, and the equal rights of all Americans, against Jim Crow, anti-Semitism and discrimination, we shall fight for our rights and resist all attempts on the part of reactionaries to destroy the organizations of the people.

In this we are linked with millions of Americans who, in the spirit of Lincoln, Jefferson, and Roosevelt, are battling today to safeguard their threatened liberties and standard of living.

INTERNATIONAL WORKERS ORDER, INC.,
ROCKWELL KENT, *President*,
VITO MARCANTONIO, *Vice President*,
RUBIN SALTZMAN, *Vice President*,
LOUISE T. PATTERSON, *Vice President*.
JOHN E. MIDDLETON, *Vice President*,
PETER SHIPKA, *Secretary-Treasurer*.

IWO MEMBERS CITED FOR HEROISM BY THE UNITED STATES FORCES

1. Sgt. Max Badovinatz, lodge 4313: Airman's Medal for valor in invasion of Sicily; served in North African Air Force Troop Command.

2. Sgt. Mike Baranick, lodge 1562, Akron, Ohio: Gen. Mark Clark pinned Distinguished Service Cross for heroism in action.

3. Sgt. George G. Belous, lodge 3013, Detroit, Mich.: Soldier's Medal for courage, coolness, and disregard for personal safety.

4. Sgt. Leonard Bernhardt, lodge 503, East Boston: Distinguished Flying Cross, Silver Star, and Air Medal with three Oak Leaf Clusters.

5. Tech. Sgt. John Cichon, lodge 3523, Paterson, N. J.: Distinguished Flying Cross, Air Medal with three Oak Leaf Clusters; completed 50 missions as gunner in Mediterranian theater; cited for courageous service and efficiency in aerial combat.

6. Tech. Sgt. David Cohen, lodge 6, Bronx, N. Y.: Citation from Gen. George C. Kenney, Distinguished Flying Cross; was radioman with Fifth Air Service.

7. Sgt. Joseph Evanovich, lodge 4265, McKeesport, Pa.: Bronze Star for conspicuous gallantry and outstanding achievement in bombing missions.

8. Sgt. John Galanos, lodge 974, Newark, N. J.: Bronze Star for valorous conduct in action in Tunisian campaign.

9. Sgt. Bernard Greenberg, lodge 585, Brooklyn, N. Y.: Air Medal, Silver Cluster; turret gunner; squadron received Presidential citation.

10. Capt. Rubin Iden, lodge 42, Detroit: Killed in bombing action; cited for heroism in bombing Japanese vessels in Gizo Bay (Wake Island area).

11. Charles Krut, lodge 1546, New Haven, Conn.: Cited for splendid attitude and exceptional bravery under fire at Wheeler Field, Hawaii, December 7, 1941.

12. Pfc. John Kovach, lodge 1029, New York City: Silver Star, citation reads: "His courage and bravery, plus an unusual amount of initiative, served as an inspiration, and his gallantry reflects the glorious traditions of the armed forces of the United States."

13. Tech. Sgt. J. Kopko, lodge 897, Newton Falls, Ohio: Air Medal.

14. Sgt. Henry W. Kryzak, lodge 596, St. Paul, Minn.: Air Medal, Good Conduct Medal, four Battle Stars.

15. Lt. Alexander Kramich, lodge 3124, McKees Rock, Pa.: Silver Star for heroism in action on Biak.

16. Paul Mucha, lodge 2130, Carteret, N. J.: Silver Star for gallantry in action at Oahu, Hawaii, December 7, 1941.

17. Tech. Sgt. Victor Minkoff, lodge 3120, New Jersey: Air Medal; was pilot for Wendell Willkie's world flight.

18. Tech. Sgt. Edward Mazer, lodge 160, Pittsburgh, Pa.; Distinguished Flying Cross and three Oak Leaf Clusters.

19. Tech. Sgt. Fred Mirochnick, lodge 127: Air Medal and 8 Oak Leaf Clusters; completed 68 missions over France, Italy, and Yugoslavia.

20. Staff Sgt. John Onyszak, lodge 1566, Hammond, Ind.: Distinguished Service Cross pinned on by Major General Doolittle.

21. Pfc Peter Preslipsky, lodge 1504, West Leechburg, Pa.: Distinguished Service Cross for heroism in France; stopped a column of German Mark IV tanks.

22. Tech. Sgt. Donald Sachs, lodge 500, New York City; United States Air Corp Air Medal, with 3 Oak Leaf Clusters; Distinguished Flying Cross; bombing missions in Europe.

23. Staff Sgt. Arnold Solon, lodge 937, Brooklyn, N. Y.: Bronze Star Medal, citation for meritorious service in action beyond the ordinary * * * heroic achievement in action near San Giorgio, Italy, (he) disregarded danger to himself to aid his company commander, his outstanding performance was a vital factor in taking the objective.

24. Lt. Jerry Trauber, IWO general council member, New York City: Maj. Gen. Clayton Bissel, Intelligence Chief, listed Lieutenant Trauber for patriotic and courageous service.

25. Pfc Daniel Varchol, lodge 3618, Korn Kiest, Pa.: Bronze Star, 5 Battle Stars; his brother was killed at Pearl Harbor.

26. Lt. Harry Woliansky, lodge 1026, Newark, N. J.: Killed in action, posthumously awarded Distinguished Service Cross, Silver Star, and Bronze Star. (Died at Leyte).

27. Capt. Lucien K. Wernick, lodge 141, Los Angeles: Distinguished Flying Cross.

28. Corp. John T. Yaksich, lodge 4360, Detroit, Mich.: Navy Cross for heroism at Guadalcanal.

29. Staff Sgt. Andrew Zacharya, lodge 1041, Stamford, Conn.: Medal for bravery.

The above 29 instances of awards and citations are only those of which we have a record. Many were unreported.

United States and Soviet Industrial Production

EXTENSION OF REMARKS
OF
HON. JACOB K. JAVITS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. JAVITS. Mr. Speaker, the following article from the December 16, 1947, issue of World Report is referred to in my remarks in the RECORD:

SOVIETS' URGENT NEEDS: FUEL, FOOD, PRODUCTION

RUSSIA'S RECOVERY IS FALTERING—THE RUSSIANS CAN SPARE VERY FEW GOODS FOR OTHER COUNTRIES TO OFFSET THE UNITED STATES SUPPLIES PROMISED BY THE MARSHALL PLAN—A MAJOR BLUNDER IN SOVIET PLANNING IS PARTLY TO BLAME

Russia's own urgent needs are an important factor in the Communists' efforts to wreck the Marshall plan in western Europe. Politically, the Kremlin cannot afford to let the Western World outpace Russia too far in recovery.

Soviet propaganda now tells of a bountiful harvest and humming industries. An end of food rationing is being forecast. Emphasis is all on the farms and factories that are surpassing their quotas.

The realities are somewhat different. Russian recovery is moving ahead. But it is slow and uneven. The chart on the opposite page shows how far the Soviet Union has to go.

Industrial output is only about 77 percent of the prewar level.

Food production still is far short of real needs.

Bottlenecks at many points in the Soviet economy are holding back the nation's entire recovery effort. They show up in official statistics and in press reports from Moscow.

Transportation is one of the worst troubles at present. It has fallen short of the goal set for 1947 by the 5-year plan.

Russia's railways now are carrying about one-fourth less freight than they did before the war.

Main railway lines in western Russia will not be fully restored until next year.

War losses of rolling stock were heavy. But production of freight cars is only three-fourths of the 1937 level.

Truck output lags far behind needs.

River shipping is receiving more attention, but wartime losses still have to be made up.

Food still is a problem, despite larger crops this year than last. The grain crop for 1947 is estimated at about 73,000,000 tons. But that still is 21 percent below the prewar average on the same area. It is not nearly enough to allow the Russians as much to eat as they had before the war.

The Soviet Union probably will export some grain in 1948. But it will not be from "surplus." It will come out of the Russian's own food supply.

Russia probably will not solve its food problems for several years. Acute shortages of farm equipment and horses make it hard to increase production fast enough to overtake rapid growth in population.

Steel production in the Soviet Union is lagging behind planned goods. Lack of steel puts a brake on other industries all along the line.

This year's estimated output of steel is one-fourth less than prewar. It is estimated that the Russians have only about half as much steel for armaments and industry as in 1937.

A vast program of expansion will ease the Russian steel shortage in future years. For the present, however, the program itself is taking large quantities of steel for the building of new blast furnaces and mills.

Even with good progress, the Russians cannot offer their neighbors any help in the way of industrial equipment during the lifetime of the Marshall plan.

Oil output is coming back slowly. The Baku field, Russia's major producer, is running into trouble. There are serious shortages of pipe and of drilling machinery. Imports of such equipment from America have not been adequate to meet the need. Now the United States has stopped shipping these things to Russia.

Lack of housing is a drag on the efficiency of Russian labor. Many workers have to spend from 2 to 4 hours a day getting to work and back, because they can't find homes close to their jobs.

The Soviet Government built housing for only 300,000 people in the first half of this year. Population is increasing at five times that rate.

Consumer goods still are painfully scarce in Russia.

Textiles are in short supply. Russia's mills are producing only two-thirds as much cotton cloth per person as in 1937, and three-fourths as much woolen goods. Even in 1937, supplies were inadequate, and now a bigger share goes to the army.

Shoes were produced this year at a rate that would provide one pair only for every other Soviet citizen. Ten years ago, enough were manufactured to give one pair to each person in Russia.

Household articles are scarce and expensive. The small quantities provided by the Government are sold at prices most Russians can't afford.

Only bright spots in the Soviet economy are coal and electric power. Production of both is above prewar levels.

Coal mining was expanded during the war. New mines in the Urals and Siberia helped make up for the loss of those wrecked by the Germans in the Donbas. From now on the eastern mines are to supply a much larger share of Russia's coal.

Most of the Donbas mines now are back in operation, but their output is one-third less than before the war.

Electric power has recovered rapidly in the last year, as the chart shows. If the present rate of increase can be maintained, the goal set by the 5-year plan for 1950 will be reached.

Power plants are being built in the eastern parts of the Soviet Union. Plants in the devastated areas are being restored with equipment taken from occupied countries.

Demand for electric power in Russia is much larger than before the war. The chemical and aluminum industries, both being expanded, are heavy users. Atomic energy projects are likely to bite deeply into the power supply.

Poor planning is partly to blame for the faltering pace of Russia's recovery. Soviet leaders believed capitalism would collapse soon after the end of the war. They reasoned that capitalist countries, to keep their factories going, would make large loans to Russia. So the Russians held their gold, waited for the collapse.

But collapse hasn't come. The chief prophet of capitalist catastrophe, the economist Varga, now finds himself in trouble. He has lost his job as an editor. But the damage is already done. The urgently needed goods Russia might have bought a year or two ago are no longer available. They will be used in the Marshall plan instead.

Russia's battle against the Marshall plan and European recovery will have to be fought with political weapons alone. Russia, for several years, will have no economic weapons comparable to those of the United States.

Fuel Oil Shortage

EXTENSION OF REMARKS

OF

HON. MONROE M. REDDEN

OF NOPTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. REDDEN. Mr. Speaker, during the past 24 hours I have received several telegrams and long-distance calls from leading citizens and officials in my district with respect to the shortage of fuel oil. These telegrams have come from men like C. E. Morgan, mayor of the city of Asheville; Arthur Myles Jones, executive secretary of the Asheville Chamber of Commerce; Don S. Elias, vice president of the Asheville Citizen-Times Co.; John C. Vance, member of the Buncombe County Board of Commissioners. The city manager of Asheville, Pat Burdette, also told me over long-distance phone only about 50 percent of the demands for fuel oil in the city of Asheville is being met, and that while old users of fuel oil had a reasonable supply on hand some of the new consumers had less than 2 weeks' supply.

The situation existing in my district is apparently prevalent throughout North Carolina. In the morning press I see that the mayor of Charlotte, together with a large group of citizens, has wired the President to take some action to relieve this critical condition. Also the Charlotte mayor, H. H. Baxter, has asked petroleum dealers to ration fuel oil and allow only 80 percent of the demands to each customer.

No doubt this critical condition is widespread over the Nation. I hear of it from many Members of Congress, and yet we are told by some of the petroleum dealers that there is no shortage of fuel oil that the shortage is in transportation. If this is true the Government of the United States should immediately call into play every ship, privately or publicly owned, and every means of transportation that is capable of conveying fuel oil until this shortage is relieved. I am advised that some of the American tankers are transporting oil to foreign countries on this very day and that others are being loaded in the docks for that purpose. This is not fair treatment to the people of this country and it should not be tolerated by our Government.

This country has been charitable toward the rest of the world, so much so in fact that our charity is becoming almost as impressive as the widow's mite. All that is mighty fine, but it just does not make good sense for us to ship our products to other lands while our people at home subject themselves to the discomfort and dangers of winter weather.

I appeal to the Members of this House to unite in a common effort to see that fuel is made available at once to the American people.

Case of Mr. Pauley

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. KEATING. Mr. Speaker, reprehensible conduct of those in high places, of which instances are now being almost daily revealed, has reached alarming proportions.

We sorely need a return to the maxim, "Public office is a public trust."

Under leave to extend my remarks, I include an editorial from the Rochester Democrat and Chronicle of Rochester, N. Y., entitled "Case of Mr. Pauley."

CASE OF MR. PAULEY

When Edwin W. Pauley was a candidate for Under Secretary of the Navy last year, vigorous opposition was aroused on the ground that he was interested heavily in the oil business, and that this would inevitably react upon him as an official of the Navy. Walter Lippmann and others argued so eloquently that a Navy official ought to be above the least taint of suspicion that President Truman finally withdrew the nomination.

Now Mr. Pauley turns up as a special assistant to Kenneth C. Royall, Secretary of the Army, and much the same objections that were made to his association with the Navy apply to his assignment in the Army. For he admittedly has been a heavy buyer in wheat and other commodities and held those holdings while the Army was buying similar commodities in connection with the Government program.

Mr. Pauley insists that immediately upon his appointment to his present post he began to liquidate his holdings in food commodities of something less than a million dollars in value, and that he has got rid of all but about 10 percent. He figures he has lost about $100,000 by this process. He denies, and Secretary Royall supports him in this, that he had at any time any knowledge of Government transactions that could have influenced his decisions to buy or sell.

The disclosure that Mr. Pauley was a speculator in the grain market, even though a legitimate one, is particularly unfortunate coming at a time when speculation of this sort has been condemned by many, including Presiden Truman, as a cause of inflation and soaring prices. If there is any difference between this sort of speculation and plain gambling, the distinction is too slight for most persons to see. President Truman in

his blast at this practice in October evidently did not see it.

Whether Mr. Pauley is any better or any worse than others is not the point. Anyone engaged in large scale commodity speculation has no business in an important Government post. Even if it is entirely aboveboard it still stirs suspicion. The Senate committee which has started this investigation is bound to follow through wherever it may lead.

Western Power for More Production

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday December 4), 1947

Mr. MAGNUSON. Mr. President, a former Member of this body, Hon. Mon C. Wallgren, now Governor of my State, made an excellent address on western power for more production at the Western Governors' Conference in Portland, Oreg., December 12 and 13, 1947.

I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

When the western Governors met in Seattle last May, we found agreement on fundamental propositions regarding western resource development and formulated a unanimous declaration of policy. We had come to take common counsel in the face of a threatened drastic curtailment in congressional appropriations for western power, reclamation, and other projects necessary to build up the productive strength of the region and the national economy.

Our deliberations, placed before the Senate Appropriations Committee, and amplified by testimony in persons of several western governors, had far-reaching effect. The Congress and the Nation were made sharply aware that the West has an economic program which can surmount party differences. We hammered home the point that the West is a vital part of the whole economy and a vast potential producer of goods and services to augment the real wealth of the Nation.

It is fair to say that our efforts were instrumental in persuading the Congress to reconsider its heavy-handed cut in the western budget. We obtained a partial restoration of the Federal funds required to enable the work of the West to go forward.

Our meeting today signified that the objectives we seek in common for the West are still to be won. Immediate and urgent problems remain. The people in my State are looking anxiously to the Congress for prompt action on supplemental appropriations to keep the Columbia Basin project from closing down. Many project workers have been separated from pay rolls. Planning of future reclamation work is hedged around with uncertainty. Operating with limited funds and other restrictions imposed by the present Congress, the Bureau of Reclamation is trying to make the best of a difficult situation.

The unwarranted accusation has been made that the Bureau is trying a "squeeze play" on Congress by speeding up its work in the Columbia Basin. Those who make the charge display a dismal lack of perspective and a shocking disregard of urgent needs in the Columbia Basin.

The consequences of congressional failure to approve sufficient funds for reclamation work were clearly drawn at our last Western Governors' Conference. The Congress was fully apprised of the facts. All persons genuinely concerned with western welfare foretold the danger of short-sighted action.

The recent ill-advised maneuver for a congressional investigation of the Reclamation Bureau was repudiated by individuals and groups in the Columbia Valley regardless of political party. Chambers of commerce, veterans' groups, irrigation district representatives and others raised their voices in protest against an attempt to create confusion and to obscure legislative responsibility for the imminent shut-down of the Columbia Basin project.

The Congress can repair the damage done to the West and perform a real national service by quickly getting about the business of arranging the supplemental appropriations required. Departmental estimates are about to be presented to Congress for funds necessary to carry the work through the current fiscal year. I propose that we draw up a resolution at this conference emphasizing the importance of the supplemental funds required for the western States, and that we collectively urge the Congress to act with the least possible delay.

Time is short. Supplemental appropriations must be made even while budgets are being prepared for the next fiscal year. Some months ago I conferred with President Truman concerning the budgetary estimates for western projects. I am confident that the new budget will take particular account of western potentials in meeting the pressing production problems of the Nation.

This leads me to the important subject of hydroelectric power. Since our last conference, the power shortage has been intensified by growing industrial, commercial, and domestic demands. The power pool that serves the Pacific Northwest is being used to capacity, with nothing to spare. The breakdown of a single generator can cause a brown-out in the Pacific Northwest. As far as industrial expansion and new uses for electrical power are concerned, we have already been forced into a sort of rationing process. Established industries have been put on short rations. New industries are being starved out or shut out.

The acute power shortage throughout the Northwest affects the jobs and incomes and the daily living of the 4,000,000 people who live in this region. The Northwest utilities are burning oil to generate power when that oil should be utilized for gasoline, or heating homes, or other more important purposes. The Mountain States Power Co. has written to all of its 44,000 customers, advising them to expect service interruptions this winter because of the demand for power and stating that there will be little relief until the Federal Government completes McNary Dam by 1951.

In Seattle, City Light has raised its rates on home-heating electricity in order to discourage that use of power because of the shortage. New home owners are compelled to burn scarce oil, or to put in coal or wood burners to use antiquated methods of heating in the electrical age. The Puget Sound Power & Light Co. tells its stockholders that the power shortage is critical and requests industrial customers to curtail the use of power between 4 p. m. and 7 p. m. each day.

The shortages we experience in this region point to a crucial problem of national policy regarding power resources. Today power, no less than steel, is a brake on production.

We all agree that production and more production is needed to combat the dangerously growing inflation at home. We agree further that production in tremendous quantities will be needed to make good our commitments in the foreign-aid program.

Production depends upon power. American industry, large and small, absorbs about 60 percent of the total power supply generated in this country.

Between 1940 and 1946 the total production of electrical energy in the United States increased from 188,000,000,000 kilowatt-hours to 275,000,000,000 kilowatt-hours, or 48 percent. The inventory of national resources, made at the President's request to measure our productive ability in meeting needs at home and abroad, indicates that facilities for power production and distribution must be substantially increased. The Federal Power Commission, projecting national power and energy requirements from 1947 to 1952 on the assumption of continuing high levels of employment and production, estimated a potential increase from 275,000,000,000 kilowatt-hours in 1947 to 376,000,000,000 kilowatt-hours in 1952, or 37 percent.

In other words, for continued high-level production through the next 5 years, the Nation's power plant will have to double the capacity available in 1940. More power capacity will have to be added in the next 5 years than was added in the entire war period of 1940–46.

These estimates, made in connection with the Marshall plan studies give us some perspective on the tremendous power demands that will be made by American industry. The West will play a leading role in meeting these demands. The great river systems of the West contain the potentials for rapid and comprehensive expansion of power facilities. President Truman has pointed out that the West will be counted on to perform a large share of the production job ahead, and we are assured of his all-out support for the hydroelectric projects that must be built.

Development of western hydroelectric potentials is a wise and prudent measure to conserve national resources while increasing production. Water power is conserved by use, wasted by nonuse. The more dams we build to generate hydroelectric energy, the less demand will the economy make on nonrenewable sources of energy. It has been calculated for example, that every kilowatt-hour of hydroelectric energy generated is 1 pound of coal saved. Therefore, development of our water resources does double duty in conservation. New energy is provided to drive the wheels of industry and to do work in farm and home, while older sources of energy are conserved for careful economic use.

The private utilities of this country, for the most part, generate their electricity in steam plants using coal or other fuel. Thus a $5,000,000,000, 5-year plant expansion program for private utilities, announced some time ago by the Edison Electric Institute, will put 95 percent of the additional generating facilities in steam plants. Hydroelectric power, based on the great river systems which cross State and even National boundaries, and requiring huge capital investments for development, is predominantly a Federal enterprise.

This fact by itself means that the West will occupy a prominent place in the national program for more production. What we need for ourselves as a Nation, what we can spare to other nations, can be determined wisely only in the light of production potentials offered by the West. Consequently, our insistence that these potentials be developed in a systematic and comprehensive way is based on the broadest considerations of national welfare.

Those who fail to think ahead, who fight the national good by fighting western power

development, do not comprehend the relation between power and industry. Industry depends upon power, but power cannot follow industry. The facilities must be there in advance, ready and waiting to serve. As Secretary Krug emphasized in connection with the Marshall plan studies, electric power cannot be generated and then stockpiled for future use. Facilities must be provided at the power-generating plants, in transmission lines and substations, and in the distribution systems, to meet the maximum total of power requirements that can be expected from all consumers. These facilities must carry reserve capacity for periods of emergency or repair. New capacity must be provided to anticipate new demands. Building power capacity ahead of industry is good management and sound economy.

It took a war to demonstrate forcefully the relation between power capacity and production. Without the power facilities of TVA, Bonneville, and Grand Coulee, and other great Federal hydroelectric projects, how different would have been the outcome. The war brought congressional approval for completion of the power installations at Bonneville and for one-third of the power capacity of Grand Coulee. With that aid the Pacific Northwest returned to the Nation the products of power—aluminum for one-third of the Air Force, plutonium for the atomic bomb, magnesium for incendiaries, chemicals for fertilizers to produce food for the armed services.

As the production machinery of the Nation is geared to the enormous demands of a peacetime world, the materials that make us strong in military power also provide the sinews of industry. The chemical and metal industries that need low-cost power in abundance are growing more rapidly than most other industries in the United States. They utilize the largest block of industrial power in the Nation. In 1939 they took 22 percent of all industrial energy, but by 1946 they took nearly 28 percent. They produce aluminum, magnesium, copper, zinc, alloys for steel, carbide, phosphorus and phosphate fertilizers, ammonia and nitrogen fertilizers, chlorine, caustic soda, plastics, rayon, and they underlie most other industries.

The Pacific Northwest can be a power arsenal for many of these power-using industries, but they go a-begging while one-third of the undeveloped hydropower in the Nation is wasting away to the ocean. The Bonneville Power Administration informs me that at least seven industrial plants cannot be built or expanded in the Northwest at this time because it cannot provide some 200,000 kilowatts of power. These plants, with their probable power demand and employment, are as follows:

	Kilowatts	Jobs
1. To produce phosphorous for chemicals and fertilizers needed to be shipped to Europe to reduce the demand upon American exports of food	25,000	400
2. To produce ammonia for fertilizers needed to produce food on American farms and in Europe	5,000	250
3. To produce carbide and to produce chemicals from carbide	40,000	1,250
4. To produce ferrochrome and ferromanganese to meet the growing needs of industry for alloy steels	25,000	300
5. To produce abrasives for the machine tool industry and to be used in grinding the saws and finishing the wood products made in plants of the Northwest and California, and to produce refractories for the electric furnaces of many industries, especially to help production so badly needed in the oil industry	25,000	600
6. To produce glass for bottles, principally for packaging industrial products	10,000	500
7. To expand aluminum production, needed especially to meet the shortage of steel, and to produce electric wire and cable	75,000	1,000
	205,000	4,300

These seven plants or expansions would have offered over 4,000 jobs directly in local factories and would have created 6,000 or more jobs in service trades. Virtually they have been legislated out of existence by congressional limitations on our power development.

Aluminum is one of our important new industries using large quantities of power, but the aluminum industry cannot plan for expansion without assurance of adequate power supplies for the future.

Aluminum is a strategic metal in the American economy. For our national security it is absolutely essential to have ample aluminum producing and fabricating facilities. Aluminum goes into thousands of industrial uses, and it will help to break production bottlenecks in many lines by replacing steel and copper which are in short supply. Builders of automobiles, houses, ships, and other important goods are turning more and more to aluminum.

Aluminum is a heavy user of power. Every pound of aluminum ingot takes 10 kilowatt-hours and a single reduction plant may use 1,000,000,000 kilowatt-hours or more each year.

As a result of governmental action which broke the monopoly hold on the aluminum industry, the Pacific Northwest today has one-third of the basic producing capacity for competitive production. For this capacity to be fully utilized and for new fabricating plants to be put into operation, more power is needed. The Permanente Metals Corp. is preparing to bring an aluminum foil plant to the Pacific Northwest from Germany. To supply metal for that plant, and to meet other aluminum needs, Permanente should be operating the sixth pot-line at the Spokane aluminum pig plant. No power is available for that pot-line.

The Reynolds reduction plant at Longview, Wash., is closed down at present. That plant cannot reopen because there is no power.

The Aluminum Co. of America cannot expand its operation at Vancouver, Wash. Yet Alcoa recently announced its willingness to build a wire and cable mill to help meet national shortages of electrical conductor—provided it can get more power.

It must be emphasized that power-using industries which spread their products throughout the American economy cannot locate anywhere at will. Large blocks of power at low cost are essential to their operation. In the face of a Nation-wide power shortage and the imperative need to conserve fuels, comprehensive development of western hydroelectric potentials is the necessary alternative to lowered production.

Nature deprived the Northwest of abundant oil, coal, and gas, but gave us the Columbia River. From the abundance of nature we can produce the lowest cost power in the country. The $17.50 wholesale rate for Northwest power will help pay reclamation costs and will repay the Federal power investment—that has been proven by recognized public accountants in financial reports to the Bonneville Power Administration.

Persons in powerful congressional positions who complain about our low power rates and threaten to raise them, in effect complain that we are trying to use efficiently what nature has given us. More important, a rise in Northwest power rates would halt our industrial operations and strike a blow at the national production effort. One mill, one-tenth of a cent increase per kilowatt would probably wipe out the aluminum industry in the Pacific Northwest.

Increased power rates and insufficient power facilities are two sides of the same coin. Holding back the development of one region will not benefit another. There is too much work to be done, too many things to produce. Opportunities must be made available to all.

The problems before us now are far too important to allow for petty bickering and narrow sectional jealousy. The Nation will go forward as the West goes forward. How to make the West go forward is the question we have tried to answer today.

Veterans' Homestead Bill, H. R. 4621

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. McDONOUGH. Mr. Speaker, the veteran of World War II of moderate income and without large financial reserves today is faced with increasing difficulty in the solution of his housing problems. Rents continue beyond his means. Building costs are high. And he is having a hard time getting a loan to purchase or build a home even under the benefits extended through the GI bill of rights.

Today lending institutions are becoming more critical in their loan selections, reducing appraisal values, demanding larger equities and favoring shorter terms. Lenders in the larger cities, despite abundant capital for long-term home loans, are reluctant to extend credit on GI Government-guaranteed loans without at least a 10 percent down payment.

From these facts it is apparent that our veterans who are in the lower-income brackets and do not have cash available for a substantial down payment are unable to benefit under present provisions for Government aid to veterans for the purchase of housing, and something should be done now to remedy this situation.

I have introduced H. R. 4621, a veterans' homestead act, for this purpose. Under the provisions of this bill, the veteran of moderate income will be given an instrumentality for securing low interest-rate money through tax-exempt securities on the veterans' own private enterprise projects.

These projects would construct and purchase housing to be sold to veterans for their own occupancy together with their families and dependents. They would also construct, purchase, maintain, and operate housing to be rented to veterans, and they would make loans to veterans for the purchase of housing.

Under my proposed bill, suitable provisions would be made to prevent speculation in the sale or rental of such housing by purchasers or occupants, and project associations set up under the bill would be limited to make new loans and acquire property for sale or rental only for 10 years from the termination of World War II. After that they would

remain in existence for only such period of time as required to liquidate their affairs.

Our veterans need adequate housing, and many of them are unable to get it under existing veterans' housing aid. We should act now to get housing for the veterans at prices they can afford. I urge the Members of Congress to consider my bill, H. R. 4621, which will provide such housing for our veterans.

College Training Among the White Population

EXTENSION OF REMARKS
OF
HON. OLIN D. JOHNSTON
OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. JOHNSTON of South Carolina. Mr. President, I request unanimous consent to have printed in the Appendix of the RECORD a table based on the Sixteenth Census of the United States, published in 1940. This table shows the relative standing of the States of the Union as to the percentage of white population 25 years of age or over which has completed 4 years of college training.

This report reflects considerable credit on the States of South Carolina and Arizona, which lead the Nation with 7 percent each. I take pride in bringing this information to the notice of the Senate because my State of South Carolina has been frequently and consistently maligned and abused regarding its educational effort and achievement. I take the opportunity to point out here that South Carolina, a State of relatively low per capita wealth and per capita income, devotes a proportionately large share of her resources to elementary and secondary schools and to institutions of higher learning.

We are proud, not ashamed, of our accomplishments. We recognize more clearly than anyone else our limitations and our deficiencies. We are constantly striving to meet the challenge of greater opportunity for all persons to the fullest extent of our capacity.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percent of white population 25 years of age or more which has completed at least 4 years of college, 1940

State	White population 25 years or older	Number which have completed 4 years of college or more	Percent of total
South Carolina	523,457	36,395	7.0
Arizona	221,725	15,579	7.0
California	4,235,722	290,697	6.9
Nevada	64,120	4,369	6.8
Florida	806,890	51,022	6.3
Utah	264,597	16,274	6.2
Colorado	627,954	37,465	6.0
Delaware	137,888	7,869	5.7
New York	8,059,984	454,237	5.6
Washington	1,053,810	58,918	5.6
Massachusetts	2,586,813	141,841	5.5
Oregon	667,988	36,560	5.5
Maryland	891,706	48,227	5.4

Percent of white population 25 years of age or more which has completed at least 4 years of college, 1940—Continued

State	White population 25 years or older	Number which have completed 4 years of college or more	Percent of total
Mississippi	554,878	28,743	5.4
Virginia	1,060,487	56,635	5.3
New Jersey	2,403,836	125,516	5.2
Wyoming	134,778	6,940	5.1
Louisiana	790,171	39,792	5.0
Oklahoma	1,099,950	54,573	5.0
Connecticut	1,012,365	49,443	4.9
Montana	307,207	15,022	4.9
North Carolina	1,229,877	60,611	4.9
Texas	2,936,638	142,646	4.9
New Mexico	231,004	10,895	4.7
Kansas	1,007,902	47,004	4.7
Georgia	1,039,087	47,308	4.6
Illinois	4,585,352	211,510	4.6
Idaho	272,046	12,157	4.5
Ohio	3,904,526	177,544	4.5
Rhode Island	417,849	18,825	4.5
New Hampshire	293,427	12,555	4.3
Pennsylvania	5,365,911	231,174	4.3
Nebraska	741,321	31,844	4.3
Iowa	1,460,845	60,857	4.2
Minnesota	1,588,143	68,833	4.2
Michigan	2,877,993	119,231	4.1
Vermont	204,913	8,384	4.1
Alabama	904,646	36,450	4.0
Missouri	2,109,611	85,309	4.0
Indiana	1,931,387	75,039	3.9
South Dakota	335,151	12,969	3.9
Wisconsin	1,796,004	69,915	3.9
North Dakota	323,833	11,625	3.6
Tennessee	1,225,651	42,891	3.5
West Virginia	866,101	29,629	3.4
Maine	479,389	15,935	3.3
Kentucky	1,316,675	40,444	3.1
Arkansas	730,693	20,339	2.8
United States	67,999,523	3,319,785	4.9

Compiled from data of Sixteenth Census of United States.

Adequate American Merchant Marine and Shipbuilding Industry Indispensable to American Security

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. WOLVERTON. Mr. Speaker, in accordance with the consent given by the House, I am submitting for the benefit of the Members an editorial appearing in the Evening Courier, Camden, N. J., under date of Tuesday, December 16, 1947.

The editorial is entitled "Congress Holds the Key to Future of United States Shipping." This editorial should have the careful and thoughtful consideration of every Member of the House. It emphasizes in a logical and forceful manner one of the most important matters concerning the welfare of our people and the security of our Nation.

The editorial to which I have referred is as follows:

CONGRESS HOLDS THE KEY TO FUTURE OF UNITED STATES SHIPPING

In its recent report to President Truman, his advisory committee on the merchant marine called an adequate merchant fleet and American shipbuilding industry "indispensable to national security."

The committee warned that unless some minimum level is set for our shipping and shipbuilding, "the country will lose that vital nucleus of know-how which is essential to meet emergency or wartime needs."

A minimum force of 60,000 men in the Nation's shipyards, the committee said, is necessary if this know-how is to be retained. But the Shipbuilding Council says that total employment in the yards today, both for merchant and naval construction, is only 90,000 and that with the completion of current commercial building by midsummer it will be down to 50,000, below the President's committee's minimum.

Despite the country's need for modern cargo and passenger ships in quantity if we are to retain a competitive position on the seas with other nations, there are now but 32 new ocean-going merchant vessels of more than 1,000 gross tons on the ways, and only two passenger liners under construction, both already launched and now being outfitted at Alameda, Calif.

American shipbuilding today ranks only seventh in the world, with even France and Italy ahead of us.

The reasons why America must maintain an adequate merchant fleet and shipyard industry are so incontrovertible and have been stated so often that there is no occasion to repeat them here.

Why, then, has construction come to a virtual halt, leaving us only a war-built merchant marine which consists of obsolete and obsolescent vessels with the shipyards threatened by almost total paralysis in the next few months?

The answer lies in the failure of Congress to provide a continuing program of subsidies for construction and operation which make it possible for builders and steamship companies to plan ahead with any assurance of meeting costs or making any profits.

The subsidy question is complex at best. The object of the Merchant Marine Act of 1936, however, was to grant long-term subsidies which would enable American lines and yards to compete with foreign countries where costs are lower. Although the President's committee calls this act "wholly inadequate" it is a sort of Magna Carta of the merchant marine.

But the current Congress, acting counter to its main objective, passed legislation which knocked out the revolving fund on which the whole philosophy of the 1936 act was based, and has limited appropriations so that funds are available only on a year-to-year basis.

In the shipbuilding and ship operating industries, this simply will not work. Construction of any major vessel extends over more than 1 year. Operation must be over a period of years to recoup the original investment. If builders and operators cannot plan with a knowledge of how their Government contracts will read for more than 12 months, they cannot plan at all.

The American Merchant Marine Institute has laid these facts before Congress in a move to have revolving fund appropriations restored at the next session.

In Camden, the Camden United Citizens Committee, which was organized about 2 years ago and was effective in having Congress appropriate the money to finish all naval vessels which were 20 percent or more complete on the ways, will join in the campaign.

The committee will work at Washington and resume its activity on behalf of the merchant marine and the shipyards.

Camden's interest in the campaign is vital and immediate. Restoration of the revolving fund would mean that the New York Shipbuilding Corp. will receive contracts for two of five large passenger-freight liners the President Lines is ready to have built. These 2 ships would provide work for 5,000 men for from 2 to 2½ years.

New York Ship is doing everything in its power to obtain work and hold its working force, but with new contracts at a standstill

because of the subsidy tangle the prospects are dark unless Congress acts. Construction now on the ways will be completed in the next few months. The same situation exists in other yards throughout the country.

Here in Camden we appreciate what the shipbuilding industry means to us locally. Its value to the Nation is even more important.

Congress should make the merchant marine one of its first concerns at the regular session, since there is no time for action before the special session ends.

The revolving fund system of appropriations must be restored as the first step in keeping American ships on the high seas and the American shipbuilding industry alive.

Liquor Advertisements in Magazines and Newspapers

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD the text of an able address by Judge Fred G. Johnson, of Hastings, Nebr., on October 29, 1947, before the Nebraska State convention of the Woman's Christian Temperance Union. Judge Johnson shows why liquor advertisements in magazines and newspapers are not conducive to temperance. I have a bill on this subject before the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies of the State WCTU, in my few remarks to you I shall try to show you some of the evils that stem from liquor advertisements that are carried in local, State, and national magazines, newspapers, and periodicals.

Those of us who are still possessed of a reasonable degree of common sense, decency, and the virtues of sobriety know from observation, without further presentation of evidence, that the glowing, distinctive, misleading, and intriguing advertisements of beer, liquors, and wines in our magazines and newspapers are not conducive to temperance. But, the object and purpose of the whole program is to encourage drinking by adults and minors.

I noticed an item in last night's Tribune that you are especially interested in the Senator CAPPER bill (S. 265), which was introduced in our last session of Congress. This measure is running true to your policies, and I am happy to see you direct special efforts in that direction. If you have a copy of the hearings before the committee on this bill you perhaps have noticed a letter, which Senator CAPPER received, from the Capital District Liquor Stores, Inc., Albany, N. Y., and is printed in full on page 5 of the report. In this letter they say "Although we are engaged in the direct sale of bottled wines and liquors to the consuming public, we are also pledged to the principle of moderation, and after approximately 14 years of repeal, we are completely satisfied that the high-pressure advertising of today is not conducive to temperance. We are further convinced that such advertising is detrimental to the interest of young people whom the law makes every effort to protect by restrictions against the tavern keeper and package store proprietor. • • • We sincerely trust that you will be successful in obtaining passage of this commendable piece-of legislation." The letter is signed by James J. Divine, attorney for the Capital District Liquor Stores, Inc. There really is some consistency in that.

But, when I read a very fine, benevolent, and sympathetic front-page editorial in the largest daily newspaper in the State, written in behalf of the killed and injured and their families who were the victims of a hayrack party and an automobile collision in Douglas County, Nebr., which was caused by the unlawful act of a 19-year-old drunken driver, and in the same issue of this paper, as I turn the pages, I find it is carrying two and one-half times as many squares inches of paid liquor advertisements as it gave the splendid front-page editorial, I said to myself does that make sense? They must know that they are and have been doing wrong and are only trying to appease their conscience. Then they have the affrontery to ask the benevolent public to contribute to a fund to take care of the monetary damages caused by the illegal use of liquor they have been advertising for a price. Such inconsistency would put a whole pack of "wolves in sheep's clothing" to shame. It is still true: "Consistency thou art a jewel," and it is also still true that "The love of money is the root of all evil." And as I tried to sum up in my mind this flagrant inconsistency in this great daily paper I recalled something from Holy Writ about "The Whited Sepulcher" being fair to look upon but full of dead man's bones.

Within the past week a jury in our district court returned a verdict of guilty in a case where the defendant was charged with manslaughter, which was caused by his unlawful act of driving his autotruck past a stop sign onto a highway while he was drunk, right in front of an oncoming car which struck it and one of the men in the car was killed. The deceased left a widow, he had served in World War II, and came home to be killed by a drunken driver of an automobile. The defendant has a wife and five children. From the result of this accident one man is in his grave and one man is on his way to the penitentiary for a term of years. The widow has lost her companion and breadwinner. The mother and five children have lost, for a time, the father and breadwinner for them. That is what liquor will do and is doing every day in the year all over the country, and yet our great dailies, magazines, and periodicals think they should share in the profits by carrying the glamorous, misleading, and intriguing advertisements of the brewers and distillers. Therefore, I say that if they are to share in the profits from this deadly product why shouldn't they with the brewers and distillers pay for the damages, deaths, and injuries caused by it? But they say "no" the people by their vote legalized the manufacture and sale of liquor. Will have more to say about that later.

As youth advances from their early teen ages toward their majority they look more and more to adults as their example in the approaching way of adult life, and also as to what the adults do for distinction and pleasure. They are anxious to grow up. Therefore, when youth reads the highly colored and glowing advertisements of various brands of liquor which are so beautifully and attractively played up to the general public in our national magazines really glorifying the use of beer, liquor, and wines, what more can you expect than that the young people in their late teens will want to try them? And will be tempted beyond their power of resistance, under certain conditions, to in some way obtain those highly advertised brands of intoxicating drinks. The Calvert Liquor Co. put out advertisements carrying the picture of some distinguished looking business or professional man, and tell why he turned to Calvert. Doesn't the average young man, before he is 21 years of age, have the ambition to be a distinguished business or professional man? Then why isn't it very natural for him to want to do the things the adult distinguished business or professional man does? None of the beer, liquor, or wine advertisements I ever saw say it is unlawful for anyone under 21 years of age to purchase or use these very fine products that are so very beneficial to adults.

Newspapers, and especially metropolitan dailies, often boast of their ability to influence the shaping of public opinion, and they can well do so, for they do have a very large part in that very thing. And they could do a world of good if they would turn their powerful influence in the right direction, and since they do boast of their powerful influence on public opinion how can they shirk their responsibilities for the death, injuries, and damages caused by a drunken driver who undoubtedly purchased the liquor, that caused the unfortunate accident, right in the city where their paper has the largest circulation? The magazines, newspapers, and periodicals of America have had their part in so publicizing the deceitful, intriguing and misleading merits of beer, liquor, and wines until now America is recognized the world over as the drunkenest Nation in the whole world. What a reputation. The shaping of public opinion by the newspapers is not only done through their editorial page, or even through front-page editorials, the likes of which I have referred to, but to a very large extent through the advertisements they carry. From my observation for the past three score years, I believe that there are more people of the more easily influenced class, read more of the advertisements than they do, the editorials.

Every person who takes a drink of liquor that puts as much as 5 percent alcohol in his blood and then takes the wheel of an automobile and drives it, is a potential killer until that alcohol is eliminated from his blood, and any paper or magazine carrying an advertisement, that has in any way encouraged this person to drink, is an accessory, morally if not legally, to the crime, if and when the drunken driver kills or injures another.

The commercialized liquor interests years ago undertook to make this Nation "liquor conscious," to use their own words. The following are some of their brazen and disgraceful slogans:

"Teach American women how to drink."

"Invite and welcome them to your barrooms."

"Show young people how to enjoy the delightful wines of America."

The two following are the most dangerous of all:

"Train your publicity to catch the eye and develop the interest of the young generation."

"Make youth liquor conscious—make it smart to drink wines."

I have before me eight full pages of liquor advertisements—seven of them highly colored—the other one is a large colored porter serving liquor. These eight full pages were taken from last week's issue of Newsweek, every one of them designed, and purposely so, "to catch the eye and develop the interest of the young generation" and to "make it smart to drink wines and liquors.

By chance I am a subscriber to Newsweek, that is, I took a chance last December and subscribed for it without seeing a late copy of the magazine. Recently they have been writing me to renew my subscription for another year. So, the other day, I wrote them a letter. I will only quote one paragraph, to wit: "If I had seen a late copy of your magazine last December before I subscribed for it I never would have subscribed. The main purpose of this letter is to urge you

to eliminate all liquor advertisements from your magazine, and the second purpose is to notify you that I am not renewing my subscription until they are eliminated."

Last July three "wolves" in men's clothing liquored themselves up one night, got into an automobile and drove around in the city of Hastings seeking whom they might devour. They accosted three girls in their early teen age, and asked them to take a ride, the girls very foolishly accepted, and they were taken for a ride out in the country for immoral purposes. These men ranged in ages from 21 to 24; two of them were married and had infant children. I haven't time to give you all the details, but the men were apprehended and brought before me for trial. They all plead guilty. One of them was fined $200 and costs, another one was fined $400 and costs, and the other one is now in the Adams County jail serving a term of 6 months, plus the penalty of a $500 fine and costs. These were maximum penalties according to the variations of the offenses actually committed. I am only sorry that the law does not give us more power in such cases.

It is a shame and a disgrace and also an insult to our intelligence to permit this vicious thing that aids and abets so much immorality, lewdness, and vice among our young people to exist. It is also an awful reflection on the moral standards of the personnel of the publications who carry these advertisements and had their part in the sale of more than $8,000,000,000 worth of liquor in the United States of America in 1946, and I am sure no less for this year, and the question then arises in the minds of many of us, how far will they go for a price, if they are willing for a price, to go as far as they have in having a part in destroying the character and demoralizing the youth of today who are to be the citizens of this country tomorrow?

If these publications are so good at shaping public opinion why don't they turn around and do the things that will build good character in youth, and also encourage the development of more wholesome industries to make food products from new and old crops? All the money that is now being used in brewing and distilling intoxicating drinks could soon be converted into channels for building and operating food industries for wholesome life-giving products, and the $8,000,000,000 now spent for intoxicants could be spent for food for hungry wives and children all over the world. And there would be no loss for labor either.

Last March four boys were brought before me for stealing automobiles for joy rides, abusing the autos, and then abandoning them. One had been damaged to the extent of $95 and another up to $165. The boys ranged in ages from 12 years to 19 years. The 19-year-old boy had a bad record previous to this and he was also an A. W. O. L. from the Army. I had to send him to jail for 6 months. I paroled two of the boys to their parents for a while, but later had to send them to Kearney State Industrial School for Boys. The little 12-year-old boy I had to commit to the Kearney institute at once, for his own protection. He was a nice little boy, but (poor boy) his dad was a hard drinker and was in Guam working for a large construction company, doing construction work for the Federal Government, and no provision had been made by the Government for partial payment of the father's salary to the mother for the support of her six children, consequently she received none, and it necessitated her working 7 days a week, away from home, to earn enough money to support herself and the children, which she could do, but she could not be at home and be the kind of a mother the children so much needed, as they ranged in ages from 4 to 14 years. This little boy didn't drink, but the other three boys admitted that they always drank a half pint of whisky before they went on these escapades. I am now taking up this matter of dividing that father's salary and others like him who are working for the Federal Government off the continent, or even on the continent, with our United States Senators, and asking for a Federal law providing that from one-half to three-fourths of the father's salary (which in this case is about $400 per month) be paid to the wife and mother at home for the support of the family, so the mother can be at home with the children.

The only liquor advertisement I ever saw that wasn't too designing and did carry quite a measure of truth with it, was this one: "Once our customer, always our customer." And that is about right, for when youth once begins to use their product they continue to, and the liquor interests know that to be a fact, so, they put out deceitful, misleading statements in their advertising, advising all who drink their products to pay their bills first, not to spend their grocery money for liquor, but learn to drink moderately and sensibly. They know too well that the stuff is concocted with that "come on" thirsty element in it which causes the average person who takes his first drink to soon develop a habit for the excessive use of it, and if that were not true they could never sell enough of it to pay for their highly colored advertisements.

I know of no better, or more essential work for you ladies of the W. C. T. U. to undertake, for the protection of society and youth, and to prevent juvenile delinquency, than to do everything in your power to put advertisements of beer, liquors, and wines, and cigarettes, too, out of our magazines, newspapers, and periodicals, and off the radio and billboards. To read the billboards along the highway as they advertise cigarettes, how beneficial they are to the throat, how refreshing and all, you might think you were coming to a cough-sirup factory, and every one of them is false.

The dispensers of these products think they have a legalized product to sell and that they can advertise it as they please, but, just let us see what the jurisprudence throughout this Nation, including the Supreme Court of the United States, has to say on the law of sales. These are the rules drawn from that jurisprudence:

1. No vendor shall make statements recklessly.

2. He shall not make any false, misleading, or deceptive statements.

3. He shall not create any false or misleading impressions.

4. He shall not tell only a half truth, which, the law says, is the equivalent of concealing the other half.

5. And listen carefully to this one: No vendor shall fail to disclose any known or lurking danger in the use or misuse of the article offered.

Did you ever see any advertisement of beer, liquor, or wines that disclosed the "lurking danger" in the use of them?

Then there is another part of the law for him to obey: He shall communicate his superior knowledge about the article to those with less means of knowledge than himself. Can youth know or be apprised of the dangers from what is contained in these highly colored advertisements glorifying and glamorizing the use of all kinds of intoxicating drinks?

Why do we license the sale of beer, liquor, and wines? It is because we know it is an evil within itself, and there is "lurking danger" in all of them. But, it seems that the American people, especially at the present time, will let you do anything—if you will pay the price—to lower their taxes (or promise you they will)—and educate their children. Such nonsense. Have you noticed any lowering of taxes since the Federal Government, the State, and the cities have been receiving liquor and beer licenses? Haven't you heard the recent cry for money on which to run our schools? We had far more money, accordingly (at least you didn't hear so much hue and cry for it) to run our schools during prohibition than we have ever had under high license. It is the love of money that is at the root of this evil.

"It is as bad as murder or worse." This is a statement made with reference to the drunken driver's part in the hayrack automobile collision at Omaha the night of October 11, 1947, and is included in a rather exhaustive article appearing in the magazine section of the World-Herald, on that accident, in which the writer seems to blame everybody, especially the courts, police officers and the juries for the death, injuries and damages done. He entirely overlooked putting any of the blame or responsibility on liquor itself and the manufacturers of it, which was the basic cause of the whole thing. However, he did mention, and I quote "Perhaps the sellers should be made responsible for the action of minors under the influence of illegally purchased intoxicants." And I would add to that adults also, and then, how about what is called legally purchased liquors, aren't they just as deadly and dangerous in an adult or minor as illegally purchased intoxicants? And, how about linking up the responsibility with the manufacturer and those who aid and abet the selling which would include the newspapers and magazines carrying the liquor advertisements. If they don't aid the selling do you think the liquor seller or manufacturer would advertise?

As long as we are going to permit the selling of liquor at all, I think it would be a smart thing to enact a Federal law to the effect that whosoever sells intoxicating drinks to anyone causing death, injury, or damages to another person shall reimburse the one damaged in property or injured, and shall contribute a sum of $10,000 to the heirs of each deceased person. Provided that, if the individual seller cannot be apprehended and identified within 10 days from the date of the accident, then, and in that event, all retail and wholesale vendors of liquor, together with the newspaper or papers carrying liquor advertisements published in the city, town, or village nearest to the scene of the accident shall be liable for their equal proportionate share of said damages, for property and injuries to the person or persons and the $10,000 to the heirs of each and every deceased person killed in the accident or died subsequent thereto from fatal injuries received therefrom. Then put enough teeth in the law to make it effective and enforceable.

Ladies of the WCTU, in my closing remarks may I admonish you to watch your politics, and never be led astray again by flowery words of oratory and false promises that your taxes will be lower and no more bootlegging if you would just repeal the eighteenth amendment to our Federal Constitution. Now none of you, or anyone else of the common electorate voted direct for that repeal, but someone (and many of them) did vote for the wettest President and the wettest Congress in 1932, that the Nation ever had, and before that Congress was fully organized, a bill was introduced to repeal the eighteenth amendment. It was quickly passed and very soon thereafter ratified by the legislatures of 36 of the States of our Union, which were filled with wet members and some who honestly, or thought they honestly believed, that prohibition wouldn't work. It has never been given a fair trial. In 1934, in Nebraska, we elected the wettest Governor I have ever known, and a legislature, a majority of which was just like him. That legislature did put laws on our statute books for the sale of liquors, wines, and beer, which I think are more harmful to us than the old-fashioned saloon, which the Lord only knows was bad enough, but it didn't make so many drunk-

ards out of women. There was no mandate from the people authorizing that legislature to enact our present liquor laws, and neither you nor I voted for those laws. So, from now on out, I urge you to watch your vote when you are electing men for the high offices in State, Nation, and cities too.

I am of the opinion, which is formed by reason of direct contact, experience, and observation, that our Government, local, State, and national can be and is a tremendous force in the development or the destruction of character in youth and adults, and at the present time is severely to blame for much of the juvenile delinquency that is prevalent in the land today. For it is common knowledge and a common saying among people who have given the subject any thought at all, that character and morals throughout the Nation, in high and low places, are 100 percent lower than they were 15 years ago. But you say, such conditions always follow war. That is true. But nevertheless, let me tell you that politics has more influence on society and war than does your churches and schools. Your churches and schools didn't get you into the war and were not strong enough to keep you out, neither did they develop this terrible beer and liquor-drinking habit and all the associated evils that go with it, which has utterly demoralized millions of what were fine young men and women who are to be the fathers and mothers of the oncoming generation. And our National Capital city, Washington, D. C., now has the reputation of consuming more liquor, per capita, than any other city in the United States, or that might mean the world, since we are known as the drunkenest nation in the world.

How about prohibition not working? Did you know that there are 10 thou shalt nots in the Ten Commandments, and they are used three times in the first commandment, and they are the first words in seven of the commandments? The Ten Commandments were given by God, they were spake by God. They have been broken and nullified many times; but they have never been modified or amended or repealed. Let us continue to make them and the principles they teach the controlling factor in our way of life.

The Postal Service

EXTENSION OF REMARKS

OF

HON. WAT ARNOLD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. ARNOLD. Mr. Speaker, under leave to extend my remarks, I wish to include an article appearing in the Wall Street Journal of December 16 on the all-important and much discussed question of the Post Office Department running in the red. This Department of our Government is a big business and, because it is so vital to everyone in these United States, it deserves the cooperation of the Postmaster General, the Congress, and every individual whom it serves, if it is to continue to operate efficiently, and get out of the red:

POST OFFICE, DEEP IN THE RED, HEARS PLAINTS OF SLOWING SERVICE—SO CONGRESS PONDERS VOTING FUNDS, HIKING POSTAGE OR SPURRING EFFICIENCY—CRUCIAL TO MANY BUSINESSES

The Government's 172-year-old venture in big business, the postal system, is deeper in the red than ever before—and some private businessmen contend it's growing a bit senile in its service.

Hardly a company in the Nation can be independent of the mailman. Some—mail-order firms, publishers, direct-mail advertisers—spend millions at the stamp counter, and most think they pretty well get their money's worth. Quirks are noticed nowadays, though. A special-delivery letter often takes longer than an ordinary 3-cent letter. Service may be faster cross-continent or even cross-ocean than locally. Bankers and manufacturers and ad men talk of money lost through mail delays.

Within a few weeks the Post Office Department will reveal that during fiscal 1947 it took in about $1,304,000,000, and spent $263,000,000 more than that. This red sea will drown the mere $148,000,000 loss of last year. And the deficit may get bigger before it shrinks. Some experts on Capitol Hill think Congress next session may well grant $200,000,000 or so in wage hikes to postal workers.

The new Postmaster General, Jesse Donaldson, who after 44 years in the service should know what he's talking about, says the Post Office has been buffeted by storms beyond its control. For instance, this year and the next, many thousands of experienced clerks and carriers hired during the war are being turned out under legislation to make room for new civil-service workers who must learn their jobs. Before the war Congressmen would not appropriate for new trucks, he says, and now that they are willing to do so the trucks can't be bought fast enough—and 66 percent of the Department's vehicles are over 15 years of age.

UP TO CONGRESS

Congress must make some decisions.

It can appropriate the taxpayers' money. The House Appropriations Committee is holding hearings right now on that.

It can boost postage rates—a move of great consequence to business. A bill to do that is stalled for the moment in the House Rules Committee. And the House Post Office Committee is studying the matter afresh; it's talking of tossing the hot-potato responsibility of changing rates to the Post Office Department (which has always been chary about even recommending postage changes) or to an independent agency.

It can try to "modernize" and perhaps mechanize the postal operations. The savings might drive down the deficit. Postmaster General Donaldson, who's hearing a lot of talk about this, says skeptically that he's willing to do it if anybody steps up to show him how.

His department is trying out some new things. Early next year 1,500 stamp vending machines will replace window-work in many post office lobbies. Mechanized money orders, with punch cards and business machines replacing laborious hand work, are being investigated. Big post offices already use conveyors, chutes, and contraptions called omnidenominator machines for rapid parcel post stamping. But Mr. Donaldson doubts any robot will ever displace the manpower which must sort and re-sort the mail repeatedly as it moves toward its destination. In a year this sorting operation is performed over 100,000,000,000 times.

About 1,800 special postal trucks are on order from International Harvester to be paid from a $3,500,000 appropriation of 1947. Mr. Donaldson counts on spending $4,500,000 in 1948, $4,400,000 in 1949, and more in 1950 and 1951, to modernize the truck fleet and cut repair costs.

MORE IDEAS

The House Post Office Committee is bubbling with ideas it thinks might cut costs. It's studying the idea of using trucks instead of trains for much intercity mail movement. It suggests the laborious name signing and record keeping involved in special delivery is a waste; rarely are records used. It talks of halving the 2 percent interest rate on the $3,300,000,000 now cached in postal-savings deposits. It is studying consolidation of small post offices and reorganization of the postal service along regional instead of centralized national lines. It thinks perhaps a research and development division should be set up in the Department.

And it is taking testimony on the idea that the Nation's air lines should be subsidized openly and directly, if at all, rather than through air-mail payments exceeding transport service rendered. That, incidentally, would be fine with Postmaster General Donaldson. By his figuring, the Post Office lost $20,000,000 on air mail in the fiscal year ended last June—and that's counting roughly only airport-to-airport costs, not the costs of gathering and distributing at either end. Under present law the Civil Aeronautics Board is supposed to set air-line mail payments high enough to keep a well-managed line in good financial shape. The railroads, in contrast, get only what the Interstate Commerce Commission thinks is "fair and reasonable" for work performed.

Other cost-accounting practices employed by the Post Office are hotly debated by big mail users.

When the Department's 1947 figures come out, they will assert a profit of about $133,000,000 on first class mail, even including the unprofitable penny postcard. But they'll allege a $160,300,000 or so loss on second-class mail, which includes magazines and newspapers. They'll claim a $74,000,000 loss on third-class traffic, which is largely advertising matter, including circulars and small catalogs. They'll report a $48,500,000 loss on fourth-class, composed of parcel post, books, and large catalogs. There'll be other losses, including free Government mailings. All these figures are still subject to change by the General Accounting Office.

Many publishers and other mail users say the figures are meaningless, arguing they've been obtained by inadequate sampling and unfair apportionment of costs. But they may become the basis for a new effort to raise rates, nevertheless. On the basis of 1946 figures the bill now in the Rules Committee was drafted—with hikes in most all kinds of mail except regular first class. Business is a heavy user of all classes—including first. Even the "poor man's letter"—the Government penny postcard—is now being sold at the rate of two and a half billion per year, and about 90 percent of its use is by business institutions.

THE MINORITY REPORT

Business firms' plaints against present postal service are far from universal, but perhaps are a vigorous enough minority report to deserve attention.

In San Francisco the Atlas Imperial Diesel Engine Co. says mail service is worse this year than last, and last year was pretty bad. Deliveries don't make sense—airmail usually takes a day longer from San Francisco to Seattle than from Seattle to San Francisco. A letter can often move to New York more rapidly than to nearby California plants in Fullerton and Ontario.

The Federal Reserve Bank of Chicago has switched to air express for moving canceled checks and other vital bulk shipments to New York, because the mails proved too slow. And R. L. Polk Co., one of the Nation's largest direct-mail advertising houses, reports anticipation time has been extended to 15 days compared with 10 before the war. "Anticipation time" is the lapse expected before getting returns on first mailings; the growing lag can't be entirely explained by slower answering of letters.

Cleveland's White Motor notes a slow-down in air mail and Thompson Products reports increasing tardiness in special delivery. A special-delivery stamp almost guarantees slower delivery in much of downtown New

York, because the latter is held back for a special messenger.

The Bank of California's branch in Portland, Oreg., regularly sends mail on a train which arrives in Seattle around midnight. For the past 2 months it has not been sorted in Seattle until afternoon.

The New York Herald Tribune contends unjustified delay in handling its copies in and around New York is causing subscription cancellations. Papers mailed Friday often arrive, somewhat stale, on Monday. News magazines, with an equally perishable product, are alarmed. A special Time-Life committee is trying to crack the problem—especially delays in entering New England.

DETROIT'S INVESTIGATION

For 6 months the Detroit Board of Commerce has been getting so many complaints that it has launched quite a probe. Results of test mailings to and from all parts of the land have been tabulated on 20 ledger sheets—with Washington, D. C., showing the blackest record. A letter posted a block from the United States Chamber of Commerce, in the heart of the Capital was postmarked after 13 hours' delay and delivered in Detroit precisely 4 days later.

Similar test mailings by the Wall Street Journal—before the Christmas rush began—indicated the average letter moves pretty speedily—but you can't count on it.

Staff members dumped scores of letters into boxes from coast to coast, and most were delivered promptly. But quirks like these turned up:

An air-mail letter from Santa Monica to San Francisco should arrive overnight—but the test dispatch took 4 days and 5 nights. It traveled via Honolulu. Postal authorities say it evidently was tossed in the wrong pouch at Los Angeles municipal airport. (This mildly recalls the case of a New York finance company, which 2 weeks ago got back a letter it had mailed in January to its branch on Long Island. It had been to Poland.)

Not that Honolulu service is bad. A test letter traveling the 2,095 miles from Hawaii to San Francisco arrived in less time than one trying to make the 20 miles between San Francisco and San Mateo.

On two successive days at 11:59 a. m., a courier dropped a variety of letters in a box at the corner of Wall Street and Broadway, New York, where pick-up is scheduled at noon. On the second day, it was observed that actual pick-up was 35 minutes late. Perhaps it was no prompter on the first, for postmarks at such points as Chicago, Cleveland, and Los Angeles indicated handling of regular 3-cent letters in the New York post office came at 3:30 p. m. Special delivery and air-mail letters were handled even later—at 5 o'clock.

SPECIALLY SLOW

The 13 cents you spend on a special delivery stamp seems no guaranty of delivery posthaste. By congressional fiat special deliveries have been shifted to regular salaried postal employees. They used to be handled by individuals who hustled to earn fees based on the number of letters delivered. When special delivery and ordinary letters were mailed simultaneously in the Wall Street Journal test the one entitled to special, and presumably faster, handling came 15 minutes later to Detroit than did the 3-center.

In the race to Chicago, an ordinary letter broke the tape 22 minutes ahead of the special on the first day and the gap was widened to 53 minutes on the second trial. To Cleveland, the super-charge stamp meant arrival 1½ hours later. To Philadelphia, the special came specially late—2 hours and 20 minutes after the ordinary dispatch.

Lots of businessmen are skittish about criticizing postal service—and some who are most critical are unwilling to be quoted.

"Just what we don't need now is a lot of fuss about Post Office Department inefficiency," said the spokesman for one of Chicago's mail-order houses. "The next thing you know mail rates will be increased all across the board, if you talk of postal inefficiency."

This individual reported his firm has been making constant checks on the speed of mail since the middle 1930's and except for rare cases when something goes wrong, mail time has not varied a whit.

The head of the mailing department of a big retailer, on an absolutely don't-mention-our-name basis, makes this comment:

"We have observed a noticeable deterioration in the postal service, particularly in the last year. Third-class mail (printed matter and packages under a half pound) is the worst—it's off 2 to 3 days from prewar for any distance. Parcel post is now averaging a 24-hour delay from normal, and a slight delay is also evident for first class, air mail and special delivery.

RISE OF THE POST OFFICE

The Nation's postal service is older than the United States Constitution, having been set up by the Continental Congress in 1775. In mid 1941 the Post Office Department had 360,000 employees. Now the number is about 462,000. Wages in the prewar year were $630,500,000—now they are almost doubled, about $1,193,900,000 for 1947.

But laments come from city postmasters and superintendents around the country. In Los Angeles the word is that, "We're starting to use helicopters for intercity service, but we've still got mail trucks left from the 1920's." In Pittsburgh the complaint is of a mass turn-over of manpower. In Portland one-third of the workers are still termed temporary, and then there's that night train from Seattle that stops for every milk can along the route. Chicago's postmaster points to the increasing volume of mail—parcel post has felt the biggest rise in the Windy City, 42 percent above last year.

Laudatory remarks about the mailman are not difficult to glean. They come from retailers like Filene's in Boston, from manufacturers like Koppers Co. and Republic Steel, and from transport companies like the Chesapeake and Ohio. A spokesman for the National Council on Business Mail says: "No branch of Government gives better service to more people than the post office. We occasionally get complaints, but usually the trouble turns out to be the mailer's fault."

A SHAKY SALES TALK

An indignant minority talks of embarrassment and financial loss. A large Pennsylvania advertising agency ("No names, please") is feeling shaky about its own sales talk. "We try to convince prospective out-of-town clients it makes little difference for us to be in another city with the good postal and telephone service. When mail to nearby cities is delayed 2 or 3 days, it makes us look bad."

A Detroit manufacturer sends out about 400 parcel post shipments of drill job bushings—and about 20 percent run into postal trouble. "We'll send out a replacement bushing to one of our customers. About 4 months later we get it back. In that time it has visited 5 or 6 cities—and the post office just explains that the little cloth bags in which we pack our bushings stick to the mail bags. All this costs our customers more than it costs us—they may have their machines down for 3 weeks."

A Philadelphia manufacturer has shifted to railway express because his glass products suffered increasing breakage despite proper packing and plenty of "fragile" markings.

One of New York's biggest banks says delays cause financial loss to its customers. Incoming mail carries checks which are to be credited to the accounts of customers after going through the clearinghouse. But currently customers often have to borrow and pay interest to complete a transaction which was to have depended on an expected check.

The Biddle Purchasing Co., New York, which handles about 10,000 letters daily, has been "forced to the expensive expedient of dictating over the phone or using teletype for ordinary letter information."

Questions in the Minds of the People

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. MAGNUSON. Mr. President, following the first session of the Congress this year, I spent as much time as possible in the State of Washington, taking advantage of each opportunity to discuss current problems with people from every walk of life. Among those discussions was one which stands out in my memory. It occurred when I had the pleasure of meeting with the congregation of the First Baptist Church in Seattle, Wash., early in November, and answering as best I could the questions most disturbing to those in attendance. Their questions were written, and because I was struck by this revealing sample of public expression, I request that they be printed in the Appendix. Some Members of the Senate who were on official business abroad may not have had similar occasion to sound out sentiment at home. I commend these inquiries to their attention.

There being no objection, the inquiries were ordered to be printed in the RECORD, as follows:

There is so little the people can do, it seems to me. What can we do to help our Representatives and Senators in Congress? Do letters and wires from the people help you?

There must be a sort of great power in order to maintain order.

Do you think Wallgren will be Truman's running mate for 1948?

Will the Marshall plan generate a division of the world into two armed camps?

Would America be willing to give up some sovereignty to really have peace in the world? We will pay for war; will we pay the price of peace?

Has there been any plan to supervise the distribution of the supplies sent to Europe so they can go to the needy people and at the same time make them understand we do not want to tell them what their political affiliation should be?

Don't you think arming Turkey and Greece is the first step to war?

Because of the increasing seriousness of world affairs, will the bipartisan foreign policy be more united?

On the basis of the report of the committee of Protestant ministers visiting Yugoslavia (that religious freedom had been increased over prewar conditions), do you feel that the thesis that Russia is unalterably opposed to Christianity is correct?

Do you feel there is any hope for the FEPC bill in the light of UN criticism of our racial discrimination, the Civil Rights Committee Report, and the interest in minority rights for people in foreign countries?

Do you think we will have to pay income tax by being in the service?

How can we spread our moral influence in the world?

What is your view on FEPC?

How about Greece? How do you feel about what has been done there?

How can the 70,000,000 Christians help politically to world peace?

What is your opinion regarding the world government as proposed by Einstein and the committee of scientists? Is it possible now? It is probable now.

Will the Marshall plan enforce the UNO?

Assuming that our internal and international affairs are tied to the Congress and the left-right split in public opinion, which of these sides do you fear most in our battle for economic and international security?

What do you feel is a reliable source of information for news, political and otherwise?

Please discuss the probability of passing of a universal military training law.

Do you think it is possible to make the United Nations succeed with the continued obstructionist acts of Russia?

When the four major groups within the United States—namely the educational, agricultural, labor, and church groups—have gone on record opposing universal military training, how can the military interests be justified in spending the public's money propagandizing for it?

Do you think the plan of armament is a "peace sign" to other nations?

Will socialized medicine be discussed at the coming session of Congress?

How can we stop the papers in their attitude on war?

What plan would you suggest to best get the 70,000,000 church people of all denominations to work together for the peace of the world?

New Hope for DP's

EXTENSION OF REMARKS

OF

HON. HARLEY M. KILGORE

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. KILGORE. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an editorial entitled "New Hope for DP's," from the Wheeling News-Register of December 17 last.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW HOPE FOR DP'S

The plight of Europe's displaced persons has at last attracted the attention of some Americans who are in a position to help relieve it. Two influential Republican Senators, Mr. TAFT, of Ohio, and Mr. SMITH, of New Jersey, have urged that the Government take immediate steps to admit its share of the homeless unfortunates. And farm groups in the Middle West have begun surveys to see what homes and jobs might be available for them.

Why the sudden flurry of interest is not known. The essential facts of the displaced-persons problem have not changed in a year or more. Maybe it is just coincidence. Or perhaps the practical as well as humanitarian aspect of the problem are only now becoming apparent. But whatever the reason, the interest is encouraging.

Senator SMITH, recently returned from a trip to Europe, thinks that this country should admit a reasonable number of displaced Europeans immediately, outside the immigration system. Senator TAFT, who also calls for immediate action, would admit America's share under quotas now unfilled because of the wartime halt of immigration.

There are about 800,000 persons, Mr. SMITH explains, who cannot be resettled. These are the last remnants of the 8,000,000 uprooted by the European war. Driven from countries now dominated by Communists, the 800,000 will not go back home for fear of persecution.

Almost all of them are in the American, British, and French zones of Germany—about 530,000 in the American zone alone. They cannot be left there because, as Mr. Smith says, "the German economy cannot support them and, of course, the United States Army cannot support them indefinitely."

All this has been argued before. But now, all of a sudden, the arguments are being listened to. One reason for the Middle West's interest undoubtedly is the serious decline in our farm population. More than 2,000,000 persons who left our rural areas during the war did not come back when it was over.

With aid to Europe shaping up, American farmers have a big job ahead of them, and they know it. It is not a pleasant job to face when they are short-handed. So the move to bring displaced persons to this country and find work for them is more than an act of charity.

The great majority of these DP's are from the Baltic and Slavic countries. Thousands from those same countries came to America in the last 75 years and settled in the Middle West. They became good farmers and good Americans. There is no reason to believe that their unhappy, uprooted countrymen of today might not do as well.

But before they are given that chance two things must be done: Congress must pass legislation allowing them to enter; and, in fairness to all concerned, there must be a plan for absorbing them gradually—places for them to go which provide comfort, independence, and a chance to do useful work.

With the Senate leader and one of his able colleagues interested in the first step, and farm, labor, and church leaders working on the second, it finally seems that something is going to be done.

Restrictive, Monopolistic, and Racketeering Practices in Housing

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. GWINN of New York. Mr. Speaker, the work of the subcommittee appointed by the Education and Labor Committee to investigate restrictive, monopolistic, and racketeering practices affecting the scarcity and the high cost of housing was interrupted by the special session.

The subcommittee's hearings in the cities of Washington, D. C., New York, and Chicago have uncovered facts, however, that require its chairman to make a statement for the record before the session closes.

While some 80 witnesses were heard in the course of our hearings, there are still several hundred specific cases of complaint bearing upon these matters. Many of these cases have been examined in detail since the conclusion of the hearings on November 15. Others are in process. All will be prepared and documented for the committee, in the hope that future hearings will place in the official record the full-blown picture of monopolistic and restrictive practices burdening the construction industry.

I. MONOPOLISTIC PRACTICES IN HOUSING

So far it has been established for a fact that labor unions acting either alone or in combination with contractors and suppliers of building materials have managed to achieve total monopolistic control over the building construction of whole cities and even of considerable areas adjacent to these cities. In nearly all of our big cities union bosses determine where and when the building craftsman shall work, if at all, what his rate of production shall be, and what the rate of pay shall be. They arbitrarily limit the number who may join the union. That makes workmen scarce and forces wages up. No one can work on new construction unless he belongs to a union. That makes the monopoly of workers complete. The "closed shop" is the rule and practice on every new job. To exclude new craftsmen and apprentices from their city is one of the regular functions of many unions in order to maintain high wages.

We also found that a single union has such arbitrary power over other men as to make them slow down, featherbed, walk off, stand by, boycott or strike. This very fact has engulfed both builders and distributors in such a fear that they stoically pay the labor boss his price for the promise that he will refrain from exercising his arbitrary power.

The labor monopolists hold their ranks together by an iron discipline which is both thorough and complete. Thus, we found that an obligation of membership in the Carpenters' Union was to refrain from attending any meetings for the purpose of making criticism of union officials or representatives except at the regular union meetings, under penalty of expulsion. This restriction on freedom of speech and assembly, we are told, is practically universal in the building trades unions. Thus the formation of any rival union is effectively prevented, because the member objecting to or criticising the rule of the union monopoly in control, would not only be expelled but thrown out of work in his craft. He would, furthermore, automatically be barred from joining his craft union in other big cities, all of which we are told are ruled by the same type of monopoly.

In this manner any American citizen engaged in the building trade knows that if his union card is taken from him, his right to find work in his chosen trade is gone. Thus, even in America a dictatorial labor monopoly system has the power to banish fellow citizens to a kind of economic Siberia.

Of late it has become apparent that even the right to work and join a union may depend solely on inheritance. In at least one case it has been judicially determined that a union excluded all applicants not sons or brothers. It was admitted in our New York City hearings by the representative of local No. 3 of the International Brotherhood of Electrical

Workers that sons and brothers of members were preferred, and that the great majority of members admitted since 1943 were sons or brothers of existing members.

An official of local No. 14 of International Brotherhood of Operating Engineers admitted that new members were enrolled only when in the judgment of the union there was more work in the New York area than could be handled by the existing membership.

Monopoly works in many diverse and unsuspected ways to impose its high hand on the public. For example, the ratio of apprentices to journeymen is customarily fixed by the union in its working rules. The union is the sole judge of whether or not its present membership is sufficient to do the construction required by the people or whether the demand is great enough to permit young men or those outside of the city to come in and live and work. Thus the country is divided into restrictive geographic areas in which workers may not enter and over which the trade-union organizations rule to maintain a scarcity of workers and keep prices up. This power virtually sets up internal control of migration into areas over which the union has jurisdiction. Thus local monopolies join to impose a single body of restrictions on the membership of all the areas they separately control, and on all the people who would like to work in any of these areas. The rule of the closed shop is strictly enforced.

Furthermore, the building unions exercise monopolistic power far beyond the membership of the union. With dictatorial finality they decide what contractors within their city limits may do business and what building materials may be shipped in from the outside to their territory. If they decide that union men will not work for a certain contractor, that contractor is out of business simply because the labor monopolists control all the workers. Likewise, if they put thumbs down on any materials, those materials will not be used. There will be no workers to install them.

Until recently, construction has been done on the basis of cost of labor and materials plus a 10-percent fee, more or less, to the contractor. This eliminates the incentive to keep costs down. There is no true employer-employee relationship because freedom of action has been signed away. If, as so commonly charged, there was ever an oppressor and an oppressed, labor and the contractor are now in one combine. There is but one oppressed party; the public. There is the perfect peace of conquest for labor, and capital is fairly content with what the labor leaders gave it and for the protection from competition they provide.

Many unions, of course, are good to their members. They get high wages. But where 100-percent compulsory membership prevails and there is no freedom of contract left there is general exploitation of the public. For example, more than half of the heads of all American families must now work 2½ days to get 1 day's service in exchange of building craftsmen. Most farmers must work a whole week of 70 hours to purchase 16 hours of building craftsmen's services.

This dangerous dislocation of our national economy must be directly attributed to the absolute monopoly which today has strangled the whole American construction and building industry.

The exploitation of the public is without limit because competition within the labor groups or competition within the contractor groups is dead.

The closed shop which was banned by the Taft-Hartley law was normally the result of negotiation between a single union and a separate employer. In the construction industry in the larger cities, however, there is a geographical closed shop arrived at by agreement between all the craft unions and the Building Trades Employers'—Contractors—Association. These agreements determine not only the wage levels but also the allocation of work between the trades, and other conditions of employment. Employers who are not members of such an association and who have had no part in the bargaining leading up to these agreements are nevertheless forced to abide by them. The union leaders control the only source of labor. They will not supply men for, or permit their members to work on, jobs involving wages or working conditions different from those covered by the unions' contracts with the associations of contractors. For example, in New York City, the written contract between labor unions and the contractors' association provides that members of the union council "may work for employers other than members of the Building Trades Employers'—Contractors—Association, provided that, however, such employers meet the requirements of this agreement." Very, very few "meet the requirements." Witnesses were able to remember few cases of outsiders entering the business of building in New York City.

In Chicago the situation is even worse: Nonmembers of the contractors' association are subjected to a fee of over 1 percent, enacted by each building trade-union, on the total contract price for the building, whereas members taken into the association combined pay to the association a single fee of a fraction of 1 percent. The contractors' associations pledge their members to employ only members of the union in return for the unwritten promise of the workers to work only for the contractors who belong to the association. The contractors understand what building materials and what manufacturers throughout the United States the labor bosses of the big cities favor. They refuse or fail or neglect to buy from manufacturers to whom the labor bosses object. All those not a part of this closely knit arrangement subject themselves to intolerable uncertainties as to the fate of their business.

II. RESTRICTIVE PRACTICES IN HOUSING

Wherever a monopoly takes over an industry, it is a logical necessity for the ruling powers to impose all kinds of restrictions both on production and on personnel. Our subcommittee hearings brought out the fact that the present-day American housing is subjected to an almost unbelievable degree by restrictive rules and restrictive practices.

Limitation on daily work, as enforced by the labor unions, now permit a brick mason to lay from 350 to 500 bricks a day, against 1,000 a day in 1940. Similar restrictions apply to lathers, who usually finish their day's work at 2 to 2:30 p. m.—as soon as they have placed 30 bundles of lath or 100 square feet of gypsum board. Under these rules, the workmen draw 8 hours pay for about 6½ hours work, or less.

Two witnesses testified that on their own jobs, still under way or only recently completed in the Chicago area, the on-site labor cost for construction now runs between 65 and 68 percent of the total cost. This compares with a normal prewar average of approximately 35 percent for on-site labor costs. On nonunion jobs, to the extent that they could be found, the costs were much lower and the productivity much higher. On a nonunion building recently completed in New England, we are reliably informed, bricklayers averaged 1,200 bricks a day; on a similar structure, built for the same concern only 8 miles away, union bricklayers were supervised by a union steward and only 500 bricks a day were laid.

In the former case the workmen were free to be paid according to production. Thus, the good workmen received more than the standard union wage scale. And the owner got construction at much lower total costs. In the other case, where the workers were not freemen in any sense of that word they performed like slaves. For every five slaves there was one foreman who did no work but watch his slaves.

In this case the workers actually robbed both themselves and the owner. In the other they gave the measure of a full day's work. In the one case the owner could not foretell what the slow-down, featherbedding, stand-by, walk-off, and striking practices of an arbitrary labor monopoly in complete control would cost him. He was a gambler with the cards all stacked against him. In the other he made a dependable contract knowing what his costs would be. Where the willing buyer and willing seller make contracts then houses are built and prosperity abounds because honesty and confidence prevails.

The labor monopolists force restricted production by prohibiting incentive payments for high individual production. They limit the worker to 35 or 40 hours of work per week. They are pledged to destroy the great American incentive system, that is, the system of individual self-improvement by which each man may advance according to his skill and his capacity to produce. The extraordinarily good and conscientious workman gets no more or less than the dullard and the slacker.

Next, restrictive methods of distribution prevent the true industrialization of the building business and tend to keep it localized and segmentized.

The medieval craft system of the 19 A. F. of L. building trades is reflected in

the subdivided set-up of the subcontractors, each of whom normally employs only one or two of these crafts. These subcontractors charge retail prices for the materials they employ. The pressure of these groups is to keep the building business in the local community and to keep it broken up so that profits on the sale of materials are kept in the local community. Even the largest builder is unable to change this restrictive system. One of the largest home builders in the country, who is building thousands of homes on Long Island with nonunion labor at the comparatively low cost of $7,500, testified that he could build the same house—complete with a refrigerator and a washing machine and on a fully landscaped lot, for $5,000 if he were able to buy his materials at factory prices. He testified that even though the materials he purchased were shipped in carload lots directly from the factory, he nevertheless had to pay in one case a distributor, who had never seen the goods, a mark-up of 53 percent. He would have had to pay another mark-up to the retailer except that in this case he happened to be his own retailer.

The costly piecemeal nature of the building business, maintained by the A. F. of L. monopoly in conjunction with local contractors and material suppliers, in the opinion of several witnesses, can only be changed by the application of modern industrial organization, methods, and distribution shortcuts. Houses are still tailor-made. Some propose to deliver a house to the consumer somewhat as an automobile can be delivered and assembled on the job. Those manufacturers who prefabricate the entire shell of the house are nevertheless faced, in union areas, with the necessity of having their houses erected under the craft system. The A. F. of L. has traditionally opposed prefabricated homes, but on the day the subcommittee opened its Chicago hearings the head of the building trades department of the A. F. of L. announced in Chicago the signing of contracts with 17 prefabricated manufacturers, thus permitting the erection of their homes in unionized areas.

An official of an open-shop concern in Wisconsin capable of producing some 30 prefabs a day testified that their plant is operating at only 10 percent of capacity because of the boycott of the carpenters, assisted by the other trades, which prevents the erection of these houses in Milwaukee, Wis., Rockford, Ill., and other unionized areas. Since he gave his testimony we are informed that the concern has signed a contract satisfactory to the carpenters. Thus, the price to be paid for the industrialization of building through prefabrication appears to be the extension of the A. F. of L. building trades' monopoly from the site in the cities into the factory.

By killing off the pride and the incentives of good craftsmanship, the labor monopoly has fastened upon society the dead level of mediocre performance. Reducing productivity and hours of work while at the same time arbitrarily boosting wages is the devil's work in the building monopoly. It makes no housing for many people.

Above all, even with the severe artificial restraints against the admission of workers to unions and to the building business, unemployment is frequent within the protected circle, and we have no way of knowing how many potential skilled workers, who are not allowed to enter the building trades, could be trained and put to work—at higher annual wages—if the present wastes and restrictions in hiring and in building could be eliminated and freedom of action restored.

III. RACKETEERING IN THE BUILDING INDUSTRY

It will be recalled how the extensive congressional hearings which preceded the Taft-Hartley Labor Act established the tragic extent to which American industry has become subject to violence and racketeering. That chapter of national disgrace has not been ended.

It has become obvious that even the good union leaders are hemmed in by the lawless and threatening acts of the bosses of other unions who exercise unlimited power. It takes only one bad union boss to hold up an entire building operation and all the other unions on the job. For this reason the control of a particular union often results in struggle, corruption, and downright racketeering if not outright purchase. It is worth real money to be able to control one of these key unions.

One form of illegal extortion in the building trade springs from the practice of unions to deny membership in the union while granting "work permits." For permits to work in a given area, payments are made to the union business agents every week. If workers were permitted to join the union, possibly two-thirds of the fees and dues would go to the international office and only one-third would be kept by the officers and business agents of the local. Whereas the whole take for issuing permits to work is kept by the business agents or by the local union officials. The take is enormous. None is accounted for to international headquarters. By keeping down the membership and issuing permits to outsiders to work but not to join, prices can be kept up and also the bosses can the more easily control the elections of themselves and thereby insure their continuity in office. Favoritism goes to the faithful who support them and their tyranny in office.

In Chicago there was not only evidence of this malpractice as well as of the usual featherbedding, make-work practices, slow-downs and other dishonest measures productive of delay and increased cost adduced at our hearings, but also evidence of the use of dummy contractor associations and union activities to further the selfish ends of wicked and notorious mobsters. Contractors not members of the contractors' association could get no labor. These activities while nominally carried on in the name of organized labor, were in fact carried on in the name of the contractors and were illegal conspiracies in restraint of trade. Some of these operations were simple shake-downs or rackets.

Collusion between nominal labor unions and certain groups of contractors was covered in the testimony of seven witnesses who had transactions or relations with the Tuckpointers, Cleaners, Caulkers, Concrete Restoration, Gunnite and Waterproof Association of Illinois. This association charges an initiation fee of $1,000 and annual dues of $500. Contractors who refused to join the association were denied access to union labor. Two of the witnesses told the committee of their efforts to avoid membership in the association, and of the difficulties which beset their business as a result of such refusal. One witness—Mr. Abbott—testified that he carried his charges of extortion to the FBI office in Chicago, on the grounds that he was under coercion to join the association. The FBI responded that such matters were not properly within the Federal province. He next carried his complaint to the State's attorney for Cook County. There he was told by an assistant, he testified, that the initiation fee appeared reasonable and that he was lucky he was not being charged twice as much to join the association.

As a direct result of this and other testimony in like vein before our Chicago hearing, the operations of this association were brought forcefully to the attention of the State's attorney for Cook County by the Chicago newspapers. Before the committee hearings recessed on Thursday, November 14, the State's attorney for Cook County had been compelled to charge an assistant with the duty of preparing the matter for presentation to the grand jury for the purpose of criminal prosecution in the State courts.

IV

Our committee hearings are not finished. We need further development of the facts, further illustrations of the evils of monopoly prices imposed by compulsory groupism. We want to show the reductions in costs that result from a thoroughly protected free economy wherein men and materials may march down freedom road without fear of compulsion, intimidation, violence, or extortion or monopoly controls of any kind in the exercise of the right to work and invent and produce in the building of houses. What it will amount to in dollars and cents certainly reaches 25 percent of present costs. It may reach 40 percent.

To achieve that freedom in the housing field which is the only hope of adequate housing, it would seem clear that an amendment penalizing monopolistic and restrictive practices should be under the Taft-Hartley Act and not under the present Antitrust Acts. The facts and abuses are so different in each case that the law and penalty must be different in the treatment of them. An interim committee report covering the facts developed and the questions raised will be filed shortly and the hearings of the subcommittee will be resumed at the earliest possible moment.

Mr. Marcantonio and the "Party Line"

EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. KEEFE. Mr. Speaker, the people of America are profoundly concerned because of the very obvious penetration of communistic philosophy into all segments of American life. As one who firmly believes in the fundamental rights of free speech, I am perfectly willing to defend any American citizen in the full exercise of that constitutional privilege. I believe, however, that the insidious practice of Communists to hide their efforts to betray America by deceit and trickery should be completely exposed at every opportunity in order that the American people may know the true source of the utterances of those who pretend to speak in behalf of communistic philosophy as Americans.

It is an uncontrovertible fact that the Communists and the fellow travelers and stooges hew to what is commonly known as party line. This party line finds expression in the statements of Soviet officials and in certain Soviet controlled publications. I listened with great interest to the speech delivered on this floor by the gentleman from New York [Mr. MARCANTONIO]. I have analyzed that speech and have compared it with the party-line utterances emanating from the mouths of officials of the Soviet and expressed in New Times, Trud, Pravda, and Unita, the latter being the newspaper of the Central Committee of the Communist Party of Italy.

The comparison is obvious and in order that there may be a proper appraisal by the Members of Congress and the American people I have set up the speech of the gentleman from New York in one column and opposite that speech in another column, have set forth the official Communist Party line. It will be interesting, I believe, to make this comparison.

I am frequently asked the question, "How can you detect a Communist?" A partial answer might be found in a paraphrase of the age-old truism, "By their words you will know them."

Mr. Speaker, under unanimous consent, I include as part of these remarks the column-by-column comparison which I have heretofore referred to.

The source references for the citations made herein are as follows:

First. A. A. Zhdanov and G. M. Malenkov, delegates of the All-Union Communist Party of the U. S. S. R. to the Conference of nine European Communist Parties which established the Cominform.

Second. New Times, a weekly journal published by the newspaper Trud in Moscow, expressing the Soviet line on questions of foreign policy.

Third. Trud, a Moscow newspaper representing the All-Union Congress of Trade Unions of the U. S. S. R.

Fourth. Pravda, the official newspaper of the Central Committee of the All-Union Communist Party of the U. S. S. R.

Fifth. Unita, the newspaper of the Central Committee of the Communist Party of Italy.

Mr. MARCANTONIO. Mr. Chairman, the adoption or rejection of this amendment will determine for all time, as far as this piece of legislation is concerned, whether or not it is a relief proposal or merely the establishment of another political weapon in order to maintain and preserve economic and political systems and governments which have become satellites of our State Department and which the peoples of these countries definitely do not want.

I want to take this occasion, Mr. Chairman, to quote a man for whom this Nation will always have the greatest of respect, Fiorello LaGuardia, who in his inimitable manner clearly defined the issue that is before us when he testified before the Senate committee considering the Greek-Turkish proposal. He was talking at that time about relief, and said:

"Now, gentlemen, there are many ways of dealing with this problem: The first, that aid should be given on a national basis. Each rich nation should choose the recipient and make its own conditions. This is the old-fashioned imperialist way. This method of making one country dependent upon another was discarded by the world—I hope forever. That isn't why the United Nations was formed. That is not the spirit of the Atlantic Charter or the San Francisco Charter—not as I understand it.

"The second possible arrangement—and look out for this one, please—is for a group of big nations to join together and select recipients of their charity. This arrangement would only be a false front. It is not in keeping with international cooperation. Let us be honest: It is just plain, ordinary, old-time power politics—and the world has had war after war because of power politics.

"The third way is to create an international authority operating under the control of the United Nations and meeting the relief needs, without any consideration of race, creed, or political belief, being guided only by the existence of true need. This is what is known as the new way of the United Nations. But it really is not a new way. It is a way brought to this world nearly 2,000 years ago in the teachings of the Prince of Peace. And a wicked world has, to date, refused to learn the lesson."

Now, Mr. Chairman, I submit that the way that is suggested in this bill is the first way that Fiorello LaGuardia described as the imperialist way. My amendment is the third way. It guarantees aid to the peoples of the devastated nations and secures peace and democracy. It strengthens the United Nations, which is mankind's hope for peace. However, we all realize that this is not a relief bill.

The debates, the amendments adopted, and Under Secretary Lovett's testimony have removed the mask from this bill. Responsible men have brazenly admitted that this is not a relief bill; that this is a war measure in the so-called cold war; that this is a measure to fight communism.

Let us analyze that alleged objective for a moment. In the name of fighting communism we are fighting in reality democracy and the attempts of the masses of the people of Europe to obtain for themselves bread, land, and peace. In the name of fighting communism we have aided and abetted a Fascist government in Greece. In the name of fighting communism we are still aiding and abetting that government, which only last Saturday issued an order making it a capital-punishment offense for anyone in Greece to go out on strike. In the name of fighting communism we are giving support to a minority government in Italy, a government which has not hesitated to devote its entire energies to negate the demands of the Italian people.

* * * * *

(Interchange between Mr. MARCANTONIO and the chairman.)

* * * * *

Mr. MARCANTONIO. Let us see what is happening in Italy. I know something about Italy. My people come from there. A great number of my constituents are people of Italian origin. First of all, we have used some money appropriated by this Congress for Italy in the past. What has happened? Eighty percent of the aid was sold by the government. So, who got that food? We did not aid the people in the villages and the peasants. We did not aid the underpaid workers of Milan, Turin, and Florence. We did not aid the Italians in the slum sections of Rome that so many gentlemen who have visited there carefully omitted to see. We aided the people who own the villas, the people who could afford to purchase in the black market, but deep down nothing ever reached the poor people of Italy, the workers, the peasants, and the children.

The people of Italy want what? The peasants of Italy want land; the peasants who have been working for 6 cents a day for centuries. They suffered 22 years of fascism. They joined the resistance movement and they fought the forces of Mussolini. The peasants of Italy joined with our men to overthrow Mussolini, and when they joined to overthrow Mussolini they did so not only to overthrow a Fascist regime, but they sought to overthrow an economic system, a feudal agriculture that had crushed them

"—American monopoly capital * * * has chosen the path of hatching new plans against the U. S. S. R. and the new democracies under the banner of combatting the Communist menace. The clearest and most specific expression of this policy pursued by American capital is provided by the Truman-Marshall plans." (Malenkov's statement to Cominform.)

"Anticommunism has always been a smoke screen for the most sinister schemes against democracy. Was this not how Hitler began? * * * Anticommunism strikes at the very roots of democracy; its triumph would mean democracy's downfall." (New Times, No. 38, September 17, 1947.)

"What the interference of the emissaries of the dollar in Greece and Turkey has accomplished is now plain for all to see. * * * The Royalist-Fascists, encouraged and supported from across the ocean, have carried their reign of terror to unbridled lengths" (ibid.).

"The antinational, antidemocratic, and antisocial policy of the De Gasperi government is compromising Italy's independence * * * and is condemning the workers to poverty and hunger." (Unità, November 16, 1947, resolution of plenum of central committee of Communist Party of Italy.)

"Despite the insistent demands of the Communist and Socialist Parties, the Government has postponed the fulfillment * * * of agrarian reforms." (Trud, Oct. 4, 1947.)

for centuries into abject poverty. They wanted the big estates divided and they wanted for themselves, the peasants of Italy, a piece of land. That is what they have wanted for centuries. That is what they fought for. That is what they are struggling for today against government which has given carte blanche to their former Fascist oppressors and is giving protection to their landlord exploiters. We have taken that government and we have made it a satellite of our monopoly capital-controlled State Department. Now, we are asked to continue to aid that government in its efforts to defeat the will of the Italian people.

Just like the Schuman government in France uses American aid against the workers, the De Gasperi government, aided with American money, employs tanks and bayonets and machine guns to destroy the organized effort of the peasants who are fighting for land; and we, a people dating back to Valley Forge, are now asked to give money not to feed those peasants or their children but so that the government of De Gasperi, a minority government, a satellite of our State Department, can use the funds of American taxpayers to destroy the hopes of millions and millions of people living on the Italian Peninsula.

Let us go a step further. Up north, in Turin and Milan, the industries are owned not only by Italian monopoly capital but monopoly capital which has become more and more possessed by finance capital right here in Wall Street. The workers of Italy are on strike; they want to get a decent living out of those industries. The government fights them. Therefore, the crux of this policy is to suppress the rights, economic and political, of the workers of France and Italy—the two recently acquired economic colonies of the big trusts of these United States. The De Gasperi government, satellite of the State Department, uses all of its resources to destroy the aspirations of those Italian workers, and we here are asked to pass this legislation to implement that program of defeating the aspirations of Italian workers, the partisans who fought up in northern Italy alongside of our men.

Ah, but you say you are doing this to fight communism. What you are really doing is committing crimes against democracy in order to protect the vested interests of our big trusts in Italy and France. Yesterday a superduper Taft-Hartley law was invoked against the workers of France by our satellite Schuman government. Tomorrow what act of repression against the Italian worker? Again, you say all this, all these crimes against democracy are committed to fight communism. Let us tell the truth. All this is being done to protect the economic expansionism of our monopoly capital. This is an imperialist program.

Fight communism, today it is money, tomorrow it is food, and the next day it is what? War. This is part of the imperialist program which will lead to war and depression. We are placing America, gradually, more and more on a basis of a war economy again. War and depression can be the only outcome of this program unless the American people resist it. In fighting so-called communism what you are really doing in Greece, China, Italy, and France is aiding and abetting fascism, restoring to power and control collaborationists, hold-over Fascists, and neo-Fascists. All this, to perpetuate the rule of our big trusts in Europe and Asia. However, you can pour billions into this program, but you will never stop the forward march of the men and women of Europe toward a better day. They have suffered too much and too long under Hitlerism to supinely accept the rule of Wall Street imperialism. They fought to overthrow Hitlerism for a better day. They will reject your Wall Street imperialism in their struggle to obtain a better day.

"The new alliance of Christian democracy, in power with a majority comprising Monarchists and Fascists, has provoked an alarming development of employer and Fascist terrorism which * * * aims to strike a blow at popular democratic organizations and their leaders." (Unità, ibid.)

"The 'expropriation' of the Italian economy by foreign monopoly capital, chiefly American, has inflicted very grave damage to the economic independence of Italy." (Trud, ibid.)

"The restoration of Italy is retarded by sabotage of the big bourgeoisie * * * and by the political-economic maneuvers of American and British capital. * * * The De Gasperi government submits to the wishes of the U. S. A. in the field of foreign policy silently, but clearly sympathizing, with the 'Truman doctrine.'" (Trud, ibid.)

"For the 5 months of its existence, this government pursuing the path of ever greater subjugation to the will of American imperialism and to the most reactionary social groups of Italy has led the country's economy to the verge of catastrophe and has aided the onslaught of the manufacturers against the workers as well as the rebirth of Fascist terrorist activity." (Pravda, November 18, 1947, resolution of the Plenum of the Central Committee of the Communist Party of Italy.)

"It isn't hard to see why the United States monopolies have decided to give preference to France, Italy, and Austria. They want to prevent the democratic forces from coming to the helm in these countries." (Moscow radio, December 3, 1947.)

"The first inevitable result of the servile policy toward the United States is to give our economy the character of a semi-colonial American market, which fact will condemn us to suffer fatal consequences." (Unità, August 29, 1947, article by Togliatti.)

"The new gospel of the dollar, which was announced to the world under the cry of combating communism. Stripped of its husk, it is a program of unrestrained expansion of the American monopolies." (New Times, No. 38, September 17, 1947.)

"The cardinal purpose of the imperialist camp is to strengthen imperialism, to hatch a new imperialist war, to combat socialism and democracy, and to support reactionary and antidemocratic—pro-Fascist—regimes and movements everywhere." (Zhdanov's statement to Cominform.)

"The development of Fascist organizations in Italy and their terroristic activity are the result of the anti-Communist policy of American imperialism and its Italian vassels." (Unità, November 16, 1947, resolution of the Plenum of the Central Committee of the Communist Party of Italy.)

The Late Judge George Donworth, of Seattle, Wash.

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. MAGNUSON. Mr. President, for a long time in my city of Seattle one of the great and respected Federal judges was Hon. George Donworth. He was appointed many years ago to his position on the Federal bench and recently passed away. A memorial service was held in the United States District Court of Seattle on October 27 last, participated in by all the prominent judges on the Pacific coast, and I ask consent that the proceedings of the service be printed in the Appendix of the RECORD. I have made inquiry of the Public Printer, and he informs me that the matter is estimated to make two and a third pages of the CONGRESSIONAL RECORD, at a cost of $189.34.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GEORGE DONWORTH—MEMORIAL SERVICES

(Born November 26, 1861, Machias, Maine. Died September 6, 1947, Seattle, Wash.)

(Before the Honorable United States District Judges John C. Bowen, Lloyd L. Black, Charles H. Leavy, Seattle, Wash., October 27, 1947.

(Eulogies by John C. Bowen, senior United States district judge; Lloyd L. Black, United States district judge, northern division; Charles H. Leavy, United States district judge, southern division; Charles F. Riddell, president, Seattle Bar Association; Elmer E. Todd, attorney and publisher.)

Hon. JOHN C. BOWEN. Fellow judges, members of the bar, and friends of Judge Donworth, this session of the court is convened for the special purpose of honoring the life and work of Hon. George Donworth, a former judge of this court, who passed away at his residence in Seattle on September 6, 1947. Life's last moments for him passed peacefully and without pain, after he had announced completion of his mortal tasks and full preparation for his confidently expected life hereafter. By his faith and ours we know his immortal spirit was joyously received in the eternal abode of his Heavenly Father.

On this occasion I shall speak of Judge Donworth primarily as a judge, although I may make brief reference to his legal background. He entered upon the duties of judge of this court on May 27, 1909, and so continued until March 20, 1912, when he resigned for reasons of health, thus serving for not quite 3 years—2 years, 9 months, and 23 days.

After he resigned his judgeship, Judge Donworth regained his health and resumed the active practice of law. To his former splendid record at the bar, he added many years of brilliant service as a leading and distinguished lawyer, not only in the courts of his home State but also in the courts of all rank throughout the Nation. He was esteemed by the courts and judges and members of the bar as being among the ablest and finest lawyers this country has produced.

Great as were the demands upon his energies, he never lost his unselfish interest in the courts, but all his life and right up to the time of his death he unfailingly yielded friendly and wise assistance in the improvement of the administration of justice in the courts. For a number of his later years, he was a distinguished member of the national committee of eminent men who, prior to 1938, drafted the present Federal Rules of Civil Procedure and subsequently have carefully screened all proposed amendments to those rules.

He also delighted to participate informally at conferences which concerned the welfare of the courts and the legal profession. With deep gratitude I recall, as one of his many friendly attentions to this court, the occasion of the laying of the cornerstone of this United States courthouse on July 27, 1940, just before its exterior construction was completed, when he so graciously and ably presided at and directed the public ceremonies celebrating the event. He greatly contributed to the success of that occasion and to the pleasure of the many public officials and other friends of the court who participated in it.

Although the time of Judge Donworth's service on the bench was comparatively short, the scope of his work there was vast and his judicial accomplishments were great. His official jurisdiction embraced not only the United States district court but also the formerly existing United States circuit court which by act of March 3, 1911, during his tenure in office was abolished.

He was skilled in the judicial handling of complicated criminal cases. Perhaps the best example of that was a greatly involved mail fraud trial which was most ably conducted by him shortly before he resigned from the bench.

Many admiralty cases of far-reaching importance came before him and all of them were wisely decided by him with the ready application of his clear perceptions and his keen sense of the equitable considerations which so often underlie the determination of admiralty questions.

Few judges have devoted a greater portion of their judicial effort to the trial of equity cases than did Judge Donworth. One of the most notable of such cases decided by him was a part of the extensive litigation in the national courts involving a dispute between Oregon and Washington as to which State had jurisdiction over the rich Sand Island in the lower Columbia River and over conflicting rights in the salmon fishery in the vicinity of that island. In the case before Judge Donworth his wise and just decision, as between the litigants and others then and later similarly situated, determined the respective fishing rights and regulated the flow of untold wealth in food fish and its products.

Carbon copies of Judge Donworth's formal written decisions and orders have been preserved in two permanently bound volumes now in the custody of the University of Washington Law Library. There are approximately 120 of these written decisions and orders, all made in about the same number of separate litigations, and they comprise about 500 legal-size typewritten pages. These records more clearly reflect what judges and lawyers generally have well known, that Judge Donworth's judicial service contributed much to this country's golden era of equity and admiralty jurisprudence when less of the law pertaining to those subjects was in the form of legislative enactment and more of it rested on the highly respected foundation of the chancellor's and the court's just conscience. In those great fields of the law his decisions may rightly be regarded as clearly marked keystones. In truth, he was among the last of our country's great equity and admiralty judges.

Appeals from 26 of his decisions resulted in 23 affirmances and only 3 reversals, a most extraordinary record.

He was tall and stately in appearance, attractive and pleasing in his personality, friendly in manner, precise and cultured yet modest in speech, and always considerate of the opinions of others. His presence and conduct on the bench inspired and won respect for the court. As a judge he was distinguished for his intellectual strength, his ability to analyze principles, and his sound and just judgment. His opinions are models of directness, forcefulness, and clarity of thought. Never was his judicial honesty or integrity questioned.

He loved his home city and State and his country. His official work, his professional service, and his private life were of the best in the American way of life. When he resigned from his judicial office and when he departed this life, Judge Donworth carried with him the deepest respect and the everlasting affection of the legal profession and all those who knew him.

It is now my pleasure to call upon our esteemed colleague, the Honorable Lloyd L. Black.

Hon. LLOYD L. BLACK. Friends and admirers of Judge Donworth, I agree—as do all of you—with the statements which Senior Judge Bowen has made concerning this fine and good and great man who lived among us so long. We all knew him as a distinguished judge, as an able attorney, as a splendid citizen, as a fine gentleman. I am not going to attempt to tell you as to his outstanding career as a jurist. Just as men's lives are not measured by how long they live, but rather by how well they live, so the career of the jurist is determined not by the length but by the ability of the service. From that standpoint Judge Donworth was truly an outstanding jurist, not only of the State of Washington but of this Nation.

I have before me a book and a pamphlet. In this book, which is entitled "Rules of Civil Procedure for the District Court of the United States," I find an order of June 3, 1935 by the Supreme Court which in part says, "It is ordered * * * the Court will undertake the preparation of a unified system of general rules for cases in equity and actions at law in the district courts of the United States and the Supreme Court of the District of Columbia so as to secure one form of civil action and proceedings for both classes of cases while maintaining inviolate the right of trial by jury in accordance with the seventh amendment of the Constitution of the United States and without altering substantive rights. To assist the Court in this undertaking, the Court appoints the following advisory committee to serve without compensation." And among those named is George Donworth of Seattle, Wash.

The pamphlet I have before me is dated in June 1947. It contains a proposed addition to these Federal Rules of Civil Procedure. Under the date of June 10, 1947, among the names of the advisory committee is still found that of George Donworth.

What men do frequently for their own advancement, for their own betterment—while to be esteemed and admired—is not to be viewed in the same way as we consider what they do for the benefit of others. George Donworth by virtue of his legal skill and particularly his acquaintance with the Federal courts, not only as a judge but as a frequent practicing attorney in the Federal forums, was especially versed in the complexities and intricacies of the Federal procedures and rules as such used to be. And by virtue of that skill and knowledge and experience that he had, it was his opportunity to prevail against others who might not know the Federal system nearly so well.

You gentlemen, members of the bar, know that some time ago many able lawyers who were veterans in State practice felt themselves not capable of properly protecting the right of their clients in the Federal courts. And yet we find that George Donworth in

1935 accepted an assignment for a work which was going to aid others greatly, and would do much toward putting them on an equal plane with him, because he was serving in a committee which was simplifying the rules of the Federal courts. I think that that work was a most commendable service for the bar generally and particularly for the litigants. In the ultimate analysis it is the interest of the litigants which must be most considered. Many litigants do not have the means nor the acquaintance to secure for themselves the able counsel of men like George Donworth. So one of the outstanding works of George Donworth, as I see it, was his unselfish work of serving the people of the United States and doing all that he could to make the Federal courts of the United States the courts that they were intended to be, the courts of the people.

These rules which he did so much to prepare and to have put in force are living memorials to the work and the service and the unselfishness of this great and good man. It was his part to live on this earth a long time—to live long and usefully. George Donworth was. His mortal life is done. But those things that he stood for live in our memories as an inspiration for the bar and for the laity.

"The Moving Finger writes; and having writ,
Moves on: Nor all your piety nor wit
Shall lure it back to cancel half a line
Nor all your tears wash out a word of it."

Hon. JOHN C. BOWEN. We now have the pleasure of hearing our other esteemed colleague on this Bench, the Honorable Charles H. Leavy.

Hon. CHARLES H. LEAVY. Judge Bowen, Members of the Bench and Bar, and friends of Judge Donworth: I think it is quite fitting and appropriate that in this busy, bustling life of ours, we stop for a moment and pay respects by a pause to recognize the memory of a great and good man in this fashion.

It was not my pleasure to know Judge Donworth through the years like many of you here have. I think I first had contact with him in the year 1937 when I, as a member of Congress, met him in Washington. I met him with a high degree of frequency because he was back there representing not only the people of the State of Washington but he was representing the people of all the other cities and States that recognized the community property law He was there working for something greater than that. He was there working as a champion of the American system of Government.

I do not believe that I have ever had the good fortune to contact any man who had a finer understanding of that delicate balance between State rights and Federal rights. The challenge made to our community property law was a challenge to that balance.

Judge Donworth had appeared before Congress some years earlier; and while he had an able group of assistants from other States that recognized community property laws, he was readily the leader of the group.

One of the most serious assaults made upon that law was made in the 75th Congress in 1937. The Ways and Means Committee was all set to take from people of this State and the other States that had community property laws the rights in the matter of taxation. Judge Donworth spent weeks in Washington carrying on that fight, and being the general that planned the strategy. It was thus that I had an opportunity to have close and rather continued contact with him—not able to render him a great service other than to help him in the strategy that he planned in this great committee of Congress.

I learned then that perhaps no man ever came to Washington representing a cause who had a greater admiration and respect than Judge Donworth did before the Ways and Means Committee. When some of us despaired of being able to win that battle he cheered us on and he carried through the fight. I think if there was one man in America who was qualified to act in a battle of such great significance to our system of government, where we balance rights of the States against those of the Nation, and vice versa, that man was Judge Donworth. He won that fight, and it has never been revived again to a degree where it was serious, until now it has reached the situation where the principle will doubtless be applied throughout the Nation.

His life, his work, his personality, and his character could not help but impress itself upon any who met him. He was an ornament to the bar, to the bench; and I am certain that every member of the bar of this State who had the good fortune to have association with him is a better lawyer, a better judge—every individual who knew him a better citizen by reason of that acquaintanceship. Probably we all might hope and desire that a kindly Providence would permit us to live out a rich and full life, such as he did, in full possession of his mental faculties throughout all of those years, but that is not to be, of course. However, on occasions such as this we can again in recollection go back to that quiet, lovable, dignified gentleman and feel the stronger because he lived and because we knew him. With the poets, we can say: "None loved him nor named him but with praise; and when the call came he wrapped the draperies of his couch about him and lay down to pleasant dreams."

Hon. JOHN C. BOWEN. We will now have the privilege of hearing the address of Mr. Charles F. Riddell, formerly assistant United States attorney and now president of the Seattle Bar Association.

Mr CHARLES F. RIDDELL. Judges of the United States district court, other judges present, fellow members of the bar and fellow citizens: The court is to be congratulated on the atmosphere which pervades this courtroom this morning. Judge Donworth would have been happy in a proceeding such as you and I have witnessed here today.

If we could know that, when we come to die, people would meet as we have met here this morning, with the feeling in their hearts toward us that we now have toward him, we would indeed have a right to be proud.

Judge Donworth had many of the qualities which we associate with the United States district judge. Natively, he had urbanity and ability to listen courteously, a calmness in meeting crises and an elegance of diction, a keen, incisive, legal mind, a quaint and quizzical humor which rippled but never brawled; qualities which he enhanced by wide reading, by travel and by deep thought.

Judge Bowen has referred aptly to the quality of the few judicial opinions which he has left us by reason of his short tenure of office. To me they are polished gems. The ease with which they read belies the labor with which they were prepared. I happen to know that in the preparation of those opinions he wrote and rewrote. He dictated and he dictated again. He changed a word here, he added a thought, he struck out whole passages and started over again; and never filed an opinion until he had reached that perfection of which he thought he was capable. The method with which he prepared his opinion should be an example to us that the accurate settlement of legal problems is a product not only of a keen intellect but also of toilsome labor.

In the death of Judge Donworth, the bar has lost one of its keenest minds, Seattle has lost an outstanding citizen, and the world is poorer by a noble gentleman of the highest character.

Hon. JOHN C. BOWEN. It will now be our favor to hear from one of Judge Donworth's closest friends, and former partner—one who was United States attorney when Judge Donworth was United States district judge; Mr. Elmer E. Todd.

Mr. ELMER E. TODD. May it please the court, ladies and gentlemen: It was my good fortune to be acquainted with Judge Donworth for a period of about 46 years. During 24 years of that time I was closely associated with him in the practice of the law. When I first came to Seattle to practice law, in 1899, as the stenographer and clerk to Mr. W. H. Bogle, who was just opening an office in the Burke Building, the firm of Piles, Donworth & Howe was on the same floor with us.

Judge Donworth had come to Seattle at the age of about 27, and at the age of 30 he became corporation counsel of the city of Seattle; and after he left that office with his assistant corporation counsel, Mr. Howe, he formed the firm of Donworth & Howe, who practiced in the old Haller Building. He told me afterward, humorously, of their hard days in the dark days of the nineties, there; how they had their offices in the Haller Building; how he used to look out on Second Avenue and wonder where they were going to find themselves another client who would pay them $25 a month; how they used to have to go up to the Rainier Club in order to meet people, and eat lunches they could little afford. But they formed a partnership with Samuel H. Piles, later United States attorney; and when I first knew them, they were just coming into eminence.

The three big firms in Seattle in those days were the firm of Burke, Shephard & McGilvra, the firm of Preston, Carr & Gilman, and the firm of Struve, Allen, Hughes & McMicken. They were the big firms, I would say, and employed the most clerks and had the most business. But the firm of Piles, Donworth & Howe was rapidly forging ahead.

I had the good fortune to try a personal-injury case against the firm. Their business was such that both Mr. Howe and Mr. Piles were opposed to me. I won a verdict which was afterward affirmed but never collected. Evidently I had made an impression, because a year later they sent word to me in Alaska, where I was trying to make a living up at Nome, that there was a place waiting for me in the office, and I came back and became associated with them as one of their two clerks. I well remember the different personality in the three partners.

Judge Donworth in those days was a very technical lawyer. I know that well, because I used to have to argue his motions in court on motion day on Saturdays, and coming back, tell him that I had not succeeded in sustaining the motion or the demurrer; and he was always disappointed.

Judge Donworth was very fortunate in his investments. In 1905 he realized on a very farsighted real-estate investment he had made, and realized what was then a handsome fortune. He dreamed a dream. He decided he would enjoy a life of leisure, as well as practicing law. So he retired from the firm of Piles, Donworth & Howe and opened an office next to them. He left his work as general counsel for the Seattle Electric Co., with which he had been engaged for years, and started in to enjoy this life of leisure and practice law as an avocation, shall we say.

The dream didn't come true. He was presently appointed to the United States district court; and never did a judge work any harder than he did. Judge Bowen has spoken of his ill health. His ill health, I think, was brought on by that long, 6-week mail-fraud case which my able assistant, Mr. McLaren, and myself tried before Judge Donworth. Before the trial began, we had about a week of a contempt proceeding growing out of tampering with the jury, in which he had to send two of the detectives over to McNeil Island for 6 months. Then we went into the 6-week trial; and instead of enjoying a life of leisure, for the last 2 weeks of

that trial he drove us to sessions from 10 o'clock in the morning until 9 o'clock at night, 6 days a week. No wonder he had a bad break-down afterward.

He resigned as United States judge. But just before that time, my term had expired and I was not a candidate for reappointment. And I consulted with him about an offer that I had to practice law with some other firm here. He said to me, "I think you can do better than that." He said, "I am planning to enter the practice of the law, and let's practice together." Well, I promptly accepted. I always felt that was one of the highest honors ever paid me.

Well, he still dreamed that dream of leisure. He wouldn't even accept the partnership name at first. We just practiced under the name of George Donworth and Elmer E. Todd until I had put over on him, unbeknownst to him I think, the firm of Donworth & Todd. But instead of leading that life of leisure—he did have some leisure; he traveled widely and read omnivorously—he began to go into public service. He became a very prominent member of the chamber of commerce. He spent a lot of time in the chamber of commerce. He was active in the bar association. He couldn't lead that life of leisure that he had dreamed.

He was a very, very considerate partner. As I said, he had ample income for those days. And, of course, our net profits for the first year were not very much. And I had no other means of income, so he allowed me that first year to draw the whole income for my support. I am glad to say that it was later possible to repay his half to him. But he was of that generous disposition.

I remember one time going to him to explain a very serious mistake I had made in the progress of a case, and he said to me, "Forget it. I buried dozens of them." He had never made a dozen mistakes in his life, but that was his kindly, considerate nature.

His name attracted to us a very good practice from other lawyers. We were called in as counsel by many eminent lawyers in their own cases. I remember Judge Cotton, of Portland, employed us in very important litigation. Walter Fulton associated us in a great many cases, and Francis H. Brownell, formerly of Everett, afterward head of the American Smelting & Refining Co., employed Judge Donworth in many cases. He was always associated by the counsel of Skinner & Eddy Corp. in their famous litigation with the United States Government, after the last war.

But the case from which he should get the greatest renown is the case about the community-property law—the case of *Seaborn* v. *Poe*, reported in the United States Supreme Court as *Poe* v. *Seaborn*. The Attorney General had given an opinion that the wife had the right to make a separate return for half of the community income. But in the State of California they decided the law did not apply—that her interest in the community income was only an expectancy and not vested. So, after that decision of the supreme court in the State of California, the then attorney general wished to have a test case brought to decide the case.

The Secretary of the Treasury had asked him for another opinion. And the test case was brought in the State of Washington. Mr. Seaborn brought the case—paid his tax, paid his assessment, and brought the tax suit against the collector, and it was tried before Judge Cushman, decided in favor of the taxpayer, and taken to the circuit court of appeals, and they certified the case to the Supreme Court of the United States. Judge Donworth argued that case in the Supreme Court of the United States and also filed a brief with the other lawyers from the community-property States. He won the case by unanimous decision, the Chief Justice Hughes and Justice Stone not joining in. The reason Chief Justice Hughes didn't join at—at one time he represented the State of Texas as to community-property questions before Congress, and before the Attorney General's office.

I saw a great deal of Judge Donworth in his private life. He came from the State of Maine. My mother came from the State of Maine, and it gave us a kindly sort of association.

Judge Donworth was a man who lived a happy life. He enjoyed the good things of life. He enjoyed an evening card game, sometimes lasting a little after midnight. He got a joy in a card game that he didn't get in his financial transactions or in his court life. He got away from his inhibition of caution in that way, because he liked to take a chance. And that was the only place he ever had to take a chance was in a card game. His card game was, of course, a card game of bridge whist. But as he expressed it, he liked to "Go out on a limb." He was one of the most friendly of men.

He was an omnivorous reader. He read everything. He always read the advance sheets of the Supreme Court of the United States decisions, the advance sheet opinions of the Supreme Court of the State of Washington, and the advance sheets of the Federal Reporter. He always read those. How he did that, I don't know, except for this reason: He was very devoted to his church. He went to church in town on Sunday morning, and after that I think he went to his law office and read the advance opinions of the courts. But he was always up on them. He kept a little notebook which, when I went to him, he would pull out and he could usually refer me to a recent case.

He was what I call, in the words of Kipling, "one of the strong men of the earth." He was able. He had a vast fund of knowledge. He was devoted to the public service. He never was able to live that life of leisure that he hoped to live, although at times he would take a long trip and have some part of it.

I would like to say that I know no epitaph for him as good as that one Kipling wrote: "To those who are cleansed of base desire, sorrow and lust and shame, born on the breath that men call death, my brother's spirit came. Scarce had he need to doff his pride or slough the dross of earth. E'en as he trod that day to God, so walked he from his birth, in simpleness and gentleness and honor and clean mirth. So hand to hand in fellowship, they gave him welcome high, and made him place at the counsel board the strong men raised thereby. Who had done his work and held his peace, and had no fear to die. Beyond the loom of the last lone star through outer darkness hurled, sits he with they who praised our God, for that they served His world."

Hon. JOHN C. BOWEN. The court expresses gratitude to all of those who have participated in the program honoring the memory of Judge Donworth. We also feel that the greatest honor paid to his memory here today is this fine assemblage of present and past public officials and distinguished and representative citizens. That, to my mind, is the most effective memorial. We wish we could hear from many more who are present on this occasion but the committee arranging the program has thought—in view of the urgent demands upon the time of all those present—that perhaps there is not sufficient time left to call upon more of those present.

The addresses made and proceedings had upon this occasion will be entered in the permanent records of this court and a copy of that record will be sent to Mr. Charles T. Donworth, son of Judge Donworth, for the family.

We will now stand adjourned.

The TVA System of Keeping Its Books, Allocating Its Investment Charges, and Posting Its Accounts Has Been Cunningly Devised To Deceive Congress, Milk the Federal Treasury Annually of Millions for Interest Charges, and Completely Cover Up the Fact That It Is, and Has Long Been, Completely Bankrupt

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EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. DONDERO. Mr. Speaker, this Republican-controlled Congress, upon convening last January, found the fiscal affairs of the Nation in an absolutely chaotic condition. For the preceding decade and a half the ordinary operating expenses of the Government had been met, not alone by increasing the taxes imposed upon our people but by ever continuing to increase the already swollen national debt through the further sale of bonds and other governmental securities, the proceeds being used to meet the deficit-spending program of the New Deal administration.

The message of the President on the state of the Union, delivered last January, contained no single recommendation which, if enacted into law, would tend either to clarify or to ameliorate the conditions then existent.

The Presidential message accompanying the annual Budget likewise clearly presaged another year of deficit spending and increasing national debt.

In sort of a climax the President, in his budget message, informed the Congress:

> The Budget total of expenditures thus comes to 37.5 billion dollars.

Mr. Speaker, the calendar year of 1947 is now drawing to a close. The first session of the Eightieth Congress has completed its task. We are now assembled in an extra session called by the President.

The record of the first session of the Eightieth Congress is replete with factual accomplishments. They comprehend a veritable catalog of constructive, legislative actions, with respect to economies and efficiencies effected in all branches of the Federal Government. That record likewise recites a long list of action programs enacted into law which at this moment reflect improved conditions in the agricultural, industrial, financial, social, veteran, and other fields of national welfare and economy.

Inefficiency, waste, and extravagance were rooted out of Federal agencies wherever found. Despite what has been achieved there is still much left to be accomplished in that program.

More than 300,000 needless and superfluous Government workers have been divorced from the Federal pay rolls and

taken off the backs of the taxpaying farmers and industrial workers during this fiscal year.

Appropriations and Federal expenditures have been reduced by the sum of $4,800,000,000 less than the amount recommended to be expended in the President's budget.

At the same time—through reorganizations, consolidations, and increased efficiency in Government operations—the Nation has passed through the terrible crises which the prophets of doom foretold would wreck our national economy. Better service is already being rendered the public in many Federal agencies.

The rebirth of confidence, stemming out of a business and economy-minded Congress now finds the Nation, with more than 60,000,000 of our people gainfully employed—and at the highest rate of wages ever paid.

It finds us also with our agricultural and industrial production at an all-time high.

It finds our people, in the cities as well as on the farms, with their mortgage debt decreased by billions of dollars.

Our bank deposits total in excess of $158,000,000,000 and we are enjoying an annual income in excess even of that huge sum.

The Government of these United States is now living within its income, inasmuch as the national budget was brought into balance by this Republican-controlled Congress for the first time in 16 years.

There is now a surplus of nearly $3,000,000,000 in the Federal Treasury. This is augmented and backed up by deposits of gold and silver bullion in the amount of $25,000,000,000 buried in the earth at Fort Knox, Ky.

Mr. Speaker, I am justly proud of the accomplishments of the Congress in the year now closing.

I am happy to say that much of this was due to your skilled, adroit, and capable leadership. In that you were supported by the scientific and skilled handling of the work done by the splendid Appropriations Committee of this House in their dealing with all phases of our complicated financial structure.

I know well that the economies which have already been effected in the first session will be continued and made further effective and more extensive in the second session of the Eightieth Congress opening here in January.

As chairman of the House Committee on Public Works, I have been especially concerned with the administrative efficiency and management of such Federal activities as fall within the scope and the purview of that committee.

Prominent among those about whose activities I have especially concerned myself, is the Tennessee Valley Authority.

I am particularly concerned with their activities due to the administration's proposal to establish from seven to nine more TVA's.

I cite the TVA because of the fact that my studied findings disclose that the methods of management made applicable to that great project are highly indicative of the loose manner in which many other Federal corporations and authorities are now being maladministered.

In the pursuit of certain investigational studies which I have been making with respect to the maladministration of Federal agencies, I recently came upon an article disclosing the amount of the annual deficits made by the TVA as well as an impartial disclosure of the system of accounting followed by that gigantic power trust in order to conceal those deficits from this Congress and the taxpayers.

The article was written by an eminent authority—himself long a proponent of Government-managed power industry and the TVA.

The facts presented by this writer are unassailable, I invite their corroboration or refutation by any Member of this House.

The authority is none less than that noted economic and financial analyst—Mr. John T. Flynn—a man well and favorably known to many Members on both sides of the aisle as well as in both Houses of Congress.

The article is replete both with factual data and quotable parts. It is of such importance to every Member of this House that I shall, upon the conclusion of these remarks, submit that article for the RECORD. I am doing so in the hope that every Member will read it. I assure one and all that you will find it a dispassionate, candid exhibition of the TVA—revealing it in its true nature as a New Deal Government power project, which has now been snowballed into one of the most gigantic business industries in our Nation, if not in the world.

A mere perusal of this article will convince any understanding mind that the TVA, financed by this House through the appropriation of funds and supplemented by other funds milked directly from out of the Federal Treasury, now represents an investment of more than a billion dollars to the people of these United States.

That the TVA is now bankrupt and has long been bankrupt has long been concealed and cloaked by a cunningly devised, devious and spurious system of accounting its fiscal matters in a manner which has met with the condemnation of the General Accounting Office itself.

The TVA system of keeping its books, of allocating its investment charges, and of posting its accounts has been especially devised to deceive Congress, milk the Federal Treasury annually of millions for interest charges, and to completely cover up the fact that the TVA is now, and has long been, financially bankrupt.

Mr. Speaker, I now present this article by Mr. John T. Flynn. In doing so, I wish to serve notice on my colleagues that they will hear more and further from me on this subject in the near future.

THE HIDDEN RED INK IN TVA'S BOOKS

(By John T. Flynn)

In 1916 war raged in Europe. To insure a supply of nitrates, Congress voted funds for two nitrate plants at Muscle Shoals and a dam to produce hydroelectric power to run the plants. The dam, finished in 1925, became a Government headache. Finally in 1933 Senator George Norris put through a bill creating the Tennessee Valley Authority to operate the plants for fertilizer and the dam for navigation, flood control, and power.

But TVA is no longer just a plant and a dam. There are 28 dams on 650 miles of rivers running through 7 States. TVA owns 10 steam plants; has built villages, parks, stores; makes fertilizer; carries on forestry, agricultural and recreational operations. Moreover, it is now proposed to establish as many as nine more TVA's all over the country for the Missouri, Columbia, Arkansas, and other valleys.

I strongly advocated TVA. But in the interest of TVA and the country I think TVA's financial picture should be set straight.

Its managers have made extravagant claims. Dr. Arthur E. Morgan, its first chairman, told Congress in 1934: "After a preliminary period * * * this program will be amortized in 25 years." David Lilienthal, its next chairman, said in 1944:

"Even if the total investment in power, navigation and flood control—the entire $700,000,000—were charged against power, revenues would pay the entire cost in less than 60 years."

It cost $762,000,000 to build TVA. The Government borrowed and put up the money and pays interest on it. In addition the plant must be operated. The operation costs over 14 years up to June 1946, including the interest paid by the Government, were $339,000,000. The revenues were $209,000,000. Thus there was actually a deficit of $130,000,000.

But TVA has a different figure. It arrives at it by leaving out of its accounts the $129,000,000 paid by the Government as interest on the loans.

TVA carries on many activities. Power production is only one of them. The figures given above are for the entire program, including power Now let us look at the power enterprise alone. TVA insists it is selling power cheaper than the private companies and doing so at a profit. Let us see.

The total investment in TVA power—using TVA's own accounting assumptions—is $462,000,000. All of this was borrowed by the Government. A TVA propaganda book claims that "the total net profit from power since the beginning in 1933 to June 30, 1944," was $38,000,000. But, alas, this left out the fact that $53,000,000 was paid by the Government as interest on the money borrowed to build the power plants. Hence, a power deficit of $15,000,000.

TVA, of course, will never accept these figures. If one questions its accounts it replies: "Go to our reports. It is all there, verified by a firm of independent accountants." But it is not all there. Nowhere can you find any record of the interest charges paid by the Government. The firm of accountants it cites took particular pains to point this out, saying: "The net results stated for this program do not include any charge for interest." And the General Accounting Office of the United States in an official report expressly calls attention to this same failure and wants it corrected.

The Government has financed hundreds of housing projects. There is a loss of over $4,000,000 a year on these. But the projects faithfully record their interest costs. If, following TVA, they ignored this item, they could boast of a profit of $14,000,000 a year.

On the Government-financed Bonneville Dam project the Treasury charges 2½ percent interest. Why not on TVA's power debt? As a matter of fact, TVA's debt for its power investment alone is split into two classes. There is a small one of fifty-eight million and a large one of four hundred and four million. The Government holds both. TVA does pay 1 percent on the small one but nothing on the big one. Why is the interest on the small debt—however inadequate—a proper

cost item while the interest on the big one is suppressed in its accounts?

If TVA were a private corporation the law would require it to state its debt and interest payments with exactitude. TVA ignores this. Each year it reports its revenues and its expenses (without interest). It calls the difference net income. This is inexcusable in any case. It is doubly so in TVA, which started out as a scientific yardstick to measure public-utility rates. But a yardstick must contain all 36 inches. The interest costs actually amount to more than a third of TVA's annual power costs. What sort of yardstick is it which leaves out a whole foot?

No one need take my word for this. The United States General Accounting Office says:

"Unless all costs for TVA's power operations are included in its income statement * * * it cannot be conclusively shown that the power operations are self-supporting."

It then insists that the interest on the Government loans must be included and that the proper rate is 2½ percent.

The TVA, of course, greatly improved its showing during the war. The whole Valley was turned into a war arsenal. TVA revenues doubled, as did those of many corporations. However, TVA reports its war record for power with the same 2-foot yardstick. It reports net income for the 6 years from 1941 to 1946 at seventy-two million. But what it omits is a bill for fifty-seven million of Government interest on the power debt.

However, these years do show a net power income even when interest is included. At least, they seem to do so. But the General Accounting Office is unwilling to say so. It points in its TVA report to various costs left out, one alone amounting to as much as $500,000 a year, and concludes that "power rates appear to produce gross revenues in excess of costs of power production," but "there can be no consistent showing of whether TVA is self-supporting and liquidating unless every element of cost is recorded on its books and shown in its final statement."

The TVA Act says its power project must be self-liquidating. The GAO says it will never be until its electric rates produce enough to liquidate its debt. The Appropriations Committee of the House says it should liquidate its debt in 40 years. This alone would mean an annual minimum payment to the Government of $11,000,000. Who should pay the cost of the power plant which produces power if not the people who enjoy the use of that power as is done by the customers of every private utility in the land?

The General Accounting Office has said the books do not tell the whole story: It is not all there. All of which recalls the complaint of Dr. Arthur Morgan, first TVA Chairman, who declared that there ought to be an impartial investigation of the "obscure financial record of the power program."

We may now ask: Is TVA selling power at less than it costs? What should power costs include? Obviously, the following: (1) All operation costs. The GAO says all are not included. (2) State taxes. It pays some, but less than a private company of the same size. (3) Federal taxes. It pays none. Other utilities pay large sums. TVA boasts that other utilities pay only a part of their profits in taxes, while TVA pays all its profits. But it has no profits. (4) Interest on the Government power debt to build TVA. (5) Liquidation of the debt incurred to build TVA.

Actually, the estimates of the cost of TVA power given above are probably much too low. They are based on certain assumptions made by TVA directors. Upon these assumptions I have put the debt for power at $462,000,000. I believe, however, that a more rational allocation of power costs would put that debt at not less than six hundred million.

Many of the great dams in the Tennessee River and tributaries are called "multipurpose" dams. It is claimed they were built not only to produce hydroelectric power but to control navigation and floods. The directors of TVA have declared how much of the structure is for power and how much for navigation and flood control. But no one has ever officially checked this allocation. The private accounting firm which audited TVA's books specifically disclaimed any responsibility for the allocation used. And the General Accounting Office has made the same disclaimer.

Competent engineers have disputed TVA's claim and have insisted that the dams are almost wholly for power production and that the element of flood protection or navigation control in them is small. They are supported in this by the leading authority on flood control in Congress, WILL M. WHITTINGTON, a Democrat, former chairman of the House Committee on Flood Control, a supporter of TVA and a Representative of Mississippi, which enjoys a large measure of benefits from TVA. In a speech in the House he declared that "TVA is primarily for the development of power."

There can never be any authoritative accounting of the cost of TVA power until the total amount of the investment in power has been settled. It is this that the General Accounting Office referred to when it recently reported that "the power debt should be finally determined."

I have examined patiently most of the evidence on both sides of this subject and have gone to the TVA country to check on the respective claims. I believe there is no escaping the conclusion that the allocation of power investment and costs made by TVA is arbitrary and that if it is ever audited by a competent board of impartial engineers and accountants, it will be found that the power investment and debt is not $462,000,000 but $600,000,000 at the lowest.

The reason for TVA's claim of lower power investment is plain. The more costs TVA can unload on navigation and flood control the less the costs of power will seem. By the accounting trick here described TVA has cut more than $150,000,000 from the debt due for power. They can also reduce the seeming cost of operating the dams, because now they charge off most of the cost of operating the "common purposes" of the dams to navigation and flood control.

Do I want TVA destroyed? Certainly not. But we must submit TVA to the yardstick which it now tries to forget. Just as we had to have commissions to stop private utilities from soaking the customers, we should have some authority to prevent publicly owned power projects from soaking the taxpayers.

What should be done seems to me inescapable. (1) The outstanding Government debt on the power enterprise should be determined definitely and the TVA should pay the interest on it. (2) The TVA should pay off this debt in 40 years. (3) These items and all other costs should be included in the rates charged for power. (4) The TVA Directors should not be the sole judges of the amount of the investment in power. (5) All the nonpower activities of TVA—agriculture, fertilizer production, forestry, and other projects—should be transferred to appropriate departments of the Government. They should be divorced from the TVA power project to which they have no rational relationship. (6) The costs of these activities should be paid out of authorized congressional appropriations like any other costs of government.

There is an aspect of TVA which disturbs me more than its fiscal vagaries. It has operated as a Federal corporation under a charter which has enabled it to do an incredible number of things and to escape Government scrutiny. The Federal charter is a comparatively new device to enable the Federal Government to expand its powers immensely. Mr. Lilienthal, in his book, TVA—Democracy on the March, calls attention to the vast growth of Federal power. It has become so great that, he says, it cannot be wisely administered from Washington. But the power must not go back to the governors, mayors, legislatures, and councils elected by the people. It must go to great regional areas administered by directors appointed by the President, to a corporation cunningly devised to accumulate power and to elude congressional authority. We will see the country split into a few great regional provinces run by corporate provincial governors. This is what Mr. Lilienthal calls democracy on the march. I think it is democracy in retreat, a return to the European system of centrally controlled provincial governors. With TVA as a beginning, the advocates of regionalism are planning, under the guise of flood, navigation, and forestry control, and other excuses, to blanket America with this new type of government which represents a complete revolution in our political system.

The TVA should be specifically instructed by Congress that it is not a provincial government agency of a regional province but a Government-owned power enterprise. If the people of the United States want to adopt the regional form of government, they should do so—but only after full discussion and a formal decision. I do not think it should be presented to them suddenly as an accomplished fact.

Did We Modernize Congress?

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. KEFAUVER. Mr. Speaker, under leave to extend my remarks, I include herein an article written by me and published in the November 1947 edition of the National Municipal Review. The title of the article is "Did We Modernize Congress?" The article is as follows:

DID WE MODERNIZE CONGRESS?

The answer must be a definite no to the question, "Did we modernize Congress?" The newspapers, after the passage of the Legislative Reorganization Act of 1946, carried banners, "Congress Streamlined" or "Federal Legislature Modernized." Indeed, it was a noteworthy achievement, and the members of the La Follette-Monroney committee deserve all the praise that was given them. The partial victory came after an uphill fight in both the Senate and House to shake Congress loose from two decades of inertia that had blocked all real attempts to remedy obvious defects in the legislative machinery.

Senator La Follette and Representative MONRONEY deserve all the credit given them for piloting the bill through Congress. We join sincerely in the applause of a grateful Nation. Yet the authors of the bill would be the first to admit that the job has just begun.

The same is true of the political scientist, Dr. George B. Galloway, who, as staff director for the Joint Committee on the Organization of Congress, directed the research and had much to do with the drafting of the bill. He states: "Taken as a whole, the Legislative Reorganization Act of 1946 took some very desirable first steps toward modernizing our National Legislature. But they are only first steps and deal with only part of the problem. Indeed, if reorganization stops here, some

of the changes may do more harm than good."

The need for a real reorganization of Congress has been pressing for many years. Dropping archaic procedures, eliminating overlapping committees, giving Members more time to work, keeping Congressmen better informed, and improving liaison with the Executive are a few of the problems which have been presented for action through many sessions by various House and Senate Members.

The necessity of a twentieth-century Congress in a twentieth-century world resulted, early in 1945, in the creation of the Joint Committee on the Organization of Congress, headed by the late Senator Francis Maloney and, after his death, by Senator Robert M. La Follette, Jr., with Representative A. S. MIKE MONRONEY as vice chairman.

Unwisely, we think, the scope of the inquiry was limited. Nevertheless, this committee produced one of the most important reports ever placed before the National Legislature. The hearings before the group reveal that Senators and Congressmen presented more than 260 ideas for improving the present functioning of the legislative institution. The hearings, report, and the Legislative Reorganization Act (Public Law 601, 79th Cong.) deserve serious attention not only from students of government and the 3,200 men and women employed to help run Congress but from voters and citizens throughout the country.

The Joint Committee on the Organization of Congress was limited by the act creating it from making many basic recommendations; furthermore, it was unable to agree among its own members on reorganization matters within its jurisdiction; and finally, the limited recommendations it eventually did make were whittled away by the Senate and House through political bargaining and jockeying. These are tough foes to face in any reform movement.

LA FOLLETTE-MONRONEY ACT

Congress did a fairly good job of consolidating and realining its committees. The standing committees were reduced from 48 to 19 in the House and from 33 to 15 in the Senate. The act defines their jurisdiction so as to avoid considerable overlapping, it limits the number of committees on which a member may serve, authorizes larger staffs including professional assistants and adds to their investigative power.

The Revenue and Appropriation Committees are directed to cooperate in analyzing the Federal budget and present a budget of their own.

The act provides for expansion of legislative-reference and bill-drafting services. It requires the registration of lobbyists. Congress is relieved of much detail by the substitution of administrative or judicial procedures for private bills concerning pensions, tort claims, bridges, or correction of military or naval records. Congressional salaries were increased and Members are made eligible for an exceptionally generous contributory retirement system.

It is generally agreed that about 50 percent of the committee professional staffs qualify by experience and education. In many cases clerical personnel or others have been upgraded to these positions as committee experts.

Most of the committees, however, have been careful in selection and many have not permanently filled these career posts. Still others have restricted the pay far below the maximum allowed. One reason for partial failure was the lack of immediately available qualified personnel for these posts. Undoubtedly a training period will be required before the staffing is fully effective.

Some progress was made in reducing legislation on appropriation bills. Amendments in the nature of expenditure limitations are often added. Many are actually legislative in their intent. Legislation of this type was not eliminated but the increasing trend in this direction was reduced.

The requirement providing that all appropriation bills be reported to the House three calendar days before their consideration was observed on most bills, but violated in the closing days of the session. This restriction was to permit the full membership to be informed on the money items in the bill and to make the full hearings available for study 3 days before the bill was considered.

All committees, with the exception of the House Appropriations Committee and its subcommittees, held open hearings. Despite the clear intent of the act, all House Appropriations Committee hearings remained closed, executive sessions. The Senate Appropriations Committee, however, observed the act, as did all other standing committees of the Congress.

A conspicuous failure of reorganization was the failure to carry out, and in most instances even to try, the sections provided to improve the handling of the vast fiscal problems of a $35,000,000,000 Government.

No money can be spent that is not appropriated by Congress, which has full responsibility for final determination on governmental expenses. For years the obsolete methods, inadequate staffs, uncertain and hodgepodge accounting systems have been severely criticized by students of Congress.

FISCAL SYSTEM UNIMPROVED

To correct some of the most apparent deficiencies in the historic system of appropriating, the reorganization act recommended many reforms designed to tighten and improve fiscal control. Few were put into force. Despite this lack of use of the act, it was blamed by many critics within and without Congress for the delay in appropriation bills. Since practically none of the reforms was even tried, this criticism was patently unfounded.

The provision for the legislative budget was an outstanding failure largely because of lack of advance staff work prior to the convening of Congress in January. To make this valuable provision effective, a skilled, expert staff should confer often with agency budget officers while their needs are being formulated and follow through with careful observation until the sums are fixed in the President's budget. With this advance staff work the legislative budget would become more than a pious hope, as it was characterized on the floor of the House.

No evidence was presented that the country did not need to adopt an over-all fiscal policy at the start of each Congress, carefully estimating the total expenditures for the year to be made by Congress, and determining as nearly as possible anticipated income. Despite this, both Houses missed their estimates of expenditures in the legislative budget so far that the resolution adopting it was allowed to die in conference and no final action was taken.

Much of the good resulting from the brave reduction of standing committees was nullified by the creation of select and too many subcommittees. The Senate bill prohibited select committees and, while the House refused to agree, the spirit of the Reorganization Act was to have all investigatory work done by regular committees. After the Senate "broke the ice" by creating the War Investigation Committee, we witnessed the setting up of more than a dozen special groups.

Some regular committees have far too many subcommittees. The result is poor attendance and the same difficulty on the part of members in looking after their various committee assignments. An unwholesome but natural desire on the part of the leadership to give as many members as possible the honor of being chairman of a subcommittee was a principal reason for this contortion of the Reorganization Act.

The La Follette-Monroney Act intended that committee staffs be selected on a merit basis. This policy has not been followed in many cases. The act gives the committee the power of selection. This means the majority in power and usually the exclusive prerogative has been assumed by the chairman. A real merit system with a guaranty of tenure if satisfactory work is done is the obvious answer. The reorganization committee recommended a director general of personnel. This provision was tossed out by the Senate as "dictatorial" or "totalitaristic." It should have been given a trial.

BRIDGING THE GAP

Congress and the Executive should act cooperatively in the formation of legislation, not as antagonists in a struggle for power. Methods must be found to enable the Executive and Congress to have a better understanding of the facts. Nothing was done in this regard by the reorganization measure. Closer unity is especially necessary in the solution of international problems. On the home front, in dealing with domestic issues, there is a desperate need for more direct liaison and for a clearer understanding between the executive and legislative branches. The need is especially pressing when control of Congress and executive departments is divided.

The most effective way to bridge the gap between the ends of Pennsylvania Avenue can be effected by a mere change in the rules of the House and Senate. In the resolutions which Senator FULBRIGHT and I have proposed, a change in the rules of the respective bodies of Congress would permit Cabinet members and heads of agencies to meet Members of Congress face to face and talk things over.

The House resolution provides that not more than 2 hours would be set aside at least every 2 weeks to question administrative officials on the floor. Half the time would be devoted to making a report in answer to written questions which had previously been approved by the proper legislative committee, submitted to the official and printed in the CONGRESSIONAL RECORD. The latter half of the period would be reserved for oral questions by Members of the House, which must be germane to the preceding discussion.

The Speaker would disallow and the Executive need not answer any improper question or one which could not be answered for reasons of national security. The control of time during the latter half of the period would be divided equally between the chairman and ranking minority member of the committee which issued the invitation. The proceedings would be printed in the RECORD for all to read, unless in an executive session.

This method would keep the Members fully and currently informed on the big issues of the day. There is no present system for this purpose. Annual reports of the agencies are lengthy post mortems. Few Members read them. Committee hearings pertain only to a particular bill and do not contain over-all factual reports of the operation of the departments. The plan would be of benefit to the executives. It would require them to know their departments. They would have to make decisions before appearing. It would give them an opportunity of presenting their proposals to the full membership.

This is one way of improving the channels of communication between Congress and the executive branch at a time when our salvation at home and abroad depends on their ability to work together. It requires no constitutional amendment, simply an amendment of the rules of the House or of the Senate. The La Follette-Monroney committee could not consider this proposal because the resolution creating it ruled out any procedural amendments.

POLICY COMMITTEES

Most students of congressional reorganization recommend the formation of Senate and

House majority and minority policy committees. Dr. Galloway, in his report for the American Political Science Association, gives them the names of legislative councils. One of the results of the multiple-committee system is the dividing of legislative leadership among the chairmen of committees. The proposal is to have in each House a majority policy committee composed of the chairmen of the new streamlined committees and a minority policy committee composed of the ranking minority Members. The Speaker, majority and minority leaders would be included as members.

The majority committee should meet regularly. It would coordinate all work of the committee. It should have regular meetings with the President and heads of agencies. A full and free exchange of ideas at these meetings would be of great benefit. The majority committees would be the overall planning group for the party charged with responsibility.

The Appropriation Committee does the spending, the Ways and Means Committee of the House the money raising. There is little coordination between the two. A majority policy committee would be a step toward bringing together their activities. Tom Finletter, in his excellent book, Can Representative Government Do the Job, makes what I consider an unanswerable case for policy committees.

The Senate retained a provision for majority and minority committees. They did good work although their effectiveness was reduced because they did not consist of all chairmen and ranking minority committee members and they were used largely as political strategy groups.

Congress should develop a substitute for the seniority rule for committee chairmanships. Chairmen of committees wield a powerful influence. If the committee does not have a capable chairman, or if his ideas are at variance with the public or congressional will, legislation which must be channeled through his particular committee will bog down or be contorted so as not to meet the needs of the public interest. In three-fourths of the cases, the senior member of the majority party on a particular committee is an acceptable chairman. There is, however, the exceptional case, in which the senior Member, because of poor health, may not be able to serve, or because of incompetency or unfitness he is not able to handle the duties of the position; in other cases he may be completely out of harmony with the desires of the preponderant majority of the Members, both of his committee and of Congress.

I suggest that the senior majority member be chairman unless a majority of the Members on the majority side, in secret vote, decide otherwise. If a majority of the Members feel that another Member should be chairman, it is obvious that the committee would not and could not properly function if the seniority rule for chairmanship were followed. The expression of the majority Members as to the chairmanship should, under the rule, be made at the beginning of each Congress. The selection then made should be for the entire Congress.

DISTRICT OF COLUMBIA

A committee in each House of Congress has jurisdiction over the District of Columbia. Two days a month in each House are set aside to consideration of District bills. Citizens of the District consume a substantial part of the time of all Members of Congress with calls and letters relative to District problems. A system of self-government for the District should be effectuated. Most of the District bills handled by Congress should be acted upon by the government of the District. Failure to relieve itself of the government of the District is one of the glaring shortcomings of the Reorganization Act.

Thus it will be see that Congress has not been modernized. In short, the battle for modernizing Congress is merely beginning. Congress has at least been jolted out of its doldrums, but the gains must be retained and the task completed. Public support must be enlisted for this difficult task.

The objective we urge is not merely a physical face-lifting that will send the Senate snuffboxes to museums and install mechanical devices in congressional offices. We want to give Congress real independence and actual political freedom to enable it to respond quickly and effectively to the will of the millions it represents—the American people.

Upon a more effective Congress, upon a continuation of the noble effort begun in 1946, may depend the preservation of democracy in the United States.

Philosophy and United States Foreign Policy

EXTENSION OF REMARKS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. BLAND. Mr. Speaker, pursuant to permission today granted me in the House to extend my remarks on the subject of the one hundred and seventy-first anniversary of the organization of Phi Beta Kappa at William and Mary College, I wish to call attention to the fact that December 5, 1947, was the one hundred and seventy-first anniversary of the creation and establishment of Phi Beta Kappa. The anniversary celebration was held by the Alpha Chapter of the College of William and Mary. A dinner and public meeting was held. New members were initiated and an address was delivered by Walter Lippmann on the subject Philosophy and United States Foreign Policy. The address was philosophical, thoughtful, and a great contribution to the subject discussed. It was my privilege to be present and pursuant to permission heretofore granted, I include in this extension Mr. Lippmann's address entitled "Philosophy and United States Foreign Policy." The address was as follows:

I must suppose that it has occurred to many of you, as you looked at your program and saw the title of my address, that anyone who proposes to discuss philosophy and the foreign policy of the United States has chosen a rather wide and double-barreled subject. But I have been studying a list of the subjects which were debated here at William and Mary by the founding members of our society, and I find that tradition and historic precedents are with me. Phi Beta Kappa never shrank from the discussion of big subjects, or from questions on which the speaker of the day must not have been able to say the last word.

Thus, I find in Dr. Voorhees' History of Phi Beta Kappa that on April 22, 1780, the subject was: "Had William the Norman the right to invade England?" On May 21 the subject was: "Whether the execution of Charles the First was justifiable?" On June 17 our revered founders had a debate on "Whether the rape of the Sabine women was just." On August 27 they asked themselves "Whether all our affections and principles are not in some manner deducible from self-love." And on September 12 "Whether polygamy is a dictate of nature or not."

So I feel I am in good company, and I may say that in coupling philosophy with the foreign policy of the United States, I did not mean to tease you or to mystify you. For if, as our society insists, philosophy is the guide to life, then in philosophy we ought to find the guide to the great difficulty which the American people have experienced—particularly in the past 40 years—in forming a good and workable foreign policy. I have come to think that the root of our difficulty is to be found in our philosophy. And that is what I should like to talk about this evening.

If we study the history of American foreign relations during the past 40 years, we must be struck by an extraordinary paradox. During this period the United States has emerged from its long isolation. It has become one of the leading powers of the world. Not once but twice during this period the American people have had to face the awful issues of war and peace. Can it be said that during this momentous period we have ever succeeded in forming and agreeing on a foreign policy which foresaw correctly and enabled us to deal successfully with the actual course of events? The record is, I think, clear. We have won both wars. But on the crucial issues our diplomacy has thus far always miscarried. It has been unable to prevent war. It has been unable to avoid war. It has not prepared us for war. It has not been able to settle the wars when they have been fought and won.

At no critical phase in this epoch has the actual outcome conformed with our declarations and our expectations. Never has the country been able to achieve any of the principal objectives to which again and again it has been so solemnly and fervently committed.

Thus from 1914 to 1917 the country believed and hoped that it could avoid participation in the First World War. Yet it was compelled to participate. And when it did participate, it was unprepared because it had believed that it would not have to participate. During that war the country hoped and believed that by a victory it would achieve a lasting and democtratic peace. The victory was attained. But the peace which had been promised was not achieved. After the First World War the country again decided to believe that if there were another war, it would be able to remain out of it. Again it did not prepare for war. Once again it was unable to remain out of the war, when it came.

During the Second World War the country again decided to believe that with victory over the Germans there would begin an era in which all the victorious powers would agree and be harmonious and become unanimous on the terms and conditions of a just and durable peace. We have had the victory. But we have not been able to attain that peace.

Now, after two victorious world wars we find ourselves discussing the possibility of a third world war. And so we must ask ourselves whether we have become entangled in a degenerating cycle of wars that breed more wars, each more savage and more inconclusive than the last. It is a grim question. We must however face it, and I believe that we must answer it by saying that if our present estimates and calculations are no more correct than those on which we acted before, during and immediately after the first and the second world wars, then we shall be surprised and disappointed again. Once more

we shall not know how to prevent war, nor how to prepare for it correctly, or how, assuming we win it, to make peace after it. And if a second world war leads to the third, if we cannot make a settlement of the war we have just won, what ground is there to suppose that we could settle a third world war so that it did not lead to a fourth?

Is it not true that in the twentieth century we have witnessed on the one hand the rise of the United States to preeminence among the nations, to a position of great leadership and immense responsibility in shaping the destiny of mankind? And on the other hand, is it not also true that the course of events during the American rise to preeminence is strewn with debris and wreckage of high and hopeful declarations of policy—Wilson's neutrality, Wilson's Fourteen Points, the Covenant of the League of Nations; with the Washington treaties of disarmament and the Kellogg Pact to outlaw war, with the Dawes plan, and the Young plan, and the Hoover moratorium to reconstruct the world after the First World War, with the Stimson doctrine to prevent aggression, with the Neutrality Act before the Second World War, with the quarantine speech of Franklin Roosevelt, and the four freedoms, and Mr. Hull's 17 points, and the Atlantic Charter, and the Yalta declaration, and the so-called Truman doctrine.

Must we not say that it would not have been necessary to improvise in rapid succession so many new plans and new formulae if any of them had worked out as, at the time they were announced, we hoped and believed they would?

When we reflect on this experience of repeated declarations and repeated disappointments, we must be struck by the contrast between our capacity as a people to develop national power and our ability to use it and to manage it successfully.

It is plain that our failures lie in the field of policy—that is to say, in deciding correctly when, where, how, and to what ends we shall exert the enormous power and influence which we are able to generate.

For it cannot be argued that the miscarriages of American diplomacy are due to the weakness of the American Nation. Among the powers of the world the United States is the least vulnerable to invasion, to blockade or, with existing weapons, to decisive assault. The United States has the material resources, and it has the productive capacity to develop enormous offensive power in time of war. And in time of peace it produces a great export surplus—a surplus above and beyond a high standard of life at home—which renders it economically invulnerable in the outer world. Two great wars have proved the valor of American troops, the fortitude of the American people, and the military competence of American military commanders. Our institutions and our traditions are respected. And on the whole our participation in world affairs is welcomed by the great masses of mankind as promising liberty, justice, peace, and plenty.

It is, therefore, a reasonable conclusion, I submit, that we must seek the cause of our diplomatic failures in our own minds. We must look for the cause of trouble not in material circumstances but in our own habits of thought when we are dealing with foreign affairs and with the formation of American policy. Now, I believe that an inquiry will show—that in the period from Woodrow Wilson to President Truman our foreign policy has miscarried so regularly because there is interposed within our own minds, between the outer world and ourselves, a collection of stereotyped prejudices and sacred cows and wishful conceptions, which misrepresent the nature of things, which falsify our judgments of events, and which inhibit the formation of workable policies by which our available means can be devoted efficiently to realizable ends.

We have, I shall argue, brought along with us from our age of innocence, from the nineteenth century when we were isolated, and when we were sheltered from the rivalries of states and empires, an ideological picture of the world, a philosophical framework of preconceptions. We think this picture of the world is real and is noble. In fact it is imaginary and it is false. And because our philosophy of the nature of international life is imaginary and false, all our efforts to play an effective part in world affairs are frustrated.

What then is it in our philosophy which, instead of guiding us, misguides us continually? I think that the question can be answered. The point, as I have already indicated, where our declarations of policy have regularly miscarried is in avoiding war, in preparing for war, and in settling wars. We must ask ourselves whether there is here some common factor of error which confuses all of us on the issues of war and peace. I think there is. I think the error is a refusal to recognize, to admit, to take as the premise of our thinking, the fact that rivalry and strife and conflict among states, communities, and factions is the normal condition of mankind. The popular American philosophy of international life refuses to recognize this fact. It denies that in the world as it is the struggle for existence is fundamental and in the nature of things. This, I am convinced, is the philosophical error which prevents us from forming an effective foreign policy.

In the American ideology the struggle for existence, and the rivalry of nations for advantages, is held to be wrong, abnormal and transitory. Our foreign policy throughout this period has been dominated by the belief that the struggle does not exist, or that it can be avoided, or that it can be abolished. Because of this belief our aim has not been to regulate and to moderate and to compose the conflicts and the issues, to check and to balance the contending forces. Our aim has been either to abstain from the struggle, or to abolish the struggle immediately, or to conduct crusades against those nations who most actively continue the struggle.

Yet in the world as it actually is, the struggle is not abnormal, and it is perpetually renewed. Twice during this period we have sought to abstain from the struggle by declaring our neutrality. We have not been able to stay out of it. Twice we have conducted victorious crusades against the chief trouble maker, believing what was soon disproved by events—that if he could be eliminated, we would then have eliminated all trouble makers. Twice we have sought, by forming universal societies like the League of Nations and the United Nations, to abolish the struggle. They have not abolished the struggle. But our efforts to use the universal society as if the struggle could be abolished has wrecked the League of Nations and may yet wreck the United Nations.

Our refusal to recognize the struggle for existence as the normal state of mankind in international affairs has resulted in the repeated miscarriage of American policies. Our efforts to deal with events, as if they conformed or could be made to conform with our ideological picture of what they ought to be, has been rather like using a map of Utopia to find your way around New York City.

The American refusal to recognize the struggle for existence has in this century crystallized in a recognizable pattern of conduct—a neutrality which assumes that the struggle can be ignored and avoided, in crusades that assume that by defeating the chief trouble maker the struggle for existence will end, in the sponsorship of a universal society which assumes that the struggle can be abolished.

Since 1914 American relations with the outer world have oscillated among these three patterns of conduct. The great debates within this country have turned upon them. But the experience of these 40 years shows conclusively, I think, that if we insist on treating the conflict of States, communities, and factions as abnormal, as exceptional, as transitory, we are unable to form an efficient foreign policy. Our American ideology, which we have brought over from a time when we did not have to play a responsible part among the powers of the earth, distorts our judgment when we deal with the problems of power. It distorts our judgment when we determine our aims. It distorts our judgment when we have to calculate how a balance can be struck between our aims and our power to realize them.

Yet in practical judgments—and diplomacy, when the stakes are life and death, calls for very practical judgments—the criteria are always relative. For there is no such thing as absolute power. Whatever the wealth, the power and the prestige of a nation may be, its means are always limited. The problem of the maker of policy is to select objectives that are limited—not the best that could be desired but the best that can be realized without committing the whole power and the whole wealth and the very existence of the nation.

But if we examine the issues of foreign policy as they are presented to our people, we find an overwhelming disposition to regard the choices before us, not as relative but as absolute. We are disposed to think that the issue is either this or that, either all or nothing, either isolationism or globalism, either total peace or total war, either one world or no world, either disarmament or absolute weapons, either pious resolutions or atomic bombs, either nonintervention or a crusade, either democracy or tyranny, either the abolition of war or wars of annihilation, either disarmament or military supremacy, either appeasement or unconditional surrender, either nonresistance or a strategy of annihilation.

There is no place in this ideological pattern of the world for the adoption of limited ends or limited means, for the use of checks and balances among contending forces, for the demarcation of spheres of influence and of power and of interest, for accommodation and compromise and adjustment, for the stabilization of the status quo, for the restoration of an equilibrium. Yet this is the field of diplomacy. These are the substance and the matter of an efficient diplomacy.

Our ideologists, however, condemn it as power politics and as appeasement. They would exclude it, they would outlaw it, and they would excommunicate those who discuss it. They insist on treating the rivalry of nations as something that could not exist among right-thinking men. They will not regulate the rivalries because they hold that the rivalries ought not to exist. So they are left with our three patterns of policy—to ignore the rivalries by proclaiming our neutrality, or to deny the rivalry and to believe it will disappear if the nations are members of a universal society, or to conduct crusades of annihilation against the lions who do not wish to lie down with the lambs.

You will have been asking yourselves how what I have been saying bears upon the subject which preoccupies us all so anxiously and so profoundly—upon our relations with the Soviet Union, which is today our great rival in the world, with which we are now engaged in a world-wide diplomatic conflict. You are entitled to ask the question, and I must try briefly to answer it by indicating what a true philosophy of international life can do to guide us.

The beginning of wisdom on the Russian question is, I believe, to recognize the historic fact that the division between eastern and western Europe, the rivalry between Russia and the nations of the west, did not begin with Marx, Lenin, and Stalin nor

would it end if the Soviet regime were overthrown or defeated. The cultural and ideological division of Europe is as old as the division of Christendom between Rome and Byzantium. The imperial rivalry with Russia in the Baltic, in eastern and central Europe, in the Danube Valley, in the Balkans, in the Middle East, and in the Far East did not begin with the Communists and will not end with communism. It has been one of the great fields of diplomacy under the czars as it is under the Communists. Rivalry with Russia is a new problem for the United States of America. But the British Foreign Office has been preoccupied with it for a hundred and fifty years. We had better make up our minds that we shall now be preoccupied with it for a very long time to come.

That being the case, we must give up the notion that the choice is between one world, in which the Russians are our partners, and two worlds in which we must annihilate the Russians or they must annihilate us. I do not believe that we must either marry the Russians or we must fight them, that we must have either a perfect peace or a total war. I believe that the best policy is to recognize that the rivalry will remain, and not to expect it to disappear, and not to think it could be abolished by the United Nations and not to think it could be abolished by a victorious war—and having recognized that the rivalry is a permanent fact to use our whole power and influence to regulate it, to keep it within bounds, to establish spheres of influence which limit the rivalry, and a balance of power in the world which checks it.

I do not believe that we can settle the Russian problem once and for all. I do believe we have enough power and influence, if we use them efficiently, to bring about a settlement in this generation with Russia. But it will have to be a settlement which aims not at unanimity, not at ideological harmony, not at the abolition of all our differences and disagreements but at a truce in the cold war, a modus vivendi during which the nations can recover from the great war, at treaties which end in the withdrawal of the armies of occupation in Europe, and the restoration of Europe to the Europeans.

This will not be easy to achieve. It will require the pressure of power—which will offend those among us who do not like power politics. It will require political and economic compromises, which will offend those who regard all compromise as appeasement. But if a truce, and a modus vivendi, and a treaty are hard to achieve by power and by compromise, it is certain that without power on the one hand, and compromise on the other, nothing can be achieved.

If we will not or cannot use the classic procedure of diplomacy—which is always a combination of power and compromise—then the best we can look forward to is an era of disintegration in the civilized world, followed it may be by a war which once it began, would be savage, universal, and indecisive.

That must not happen. And it need not happen, if only our people will abjure their illusions about the nature of the world in which they have so recently become a leading power, and wil permit and assist those who must form our policy, to go forward on the assumption that our aim is not to marry the Rusisans and then to live with them happily ever after, nor to fight them and let the whole world be devastated, but that our aim is to transact our necessary business with the Russians, at arms length, coolly, shrewedly, without fear and without extravagant hope, and with as much justice as may be possible where there is as yet no agreement on first principles and where the rivals do not live in the same moral order.

Music Has No Lobby

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Music Has No Lobby," by Carl E. Lindstrom, published in the Hartford (Conn.) Times of November 26, 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUSIC HAS NO LOBBY, SAYS CAPITAL CRITIC

(By Carl E. Lindstrom)

Railing at one's home town is a temptation which the critical writer soon learns to resist. If he is smart—realistic—he discovers that things are never as bad as they seem; that critics, of all people, are likely to be impatient; that scolding seldom does any good because the people who need it most aren't listening.

Comes a time, though, when the most conscientious realist finds he must speak up.

A letter from Glenn Dillard Gunn, distinguished critic of the Washington Times-Herald and for many years the music oracle of the Chicago Tribune, contains the following observations, apropos the scene in which he now finds himself.

"Washington is an interesting city, lacking only the vote and, in consequence, that measure of civic spirit that builds opera houses, concert halls, and other cultural monuments." He adds that leadership is in sight under which "it now seems probable that we will acquire them. Under present concert-hall conditions the gross box office of serious music was under a million dollars.

"With the Washington Sesquicentennial celebration scheduled for 1950 we will be ridiculous in the eyes of the world. Congress will do nothing since fine music has no lobby. So an appeal must be made for funds to the Nation at large."

This situation may come as something of a surprise to those of us who base our knowledge of the capital musical scene upon the National Symphony Orchestra. It ranks a high favorite among the great orchestras which play here every year. There is something so heartwarming about one of Dr. Kindler's concerts and during the brief years of its existence the orchestra has shown such remarkable technical gains that we Hartfordians are apt to overrate the state of culture in Washington.

Mr. Gunn has put his finger on the cause: "Music has no lobby."

Because he has commented thus frankly upon Washington conditions it is the more difficult to contain dissatisfaction over Hartford conditions.

We are still without an orchestra and the present inertia has set its brakes upon the question of what kind of music is to be played by a nonexistent orchestra for which nobody has yet put up a nickel.

Meanwhile a scholastic orchestra runs into the necessity of shutting out 2,000 on a cold night and a professional union-sponsored orchestra plays to empty seats. Both were free.

And Wadsworth Atheneum, the largest museum in the State, is in the midst of a campaign for 1,000 new associate members. There are at present about 600 which is about a third as many as Worcester and Springfield each have.

A proposal to build a theater-concert hall seating 600 reopens the whole question of the Hartford Theater—whether we have one or whether we haven't—and why not seat 1,200?

These questions may be unrelated. If they ever are to be related it will take civic spirit and how much of it have we here?

It isn't only in Washington that music has no lobby.

Shining Example

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein an editorial which appeared in the Evening Tribune, Lawrence, Mass., on Tuesday, December 16, 1947:

SHINING EXAMPLE

Speaking on the same program in London, England, last Friday evening, United States Secretary of State George C. Marshall and Great Britain Foreign Minister Ernest Bevin pointed to the growth of British-American friendship and understanding as a pattern for peace in this troubled world and the comparison was a perfect one, because if all nations would compose their differences as well and stand together similarly for the best interests of mankind, there would not be any fear of new major wars and the future would be rosy indeed.

Addressing the members of a society pledged to promote United States-British friendship, they stressed the desire for peace in the world and praised the fine bond between their countries. Secretary Marshall recalled the settlement of British-American disputes in the past and declared that he did not know of any better instance in all history of what nations can accomplish that are willing to negotiate frankly and with a sincere desire to adjust their difficulties. Foreign Minister Bevin added that just as the British and Americans understand each other, so do they desire to make such understanding world-wide and accordingly extend their friendship in the same way to fellow human beings throughout the universe.

The way to the present accord between the two countries has not been smooth or easy. As all students of history know, the American people had to defeat Great Britain in the Revolutionary War to win their status as an independent nation and to make the victory stick had to whip the British again in the War of 1812. Relations were stretched almost to the breaking point once more during the Civil War, when Britain evidenced decided partiality toward the Confederate States. Each remained entirely aloof during this country's war with Spain and the British conflict with the Boers, although there was widespread sympathy for the latter among the American people.

In World Wars I and II, though, American public sentiment was with the British from the outset, and in each instance the United States ultimately became involved on their side, providing the necessary power to insure victory on both occasions. Even now the two great nations have their decided differences on finances and other matters, but always compose them without any undue bit-

terness. Then when the really big matters arise, such as the present endeavor to conclude peace treaties with their defeated enemies of the last global conflict, they stand squarely shoulder to shoulder for the best interests not only of themselves but of the world. If Russia and the belligerent satellite countries it dominates only had the good sense and judgment to follow their lead, universal peace in our time would be assured and the era immediately ahead would be the greatest in the history of the human race.

Price Control

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. SMATHERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Miami Daily News of December 13, 1947:

IT STILL IS PRICE CONTROL

The more we contemplate the anti-inflation measures which the Republican leaders propose to rush through the special session, the more remarkable the change in the party position appears to be. This surely must put to an end the party talk of an economy uncontrolled by Government. (The Republican tariffs have been for generations an interference by Government with the general economy. The party talk of free economy has never been consistent. Now, surely, it must cease.)

The use of bank reserves as a method of checking inflation is a measure of control which economists have commonly approved. The present inflation is the product of a money supply, based on credit, which outran the goods supply. Restrictions on credit as a means of checking inflation can hardly be criticized. Most radical and most questionable of the measures proposed is the chartering of monopolies to impose price control. The Republicans cannot bring themselves to price control by the Government. That would be regimentation, socialism. They bring themselves, however reluctantly, to price control by chartered private powers. This is the purport of their plan to suspend the antitrust laws to permit business groups to fix prices, the assumption being that the prices will be fixed downward, or at least not increased.

Whichever way you take it, it still is price control. A good many Americans would risk such control by the Government in whose running they have a say rather than vest it in private businesses over which they have no say. The method is debatable. The result is the same—a controlled economy.

So now we see this resort to a controlled economy by the political party which, after 1929, allowed the Nation's economy to sink rather than have the Government interfere to the depths of 1933. That course cost the Republicans a 16-year banishment from power. At last, facing an inflation which a year and a half ago they had guaranteed would not come, they turn about, and attempt their own controlled economy.

The Russians are waiting with a licking of the lips for the predicted repetition here of 1929 and what followed it. With even the Republicans at last agreeing that some measure of economic controls can stabilize business and prevent or at least minimize depression, our prospect for disappointing the Russians is improved.

How Secrecy Can Hurt

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "How Secrecy Can Hurt," published in the Washington Star of recent date.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW SECRECY CAN HURT

Speaking in New York the other night, Dr. Karl Compton, the distinguished president of Massachusetts Institute of Technology, made a point that has been made many times before, but it is one that cannot be emphasized too often or too strongly. It is simply this: That despite a widespread American opinion to the contrary, the United States has lagged behind Europe in producing basic new scientific discoveries. We have been uniquely skillful in applying the ideas of others to practical use, but we have been relatively deficient in originating fundamental theories of our own through abstract research and experiment.

By way of illustration, Dr. Compton has reminded us that in the field of atomic energy, "out of say a dozen of the fundamental ideas, some 9 or 10 have come from Europe, including the original discoveries of radioactivity, of artificial transformation of chemical elements, and of nuclear fission." It is true enough, of course, that our scientists, technicians, and industrial managers wrought a gigantic and half-miraculous wonder in converting pure theory into the world's most awesome reality, but the fact remains that they could not have done it had they not had access, first of all, to the basic creative work carried out by others overseas.

This is a fact that speaks pretty much for itself. It means, as Dr. Compton has warned, that the United States, far from feeling complacent about its scientific ability, must undertake a special and continuing program to improve the scope and character of its work in every field of research and experiment in industrial, governmental, and university laboratories. As far as nuclear fission is concerned, the warning is particularly important. More than that, it serves to underscore the peculiar seriousness of the problem of reconciling the need for secrecy with the need for an all-out effort to achieve constant progress in the world of the atom—a vast new world, a world still mostly unexplored, in which man has only begun to toddle.

No one is more aware of this problem than Chairman Lilienthal of our Atomic Energy Commission. On the one hand, as he declared in his recent address to the American Society of Mechanical Engineers, it is absolutely imperative to keep certain information under lock and key; but on the other hand it is equally imperative to have as many good minds as possible working on all phases of the project. As Mr. Lilienthal rightly sees it, the situation demands that the line between the restricted and unrestricted be drawn with wisdom and common sense. What we need to guard against is the emotional and mistaken assumption that secrecy and security are synonymous and that the more we have of the former the better will be the latter.

Nothing could be less sensible. For the fact is, in Mr. Lilienthal's words, that "secrecy, applied in a stupid and hysterical and demagogic way, can actually impair and weaken our security." It can do so by drastically limiting the number of scientists and technicians working on nuclear fission. It can do so by choking off the development of new ideas, ideas that cannot be born in an iron-curtain atmosphere, ideas that we must have if we are to maintain and increase our lead in the field of A weapons. Thus, if we should follow a policy of permitting only 50 good men to know about a project calling for the brains of a hundred, some other country conceivably could outstrip us in the atomic race.

Secrecy, in short, can hurt us very seriously if we carry it to excess. It needs to be applied most carefully. In relation to other lands, our scientific position is not so superior that we can afford to do anything likely to black out or impede new ideas and discoveries. On the contrary, as Dr. Compton, Mr. Lilienthal, and many others have counseled, we are definitely in need of policies designed to expand and improve our fundamental research. Certainly, not the least of these must be a policy of atomic information free enough to insure that we do not blind ourselves in a way that could be our undoing.

The Government of China

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an interview with Marshal Feng Yu-hsiang, by Robert S. Allen, which appeared in the New York Times of Sunday, December 14, 1947. Since the Marshal is himself a member of the Kuomintang and is in the United States on an official mission for the Government of China, his strong criticism of the corrupt government of Chiang Kai-shek has especial weight.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCRUTINY OF CHINA SUGGESTED BY FENG—MARSHAL, NOW IN WASHINGTON, SAYS CHIANG'S AIMS, FORTUNES OF HIS KIN NEED SIFTING

(By Robert S. Allen)

WASHINGTON, December 13.—Marshal Feng Yu-hsiang, former Deputy Generalissimo of China's Nationalist armies, today vigorously opposed any new United States loans to China as long as Chiang Kai-shek remains in power.

"I am opposed to the United States giving any more financial aid to the present regime in China," the "Christian Marshal" declared, "because the money will be used to line the pockets of corrupt officials and greedy military officers.

"I am for aid to China. But any aid that the United States does give, if it is to do China any good, must not be turned over to the Chiang Kai-shek Government. That aid must be controlled and administered by Americans.

"It is apparently not realized in this country that Chiang has at least 200 propagandists in the United States agitating for loans and other aid. Most of them work in and

around Washington. It is a matter of great irony to me that these propagandists are financed by the money you Americans have loaned to Chiang. The operations of this propaganda machine to get more money from you are being paid for by your country."

SEES RUSSIA USED AS "BOGY"

Marshal Feng is in Washington to confer with Members of Congress and Government officials. He said he was still a member of the Kuomintang, the ruling party in China.

Marshal Feng flatly accused the Chiang Kai-shek Government of using Russia as a bogy to obtain more loans from the United States.

"The so-called Russian threat to China," he said, "is being used by the Chiang government for its own purposes. I am not a Communist and I am not for Russia. But I know of no proven evidence that the Russians are helping the Chinese Communists. Chiang is constantly raising the cry of Russian penetration, for the sole purpose of setting a trap. The nation that is caught in that trap will regret it.

"The real facts of the matter are that Chiang's armies are being defeated by the Chinese Communists because the Nationalist troops are demoralized. Last month two of Chiang's armies were smashed by the Communists when they captured Shihkiachwang in Hopeh Province. These two armies were equipped with United States weapons. But they were demoralized because they were led by corrupt and incompetent officers. These officers are more interested in graft and stealing the soldiers' pay—in order to speculate in real estate in Shanghai—than they are in fighting and defeating the Communists."

Marshal Feng held that Chiang Kai-shek's position was hopeless.

"The people of China are not worried about finding a successor to Chiang," Marshal Feng asserted. "Chiang's propagandists are trying to convince you Americans that he is the only man who can save China from the Communists. That is not true. In fact, the very opposite is the case. Once Chiang is eliminated a strong and united anti-Communist government will quickly be established. Important steps are already under way toward that end.

HE DISCUSSES ALTERNATIVES

"General Li Chin-sun, commander of the South China Democratic Union armies, has begun arrangements for a new people's government. In the north another Democratic Union army and the Democratic League of China are doing the same thing. And in central China all parties are organizing for the selection of a new government."

Marshal Feng said that before the United States provided any more money for China the foreign investments of wealthy Chinese should be made public.

"Governor Dewey, Senator Brewster, former Ambassador Bullitt, and Representative Walter Judd are vigorously urging a $2,000,000,000 United States loan to China," Marshal Feng remarked. "But I haven't seen one word from these gentlemen about the huge foreign holdings of the Soongs, Kungs, and other millionaire relatives of Chiang. It would seem only reasonable to me that before the United States pours any more money into the Chiang government the foreign fortunes of these wealthy Chinese should be disclosed.

"Both the people of China and the people of the United States are entitled to this information. We Chinese want to know where the fortunes of these people are, and you Americans ought to know to protect your interests. Of one thing I am certain. The Chiang government is not collecting any taxes from these wealthy Chinese on their huge foreign investments in this country."

Marshal Feng came to Washington from Berkeley, Calif., where he is living with his wife, who teaches at the University of California.

Soil Conservation

EXTENSION OF REMARKS
OF
HON. EUGENE WORLEY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. WORLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the December 4 issue of the Wellington (Tex.) Leader, published by Deskins Wells, on soil conservation.

I commend this very excellent editorial to the attention of my colleagues. It follows:

Today agriculture is bringing us more and more profit from our land, but tomorrow the result may well be another lost empire.

History proves that nations may not only be lost by war but by peace as well. The ancient and rich civilizations of the Mediterranean went down in peace. Their downfall was a result of neglect of the land.

We took a heavy toll of our soil to meet the needs of the First World War and again repeated the performance for the Second World War. Farmers plowed up the prairies and mined their soil in order to cash in on the demand for wheat, food, and feed. They met the plea to help win the war.

Until recently we have considered the soil erosion a private problem of the individual landowner. Today we realize that we, as a nation, demanded a larger and larger production from our land by agriculture as a contribution to our war effort; therefore, it must necessarily follow that we are all responsible for the result. Our agriculture has been depleted and our soil in a large measure ruined, and we, as a nation, are responsible.

During the first 30 years of the twentieth century in America, it has been reported that millions of acres of topsoil have been lost each year. We must do more than merely hold the soil in place; we must rebuild it and restore and maintain its fertility.

Soil is a natural resource upon which the welfare of the Nation is dependent. For this reason, measures to save the soil must have the public interest.

The American soldier, marching across the avalanche of sand in north Africa, saw a first-hand example of the result of a nation that forgot to protect its heritage—its soil. In parts of the world where the importance of joint action of all the people has been overlooked in saving the soil many successive civilizations of great development and culture have perished from the earth.

Soil exhaustion was the long-range cause of the ruin of Rome, Memphis, Babylon, and Athens. It takes only a short period for this ruin to take place. America has no time to lose.

Confirmation of Nomination of Robert N. Denham

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. TAYLOR. Mr. President, I was unavoidably absent when the nomination of Mr. Robert N. Denham to be general counsel of the National Labor Relations Board was confirmed. Had I been present I would have voted against confirmation. I had prepared a statement which I would have delivered had I been present. I ask unanimous consent to insert my prepared statement in the Appendix of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

(1) As a trial examiner under the National Labor Relations Board, Mr. Denham recommended the dismissal of unfair labor practice charges filed by certain Negro workers, sustaining his recommendation on the ground that the testimony of the white foreman should be accepted, and in that connection stated as follows:

"The key to the evaluation of the testimony reflecting the relation of the Negro laborers to their white overseers and to their white bosses in general was largely supplied by Harlan, who has known and worked Negro labor in the South for many years, and by the testimony of the Negroes themselves. The reluctance of the southern Negro to discuss his personal affairs with his white bosses, particularly where such matters might tend to prejudice him and his tendency to concoct almost any fabrication as an answer in such circumstances is well recognized among the white men of the South. Close and intimate contact with the Negro has taught the white overseers to recognize when a Negro is lying; notwithstanding that the formula upon which such recognition is based appears to be indescribable."

(2) Mr. Denham's analysis of the law seemed to be predicated on his effort to please employers and particularly the National Association of Manufacturers. Thus:

(a) In a speech in St. Louis several weeks ago, Mr. Denham carefully stated that under the law if an employer and a union entered into a collective-bargaining agreement which contained a union-security clause, such act in and by itself did not constitute an unfair labor practice where the union had not had an election under the Taft-Hartley law. Mr. Denham in this connection stated that only in the event an employee were discharged under the union-security clause would there be an unfair labor practice established.

(b) However, when he appeared before the National Association of Manufacturers the other day, Mr. Denham, in his effort to please that organization, found it perfectly easy to change his interpretation of the law. At this time he stated that the mere execution of the contract might well constitute the basis of an unfair labor practice.

(c) How is it possible for employers or unions to know what this law is intended to mean where one of the important officers charged with the duty of interpreting the same could change his opinions as caprice may dictate and where the effort seems to be to please just the National Association of Manufacturers?

(3) The law specifically provides that in most unfair labor practice cases (with the exception of secondary boycotts or jurisdictional disputes), the Board has the discretion of going to the Federal court to get an injunction only after a complaint has been issued. Recently, after the newspaper publishers filed an unfair labor practice charge against the typographical workers union in connection with a strike called by that union, Mr. Denham was quoted by the newspapers as saying that he was contemplating procuring an injunction. This statement was made even though no complaint had yet been issued by the Board.

Apparently Mr. Denham's sole objective under the law is to utilize the same at the behest of employers regardless of what the law may provide and is completely unconcerned about the merits of disputes between

employers and the unions or what the interests of the workers may demand.

(4) The United States Supreme Court has held in several cases that workers at a plant may strike and where engaged in peaceful picketing the same constitutes an exercise of constitutional rights that may not be abridged either by statute or injunction. This was held in the *AFL* v. *Swing* case where the United States Supreme Court upheld the right of the minority group to strike. Yet Mr. Denham has the gall in his speech before the National Association of Manufacturers to hold that where this occurs while he is administering the Taft-Hartley law, a refusal of anyone to cross such peaceful picket line would be the basis of an unfair labor practice under the Taft-Hartley law. Mr. Denham therefore very carefully brushes aside constitutional rights which have been promised protection by the United States Supreme Court.

(5) The Remington Rand Co., under contract with a union, filed a petition with the National Labor Relations Board asking for an election. The Board dismissed that petition on the ground that no election could be held because the union had chosen not to use the facilities of the Labor Board and therefore had not filed affidavits or financial accounts.

Mr. Denham, while attending the National Association of Manufacturers' conference, undertook to say to the press that if Remington Rand were to continue bargaining with the union it would do so at its peril.

As has been stated on the floor of the Senate by Senator PEPPER and Senator AIKEN, such a statement, if made by Mr. Denham, is a clear violation of the law. Mr. Denham apparently feels obligated to do anything he possibly can to assist any employer, even one such as Remington Rand, which has one of the blackest records in violating Federal law in denying rights of its employees.

Present-Day Hysteria

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO
IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a very incisive comment on the hysteria which now surrounds us, contained in a brilliant editorial from the New Yorker Magazine, of December 17, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Three people have phoned us already this morning, and it isn't 10 o'clock. One said he was writing an open letter to Joe Louis, another said he was writing an open letter to the New York Times, and the third said he was writing an open letter to Stalin. It is a loud, fierce time, this heyday of the open letter. We imagine, though, that, like the plane that goes faster than sound, we shall shortly all be out ahead of our own swift and terrible opinions and shall enter the vast silent realm—outriders of thought, those who have outdistanced their own and everyone else's views on all subjects and have been swept into the peaceable supercerebral region where thought is in conflict with nothing whatsoever, because all ideas are a few hundred yards behind, trying vainly to catch up.

"I went to Washington," said Mr. Humphrey Bogart, "because I felt fellow American citizens were being deprived of their constitutional rights. I see now that my trip was ill-advised, foolish, and impetuous, but at the time it seemed the thing to do." Mr. Bogart's public apology for having rushed to the defense of civil rights belongs with other vital American documents and should perhaps be added to the Freedom Train. We suggest the following display:

"But when men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is reached by free trade in ideas. * * * That at any rate is the theory of our Constitution. It is an experiment, as all life is an experiment."—*Oliver Wendell Holmes.*

'So first of all let me assert my firm belief that the only thing we have to fear is fear itself."—*Franklin Delano Roosevelt.*

"I believe—I may say we believe—that the individual man and woman is the pivotal element in a desirable society. A rich and powerful state would be meaningless to Americans, if it rested on weak and poor individuals."—*Eric Johnston.*

"I went to Washington because I felt fellow American citizens were being deprived of their constitutional rights. I see now that my trip was ill-advised, foolish, and impetuous, but at the time it seemed the thing to do."—*Humphrey Bogart.*

Justice Holmes defined our constitutional theory as an experiment—"as all life is an experiment." A good part of the experiment seems to be in the nature of paradox. Certainly our political faith hangs on the quaintest paradox of them all, that the individual has a sort of natural dignity, and that when two individuals differ and throw their dignity and their opinions at each other, from the clash comes truth, which is itself dignified, although not solidified. This comical situation vexes many an individual who, in the course of life's experiment, might prefer a more rigid society tending to make opposition or difference seem unsubstantial, even mythical—or un-American.

Security is paradoxical, since the only security is risk, or experiment. And the affair of the ten men and the Thomas Committee is essentially paradoxical. The men are cited in contempt of the Committee for refusing to answer the question; the question itself, when the courts take over, may be found to be in contempt of the Constitution. Two negatives make a positive. What do two contempts make—respect?

Hon. Everett M. Dirksen, of Illinois

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. SMATHERS. Mr. Speaker, Ralph Waldo Emerson once wrote, "A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines." That statement by Mr. Emerson has recently taken on real significance for me as we have seen the world and its problems change and multiply and big minds in considering them grow and change in proportion with the problems.

The Miami Daily News, a progressive and outstanding newspaper of Florida, recently wrote an editorial about a great Republican and statesman, our distinguished colleague of Illinois, EVERETT DIRKSEN. The editorial commends Mr. DIRKSEN for having had sufficient mental stature and courage to see the necessity of discarding the ancient theory of isolationism as a foreign policy and substituting therefor international cooperation wherever and whenever possible in order to maintain the peace of the world. I am honored to place into the RECORD this editorial commending an able and outstanding Republican leader:

DIRKSEN A CONGRESSIONAL SAUL

It is easy to think of Congressmen as men who duck and dodge and do nothing except scheme for votes. For an antidote to this too pessimistic attitude take a dose of Representative DIRKSEN of Illinois.

A Republican politician in the State of Illinois is in very much the plight of a Democratic politician in the State of Tennessee. Tennessee has its Boss Crump of Memphis, whose frown can finish almost any Democrat down there; Illinois has its Colonel McCormick who, with his Tribune, carries the Republican Party in the pocket of his vest. The colonel is no easy boss in Illinois. His Senator and his Representatives have a narrow line to walk. They must be of the rigidly conservative, isolationist brand of Republican or out with them. The colonel's Congressmen, including Senator BROOKS, must be his faithful rubber stamps or woe to them.

Among the abler and more energetic of the Congressmen who lived under the colonel's eye has been Mr. DIRKSEN. Through the past years DIRKSEN paid the price which his job imposed. He was of the isolationists in Congress. Then came his trip last summer to the European scene. He comes back a promoter of aid to Europe, a backer of the Marshall plan.

Daily the colonel and his Tribune fulminate against the Marshall plan, against aid to Europe, against anything but the blindest isolation. Now what will the colonel do to the Saul, who, seeing a vision, has turned Paul and risked his political life in doing so.

Representative DIRKSEN will be happy, we guess, no matter what punishment for his "treason" the colonel deals out to him. He has seen a light and followed it. That should be happiness enough for him. More Congressmen than we are apt to admit work for that happiness.

Aid to China

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. CLASON. Mr. Speaker, yesterday, before the Senate Appropriations Committee, Assistant Secretary of State Willard L. Thorp admitted in his testimony that the State Department has no program for American aid to China today. Former Ambassador to Russia William C. Bullitt, an outstanding Democratic leader, described China's acute financial plight and is reported to have said:

The State Department has had 11 months since General Marshall's return to prepare a Chinese program. It did not prepare one. It based its policy on the completely fatuous

idea that the Soviet Government was a peace-loving democracy and that the Chinese Communists were an agrarian revolt that had nothing to do with Moscow.

He further said that some urgent telegrams from our present Ambassador to China, J. Leighton Stuart, have not been given the courtesy of a reply.

In October, 1947, I had the privilege of attending conferences with the President of China, Generalissimo Chiang Kai-shek, and with Ambassador Stuart. There is no doubt that both of them have brought forcefully and repeatedly to the attention of our State Department the present extremely serious plight of China. It seems obvious that the State Department is lagging far behind both Congress and the American public on the very important subjects of communism in the Far East and aid to the unfortunate Chinese people.

In these circumstances and if an immediate program for expenditure of $60,000,000 for Chinese aid is to be pursued, the following program has been brought to my attention by a person who has interested himself in China as a soldier during the war and as a businessman today. It deals with relief and not with military needs. If carried out under the supervision of the United States Army Engineers, Public Health employees and our own purchasing and distributing officers, it offers a worth-while basis for full consideration of our immediate activities. The plan is as follows:

SOME SUGGESTIONS CONCERNING THE EMERGENCY AID TO CHINA

INTRODUCTION

Of the $590,000,000 authorized by the House of Representatives to be appropriated to provide immediate aid urgently needed by the peoples of Austria, China, France, and Italy, it is understood that some $60,000,000 will be used in China.

The purpose of this aid, as stated in Union Calendar No. 588, H. R. 4604 of Eightieth Congress, is "to alleviate conditions of hunger and cold and prevent serious economic retrogression which would jeopardize any general economic recovery program based on self-help and cooperation."

The amount, however, is so very small for a population of 450,000,000 people that a well-thought-out program should be formulated in order to achieve the maximum good for the maximum number of people and for the greatest benefit to the country as a whole, within the limit of the aid proposed.

It is obvious that hundreds of petitions for aid will be received from all classes of people, farmers, artisans, gentry, and students, as soon as this aid is made known to them. Their needs will all be urgent and real and within the interpretation of the act. How are we going to consider and act on such petitions? How are we going to satisfy everybody when everybody wants aid?

Without going into detail and taking into consideration the number of people represented in the different classes of China's population, the suffering and losses sustained by them collectively during and after World War II, and the relative importance of alleviating their present conditions to the economic recovery of the country as a whole, we must admit that aid to rural China is of first importance and should receive our first consideration.

China is an agricultural country having more than 80 percent of her population engaged in agriculture, and she must be treated as such. Practically everything in China is dependent on agriculture or agricultural production. A bumper crop or a flood affects not only the farmers themselves but the economy of the entire nation.

RECOMMENDATIONS

Based on the amount of $60,000,000 authorized, it is recommended that we break down the aid as follows:

For food	$30,000,000
For medical supplies	4,000,000
For clothing	15,000,000
For fertilizer	5,000,000
For seeds	500,000
For miscellaneous aid	2,000,000
For transportation of supplies and administration	3,500,000

EXPLANATION OF PROJECTS

Food: Since $30,000,000 will buy about 9,200,000 bushels of wheat and since this amount of food is too small for all the farmers in need, it is suggested that it be used only to pay for work on worth-while work projects, such as dike repair, well digging, and road repair, in rural districts. The carrying out of these projects, especially dike repair, will help not only support continuous crop production but also eradicate the danger of floods which are occurring in China today with increasing frequency and severity every year due to the bad condition of dikes protecting rice fields.

If $20,000,000 or 6,325,000 bushels of wheat were spent on dike repair, and if 10 pounds of wheat is paid per day per laborer for 3 cubic meters of earthwork, a total of 115,000,000 cubic meters of earthwork could be done; and that would take care of millions of acres of rice land that are liable to flood. It is said that if all the dikes in Kwangtung Province were properly repaired, at least 3,000,000 acres would be made safe for continuous crop production.

Well-digging will be about the best work project for north and northwest China. One of China's leaders, Mr. Yu Yu-ren, has recently proposed a program of digging 10,000 wells as a means of saving and relieving the desperate condition of the rural population in northwest China. The well-digging project as suggested here could well be considered as part of Mr. Yu's program.

Medical supplies: In giving medical supplies, it is suggested that $4,000,000 be appropriated of which $3,000,000 be donated to 1,000 county hospitals (Wei Sen Yuan) at $3,000 per hospital for medicine and equipment, and $1,000,000 to deserving hospitals in large cities.

Clothing: For clothing, it is recommended that $15,000,000 be allocated and that this may go to all the students and teachers of all universities, colleges, and high schools in the country who have suffered so much during the war and as a result of the economic chaos which followed. It is hoped that this allocation will enable each student to get sufficient material or cash equivalent for a suit of clothes.

Fertilizer: China before the war consumed about 210,000 tons of chemical fertilizers, not considering Formosa. In view of what UNRRA has already done in the way of supplying the fertilizer needs of the country on the mainland, it is proposed to appropriate $5,000,000 for the purchase of about 140,000 tons of ammonium sulfate for the spring and fall planting in the rural districts.

Seeds: It is recommended to appropriate $250,000 for purchasing rice seed for the Kwangtung farmers who have suffered from a severe flood recently, and another $250,000 for the purchase of cotton seeds for farmers in north and central China.

Miscellaneous: Aid to deserving private philanthropic agencies should also be looked after. For this it is recommended that at least $2,000,000 be set aside.

RECAPITULATION

To recapitulate:

Summary of proposed aid

	Amounts suggested
Food:	
(a) For dike repair	$20,000,000
(b) For well digging	5,000,000
(c) For road repair	5,000,000
Total	30,000,000
Medical supplies:	
(a) Rural hospitals	3,000,000
(b) City hospitals	1,000,000
Total	4,000,000
Clothing	15,000,000
Fertilizer	5,000,000
Seeds	500,000
Miscellaneous aid	2,000,000
Transportation, administration, etc	3,500,000
Total	60,000,000

PROPOSED ADMINISTRATION

To insure quick and effective action so that the objective of this aid program, namely, providing the maximum direct assistance to the really needy people of China, will be achieved, it is recommended a Sino-American Commission be organized, composed of Chinese and American experts who really know China and her rural and social problems, and her present emergency needs.

It is understood that the Chinese and Americans serving on the Commission and throughout the organization of the Commission be on equal basis, and that the Commission functioning as an independent agency be given by the executive Yuan the power to cooperate with and to coordinate the functions and duties of all the government and private organizations in the country.

It is important that in the allocation of aid under the categories given above, the question of population and its distribution be carefully considered. Allocation should be based on not only population but also the speed with which the projects could be finished, and the willingness to cooperate on the part of the local people.

In other words, north China with a population of about 150,000,000 people should be allotted 33 percent of the total aid; central China with a population of some 80,000,000 people should be allotted about 20 percent of the aid; and south China with a population of 220,000,000 people should be allotted at least 45 percent of the aid.

Such method of allocation was not carefully considered during the UNRRA-CNRRA operations in China, and as a result there was much dissatisfaction and a lot of unnecessary political disputes which did nobody any good.

There is another point which should be taken into consideration in the administration of the aid, and it is this. Should the project suggested require more than 6 months to complete with no prospect of continuance when the aid fund is finished, it should not be considered. And if the local people or farmers are not willing to supply labor and tools and equipment necessary for the completion of the project, aid should also be withheld. But on the other hand if the farmers are willing to cooperate to the extent of accepting even a lower rate of pay per day for the work done, every consideration should be given to aid such farmers.

Odd Kind of a Chairman

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. McMAHON. Mr. President, I ask unanimous consent to have printed in the Appendix an editorial entitled "Odd Kind of a Chairman," published in the Hartford (Conn.) Times of December 13, 1947.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ODD KIND OF A CHAIRMAN

The only thing that seems to be wrong with Senator J. HOWARD MCGRATH as chairman of the Democratic National Committee is that he talks more like a statesman than like an organization politician.

It is so unusual that this should be true that it may take the country, accustomed to other procedure, a little while to get used to it. However, there is something refreshing about it.

Speaking to Maine Democrats at Bangor the other day, Senator MCGRATH declared his belief that the party can win another election "by working for the principles of progressive government, for the advancement of the welfare of the people," but that "success can come only as we build on these principles with men who are willing to cast aside selfishness."

In his viewpoint "the task is simple and the question is whether those not willing to take personal responsibility are willing to support those who are." At another point he offered the view that "there can be no more sacred trust in this hour of world misunderstanding than to dare to speak for one's neighbor."

Still earlier in his career as party leader and spokesman, Senator MCGRATH brought about the rejection of a resolution which would have made a party matter out of supporting the Marshall plan and proposed instead that cooperation between Republicans and Democrats in Congress be the goal sought.

All this may be highly irregular for a party chairman whose duty it is to lambaste the opposition at every opportunity, decry its leadership and its motives, and laud to the skies everything his own party does. However, at any time the Nation can well stand for departure of the old-time custom. At this time—grave hour of world misunderstanding, as Senator-Chairman MCGRATH puts it—it is particularly timely.

Delivery of Lend-Lease Supplies to Russia

EXTENSION OF REMARKS
OF
HON. FRANK B. KEEFE
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. KEEFE. Mr. Speaker, the Congress and the country have been agitated by conflicting reports as to the delivery of lend-lease supplies to U. S. S. R. after the official termination of lend-lease on VJ-day. The State Department at my request has submitted a factual statement in reference to the matter which I include as part of these remarks. I also include a letter from War Assets Administration in reference to certain lend-lease material which was declared surplus by lend-lease and which, except for the intervention of the Congress, would have no doubt been shipped to Russia. We shall continue to keep close watch of this matter.

THE UNDER SECRETARY OF STATE,
Washington, December 3, 1947.

Hon. FRANK B. KEEFE,
House of Representatives.

MY DEAR MR. KEEFE: In our telephone conversation this morning you inquired as to my reply to your letter to me of November 12 concerning the truth of recent newspaper stories with respect to "pipe line" deliveries under the Lend-Lease Act and the shipment of lend-lease materials to the Soviet Union.

Although the Department has no record of a letter from you dated November 12, I do have your letter of November 19 dealing with this subject and I presume this is the letter to which you have reference. The reply to this letter has been delayed in an effort to obtain information with which to reply to that part of your letter concerning the sale of lend-lease material as surplus property to the Soviet Union. The Department has no information on that subject and I will accordingly transmit your inquiry to the Administrator of War Assets Administration for further reply.

With respect to the remainder of your letter I am pleased to transmit the information which you request. In the paragraphs which follow, I wish to indicate, first, the basis for lend-lease deliveries to the Soviet Government after VJ-day and secondly, the circumstances attending in particular the shipments which have been made since December 31, 1946.

I

Deliveries of lend-lease goods to the Soviet Government and other countries on the wartime basis were ordered halted on VJ-day, September 2, 1945, and no further deliveries were made to the Soviet Government on this basis except for small quantities of goods then in transit to shipside or already aboard ship. The $10,900,000,000 of lend-lease aid delivered to the Soviet Government during the war was covered only by the Soviet Master Lend-Lease Agreement of June 11, 1942, and settlement for aid in this category is now in process of negotiation.

Lend-lease goods provided to the Soviet Government in the postwar period were all delivered under the terms of a so-called pipe-line agreement concluded with the Soviet Government on October 15, 1945, by Mr. Leo T. Crowley, then Foreign Economic Administrator. Under this agreement printed in the Twenty-first Report to Congress on Lend-Lease Operations the United States agreed to deliver and the Soviet Government agreed to accept a specific list of articles all of which had been ordered for the Soviet Government under lend-lease during the war and which, on VJ-day, remained undelivered either in warehouses or in production. No combat items were included in the list. This agreement was similar to pipe-line agreements concluded with other lend-lease recipients. Unlike wartime lend-lease to the Soviet Government, which is now the subject of settlement negotiations, the agreement of October 15, 1945, requires payment in 22 graduated annual installments beginning in 1954. Interest at the rate of 2⅜ percent is payable annually.

The agreeement of October 15, 1945, was concluded under the authority of section 3 (c) of the Lend-Lease Act which was amended in April 1945 to read as follows:

"SEC. 3. * * *

"(c) After June 30, 1946, or after the passage of a concurrent resolution by the two Houses before June 30, 1946, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1949, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1946, or before the passage of such concurrent resolution whichever is the earlier: *Provided, however*, That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation, or postwar reconstruction."

The agreement with the Soviet Government was concluded on October 15, 1945, well in advance of the limiting date of June 30, 1946, set by the act. Its schedules included for delivery only those articles which had been ordered prior to VJ-day "for the prosecution of the present war," and it contained definite repayment terms as required by the act.

In all, goods and services valued at approximately $233,000,000 were delivered to the Soviet Government under the agreement of October 15, 1945. An initial payment in the amount of $4,170,000 on account of interest due July 1, 1947, has already been received.

II

The various situations under which lend-lease articles were delivered into Soviet custody were as follows:

1. The Third Deficiency Appropriation Act, 1946, approved July 23, 1946, provided funds for the continuation and liquidation of lend-lease activities but contained a proviso that none of the funds appropriated thereby could be used "for any expense incident to the shipment abroad of any commodities after December 31, 1946." This provision of the Third Deficiency Appropriation Act, 1946, did not purport, by its terms, to require the United States to cut off shipments under its pipe-line agreements with foreign governments as of December 31, 1946. At the time of the enactment of the Third Deficiency Appropriation Act it was hoped that all deliveries could be completed by December 31, 1946. In the latter part of 1946, however, it became evident that, owing to strikes and other delays entirely outside the control of the procurement agencies of the Government, goods with a value of approximately $30,000,000 could not be ready for shipment

to the 11 countries involved before December 31.

In November 1946, each of the foreign governments was advised that, under the Third Deficiency Appropriation Act, appropriated funds could not be used to pay the administrative expenses involved in the delivery of goods which could not be shipped before December 31, 1946. Each of the governments was requested, if it should desire to receive these goods, to deposit with the United States Treasury Department funds to be used to cover these administrative expenses. The requested deposits were all made before December 31, 1946, including a deposit by the Soviet Government. The use of these funds for this purpose was discussed with the General Accounting Office during the closing days of December 1946. On January 10, 1947, a ruling was received from the General Accounting Office to the effect that these funds could not be used to effect further pipe-line shipments. Consequently deliveries to the Soviet and other governments of all pipeline articles were immediately suspended. The Comptroller General indicated informally that this ruling would be changed should there be an expression of contrary intent by the leaders of Congress and an assurance that clarifying legislation would be enacted at an early date. This Department promptly raised the problem in letters addressed to the Chairman of the Senate and House Appropriations Committees, and presented the details more fully in subsequent hearings.

2. The agreement of October 15, 1945 contains in schedule II, paragraph B, a provision which reads in part as follows: "any article which shall not have been transferred * * * prior to 3 months following the time of signing of this agreement or 3 months following the time of notice to the Government of the Union of Soviet Socialist Republics of the availability of the articles, whichever is the later, shall be deemed to be transferred to the Government of the Union of Soviet Socialist Republics, and the Government of the Union of Soviet Socialist Republics shall thereafter assume complete financial responsibility for the articles."

Provisions to the same effect appear in the pipe-line agreements with several other countries, including the United Kingdom, China, and Australia.

After the suspension of all deliveries on January 10 it was recognized by reference to this section of the agreement that certain articles, for which notices of availability had been issued to the Soviet Government before December 31, 1946, were, when 3 months had elapsed, automatically transferred in accordance with the terms of the quoted paragraph. The Soviet Government had accepted certain other articles prior to December 31, 1946, by the issuance of shipping instructions with respect thereto. Articles in these categories were considered in the circumstances indicated to have become the property of the Soviet Government, which thereupon became entitled to take custody of such articles at any time thereafter. Deliveries to the Soviet Government of articles in these categories were effected from time to time during the first quarter of 1947. All such deliveries were suspended toward the end of the first quarter, pending clarification of the intention of Congress.

Total deliveries of lend-lease articles to the custody of the Soviet Government effected by the Bureau of Federal Supply during the first quarter of 1947 under the situations set forth in paragraphs numbered (1) and (2) above are reported by that Bureau to have totaled $3,393,000. The Bureau of Federal Supply was the sole procurement agent for articles delivered under the situations cited above.

3. Small amounts of supplies procured with funds appropriated directly to the Departments of the Army and Navy were transferred in early January 1947. Such transfers were not considered to be affected by the restrictions of the Third Deficiency Appropriation Act which applied only to articles procured with funds appropriated to the President. Reports from these two Departments indicate their total lend-lease transfers to the Soviet Government after December 31, 1946, to have been $60,000 and $19,300, respectively.

The intent of Congress respecting the pipeline agreements was definitively clarified by the enactment on July 30, 1947, of the Supplemental Appropriation Act, 1948, which specifically authorized the completion of deliveries to 10 named countries, omitting the U. S. S. R. As a consequence, formal directions were given to the procuring agencies to the effect that no deliveries of lend-lease articles should be made to the Soviet Government. The procuring agencies were further advised that all articles remaining undelivered should be disposed of as surplus or used in fulfillment of other United States Government programs. Articles not delivered to the Soviet Government and disposed of, or to be disposed of, in this manner had an original cost of somewhat in excess of $19,000,000.

Export statistics prepared by the Bureau of the Census indicate that lend-lease goods valued at $16,080,000 cleared United States ports for the Soviet Union during the period January through September of this year. Lend-lease articles delivered to Soviet custody before December 31, 1946, or after that date under the circumstances outlined above, passed to complete control of the Soviet Government in the United States. In view of the fact that no lend-lease articles have been delivered to Soviet custody since March of this year, it is evident that any exports over and above the articles valued at about $8,500,000 described above were articles custody of which had been delivered to the Soviet Government before December 31, 1946. There is enclosed for your ready reference a table, Lend-Lease Exports to the U. S. S. R., Monthly, January through September 1947.

Sincerely yours,

ROBERT A. LOVETT,
Acting Secretary.

Lend-lease exports to the U. S. S. R.—Monthly, January through September 1947 [1]

January	$4,724,000
February	3,192,000
March	1,383,000
April	1,788,000
May	3,633,000
June	148,000
July	1,168,000
August	0
September	44,000
October (statistics not yet in)	
Total	16,080,000

[1] Data from publications of the Department of Commerce, Bureau of the Census.

WAR ASSETS ADMINISTRATION,
Washington D. C., December 10, 1947.

Hon. FRANK B. KEEFE,
House of Representatives,
Washington, D. C.

MY DEAR MR. KEEFE: This Administration is in receipt of a request from the Honorable Robert A. Lovett, Under Secretary of State, asking that we furnish you information as to the sale of property originally procured under Lend-Lease for the U. S. S. R. and now declared surplus.

Approximately $7,000,000 of this property is in the nature of oil-refining equipment and approximately $12,000,000 is equipment of a miscellaneous nature. Declarations of this property have been received from the Bureau of Federal Supply beginning the first part of October and are expected to be completed this week.

A centralized control has been set up in the Washington Office of this Administration to direct the disposal action on this property in order to carry out the intent of the Eightieth Congress in regard to its disposition. A report of the name and address of each purchaser and the sale price for each item sold will be made to the Bureau of Federal Supply, Treasury Department.

The only portion of this property sold to date consists of a few items taken by Federal Agencies for their own use.

The last paragraph of the December 3, 1947, letter to you from the Honorable Robert A. Lovett explains newspaper reports of recent lend-lease property shipments to the U. S. S. R. Such property referred to was not declared surplus to, or sold by, the War Assets Administration.

Sincerely yours,

JESS LARSON,
Acting Administrator.

House Committee on Un-American Activities and the President's Loyalty Order

EXTENSION OF REMARKS
OF
HON. GLEN H. TAYLOR
OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have inserted in the RECORD a closely reasoned and irrefutable statement, signed by almost all the members of the faculty of the Yale University School of Law, which marshals the arguments against the House Committee on Un-American Activities and the President's loyalty order.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

YALE UNIVERSITY SCHOOL OF LAW,
November 26, 1947.

The PRESIDENT OF THE UNITED STATES,
The SECRETARY OF STATE,
The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIRS: It is clear both from the bold and forthright report of the President's Committee on Civil Rights and other facts of common knowledge that the liberties which have so long distinguished our Nation are in danger from within, as well as from without. Irremediable tragedy only can result if the advice of the President's committee is ignored. We the undersigned members of the Yale law faculty take this opportunity to urge immediate and decisive action. This Nation needs not alone to be reminded that our Government is one fashioned for courageous men, who prefer the conceded hazards of living in liberty to the indignities of the police state; it needs also to reaffirm its faith and to secure its freedoms by vigorous and appropriate measures now.

We are not insensible that in a world becoming increasingly divided, our Government must take all rational precautions against acts which threaten or seem to threaten, our national security and existence. Precautions cease to be rational, however, when they defeat the very ends they are designed to secure. We need not create a police state to escape a police state. It can make little difference to the citizen who loses his liberties and dignities as a human being

whether his loss comes from an enemy or from a native oppressor who subverts democratic government in the guise of protecting it.

There is in our history no evidence that our faith in freedom of thought and speech is not well-founded. For 150 years the most violent dissidence of political expression has been allowed, not only as a monument to the safety with which error of opinions may be tolerated when reason is left free to combat it, but in the abiding belief that the ultimate good desired is better reached by free trade in ideas. It is not now apparent why the American people should be so wanting in courage or so skeptical of our foundations as to fall victim to the fears of frightened men either inside or outside the Government. It is, however, unhappily true that America appears to be embarking on an era similar to that which followed the First World War. There are alarming signs that persecution for opinion, if not soon curbed, may reach a point never hitherto attained even in the darkest periods of our history. With it, we may expect racial, religious, and every other kind of bigotry which, if it is to run its full course, can loose such a flood of intolerance as utterly to destroy the civil liberties without which no democratic society can survive.

A pattern of suppression is today evolving at the highest levels of the Federal Government. The more alarming aspects of the situation include the President's Loyalty Order of last spring, the recent "Statement of Security Principles" by the Department of State and the current performance of the Un-American Activities Committee of the House of Representatives. The procedure followed by the committee and that prescribed by the order and the statement are such as to subject the citizen to intimidation and abuse without redress and to expose the Government worker to loss of reputation and livelihood without the opportunity to defend his honor or his job.

It is the right and the heritage of every American freely to form political opinion and to express it, when accused of offense, to be presented with the charges against him, confronted by his accusers and given a fair opportunity to defend himself before an impartial tribunal. Under the cloak of congressional immunity or the cloak of anonymity, high officials of the National Government are today acting in disregard and in defiance of the American tradition of civil liberties and, in our considered judgment, in violation of the Constituton of the United States. It is, we believe, high time that the executive and legislative branches of the United States Government foreswear belief in witches and, by practicing democracy, set an example to those parts of the world which we hope to have embrace its principles. We, therefore, urge (1) that the House of Representatives immediately abolish its Committee on Un-American Activities and (2) that the President and Secretary of State revise their present policy with regard to governmental employees suspected as disloyal or as security risks, so as to bring that policy into conformity with both the spirit and the letter of the United States Constituion.

Very truly yours.

Fred Rodell; Ralph S. Brown, Jr.; Thomas I. Emerson; Eugene V. Rostow; S. E. Thorne; James Wm. Moore; A. G. Gulliver; George H. Dession; F. S. C. Northrop; Walton Hamilton; Fowler V. Harper; Wesley A. Sturgis; Boris I. Bittker; George D. Braden; Henry A. Fenn; Grant Gilmore; Friedrich Kessler; Edwin Borchard; Myres S. McDougal; Addison A. Mueller; David Haber, Fleming James, Jr.

Universal Military Training

EXTENSION OF REMARKS
OF
HON. HOMER A. RAMEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein a petition received from Mr. M. E. Dieringer, Port Clinton, Ohio, concerning proposed legislation to establish a system of universal military training:

PETITION

Congressman RAMEY,
Washington, D. C.:

Peace is worth striving for. Therefore we, citizens of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Mrs. Robert Babcock, Mrs. Steve Trenshaw, Mrs. George J. Svehla, Mrs. H. A. Hawking, Port Clinton, Ohio; Mrs. Clayton Pettibone, Lakeside, Ohio; Mrs. George King, Mrs. Francis Carter, Mrs. Thomas Keating, Mrs. Eugene Hearn, Mrs. Nellie Steelsmith, Mrs. Earl Brady, Mrs. R. N. Frye, Mrs. Christ Nelson, Jane C. Miller, Mrs. Lillian Miller, Mrs. Martha Swartz, Mrs. Celia Carter, Mrs. Leslie Brown, Mrs. C. R. Cooley, Mrs. Archie King, Port Clinton, Ohio; Mrs. Joseph Banchick, Oak Harbor, Ohio; Mrs. Howard Fritsche, Mrs. James Longe, Mrs. Glenn Dieringer, Mrs. Hazel Boss, Mrs. William C. Faust, Jr., W. W. Chapman, Jack W. Mizener, U. G. Seefert, Carl F. Miller, Ezra E. Hitt, Edward Goldbach, Mrs. Carl Miller, John Miller, Port Clinton, Ohio; Roger Witt, Martin, Ohio; Bertha Goldbach, Jack Miller, Glenn D. Dieringer, Port Clinton, Ohio.

Oil Shales and Lignite Coals Are Our True Reserves

EXTENSION OF REMARKS
OF
HON. FRANCIS CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, December 16, 1947

Mr. CASE of South Dakota. Mr. Speaker, following the general debate on the third supplemental appropriation bill, I asked permission to place in the RECORD, some data from our hearings and a letter from the Department of the Interior on the reserves we have for the production of synthetic liquid fuels. The letter came to the Appropriation Subcommittee on Deficiencies too late for incorporation in our printed hearings, but is of exceptional interest and importance to the country which is now so concerned over the problems of fuel oil and gasoline.

RESERVES OF THE NOT SO NEAR EAST

During our hearings, the gentleman from Texas [Mr. MAHON] was questioning Mr. Edward B. Swanson, of the Oil and Gas Division, and asked:

This field in Saudi Arabia, which is already proven, if fully developed and exploited; will have a capacity to supply a tremendous quantity of the world's needs. I would like your comment on that.

To which Mr. Swanson replied:

The proven reserves in the Persian Gulf area, which includes the territories of Iran, Kuweit, Saudi Arabia, Iraq, in the aggregate total nearly as much as the proven reserves of the entire Western Hemisphere. They are larger than the proven reserves of the United States.

The CHAIRMAN (Mr. TABER). What are they?

Mr. SWANSON. In the neighborhood of 27,000,000,000 barrels. * * * We are using in the United States slightly over 2,000,000,000 barrels per year, and that represents, roughly, two-thirds of the world's consumption, so that the world would be using approximately 3,000,000,000 barrels of oil per year.

The discussion was also participated in by Mr. Robert E. Friedman, of the Oil and Gas Division, and Mr. William E. Warne, Assistant Secretary of the Interior. Excerpts follow:

BASIC SECURITY LIES AT HOME

Mr. FRIEDMAN. I think it might be well to point out one additional fact, and that is that this year we are producing a half million barrels a day more than we did last year, and it is generally conceded as a matter of fact by the National Petroleum Council * * * that we had a maximum efficient rate of production in the United States of about 5,270,000 barrels per day. Two weeks ago we were producing slightly over that. In other words, we have now reached our maximum efficient rate of production. The Texas Railroad Commission told us that there was no further room for expansion in Texas at the moment. They hoped that there would be in the future. That means, it seems, for the moment we cannot further expand our domestic production, although the demand is rising. We were able to expand it by half a million barrels this year. We doubt the ability to expand it by any such amount next year.

Further, the middle eastern oil, which is abundant and available, unfortunately is on the other side of the world. A number of security problems are raised by the reliance on that oil, of course, and we wish that it were much closer and in the Western Hemisphere. Both the military and we in the Interior Department feel that as important as that oil is, it must not become the basis of our oil security. We would like to get as much as we can while we can get it, but our basic security lies at home.

PROSPECT OF OIL PRODUCTION FROM COAL

Mr. CASE. This $250,000,000 plant that the Standard of New Jersey and some Pittsburgh people are putting in to develop synthetic fuel from coal waste in Pennsylvania—is that going to get into production soon?

Mr. FRIEDMAN. I think those plans of the Pittsburgh Consolidation Coal Co. and the Standard of New Jersey are all experimental. There are no plans at the moment for commercial production. The oil from coal at the moment, I have been informed, is not competitive on a commercial basis with products from crude oil.

Mr. CASE. I think that Mr. Krug told me that it was indicated by your laboratory work that it was competitive with oil at $1.50 a barrel.

Mr. WARNE. Our latest statement, Congressman CASE, on the extraction of liquid

fuels from shales would indicate we are getting pretty close to the point where that might be competitive commercially. Bureau of Mines estimates, based on the oil shale demonstration plant now operating at Rifle, Colo., indicate that shale oil can be produced for about $2 to $2.50 per barrel. This oil is equivalent to a low grade crude oil.

I do not believe the Bureau of Mines feels that the same is true of the liquification of coal at the moment, but some of our experimental plants are still under construction. The runs have not been made as yet.

Mr. CASE. What is the average price of oil today?

Mr. WARNE. It is averaging in east Texas, I think, $2.65 a barrel.

Mr. SWANSON. $2.57 in the Mid Continent.

Mr. CASE. I do not know enough about oil and gasoline to know, but I think Dr. Sayers told me before he left the Bureau their tests indicated it would be competitive with gasoline at 30 cents—retail, I suppose; I do not know.[1]

Mr. WARNE. If some of the rises that seem to be in immediate prospect come about, that makes it pretty close to backing up the statement the Bureau of Mines gave me this morning, which was that synthetic fuel plants are getting closer and closer to a competitive position.

Mr. CASE. When that happens, shales and lignite coals give you reserves that are fantastic in quantity compared with petroleum reserves: do they not?

Mr. WARNE. Oh, yes. There is no doubt we could get liquid fuels from these other sources in far greater quantities. Our problem so far has been one of price and one of techniques. We have been at work for several years on experimental techniques and now, under some of the legislation in the last several years, we have some semi-commercial sized plants going in on a demonstration basis.

Mr. CASE. I recognize our immediate problem here concerns these supplies to meet the situation in the next few months, yet the reference of the other speaker (Mr. Swanson) to the question of security reminded me that this whole foreign-aid program was bottomed upon the problem of security and maintaining contact with oil reserves in the Middle East. But the very fact that line is tenuous means, when you are talking about security, it is important to know how rapidly you are getting along with tapping these practically unlimited reserves of oil shales and lignite coals.

Mr. WARNE. I quite agree with you. And there is the source of energy from water power which might be a substitute for some of the oil used at the present time. And in the shale fields we can say that we can produce usable liquid fuels now at prices that are almost presently competitive.

OIL SHALE ALMOST COMPETITIVE NOW

Mr. CASE. Can you state what the reserves in the oil shales constitute in terms of gasoline?

Mr. WARNE. I have heard it estimated; however, I have not the figure.

Mr. SWANSON. A minimum of 67 years is my recollection of the figure on oil shale at current rates of consumption in the United States.

Mr. WARNE. These are some of the things that are being done; the Bureau of Mines now has a program to process coal, and we have a demonstration plant under construction designed to produce 200 barrels of high octane gasoline. It will be in operation next summer. The present estimate is that gasoline from coal will cost 5 to 7 cents more than the current price of gasoline from petroleum.

[1] Under present conditions if production costs for gasoline from petroleum should rise 5 to 7 cents per gallon, it is estimated the production from coal would be commercially feasible.

Mr. CASE. I do not want to take the time of the committee now, but when you get your transcript will you put in there the percentages of the reserves in oil shales and lignite coals, with the comparative figures of the estimates in petroleum?

Mr. WARNE. We will be glad to do that.

(The matter referred to is as follows:)

"The reserves of oil shale are sufficient to provide a minimum of 100,000,000,000 barrels of recoverable oil. This compares with a known petroleum reserve of 21,000,000,000 barrels. Coal reserves are sufficient to provide for oil combustion uses for over 1,000 years.

Following this, it was agreed that the Secretary's office should supply additional information on the subject, which was done by the following letter:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., December 12, 1947.

Mr. KENNETH SPRANKLE,
Deficiency Committee,
House Appropriations Committee,
Washington, D. C.

MY DEAR MR. SPRANKLE: On December 11, 1947, Mr. William E. Warne, Assistant Secretary of the Interior, appeared before the Deficiency Committee and presented testimony relative to the interim European aid program, with particular respect to the commodities of oil and coal.

TWENTY-ONE BILLION CRUDE OIL RESERVES

During this testimony, Congressman FRANCIS CASE, of South Dakota, requested for the record information as follows:

"Congressman CASE: What are the potential crude-oil reserves in the United States?

"What are the potential oil shale reserves in the United States expressed in terms of crude oil?

"What are the potential lignite coal reserves in the United States expressed in terms of crude oil?

"Mr. WARNE: As of January 1, 1947, the crude-oil reserves in the United States are estimated at approximately 21,000,000,000 barrels.

"Synthetic liquid fuels may be obtained from our national reserves of natural gas, coal, lignite, and oil shale by appropriate processes that give the best results with the particular raw material that is to be used.

"NATURAL GAS LIMITED

"Natural gas is the first raw material that will be used in commercial production to supplement motor fuel and fuel oil. A commercial plant of about 7,000 barrels per day capacity is under construction at Brownsville, Tex., and another similar size plant is to be built in southwestern Kansas.

"However, the natural-gas reserves are limited and only the cheap natural gas, far from points of utilization, can be used economically in competition with petroleum. Also, the natural-gas reserves are very limited in comparison with coal and lignite. Therefore, these latter fuels and oil shale must supply the long-term future demands for liquid fuels.

"FIVE HUNDRED BILLION IN LIGNITE COALS

"On a heat-unit basis, about 20 percent of the total coal reserve of the United States consists of lignite. The total tonnage of lignite has been estimated by the Geological Survey of the United States Department of the Interior as 939,000,000,000 tons. It occurs in four States, as follows:

	Billion tons
North Dakota	600
South Dakota	1
Montana	315
Texas	23

"Assuming a one-third loss in mining, the remaining 626,000,000,000 tons would have a conversion value to liquid fuels of approximately 500,000,000,000 barrels, i. e. approximately 25 times the present proved petroleum reserve of the United States.

"NINETY-TWO BILLION IN OIL SHALES

"The oil-shale reserves of the United States have been estimated by geologists as capable of yielding 92,000,000,000 barrels of crude oil. This is about five times the proved petroleum reserve of the United States.

"From a conservation point of view, very serious consideration should be given to oil shale and lignite as sources of synthetic liquid fuels.

"Oil shale has no other known value than for the production of liquid fuels, and lignite does not lend itself to transportation over long distances on account of its relatively low-heating value and its tendency to slack and crumble on exposure to the air. It occurs largely in regions of low-population density and has a very limited market. Its conversion into liquid fuels would constitute wise utilization of the large reserves of low-rank solid fuels, such as lignite and subbituminous coal.

"The liquid fuels thus obtained could readily be transported long distances through pipe lines as is being done with petroleum at the present time.

"On a heat-value basis, lignite and subbituminous coal comprise 42 percent of the Nation's coal reserves. National interest points to their use for conversion to liquid fuels rather than the utilization of metallurgical coking coal and other high-grade solid fuels that are in great demand for industrial and domestic use and will be exhausted long before the lower ranking fuels found west of the Mississippi River."

Kindly see that the above answer by the Assistant Secretary is incorporated in the record of the afore-mentioned committee hearing.

Sincerely,

N. H. COLLISSON,
Special Assistant to the Secretary.

The Bill of Rights

EXTENSION OF REMARKS
OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. KLEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the New York Times of December 14, 1947:

THE BILL OF RIGHTS—ANNIVERSARY OF THE FOUNDATION STRUCTURE OF OUR FREEDOMS NOTED

(The writer of the following letter is historian of the Bill of Rights Commemorative Society.)

To the EDITOR OF THE NEW YORK TIMES:

On Monday the Bill of Rights, which is the foundation structure of our American freedoms, will have been in operation and a counterpart of the Constitution for 156 years. By the action of the Legislature of the Commonwealth of Virginia, as the necessary three-fourths of the States for its adoption, the Bill of Rights became part of the law of the land on December 15, 1791.

Within the past fortnight we have read the World Bill of Rights, a concise document of 10 articles and about 400 words, drafted by a committee of the United Nations. It was patterned after our own Bill of Rights, as originally written here in New York, when this city was the Capital of the new Nation in 1789. Our Bill of Rights, while a product

of the people through their legislative assemblies and their elected Representatives in Congress, was drafted under the direction of James Madison, then a Representative in Congress from Virginia, as its master architect.

Madison, who had more to do with the writing of the Constitution than any other man, was well aware of the absence of a bill of rights in the Constitution, and it was he who first brought up the subject of a bill of rights in Congress only 5 days after the Government under the Constitution had come into being, and it was he who engineered its legislation through to its final passage by Congress in 1789 and its necessary ratification by a sufficient number of the States 2 years later.

GUARANTIES OF LIBERTY

Most of the people think of our Bill of Rights as consisting of only the first 10 amendments to the Constitution, but it is much more than that. Since these amendments, collectively known as the Bill of Rights, were first adopted, 11 other amendments have been added to our Constitution, and 6 of them are just as much a part of our Bill of Rights today as though they had been included in the original charter of liberties.

If one will carefully study the last 11 amendments to the Constitution, he will find that 6 of them vitally concern the rights and freedoms of "we the people." They are the thirteenth amendment, the fourteenth and the fifteenth, relating to the abolition of slavery, citizenship, due process of law, equal protection of the rights of the citizens, and the rights of the citizens to vote. These are known as the Civil War amendments. Even the eighteenth and twenty-first amendments relate to the rights and privileges of the people, and are known as the prohibition amendments. The nineteenth amendment, giving suffrage to all citizens, irrespective of sex, certainly belongs to our Bill of Rights. This amendment upset the voting laws in many State constitutions.

Possible exceptions to certain amendments which might be excluded from our Bill of Rights are the eleventh, relating to lawsuits against the States; the twelfth, regarding the method of electing the President and Vice President; the sixteenth, giving Congress the power to levy and collect taxes on incomes; the seventeenth, changing the mode of the election of Senators to the vote of the people; and the twentieth, known as the lame-duck amendment, which changed the terms of office of the President, Vice President, and the Members of Congress and the times when they should take office.

There have been some decisions of the United States Supreme Court which have altered the original intent of some of the amendments. For instance, the meaning and scope of the first amendment, which is the soul of the Bill of Rights. This amendment decrees, in part: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." If looked at in the light of its history and the evils it was designed forever to suppress, it is found that it has several times been elaborated by decisions of this court prior to the application of the first amendment to the States by the fourteenth amendment.

RIGHTS OF STATES

Every State in our Union today has its own bill of rights, but of course, the Federal Bill of Rights is paramount to them all. This first amendment did not, in its intent, prevent an individual State from setting up a State church or establishing a State religion, and for many years after the adoption of the Bill of Rights some of the States, notably Massachusetts and Connecticut, compelled the people to support certain religious denominations designated by State statutes. These two States never ratified the first 10 amendments until 1939.

Prior to the adoption of the fourteenth amendment, on July 21, 1868, the first amendment did not apply as a restraint against the States, and even since the adoption of the fourteenth amendment there have been several decisions of our Supreme Court upholding State laws respecting the first amendment and interference by the Federal Government, but in late years this Court, in decisions based upon the due-process-of-law clause in the fourteenth amendment, declares: "Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion to another. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups or vice versa."

This reversed former decisions regarding States' rights. It is interesting to note that church and state were not separated in Massachusetts until the abolition of taxation for the support of religious worship in 1833, nearly half a century after the adoption of the Federal Bill of Rights.

On the eve of the anniversary of the adoption of this great monument of freedoms which we enjoy, let us be reminded of the words of John Adams: "You have rights antecedent to all earthly government; rights that cannot be repealed or restrained by human laws; rights derived from the Great Legislator of the Universe." Although these rights are inherent, it took legislative action to guarantee and secure them to us, and for that reason governments were instituted among men. The Magna Carta of 1215, wrested by the barons from King John, was the first written guaranty of the inalienable rights of man.

At the present time in the world there is a battle waging between one faction to preserve constitutional government, so erroneously called democracy, instead of a republican form of government, and another faction which wishes to sow the seeds of communism throughout the world. We, in this Republic, and those in the other English-speaking nations have a bill of rights, while those who live beyond the iron curtain, and in a land of slavery, have no bill of rights. They are not allowed to know the meaning of the inalienable rights of man. Their freedoms have been buried and every act of their lives has been regimented by the state.

We, here in this land of freedom, must not at this or any other time, forget the words of Thomas Jefferson, inscribed in bronze in Union Square, for the Reds and all others to read, and which say: "How little do my countrymen know what precious blessings they are in possession of and which no other people on earth enjoy."

ELIZUR YALE SMITH.

NEW YORK, *December 7, 1947.*

The Stabilization Bill

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. KEFAUVER. Mr. Speaker, on Monday when House Joint Resolution 273, the Republican stabilization bill, was under consideration, it was vigorously stated by many Members of the House that the antitrust law should not be relaxed. It was pointed out that the small businesses of the Nation would suffer from such an abrogation of the antitrust laws. This view is shared by the National Federation of Small Business, Inc., a great and hard hitting small business association. The views of this organization will be helpful in the further consideration of this and other similar proposals.

In a speech to the House on this subject when the bill was under consideration, I stated that the principal sufferers from emasculation of the antitrust law would be the small businesses of the Nation. It is quite evident that the National Federation of Small Business, Inc., which is always active and courageous in defending the interest of the small businessman, has the same view.

The statement of the National Federation of Small Business, Inc., released by George J. Burger, director, on Monday, December 15, is as follows:

The National Federation of Small Business, Inc., today protested vigorously against antitrust exemption measures reportedly being incorporated in so-called voluntary antiinflation programs. In identical telegrams to President Truman, the majority and minority leaders of both the Senate and the House, and the chairmen of the Republican and Democratic National Committees, Federation President C. W. Harder warned that antitrust exemptions "have always worked effectively to suppress free, competitive enterprise and its practical expression, small, independent business."

In his message, Mr. Harder declared that there is but one difference between the program already presented by the Democratic Party and that reportedly under preparation by the Republican Party. That difference, he said, is one of control. Mr. Harder said that the Democratic Party program "would establish government monopoly control with industry assistance," while the reported Republican Party program "would establish industry monopoly control with government assistance" over the Nation's economy. Both programs, he asserted, would speed this Nation on a sure road away from our present system of free, competitive enterprise, the system on which our present democracy is based.

Mr. Harder asserted that alarm felt by small, independent business over developments in so-called antiinflation programs has been but heightened by failure of the present administration to implement the terms of Senate Concurrent Resolution 14 (which recommends small, independent business representation in Government) and failure of the majority party to take active interest in the measure.

He charged that in considering antitrust exemptions and thereby moving away from the system of free, competitive enterprise, both parties are disregarding the clear lessons of history that free enterprise alone is capable of producing adequately to meet demand. In this respect, he said, the programs will but intensify current inflationary dangers."

Mr. Harder called attention to the fact that the Nation-wide small business membership of the federation, the largest individual membership of any business organization in this Nation, has voted "overwhelmingly against any weakening of Federal antitrust laws, that it has voted overwhelmingly in favor of sincere, consistent, hard-hitting use of these laws." He called attention also to the fact that the federation membership has voted overwhelmingly in opposition to any siphoning off of scarce commodities from our domestic market for use as foreign relief.

Following is text of Mr. Harder's telegram:

DECEMBER 12, 1947.

The National Federation of Small Business, Inc., is greatly alarmed over reports that the Republican Party will sponsor a so-called voluntary antiinflation program permitting industry to enter into agreements to ration distribution of scarce commodities free from fear of Federal antitrust action.

Attention is called to the fact that this reported program is strikingly similar to the program advanced by President Truman November 17, with the only essential difference being that of control. The Democratic Party program would establish Government monopoly control with industry assistance over the Nation's economy. The reported Republican Party program would establish industry monopoly control with Government assistance over the Nation's economy.

In these respects the Democratic program would tend toward ultimate establishment of some form of state socialism, and the reported Republican program toward ultimate establishment of some form of industrial fascism. Both programs would speed this Nation on a sure road away from our present system of free, competitive enterprise, that system on which our present system of democratic government is based. In this regard, attention is called to the fact that antitrust exemptions have always worked effectively to suppress free, competitive enterprise and its practical expression, small, independent business. There is no valid reason to assume that such exemptions will not continue to be so used. The alarm felt over the programs being advanced by both parties is but heightened by consideration of the fact that to date the administration has not moved to assure bona fide small business representation in councils of government as recommended by Senate Concurrent Resolution 14, passed by Congress almost 6 months ago, and that little active interest in the implementation of this resolution has been evidenced officially by the Republican Party.

Attention is called also to the fact that both programs obviously ignore the reality taught repeatedly by history, namely, that free, competitive enterprise alone is capable of increasing production to the point of meeting demand, that any checks on this type of enterprise represent effectively either forced curtailment of production or prevention of its reaching its full potential. In this respect, the programs will but intensify current inflationary dangers. It may be said that proposals for antitrust exemptions represent advantage taking on the part of monopoly-cartel groups capitalizing on groundwork laid by Government bureaucratic and internationalist parties. Responsibility for any resultant damage to individual liberties and freedom of opportunity here must be borne clearly by all factors, Democratic and Republican, who sponsor and approve such programs.

Let it be understood very clearly that the Nation-wide membership of this organization, which is the largest individual membership of any business organization in this Nation, has voted overwhelmingly against any weakening of Federal antitrust laws, that it has voted overwhelmingly in favor of sincere, consistent, hard-hitting use of these laws. Let it be understood also that this membership voted overwhelmingly in opposition to any siphoning off of scarce commodities from our domestic market for use as foreign relief. We urgently request that this great, important segment of our public and this definite cross-section of business be recognized and given consideration in preference to the relatively tractable and relatively small group representing big monopoly enterprise who always run to Government for help in time of danger, and who, when their tactics bring chaos to our Nation again, will run to Government asking to be bailed out just as they have done during previous emergencies.

We are compelled to warn that once the damaging consequences of the proposed programs become evident, it is a certainty that small, independent enterprise and all freedom-loving citizens will rise in arms against their sponsors. We are compelled to warn, too, that the fruits of these programs may well prove a fertile field in this Nation for the growth of communism, that very system of misgovernment and faulty way of life against which we are trying to insulate ourselves.

In all considerations of the twin problems of antitrust exemptions and foreign aid we hope you will ever keep foremost in your mind the following question: What does it profit a nation to attempt saving the world, if in so doing it suffers the loss of its immortal soul?

C. W. HARDER,
President, National Federation of Small Business, Inc.

National Park Service

EXTENSION OF REMARKS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. BLAND. Mr. Speaker, the National Park Service celebrated its thirtieth anniversary in 1946. Although a relatively young agency of the Government, the Service now administers a very considerable Federal estate, conservatively valued at around $1,000,000,000. These holdings comprise the outstanding areas of scenic, scientific, and historic interest in the United States.

When the Congress assigned responsibility for the administration and protection of these areas to the National Park Service, it gave specific instructions which continue after 30 years to govern the Service in its policy of caring for this large Federal estate. This policy is set forth in the act of August 25, 1916, to establish a National Park Service in the following words:

> The Service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations by such means and measures as conform to the fundamental purpose of said parks, monuments, and reservations, which purpose is to conserve the scenery, the natural and historic objects, and wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

The act of 1935, which provides for the preservation of historic sites, declares it to be a national policy to preserve for public use historic sites, buildings, and monuments of national significance for the inspiration and benefit of the people of the United States.

In the travel year which ended September 30, 1947, more than 25,000,000 visitors had been accounted for in the national parks and monuments. This figure compares with 21,000,000 visitors to the parks in the peak year of 1941. Even in the face of this considerable increase in visitation to the parks, the National Park Service is nowhere near as well equipped to take care of the visitors as it was before the war. In 1941 we had the services of several thousand CCC boys, not simply for construction and development, but for a large degree of maintenance. Even leaving this out of account, the funds available in 1948 fiscal year are by no means sufficient to permit staffs or service equivalent to that had before the war. Considering the rise in costs of services and materials there is less now for administration, protection, and maintenance than there has been during past years. Repair and rehabilitation of structures and facilities which was started in 1946 has by no means been completed.

Conditions of the many park buildings, the 5,387 miles of roads and 7,218 miles of trails, are so bad that normal maintenance will not suffice. Major reconstruction is necessary. In view of these conditions little new construction has been possible. Under such circumstances, such normal functions as interpretation, research, and printing of publications for which there are requests by hundreds of thousands has had to remain on a reduced and inadequate scale.

In addition to the conditions which result from inadequate maintenance during the war years, the increased visitation to National Park Service areas since the war, brought about by the popularity of the parks, plus the physical impact of these visitors on the areas themselves, create a serious problem. While it is partly true that scenery is a resource that can be used over and over again without impairment, overuse, especially when aggravated by misuse, can be very destructive. At Yellowstone, for example, the indiscriminate tramping of the feet of 800,000 visitors in the geyser basins as at Old Faithful last year caused perceptible damage that would be cumulative if allowed to continue year after year.

In the same way the home of Franklin D. Roosevelt at Hyde Park, after 1 year in which it had over half a million visitors, the stairways had already started to give way under the strain. In order to protect the national park areas sufficient funds for adequate repair and maintenance of existing facilities are a necessity, as are also allotments for physical improvements and personnel to provide service to the public.

One of the most serious problems facing the National Park Service at the present time is the presence of some 554,000 acres of non-Federal lands within the boundaries of the national parks and monuments. Such alienated lands prevent sound development and economical administration of many areas and constitute a constant threat to their integrity. The Service tries to acquire these lands through direct purchase when funds are available and through land exchanges where possible. The lack of regular appropriations for an acquisition program has been a great obstacle. Such a lack makes many timely purchases on a buyers' market impossible and frequently results either in the Government having to pay a high price for an area under specific appropriation

from Congress or in losing an opportunity to purchase entirely. It is now estimated that between $1,250,000 and $1,500,000 annually for a period of as much as 20 years will be required to eliminate the non-Federal lands in the National Park System.

The areas in the National Park System are truly national in significance. To round them out and to accord them proper protection, impossible with this tremendous acreage of non-Federal land within them, is a national responsibility. Delay in starting a regular orderly program of acquiring these private lands involves at best large increases in costs because of increases in land prices and the expensive developments being placed upon them. At worst it means that scenic and historic resources that should be preserved are destroyed or are so modified as to lose the character that gives them park value. In either event the people of the United States are the permanent losers.

What is true of the National Park Service as a whole is proportionately true of individual areas. The Fredericksburg National Military Park will serve as a good illustration. This park was established by an act of Congress approved February 14, 1927, Public No. 609, Sixty-ninth Congress, which reads:

That in order to commemorate the Civil War battles of Fredericksburg, Spotsylvania Court House, Wilderness, and Chancellorsville, including Salem Church, all located at or near Fredericksburg, Va., and to mark and preserve for historical purposes the breastworks, earthworks, gun emplacements, walls, or other defenses or shelters used by the armies in said battles, so far as the marking and preservation of the same are practicable, the land herein authorized to be acquired, or so much thereof as may be taken, and the highways and approaches herein authorized to be constructed, are hereby declared to be a national military park to be known as the Fredericksburg and Spotsylvania County Battle Fields Memorial whenever the title to the same shall have been acquired by the United States, the said land so to be acquired being the land necessary for a park of the plan indicated * * * and authority is hereby given * * * to acquire * * * the land above mentioned. * * * together with all such existing breastworks, earthworks, gun emplacements, walls, defenses, shelters, or other historical points * * * and together also with such additional land * * * for monuments, markers, tablets, roads, highways, paths, approaches, and to carry out the general purposes of this act. As title is acquired to parts of the land herein authorized to be acquired, the Secretary of War may proceed with the establishment of the park upon such portions so acquired, and the remaining portions of the lands desired shall be respectively brought within said park as titles to said portions are severally acquired.

And further that—

It shall be the duty of the commissioners, under the direction of the Secretary of War, to survey, locate, and preserve the lines of the opposing armies in said battles, to open, construct, and repair such roads, highways, paths, and other approaches as may be necessary to make the historical points accessible to the public and to students of said battles and for the purposes of the park, to ascertain and mark with historical monuments, markers, tablets, or otherwise, * * * all breastworks, earthworks, gun emplacements, walls, or other defenses or shelters, lines of battle, location of troops, buildings, and other historical points of interest within the park or in its vicinity.

Proceeding under this authority the Secretary of War and later the Secretary of the Interior—the obligation having been transferred to the National Park Service in 1933—acquired land, built roads and trails, located and cleared earthwork lines, gun pits, and battery positions, put up markers and maps, constructed a few essential houses—among them a headquarters museum building—and recruited a small permanent staff in order that the park might be afforded a minimum of maintenance, protection, and interpretation. All of this was accomplished prior to 1941. Beginning with that year, due to the end of the Civilian Conservation Corps program, and the preparations for war, a period of retrogression set in. This was due, of course, to the fact that sufficient funds were not at hand with which to pay the costs involved. The staff was reduced; funds were not available to pay the wages of temporary employees nor to purchase necessary materials and supplies; and worn-out equipment could not be replaced. As a result the whole physical plant, houses, roads, markers, and maps, and so forth, fell rapidly into a state of disrepair; the open fields on which the battles were fought grew up; earthworks, gun pits, and battle lines were hidden by seedling pine, weed, and briar growth; and the condition of the national cemetery fell to a new low. By dint of hard work, many overtime hours and some night work for which no extra compensation was claimed, and judicious use of a depleted appropriation, something has been done in the way of a come-back. However, the task now becomes more burdensome month by month and the feeling of never being able to catch up, much less stay abreast, is overwhelming. The truth is unescapable. The purposes of the enabling act have not been carried out. The park has not been developed as fully as was intended, nor can even the present establishment be maintained, protected, and interpreted as it should.

The following data are listed for the purpose of bringing you up to date on the Park's development:

First. There is a total of 2,433 acres. This includes the Stonewall Jackson Shrine—house in which General Jackson died—property of 10 acres which was donated by the Richmond, Fredericksburg & Potomac Railroad; the Wadsworth Monument and site of fifty-seven one-hundredths of an acre, which were donated by Congressman JAMES W. WADSWORTH and his sister, Mrs. Harriet W. Harper; two plots totaling 164 acres on the Spotsylvania field, which were donated by Mr. E. T. Stuart and the Military Order of the Loyal Legion of Philadelphia; 48 acres constituting the Jackson Trail, which were donated by local persons; several smaller gifts by local persons; and in the national cemetery of 12 acres, which was transferred from the War Department.

Second. There are 18 buildings valued at $105,548. These include the Jackson Shrine, which was built about 1845; the Cemetery Lodge, built in 1867; and the Administration-Museum Building, built in 1937.

Third. There are 32.70 miles of roads which were built at a cost of $554,154.

Fourth. There are 21.96 miles of trails, foot, bridle, and fire.

Fifth. There are 13 monuments.

Sixth. There are approximately 200 narrative markers and maps.

These items are the background of the narrative program. There have been 836,847 visitors to the park during the past 10 years. Since there is no guide system in use here, and since the interpretative staff consists of only two historians, the vast majority of these persons received no first-hand service. Visitors, therefore, depend upon the markers, maps, and the threefold leaflet for whatever information they desire.

Seventh. There are approximately 75 traffic and regulatory signs.

Eighth. There are 66 miles of road shoulders to be mown.

Ninth. There are 66 miles of roadsides to be mown.

Tenth. There are approximately 300 acres to be mown.

Eleventh. There are approximately 13 acres of lawn to be mown.

Twelve of these are in the national cemetery, about one-fourth of which is terraced. This adds to the maintenance cost.

Twelfth. There are 6,765 headstones which must be cut around on an average of five times each growing season and cleaned, by hand, once each year.

Shrubs and trees come in for their share of attention also. Altogether the cemetery is the most expensive single maintenance problem. Approximately one-sixth of the entire parks and monuments appropriation goes for this purpose.

Steps needed to carry out the purposes of the act are:

First. Acquisition of approximately 1,750 acres of land:

Fredericksburg, 500; Chancellorsville, 250; Wilderness, 1,000; Spotsylvania courthouse, none. These additions are essential to the interpretation of the fields, but more particularly for protection of the existing park holdings and for the elimination of present and anticipated administrative problems.

Second. Construction of:

(a) Fire hose reel house.

(b) Shops and fire equipment building.

(c) Materials storage building.

(d) Warehouse for supplies.

(e) Equipment storage building.

This would afford a centralized fireproof employee protected utility group from which maintenance activities could be conducted at considerable saving over the present inadequate scattered system. It is necessary from the standpoint of good business and efficient administration. Several of the present temporary buildings would be eliminated and adequate storage and repair buildings would take their place.

Third. An approximate increase of $7,500 in the yearly administration, protection, and maintenance appropriation is needed in order to pay the wages of the employees, necessary to maintain and protect the Jackson Shrine National Cemetery and remainder of the Park.

Acquisition of the needed land and construction of the utility group will not increase the cost of operation. In fact, the elimination of administrative problems and the centralization of maintenance activities will make it possible to do a better job at an appreciable saving.

Construction of Headwater Dams on Ozark Streams

EXTENSION OF REMARKS

OF

HON. PARKE M. BANTA

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. BANTA. Mr. Speaker, thousands of Missouri farmers who live along Missouri's beautiful crystal-clear Ozark streams share with Mrs. Dixon, author of the article published December 11, 1947, in the Van Buren Current Local, the fear that all too soon the proposed program of the Army engineers for building high dams across these streams will make them "displaced persons."

They know what has already happened to those who have been forced out of the areas now inundated, and those soon to be inundated, as a result of the dams constructed and those in the process of construction.

They are doubtful of the value of these projects. They think in most cases they will not be effective flood-control projects; they think, too, that, considering all the factors, they will not prove their worth as hydroelectric projects. They know that these projects will destroy, or at least take from, the present recreational facilities rather than add to them.

They are not unwilling to make all reasonable sacrifices for the public welfare, but they do believe that no projects should be approved by the Congress which do not assure value received for all expenditures, and adequate consideration for those who may be displaced as the result thereof.

I hope each of you will read Mrs. Dixon's article, which follows:

CONTROL DESTRUCTIVE FLOODS WITH HEADWATER DAMS

My home is a farm along the shore of Current River, one of the most beautiful rivers in Missouri. Its water, supplied by many of the largest springs in the State, is cold and crystal clear. It flows along at a very rapid rate as the name "Current" River would indicate.

In the summer's sun it laughs and sparkles. Then we all go to the river where it is cool in the dense shade along its banks—some of us to fish—some to swim or boat ride—some to wade or play in the bright gravel bars. Others just relax and watch fish splash out in the current and the boats go by. Sunday afternoons we expect to meet many of our friends at the river.

The river ripples over shoals where the vari-colored gravel bottom invites one to wade out and play. It swirls and foams around sharp bends, bars, rocks, and "rootwads" (fallen trees that have lodged) making boating exciting and for inexperienced boatmen dangerous. Then there are stretches of quiet water, deep and blue, where good swimmers like to dive and swim but where I have the desire to sit very still and not rock the boat.

Of its many moods our river is never somber. It is lovely flowing between banks draped with summer's deep green—spring's lacy freshness or autumn's brilliant hues, and when winter's snow blankets the shores. When the leaves fall interesting rocky bluffs may be seen more plainly. Bare white sycamore branches decorated with mistletoe, shaggy birches, evergreens and other trees accent the scenes. Even in a gray, drizzling rain or a downpour the river seems alive and dancing.

But in times of flood the river becomes a wild and wicked thing. It roars and foams and tosses great uprooted trees down stream in a tearing hurry. It is then a giant we all look upon with dread, and very few dare go out upon it.

Some people have made plans to harness this giant by building great dams 200 feet and more high up to 3,000 feet long. They had hoped to impound this flood water in reservoirs nearly 50 miles long. Engineers have said this can be done at the cost of many millions of dollars to the people and that some land below the dams would have some protection from floods and some partial protection. They propose a dual-purpose dam to control a "power pool" at 430 feet sea-level elevation and above that a "flood pool" capable of holding water up to 457 feet elevation, or 27 feet higher. Army engineers admit it may take as long as 90 days to let out all the flood-pool water to power-pool level if both Doniphan and Blair Reservoirs become filled. And we may expect floods any time of the year in Missouri.

To many of us this does not seem like a very practical flood-control project because the whole of our Current River Valley would be laid waste by water impounded behind these great dams.

We believe the permanent loss of production by dams exceeds the occasional loss from floods. Engineers admit that they secured no estimate of the annual production from our farmers and forests they planned to permanently destroy. Under their plan all our homes and valley farms would be gone and Congress can allow money to pay for these farms which we would be forced to sell or leave only the cash value set by a board of appraisers, and this sum must be within a certain amount set aside for that purpose. Under present laws we cannot claim nor expect to receive any damage or any other compensation for moving expenses or for any other losses. It is get out or go under. Once Congress has approved these projects there is nothing we can do to save our homes. If it is the only way and really for the public welfare (this has not been proven) our Nation could afford to do better by those who make the sacrifice than this.

Since flood control is no doubt needed there are other methods which can be applied on the entire Current River watershed as well as other watersheds of a similar nature. Some of these methods are gaining Nation-wide notice, such as the great movement for soil conservation. I believe that soil conservation was the first commandment God gave to Adam and Eve when he told them to "dress the garden and to keep it" (Genesis 2: 15). We can use soil conservation measures on all our farms and can reap the benefit from them but unlike many of our agricultural sections like the rolling plains where most of the land surface can be tilled, Current River watershed is made up mostly of wooded hills. Soil-saving practices on our farms alone will not be sufficient in holding water run-off from many square miles of forest. For these wooded regions the idea of ravine reservoirs or check dams and basins in our long, narrow valleys leading down to the creeks which in turn carry water to the river is rapidly gaining favor as a practical measure to halt flood water before it reaches the river at all, thus making the proposed big dams on any river obsolete. Once such a course has been decided upon these small reservoirs could be erected more speedily than the great dams.

Long, narrow valleys, ravines, or hollows run between every one of our ridges of wooded hills. They vary from 1 to 5 and 6 miles in length. All lead to the river, to creeks or to farms. There is no farm land in them. During rains water rushing out of them washes away much farm land and floods the river. Most of the year they are bone dry.

One, two, or any number of cheap earthen dams could cross these narrow valleys. The upland timber should benefit from water held longer in the hill regions in dry seasons. Our farms might possibly benefit from some seepage. Stock and wildlife would be sure to benefit.

There is much fine food for all kinds of game back in the hills but very few water holes. Many small lakes would provide nesting sites for ducks, breeding ponds for frogs and water for deer, squirrel and all other wildlife that now in dry seasons must crowd to the river, migrate or face extinction. Water held back between the hills would also stop many forest fires.

If these small reservoirs ever filled up with silt and blown leaves, new, rich plots of land would be formed. Then the dams might be made higher or others built between or above them.

Not being an engineer, I leave all discussion as to the construction, size, and outlet control of these small reservoirs to others who are trained in work of this kind.

VIOLET M. DIXON,
Member of Current River Chapter, Ozark Protective Association.
BENNETT, MO.

The Housing Shortage

EXTENSION OF REMARKS

OF

HON. WALTER B. HUBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. HUBER. Mr. Speaker, a great deal has been said and written about the housing shortage in the United States.

I feel the logic contained in Mr. Ketchum's eloquent Christmas greeting sums up the situation better than any statement that has come to my attention:

As I pause to extend greetings, I am conscious the present is not dissimilar to a day nearly 20 centuries ago when a Holy Mother found no room for her Babe in the inn. The shortage of housing was acute then. Centuries have not improved conditions much. Builders' greed, landowners' avarice, and social inequalities still menace the future. Although babes and children are being reared in quonset huts and in hovels, let us look toward a time when there will be room in the inn, and when all our people can have a happy Christmas. As we press hopefully toward this end may we become conscious of a new joy.

OMAR B. KETCHUM,
Director, Veterans of Foreign Wars, National Legislative Service.

The Marshall Plan

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith comment on the Marshall plan made in a radio broadcast this morning by Mr. George E. Reedy, news commentator, over the Mutual station, WOL:

The debate on the stopgap foreign-aid bill is all over except the shouting and a slight argument on the money to be provided. In the wake of its passage, however, are very clear indications that the Marshall plan is in deadly peril.

Some of the top political guessers on Capitol Hill claim that it could not pass the House today. It might fare a little better in the Senate, which is traditionally more internationally minded. Even that, however, may be a different picture by spring.

The Marshall plan is bucking one of the strangest coalitions in American history. It has walked into a withering cross-fire from both the right and the left. For once extreme conservatives and Communists find themselves in complete agreement.

Both groups want the Marshall plan defeated. Their reasons, of course, are completely different. Nevertheless, they will find themselves standing shoulder to shoulder when the big debate starts next spring.

The two groups won't find each other comfortable bedmates. There are no signs, however, that this will cause either one to relent. Both are determined to follow their course, and if they find themselves with strange companions, it won't bother them.

The Communists will be the least embarrassed of the two. They have always stood ready to take help from any source, even from those they call their enemies. There are even some cases where they joined with the Nazis during Hitler's early days.

The Reds see in the Marshall plan a stumbling block for their plans for world domination. They are afraid that this country may actually be able to stabilize democratic governments in western Europe. This would be fatal to their schemes.

Of course they put it in a different way. They say that the Marshall plan is a scheme to give the United States imperialistic control over the world. This is a strange charge to levy against a nation that has renounced colonial empire.

The conservatives oppose the Marshall plan from an entirely different viewpoint. First, they do not believe that the Communists can take over all of Europe and then threaten this country. They think the Soviet Union will be stopped before that.

Proceeding from that basis, they believe that the plan represents too heavy a drain on the resources of the United States. Continuous exports of vital goods may weaken this country to a point where it could not resist the Soviet Union, they claim.

Finally, they are worried about the prices that are soaring into the stratosphere at jet-propelled speed. They think that cutting down on exports would put a brake on those prices and send some of them down.

Between the two groups the Communist opposition, of course, presents the least threat to the Marshall plan. If anything, it is likely to improve its chances. The left-wing riots in Italy and France did much to push through the stopgap aid bill.

The Communists may make some major attempt to take over another European government between now and April. If they do, the prospects for passage of the Marshall plan are good. Some observers, in fact, think there are no other prospects.

Whatever happens, the political alinements in the coming debate will be interesting. For once we will watch the left wing and the right wing marching in perfect though uncomfortable harmony. The middle-of-the-roaders could easily get lost in the parade.

Confirmation of Cates To Head Marines Is Urgent

EXTENSION OF REMARKS
OF
HON. GEORGE W. SARBACHER, JR.
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. SARBACHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an excellent and timely editorial from the Philadelphia Inquirer. During my service in the Marine Corps, I had the honor and privilege to serve under Maj. Gen. Clifton B. Cates. He is truly one of history's greatest combat field officers, possessing a distinguished record, both in peace and war.

I am sure his selection by President Truman has met with wholehearted approval by all marines, past and present.

The editorial follows:

CONFIRMATION OF CATES TO HEAD MARINES IS URGENT

Among the important Presidential nominations pending before the Senate is that of Maj. Gen. Clifton B. Cates to be Commandant of the Marine Corps. Because of the vital character of the Corps as the first line of America's military defenses, this nomination should be acted upon without fail before the present special session of Congress adjourns Friday.

This distinguished officer, in his early fifties, is well known in Philadelphia, having lived here during part of the Second World War period. His battle record as a high-ranking general during the war was notable—he led Marines in some of the most perilous landings and through part of the most terrible struggles with the Japanese in the Pacific.

Then a colonel, General Cates commanded the First Marine Regiment in the desperate fighting on Guadalcanal from August 7 to December 15, 1942, and received the Legion of Merit for his outstanding record in that fierce contest with some of Japan's best fighting men.

General Cates served, again with great distinction, as commander of the Fourth Marine Division on Tinian Island in the summer of 1944 and later, at the head of the same division, served under "Howlin' Mad" Smith in the battles for Iwo Jima. He received the Navy's Distinguished Service Medal for the Tinian campaign and a Gold Star in lieu of a second Distinguished Service Medal after Iwo Jima.

Here, then, is a man of extraordinary experience in battle, particularly the amphibious warfare by which the Marines covered themselves with glory in the last war, as in many before it. General Cates, who has been a Marine more than 30 years, was twice wounded in the First World War, at Belleau Wood and Soissons. Recently he has commanded the Marine Corps School at Quantico, Va.

There is work of great importance to be done to perfect the Corps and its reserves as an ultrapowerful striking force. It is appropriate that an officer in the prime of life, of wide administrative and battle experience, should be designated for the place, and it is essential that his nomination should be promptly confirmed and not allowed to lie over until the regular session of Congress.

Ten-Thousand-Dollar Minimum on War Veterans' Homes

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday December 15, 1947

Mr. WEICHEL. Mr. Speaker, when the Congress made the law for the sale and disposition of surplus lands it was not contemplated that those employed in the sale of surplus property should carry on activities that tend to perpetuate themselves in bureaus forever. Such activities as going in the real-estate business for the purpose of perpetuating themselves is not contemplated in the sale of surplus property.

The law enacted by Congress was intended to give war veterans preferred opportunity because they had served our country. But in the administration and sale of surplus property, the War Assets Administration has made it very hard and almost impossible for these war veterans to purchase what they have earned by special services to our country.

Mr. Speaker, the War Assets Administration in going into the subdividing and platting of lands at the Plum Brook Ordnance Works, Sandusky, Ohio, made the following restrictions:

No dwelling costing less than $10,000 as of May 1947 shall be permitted on said premises, and the ground floor square foot area thereof shall not be less than 750 square feet in the case of a one-and-one-half- or two-story structure.

The foregoing restrictions shall be binding and remain in full force and effect until January 1, 1995.

Mr. Speaker, I protest and resent the willful activities of the War Assets Administration in platting lands and having such plats approved as for the best interests of the Government, because it works a special hardship on war veterans by placing a minimum of $10,000 on a veteran in his effort to build a home. Such conduct on the part of the Government bureaus against war veterans is beyond comprehension. The average veteran would have no chance whatsoever of purchasing the land and erect a home costing $10,000. The average war veteran is not able to purchase real estate and a home for one-half that amount. Mr. Speaker, the Congress appropriates money to assist war veterans in building homes for themselves and here we have the War Assets Administration doing everything it can to stop the veteran by placing a $10,000 restriction exclusive of the purchase of the land, lasting until January 1, 1995.

Mr. Speaker, I am asking that the activities of the War Assets Administration with reference to its real estate transactions be immediately investigated and all sales be stopped pending such investigation and amendments to existing law.

Veterans' Housing

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statements:

REMARKS OF NATIONAL COMMANDER OF THE AMERICAN LEGION, JAMES F. O'NEIL, BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON H. R. 4488, VETERANS HOMESTEAD ACT OF 1948, ON DECEMBER 18, 1947

Madam Chairman and members of the House Committee on Veterans' Affairs, it is a genuine pleasure and privilege for me to appear before you. Your committee is considered by all veterans to be their champion in Congress; not because of the committee's name nor because of its congressional jurisdictional responsibilities, but in fact because of the committee's sympathetic and complete understanding of veterans' problems, and its fair and expeditious handling of legislation designed to assist the veteran in solving the many issues confronting him. I know that this committee will always continue to be the veterans' champion in Congress.

Today the most serious problem confronting our veterans is the subject of housing. This is not a new problem—it has been with us since VJ-day; in other words this problem has been confronting us for 28 months.

I do not mean to infer that nothing has been done during this interval to relieve the over-all housing problem confronting our country. Much has been done by private enterprise as is proved by the number of houses constructed so far during 1947. Present building statistics indicate that over 800,000 new homes have been constructed during the first 11 months of 1947. While the eventual solution of the over-all housing problem is making headway, I am sorry to say we are still marking time in finding a solution to the veterans' housing problem.

In my judgment one of the reasons we are marking time, is that the veterans' housing problem has been injected into politics along with public housing. We believe that the issues must be separated and the veterans' housing plight considered by itself.

As you all know Congress has determined that veterans will and must have priority in the rental and purchase of homes. Despite this intent of Congress, veterans priorities are not being exercised. Why? The American Legion prophesized this last spring when its Housing Committee stated: 'This year (1947) it is not likely to be the shortage of housing that will deprive the veteran of satisfactory homes, as much as it will be the high cost of adequate housing." The veterans are being forced out of the market by high costs despite their priorities. In my judgment this is the problem to which we must find a solution.

Another unfortunate reason for the failure of finding a solution to the veterans' housing problem is the indifference to the problem by the public, and, what is more unfortunate, the indifference to the veterans' housing problem expressed by some Members of Congress. Fortunately only a few Members of Congress do not appreciate and understand the veterans' problem. I would like to cite you a statement made by a Member of Congress which typifies the indifference of the public to this question. This statement was made in connection with a proposed sale of a war housing project, with priorities of purchase first going to veterans. I quote: "There is no good reason for the immediate sale of these projects. There are no subsidies involved. * * * To say that veterans not now residing in these projects should be given first priority in the purchase of these homes would be all fine if there were any place to which we could move the nonveteran families now residing in such projects." In other words the speaker states that the veteran should be obliged to be the one to worry rather than the nonveteran who, in many cases, resided in these homes during the war, earning war wages and who, in my judgment, should be in a much better position to compete in the real estate market under present day prices than is the veteran. This statement typifies the unwitting indifference of many people in this country to the veterans' housing problem.

Since we must be realistic and recognize these facts, the American Legion reevaluated the question and concluded that a solution must be offered so that a veteran who is unhoused or inadequately housed, having an average income, may find a place to live within his ability to pay. We believe the solution must be found for this within the pattern of our American system of democracy. We want the veterans of World War II to assume the leadership in solving their own housing problems once they are given the proper tools; and in my judgment, the veterans want this opportunity

While the American Legion is insistent that over-all price levels must be brought down, we are also equally insistent that the lowering of price levels can best be accomplished through the commonly known economic law of supply and demand. The accomplishment of this objective will take time and we believe too much time has already elapsed. For this reason we believe that this low-cost housing which we are seeking to achieve must be developed within the current economic level of present-day prices. We don't believe, in other words, that you are going to be able to roll back all price levels immediately. Therefore, we have approached this problem by accepting the facts and conditions as they are, and working with them as they are; not approaching the housing problem in a wishful way.

In January of 1947 the American Legion proposed that its posts carry out the American Legion community action program. Simply, this program called for the organization, in the local community, of nonprofit veteran corporations designed to obtain low-cost housing either through construction or purchase. The program was adopted by many American Legion posts throughout the country by enlisting the hard work and unselfish idealism of outstanding veterans, leaders in their own right in their local communities.

The success of those posts that did adopt the program was proof that the technique was one good answer to the veterans' housing problem if it could be formalized and given adequate supervision. The program also brought out into light the obstacles that face such a development; such as the difficulties in obtaining adequate as well as favorable financing, and the acquisition of land and the improvement thereof. It was determined during the operation of these nonprofit corporations that labor cooperated most willingly with the veterans which resulted in substantial savings through increased productivity of the workman. These operations also disclosed that savings were effectuated in the purchase of building materials, for the veterans' corporations found cash offers made such materials much more readily available, and somewhat more reasonably priced, when purchased in quantity. Even with these elusive factors which enter into the over-all cost of a home, some savings can be made through the technique of a veterans' nonprofit corporation. The factor of the speculative builders' profit is eliminated under this plan, and, because of the local public interest developed by the veterans, it was found that cooperation was experienced with building subcontractors, so that this group took a minimum of profit. These savings all added up to dollars off of the veterans' monthly rental of a home or the monthly amortization costs in those cases where the veteran was purchasing a home.

Two of the factors of cost entering into the over-all cost of a home, however, presented real obstacles to our nonprofit corporations. They are cost of finance and cost of improved land.

With reference to the cost of finance, I will not only comment on the cost aspect of finance but the great difficulties encountered by the veterans' nonprofit corporations in making arrangements for the interim financing which is absolutely necessary for the proper functioning of the corporation, as well as for the long-term financing, which is equally important.

I certainly don't want my remarks interpreted by members of the banking world as criticism of their practices and procedures. They have done yeoman service in the handling of loans made under the provisions of title III of the Servicemen's Readjustment Act of 1944, and are to be complimented for it. Statistics from the Veterans' Administration indicate that 1,089,201 veterans have exercised their privileges under title III of this act. But this service is not enough. The veterans' housing problem must be met with broader measures than those techniques employed under business-as-usual methods.

Because of the great increase in the final cost of a home, the vast majority of veterans are finding it impossible to obtain loans through the established channels. Our nonprofit veteran corporations found that it was with great difficulty, and only after furnishing ample collateral, that they were successful in floating large loans to provide the necessary interim financing. In many cases these loans were executed only after obtaining the endorsements on their paper of public-spirited citizens, at interest rates varying from 4 to 6 percent, and in some cases even higher.

Many of us who can remember the interest rates of the twenties feel that banks are now loaning money for housing at a very fair rate in present-day markets. I certainly believe they are. However, have you ever stopped to consider the difference in a 4-percent as compared to a 3-percent interest rate on a $10,000 mortgage. What does this 1 percent lower interest rate actually mean to a veteran in his monthly amortization rate if he is buying a house, or in his probable monthly rental rate if renting? As I have computed it, in this illustration, it would mean a saving to the veteran of $5 per month. This means something to the veteran.

Now let us consider land costs. We found that improved land in most urban areas in this country to be in very short supply and that which is available, has become altogether too costly. Builders of large housing projects tell us that the acquisition of improved land is daily growing more difficult of attainment and although it is still possible to acquire unimproved land there immediately arises the problem of improving the land used for building sites, as well as the even more difficult problem of providing ac-

cess roads, schools, fire stations, etc. They have informed us that the political subdivisions of States are in many cases extremely reluctant in providing these public facilities at their expense and the private developer generally does not find it feasible to undertake these facilities.

As I have stated previously we found that through the formation of nonprofit corporations sponsored by American Legion Posts, that it was possible to erect comfortable homes within the income of World War II veterans. Starting with this device, which has been proven, we developed the bill before you, H. R. 4488, and which we called the Veterans' Homestead Act of 1948. To formulate this technique, to give these associations adequate supervision, to provide a device for the acquiring of favorable financing, and to provide a procedure whereby improved building sites might be obtained at a fair and reasonable cost, the provisions of this bill were worked out.

Preliminary drafts of this bill were discussed with the best brains in investment banking, commercial banking, mortgage banking, real estate, Veterans' Administration, building suppliers, home builders, and other agencies of government and housing industry. I would like to say, however, that none of these people were called in as official representatives of their groups. We got no pledges, nor did we ask for pledges of their support. We merely asked for their ideas as individuals. Some of their ideas we accepted, others were amended and used while still others were discarded. I mention this because I want you to know that months of effort were expended to formalize this bill of 26 pages which lies before you.

I would rather not enter into a discussion of the technical provisions of this bill except to say, that I have studied the bill and am convinced that the provisions therein, if properly carried out, will provide our veterans with the proper tools to solve his own housing problems. I shall leave the technical explanation of the bill to others who will follow me and feel certain that with the information you will so gain that you will come to the same conclusion that I have: That the Veterans' Homestead Act of 1948 is truly a veterans' measure and will solve the veterans' housing problem.

We have been informed by well-qualified housing economists, as well as realty analysts, that the provisions of the bill are workable and that substantial savings will be realized by the ultimate user, particularly the projects that are built for rental purposes. One analyst has informed us that savings to the veteran in rentals will amount to $17 to $25 per month per unit. Savings in sale property should be realized up to 20 percent of capital cost. That is dollar-and-cent savings, not just empty words. The veteran can understand this. Furthermore, the plan will only cost the Government, for its 10-year operational period, $200,000,000 under its provisions for grants-in-aid for public facilities and a $2,000,000,000 contingent liability fund under its long-term financing program. There is, of course, a provision in the bill establishing a $100,000,000 revolving-loan fund for interim financing of the associations. However, this latter fund should not be considered as an expenditure, as the loans will be paid with interest and losses will certainly be at a minimum.

Undoubtedly there will be representatives of some segments of the building and finance interests, yes even some agencies of Government who will appear before you objecting to this bill. They will tell you as they have told us that the Government must make no further extensions of credit, for if it does, its fiscal policies will be vitally affected. Can they be serious—in this period of extensive extensions of credit in both our domestic and and foreign economy? These objections will only emphasize more clearly something the veteran has known for many months, and that is: "Few people are particularly concerned about doing anything real to solve his problem." Government and industry must stop this back-scratching and pork-barreling, for until they do there will be no solution to this problem. I am reminded of a statement I heard not so long ago which goes as follows: "It has been truly said that everyone has had a chance to help himself to a share of the veterans' housing program." Now we of the American Legion, ask Congress to let the veteran help himself, through the provisions of H. R. 4488.

I again wish to express my appreciation to you, madam chairman, and members of the committee, for the opportunity given to me to appear before you today. Thank you.

REMARKS OF WALTER E. ALESSANDRONI, CHAIRMAN, NATIONAL HOUSING COMMITTEE, THE AMERICAN LEGION, BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON H. R. 4488

Madam Chairman and members of the House Committee on Veterans' Affairs, the national housing committee of the American Legion, of which I am the chairman, wishes to express its appreciation at this opportunity to appear and be heard during the hearings on H. R. 4488, the American Legion propcsal known as the Veterans' Homestead Act of 1948.

National Commander James F. O'Neil has already discussed the over-all problem facing our veterans today in the field of housing. Housing is the paramount problem facing veterans today. He has called to your attention that the American Legion, through a community-action program, has found one good answer to this problem if the plan could be formalized and arrangements made for favorable financing.

At the national convention of the American Legion in New York City, held during August 28-31, 1947, Resolution No. 869 was adopted, directing the national housing committee of the American Legion to develop a plan which would provide substantial and effective assistance to veterans in the construction of housing which veterans could rent or buy on terms which they could afford. Such a plan was developed by the national housing committee and submitted to the national executive committee of the American Legion on October 29-November 1, 1947. At this meeting a resolution was adopted enunciating the principles now provided for in H. R. 4488.

In developing this plan, the national housing committee of the American Legion took advantage of the experiences that were gained through the development of the American Legion community-action program. I wish to emphasize that portion of Commander O'Neil's remarks which pointed out that the greatest obstacles that the nonprofit corporations experienced under this program were in the field of finance and in acquiring improved land.

The American Legion housing committee, therefore, started with the premise that we must take conditions as they are at this time, work with them as they are and develop a plan which will produce low-cost housing within the current economic level of present-day prices.

Our committee felt it was necessary to start with this premise because to date no one has been able to present a plan with any chance of adoption by the Congress which would produce substantial savings in the fields of labor, materials, and in the builder's profits. To find means to induce such savings is a highly commendable objective, and we are sure the Congress will continue its recent efforts in that direction to attain some of these objectives.

But all this requires time, and the veterans' housing problem is now—it is acute. To force him to wait any longer is not in keeping with the past performances of the Congress which has solved so many other problems of the veteran with dispatch.

Because of these reasons, it was believed that the attack on the over-all cost of a home should be limited in this bill to the financing aspects; the acquisition of improved land and to make it for the benefit of only the veteran of World War II.

That this bill will not solve all the housing problems of the Nation the American Legion readily admits.

But it takes up first things first. It gives the veteran a priority over all other home seekers.

I need not remind the House Veterans' Committee which has been in the forefront of the fight for all forms of aid to the veteran of this intent of the Congress, but, unfortunately, I must give emphasis to this fundamental moral concept because there are all too many in Congress and out who insist on solving the Nation's housing problem and thereby the veterans at the same time. This we would be in agreement with if there was sufficient time, labor, and materials available. That these absolutely necessary items for home building are not in sufficient abundance now, nor will be in the near future, must be taken as an accepted fact.

It is clear to us, therefore, that any program which makes easy credit available to all prospective buyers of homes, thereby stimulates a demand out of reach of the ability of labor and material to supply, and will eventually drive higher the spiral of inflation in homes, with resultant hardship to the veteran in the form of higher costs.

Many housing proposals have not received the acceptance of the Congress because they contained provisions of Government intervention which sufficient Members felt were not in accord with a free enterprise system. In this connection it can be said with certainty that no one can have any fundamental objection to the American Legion's housing plan.

One of the so-called lobbies which has been most active in its efforts to prevent the solving of the housing problem by Government intervention, and a group which may oppose this bill on selfish grounds has said recently in referring to the American Legion Homestead Act of 1948, "any group whose members associate themselves for home ownership is within our concept of the American way of life."

This quotation is the framework of the Legion's thinking. If we are to solve the veterans' housing problem with the least amount of Government intervention we believe this bill offers the only practical solution.

I would like now to briefly discuss various sections of the bill. The first sections, 1600 to 1603, deal with the declaration of policy, definitions, and the separability clause, and are self-explanatory.

Beginning with chapter XVII and sections 1700 to 1703, we find that the Veterans' Homestead Associations are to be federally chartered under the immediate supervision of the Administrator of the Veterans' Administration and that all such associations chartered shall be subject to all the provisions of chapter XVII and the rules and procedures of the Administrator. In order to organize one of these associations, five or more veterans of ability, good character, and responsibility, as determined by the Administrator, must make application for a Federal charter. Section 1703 outlines the primary purpose of the associations, but as these will be covered when I discuss section 1705, I shall pass over to section 1704. Section 1704 provides that the Administrator shall control not only the number of such associations that may be chartered but also the locality in which such associations may be formed. Section 1705 defines the powers

of these veterans' associations, which include the right to construct, purchase, or otherwise acquire housing to be rented or to be sold to veterans for occupancy by themselves and families and dependents; the power to acquire and maintain public facilities reasonably necessary for the housing provided by the association if such public facilities are then not otherwise available for such housing; and the power to make, issue, sell its bonds and notes, and to maintain reasonable and permanent reserves.

I wish to point out at this time that advice was given to us by economists, bankers, and other informed persons that reserves should be established by the association which will aggregate an amount equaling at least 3 percent of the total amount of bonds and notes of the association outstanding at any time. This is believed essential in order that the association may maintain a healthy condition despite temporarily unfavorable economic conditions.

Section 1706 requires certain annual and other reports to be submitted to the administrator. This is another section cloaking the administrator with adequate powers to supervise and formalize the operations of the associations, which supervision we believe is highly desirable.

Section 1707 defines and establishes the procedure through which veterans may obtain membership in an association. The sum of $100 was established as the amount required of all veterans desiring to become members since it was believed that most veterans could easily pay such amount and by reason of their having some monetary interest in the association, even though small, they would develop a greater interest in the operation of such association. The payment is not large but one which when paid would signify the good intent of such member.

Section 1708 establishes and defines the limitations on the cost of housing acquired by associations as well as the number of housing units which can be acquired by associations. We believe this section facilitates the realization of the main objective which we are seeking to obtain, that of providing housing for veterans at a price which veterans can afford to pay. The American Legion Housing Committee attempted, by this section, to set a ceiling on the cost of such housing purchased or otherwise acquired. The committee believed that any veteran who could afford a house valued at more than $10,000 should seek financing and other aid through sources other than the proposed Veterans' homestead associations. The committee also took into account the fact that the average dollar value of mortgages executed for veterans for the purchase of homes averaged a little over $8,500. So the ceiling which has been established appears to be adequate, since most mortgagees are requiring down payments of $500 to $1,500. As heretofore mentioned, this section not only limits the cost of housing, but also limits the amount of housing that can be acquired by these associations. The idea behind this provision is that we did not want these associations to get too deeply involved and go into areas and build a number of houses that no one would want. We desire only to satisfy the market demand of veterans and not have them to go in and compete in the full real-estate market. Because of this, there is written into this section of the bill a provision that no association shall construct or purchase housing costing more than the product of the total number of family units multiplied by $10,000, or to construct housing in excess of the number of veterans in the community who are members of the association. In other words, the association could not acquire or make loans on a total number of houses wherein the dollar value is in excess of the number of eligible veterans times $10,000.

Section 1709 provides strict limitations on the sale or rental of housing acquired by the association. This section requires that the association sell or lease at prices or rents which shall reasonably represent the actual cost thereof to the association. This would include all costs of acquisition; necessary reserves required by this title, interest on its bonds and notes attributable to such housing, direct costs of operation and maintenance of such housing and finally the allocable share of the overhead or indirect cost and expenses of the association fairly attributable to such housing. The section further provides in the case of future sales of these housing units, that the veteran purchaser may not sell or otherwise dispose of such housing within 10 years from the date of its acquisition unless it is first offered for sale back to the association at the original price paid to the association, or if it has been acquired through a loan made by the association at the acquisition cost to such borrower. In connection with this requirement, the housing committee of the American Legion felt that such a provision would serve well as a counterinflationary measure to any inflation which might develop through the extension of credit proposed in this measure. The section also provides for certain checks against those persons who desire to acquire more than one unit through these associations; it also provides that the purchaser of any property may at any time pay the full amount of the purchase price or the full amount of any mortgage then outstanding; and provides that every lease executed by an association shall contain a prohibition against subleasing.

Section 1710 provides for loans by the Administrator of Veterans Affairs to provide for the interim financing of these associations pending the issuance of bonds, which subject is covered in the next section of the bill. These loans would be made upon the nonnegotiable notes of the association, which would bear an interest rate of one-half of 1 percent per annum, payable semiannually. The Administrator is authorized to make loans to associations for the purpose of providing initial working capital, development expenses preliminary to the commencement of actual construction of housing, and funds to make loans to individual veterans for the purchase or construction of housing preliminary to the completion of such purchase or construction. These loans cannot be made for a period exceeding 12 months, unless in the discretion of the Administrator, it would not be to the best financial interest of such associations to issue its bonds at the expiration of 12 months. This technique was devised to provide for the proper functioning of the associations. The organizing expenses that arise in a newly created association of this type, and the development expenses required prior to the actual construction of any project, is very costly, and to turn to private sources to attempt to obtain loans of this type would require these associations discounting their notes at a cost of 5 to 8 percent. In addition, the experiences of these nonprofit corporations developed under the American Legion's community action program indicated that this short-term financing was the most difficult to obtain. An appropriation of $100,000,000 to carry out the provisions of this section has been provided for in the act. This money would be placed in a revolving fund in the Veterans' Administration solely for the above purposes, and there is no reason why any of this appropriated money should be lost to the Government, for we must assume that these associations will honor their notes and, further, the bill calls for the payment of these loans upon receipt of funds realized in the sale of their bonds.

Section 1711 provides for the permanent financing of the association. This is accomplished through the medium of bonds sold by the Veterans' Administration, acting as the fiscal agent of such association. The bonds would be covered by a guarantee of payment by the United States Government as provided in section 1712. The bill limits the total amount of such bonds to $2,000,000,000. This means that when the Veterans' Administration has financed a $2,000,000,000 program it would be necessary to go back to Congress and ask for further authorization before any more of these bonds could be issued. This sum of money is not an expenditure but merely a contingent liability. The interest income derived by the purchasers of such bonds is to be exempted from Federal, State, or local taxation. This provision is covered in section 1713. It should be emphasized that it is only the income that is exempt.

I would like to point out that this is our proposal for attacking the factor of financing costs that goes in to the over-all cost of a housing unit. We have obtained the opinions of experts in the field of investment banking, who have said that bonds of this type would be very attractive investments to the public and that it would enable the "Veterans' Homestead Associations" to obtain money with which to provide housing for veterans of World War II at a very low-interest rate. Several of these authorities estimated that the interest rate would fluctuate, depending on market conditions, between 1¾ and 2¼ percent. This kind of low-interest money, when the advantage is passed on to the veteran of World War II will mean that you are cutting the cost of his financing by at least 25 percent and perhaps greater if you run into favorable conditions.

The remaining sections of chapter XVII deal with the regulation of the operations of each association with regard to the investment of funds of associations, the distribution of earnings, manner of dissolving the associations, regulations of administrator governing the activities of the associations, and defining the criminal provisions of the bill.

In connection with section 1720, I wish to point out that the entire authority contained in this bill is limited to 10 years after the termination of World War II as declared by either the President or by concurrent resolution of the Congress. This limit, of course, is already contained in the bill which is being amended, namely, the Servicemen's Readjustment Act of 1944.

The final chapter of the bill, chapter XVIII, covers the granting of aid to States, political subdivisions thereof, other public bodies, and to associations. Such grants are not to exceed 50 percent of cost of public facilities essential to veterans' housing. The term, public facilities, is defined to include both on-site and off-site facilities. I will cover this chapter briefly, since it is my understanding that you are planning to have the Federal Works Agency testify on this portion of the bill. We believe this agency should be in agreement with the terms of this chapter. However, I am not in a position to say that they will, since we have not formally requested an opinion from them as to their position on this measure. I wish to point out one thing, however, and that is while grants-in-aid may be made to States or their political subdivisions, if they do not agree to take the grant, or do not apply it for the purpose of providing specific improvements to projects sponsored by veterans' homestead associations, then the Veterans' Homestead Association itself can go to the Federal Works Administrator, with the approval of the Veterans' Administration, and secure a direct grant-in-aid from the Administrator for the purpose of providing public facilities essential to the association's housing development. Of course, this would be done with the provision that just as soon as a political subdivision of the State would agree to assume jurisdiction over, and responsibility for, these public facilities, the facilities will be transferred to that political subdivision and not continue to remain in the homestead association itself.

Again, I wish to point out that one of the greatest obstacles that the veterans nonprofit corporations encountered during their past year of experience developed during their negotiations for land and the improvement thereof. I wish to point out that the grant-in-aid device is one which has proven acceptable to the State governments and the people. It is considered a technique that is a proper function of the Federal Government to employ. We are, from our experience, assured that such aid as proposed in this title will result in a savings to the association of approximately 10 percent of the total capital cost of a housing project since we have found that on-site and off-site public facilities on most developments represent about 23 percent of the developments' capital cost. Thus, a substantial saving can be passed on to ultimate users of the housing development through this technique. While this is important there is another factor which is also extremely important to the veteran. Without reasonably priced land to build on, plans for a veterans' project are useless. Generally our experience has been that most of our veteran nonprofit corporations have had to seek unimproved land on which to build in order to come within their budget estimates for low-cost housing. In almost every case great difficulty was encountered in obtaining the essential public facilities to improve this land. In some cases projects had to be abandoned which otherwise would have produced veteran housing. This section would make available the most reasonably priced land that could be had. I am sure the representatives of the Federal Works Agency will discuss the chapter fully when called before you.

This bill envisages the stimulation of local initiative at the community level. We believe that the responsible citizens of the community will participate fully with their experience and advice in assisting veterans to properly organize and operate these associations under the supervision of the Veterans' Administration.

This will all be done through private contractors, with private capital; complying with local labor practices and building codes and ordinances; payment of full real estate taxes to the municipality or local political subdivision with home ownership by the veteran—no other plan provides for solving the veterans' housing problem in this American way.

In summary, we wish to state that we sincerely believe this plan permits the veterans to solve their paramount problem in cooperation with each other. The Federal Government, through the provisions of this bill, places in the veterans' hands the tools which he needs to participate in the solution of his own problem. Properly supervised and in cooperation with his fellow citizens in his own community we don't see how they can fail.

Thank you again, Madam Chairman and members of the House Veterans' Affairs Committee, for this opportunity of appearing before you.

Pay Increase for Government Employees

EXTENSION OF REMARKS

OF

HON. HOMER A. RAMEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. RAMEY. Mr. Speaker, the purpose of my bill to provide a pay increase for Government employees at this time is to aid them, in part at least, to meet living costs which have been rising sharply in recent months.

It is proposed to do this by adding $800 to the basic salary rate of all civil-service employees who come under the Classification Act of 1923, as amended. The pay of employees who receive an hourly rate of pay would be raised 40 cents an hour. This amount would produce an annual increase approximating that which the bill would give to employees receiving a per annum salary. This legislation applies to employees of the Federal Government and of the government of the District of Columbia other than the field service of the Post Office Department, which group is covered by a similar bill.

The addition of $800 to the annual rate is estimated as the amount necessary to bring the average Government salary up to a point where it will have the buying power it had a year and a half ago. Employees who are paid an annual salary had their pay increased July 1, 1945, and again on July 1, 1946. Thus it is 18 months since the second increase.

Neither of the first two increases made it completely possible for Government employees to meet the cost of living. It is estimated that it would require more than an additional $800 to do that, even if the raise is to become effective January 1, 1948. What the $800 raise will do is to offset the rise in living costs since July 1, 1946.

From that date the level of prices paid by Government employees and others has risen about 27 percent, by official and estimated figures. To restore the buying power that the Government employees' dollar had a year and a half ago, it appears that there must be an average increase of about 27 percent. This percentage has been used to determine the amount which must be added to the average salary.

The bill, as drawn, preserves intact the present automatic promotion provisions in existing salary laws. This was done to prevent any possible loss by the employees of the periodic pay increments which the law now provides.

Puerto Rican Migration

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks, I include a radio address I delivered over Station WJZ, New York City, during the recess of Congress:

The newspapers and magazines of Nation-wide circulation have printed a great deal about the alleged problem of Puerto Rican migration. Instead of giving you the facts you have been given a distorted picture. The truth has been concealed and a certain section of the responsible press has joined with the irresponsible press in a campaign of vilification.

The stories on Puerto Rican migration are some more evidence that the press of our Nation is as free as its few owners permit it to be. Our much vaunted freedom of the press is in reality freedom for those who own the press to do and say what they please and to refuse to permit the same space to those whom they unjustly attack. The recent attacks on the Puerto Rican people once again proves that there is no freedom of the press for the people. Freedom of the press exists only for the owners and hence freedom so restricted becomes a ruthless tyranny. Now I know that people of Puerto Rican origin have attempted to tell their side. Have you seen their side printed anywhere? I haven't, and I have followed the subject very closely. Consequently, being unable to have the truth presented to the American people through the press, I have had to resort to these few minutes on the radio to tell you what the press has not told you.

The press has not told you that Puerto Ricans are American citizens by an act of Congress adopted in 1917, and that they have a perfect right to come to New York City to live, to work, and to be treated with absolute equality. They have as much right to come to New York as a citizen of New Jersey has the right to come to New York.

The press has not told you that the island of Puerto Rico, consisting of 3,500 square miles, is a colony, and that the 2,000,000 people who live on that island have been treated as colonials since the United States took possession of Puerto Rico in 1898.

The press has not told you that Puerto Rico in 1898 had an agriculture of its own that afforded its people a fairly decent standard of living. Today 70 percent of the good land in Puerto Rico is owned by 4 large sugar corporations whose headquarters are in the city of New York. In 1898 there were over 60,000 landowners in Puerto Rico. Today there are not quite 5,000 landowners in Puerto Rico. The owners of the 70 percent of the good land are absentee corporations who have been taking out of Puerto Rico millions and millions of dollars annually in profit. Worse than that, they have turned Puerto Rico into a one crop, cash crop, diabetic economy. Because of their ownership of the land Puerto Rico cannot have a diversified crop and raise food for its people. The result is that the entire economy of Puerto Rico is based on the production of sugar. This means that the people are employed only during 3 months of the year, the harvest season on the sugar plantations. The pay during these 3 months amounts to $18 a week. When the harvest season is over, there is nothing to do, so that the Puerto Rican is forced to live on an income of about $300 a year.

Now, you may say, why doesn't the Puerto Rican get a job in industry after and before the harvest period. Again, the press has not told you that Puerto Rico has been unable to develop any industries. Why? Again, the press has not told you that whenever attempts to build an industry are made by the Puerto Ricans, industries up here go down there and dump at cut-throat prices. For example, some time ago the Puerto Ricans attempted to establish a soap factory. One of our soap concerns brought soap down to Puerto Rico and sold it at 4 cents a cake. The Puerto Ricans could not stand this competition. The factory closed down and its workers became unemployed. Now that same United States soap concern sells the same bar of soap at 10 cents a cake. This has happened time and time again. Is it any wonder that the Puerto Rican cannot find work in his native land. Is it any wonder that he and his children are underfed, and that their main diet is dried codfish, beans, and rice. Not even half of the families use milk and those that do get less than a half pint per person. The life of most Puerto Ricans is that of a marginal existence for 3

months of the year, and unemployment for the balance of the year. All this, the press, of course, has never told you.

Now let us see what happens to the Puerto Rican as a consumer. You think prices are high in New York. You and I know that they have reached an all-time peak. However, the press has not told you that in Puerto Rico the people have to pay 30 percent more for anything that we purchase in New York. Why? Because Puerto Rico must buy from the United States. Congress passed laws which place Puerto Rico within our tariff laws. This prevents Puerto Rico from purchasing from other countries at cheaper prices, so that the Puerto Rican receiving no benefits from our tariff has to carry the load of 30 percent more than we have to pay. The press has not told you that Puerto Rico has been placed under the coastwise shipping law. This means that only United States ships can carry goods to Puerto Rico from any port in the United States. The result is that Puerto Rico has been subjected to a shipping monopoly adding to the cost of existence of 2,000,000 Puerto Ricans.

Now you see that the plight of the Puerto Rican is caused by selfish monopolies in the United States. The Puerto Rican is subjected to unemployment, abnormally high cost of living, and a one-crop agriculture making it impossible for him to raise his own food. All this is not the fault of Puerto Rico or the Puerto Ricans. It is not caused by Puerto Rico or the Puerto Ricans. Why doesn't the government of Puerto Rico do something about it? Why don't the people of Puerto Rico pass laws to protect their industries against dumping? Why doesn't the government of Puerto Rico use ships of other nations to break the monopoly? Why doesn't the government of Puerto Rico pass a law to exempt it from the tariff act so that it may purchase cheaply from other countries? You have a right to ask these questions, because the press has not told you why. The press has not told you that Puerto Rico has no sovereignty. It has no power to make any laws with respect to tariff, to protect its own industries, against shipping monopolies, and it cannot for all practical purposes enforce any laws that will liberate it from the tyranny of its present one-crop agriculture. It cannot legislate over basic questions of life and death. It is subjected to the will of the Congress of the United States and to the veto of the President.

The Supreme Court, in describing the status of Puerto Rico, has stated that Puerto Rico is a territory of, but not part of, the United States. Puerto Rico's economic plight, which is the main cause of the migration to the United States, cannot be resolved until Puerto Rico is granted sovereignty. Puerto Rico can never have the sovereignty that it needs to resolve her economic problems caused by selfish interests in the United States, mind you, until Puerto Rico is given her full independence. It has been stated that Puerto Rico would starve if given independence. I can hardly conceive how it can starve any worse than now. What is more, only with independence and a favorable reciprocal trade treaty, which we have given to other countries, can Puerto Rico protect its own industries against dumping, protect its people against the tariff, and develop an economy which will produce food for the people of Puerto Rico. This, again, the press has not told you. And why? The truth would expose what a cruel Wall Street imperialism has caused in Puerto Rico. It would expose that while Puerto Ricans are unemployed, while its industries are destroyed, and while Puerto Ricans have to pay 30 percent more for their food than you and I do, that one share of a sugar corporation stock paid $6 as a dividend last year and $7.35 this year. This, of course, the press has not told you.

The campaign of vilification against the people of Puerto Rico has two purposes:

1. To conceal who is responsible for the conditions in Puerto Rico.

2. By vilification, cause discrimination against the three-hundred-some-odd-thousand Puerto Ricans in the city of New York, and thereby force them into a condition of second-class citizenship and force them into a cheap labor market. I have the proof. The articles in the press have caused me to receive a great number of letters from people throughout the country offering Puerto Ricans work. What is the kind of work they offer? Domestics, servants, represent 97 percent of the offers I have received.

This is the old, old story. The same campaign against the Puerto Ricans was carried on against the Irish when they first came here, the Jews, Poles, and Italians. It is always the game of those whose only interest in our Nation is profit and more profit, to force the newly arrived into a cheap labor market. Puerto Ricans in the city of New York live in slums. That is true. Does anyone want to live in slums? The answer to slums is not vilification of the Puerto Ricans but a genuine slum clearance program, and the enactment of a national housing program for everyone including our Puerto Rican citizens. The Puerto Ricans are being subjected to discrimination. The answer is not vilification and more discrimination. In our democracy, the answer is the enactment of the Fair Employment Practices Act. Puerto Ricans are the last hired and the first to be fired. Is this the only answer that our democracy can give to these newly arrived?

Universal Military Training

EXTENSION OF REMARKS
OF
HON. HOMER A. RAMEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include therein a petition received from Judge Peter Gulau, prominent Legionnaire of Oak Harbor, Ohio. This petition concerns legislation to establish a system of universal military training.

OTTAWA COUNTY
PROBATE AND JUVENILE COURT,
Port Clinton, Ohio, December 15, 1947.

Hon. HOMER A. RAMEY,
House of Representatives,
Washington, D. C.

DEAR SIR: Enclosed find petitions urging you to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Yours very truly,
PETER W. GULAU,
Chairman, Americanism Committee, American Legion, John A. Fader Post, No. 114, Oak Harbor, Ohio.

PETITION

Hon. HOMER A. RAMEY,
House of Representatives,
Washington, D. C.:

Peace is worth striving for. Therefore we, citizens of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Harold W. Wott, Paul M. Rounker, Le Roy G. Dirnberg, Ernest Windridge, Peter F. Budde, Charles W. Ravus, Robert W. Reeder, Clarence C. Schutte, Orville H. Baldwin, Paul R. Lockwood, Oak Harbor, Ohio; Charles E. Wehner, Rocky Ridge, Ohio; Eugene Hemminger, Don W. Foreman, Emery Ravas, A. W. Buchanan, Oak Harbor, Ohio; Howard Garner, Edsie E. Kirk, Port Clinton, Ohio; Emery Orman, Oak Harbor, Ohio; Beni Domokos, Jr., Fremont, Ohio; Wm. Hofacher, Jr., Oak Harbor, Ohio; Jesse T. Moore, Sandusky, Ohio; R. R. Warner, C. A. Tolan, Paul Meyer, Donald C. Jerckhe, R. G. Leindorfes, Pauline Wierich, Paul H. Wierich, Guy H. Dicken, Nick Stevens, Albert W. Tilton, Carl Scheuerna, R. L. Bolte, H. F. Fehr, Fannie Kinsel, Carl Kinsel, N. L. Morse, S. Avery, R. S. Heller, R. G. Bassett, Oak Harbor, Ohio; W. E. Hitchcock, Sandusky, Ohio; Wm. Hunkton, R. M. Meizner, A. W. Meizner, Bert Bordeaux, Lloyd W. Hetrick, Walter Hetrick, Frank Schalt, Wm. Sharpe, Oak Harbor, Ohio; John Fuchner, Toledo, Ohio.

Willis Bohnsen, Oak Harbor, Ohio; Harry McRitchie, Genoa, Ohio; Melvin Wyatt, Herman Culleran, Franklin G. Dvinber, Oak Harbor, Ohio; Lucy McRitchie, Genoa, Ohio; Mrs. Florence Wyatt, Mrs. Annette Reider, Mrs. Jean Lockwood, Mrs. Herman Culleran, Mrs. Ed Sharpe, Mrs. Paul Genzman, Jr., Mrs. Frances Dinberg, Otto E. Reider, Laura Reider, Carol F. Habletzel, Herbert P. Gulau, Anna A. Gulau, Oak Harbor, Ohio; Oliver True, Port Clinton, Ohio; Luella Zehner, Elgin S. Winters, Oak Harbor, Ohio; Della Bolack, Leslie E. Meyer, Louis S. Warner, Port Clinton, Ohio; David I. Butler, Toledo, Ohio; Peter W. Gerlau, Oak Harbor, Ohio; John L. Reinheimer, William J. Cullen, Port Clinton, Ohio; Lorna J. Gulau, Oak Harbor, Ohio; Irene Christiansen, E. A. Guth, Eva B. Senfert, Emma Davis, Evelyn McDougall, Julia A. Gresh, Caroline I. Burr, Port Clinton, Ohio; Myron Hetrick, Oak Harbor, Ohio; O. L. Cullenen, Marian Rasmussen, Wm. L. Moon, James Ellenberger, Stacy Fizer, Broder Nissen, Wm. A. Hunt, Port Clinton, Ohio; Vilma Sauvey, Lakeside, Ohio; Ann Nelson, Rodena Konker, Port Clinton, Ohio; Delos J. Nissen, Oak Harbor, Ohio; Marie Ellenberger, Roy Onon, Sheldon Meadow, John Banchick, Al Bremen, L. Cramer, Fred Kummy, Port Clinton, Ohio.

Civil Liberty and Government Work

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, December 15, 1947

Mr. WEICHEL. Mr. Speaker, the employees of the Government should be thoroughly investigated as to their loyalty, and such who are Communists or otherwise do not believe in our form of government have no right to employment. I am including an editorial covering loyalty of those who are employed by our Government by Spencer Canary, of the Daily Sentinel-Tribune of Bowling Green, Ohio.

CIVIL LIBERTY AND GOVERNMENT WORK

There is considerable confusion in the minds of many these days regarding the difference of the right of a person to think as he pleases regarding government and

his right to be employed by the Government.

Communists are well understood to believe in overthrowing our representative form of government by force and substituting for it a totalitarian form in which the coercive rule of a few people, like that of Russia, prevails and opposition to measures by the people are not tolerated, prison or death being their fate, if they do protest.

That is an ugly form of control which those who step to think will resist. But our Constitution provides safety for the Communist, provided he is not caught acting to overthrow the Government. To convict him of treason there must be two witnesses to the same overt act. That provision makes it difficult to combat communism; but it was adopted in the Constitution to prevent encroachments on the civil liberty which was won by the Revolution; and it undoubtedly has prevented encroachments.

But for a Communist to be employed by a government he thinks he would like to overthrow is another thing. He has no guaranteed right to such employment where, because of his position, he would be able adroitly to do things that would harm it and thus possibly result ultimately in making it easy to overthrow.

The oath of loyalty meant nothing to a Communist, for he considers it proper for him to perjure himself in order to be in a position to accomplish his object. The Government to protect itself must observe the person's attitude and associates; and, if these rightly lend suspicion of his loyalty, he must not be employed or must be released from employment.

Of course, injustice may be done by mistake or intent of selfish officials; but it is better that such be the case than that the whole country suffer. "A man is known by the company he keeps"; and it is up to Government employees to avoid suspicious entanglements.

For the Government to assure its own safety it is in the same position as an individual. If a man sought work from you and board and room at your house, you would not employ him, if he were known as a dangerous man and had been suspected of a wish to harm you and your family. You would not be so foolish as to take the chances of his doing so.

You would not deny his right to think as he pleased; but you would not further his suspected plan to act.

The Federal Youth Assistance Bill

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. JAVITS. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me at a dinner meeting of the Washington Heights and Inwood Citizens Committee for Youth, Inc., at the Webb Room of the College of the City of New York on December 5, 1947:

After debating in Congress all day on foreign affairs and trying to envisage the whole world, it is refreshing to come back to our neighborhood—for it is the neighborhood which is the real grass roots of a democracy. It is therefore a privilege to take counsel with you tonight about the problems of our youth.

The basis of youth activities has generally been the avoidance of juvenile delinquency, and indeed following the war we have a new resurgence of juvenile delinquency to deal with. But today the problems of our youth are far more profound than that. But first let us look at the juvenile delinquency picture itself. Criminal cases of youths up to 16 years of age have increased markedly in the New York City courts—they totaled 4850 in 1938 and 7,037 in 1945, showing an increase of about—50 percent. The national increase in the same period was about 60 percent for youth cases, and it is important to note that there has been an 88-percent increase in the cases involving young girls. The FBI reports nationally that arrests of juveniles in the age bracket 19-21 have predominated over the aggregate of the arrests in all age brackets since 1939; while females under 21 arrested in 1946 declined about one-third from the high mark reached during the war years, it still exceeded 1941 by 40 percent.

But the problem is no longer so simple as street fights, vandalism, mugging, petty larceny and other well-known manifestations of juvenile delinquency, nor is it to be found only in the breeding grounds of juvenile delinquency—slums and other depressed areas. New factors, modern factors have arisen in relation to youth, for example the alarming rise in the divorce rate.

One out of every three marriages today in many parts of the country ends in divorce. This means disruption in the lives of the children and of the community. It stems often from lack of proper guidance and education, of proper home and community environment in youth. It is typical of the new problems of adjustment for youth in an enormously complex and busy world. Yet compared to the problems which our youth must face in the next two decades in the 1950's, 1960's and 1970's, even these problems of juvenile delinquency and personal adjustment to an industrialized world are small indeed.

As adults we have a right to assume that during our working years we will be wrestling with the immediate difficulties of our day, i. e., in domestic affairs, with the effort to attain economic security and higher standards of living, with housing, with enlarged social security, with the fight against monopolies and for economic freedom, with the protection of civil liberties, with aid to our veterans. In foreign affairs, with the great implications of the relations between the United States and the Union of Soviet Socialist Republics, with the efforts to lend aid in the economic reconstruction of a war-battered world. All these are enormous problems. Yet we will have to have them settled one way or another before our youth takes over.

But let us consider a few of those problems, which are the problems of the century, and which we shall not have settled during our working years, but are only now discerning on the horizon. Let us appreciate the magnitude of these problems—and how infinitely more challenging will be the education and development of today's youth. Therefore, let us recognize that the extent of the preparation of our youth must, if we are to discharge our obligations to the coming generations, be much more thorough and skillful than our own.

For example, the first of the problems of the century is that of the control of atomic energy. We are in the very infancy of the use of that enormous potential resource. Atomic energy, once developed for peace, may transfer the center of economic gravity of the world from the United States back again to Europe, or to Latin America, Africa, Asia, or Oceania. Atomic energy will revolutionize completely all concepts of the volume of production and its distribution around the world. Were that not enough the use of atomic energy for military purposes will determine whether the human race shall survive or be obliterated in the next century. Somehow or other mankind must control this force. Our youth will have to resolve this question.

As another example, let us consider the basic problem of discrimination due to race, creed, or color. Looking at the national scene, I believe we shall have soon a Federal Fair Employment Practices Act such as we now have in New York; but it is becoming evident in the United Nations that the problem of discrimination will be international tomorrow rather than national, as it is today. The youth of our country will have to determine not how the minorities are to be considered in the United States but how hundreds of millions of peoples of other races in Africa, Asia, the East Indies, and Latin America are to be considered and dealt with. The youth of tomorrow will have to live and breathe social equality, if it is to survive.

Let us take yet another example in the field of our cherished institutions. The institutions of private property and of individual freedom are already under assault as they never have been before. The Communist ideology says that private property must go and that statism is the new way of living in the world—that this supremacy of the state must not only extend to the economic world but to education, art, religion, philosophy, and all cultural activities. The Nazi holocaust, based on statism, has just almost destroyed the world before its defeat. Many feel as I do, that this is stark reaction against mankind's legitimate march forward, but millions fight for the conception of communism.

Finally, let us consider the organization of the world for peace. We see in the U. N. but a beginning of a kind of world law which is the best augury for peace. Already the advocates of a world federal government are opening the discussion. In the adult day of our present youth the discussion of world government will be at its height, and our youth will have to determine to what extent our country is ready to surrender sovereignty to some international body, at first, in limited spheres like atomic-energy control, air transportation, food, and health; later in fundamental economic, social, and political questions.

These are the problems of our youth in the century. You can therefore well imagine how deeply gratifying it is to me that the citizens of my own district have taken the initiative in organizing and working effectively for the cultural development of youth, for its training in citizenship, and for teaching youth cooperation and good will by taking it away from the atmosphere of the streets and gang fights through Youth, Inc.

It is gratifying to work together in a team with such community-conscious colleagues as serve in Youth, Inc. President Harry C. Wright of the College of the City of New York has given of himself generously in this work. He has shown the finest quality of the national leader who is yet deeply concerned with home problems. Mrs. Anna Lee Jacobs who has done such an outstanding job as the chairman of the board, after a brilliant record in the community in social work during World War II, is a guaranty of integrity and high efficiency in the administration of Youth, Inc. Magistrate Anna Kross with a well-deserved reputation in work on the youth problem, has made a magnificent contribution to the work of this organization as well as to other constructive measures on youth in New York and other cities. Prof. Harry Schulman, also of the College of the City of New York, with a national reputation in the field of sociology, has contributed in the most selfless manner to the work on youth problems in our own district. There are many more. I wish I could take your time to go down the list to pay tribute to all the men and women who have been active in Youth, Inc., and who have the deep satisfaction of knowing

that they have worked hard in a great endeavor.

Community after community throughout the United States has this youth problem before it. Parents, teachers, State and local governments, and private agencies are trying to deal with the problem just as we are trying to deal with it here in our district. Some people but dimly recognize its importance, but as we see it outlined here it becomes one of the major problems of our district and our time.

To prepare the youth of our community and our country for these problems of tomorrow having a magnitude and complexity almost beyond our comprehension—that is our job. This contribution by us to the future will guarantee that how we live and what we believe in shall not go down to destruction in this country.

But it takes money to run Youth, Inc. We have a different idea about money today. More and more people feel money is useful for the fine things it can do, the things that give personal satisfaction. We are learning that we can get more satisfaction out of helping a program to make young people better citizens than we would get out of an extra dinner, a new fur coat, or other luxuries. This indicates a fundamental change in our character. As citizens of a world beset with more troublesome problems for the future than mankind in all history has known, we must contribute to the solution of these problems not as philanthropy but in a spirit of sacrifice and sharing. We must contribute more generously than we ever thought of before, but we must also get governmental help for the added funds which the very big job needs.

Accordingly, I have introduced in the House of Representatives today, the Federal youth assistance bill. It authorizes the appropriation of $50,000,000,000 for aid to State, local, and private agencies which are concerned with the problems of youth. It creates a Federal Youth Board within the Federal Security Administration to coordinate all Government youth activities. The administrator of the board is to be the Federal Security Administrator and the three other members of the board are to be designated respectively by the Attorney General, the Secretary of Defense, and the Secretary of Agriculture; and the two remaining members are to be designated by the administrator to represent the Children's Bureau and the Office of Education. The administrator is also authorized to create an Advisory Committee on Youth to include representatives of schools and colleges, social workers, State and municipal governments, local youth organizations, trade and industrial organizations, labor unions, and interested private agencies and outstanding citizens. Federal funds are to be provided on a matching basis with State and local funds for government or private agency youth programs, which meet with the approval of the administrator. Such programs must provide for health services, vocational training, and citizenship orientation courses. The bill also provides that particular youth projects for which Federal assistance is provided may be designated as war memorials. I am hopeful that this bill will be considered during the early part of the coming regular session of Congress.

I am working, therefore, to get the maximum governmental help for all youth activities. To do the immediate job, though, and with the help which is afforded now, Youth, Inc., needs your assistance. The fate of your children and of their children and of all our world holds dear, is wedded to the training and development of our youth. Can we do less than to so adequately finance Youth, Inc., as to feel that we at least have done what human beings can do to protect our heritage for the future. With our new conception of what community work means, this calls for a sharing which comes out of deep conviction and not for philanthropy alone. It calls, too, for taking a personal part in the day-to-day work in Youth, Inc. With such a critically important job and with the goal before us of a century of peace and well-being for all our people, our community will not fail.

America in the Near East

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

ALEPPO COLLEGE,
Aleppo, Syria, December 9, 1947.

The Honorable FRANCES P. BOLTON,
House Office Building,
Washington, D. C.

DEAR MRS. BOLTON: In the rush and excitement of these days since the decision of the U. N. for the partition of Palestine, I have sought in vain for a few hours of quiet—and particularly quiet of mind—to sit down and put on paper some of the things I wish all people in America knew. Of course I have no way to reach them, so I must write only to those I know.

I thought of writing to President Truman, but I am sure that whatever Secretary might read it would merely file it with "letters received—Syria," remarking that here is one more American abroad "trying to get in solid with his environment," or words to that effect.

So I write particularly to you. That is partly because you are in an official position to make some of the facts known where they may do the most good. Even more, it is because you have been out here recently enough to put full credence in what I say. I trust your visit to Aleppo persuaded you that some of us out here know what we are talking about, and have relatively unbiased views of the whole situation on a nonpartisan basis.

I could write a long story of the past week: of the ominous quiet in the city when the news of the decision was received, of the spontaneous and uncontrollable violence against the property of local Jews, of the deep stirring of anti-foreign feeling (reserved silences from our friends, and a bomb outside the house on the part of those eager to show their hatred for any and all Americans). Let me, however, state the present position in Aleppo in four simple statements. What is true here is true of every part of the Arab world from which we have reports.

1. The anger and disappointment of the Arab world is deep and powerful. That feeling pervades all levels of the population. We anticipated some such outburst in the event of a decision for partition, but even those of us most familiar with this part of the world predicted no more than has happened.

2. The Syrian Government has gone out of its way to protect us, as Americans. Had the Government closed one eye, to say nothing of calling for a thorough boycott of American interests out here, there would have been no more left of the college than was left of the local synagogues and Jewish schools. (There were 15 fires visible in the city at one time, a week ago Monday afternoon).

3. The American Government is held particularly responsible for the decision of the U. N. That feeling is widely held, whether it is correct or not; and the advocates of that view base it on reports of pressure of the United States upon other member states, before the voting; and upon the actual reports of the debate in the Assembly. Those who listened to the broadcasts from Lake Success will never forgive the American representatives the flippant and sarcastic treatment of the Arab delegates and their position.

4. Strenuous and careful preparations for war are going forward, whether that be guerrilla warfare to aid the Arabs of Palestine, or an all-out effort of the armies of the Arab States. As a relatively well-informed long-time resident out here, I see no foundation whatever for the view that the Arab peoples will just shout a while and then forget, as some say they will do. The preparations now going forward, and particularly the cold anger which motivates them, are in deadly earnest and should be given corresponding consideration in any thinking about the present situation in Palestine.

Living in the midst of such facts, with a deep personal sense of the tragedy that impends for all in Palestine—Arab, Jew, and foreigner—one wishes for some hope of reason and reality on the part of those who sit outside and criticize and pass motions and write newspaper headlines. Here are some of the kinds of questions that come to mind:

Must the poor old Near East suffer forever from religious and political strife? As though there were not enough quarrels here without any being injected from outside.

Have we entirely forgotten that the whole pleading for the Zionist cause was done on the basis of the essential common interests of Arab and Jew? And that the building of a Jewish state out here on any other basis is sheer imperialism?

Is it too late for the American Government to admit that it is backing the wrong horse? That its action was based on false information as to the real opposition of the Arab world to partition?

Can the American people afford to throw away the basic good will of all the Arab and Moslem peoples? That question should stand on its own feet, but it can also be asked with particular emphasis in view of the total world situation and the strategic position of the Arab world. Part of the background of feeling now against America is the deep disappointment that they cannot be friendly with the one power that they feel to be democratic, friendly to small peoples, and (apart from Palestine) without any ax to grind in this part of the world.

What can we, as Americans living abroad, make of the persistent and (it would seem) willful disregard on the part of the American Government of the sincere opinion and advice of its own best representatives abroad. You know, as I do, that not only the diplomatic representatives of the United States out here, but the heads of American colleges and universities, missionaries, businessmen, and journalists (save the "specialists" on the Palestine problem) have been steadily and consistently telling any who would listen that the cause of political Zionism has been a lost cause—if not from the beginning, at least since a date in the middle thirties.

If the American Government can so ignore the voice of even its own advisers on Near Eastern affairs (and perhaps similar situations exist elsewhere in the world) are we really fit, as a nation, to carry a responsible part in world affairs?

More specifically, how can we who live out here have any confidence that the American Government will not, in a moment of political exuberance, do something foolish to support the Zionist side in what has become an open war between Jew and Arab in Palestine? Do the responsible authorities think what

such partisanship, in word or deed, would mean for the future of American lives, property, and interests in this part of the world? One can all too well imagine the clamor of Zionist groups in America for American intervention to carry out more swiftly the recent decision of the U. N. And when one sees a Presidential campaign in the offing the temptation to play with foreign issues to win domestic votes will be all but irresistible. Can we, out here, trust the maturity and discretion of the American Government?

Is there no place that one can make the significant facts known to the general public in America?

Can nothing be done, even now, to recall the mistaken decision of the American Government to support partition? Do the lives of thousands of Jews and of Arabs mean nothing to the proponents of partition? Is the Holy Land to be made more holy by blood? Thousands of Jews seek only refuge. Thousands of Arabs seek only to protect their native soil, if need be by their lives. Why must they be thrown at one another's heads?

But enough. You have been out here and know how we all feel. I hope you will show copies of this letter to those who were here in the congressional committee and its party. You are also free to use this letter anywhere and in any way that you think may be useful for the cause of understanding and peace in this part of the world.

Very sincerely yours,

ALFORD CARLETON,
President of Aleppo College.

Universal Military Training

EXTENSION OF REMARKS
OF
HON. HOMER A. RAMEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following petition received from Mrs. Amelia Stoisoru, Toledo, Ohio, concerning proposed legislation to establish a system of universal military training:

Peace is worth striving for. Therefore, we, citizen's of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Julia Koestr, Bessie Layman, Ida Keller, Nellie Frost, Hilda E. Hutchisson, Leona Gillespie, Roseva Mathews, Josephine Reinhardt, Ethel Schneider, Virginia Windle, Lillian P. Collins, Theresa W. Schmidt, Berdonna Hutchisson, H. Pauline Keyes, Gladys C. Schmidt, Ruth E. Whipple, Lucille Alberts, Clara Calcaminggio, Lillian Goheen, Henrietta A. Gors, Mary Scharfee, Frank Blake, John Staisou, Henry Steve Loff, Fred W. Young, Melvin I. Berndt, Layton A. Finn, Toledo, Ohio; Kenneth S. Larzelere, Sylvania, Ohio; Frank J. Crosby, Betty Day, Alta Ganun, James E. Hallaver, Iris M. Hallaver, Naomi Smyth, Bernie Smyth, Agnes S. Rehberg, Carl L. Rehberg, Frank Hemsoth, Mary E. Hemsoth, Wilma Winterhalton, E. Woolf, Marguerite Rollins, Dorothy Martin, Frank Martin, R. E. Rollins, Leona Woolf, Jean M. Wcelfle, Toledo, Ohio, E. F. Grunlise, Marimer, Ohio; J. G. Davy, J. Oozechawski, Richard Carpenter, M. P. Metzger, Mrs. M. P. Metzger, Mrs. E. P. Pettit, Mr. E. P. Pettit, E. R. Wendt, N. French, L. Oozechawski, Toledo, Ohio.

Emma Cork, Edna Fehrenbach, James O. Larkins, L. E. Swantus, Helen Larkins, Guy W. Barnes, Ruth E. Barnes, Fred Schwartz, Loreme Brogan Antionette M. Ruffert, Esther L. St. John, Wm. Hendricks, Emma Hendricks, M. D. Hoffinger, Greichia B. Lehman, John C. King, Ed. Reinhardt, Jute St. John, W. G. Ruffert, H. A. Lehman, Mrs. Laura Turner, E. R. Palmer, H. O. Gearhart, B. Busson, N. M. Turner, Eva M. Wilson, Mary L. Calaway, Wilmer C. Markley, Frank A. L Evans, Mrs. Elsie Hoff, Miss Elsie Hoff, David M. Wamply, Lucille M. Payne, Charles Payne, Bertha Emunuts, Louise Blike, Sally Teachout, Thomas Teachout, Wm. G. Jones, R. C. Heath, Wm. Emundis, Larry Scherer, Donald L. Schneider, Louis W. Schmidt, Helen Druse, Hilda Sheets, Virginia McCullough, Lois Freeman, Grace Blakely, Lucille Hauri, Bettie Clark, W. L. Ganun, Sigmund Jankowchi, Michael Szymarsh, Jacob Rybauzyk, Harriet M. Rybuzyk, Josephine W. Oxman, Julia Mozgon, Philip C. Oxman, Joseph K. Goodman, Florence Huenning, Jeanne Goodman, E. L. Ryle, Frances Ryle, James T. Erskine, Pauline Fratillo, Elizabeth L. Dreher, Ellice Cunningham, Clara Larger, Fred M. Hellman, Mrs. Ruth Hellman, Amelia Stoisoru, Gertrude Fritz, Toledo, Ohio.

Let Us Have Peace

EXTENSION OF REMARKS
OF
HON. ARTHUR V. WATKINS
OF UTAH
IN THE SENATE OF THE UNITED STATES
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Mr. WATKINS. Mr. President, on November 14 of this year J. Reuben Clerk, Jr., former Under Secretary of State, former Ambassador to Mexico, and for many years Solicitor of the State Department, delivered a very significant address. One may or may not agree with what he said, but I think the substance of his address should be brought to the attention of the American people. For that reason, I ask unanimous consent that it may be published in the Appendix of the RECORD. I have had an estimate made, and the speech will occupy four pages of the CONGRESSIONAL RECORD at an estimated cost of $284.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LET US HAVE PEACE

(By President J. Reuben Clark, Jr.)

(The following is the full text of the address by President Clark given November 14, 1947, at Chicago, Ill., before the Agency Management Association:)

Mr. Chairman, gentlemen of the convention, you confer upon me a great honor by inviting me to speak before this great convention, which represents a vast body of missionaries preaching to the people of this country the gospel of caring for the bereaved widows and orphans who are amongst us. I cannot put out of my mind the words of the ancient apostle:

"Pure religion and undefiled before God and the Father is this, To visit the fatherless and widows in their affliction, and to keep himself unspotted from the world."

Because what you need most for the success of your great missionary labor, what the Nation and the whole world needs more than anything else, is peace, I have taken as my text today the famous dictum of General Grant: "Let us have peace."

Appomattox came 4 years almost to the day from the fall of Fort Sumter. It marked the end of one of the bloodiest fratricidal wars of history. As always in such cases, passions had run high on both sides; both sides had been guilty of excesses; great amounts of property had been destroyed; the war cost a million men; there was mourning and suffering throughout the land. A seedbed had been prepared where hate could have been sown for recurring crops of war and misery during long generations to come.

SURRENDER AT APPOMATTOX

Having surrounded Lee's army, Grant, moved by lofty motives of humanity, opened negotiations to stop "further effusion of blood." Lee, moved with a like motive, accepted the approach. Grant suggested a desire for peace stating the one condition he would insist upon,— "that the men and officers surrendered shall be disqualified for taking up arms against the United States until properly exchanged." Lee responded stating his earnest desire for peace and asked if Grant's proposals would lead to that end. Grant answered he lacked authority for such negotiations, but assured Lee that he was equally desirous with Lee for peace, and so was the whole North.

Lee then proposed the surrender of his army. Grant, the victor, asked Lee, the vanquished, where he would like the interview between them to take place. Lee chose the house of McLean, in the village of Appomattox. Grant appeared dressed as were his private soldiers, save for shoulder straps that indicated his rank. Grant, seeking to cause as little humiliation as possible, began the interview with Lee by recalling their joint service in Mexico.

They so conversed pleasantly for a short time, when Lee brought up the subject of their meeting, asking Grant for his terms. Grant repeated those he had already given, adding that all arms, ammunition, and supplies were to be treated as captured property.

Grant, still anxious to avoid Lee's unnecessary humiliation, began to talk in a pleasant vein about the prospects of peace; Lee again returned to the subject of the meeting and suggested the terms be submitted.

Grant then wrote out the formal proposals. As he came to the term covering arms, ammunition, and supplies, he glanced at the handsome sword Lee carried and, still urged by the desire to cause as little humiliation as possible, he added a provision that officers should retain their side arms, horses, and baggage. Grant finished the terms with the provision as to the parole of officers and men.

Lee read the terms and observed, "This will have a very happy effect upon my army."

Grant asked if Lee had any suggestions to offer as to the form of the terms. Lee observed that in his army cavalrymen and artillerists owned their own horses and asked if they would be permitted to retain their horses. Grant said the terms did not cover this. Lee's face showing some anxiety, Grant said the subject was new to him, but, while the terms would stand as written, he would give orders that all men claiming horses would be permitted to take the animals to be used on their farms. To this generous, unrequested kindness by Grant, Lee observed, "This will have the best possible effect upon the men. It will be very gratifying and will do much toward conciliating our people."

Lee informed Grant that he had no food either for his own men or for his prisoners. He asked Grant if he might return the prisoners. Grant said yes, and asked Lee how much food he needed for his own men. Lee did not know. Grant asked if 25,000 rations would help; Lee replied that this "would be a great relief." Meanwhile, news of the

surrender reached the Union Army, who began firing salutes. Grant ordered these stopped at once, declaring: "The war is over, the rebels are our countrymen again, and the best sign of rejoicing after the victory will be to abstain from all demonstrations in the field." The men in blue mingled together around common camp fires with the men in gray, often eating from a common mess. The war was actually over.

Grant and Lee met as gentlemen; they negotiated as gentlemen; they parted as gentlemen. The next day Grant made a formal call upon Lee and they visited together for half an hour. There was no bitterness, no hatred. They, for themselves, buried the past.

Grant's terms for Lee's surrender became the terms for the surrender of all the southern armies.

There was no indemnity. While under the law, the war was rebellion and its wagers traitors, no one suffered a traitor's punishment.

At his last Cabinet meeting, held on the morning of the day of his assassination, Lincoln, as reported by his Secretary of Navy Welles, said:

'No one need expect he would take any part in hanging or killing these men, even the worst of them. Frighten them out of the country, open the gates, let down the bars, scare them off,' said he throwing up his hands as if scaring sheep. 'Enough lives have been sacrificed; we must extinguish our resentments if we expect harmony and union.'"

I believe that God's mercy and love brooded over that meeting of Grant and Lee, victor and vanquished; that He manifested His design and purpose that, the Union preserved and slavery blotted out, this Nation should not be cursed with a blight of hate, but that it should feel and live the divine principle voiced by Jesus Himself—"Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy strength, and with all thy mind; and thy neighbor as thyself"; and that Lincoln came near the divine standard of loving your enemies when he declared "he would not take any part in hanging or killing these men, even the worst of them."

A few years later, in accepting the nomination for the Presidency, Grant, returning to the spirit of Appomattox, exhorted his fellow countrymen: "Let us have peace."

Peace has been the pearl of great price, coveted, searched for by man during all the ages.

Appomattox showed the temper of this people of ours, not in the course of a long period of growth, advancement, and peace, but at the close of a bloody, fratricidal war, where literally father fought son, and son father, and brother fought brother—a kind of war that makes more and deeper wounds than any other kind of conflict. Yet this temper and concept, this high idealism and lofty purpose of Grant and Lincoln, seemingly fostered by the tragedies of the war, followed us for a half a century thereafter.

INTERNATIONAL RELATIONS

With the only great trained military force in the world at the end of the war, and able to work out our will, we patiently dealt with England and France in the matter of their invasion of Mexico and the French attempt to set up a Mexican monarchy under the Austrian Maximilian. We might then, with comparative ease and complete success, have waged war, driven out the invaders, conquered Mexico itself, and annexed it. There were none in the world then ready to say to us nay. But we forebore. We loved peace.

Britain during the Civil War, had aided the South, in sympathy not only but by credits and the building of Confederate cruisers and furnishing of armaments. The war was taxing our strength. The Confederate cruisers—Laird's Ironclads—built at Birkenhead, were about to take to sea. Adams, our Minister to Great Britain, renewed at this point his representations against this violation of neutrality, and solemnly declared, "It would be superfluous in me to remind your lordship that this is war." His lordship stopped the sailing, but this, with the depredations of the *Alabama* and other British-built and outfitted Confederate cruisers, left us with a feeling of deep injury. Our property loss had been enormous.

Yet, when the war was over and we were where we could speak boldly and use, if need be, the strong arm, we patiently dealt with England for a peaceful adjustment of our claims. We went to arbitration and won. And let it always be said to Britain's credit, and to ours, that the then two strongest nations in the world solved their differences by the friendly method of arbitration instead of by war, even though the vital interests and honor of each were involved. Again we sought peace.

In the 1860's we forbore war with Spain, declaring her intentions to annex Santo Domingo, and to repossess certain Peruvian islands.

We were equally restrained in 1895 in the boundary dispute between Venezuela and Great Britain, which threatened a violation of the Monroe Doctrine. It was in the course of his great discussion with Lord Salisbury, that Secretary Olney voiced his striking dictum: "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." This boundary was peacefully adjusted.

A like restraint marked our course in 1903 when France, Germany, and Great Britain instituted a pacific blockade against Venezuela. The injuries of which the powers complained were settled by peaceful means.

PEACEFUL SETTLEMENT OF INTERNATIONAL DISPUTES

From the Jay Treaty with Great Britain of 1793, until the recent past, we have encouraged and sought to secure the settlement of international difficulties and disputes by friendly means—by arbitration where we were concerned, and by arbitration and mediation where others only were involved.

Beginning with arbitrations under the Jay Treaty between ourselves and Great Britain, where we adjusted claims arising out of our Revolution, we have entered into numerous treaties, conventions, and protocols for the adjustment of our disputes with other nations, involving indemnities for injuries arising out of wars, involving sovereign rights and title to our national territory, damages for outrages to our citizens and for the despoliation of their property, our rights in the Northeastern Coast fisheries, and to the fur seals of Alaska, our rights under the laws of neutrality.

The three great exceptions to the peaceful adjustment of our international disputes, prior to World War I, were the War of 1812 with Britain, which was the culmination of a long series of injuries and treaty violations that did not yield to friendly solution; our war with Mexico of the 1840's, where we were the aggressor—our motives for waging that war will scarcely stand objective scrutiny, either as to altruism or unselfishness; and our war with Spain of 1898, where we intervened to stop further oppression and bloodshed, really to abate an international nuisance.

MEDIATION

We have more than once mediated to stop wars between other countries; the outstanding example of this is our mediation under President Theodore Roosevelt of the war between Russia and Japan. We have repeatedly exercised our good offices to adjust differences between other countries, particularly in the Latin Americas. In these the peace motive guided our course.

In the two Hague Conferences of 1899 and 1907, while other nations busied themselves mostly with conventions dealing with war, our emphasis was placed on perfecting conventions for the specific settlement of international disputes. This was in line with the lofty purpose of our national diplomacy until after the last Hague Conference. In all these, peace with other members of the society of nations motivated our course.

Nor should we overlook the special efforts of Secretaries Olney, Hay, Knox, and Bryan to negotiate both general and special treaties to promote peace, nor the Kellogg-Briand Pact for the Outlawry of War.

Nor should we end this brief catalogue of some of our efforts without calling attention to the Rush-Bagot notes by which the United States and Great Britain accomplished the limitation of armament on the Great Lakes, an informal agreement that has robbed our Canadian border question of all threat of trouble for more than 130 years.

That gentlemen, is America's record, the greatest record for peace made thus far by any nation in the world. Future generations will so appraise it. It is a record that made every man, woman, and child proud of his American citizenship and heritage.

CHANGING OUR COURSE

But it seems to us of the common people that all this is about to change. Uninformed, we know we must appraise our condition with caution and reserve; we must recognize we may be wrong. Yet, the facts we are permitted to know shock us with their threat of world-wide disaster through another gigantic global war. It seems clear to us that we have forsaken or are ignoring the ideals and concepts of the past; that we are neither planning nor seeking peace; that our actions and policies will not lead to peace, but, on the contrary, they are breeding and fostering that hate, suspicion, and fear which are always the begetters of war, near or remote.

We are not unaware that this estimate will be denied. We shall be assured that what is really sought is peace, and that nothing is done or planned that has not peace for its ultimate aim and end. But we may properly look at the facts we have, and reach our own conclusions thereon, faulty though they may be. Our lack of full information leaves us no other course.

It looks to us as if in our dealing with our conquered foes, we of America have forgotten Appomattox; we have turned our backs on the idealism and lofty conduct and purpose of our whole history; we have with us neither the vision nor the humanity that were the controlling element of our past. We seem to have turned back the hearts of men more than 2,000 years, and to be back into paganism.

LESSONS OF APPOMATTOX

Since our action at Appomattox was the embodiment of our lofty concepts and high idealism, let us contrast its essentials with those of the course we have pursued and are now pursuing, to see how far afield we have gone.

EFFUSION OF BLOOD

Grant's first concern at Appomattox was to stop the shedding of blood. Lee was equally concerned.

How have we acted?

It has been affirmed since the war that the underground party in Germany offered to cooperate with us to stop the further shedding of blood and to end the war, and that we refused to follow. I do not know the influence that led us to refuse that humane offer, if it was made, and so save further slaughter of our own sons, but when the curtains are drawn back and the whole picture is shown, I shall not be surprised if we shall see that our bloody course was inspired by the German political refugees and their American friends, who, safe on our shores and behind our defenses, were quite willing

that American blood should be shed till their thirst for revenge for ills they had suffered, but for which we had not even a shadow of responsibility, was slaked.

During the war, the slightest hint that we should treat with the German underground always called forth a tirade of scorn, ridicule, and defamation, poured out to a credulous public by the smearers and passed from mouth to mouth by the Communists, the fellow travelers and their sympathizers, and political emigres. These war mongers built such an odium about the word "appeasement" that men shrank from doing or saying anything that might draw upon themselves that opprobrious epithet. So thousands upon thousands of our boys were sacrificed.

Stopping the effusion of blood is one element of Appomattox that has had no place in this World War II. Never forget Nagasaki and Hiroshima.

RELIEVING SUFFERINGS OF WAR

You will recall that at Appomattox, dealing with a foe he could easily and quickly have crushed to the point of extermination, Grant was most careful and solicitous. He let the Confederate officers and soldiers retain their private property; he immediately provided Lee's army with food; the men immediately fraternized together, often eating at the same messes; he paroled all officers and men.

What have we done and what are we doing?

First, it may be said that apparently many, many enemy troops, it may be as many as 2,500,000, are still in detention camps, probably at forced labor.

The reports that appear in the press and that come from observers, leave no alternative but to conclude that we, to some extent, and some of our allies to greater extent, are deliberately following a course that will lead to the starving of great numbers of people, perhaps nations; that we allies are robbing them of the means of recovery not only, but of indispensable sustenance; and that we are not letting them produce the food, fuel, shelter, clothing necessary to preserve life. We are destroying their industrial plants. A credible source charges "It is mainly American policies that have made mendicants and parasites of the peoples of Europe."

All this may be pursuant to a policy and plan we years ago announced, not yet, I believe, repudiated, for destroying a whole national life, and remaking it to suit the plan said by some to have been devised under the influence of political emigres who think their best selfish interests will be best served thereby, and their revenge satisfied. All this makes for hate, and peace and hate never live together.

CONDUCT OF OUR TROOPS

Private reports too numerous to ignore and too constant to admit of real doubt affirm that our occupying forces are quartered under luxurious conditions that are breeding an intense hatred against us. Certainly not discouraged, and some say encouraged, very many of our own men are reported to be living lives of debauchery of which American troops, en masse, have never before been guilty, and which some of us think are unworthy of, and indeed disgraceful to, American citizenship. Some of our allies are accused without successful contradiction, of deliberately and designedly violating every woman, young and old, maid and wife, within their occupied areas. This means more and more hate, with peace in hiding.

For all this we are at least partly to blame. In the estimation of the oppressed peoples, we shall be held most to blame, first, because we are coparticipants in the imposition of the oppressions, and, next, because they believe we could prevent it if we would. And they are right as to the planning and beginning of it, for if, during the war, our own spokesman had said no at the right moment, most, if not all, of this would never have happened.

I note all this here because all the cruelty and mistreatment we visit upon the peoples of Europe, in whatever form, builds a hate and a fear which will not bring peace, and which, the tables turning, will bring swift retaliation upon ourselves.

UNITED STATES VERSUS RUSSIA

Thus far I have spoken of our late enemies. It may be said, probably justly, that they are so thoroughly beaten, so nearly destroyed that they are no longer a threat, but we must not forget they recovered and returned in one generation after World War I. But grant their impotency for generations to come, yet are we faced with the gravest danger in our history.

Between ourselves and our late ally Russia, we are building a jealousy, a fear, a rivalry, and a hatred that unless halted will take us into the direst tragedy in the history of the world, in its magnitude, in its physical destructive force, and in its intellectual and spiritual degradation, and possibly even to our annihilation. Russia is powerful, largely unimpaired by the recent war. Under her present leaders, she is aggressive, militant, seemingly fearless. Her course compels the conclusion that she deliberately plans and plots world conquest. The ideology for which she fights is polar to ours. Fascism in Italy was never the shadow of a threat; nazism in Germany was a world-old malady showing some new symptoms, we knew its cure. Communism in Russia is a new poison-plague for which we of the modern world have yet developed neither antidote nor cure. But in world history it is old. There is this difference between nazism and communism—the first leaves private property and individualism, however much appropriated and curtailed to meet the immediate crisis; the second destroys both private property and individualism, making the state all-pervading, all-absorbing, a god of human mind.

We alone in all the world challenge Russia's aims. She hates and fears us. We hate and are fearful of her. Thus far the two powers seem to plan and scheme only in terms of force. Battles on land, on sea, in air, are to settle the matter. So far as we of the public know, the two sides have never worked together honestly trying by peaceful means to reach a mutual live-and-let-live understanding. We do not know of even an effort on the part of both parties together, mutually to concede, mutually to put out of view the intent to use force to gain the end sought. Such an effort may have been made, but we do not have the facts. Indeed, we must regretfully admit that our own military establishment seems to be now deliberately planning and preparing for another great war, it must be with Russia, since of the whole world she alone has the power and resource to challenge us, which war both sides plan, it is said, to make the most terrible and destructive of all recorded time.

OUR MILITARY ESTABLISHMENT

Furthermore, I regret to say, indeed I am almost ashamed to say, that at the moment, our military branches seem in almost complete control of our own Government. They appear to dominate Congress, and under the circumstances, we may assume they are in sufficient control of our foreign relations to be able to set the international scene. To us who do not know, it looks clear that we are today getting the same sort of propaganda of half-truths, told in the same evasive ways, with equivalent hints and dark forebodings that preceded the last war. We are not justified in doubting, on the facts we have that we of the United States are, for the first time in our history, under a real threat from our military arm, and that if the plans of the militarists carry, we shall become as thoroughly militarized as was Germany at her best, or worst. Certain it is we are being generously dosed with that sovereign narcotic, which designing militarists have in the past always administered to their peoples, the doctrines that to ensure peace we must maintain a great army and gigantic armaments. But this ignores, indeed conceals, the unvarying historical fact that big armies have always brought, not peace, but war which has ended in a hate that in due course brings another war.

Our militarists will no more be able to let a great army lie unused than they were able to withhold the use of the atom bomb once they had it, even though some military men are now quoted as saying the war was won before the bombs were dropped on Nagasaki and Hiroshima. Under the threat that Germany was perfecting such a bomb, we were justified in perfecting ours. But it may well be a distaster to civilization for us unnecessarily to have initiated its use. Some of us think it was shameful.

All this is not the way to peace, but to war.

LINCOLN AND NUREMBURG

How far indeed have we traveled from the gentle spirit, the humanity, indeed the brotherly love of Grant at Appomattox, and of Lincoln in the Cabinet meeting. That spirit brought a peace that has lasted for 85 years, with yet no signs of war. And may we not here place on one side Lincoln's declaration at the Cabinet meeting—" 'no one need expect he would take any part in hanging or killing these men, even the worst of them,' " and on the other side place Nuremburg, where report says men were tried and convicted for acts which, when committed, were not contrary to the law of nations, but declared so after they were committed, thus violating one of our fundamental constitutional concepts that ex post facto laws are not tolerable. If we shall ever be the under dog, which pray God we never shall be, Nuremburg will rise to condemn us, and to argue justification for the same procedure against us.

Thus we have wandered far from the ideals, the concepts, the faith, and the works of our fathers, and from the international gospel which guided them. We are the center of a great balance of power operation, a principle in the condemnation of which in the not too distant past we exhausted our full lurid vocabulary. We no longer may move as seems to us best for our interests and safety, but must join in measures that our partners think are for their interests and their safety, and they are not without ambition, and greed is not wholly absent. How true this is may be learned from a glance at the scheming, brawling, word-mauling United Nations, which seems now to be worth no further consideration than mere mention.

THE POLICY OF THE FATHERS

The international gospel of the Founding Fathers was forecast by Jefferson in 1793. It was voiced by Washington in his Farewell Address in 1796, when he declared we should have "as little political connection as possible with Europe," because Europe had a "set of primary interests" with which we had "none or a very remote relation," wherefore "must be engaged in frequent controversies, the causes of which are essentially foreign to our concern; * * * why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? It is our true policy to steer clear of permanent alliances with any portion of the foreign world." The Monroe Doctrine, declaring against the future colonization of the American Continent by Europeans, against the extension therein of their political system, against interposition by European powers to control the destinies of the Latin Americas, implemented the principles of the address. And Jefferson, commenting in 1823 on the Monroe Doctrine, and the complete political separation of Europe and the Americas, solemnly affirmed: "Our

first and fundamental maxim should be, never to entangle ourselves in the broils of Europe; our second, never to suffer Europe to intermeddle with cis-Atlantic affairs."

Nor may we overlook that great doctrine of neutrality set up under Washington himself and Jefferson and Hamilton, which was aimed at and brought about the localizing of international armed conflicts, and the preservation, under prescribed rules, of peacetime intercourse between belligerents and nonbelligerents. War was to curse as few people as possible. This has been jettisoned for the concept that every war should involve all nations, making all suffer the ravages of a global war.

Until the last quarter of a century, this gospel of the fathers was the polar star by which we set our international course. In the first 130 years of our constitutional existence, we had three foreign wars, the first merely the final effort of our Revolution, which made good our independence. During the century that followed we had two foreign wars, neither of considerable magnitude. During the next 23 years, we had two global wars. While the gospel of the fathers guided us we had peace. When we forsook it, two great wars engulfed us.

It is not clear when we began our wandering, nor is it necessary to determine the time. President Theodore Roosevelt was hinting our straying when he uttered the dictum, "Speak softly and carry a big stick." We were to force others to do our bidding. President Wilson had the full departure in mind when he declared: "Everybody's business is our business." Since then we have leaped ahead along the anciently forbidden path.

In our course under the new gospel of interference with everything we do not like, we have gone forward and are going forward, as if we possessed all the good of human government, of human economic concept, of human comfort, and of human welfare, all of which we are to impose on the balance of the world—a concept born of the grossest national egotism. In human affairs no nation can say that all it practices and believes is right, and that all that others have that differs from what it has is wrong. Men inflict an unholy tragedy when they proceed on that basis. No man, no society, no people, no nation is wholly right in human affairs; and none is wholly wrong. A fundamental principle of the operation of human society is to live and let live.

Yet, to repeat, we have entered into new fields to impose our will and concepts on others. This means we must use force, and force means war, not peace.

COST OF OUR APOSTASY

What has our apostasy from peace cost us?

In men our two recent adventures have cost in casualties, dead, wounded, and missing, 1,402,600, with almost as many saddened and crippled homes.

In money it has cost in World War I some sixty-odd billion dollars; and World War II cost us some four hundred-odd billion dollars, including increased civilian help, in total, almost a half a trillion, the great bulk of which we still owe.

In spiritual values it has brought great numbers of our youth and older men to the very depths of desponding atheism. Our whole social structure seems undermined. We are becoming a blaspheming, unchaste, non-Christian, godless race. Spiritually we seem ripe for another war.

In values of government and law these wars and the interminglings of men of different concepts of freedom and human rights have brought into our own system the despotic principles of European systems, against which the fathers warned, though they came to us through doors the fathers did not see. Many and influential persons amongst us, of alien concepts and sometimes of alien birth, no longer admit that man possesses the inalienable rights of the Declaration of Independence and the fundamental precepts of the Constitution. Our courts no longer guarantee these rights and enforce these principles. We have and are aping and adopting the policies and the legal theories of Europe. Colonel House records that when President Wilson hesitated to launch us into the First World War, because he did not know what measures to take to wage the war, he, Colonel House, assured the President that it was simple. All he had to do, said Colonel House, was to do the things Europe had already done. And so we proceeded, and from then till now we have constantly and more and more adopted European governmental concepts and laws, to the loss of liberty and of the happiness and security of our people.

All this takes us into a situation that places our destinies largely in the hands of those who appear to be urging us toward war, not peace.

It is time we returned to the political faith and work of the fathers. It is indispensable that we do so if we are to have peace. I believe in the old faith and the old works, under which we had so much of peace. I am a political isolationist in the full sense of the term and am not fearful in declaring it.

I am a political isolationist because—

I fully believe in the wisdom of the course defined by Washington, Jefferson, and other ancient statesmen. The whole history of America before and since the Revolution proves the truthfulness of their assertions. All during our pre-Revolutionary history we were at war, we were robbed, plundered, and massacred because of European wars, in the issues and causes of which we had no concern. History is repeating itself.

I believe American manhood is too valuable to be sacrificed on foreign soil for foreign issues and causes.

I believe that permanent peace will never come into the world from the muzzle of a gun. Guns and bayonets will, in the future as in the past, bring truces, long or short, but never peace that endures.

I believe President Wilson had the true principle when he spoke of the strength and power of the moral force of the world. Moral force in a nation fructifies industry, thrift, good-will, neighborliness, the friendly intercourse of nations, the peace that all men seek; whereas force is barren.

I believe America's role in the world is not one of force, but is of that same peaceful intent and act that has characterized the history of the country from its birth till the last third of a century.

I believe that moral force is far more potent than physical force in international relations.

I believe that America should again turn to the promotion of the peaceful adjustment of international disputes, which will help us retain the measureless moral force we once possessed, to the regeneration and salvation of the world. We now speak with the strong arm of physical force—we have no moral force left.

I believe we should once more turn our brains and our resources to the problem, not of killing men, women, and children, combatant and noncombatant, but of bringing to them more of good living and high thinking.

I believe political isolation will bring to us the greatest happiness and prosperity, the greatest temporal achievement not only, but the highest intellectual and spiritual achievement also, the greatest power for good, the strongest force for peace, the greatest blessing to the world.

THE SAME OLD WORLD

I am not shaken in my convictions nor frightened by the assertion of many good people and fostered by the Communists and "new thoughters" that the doctrine of the fathers is outmoded and that we are in a new world. All the age-old forces are still peering out at us—greed, avarice, ambition, selfishness, the passion to rule, the desire to enslave for sordid advantage of the enslaver. Not a single wanton face is missing and the visages of some are more hideous than ever. While radar, the radio, the telephone, the airplane have facilitated our talking and visiting with our neighbors, they have not made new beings out of us nor out of them, nor changed either our characters or theirs. We are just as we were, with the possibility of a little more back-fence gossiping and quarreling, and a little more brawling among the children. But the households remain essentially as they were. We still have oceans between us; we live on different continents, under different conditions; we can and should mind our own business and let others do the same.

In my view our whole international course and policy is basically wrong, and must be changed if peace is to come. Our policy has brought us, and pursued will continue to bring us, only the hatred of nations now—and we cannot thrive on that, financially or spiritually—and certain war hereafter, with a list of horrors and woes we do not now even surmise. If we really want peace, we must change our course to get it. We must honestly strive for peace and quit sparring for military advantage. We must learn and practice, as a nation and as a world, the divine principles of the Sermon on the Mount. There is no other way.

WHAT WOULD YOU DO?

Someone will, at this point, play the ace question, with the smug finality that always accompanies it: What would you do?

I frankly answer, I do not know, for I do not know the facts. Furthermore, a critic with no authority or power in a situation, and from whom is withheld a knowledge of the facts, is under no obligation to propose an alternative. He may rest by pointing out defects in policy.

On the other hand, I say, give us the facts, all of them, hiding nothing, and we shall tell you what to do. As one American citizen, I dare Government to give us the facts, all the facts, including what kind of war they think the next war will be, what kind they intend to wage, and how many lives it will cost, including the aged, the infirm, and women, and children.

We, the common people, have not been told the facts for years, since long before the last war broke. We are not now being told the facts. We can only surmise. But give us the facts and we will answer. And in our multitude of counsel you will find wisdom.

In conclusion, I will hazard one suggestion: Unless all history is reversed and its lessons and principles all blotted out, it is inconceivable that any system can be set up by a personal despot or by an oligarchy either of intellectuals or of cruel, heartless, ambitious men, that can permanently rob men of their freedom and put them in slavery. This never has been done. Sooner or later such a system has always broken down; it always will break down, because, despite what atheists and scoffers say or think, man is child of God, who planted in man's soul certain eternal concepts and urges that are stronger than mortal life or any of the intellectual or physical incidents of mortality.

Among these elemental concepts is the love of freedom; it is found in man not only, but even in the brutes. Man and beast rebel against slavery. They yield to it only under compelling force.

Another elemental, eternal concept is belief in God, which may ripen into a knowledge of God. Normal man ultimately demands this belief to make mortality tolerable.

Modern communism as explained by Communists who are in places where they speak their real minds, deny God, declare that other men are beasts that must be tamed and worked as beasts. This is an enemy that threatens us within and without. This is not a Godless world.

But men cannot be led indefinitely, nor driven by a savage despotism, down this road to an intellectual and moral abyss. They may follow along for a generation or two. But they will one day rebel against the rule of liquidation. No group can permanently maintain itself by murder, as history proves from the days of the hideous proscription lists of Sulla till now. Fear and ruthless cruelty can rule for a time, but the spirit of liberty ultimately breaks forth and sweeps away everything that lies in its path.

So it will be with communism, which now on a world scale may well be only doing the work of the Paris mobs in the French Revolution. There are fields of human endeavor where the power of birth and station still afflict man's growth and development.

But the great truth announced by the Prince of Peace, "I am the light, the life, and the way," ultimately reaches the mind and heart of men, and then they demand freedom. It was so planned in the creation. God gave to ancient Israel a law under which there came, at regular intervals, a year of jubilee and freedom, when men were freed of bondage, financial and physical. Paul told the Corinthians, "Where the Spirit of the Lord is, there is liberty."

So the light of the Master will ultimately break through the darkness of the infidel, and all men will return to freedom and free institutions and to the worship of Almighty God, for such has been the course of man since he came to this earth, and ultimately every knee will bow and every tongue confess that Jesus is the Christ, and then will come the peace of the world.

Meanwhile, if we shall follow our own destiny, America will work for peace by peaceful means, not by force. We Americans should meet our present problems not as if we are to inflict the punishment that Samuel commanded Saul to inflict upon the Amalekites—we have no such commission—but we should solve our present problems as a developing but passing phase, still pending a final solution. In our dealing with our international challenge we should adopt the tactics of Washington in the Revolution, which he took from the old Roman, Fabian. We must be alert, make no false moves, take no position we cannot hold, and await the internal solution which history assures us will come to enslaving groups of great peoples. The spirit of liberty will ultimately break forth among them and will sweep away everything that lies in its path.

Meanwhile, let us each set his own house in order. Let us each do a little repenting of our common sins. Let us each recast his own life to fit the example and teachings of the Master. We stand today not too far from the moral and spiritual place where Lincoln stood during some of the darkest days of the Civil War, when in a Thanksgiving proclamation he said:

"We have been the recipients of the choicest bounties of heaven; we have been preserved these many years in peace and prosperity; we have grown in number, wealth, and power, as no other nation has ever grown. But we have forgotten God. We have forgotten the gracious hand which preserved us in peace and multiplied and enriched and strengthened us, and we have vainly imagined, in the deceitfulness of our hearts, that all these blessings were produced by some superior wisdom and virtue of our own. Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God who made us."

How terrible that arraignment! How well it fits us today! Let us not forget God, nor forget that remembering Him means worshipping Him and keeping His commandments.

That we may hereafter live a free people and in peace, let us return to the basic principles that we observed in the first century and a quarter of our existence. But above and beyond that, I again say, that if we want peace, we must return to the faith and principles of Him who alone can give peace; we must return to the worship of Christ and to the life He marked for us. If you will bring the world to Christ, you will have peace, and it will come in no other way. If you unify the intellectual and spiritual forces of the world, the political forces of the world will become one.

In closing, I return again to the high calling you have as missionaries preaching the gospel of caring for the bereaved widows and orphans of the people. This great labor will prosper or decline depending upon how many people you reach and convert. There are now more than 70,000,000 life-insurance policyholders, in the United States, whose policies amount to over $174,000,000,000. One-half the people of the United States have life-insurance policies. In the great economic factors of our civilization no other body gives a more important service, indeed, having in mind the nature of your work, no other economic body equals yourselves in the spiritualizing influence your service spreads among the people. You are the cornerstone of the whole insurance edifice. You have the greatest stake in our peace and welfare of any group in the world. If you shall weaken, the whole structure will fall. These are not mere words, but solemn truths.

I am sure you appreciate that every time you sell a policy you not only give explanations, but you make promises; you become a moral guarantor of your promises.

To make good your guaranty, the country must prosper, and for the country to prosper we must have peace. No human mind can fathom the abyss into which another war will plunge us. The Communists plan that they will be down in the bottom, organized to exploit and enslave us. None of us must leave any act undone that could avert this.

Tens of millions of dependents the country over look for their sustenance to the promises you made. You are the benefactors of all these. Your benefactions come to them when the need for food, clothing, and shelter is most pressing. Your help eases the heavy load of sorrow that burdens their hearts and that saps the clarity of their minds. They call down upon your heads blessings that only the Almighty can bestow. Thus, you may be the instruments that, in God's wisdom, shall help to keep their Nation a body of freemen.

With Grant, in his reverent petition of three-quarters of a century ago, we common people, we who bear the burden of war, cry out to our leaders, "Let us have peace."

Albert W. Alexander

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include therein an editorial eulogy on the life of Albert W. Alexander which appeared in the editorial column of the Electrical Union News published weekly by Local 201, United Electrical, Radio, and Machine Workers of America, of Lynn, Mass., edited by Frederick M. Kelley.

Albert Alexander was one of the serious, conscientious and hardworking members of that organization. He was one that devoted his life for the betterment of others so that they would enjoy better living conditions by assisting in the improvement of the hours of work, the salaries and wages paid and the conditions under which employees work in industry. He was not only active in the business of the union but spent much of his time outside of working hours to better the lot of the families of the workingmen in the General Electric in the city of Lynn.

His passing will be a loss not only to the organization for which he labored so long and well but to the individual employee and the families of the workers and to the people of greater Lynn, who respected, admired and loved this man who died rendering service to his fellowmen.

The editorial follows:

ALBERT W. ALEXANDER

This is the hardest article I have ever attempted to write since my appointment as editor of this paper. For 2 days now, I have pondered over the fact that this Union has suffered a loss from which it can never completely recover but how do I get this on paper? I am no nearer a solution now than I was 2 days ago.

How do I explain to the community that here was the true example of a good trade unionist? Here was the type of man who formed and joined unions in order that they might be dedicated to the betterment of the community in which they exist. Blood banks, U. S. O. parties, hospital drives, Boy Scout troops and Community Funds are his monuments. I want to make sure that the good will not be interred with his bones, but I don't know how to say it.

How do I tell disinterested members of this local that Albert Alexander literally sacrificed his life for them? While the immediate cause of his death was over-exertion in connection with the coming Christmas party for our members' children, the real cause was over work on all functions of this union during the past month. While the great bulk of our members were pursuing their personal pleasures after working hours, this man gave nights, Saturdays and Sundays, week in and week out, in order to insure that every undertaking of this union would be a success.

How should I approach the real reason for this article—the extending of solace to the Alexander family? It would be fruitless and feeble on my part to tell them that their husband and father laid down his life in a good cause—the bettering of the lot of his fellow-man. Fruitless and feeble, because they know that this death need not have happened had every member of our union participated and shared in his good work.

How do I ask that the family treat this death as one of the natural events in the law of God and thus lessen their burden? Too many have tried that down through the ages and failed miserably. Benjamin Franklin came the closest to it, however, when he wrote: "it is the will of God and nature, that these mortal bodies be laid aside, when the soul is to enter into real life." This is rather an embryo state, a preparation for living.

A man is not completely born until he is dead. Why then should we grieve, that a new child is born among the immortals, a new member added to their happy society? We are spirits. That bodies should be lent us, while they can afford us pleasure, assist us in acquiring knowledge, or in doing good to our fellow creatures, is a kind and benevolent act of God. When they become unfit for these purposes, and afford us pain instead of pleasure, instead of an aid become an encumbrance, and answer none of the intentions for which they were given, it is equally kind and benevolent, that a way is provided

by which we may get rid of them. Death is that way. We ourselves, in some cases, prudently choose a partial death. A mangled painful limb, which cannot be restored, we willingly cut off. He who plucks out a tooth, parts with it freely, since the pain goes with it; and he, who quits the whole body, parts at once with all pains and possibilities of pains and diseases whch it was liable to, or capable of making him suffer.

Our friend and we were invited abroad on a party of pleasure, which is to last forever. His chair was ready first, and he is gone before us. We could not all conveniently start together; and why should you and I be grieved at this, since we are soon to follow, and know where to find him?

Albert Alexander could truly have used the text from the Fourth Chapter of Timothy II: "I have fought a good fight, I have finished my course, I have kept the faith."

FREDERICK M. KELLEY.

Rights of Congressional Committees

EXTENSION OF REMARKS
OF
HON. J. HARDIN PETERSON
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. PETERSON. Mr. Speaker, I have been furnished, by Capt. James P. McGovern, a letter dated December 11, 1947, together with a statement by the Honorable Edward A. Alexander, of the New York bar, with reference to certain interesting legal phases of the rights of congressional committees, which I include herein:

WASHINGTON, D. C., *December 11, 1947.*
HON. JAMES HARDIN PETERSON,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: I am enclosing herewith letter published in the New York Times of this date which you may deem worthy of being included in your remarks for the CONGRESSIONAL RECORD. Mr. Edward A. Alexander, who wrote it, is a distinguished member of the New York Bar. He is a life-long friend of mine and it would please me were you to see your way clear to give the people of our Nation an opportunity to read what this truly great lawyer has written on the above subject through the official publication of their Congress.

With assurances of high esteem and personal regards, I am,

Very sincerely yours,
JAMES PATRICK MCGOVERN.

HEARINGS ON COMMUNISM—INVESTIGATION OF HOLLYWOOD WRITERS BY THOMAS COMMITTEE DISCUSSED

To the EDITOR OF THE NEW YORK TIMES:

In quite a few of the articles appearing in the press, including editorials, there seems to be a lot of confusion concerning the issues arising out of the refusal of the 10 Hollywood writers to answer the simple question as to whether or not each of them is or is not a Communist.

For instance, in your issue of November 23 there appears a special to the New York Times, written by Lewis Wood, entitled "Legality of Communism is Undecided by Courts; No Law Against Party Membership, but New Test Cases Are Pending." The very title shows a misconception of the issues involved.

Whether or not the Communist Party is or is not legal is entirely immaterial. The first question involved is whether Congress has the constitutional power to obtain information for the purpose of framing laws, and as an incident to that power to compel witnesses to attend and testify. If the Constitution gives Congress that power, then it had the right to exercise it by subpenaing these 10 Hollywood writers and asking them any questions it saw fit.

OBJECTION TO REPLY

Each one of these writers as a witness has the personal privilege, under the Constitution, to object to answering any question on the ground that his answer might furnish self-incriminating evidence against him or, as it is sometimes put, tend to incriminate him. His right to object on that ground is a personal privilege and may be waived. No one of these witnesses, however, from all the accounts I have read, did object on the ground that his answer might tend to incriminate him. Therefore, when each of them refused to answer whether he was or was not a Communist, without exercising his personal privilege by interposing his objection that the answer would tend to incriminate him, he had no excuse or reason for not answering it.

In the first place, if it is not a crime under the laws of any State or under any act of Congress to be a Communist, a witness cannot interpose his objection that his answer will tend to incriminate him. A congressional committee would not have to pass on the question as to whether the Communist Party is a lawful political party if the witness does not raise the question that a Communist is a criminal and that he will not, therefore, answer as to whether or not he is one on that ground.

However, in the opinion of this writer, the Committee on Un-American Activities not only acted well within its constitutional authority but also acted in the interests of a sound public policy in attempting to find out whether or not a means of communication, such as that of the moving-picture industry, was being influenced to bring about public opinion in favor of changing the United States Government, a representative republican Government, into that of a Communist Government.

If the congressional committee discovered in the course of its investigation that the Russian Communist Government is attempting to influence Hollywood through the employment of Communist scenario writers and others, to create through innuendos or otherwise, by other and different subtle means, moving pictures for the purpose of influencing the youth of America in favor of communism, they would violate their duty to the American people if they did not fully expose such a situation to the public.

ESSENTIAL STEP

As one of the steps toward that end it is absolutely essential to know whether these writers are or are not Communists. Numerous articles appearing in the press contain immaterial matter tending to confuse this issue.

Now I do not attribute to Mr. Lewis Wood anything but the best intentions in writing his article, but it seems to me that it is based on a misapprehension. Take one of the statements he made merely as one illustration. He says: "Charges of contempt of Congress, specifically, refusing to answer the House committee's question on membership in the Communist Party, would have nothing to do with Communist activity itself. Under Federal statutes there is nothing illegal about being a Communist."

From that statement anyone would get the impression that the congressional committee, in asking each witness whether he was a member of the Communist Party, was asking an immaterial question. In any investigation it is necessary to ask questions which tend to prove the objective which the interrogator seeks.

It is certainly immaterial whether the Communist Party is a criminal organization in the United States or not. If a witness is not a Communist and it is charged against him that he wrote moving pictures which, through subtle innuendo, tend to influence the people of the United States against the existing capitalistic system, there is reason to believe that he did not write such pictures at the request of the Communist Party. If, however, he admitted that he is a Communist, it would tend to prove that he wrote such pictures for that reason, and perhaps it would carry some weight on conflicting testimony, if such existed, that he may have written them at the request of the Communist Party in the United States.

I have always contended that no nation, whether it be Russia or any other nation, has the right to meddle in the internal affairs of any other nation, large or small. In the case of the United States the meddling by any other nation into the domestic affairs of the United States, with the object in view of changing our form of government, is a violation of the Monroe Doctrine.

We should pass a Federal statute prohibiting any such intermeddling. The United States has the right to preserve its existence as a free representative Republic (sometime erroneously called a democracy) founded upon a belief in God and the free-enterprise system.

If the United States Government should consider passing such legislation, any one of its congressional committees has the full power to elicit from witnesses whether any other nation, as a nation, has caused propaganda to be issued in the United States which would tend to destroy our form of government and our free capitalistic system, and as a step toward that objective to ask any witness whom it proposes to question further concerning his activities in that direction whether he was or was not a member of the Communist Party. If the Committee on Un-American Activities did not ask such questions as a necessary preliminary to eliciting further information on the subject, the committee itself would not be American.

EDWARD A. ALEXANDER.

NEW YORK, November 26, 1947.

Tribute to Gen. A. A. Vandegrift, Commandant, United States Marine Corps

EXTENSION OF REMARKS
OF
HON. GEORGE W. SARBACHER, JR.
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. SARBACHER. Mr. Speaker, under leave to extend my remarks, I desire to call the attention of the House to the fact that our country this month will lose the active services of one to whom we partially owe our freedom at this moment—one of our military leaders whose personal courage and determination rose above a fanatical and equally determined enemy, a general who helped turn the tide, not merely of a battle or a campaign, but of the Pacific war itself.

Gen. Alexander Archer Vandegrift, now retiring as eighteenth Commandant of the United States Marine Corps, is that man.

One by one, our war leaders have stepped down. To each of them—to Admirals King and Nimitz, to Generals Marshall and Arnold—the Nation stands in measureless debt, as it does indeed, to the sailors and soldiers whom they led. And yet, Mr. Speaker, just as we think of our Marines as an elite corps entirely apart from the other services, so also do we remember General Vandegrift with particular thankfulness. He too has served his country in a special way: the Marines' way.

It typified General Vandegrift, as it does his corps, when he once told a congressional committee:

> Remember that $50 a month was not the consideration that led men to die storming Iwo Jima or to crash in flames over Tokyo.

All his service career has been devoted to the task of leading marines to do things which could never be bought.

It is little more than 5 years since August 7, 1942, when the First Marine Division landed on Guadalcanal with General Vandegrift in command. In those days most American citizens had never heard of Archer Vandegrift. They did know, however, that his marines were ready for battle; they did know, perhaps, that although not a single United States Army division was ready to face the Japanese in the South Pacific, the Fleet Marine Force could be relied upon to stem the tide; they soon realized that, despite even MacArthur's prophecies of disaster, the Marines were on Guadalcanal to stay. Soon they began to ask, "Who is General Vandegrift? What kind of man is it who has stopped the Japanese?"

Curiously enough, the answers seemed almost meager. General Vandegrift, it appeared, was a quiet man; a steady sort of individual who refused to be rattled as he thought through a problem. Harmony, teamwork, and honest firmness were the attributes of his command—coupled, of course, with a marine's willingness to "go" rather than to "send." For example, when Henderson Field was the "hot spot" of Guadalcanal, there you found General Vandegrift's command-post, located on a bull's-eye.

Guadalcanal has receded a little in our memories nowadays. You could have lost it in the Bulge or in Normandy. But remember this, gentlemen, Guadalcanal, in August 1942 was the first offensive of the Allies, and it was by all odds our first success. Remember that, from Guadalcanal on, the Japanese never again advanced. And remember, finally, that it was General Vandegrift and his gallant troops who brought this to pass.

For General Vandegrift, however, Guadalcanal was only a beginning. Wearing his well-earned Congressional Medal of Honor, on New Year's Day, 1944, General Vandegrift relieved General Thomas Holcomb as Commandant of the Marine Corps. From that point on, many of you here in the Congress came to know him well. We knew him as the honest spokesman of a corps which had no more to offer than its courage and its discipline; we knew him as a wise and firm leader who commanded the respect of statesmen as well as of soldiers; and we soon found out that when you sought a straight answer, you could get just that from the Commandant of Marines.

Probably it is owing to General Vandegrift and his small band of ex-Marines here in Congress that the corps at this moment retain their integrity and vigor as a key arm in our Military Establishment.

It would be a cliché—although a very grand one—to close these remarks with the Marines' motto, the Semper Fidelis which has sustained every one of them, Archer Vandegrift included, in so many hard-fought battles. Equally close to the mark, however, if not so well known, is the judgment which Secretary Forrestal passed upon General Vandegrift a few months ago, when the former stepped upward to become Secretary of National Defense. Of the Marines' Commandant, wrote the Secretary who had himself braved Japanese fire with Marines on Iwo Jima:

> He has vigorously and effectively acted in the interest of the Marine Corps and has maintained the high spirit which has come to be associated with that organization. He has been successful in his mission of keeping the Marines ready at all times for any emergency. His deep devotion to his country provides an example for his associates and for all who follow him.

Tribute to Gen. A. A. Vandegrift, Commandant, United States Marine Corps

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. SMATHERS. Mr. Speaker, I am sure the Members of the House of Representatives, without exception, feel a profound regret at the retirement of Gen. Alexander Archer Vandegrift, eighteenth commandant of the Marine Corps.

Most of us, I believe, link the names of Vandegrift and Guadalcanal in an insoluble bond. We think back to those days of 1942 when allied forces were retiring or being forced slowly backward on all fronts, and when the Japanese were in turn driving toward Australia and New Caledonia. And then, Mr. Speaker, the events of August 7, 1942, come vividly to mind, for it was on that day that General Vandegrift landed his First Marine Division in the Solomons in the first allied offensive of the war.

It was a supreme tribute to our Corps of Marines that they alone were ready for amphibious warfare in this hour; and it was equally a supreme tribute to the indomitable leadership of General Vandegrift, in a most critical and doubtful moment for our fortunes, the marines, elite, courageous, and disciplined, responded in face of all discouragements and hardship to hold the southern Solomons for the United States.

The firm and serene Virginian who commanded at this moment, however, was also the same Lieutenant Vandegrift who had been commended for coolness and courage under enemy fire at Vera Cruz; the dogged and fearless officer who had faced savage Haitian bandits to win still more laurels; and the north China marine commander who had never hesitated, even in the late 1930's, to set his face against the Japanese about Peking. At a time in our history when events were so finely balanced as they were on Guadalcanal, we had good reason, indeed, to be thankful for Archer Vandegrift and all that his past record as a marine had made him.

It was a very different matter, Mr. Speaker, when General Vandegrift came to Washington in 1944. We have all seen field commanders—even very great ones—who were unable to survive "The Battle of Washington"; and there is a moral courage and clearheaded firmness which is as greatly needed here as ever on the field of battle. How would Vandegrift of Guadalcanal measure up to the records of previous great commandants? Would Washington dim the lustre of this great fighting man?

I think you know the answer, Mr. Speaker. I think that every Member of this Congress who has ever seen General Vandegrift in action knows his forthright integrity and his willingness to stand courageously for his beliefs. We had a fine example of this only last year in the now-happily resolved service unification discussions when General Vandegrift supplied the leadership to those exmarines in the Congress who, working together, were able to convince the Congress of the necessity of granting to marines the sanction and protection which all marines believed necessary.

To recite General Vandegrift's entire record and his accomplishments would consume more space than even the RECORD could grant. We know all this, we know that "great deeds" and "high honors" are synonymous with the name "Vandegrift," just as is the word "marine," synonymous with the highest in courage, discipline, and fighting ability. Mr. Speaker, so long as the Marine Corps is able to produce such men as Archer Vandegrift, I have only confidence in the outcome of whatever military battles may lie ahead.

Gen. Albert C. Wedemeyer

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. DONDERO. Mr. Speaker, I should like to call the attention of the House to the illuminating statement made by Lieut. Gen. Albert C. Wedemeyer before the Appropriations Committee of the Senate on Wednesday. As you all know, General Wedemeyer was called as an expert witness to testify upon the urgency—from the American point of view—of aiding the Republic of China in its struggle against communism.

General Wedemeyer is more than an expert on China. He served in an unique capacity first on the periphery of China

and then within China itself. As Chief of Staff to Lord Mountbatten during the difficult Burmese campaigns, he attained an intimate understanding of what China's independence means to the Far East as a whole. Then, as Chief of Staff to Chiang Kai-shek and commander of the American forces in China, he gained a thorough understanding from the inside of the difficulty of China's struggle against the Communist menace. More recently, he was sent by President Truman as his personal representative to examine the findings of earlier observers on the complex Chinese situation.

General Wedemeyer was better fitted than perhaps any other officer in the United States Army to consider the Chinese situation as a part of the world picture. Prior to his service in China, he was the recognized American authority on the German army and the military and industrial affairs of Hitler's Germany; he was one of the few American officers to graduate from Germany's West Point, the Kriegsakademie. He was one of the first to see first-hand the dangers of nazism to world democracy, as he is today one of the very few qualified from personal knowledge to speak about the extreme gravity of the Far Eastern situation.

Because of his extraordinary experience, both military and diplomatic, East and West, General Wedemeyer is today especially valuable as the chief of the operations division of the United States Army. There he finds himself daily face to face not with theoretical situations, but with reality.

It is gratifying that General Wedemeyer's testimony has received almost unanimous approval. It is most unfortunate, however, that one of Washington's newspapers, the Washington Post, which has for some reason consistently followed an antiaid to China policy, has chosen to take General Wedemeyer to task for his frank and fearless testimony. I have had the pleasure of personal acquaintance with the General for a number of years and can say from my own experience that there is no more objective, disinterested, and courageous servant in American Government.

A Veto-Proof Tax Bill

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me on introducing the bill to reduce personal income taxes for the year 1948:

A VETO-PROOF TAX BILL

1. It removes an estimated 6,000,000 taxpayers from the tax rolls by increasing the present $500 per capita exemptions to $600.

2. It provides tax reductions for married couples ranging from 57 percent in lower brackets to approximately 10 percent in upper brackets. These are the 9,500,000 taxpayers who can take advantage of splitting their income for income-tax purposes.

3. Provide an additional exemption of $600 for those people 65 years of age and over. This exemption affects an estimated 3,700,000 returns and removes about 1,400,000 taxpayers from the tax rolls.

4. Increase the present $500 allowance for the blind to a $600 exemption and give effect to this in the withholding tables. There are approximately 250,000 blind people in this country.

5. In addition to the advantages to married couples through splitting income for tax purposes, it provides a percentage reduction which affects taxpayers according to the size of their present tax. It in effect divides them into four groups as follows:

GROUP A

Those with incomes (after deductions and exemption) which do not exceed $1,000 receive a 30 percent reduction in their tax. This is the same reduction granted last year. In this group there are 29,200,000 taxpayers.

GROUP B

Those with incomes between $1,000 and $1,396 receive a reduction ranging from 30 percent to 20 percent, which is the same as last year. In this group there are 14,500,000 taxpayers.

GROUP C

Those with incomes between $1,396 and $4,000 receive a 20 percent reduction, which is the same as last year. In this group there are 9,100,000 taxpayers.

GROUP D

Those with incomes in excess of $4,000 receive a 20 percent reduction on the tax applicable to the first $4,000 of their income, and 10 percent on the tax applicable to the remainder of their income. In this group there are 1,700,000 taxpayers.

6. Repeals the provisions of the Revenue Act of 1942 which discriminates against residents living in the community property states in the payment of estate and gift taxes. A provision putting residents living in noncommunity property States on the same basis as residents living in community property States for estate and gift tax purposes is being drafted and it is hoped will be ready to put in the bill when reported out by the committee. Due to complications and difficulties in the preparation of such a provision, it was not possible to have it ready for incorporation in the introduced bill.

The estimated percentage distribution of the individual income-tax liability and taxpayers under present law compared with the estimated distribution of total tax reduction under the bill introduced today are as follows:

Taxable net income class (after personal exemption and credit for dependents on basis of $600 per capita exemptions)	Percentage distribution of—		
	Total taxpayers	Total tax paid under present law	Total reduction under new bill
$0 to $1,000	53.6	18.3	28.1
$1,000 to $1,396	26.6	19.7	25.2
$1,396 to $4,000	16.7	23.0	23.8
$4,000 and over	3.1	39.2	22.9
Total	100.0	100.0	100.0

Thus 77 percent of the total reduction will go to taxpayers with taxable incomes under $4,000, and 23 percent to taxpayers with taxable incomes of $4,000 and over.

Without allowing for increased tax collections, which have always been a result of reducing personal income taxes, the bill would reduce Federal revenues from personal income taxes by approximately $5,500,000,000, including a provision for estate and gift-tax relief for residents of non-community-property States, which will be ready to include in the bill when reported out by the committee.

Comparison between the tax burden under present law, H. R. 3950, and plan for reducing the individual income-tax burden

SINGLE PERSON—NO DEPENDENTS [1]

Net income class	Tax liability under—			Reduction in tax liability under—		Percentage reduction in tax liability under—	
	Present law	H. R. 3950	New bill	H. R. 3950	New bill	H. R. 3950	New bill
						Percent	*Percent*
$600	$19	$13	$0	$6	$19	30.0	100.0
$800	57	40	27	17	30	30.0	52.6
$1,200	133	93	80	40	53	30.0	39.8
$1,800	247	193	173	54	74	21.9	30.0
$3,000	485	388	371	97	114	20.0	23.5
$5,000	922	737	727	184	195	20.0	21.1
$7,000	1,435	1,148	1,185	287	250	20.0	17.4
$10,000	2,347	1,877	2,003	469	344	20.0	14.7
$20,000	6,645	5,316	5,855	1,329	790	20.0	11.9
$30,000	12,265	9,812	10,905	2,453	1,360	20.0	11.1
$50,000	25,137	20,110	22,482	5,027	2,655	20.0	10.6
$100,000	63,541	50,833	57,032	12,708	6,509	20.0	10.2
$300,000	234,997	194,997	211,339	40,000	23,658	17.0	10.1
$500,000	407,897	349,585	366,949	58,312	40,948	14.3	10.0
$1,000,000	840,147	736,335	755,974	103,812	84,173	12.4	10.0
$2,000,000	1,704,647	1,509,835	1,534,024	194,812	170,623	11.4	10.0
MARRIED PERSON—2 DEPENDENTS—ALL INCOME EARNED BY 1 SPOUSE [2]							
$2,000							
$2,400	$76	$53	$0	$23	$76	30.0	100.0
$3,000	190	133	80	57	110	30.0	57.9
$5,000	589	471	386	118	203	20.0	34.5
$7,000	1,045	836	708	209	337	20.0	32.2
$10,000	1,862	1,490	1,210	372	652	20.0	35.0
$20,000	5,890	4,712	3,656	1,178	2,234	20.0	37.9
$30,000	11,381	9,105	6,977	2,276	4,404	20.0	38.7
$50,000	24,111	19,289	15,986	4,822	8,125	20.0	33.7
$100,000	62,301	49,841	44,224	12,460	18,077	20.0	29.0
$300,000	233,700	193,895	189,226	39,805	44,474	17.0	19.0
$500,000	406,600	348,425	343,940	58,175	62,660	14.3	15.4
$1,000,000	838,850	735,175	732,966	103,675	105,884	12.4	12.6
$2,000,000	1,703,350	1,508,675	1,511,014	194,675	192,336	11.4	11.3

[1] Under the plan the present $500 per capita exemptions are increased to $600.
[2] The new bill provides for equal division of income and deductions between husband and wife, and $600 per capita exemptions.

The Soviet Union Should Not Be Called "Russia"

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by my friend, the Reverend Dr. Joseph F. Thorning, Associate Editor of "The Americas" and "World Affairs," about the importance of the distinction between the Soviet Union and that nonexistent body politic, "Russia." This explanation was published on the editorial page of the New York Times on September 20, 1947. It contains suggestions that may be of special interest to radio commentators, newspaper editors, educators, authors, and lecturers. Correct terminology can promote understanding, because precision makes for clarity.

I consider it a significant fact that Mr. Arnold J. Toynbee, in a recent article in the New York Times, on Sunday, December 7, 1947, employed exactly the phraseology advocated by Dr. Thorning.

Mr. Toynbee, it may be added, is the Director of Studies at the Royal Institute of International Affairs and Research, Professor of International History of the University of London. It is interesting to note that Professor Toynbee and Dr. Thorning agree on the need for accurate expression in the domain of world affairs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When an educator like Dr. George D. Stoddard, president of the University of Illinois (the New York Times, September 7, 1947), in an otherwise excellent article uses an admittedly incorrect term, "Russia," four times in succession, readers have a right to inquire about the reasons which may motivate such phraseology. The question is important, because all democratic, freedom-loving peoples have an obligation not to identify the Russians with their totalitarian masters.

Can it be that slovenly newspaper practice is responsible for the careless language of some educators? Too many editors and news commentators forget that "Russia" went out of existence in 1917, when a new body politic, eventually to be known as the Union of Soviet Socialist Republics, was established. The name which the original totalitarians selected brings out clearly the international character of the Marxist police state. "Russia," with its necessary connection with the Russian people, simply does not have the connotations which are present in "the Soviet Union." Why do journalists, who like to pride themselves upon their accuracy, continue to use an outmoded, unhistorical vocabulary?

To be sure, some newspaper folk as well as a few of the professors try to justify themselves by pointing out that they are merely following "common usage." This seems to be a weak apology. In point of fact, the more alert foreign correspondents usually lead off their pieces in this field by mentioning "the Soviet Union" and then occasionally employ "Russia" as a variant.

On the other hand, Messrs. Henry A. Wallace, CLAUDE A. PEPPER, and their supporters almost invariably introduce talk about "Russia" and "the Russians." Naturally these words, with their aura of courage and glory, elicit immense sympathy and admiration for the valiant Russian people.

Does any thoughtful reader imagine that this choice of language is not deliberate, although incorrect? With such radiant diction, Marxist apologists in the United States plead the cause of the clique which runs the Soviet Union. The interests of the Russian people and those of the Soviet Politburo, it may be noted, do not often coincide.

Why not be realistic as well as exact in this sphere of semantics? The distinction between tyrants and their slaves can and should be recorded each time that we mention "the Soviet Union" and "the Russian people."

Is it not significant that the statesman identified as X, who wrote the widely quoted piece on the surviving totalitarians in "Foreign Affairs," spoke clearly and consistently and correctly about "the Soviet Union"?

Recommendations along these same lines have often been made by Mr. Alexander Kerenski, onetime Provisional President of a democratic Russia.

Truth depends upon accuracy of expression. Furthermore, fairness to all concerned demands that there be no name calling. This is a case where the rulers of the Soviet Union have themselves chosen their own titles and descriptions. They are the self-proclaimed leaders of a federation which not only has fifth columns everywhere but also, avowedly, aims to embrace the world with its peoples. That is in the nature of world revolution. The Constitution of the U. S. S. R. was drawn up with explicit provisions for the incorporation of all other political entities.

It is a practical measure of self-defense to employ the nomenclature selected, not by non-Marxist adversaries but by the Soviets themselves. At any rate, some citizens of this country will protest every time a mistaken terminology is employed.

Marshal Feng Yu-hsiang's Attitude Respecting Aid to China

EXTENSION OF REMARKS

OF

HON. GLEN H. TAYLOR

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "China's Generals," published in the Washington Post of December 12, 1947, commenting on Marshal Feng Yu-hsiang's position with respect to aid to China; an article entitled, "Paradoxical General Has a New Lease," by Edward Rohrbough, published in the Washington Post of December 14, 1947, and an article entitled "General Feng Calls United States Aid to China Useless and Dangerous," published in the Washington Post of December 12, 1947. General Feng is now visiting the United States.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of December 12, 1947]

CHINA'S GENERALS

The Capital at the moment is entertaining a distinguished visitor from China who could enlighten the many Members of Congress who are constantly asking for truth and not fiction about China. He is Marshal Feng Yu-hsiang, the famous "Christian general," who is visiting America for the first time—on a mission of inquiry into river conservancy. Actually Marshal Feng is in the doghouse so far as Chiang Kai-shek is concerned, but Chiang was so constrained by Feng's prestige with the people and the armies of China—all of them, Communist as well—that he gave him a mission abroad and a high-sounding title as the mark of his displeasure. Feng's "crime" is that he refused to participate in Chinese killing of Chinese. In other words, he was opposed to the civil war, and, in protest, resigned his post as vice generalissimo of the Kuomintang armies under Chiang Kai-shek.

In this country Feng has been an unremitting critic of the generalissimo and the misconduct of affairs by the clique around him. But, instead of rebukes from Nanking, all he has got so far is the extension of his commission in America. Renowned in China as a blunt man, he is calling a spade a spade in Washington, and recently, when he read that the venerated Li Chai-sun had been read out of the Kuomintang for criticism such as Marshal Feng is indulging in, he blandly cabled to the generalissimo that he felt "humiliated" that he had not been consigned to outer darkness along with his friend, Li.

The news he bears from China is that, with the declining fortunes of Chiang Kai-shek's war machine, graft and irresponsibility are in the ascendant in Chiang's domain. Commandeering of men and things has become so shocking that Chinese progressives are refusing to have anything to do with Chiang. The generalissimo is making things worse by such acts as the proscription of the Democratic League, which comprises the very men that Secretary Marshall, when he left China, looked to for salvation. In these circumstances any aid that this country extends to China will simply go into the coffers of the Chiang oligarchy. As for arms to Chiang, they would simply perpetuate the civil war, and make the name of America execrated. As it is, the American origin of most of Chiang Kai-shek's arms is advertised far and wide by Chiang's henchmen after they have been employed against Chinese villages, and then lost to the opposing armies.

It is wrong to think that the present war is a war between Chiang Kai-shek and the Communists. It is a gigantic melee in which many factions and dissidents, as well as the Communists, are engaged against Chiang Kai-shek. A bare chance remains of mediating this fratricidal strife, but if this is impossible, and, furthermore, if Chiang is defeated, any new regime in Nanking would certainly not be Communist. Marshal Feng, whose view this is, merely confirms what most sober observers of the confusion in China report.

[From the Washington Post of December 14, 1947]

CHIANG CRITIC—PARADOXICAL GENERAL HAS A NEW LEASE

(By Edward Rohrbough)

Marshal Feng Yu-hsiang, China's "Christian general" and wartime vice generalissimo, who has played many important roles in the turbulent political drama of his country, is enacting still another today—a role that seems strangely contradictory to Americans.

For a year the marshal has been in this country as head of the water conservation division of the Nanking government, sent

here by Generalissimo Chiang Kai-shek to study the Tennessee Valley Authority and similar projects. But while carrying out his mission for Chiang, he has become one of the outspoken leaders of the conservative or non-Communist, opposition to Chiang.

He has frequently spoken out against the generalissimo's prosecution of the war, against American aid to China and against the police suppression in China of students, newspapers, and groups who oppose the civil war.

Adding to the irony of the situation is that, although Kuomintang newspapers in the United States have denounced him as "China's first traitor" and have demanded revocation of his passport, the Chiang government recently extended his mission another year.

DR. SUN'S TACTICS

Recently Marshal Feng accepted the chairmanship of a new organization known as the Overseas Chinese Association for Peace and Democracy in China. The organization's expressed aims are opposition to American military and financial aid to Chiang, but there are those who see it as having more direct political significance in Chinese affairs, as did various groups organized by Dr. Sun Yat-sen in foreign countries for the purpose of opposing the Manchu Dynasty.

Speaking individually, Marshal Feng has been critical of the Generalissimo's war policy for some time, but now he has come out with two opinions more extreme than any he has uttered. They are:

1. The United States cannot expect any payment for loans of money or military equipment to Chiang Kai-shek's government from a future Chinese coalition government.

2. Neither the Generalissimo nor "the reactionary elements which have helped him pursue the civil war" should be included in such a coalition—a proposal being frequently mentioned by the Chinese radio.

In spite of this opposition the Chiang government has taken no step publicly to silence the marshal or to remove him from his position in the government or on the standing committee of the Kuomintang Party. A Chinese who moves in high Kuomintang diplomatic circles sought to explain Marshal Feng's immunity by saying, "He is our elder statesman. He is the only one of us who can say things like that."

The "elder statesman" status, however, is only one of several reasons. Another is probably the fact that no one can plausibly accuse Marshal Feng of being a Communist. He has opposed the Communists too often and he has been China's most famous convert to Christianity for too long.

SOLDIER'S SOLDIER

The "Christian general's" military background is even more important. Almost alone of China's military leaders during the last three decades, Marshal Feng represents the common soldier.

Of all the generals in the days of the Peiping Government, he was the first to command a large Chinese military force which cultivated amicable relations with the people. He became known as an excellent military teacher and an equitable disciplinarian, and his army earned the reputation of being the only one in which a common soldier of intelligence and merit might rise to a position of high command.

In the war against Japan, Marshal Feng's training methods showed their effectiveness. The Battle of Taierchwang in Shantung, the first important Chinese victory over the Japanese Army, was won by men he had trained.

After VJ-day, however, Marshal Feng showed a pronounced reluctance for fighting the civil war. The loss of three Kuomintang divisions to the Communists a few weeks ago is attributed by some observers to the arrests of former Feng officers in the army of Gen. Sun Lienjen. After the arrests it is said the three divisions surrendered without much more than token resistance, and it is not improbable that any action against Marshal Feng might bring widespread defection among the troops his officers command.

RESTAURANT MAN

At 67 Marshal Feng is still a physical giant by Chinese standards, and, although he admits his public utterances might result in his eventual arrest, the possibility does not worry him.

On the other hand, he says "there may come a time when Mr. Chiang and his associates are arrested themselves and bound on the table for trial by the people."

In spite of his leadership in the opposition to Chiang, Marshal Feng disavows any political ambitions except the achievement of peace in China.

"As for myself," he said, "I should like to retire and run a restaurant and spend my declining years in peace."

[From the Washington Post of December 12, 1947]

GENERAL FENG CALLS UNITED STATES AID TO CHINA USELESS AND DANGEROUS

China's famous Christian general, Marshal Feng Yu-husiang, said in Washington yesterday that any American help to China at this time would be useless and dangerous.

Relief supplies, he said, were sure to fall into the hands of Chiang Kai-shek and his lieutenants, and some would find their way into the black market at Shanghai. As for military supplies, the marshal predicted they would be captured by the Communists and prolong the civil war.

Already, he told an interviewer, the Communist armies are equipped to a large extent with American weapons they have seized from government troops.

The marshal, an almost fabulous figure in Chinese history for 35 years, was unsparing yesterday in his attacks upon the Chiang regime, although he is still a member of Chiang's Koumintang Party and is in the United States on an official mission for Chiang to study improvements in China's water supply. Until recently he ranked second to Chiang as vice generalissimo.

He has held aloof from the present civil war with an attitude of "a plague on both your houses." He urged yesterday that the United States immediately stop all forms of military assistance to Chiang, and follow up its action by a renewed offer of mediation in the civil war.

If any Chinese should offer mediation, he said, Chiang would at once brand him a Communist and an enemy. Therefore, he argued, mediation must come from outside.

He thought Chiang was losing the civil war, but that the Communists would never succeed in controlling China. The Communists forces, he said, included moderate and democratic elements, which would never let the Communists "paint China red."

One reason for Chiang's lack of success, he said, was the existence of 72 different grades of rank and pay in his army.

Another was that most of Chiang's divisions were far under the regulation strength of 15,000 men; those headed by Chiang's close lieutenants, he said, had a strength of only 3,000 men, but the generals collected pay and supplies for 15,000.

The Marshal has long had the reputation abroad of being an efficient military commander and administrator.

In the struggles with the war lords 20 years ago he brought honest government and order to many turbulent areas. Although he is 67, he looks 20 years younger, a big and powerful man who is reported to hold the loyalty of many thousands in both armies in the present civil war.

He was last in Washington a year ago, when he visited the Seventh-Day Adventist General Conference Headquarters at Takoma Park and renewed old friendships with many Adventist ministers who had served in China.

European Recovery Program

EXTENSION OF REMARKS
OF
HON. JOSEPH H. BALL
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. BALL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the European recovery program, which I delivered last night, December 18, over the Columbia Network.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The genesis of the Marshall plan was two sentences in a speech by Secretary Marshall at Harvard last June, in which he suggested that it was about time Europe tried to help itself, and that then we might feel better about helping them. Sixteen nations met at Paris and did two things. First, they decided on a level of living standards for the 200,000,000 people in their countries for the next 4 years and a level of production they would like to achieve by the end of the 4 years, in most cases considerably above prewar levels. Then they estimated how much of the materials to reach these goals they could supply themselves. The deficit, $22,000,000,000, is the Marshall plan, so-called.

Of course that is not a plan at all, in the sense that it includes any specific and detailed projects to increase Europe's production. Reports are that the first figure was twenty-nine billions. Will Clayton persuaded the nations to lop seven billions off, and our own Harriman committee cut it several billions more. But there is still no plan that anyone can get his teeth into. What is sought, apparently, is authority for the administration to spend from four to six billions a year for the broad purpose of European recovery.

Although I am critical of such a vague proposal to spend more American billions in the same way that twelve billions have been spent unsuccessfully in the past 2 years, let me emphasize here that I have no quarrel whatever with the fundamental premise of the Marshall plan.

A free and economically solvent Europe is a sound objective of our foreign policy; it would be tremendously to our advantage, and if substantial assistance from us stands a reasonable chance of achieving it, then the expenditure is justified on the basis of national self-interest. But I do want assurance that our expenditures stand at least a 50–50 chance of achieving results, and I am very certain that if the administration is left free to pursue the policies it has pursued in the past, it will fail again. Therefore, I believe Congress must insist on some severe restrictions and conditions on any future grants of funds or authority.

One of the major arguments by the proponents of this plan is that unless we extend this aid, Europe will be taken over completely by the Communists. In other words, we must buy off Communist aggression with American dollars.

Granted that severe economic distress provides more fertile ground for Communist treachery, that argument still does not jibe with facts. Nowhere have the Communists ever taken control of a country through the free choice of the people, whether the people were hungry or not. Always the Communists have been a minority, usually a small one, which seized power by naked force, usually with the backing of the Red army. Then the Communists proceed to exterminate all political opposition, liqui-

date freedom, and bleed that country to the limit for the benefit of Soviet Russia. The people are always worse off than before.

That is what has happened in one country after another in eastern Europe. With that horrible example of what Communist dictatorship means right next door to them, is it logical to assume that the peoples of Italy, France, or any other country will freely choose that course out of their troubles, regardless of how serious these may be? I cannot believe it. That is like saying that a man whose house is burning will pour gasoline on the flames unless you help him carry water.

I agree completely that Communist dictatorship and aggression are the most serious threat to both world peace and recovery today. But it is a threat based on power and force. The fifty-odd Russian divisions in eastern Europe have a lot more to do with it than economic problems in western Europe. Like the Nazi dictator, the Communist dictator will be finally stopped in his aggressions by the presence, or if worst comes to worst, by the use of superior force. It is just as dangerous and wrong to try to fool the people into believing that we can buy off Communist aggression with dollars as it was to try to appease Hitler.

No aid program can be put on a humanitarian basis, deeply as we may feel about Europe's plight. Congress has no power under the Constitution to appropriate public money for charity abroad and we would violate our oaths if we acted on that basis. Likewise, our assistance cannot by any stretch be termed an economic investment. If conditions in Europe were such that these expenditures would be a sound economic investment, there would be no need for Government to step in. Private capital would do the job.

The only basis on which Congress can act is that our aid to Europe will advance the interests, national welfare, and security of the United States. This is a political program, and must be such to be constitutional. Therefore it is perfectly sound to attach to it any conditions which we believe are necessary to achieve those political objectives, with the recipient countries always free, of course, to turn down our help if they don't like the conditions.

What should those conditions be? I can suggest a few. It is now costing American taxpayers at the rate of over $700,000,000 a year to support the economy of the British and American zones in occupied Germany. All studies of the problems there agree that an integrated economic and political administration of at least the three western zones in Germany is essential if German production is to be increased enough so its economy will at least be self-supporting, let alone repay these sums or pay any reparations. France so far has opposed unification of Germany. We can understand her fear of a strong Germany, but our own generals are convinced they can prevent any rearming of Germany while increasing her production so she is self-supporting. Shouldn't we insist that France, as a condition of participating in future aid, go along with us on an integrated administration of Germany?

Britain would be one of the heaviest participants in the Marshall plan under the Paris report. Personally, I am convinced, and the record bears me out, that a free economy will always outproduce and provide a higher standard of living for all the people than either a socialistic or government-planned and controlled economy. I believe that when economic freedoms are liquidated, the other freedoms are in jeopardy and the socialists have always had too much in common with the Communists for my taste. I don't know how long Britain's socialist government can continue to fool their people by subsidizing their cost of living at the rate of $1,600,000,000 a year, and I rather resent it that some part of our loan has gone into that kind of fiscal legerdemain. But I would not dream of trying to tell the British people what kind of government they should have or even making that a condition of our help.

However, its own production is absolutely essential to Europe's recovery. Even at best, we can carry only a small fraction of the load. One of the key bottlenecks to European recovery is lack of coal, and a major part of it is due to the fact that where Britain used to export ten or fifteen million tons of coal a year to seaports on the continent, she is now a coal importing country. America has to make up part of the European deficit, and our coal delivered costs us $26 a ton. The rest is taken from the current low production in the Ruhr, requiring long rail hauls over a transport system that is near the breaking point. In the opinion of many, a resumption of British coal exports to the continent is absolutely essential to the success of any European recovery program. Why shouldn't we then insist that as a condition to participation in an aid program, Britain supply, month by month, a million tons of coal a month for export to the continent of Europe? We would not tell Britain how to mine the coal. That is her problem. But we would insist that somehow she achieve the production essential to the success of the whole program, so that our help stands at least some chance of succeeding.

Another bottleneck to European recovery is the foreign-exchange situation. The legal exchange rates in many countries are 50 percent or more below the actual buying power of the local currencies as reflected in the free (or black market) exchange rate or that in Switzerland, which has a free exchange market. This means the foreign importer must pay double or more the true value of any goods he buys, in terms of his own currency, and that prices most goods out of the market. This at a time when it is urgently necessary for Europe to build up its exports to pay for food and raw-material imports. Shouldn't we insist on an immediate correction of that situation as a condition to our further assistance?

These and other conditions of a similar nature, all aimed at achieving the increase in domestic European production which is essential to the success of any aid program, should be part of the law.

I voted to reduce the program for interim aid to France, Italy, and Austria. I did so for two reasons: First because I was very doubtful whether we can supply the volume of grains scheduled for export, and second, because the justification for the amounts proposed was inadequate.

Great emphasis has been laid on the thorough screening given the requests of France, Italy, and Austria for interim aid by the State Department. Under Secretary Lovett testified that the request by France had been reduced $131,000,000, from $459,000,000 to $328,000,000. But then he went on to explain that the reduction included an item of $80,000,000 for balance of payments of debts between France and Belgium, another of $20,000,000 for an old debt to England which the French were going to pay in dollars although they held $200,000,000 of blocked sterling, and finally an item of $15,000,000 which also was an old foreign-exchange debt. These three items, which are pure paper padding and had nothing to do with urgent needs for food and fuel, total $15,000,000 of the $131,000,000 cut out of the French request, making it apparent that her request for actual commodities could not have been reduced at all materially. Since applicants for either gifts or loans seldom pare their requests to the bone, we are justified in questioning whether the State Department's screening of these requests are too vigorous.

On the other question, America's ability to spare the 570,000,000 bushels of grain exports at which the administration is aiming without very dangerous repercussions on our own economy, the testimony before the Appropriations Committee raised grave doubts in my mind. The five major grains—wheat, corn, oats, barley, and rye—are tied together in our economy, being to some extent interchangeable as human food or livestock feed. This year our total production of these five grains is 5,395,000,000 bushels, which is 703,000,000 bushels less than our total domestic consumption and export last year of 6,098,000,000 bushels. Expert witnesses before our committee were very doubtful, in view of these facts, whether we could export the 500,000,000 bushels of wheat planned by the administration without driving the price of wheat up to $4 a bushel and leaving us with a dangerously low carry-over.

For 7 years in the Senate I have supported consistently every major foreign-policy proposal of the national administration. I agree that a free and healthy Europe is a sound objective of our foreign policy.

But these few examples, plus the repeated past failures of this administration's foreign-policy proposals to achieve promised results, demonstrate the necessity for a thorough and critical examination of the Marshall plan. If these additional billions asked of American taxpayers are not to go the same way as the twelve billions spent in the past 2 years, then Congress must attach conditions which will assure the new aid program at least a minimum chance of success.

Thank you and good night.

Presentation of Pennsylvania Gold Medal to General Eisenhower

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. MARTIN. Mr. President, last Saturday night, December 13, the Pennsylvania Society of New York presented to General of the Army, Dwight D. Eisenhower, its gold medal for distinguished service. I had the honor to present the medal to the General. I ask unanimous consent to have printed in the Appendix the remarks I made on that occasion.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. President, members of the Pennsylvania society, and my fellow Americans, the Pennsylvania society, year after year, has presented its gold medal to soldiers, statesmen, and industrialists.

The selection of the recipient of the award for the forty-ninth annual meeting will meet the enthusiastic approval of all Americans.

It is one of the highest honors of my life that you have selected me to present the medal.

Tonight, with utmost pride and gratitude, we add our full measure of praise and tribute to an American soldier, a modest American patriot, whose service to our country and to the world ranks in magnitude with that of the great captains of history.

The great prairie State of Kansas rightfully claims Dwight Eisenhower. But we of

Pennsylvania boast of his Pennsylvania Dutch background and the God-fearing Pennsylvania pioneers who were his forebears.

To that devout religious background we can look for the makings of his strong character, his deep humility, his devotion to duty, and his sturdy Americanism.

Fortunately for America our real leaders have been men with deep religious convictions. We find all these things in Dwight Eisenhower. That could be expected. One of his biographers has quoted him as saying:

"I practically had to memorize the Bible when I was a kid."

That training in truth, righteousness, and Christian principles gave young Eisenhower splendid guidance on his journey to greatness. That training likewise is the source of the humility with which he has received the world's acclaim and the magnificent honors he has so thoroughly deserved.

It is part of our priceless American heritage that a long list of men coming from humble and obscure places have led this Nation to great heights.

In no other country of the world does youth look ahead with brighter hope or greater opportunity. The poor boy, reared in humble surroundings, faces the future with an equal chance for success in life with those more advantageously placed.

That is the essence of America—equal opportunity to rise to the highest places in government, in the Army or the Navy, in commerce or industry, in the educational world, in the professions, or as leaders in the spiritual progress of our country.

The boys from the humble Eisenhower home in Abilene, Kans., may be pointed to as outstanding products of this great American asset. Dwight Eisenhower and his brothers, without influence or social position, solely by their own efforts and ability, and the inspiration of devout, God-fearing parents, gained distinction in a wide variety of careers.

For them, as for every other American boy, the doors of opportunity were wide open. Freedom of opportunity is probably the most precious of the freedoms we enjoy. It must be sacredly guarded and preserved. The light of American liberty will shine less brightly should freedom of opportunity be denied or restricted in any generation.

Thorough preparation for the task ahead was one of the early characteristics of young Dwight Eisenhower. He won competitive examinations for both the United States Military and Naval Academies, but circumstances directed his course to West Point.

Time does not permit a recital of his varied duties as a young officer. Let us move forward to March 1918. Our country is at war. Great fleets are carrying troops and supplies to the battlefields of France. Training camps at home are preparing young men for war. Industrial plants and farms are working at top speed to produce the munitions and food for the front lines.

Back to the soil of Pennsylvania, young Eisenhower is given command of Camp Colt at Gettysburg, a tank-training center.

Here it was necessary to solve the problem of training men for tank warfare without tanks. For this most difficult job he was awarded the Distinguished Service Medal.

At Gettysburg he displayed the zeal, foresight, and administrative ability that was to make him the ideal man to command the greatest army in the history of the world.

The years of peace that followed World War I were years of further study, training, and preparation. He attended the Command and General Staff School, the Army War College, the Army Industrial School, and served in the office of the Chief of Staff.

Once more we move forward to another time of national peril, the dark days of World War II. The mighty Nazi war machine sweeps across Europe, crushing all opposition by the power of its mechanized strength. Japanese treachery at Pearl Harbor electrifies America into feverish activity.

Eisenhower, then a lieutenant colonel stationed in the field, received orders to proceed to Washington for duty as Chief of the War Plans Division of the General Staff.

His job was to draft plans for other men to execute in military operations around the world. When it was decided to establish a European theater of operations for American troops, General Eisenhower proceeded to draw up a directive for the theater commander, whoever might be selected.

Little did he dream as he worked far into the night that he had already been picked for that tremendous responsibility. It never entered his mind that a few months later he would be designated Commander in Chief of the Allied Forces in North Africa. Nor did he imagine that a year and a half later, he would be chosen Supreme Commander of the Allied Expeditionary Forces, the largest and most powerful army the world has ever known.

The vast mobilization of military might under his command included soldiers of 12 Allied nations. Through his leadership they were the best trained, best equipped, best fed, and best led army in world history. They did not drive for conquest or national gains in territory or treasure. They fought to safeguard civilization, to preserve liberty, to crush tyranny, to liberate the enslaved, and to expand the area of the earth where men might live in freedom.

Tonight we are proud to honor the small-town boy from Abilene, Kans., who rose by his exceptional ability to command the greatest military power in history. Victory for civilization was fabricated out of his genius for organization, planning, cooperation, and his inspiring leadership.

The career of General Eisenhower is an epic of Americanism. His record of achievement points directly to the Bible and its teachings as the only true guide for human conduct.

If America is to attain spiritual leadership in a world of peace and good will we must strengthen the moral fiber of our people. We must renew our spiritual strength by hard work, thrift, helpfulness, tolerance, and love of God.

Those qualities guided Dwight Eisenhower to brilliant success. We can be better Americans by following his stirring example. General Eisenhower, in grateful recognition of your leadership in defense of civilization and your vast contribution to the preservation of American liberty, we are proud to present to you, sir, the gold medal of the Pennsylvania Society.

Christmas Radio Address by Hon. Alexander Wiley

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. WILEY. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD the text of a Christmas address by myself which is being broadcast over the radio stations of Wisconsin.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICA'S AND THE WORLD'S REBIRTH

This is a happy occasion for me to visit with you in this hallowed season of the year. I am grateful to this station for making this visit possible through the means of transcription.

Although I am speaking from Washington, D. C., Mrs. Wiley and I, in spirit, are back in Wisconsin with our loved ones and our friends. All of our Christmases from childhood, except two or three, have been spent in Wisconsin, and this year we shall live all of them over again in memory.

CHRISTMAS IN WASHINGTON

In Washington, D. C., there are joyful scenes, much like the scenes in our home State. Everywhere you can hear the lovely notes of Silent Night, Holy Night, and O, Come All Ye Faithful. There are Santa Clauses with tinkling bells on the street and children, as in our day, gaily follow in Santa's wake and with wondering eyes, seeking to learn the meaning of Noel. All around town, Christmas wreaths can be seen in the windows, together with gaily lit trees in both homes and stores. There are special church services, crowded with holiday worshippers, postmen knocking at the doors, bringing armfuls of Christmas cards and packages—tokens of remembrance and affection. There are carolers also. These are Washington scenes, which are being reenacted throughout the land in cities, hamlets, and isolated farms.

THE CHRISTMAS STORY

Old and young never tire of hearing this tale—Christmas and its story of the shepherds in the field watching over their flocks by night, when the angel of the Lord came upon them and the glory of the Lord shown around about them, and the story of the Wise Men following the star and seeing the Babe in the manger.

As we grow older, the spiritual significance of Christmas becomes more apparent. We do not let the human festivities and gift-giving crowd out the real spiritual meaning of Christmas to the human race.

The birth of the Christ Child, the coming of the way-shower to mankind, the light of the world—this is what we celebrate. This coming of the Messiah has well been described as the single most important event in the history of the human race. The message that the angels brought that day has become, in the minds of men throughout the globe, the most significant words that have ever been spoken:

"Behold, I bring good tidings, for unto you is born this day a Savior, who is Christ, the Lord."

These words spoke of the coming of Him who embodied "the way, the truth, and the life."

They marked the coming of Him who was to bring the most significant truths ever uttered to mankind—truths which when understood and lived would bring to benighted humanity joy, peace, and the love of God and mankind.

The Teacher said, "Fear not; rejoice always," and again, "Peace I leave with you; My peace I give unto you." Also, "The kingdom of God is within you," and, "If ye continue in My word, ye shall know the truth and the truth shall set you free."

And He taught mankind that the greatest was he who served best.

As man assimilates His truths, the Christ-child is reborn in man's heart and reflected in his deeds. It has been well stated, "Christianity not applied is denied." It has been stated, too, that every day can be a Christmas Day. Every day, rebirth takes place in us, if we follow Him.

MEMORIES OF YORE

Christmas is a season of memories. It brings back those recollections of our child-

hood, of parents who've gone on ahead in the journey we all must take, of brothers and sisters and other loved ones. It brings to mind the scenes of family reunions when we gathered at the old hearthside to rejoice with one another, to celebrate additions to the family, new adventures in life.

It brings back the scenes of the old homestead with the fireplace and the crackling logs, the table piled high with Christmas delicacies, the reminiscences of the older folks, the laughter and the music, the voices of the younger folks. It brings back visions of dearly loved faces, of warm hands that clutched ours and warm hearts that went out to meet ours. It brings back the sweetest thoughts in the hall of memories. Thus, for each of us Christmas opens a personal memory album, which brings a smile to our lips and a tender feeling to our hearts.

PARTICULAR MEANING OF THIS CHRISTMAS

This particular Christmas is one which is of special interest to our own state. Christmas is, of course, the season of joy in which we herald the coming of the Prince of Peace. In our minds, too, Christmas blends with the approaching new year. It, in turn, symbolizes the birth of 365 new days of golden opportunity. January 1, 1948, will also mark a particular birth for the people of Wisconsin, for on that day we will usher in the second century of Wisconsin progress—the second hundred years since our admission into the Union as a State. How we have mightily grown since Noel was first celebrated by Father Allouez over 275 years ago on the shores of Chequamegon Bay in the then wilderness of the Badger country.

To be sure, Wisconsin Centennial Day, as proclaimed by our Governor Rennebohm, will not be celebrated until January 5. But all of these fine events and inspiring occasions will blend as one. This is a holiday season of birth and rebirth, and it is on this subject that I would like to spend the few remaining moments with you—America's rebirth and the rebirth of the world. I do hope that I may have the benefit of your frank comment on this little chat. As you know, I am always delighted to get the benefit of the judgment of the folks out home.

CHRISTMAS DEDICATION

My friends, you and I know that we who love America and her great freedoms and human and spiritual values—we must seek to comprehend the meaning of Christmas and become more adequate in our living; yes, more spiritually adequate to meet the great problems and challenges facing us.

In this holy season, as the new year approaches, Americans need to be reborn and rededicated to the job before us. It is up to us to live the principles of the Prince of Peace in our homes, around the conference table when labor and management meet; in our offices and in the factories where we can display the Christmas mood and the Christmas message to our associates; in the stores, on the farms, and, indeed, everywhere where we meet others; in meeting the problems of high prices, foreign relations, foreign aid, high taxes, national security, educational problems, health needs, housing shortages, the need for the St. Lawrence waterway.

Yes, there is plenty of room to apply the principles taught us by the Prince of Peace. "Blessed are the peacemakers," He said. We have countless precedents for applying spiritual law to the solution of human problems. Men and women in all ages did that very thing. In our own land, Washington and Lincoln always sought the know-how from God.

APPLYING THE CHRISTMAS MESSAGE

Wherever there are in our land people without shelter, that is where it is up to us to apply the principles of the Good Shepherd in assuring adequate shelter for them. Wherever in this land there are people who are suffering, it is up to us to balm their needs in accordance with the principles of the King of Kings. In our foreign relations, it is up to us to apply His Golden Rule to deal in a spirit of justice and fraternity with all peoples—both former enemies and former allies. The spirit of the way-shower can vitalize whatever we do.

In fact, on any right issue, it is His spirit that "maketh alive" whatever we do. On this issue of high prices, for example, whether you believe in strong Government controls or in a voluntary program, you know that no program will succeed unless the spirit of the people stands behind it. In fact, all legislation can be but a dead letter unless there is behind it the will, the purpose, the intent, the spirit on the part of all our people for its fulfillment. It was Paul, you recall, who said, "The letter killeth, but the spirit maketh alive."

Throughout all this world, war has unfortunately left a bitter heritage of hate and fear and doubt and jealousy. It has left broken minds, bodies, hearts, and national economies. The spirit of Christmas can restore human beings and nations and can solve these problems.

The peoples of the earth can find in the spirit of Christmas the inspiration for their own recovery. They can find in the Christ-Way the way of salvation, the desire for work, industry, initiative, invention, vision—in a word, the adequacy necessary to find the way out—the solution. "With God, all things are possible." We of Wisconsin and of the Nation, with grateful hearts for our blessings, sit at the feet of the Way-Shower and learn from Him to renew our minds with His mind and ideas.

CONCLUSION

There is one particular Christmas greeting which comes to mind and with that, I conclude my greeting to you:

"I salute you: There is nothing I can give you which you have not; but there is much, that, while I cannot give you, you can take. * * *

"No heaven can come to us unless our hearts find rest in it today. Take Heaven. * * *

"No peace lies in the future which is not hidden in the present. Take peace. * * *

"The gloom of the world is but a shadow; behind it, yet within our reach, is joy. Take joy. * * *

"And so at this Christmas time I greet you, with the prayer that for you, now and forever, the day breaks and the shadows flee away."

Mrs. Wiley and I, for our children and grandchildren, wish for you a Christmas and a New Year rich in blessings.

The Corporation and the Rights of Man

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject "The Corporation and the Rights of Man," delivered by me before the Mineral Section of the American Bar Association, in Cleveland, Ohio, September 23, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CORPORATION AND THE RIGHTS OF MEN

Never in the history of civilization was production more needed than it is now—not even during the war. The winning of the fighting war with all its expenditure of blood and treasure, will have been a complete anticlimax unless we also win the peace. The peace cannot be won without production because the war through which we have come was a total war involving the destruction of the productive capacity of mankind upon a scale never before approximated.

We know now that the devastated areas of the world cannot be restored to prewar standards of production without great expenditure of time and capital, because modern man depends no longer upon the simple handicrafts which were sufficient in centuries past, but upon the complex discoveries and inventions of the twentieth century. Modern efforts of millions of workers and the raw materials of many areas must be brought into harmonious action under expert management. The basic organization to make this possible is essentially the work of the lawyer, for what is needed is the overall framework of law to enable all branches of the economy to function efficiently in freedom and unity.

THE HONOR OF THE LAWGIVER

The rules by which mankind has been able to function in social units have always been laid down by the members of this profession, and mankind has always reserved its highest rewards for the lawgiver. From the time of Moses the greatest honors that men can pay have gone to the leaders who have had the vision and the courage to frame the law by which all the elements of society could cooperate to the best advantage of the greatest number in the business of daily living.

Since I am a lawyer I may be forgiven for saying to a group of my own profession that the modern lawyer has failed as yet to provide the rule of order the modern world requires. Within the past 40 years the scientist and the engineer have given us a wholly new world, but the lawyer has lagged behind. He fills our legislative assemblies, both State and national, just as he filled the Constitutional Convention in 1787, but he has not yet devised the rule of order whereby the complex parts of the modern economic machine may be geared together to serve the welfare of men. Not since the Federal Constitution itself was drafted have the lawyers of any generation had a greater opportunity than we have now to provide the legal system within which the whole modern world may operate to advance the freedom and the standard of living of all.

FREEDOM THE BASIS OF OUR SYSTEM

Every American lawyer is loyal to the Federal Constitution and to the principles of human liberty upon which it was based. Every lawyer knows that when that instrument was signed and submitted to the people of the States for ratification, a great fear arose that the new Central Government might become so powerful as to encroach upon the liberty of the people, and because of this fear the Constitution was ratified only upon condition that a Bill of Rights should be adopted to make it perfectly clear that the new Government would be an instrument to serve the people but not to rule them. Every lawyer knows that the civil liberties of the individual in his economic and political life constitute the basis of our system of government. It is personal liberty that is now threatened everywhere.

If I were to ask any lawyer at this convention the question, "Is man made for the state or is the state made for man?" the answer

would be unanimous; the state is made for man and is his servant, not his master.

If, however, I were to ask another question, "Is man made for the economic system, or is the system made for man?" the answer would neither be so clear nor so prompt, because the truth is there are many lawyers, as there are many businessmen, who, if they do not actually believe that man was made to serve the economic system, sometimes talk and act as if they did.

THE NATURAL AND THE ARTIFICIAL PERSON

A curious error has crept into our thinking as lawyers. We have failed to differentiate between the natural person, man, and the artificial person, the corporation. We go about our daily business in our law offices and in our legislative offices confusing the rights of the corporation with the rights of man. The consequence is that the modern corporation, in some instances, has become more powerful even than the state.

I shall undertake to prove that statement in a moment, but for the present I want to demonstrate how even thinkers who are completely loyal to the fundamental law of our society that all men are created equal and are the source of all authority which may be exercised over them, can nevertheless place the corporation upon an equality with man.

There was recently published a thoughtful and stimulating book on the corporation written by a man of great ability, who, a few years ago, was invited by General Motors to make a report upon the organization and the managerial policies of that corporation. I refer to Mr. Peter F. Drucker. His book, Concept of the Corporation, professes faith in the political institutions of America. He recognizes that the business of business is to produce the goods and services the people demand, and that the corporation is an instrument designed of production for people. One cannot read his book without realizing that he believes in the Bill of Rights, but, nevertheless, his premise is that the corporation is an autonomous unit which stands upon precisely the same footing as society itself. This is the concluding sentence of his first chapter:

"Both our statesmen and our business leaders have to find solutions to the problems of industrial society which serve at the same time equally the functional efficiency of the corporation, the functional efficiency of society and our basic political beliefs and promises."

Obviously if this sentence represents the philosophy of its author, he places the corporation on exactly the same plane with society itself and with our basic political beliefs if indeed he does not give it priority.

I hope I am wrong in this interpretation. My message to this group, however, is that we shall not be able to solve the fundamental issue of our time until we realize that the modern corporation must be recognized for what it is—the servant of the people, just as the State is.

The task of the lawyer in the current political and economic crisis is to produce the rule of order which, in the modern world, will preserve the benefits of corporate organization—and they have been very great—while at the same time making certain that it shall not become the master of the people. We must begin by recognizing the indisputable fact that the modern corporation comes into existence solely by reason of a grant from Government. The corporation has no life except that which it obtains from some State, and since the State is the servant of society and derives its power by consent of the governed, so also must the corporation be content to be the servant of the same people who are the authors of government itself.

CORPORATIONS MORE POWERFUL THAN STATES

Can there be any doubt that the modern corporation has become more powerful, economically speaking at least, than the States which have brought it into existence?

The American Telephone & Telegraph Co. employs 704,381 individuals. Its stockholders also number almost 700,000. On the basis of the number of employees alone, it is an economic unit with a population greater than that of each of 12 States in the Federal Union. On the score of assets, however, there are only 6 States within whose borders the total assessed valuation of all real and personal property is greater than the $7,381,000,000 at which A. T. & T. fixes the value of its assets. Stated in another way, all the property in each of 42 States is assessed at less than the asset value of A. T. & T.

But the telephone company is a natural monopoly and must serve the whole country, so it is only to be expected that it would rank high even in comparison with the States. Let us, however, take a corporation which is not a natural monopoly, like United States Steel or General Motors. The asset value of United States Steel exceeds $2,000,000,000 and that of General Motors is almost $2,000,000,000. There are only 21 sovereign States which outrank either United States Steel or General Motors in wealth. Here again more than half of all the States rank below either United States Steel or General Motors in the assessed value of their property.

It may be conceded that in many States, if not in most, property, both real and personal, is not assessed at full value. The moral, however, remains the same. The economic power of these units is unquestionably greater by far than that of most of the States and cities in which the people attempt to govern themselves and make their living.

It is in the impact of the modern corporate organization upon the ability of men to make their living that the principal modern problems of government and economics arise. No one will more readily acknowledge than I that the modern corporation is an essential unit in modern society. Indeed, I go further. The modern industrial corporation is the characteristic economic institution of our time. But because as lawyers we have failed to provide the rule of economic order within which it shall serve the people, it is now concerned primarily in serving itself first, and therein lies the heart of all modern turbulence and disorder. People make and unmake governments in order to live. Economic systems are not immune.

PRODUCTION RESTRAINED

Let us refer again to United States Steel as an example of corporate power. We all know now that production is being restrained because we do not have enough steel. We know that the fiscal managers of United States Steel recently raised prices. We know that even General Motors has curtailed the production of automobiles in the Cadillac, Pontiac, and Chevrolet factories for lack of steel. We know that a score of industries scattered across the entire face of the country, including the oil industry, are unable to get the steel they want. And so we have posed two conflicting objectives—the objective of the people who want more steel and the objective of the fiscal managers of the corporation who want more profit. The people, the businesses, and the industries which want more steel have no recourse because an exceedingly small group of corporations, United States Steel and nine other companies, account for 88 percent of all the capital investment in steel producing facilities in the country.

Four of these corporations on January 1, 1945, held almost 63 percent of the total American steel ingot producing capacity. Thus the managers of concentrated steel ownership can tell our whole society how much of this basic commodity we may have. Surely it is clear that the very existence of such a power to control a commodity so essential to our whole structure demonstrates the need of a new adjustment between the people and the economic organizations that were created to serve them.

Now, as lawyers we know that a great industrial corporation like any of these steel companies depends wholly upon two grants of privilege from the governments of the people. They depend, in the first instance, upon the grant of the corporate charter which brought them into existence. In the second place, they depend upon the grant of patent rights made by the people's government under the authority of the Constitution of the United States.

What consideration should they offer in return for these essential favors they have received at the hands of the people? Certainly they should produce at a price that will help to expand the economy. And certainly the country sadly needs a system that will permit such expansion.

I do not say that the managers of the giant corporations do not recognize their social responsibility, but I do say that because of the confused thinking of which I have spoken, by which the rights of man are mistaken to be the rights of the corporation, the modern American corporation and its legal advisers are failing to realize the supreme necessity of our time for a law which will gear our great industrial and commercial organizations into the economic system that will serve the needs of the people in the new age of science and technology.

Those of you who this morning had the privilege of hearing the inspiring address of Mr. Yellot and the able and lucid address of Mr. Newcomb, will understand the situation I am trying to describe. Mr. Yellot told us of wonderful new possibilities of human advancement which science has discovered in coal, and Mr. Newcomb discussed the conflict of laws which arises over the inadequacy of statutes drafted when business was largely individual and largely local for the present era in which so much of it is national and international.

The failure to lay down this rule of social responsibility, the failure to draft the frame of harmony within which modern economic organizations must work, like the state, for the benefit of the people, is the cause of the agitation for the establishment of totalitarian political power. It is the cause of the appearance of the national labor union. It is the cause for the demand, whenever it comes, for broader powers in government.

CORPORATIONS CONTROL THE ECONOMY

Thus it has become clear, if only we are willing to take off the blinders of our daily habits of thought, that the modern corporation for lack of a rule of economic order has gained control over the materials by which men live, and is able to hand them out or shut them off as the managers of the corporation desire.

Many of you gentlemen gathered here today know much about the oil business. Many of you have appeared at committee meetings of the Senate at which I also was present. Many of you no doubt have heard me praise the petroleum industry for the manner in which it cooperated with the Government to produce the oil that was necessary to win the war. I am ready to repeat those compliments anywhere. The patriotism of the executives of the oil industry, and the patriotism of the executives of every other American industry is not to be questioned. What is lacking is a comprehension of the basic fact that the modern economy bequeathed to us by the engineers and the scientists is an economy of organizations, for which we as lawyers have not provided the necessary frame of harmony.

PETROLEUM CONCENTRATION

Let us look at the facts with respect to petroleum, just as we have looked at the facts with respect to steel. There has been such a concentration of ownership of the oil reserves of the world that a few companies now have the power to turn on or off the flow of oil that both the people and their Government need, and the power to state at what price the people may obtain that oil. The armed services of this country still lack commitments from the oil industry for the delivery of oil that is necessary to maintain our fleet, our Army, and our Air Force, even for the balance of this year. This, I understand, is largely a question of price. Let us not forget that if the power to tax is the power to destroy, the power to fix prices is likewise the power to destroy. When concentrated economic power fixes prices to serve its own purposes without public responsibility, it undermines the very foundations of society. "The man who writes the price tag," Robert Wood Johnson, the industrialist, tell us, "controls the throttle of business."

Back in October 1939 when the late President Farrish of the Standard Oil Co. of New Jersey appeared before the Temporary National Economic Committee during its study of the concentration of economic power, he testified that "the 20 largest producing companies in the business own 65.26 percent of the 16,700,000,000 barrels of oil" then estimated to be the magnitude of the petroleum reserves in the United States.

A few years later when I was conducting a hearing on petroleum for the Senate Committee on Public Lands, evidence was presented that petroleum reserves in the United States had increased some 3,000,000,000 barrels, and that the major companies which in 1938 had 65.26 percent of 16,700,000,000 barrels, in 1942 had 70 percent of 19,589,000,000 barrels.

Today the concentration is even greater. Now our petroleum reserves are estimated at 20,800,000,000 barrels. The major companies now own 81 percent of the reserves which are greater by 4,000,000,000 barrels than the reserves of which they owned 65 percent 9 years ago. That, gentlemen, is the progress of concentration of ownership of a natural resource without which our standard of living and of business would be impossible.

But the story is not yet told. There are great reserves in Latin America and across the sea in the Near East. In Iran, Iraq, and Saudi Arabia there is a greater total proven reserve than here at home, and a half-dozen corporations control these reserves also.

Let there be no misunderstanding. These reserves, so essential to the progress of the world, would not be known if it weren't for the oil corporation, its management, its scientific staff, its trained technicians, and its workers. All credit goes to them, and as an American I am proud of the fact that the discovery and the development of these reserves is primarily an achievement of American resourcefulness and skill. It remains true, however, that the petroleum situation in the Near East demonstrates beyond any possibility of contradiction that the modern oil corporation has taken on the functions and the power of government itself. It is hard to draw the line where one begins and the other ends.

THE NEW INDUSTRIAL SERVITUDE

Do I need to tell this audience that Standard of New Jersey and Socony-Vacuum are equal partners with Anglo-Iranian, a British Government-controlled corporation in the Iraq Petroleum Co.? Do I need to tell this group that Standard of New Jersey, Socony-Vacuum and Standard of California now exercise control over petroleum reserves in the Near East greater by far than the resources of the old Standard Oil Co., the dissolution of which was ordered by the United States Supreme Court back in 1911 for violation of the antitrust laws?

It was Justice Harlan who in that case declared that although the Nation had rid itself of human slavery, "the conviction was universal that the country was in real danger from another kind of slavery sought to be fastened on the American people, namely, the slavery that would result from aggregations of capital in the hands of a few individuals and corporations controlling, for their own profit and advantage exclusively, the entire business of the country, including the production and sale of the necessaries of life."

The ratification of the petroleum treaty between the United States and Great Britain has been delayed through two sessions of the Congress because of the apprehension of independent oil operators that it would bring about a union of the giant petroleum corporations with Government to the great disadvantage of the small producer. The small operator does not want to have his economic life marked out for him by the exercise of discretionary power by either the expert managers of a few large corporations, or the experts who may be employed by Government. This illustrates again how important it is for the lawyer to cooperate now to draft the rule of economic order, the frame of cooperation for men and organizations within which freedom for the individual, scientific advancement, and economic expansion may be preserved and stimulated.

THE INTERNATIONAL CARTEL

The story of the encroachment of the modern corporation upon the function of government is not yet complete without a glance at the international cartel. The Swedish Government has just made public a study of the oil cartel which operated in that country before the war, a cartel in which four American corporations, a British subsidiary of Anglo-Iranian, and a locally owned Swedish organization were involved. I shall not go into the details of these revelations. Suffice it to say there was shown to be in existence a memorandum which purported to lay down a private rule by which the members of the cartel sought to influence selling prices, commercial margins, rebates, and the allocation of business. The memorandum was not signed, but it apparently was in operation during the thirties and perhaps after the war.

A London attorney, Mr. Bryan Trench, representing two British concerns in the cartel, testified at the hearing that "representatives of British companies in Sweden discussed these agreements as cautiously as possible in order that their American colleagues might not be caused any inconvenience." Pressed for an explanation, he answered that he did not know the precise reason which guided the British members of the cartel in this cautious attitude, but he said he thought one of the American concerns "had been alarmed by certain investigations into conditions by the American Government."

One thing was clear in the Swedish Government study, the cartel was controlled from London and the separate company managers received advice from headquarters. Is the cartel an instrument of competition? Is it an instrument to expand production? Or is it an instrument to control production for the private purposes of those who sit in the driver's seat?

SEPARATION OF OWNERSHIP FROM MANAGEMENT

Spokesmen for the modern American corporation sometimes delude themselves into the belief that it is a thoroughly democratic organization. Just a few months ago during the Telephone Hour on the NBC radio program, the commercial announcement, written for and doubtless approved by A. T. & T., pointed with pride to the fact I have already mentioned, that the number of its stockholders approximate 700,000:

"In that great crowd of stockholders," the announcer purred, "you'd see school teachers and nurses, bakers, and grocers, farmers, housewives, bankers, salesmen, and many others; more than one-half of them would be women. You'd see citizens from every State in the Union—from Maine and Oregon, Illinois and Texas, Maryland and North Dakota. Five States have more than 50,000 stockholders each. Twenty-six States have more than 5,000, and no State has fewer than 500."

All this is true, but the significance is all contained in the next sentence. I quote:

"More than 650,000 of these stockholders have less than 100 shares each, and no one of them holds as much as one-half of 1 percent of the total stock."

This is characteristic of the giant corporate organizations which carry on the interstate and foreign commerce of this country. It is true of Standard of New Jersey. It is true of General Motors. It is true of United States Steel. The average stockholdings are small, but if we were to determine the median ownership instead of the average, we would find a much more remarkable situation. The average holding of the Standard of New Jersey is only 167 shares, but one-half of the 164,000 stockholders own less than 30 shares each. The average holdings of United States Steel is only 51 shares, but one-half of the 243,674 stockholders own less than 14 shares each.

This makes it clear how it is that in the modern corporation ownership and management have been completely separated. Far from having a typically American institution, we have an institution the very nature of which requires a planned economy in the formulation of which neither the stockholders nor the people of the United States have any effective participation.

THE PROLETARIAT

These corporations employ millions. General Motors alone has 300,000 employees; United States Steel, 266,000; Bethlehem Steel, 143,000; General Electric, 143,000—more workers than there are people in most cities and in many States. These are people without economic freedom because in the first place they lack the tools with which to support themselves, and, in the second place, they exercise no influence in determining the economic policy to which they must submit. Whatever we think about it, however we may feel about it, in this crisis of civilization when the whole world seems to be trembling upon the very brink of chaos, we must remember the solemn fact that the proletariat is nothing more nor less than a population without economic freedom.

When the American Constitution was written and the Bill of Rights passed, the lawyers of America believed that they were establishing what Abraham Lincoln at Gettysburg called a government of, by, and for the people. During the whole first 80 years of the existence of this Republic every President at one time or another referred to this Government as an experiment. They called it an experiment because never before had there existed upon earth a government in which the people had made themselves the masters.

Now we are facing the crisis these early statesmen had in mind when they referred to our Government as an experiment. They were fearful that the time might come when for one reason or another the people would in fact lose control and the Government pass into the hands of some group, or class, or man.

The danger they foresaw is here now for the American lawyer to see and to avoid. He understands nothing about the new shape of things in the world who does not realize that the pressure for arbitrary totalitarian government has one prime cause, namely, the

loss of economic freedom by the masses, their subjugation in their economic lives to policies determined by private managers ut participation by the people, that is to ...e rise of the proletariat.

THE LAWYER'S GREAT OPPORTUNITY

This, then, is the great opportunity for the modern American lawyer—to organize the economic system so that it will be the servant of the people and not its master.

Ten years ago, with the late Senator Borah, of Idaho, I introduced a bill to provide Federal standards of responsibility for national corporations. Neither Senator Borah nor I wanted to give government new discretionary control over business, but rather to provide the rule of social responsibility by which organized business could be freed from discretionary government controls, and thereby as autonomous but responsible units freely serve the public interest.

Every lawyer knows the various tricks and devices by which upon occasion the insider in a modern corporation may utilize the property of the stockholder and the power of the corporation to his own advantage. Every lawyer knows that no antitrust prosecution was ever initiated except upon the complaint of some businessman who felt that his business was being restrained. Every lawyer knows how advantage has been taken of the loopholes allowed by blanket State corporate charter laws under which are created the organizations that carry on the interstate and foreign commerce, the regulation of which was committed by the framers of the Constitution to the Congress of the United States.

The concentration of economic power now evident on every side has taken place because inadequate existing law has been exploited by those who have not realized that in building up the modern collectivist industrial corporation they were laying the basis for collectivist government. If we would avoid a planned economy enforced upon us by the managers of the collectivist state, then we must find a way to avoid the planned economy of the managers of the collectivist corporation.

A PROGRAM TO PRESERVE CAPITALISM

I have never pretended to say precisely what provisions should be written into a law to establish national standards for national corporations. Senator Borah and I were content to try to close some of the loopholes by which abuses have arisen, like the interlocking directorship, the lack of responsibility in officers and directors for the acts of the corporation, the manipulation of corporate assets for the payment of dividends out of capital, the reimbursement by the corporation of expenditures by directors or officers for corporate policies or programs in violation of the law, and the continued elimination of competition by the multiplication of mergers both integrated and nonintegrated. This, however, is not the place to discuss the details of social responsibility to which the modern corporation should adhere. It will be sufficient to say for this occasion that if we would prevent the final merger of our whole economy in one central merger in government we must act now to prevent piecemeal mergers which are depriving the people in the States of economic independence.

We must draft a national law to define the powers, the duties and responsibilities of all economic organizations. Failure to do it will mean only continued conflict between management and labor, and a growing demand for Government action which can end only in disaster for the American system.

If we are to keep economy free and in the spirit of American institutions maintain a system that will prevent it from being restrained by either private or public power, we must reform our tax laws so as to provide an incentive for the investment of private capital in new independent enterprise. I would even provide an incentive for the expansion of the production facilities of big business by changing the tax laws to accelerate amortization, but I would ask enterprise in return to recognize its responsibility to the whole people to maintain a pricing system that will not exploit the consumer. We must rigidly enforce the antitrust laws so that when new business is established it will not be restrained by conspiracies and combinations prohibited by the spirit and the letter of the law.

If we do this we shall be releasing the energies of the American people to produce the things that are necessary to win a peace firmly founded on freedom. We produced for the purposes of the war by giving the Government almost complete power over all our resources of men and materials. That was a system which was made necessary by the compelling immediate crisis. We abandoned it after the war. We lifted Government controls, but we shall have gained nothing if, in exchange, the people must submit to private controls, private rationing, private restraints, all of which limit production. The world needs expanded production now more than it was ever needed before, even at the height of the war, and the American lawyer who believes in the fundamentals of the Bill of Rights, who realizes that people come first and organizations afterward, can now make his most effective contribution to the production which the world needs by cooperating to draft the rule of law by which all the complex parts of the modern economic machine may be made to work in harmony for the benefit of all.

If capitalism would save itself it must first help to save democracy. The writing of the rule by which this can be achieved is the task of the modern lawyer if he would take a place of honor in the memory of his countrymen with the framers of the Constitution.

The International Labor Organization

EXTENSION OF REMARKS
OF
HON. ELBERT D. THOMAS
OF UTAH
IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address which I delivered at the National Conference on Labor Legislation, sponsored by the United States Department of Labor held in Washington, D. C., December 9 and 10, 1947.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL LABOR ORGANIZATION

The International Labor Organization came into being in 1919 under provisions in part XIII of the Treaty of Versailles, and even though the United States did not become a member until the International Labor Organization had been functioning for 15 years, it played an important role in its creation. President Wilson at the Paris Conference was very much aware of the need for an organization within the peace-keeping machinery which would assure social justice as a basis for peace, and through his efforts Samuel Gompers, then president of the American Federation of Labor, was appointed chairman of the committee of the conference which drafted the constitution of the ILO. The first International Labor Organization conference was held in 1919 in Washington, with Franklin D. Roosevelt, then Assistant Secretary of the Navy, attending as United States delegate. I was in Washington at this time and visited the meeting to observe.

For the next 1½ decades, the United States as a nonmember Nation sent observers to all conferences until in 1934 when, pursuant to a joint resolution passed by the Senate and House of Representatives, the United States became a member. Since 1934 the United States has played an ever increasingly important role as one of the strongest supporters of and most active participants in ILO work. During World War II, United States support and influence were extremely important in enabling the International Labor Organization to continue its work and enter into the postwar era as the only official international agency which includes in its policy-making body representatives of workers and employers on a par with those of governments, the only organization of governments created after World War I which is still functioning, and the only one dedicated to promote social justice as an essential to the maintenance of peace, and where there is direct representation from the people. It was this type of representation some of us, including President Roosevelt, wanted to see incorporated in the United Nations organization.

The only conventions of the International Labor Organization the United States has been able to adhere to, because of the nature of our Government, I have taken through the Senate. The new constitution of the ILO was carried through by me in 1947. Under the provisions of an agreement with the United Nations, the ILO takes its position in the United Nations in somewhat the same way as it did in the League of Nations, but in many particulars it still remains independent. The constitutional amendments implement the relationship.

Some members of the United Nations are not members of the International Labor Organization. Russia is an example. Under the terms of ILO membership Russia cannot consistently be a true member as long as she remains a single-will state. In a single-will state, government is both government and employer and for that reason the tripartite form of representation as we have it in the ILO could not stem from such a governmental set-up.

The ILO is completely democratic in all of its aspects. This was best illustrated in 1945 when the conference by unanimous vote rejected the credentials of the Argentine worker delegate and his adviser. The ILO constitution presupposes political liberty and requires that governments name worker delegates after consultation with free trade-unionists. The credentials committee felt that the constitutional requirements had not been complied with in this instance and the conference voted to sustain the recommendations of that committee. This was the first time that a doubt had survived, after inquiry, to the point of excluding a designated representative.

But the ILO has established other precedents for political techniques which can be used as patterns by other international organizations. In 1945, the International Labor Organization again lived up to its ideal of uniting peoples rather than dividing them when it admitted Italy back into the sisterhood of nations. This we did without condoning all that we abhorred which took place during the war. The Italian Government sought membership in this Organization in order to solve the social problems of the country on democratic lines. And by forgiving a people without condoning we found a way of admitting a former enemy state into international organization.

These are the types of procedure I have witnessed, which have been successfully consummated, and which build up my faith not only in the ILO but in the thesis that we can have one world through international organization built upon democratic principles for the purpose of uniting peoples in the pursuit of peace.

At the Montreal Conference in 1946 I was chairman of the Dependent Territories Committee. We prepared conventions where nations agreed that dependent territories would be governed or administered for the benefit of the peoples of those territories and not for their exploitation. When nations literally live up to those conventions, the revolt against poverty will be a peaceful one.

The job of the International Labor Organization today is to protect the welfare of all peoples and their families in this critical economic period. The ILO must endeavor to insure full employment insofar as is possible, for I believe that full employment is basic to making democracy work.

We have learned through bitter experience that not only is war of universal concern but also that chaos, poverty, and starvation breed chaos, poverty, and starvation. We know that disorder and anarchy produce disorder and anarchy, that order and prosperity beget peace; and we realize that these are of universal application. Today the theory of "freedom from want" has become a part of our external obligations.

In May 1944 at the Philadelphia conference the ILO began considerations of how national governments were to develop economic policies and social institutions so as to maintain high levels of employment. The result was the declaration of Philadelphia. A basic for government responsibility for world-wide full employment is that high employment levels require high production rates and large purchases on the part of all people everywhere.

I became a sponsor in the Senate of the full employment bill which was later passed as the Employment Act of 1946. This act does a new thing for our Government. It provides for the President's submitting to Congress an economic budget as well as a fiscal one. Private employment, private property, free enterprise, individual initiative, all of those things which make America what she is, are the considerations which enter into the economic budget. One of the hardest-headed economists of the United States asserts that the Full Employment Act of 1946 represents the spirit of 1776 at its best. The hope is that distress, inactivity, loss of wealth, financial panic, and depression can be avoided. The spirit of the Full Employment Act is as much the spirit of 1776 as are the words, "life, liberty, and the pursuit of happiness."

If it is to be a force for peace, the ILO must depend for its support upon the people of the member countries. Through the machinery of the International Labor Organization these people who are interested in labor welfare can promote higher all-around standards. It is true that Americans have been less affected than the people of some other countries by the work of the ILO, because our standards of living have been comparatively higher. Even so, in a number of instances the statutory standards in the United States are below those set down in ILO conventions. Also, America has the problem of raising the sectional standards within her own boundaries so that differentials can be equalized, not by reducing standards to meet lower levels but by bringing standards up to our highest level.

It is easy for some of us at home to underestimate the importance of the International Labor Organization. That would be a disastrous mistake. In the line-up today between democracy and totalitarianism, the ILO plays a role of vital importance. It provides one of the rare international forums where ideas can be exchanged by men and women outside the government service. It brings together practical, experienced people who are primarily interested in the welfare of all people rather than political expediencies. If America does not give its fullest cooperation in keeping world standards high in this era of world trade, it will be forced into competition with cheap labor. Also, an improved world-wide living standard means a greater market for the products of American labor. But in addition, improved world-wide living standards are needed to absorb the expanding world labor market.

In 1917 three great peoples, the Indians, the Chinese, and the Russians, numbering 800,000,000 souls were 85 percent small-time farmers. The people of those three countries accepted poverty as a principle of life.

By the time of the Second World War, Russia had moved into the position where 63 percent of her people were agriculturists, and the 68 percent were sustaining the 190,000,000. This meant the leaving of 25,000,000 people for other things than agriculture. That 25,000,000 people probably was the straw that broke Hitler's back in Russia.

In the United States it takes only about 30 percent of the people to feed the rest of the country and furnish our food exports.

The fight against poverty has taken root. The International Labor Organization has the machinery by which we can make this revolution against poverty a bloodless one and through which democratic processes can solve the social problems of the nations of the earth. The ILO can be an effective force for world peace in the postwar period. Industrial peace is one of the fundamental requirements of a free world, and only in the ILO are disruptive labor conditions considered and acted upon by the three groups most vitally concerned—by governments representing the community interest and responsibility, by employers and workers representing those most directly concerned and fully informed. Among those working closely with the many new international organizations the feeling is widespread that in attempting to judge the possible future effectiveness of such organizations, the record of the one permanently successful international agency, the ILO, must be carefully studied. As Trygve Lie, United Nations Secretary General, has stated, the United Nations looks to the ILO as an "organization of proved efficiency to carry out one of the most important branches of work of attaining the positive economic and social aims of the United Nations Charter," and aided by the 27 years of ILO experience, the United Nations can step forward on certain ground.

American Veterans Committee Planks on Labor

EXTENSION OF REMARKS

OF

HON. HARLEY M. KILGORE

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, December 18 (legislative day of Thursday, December 4), 1947

Mr. KILGORE. Mr. President, I ask unanimous consent to have inserted in the RECORD the planks on labor which have been adopted by the American Veterans Committee (AVC).

While AVC is opposed to any activities by employers or employees which would tend to undermine the effective operation of the collective bargaining process, it also recommends to union leadership recognition of its obligation to foster standards of maximum efficiency and an ever-increasing production of goods and services to provide a progressively higher standard of living.

While the AVC opposes the Taft-Hartley Act as being destructive of peaceful and constructive employer-employee relationships, it also recommends that union officials be elected at regular intervals, and that unions permit no discrimination as to race, color, or creed, with regard to membership.

While the AVC recommends such measures as a guaranteed annual wage, and an increase in the minimum wage to 75 cents an hour, the AVC urges labor to set up machinery to implement the prompt settlement of jurisdictional disputes.

The objective, as AVC sees it, is full employment and full production. If we keep our eye on these fundamental objectives rather than attempt to legislate for or against a specific group, we will be nearer to attaining the goal of a sound national prosperity.

There being no objection, the planks were ordered to be printed in the RECORD, as follows:

LABOR

FULL AND FAIR EMPLOYMENT

108. We want no legislation that imposes upon labor crippling controls, which heightens inequality in bargaining power, or which takes from working people the hard-won advance they have made toward a still distant economic security. We favor the initiation of all necessary measures by business, employee organizations, and government to insure full employment which shall provide for each worker not only employment but also a real wage sufficient to sustain the level of consumption necessary for both the promotion of a progressively higher standard of living and the purchase of the goods and services our fully employed economy can produce.

109. We stress especially the need for immediate and positive governmental action in the form of a clearly defined fiscal program in order to attain full employment. We favor amendments to the Federal Fair Labor Standards Act to extend its coverage to all employees and to provide a minimum wage of 75 cents per hour as well as the enactment or amendment of State laws to provide an equivalent minimum wage for all employees not subject to Federal legislation. We favor a permanent Federal employment agency system with adequate facilities for vocational guidance and counseling.

WANT GUARANTEED ANNUAL WAGE

110. We favor the principle of a guaranteed annual wage and the adoption of steps to bring about its introduction.

111. We approve of and support the Economic Advisory Council as a beginning step in a direction of progress and urge that its activities be expanded and its powers broadened so that it may become the dynamic force its potentialities indicate. However, we do not think this is a real substitute for genuine full employment legislation, which should be enacted.

112. We favor equal pay for equal work.

UNEMPLOYMENT

113. As long as unemployment resulting from the lack of employment opportunities does exist, we favor a comprehensive system of unemployment insurance with provision for uniform Federal unemployment compensation at a minimum rate of $25 per week for

a period of 26 weeks per year, including time lost in labor disputes.

EMPLOYER-EMPLOYEE RELATIONS

A. Collective bargaining

115. We advocate the collective-bargaining process as the most effective and democratic method yet devised for the stabilizing and improvement of employer-employee relations, and to this end we reaffirm our support of the National Labor Relations Act without amendment.

116. We oppose any activities by employers or employees which would tend to undermine the effective operation of the collective-bargaining process, whatever form such action might take, and we oppose such legislation as the Taft-Hartley bill as being destructive of peaceful and constructive employer-employee relations. We urge labor unions to set up machinery to implement the prompt settlement of jurisdictional disputes. We oppose legislation designed to abolish the union or closed shop. We oppose legislation designed to abolish industry-wide bargaining.

B. Labor unions

117. The aims and aspirations of veterans organized in AVC are identical, in almost all respects, with those of men and women organized in trade unions. From the ranks of trade unions came millions of our comrades in the war, and those who stayed behind provided us with the tanks and guns and ships we needed to finish the job. Trade unions have been the most powerfully and successfully organized groups fighting for a greater measure of economic security and social equality. It is the achievement of these goals that will best serve the needs of the veteran. Unlike the old veteran organizations that have either been viciously hostile or, at best, neutral to labor, AVC seeks active cooperation with the organized-labor movement; to support labor's struggles to organize and remain organized, and in turn seek labor's support in building AVC and in supporting our program.

118. We recommend to union leadership recognition of its obligation to foster standards of maximum efficiency and an ever increasing production of goods and services to provide a progressively higher standard of living for all.

119. We especially recommend that union officials be elected at regular intervals and that unions permit no discrimination as to race, creed, or color with regard to membership. We recognize democracy in the conduct of the internal affairs of labor unions as a basic precept of organized labor and a fundamental responsibility of union leadership.

119–A. We recommend that Government pursue a policy of avoiding coercion when in the settlement of labor disputes and oppose the use of armed forces in labor disputes, military conscription of striking employees, compulsory arbitration, and any relaxation of the statutory limitations on the use of the injunctive process against labor.

120. We call upon all States which have not as yet ratified the proposed constitutional amendment prohibiting employment of persons under 18 years of age, to ratify it.

121. We recognize the right of Government employees to belong to unions of their own choice and oppose laws limiting the exercise of their collective-bargaining rights. This does not constitute an official endorsement of any action in violation of any existing statute.

122. In order to give Government workers full civil rights and take away the present status of "second-class citizens," we call for the appropriate modification of the Hatch Corrupt Practices Act to carry out this purpose.

Reclamation and World Recovery

EXTENSION OF REMARKS
OF

HON. WALT HORAN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. HORAN. Mr. Speaker, the world crisis in foods has placed the farmers of western United States directly into the international spotlight. And the problems faced by American agriculture have become the problems of the world.

On this premise, Mr. Speaker, I called the attention of the Joint Committee on the Economic Report to the fact that conservation of our presently cultivated soil and the reclaiming of new fields demands a top priority in any program of aid to foreign nations or domestic stability. I am firmly convinced, after several months of study of all available evidence on the subject, that full development of western resources is an essential prerequisite to the performance of our world recovery commitments.

Our American farmers, like American industrial workers, performed miracles of production during the war and postwar years in feeding the millions who fought the war or lost their normal crop yields due to the ravages of war. To accomplish this they have been working fertile lands overtime, they have plowed up millions of acres which should have stayed in grass, they have had to skimp on fertilizer, and, due to shortage of machinery and labor, have had to forego some important conservation practices.

As a result, the West may be heading straight for another dust bowl—a calamity whose impact in the next few years would be immeasurable.

THE "HORAN-STRAUS LETTERS"

The possibilities seemed to me so ominous that I recently asked various Federal officials for a survey of the present trends in soil conditions, an accounting of measures being taken to prevent undue erosion and means of gaining fullest use of all available land to avoid overtilling of American farms.

Last week I reported to the House on the efforts being made to preserve and improve the Nation's rangelands. That report is printed in the RECORD for December 15, 1947.

During this same time I have had correspondence with the Commissioner of Reclamation, Mr. Michael Straus, regarding the role reclamation could play in providing the foodstuffs necessary to implement any American long-range plan for European aid. These letters, which were made part of the hearings of the western subcommittee of the Joint Committee on the Economic Report, December 8, 1947, have attracted such wide attention that I now ask permission to have them reproduced in full in today's RECORD, so that they may be available to the public at large.

The series consists of four letters, two signed by me dated November 19 and 21, respectively, and two from Commissioner Straus to me dated November 22 and 28, 1947.

The letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D. C., November 19, 1947.

Mr. MICHAEL W. STRAUS,
Commissioner, Bureau of Reclamation,
Department of Interior,
Washington, D. C.

DEAR MR. STRAUS: In line with our telephone conversation this morning, I believe it would be beneficial for everyone who has an interest in the Grand Coulee-Columbia Basin project to take a "new look" at the investments and our objectives at this time. In a period when we are wearing out our country's farmland faster than we are replacing it, it would seem to me wise for us to determine just how quickly we can afford to bring reclamation projects like the Columbia Basin into production.

Consequently, I would like to have you answer a few questions:

1. What is the total Federal investment as of this date in (a) Grand Coulee Dam; (b) Columbia Basin?

2. What is the present estimated total funds still needed to complete the project?

Since it is obvious that there will be no compensation for this investment so far as the land itself is concerned until the project is completed and production on the land begins, my next question is:

3. At the present construction schedule, when will the first large unit, Quincy Flats, begin to produce?

It seems to me that the major consideration leading to a decision of policy at this time should be the answer to the question:

4. At what rate of construction can the project be completed most economically?

I understand you have already stated that the most economical schedule would bring Quincy Flats into production in 5 years or less. If this is so, I want to know:

5. What additional amounts will be needed to complete the project as far as Quincy Flats in 5 years or less? I would like to have the answer to this question stated, if possible, in percentages of the total cost, rather than in dollar amounts. My reason for saying this is that I believe we tend to get mired down when we attempt to make decisions in terms of specific sums rather than considering the objective to be achieved by any expenditure of funds.

I believe if we could definitely agree upon a date of completion that we would have less trouble with the specific appropriations of each fiscal year leading to this achievement.

I trust that these questions will not be too difficult to answer.

Sincerely,

WALT HORAN, M. C.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., November 22, 1947.

Hon. WALT HORAN,
House of Representatives.

MY DEAR MR. HORAN: In response to your letter of November 19, I am setting down the information which I think will give you the picture of the Columbia Basin investment you wish. It is arranged and numbered in the same order as listed in your letter.

1. You asked about the Government's total investment in (a) Grand Coulee Dam, (b) Columbia Basin. Grand Coulee Dam and the reservoir behind it are the two principal items in that section of the entire project which we group under the heading of "Joint Facilities." The Government's investment in Grand Coulee Dam and the reservoir was, on June 30, 1947, $117,410,000. The investment in construction costs for the entire Columbia Basin project was, on that date, $209,467,000.

2. The following tabulation will show in capsule form the figures you need relative to project costs. By way of explanation, we subdivide these projects into three groups—the already mentioned (a) "Joint Facilities," which includes: Dams, reservoirs, camps, and buildings, etc. (b) "Power Facilities," which includes: Powerhouse structure, generating units with associated facilities, such as bus structure, circuit breakers, transformers, and other accessory equipment, and (c) "Irrigation Facilities," which includes: Canals, laterals, pumping plants, drainage systems, permanent buildings, equalizing reservoirs, where necessary, etc.

Feature	Total estimated cost	Cost to June 30, 1947	Balance to complete
Joint facilities	$146,858,000	$135,123,000	$11,735,000
Power facilities	87,009,000	52,954,000	34,055,000
Irrigation facilities	377,018,000	21,390,000	355,628,000
Total construction costs	610,885,000	209,467,000	401,418,000

3. The Quincy district, which consists of 298,000 acres, will first come under irrigation in April 1952 if the Bureau's proposed schedules for 1949 and subsequent years are approved, when water is scheduled to be available for the first 68,500 acres. Eighty thousand acres more are scheduled to receive water in April 1953, 100,000 acres in April 1954, and the 49,500 acres remaining will probably receive water in 1955. This is an optimum schedule dependent on substantial appropriations.

4. The schedule of funds required on basis of present-day costs, to produce an economical rate of construction progress and also to bring in the land to be irrigated on the east district and south district, are as follows:

	Amount	Percent
1949	$37,845,000	11
1950	54,133,000	16
1951	48,180,000	14
1952	45,789,000	14
1953	36,296,000	11
1954	21,223,000	7
After 1954	90,502,000	(1)

[1] About 27 percent.

Total acreage to be available during each of those years, including Quincy District, would be:

	Acres
1952	210,000
1953	205,000
1954	250,000
After 1954	357,339

You will note from the first tabulation that the joint facilities program is practically complete and that approximately $20,000,000 will be needed to complete the power facilities so that the sums listed above in the second table, as being required for future years, will be devoted almost entirely to construction of the irrigation facilities.

5. At the presently scheduled rate of construction, the entire project should be completed by 1959. The results in acreage are, of course, entirely dependent on the action of the Bureau of the Budget and the Congress with respect to the necessary appropriations. The figures given above are our estimates only, geared to the acreage schedule, and have not been approved by the Budget Bureau or officially submitted to the Appropriations Committees.

I want to add a word about revenue. From the beginning of operation until June 30, 1946, the gross income from the Columbia Basin project power operations was $22,450,995. We estimate other fiscal years' electric revenues as follows:

1947	$5,510,000
1948	5,860,000
1949	6,210,000
1950	6,597,570
1951	7,697,570
1952	9,332,570
1953	9,332,570
1954	9,332,570
Total	82,523,845

As you know, we are at present in difficulties on the project due to insufficient funds to meet the earnings of contractors working under contracts awarded prior to this fiscal year. The story behind this situation is of interest.

With the cessation of hostilities the Bureau of Reclamation proposed resumption of a normal construction program on the Columbia Basin project. A request for an $11,000,000 appropriation was submitted in connection with the First Deficiency Appropriation Bill, 1946. Congress responded with a $10,275,000 allowance which, added to the $6,000,000 appropriated in the regular bill, made a total of $16,275,000 available for the 1946 fiscal year.

The plan presented to the Congress set forth a speeded up program of irrigation development that would make approximately 1,029,000 acres available for veterans' settlement within 10 years. On the basis of the demand for food created by the tremendously increased population in the Northwest during the war and the urgent need of land for veterans' settlement, a 10-year development period was considered essential.

The Bureau's plan called for the initiation of a large amount of irrigation construction that would bring into production, sometime in 1947, Pasco pumping unit of 6,000 acres in the south part of the project. It was estimated that by late 1950 or 1951 about 400,000 acres would be watered in the western and eastern parts of the northern section of the project. The success of this program was dependent upon the availability of adequate funds in 1946 and succeeding years. The scheduling of operations was fitted tightly and any reduction in funds from the amounts requested would be reflected in a corresponding reduction and postponement of scheduled land openings for settlement.

For fiscal year 1947 the Bureau requested an appropriation of $30,000,000 to continue the program outlined in the supplemental request for fiscal year 1946 and virtually endorsed by the Congress when it voted the funds requested. It was on this basis that the Bureau proceeded to award contracts so that its program could be accomplished on schedule. When Congress voted only $18,000,000 in additional money to finance the 1947 project program, irrigation development on this project was rescheduled to reflect the delay and the award of contracts for several key irrigation structures had to be deferred.

The program proposed to the Congress for the fiscal year 1948 appropriation estimate of $27,500,000 represented the bare minimum of expenditure required to meet existing commitments during the fiscal year, estimated at $25,000,000, and to initiate a very limited amount of additional construction work. The Congress voted an allowance of $17,500,000.

No additional contracts could be awarded for primary irrigation works since estimated earnings on the existing contracts carried over from prior years and the funds required for installation of generating units and related work set aside by the terms of the conference report would exceed funds available for such purposes.

In this connection the workings of the Anti-Deficiency Act are of importance. It should be understood that the Anti-Deficiency Act makes a distinction between appropriations made for contingent or other general purposes and appropriations made for the fulfillment of contract obligations authorized by law. With respect to contingent or general appropriations, administrators are required by the act to apportion expenditures of appropriated funds throughout the full 12 months of the fiscal year. With respect to this type of expenditure, a deficiency estimate may be submitted only for unforeseen new conditions such as emergencies or unusual circumstances which could not be anticipated at the time of making such appropriations. With respect to appropriations for fulfillment of contract obligations authorized by law, which include construction and supply contract obligations, the administrator is not required to apportion these funds throughout the entire fiscal year except for that portion required to meet administrative expenses. These funds, except the part required to meet administrative expenses, must necessarily be available to meet the earnings of the contractors, on the force account work in progress, as such earnings become due.

The Bureau has conformed to the Anti-Deficiency Act by apportioning over the entire fiscal year funds required for administrative and supervisory expenses. The balance that remains from the appropriation made by Congress after this proration just is not adequate to meet the estimated earnings of contracts in force at the beginning of the year. All Bureau of Reclamation contracts contain a "contingent on appropriation" clause to protect the United States in the event funds are not available to meet the estimated contract earnings. Consideration was accordingly given to possible expedients to meet this situation. In order to avoid early and disorderly shut-downs of construction work on the Columbia Basin project, which would probably result in substantial losses to the Government, the Bureau arranged with several of the large contractors to slow down operations so as to extend the work as far as practicable into the fiscal year.

In the event additional funds are not provided prior to the exhaustion of funds now available for continuation of construction, work must necessarily cease upon such exhaustion, so that no obligation will be incurred for which funds will not be available. This we believe constitutes compliance with the Anti-Deficiency Act.

In addition to taking all steps necessary to conform to the Anti-Deficiency Act, the Bureau of Reclamation has filed with the Bureau of the Budget estimates of funds required to keep the Columbia Basin project in an active status until the new fiscal year. While the amounts involved in the budget presentations are not available for release until transmitted by the President to the Congress, I can state frankly that work will have to stop on the irrigation features of the Columbia Basin project probably some time in February.

For your information, the Bureau expects, insofar as practicable, to keep contractors informed concerning the status of funds as their depletion progresses. This will permit contractors to carry out their operations in the light of such information.

You can appreciate that the situation is an unusual one as Congress in the past has never failed to provide funds essential to meet contract commitments. One result of the shortage of funds has been action on the part of at least one major contractor to attempt to cancel his contract. As most of the contracts involved were acceped at a time when prices were somewhat lower than today's prices, the Government will lose advantage of these prices if it has to readvertise. There is also the question of damages

and the interest on the investment of the United States is an uncompleted project.

There is attached a tabulation of the contracts in effect on the Columbia Basin project, and the status of funds required to meet their earnings.

I appreciate having the opportunity to present this information to you and if there is anything more you need, please let me know.

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

HOUSE OF REPRESENTATIVES,
Washington, D. C., November 27, 1947.

Mr. MICHAEL W. STRAUS,
Commissioner, Bureau of Reclamation,
Department of the Interior,
Washington, D. C.

DEAR MR. STRAUS: With reference to my letter of November 19, regarding construction schedules for the Columbia Basin project, I should like to add the following question to the list already asked:

Granting that sufficient appropriations were forthcoming, to what extent could the Nation's reclamation program be speeded up in order to make more food available for participation in the Marshall plan?

a. How many new acres could be made additionally available for food production within the span of operation of the Marshall plan? On which project and how much land per project?

b. What estimated amounts of additional food could be provided on these extra acres?

c. What other benefits of value in fulfilling obligations assumed under the Marshall plan would be obtained through faster completion of feasible projects within the time period?

d. What additional expense (above normal expected cost) would be involved in speeding up construction schedules to the limit?

e. To what extent, if any, would accelerated use of critical materials on speeded-up projects divert them from other essential uses?

I need this information for consideration by the Joint Committee on the Economic Report regarding America's potential ability to meet the new demands for foreign aid presented to this Congress.

Sincerely,

WALT HORAN, M. C.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., November 28, 1947.

Hon. WALT HORAN,
House of Representatives,

MY DEAR MR. HORAN: Your letter of November 21, 1947, asked to what extent could the Nation's reclamation program be speeded up in order to make more food available for participation in the Marshall plan.

The span of operation of the Marshall plan, under which it is granted that extraordinary efforts must be made to meet the demands of Europe in addition to those of our own country, is comparatively short in relation to the long-range objectives of reclamation. It is understood that this span is approximately 4½ years from now, or until June 30, 1952. Accordingly, an analysis of bureau projects that are now under construction, or that can be placed under construction relatively soon, has been made to determine which projects can be producing food within this period. This analysis proves that substantial additional contributions can be made, under an accelerated program on certain projects, provided additional funds are made available immediately. The following sections correspond alphabetically to the points raised in your letter.

A. ACRES OF ADDITIONAL LAND

The total acreages of land that can be placed in production each year on these selected projects in the Western States (exclusive of reclamation by drainage in the Gulf States), together with the estimated annual crop yield, and the estimated additional funds required, are as follows:

Fiscal year—	Land (acres)	Annual crops (tons)[1]	Additional funds required
1948	331, 801	792, 000	$53, 707, 054
1949	562, 305	2, 193, 950	384, 344, 586
1950	1, 351, 258	4, 810, 595	401, 695, 706
1951	2, 480, 850	9, 572, 689	339, 781, 239
1952	880, 790	10, 793, 96[illegible]	187, 854, 136
Total	5, 607, 004	28, 163, 197	1, 366, 782, 721

[1] Estimated production each calendar year corresponding to the fiscal year in which the land is made available.

A list of these selected projects, showing the above amounts for each project, is enclosed. It is our belief that this list is conservative. Each of the projects has been found to be justified on the basis of benefit-cost studies and each is a part of the long-range program of the Bureau. On those projects which are not yet authorized, some difficulties are to be expected that may require changes in the program if it is to be carried out successfully. In this respect the list is not rigid. Neither should it be considered the maximum development that reclamation is capable of producing. Many thousands of acres can undoubtedly be added if the Bureau organization is expanded immediately and the Congress determines that such a course is desirable. Because of the many intangible factors present, it is not considered practicable to place a maximum upper limit on the program, but to indicate only those projects on which there is reasonably certainty the necessary schedule can be met without unusual or extraordinary costs.

B. ADDITIONAL FOOD

The Marshall plan calls attention to the urgent need for bread grains, consisting of wheat and rye. Other grains, fats and oils, meat, dairy products, and fruits and vegetables will also be required for shipment abroad. Irrigated land can be depended on to produce large quantities toward meeting the goals for these groups of food products. In addition to the foodstuffs which will be needed for the aid program, we must maintain the American standard of living for an increasing population. In some sections the irrigated land can best be utilized by growing specialty crops for home consumption. This would permit acreages in other sections of the country to be placed in wheat, which is not considered a good irrigated crop, as well as corn, which cannot be grown in large quantities on irrigated land in northern areas where the growing season is short. Total crops, as herein estimated, include alfalfa and other feed and forage crops that are converted into meat, eggs, and dairy products. It is emphasized that the western irrigated areas are important segments of the livestock industry, providing pasture and alfalfa for winter feeding. Development of additional feeding areas means more pounds of meat and butter and more eggs and milk on tables at home and abroad.

The total amount of crops resulting from this accelerated program is substantial, resulting in a maximum annual figure of over 10,000,000 tons in 1952, a part of which would result from the normal construction program of the Bureau. However, it would be a mistake to consider this amount the total of the food contribution, or that need for such production would disappear in 1952. If it is true that Americans are consuming 25 percent more food now than before the war, and that trends from agricultural to urban pursuits are continuing, the need for greater production is apparent. Many of the projects of the Bureau take a long time to build, even at the most accelerated rate, and many are excluded from this program because the time for construction is too short, or because nature will not fill the required reservoirs in time to be effective by 1952. Thus failure to plan now, and to accelerate the program now, is only to invite a continuation of short food supplies long after direct aid to Europe has ceased. During the year 1946, all irrigated farms in the United States produced 40,000,000 tons of crops. This figure can be doubled several times before our water supply is fully used and it cannot be denied that the need is urgent.

It is doubtful if the bumper dry farm crops of recent years can continue to exist. For several years, the great farm lands of our country have enjoyed better than normal precipitation. We may be entering a drought period in our Western States that would increase the value of irrigation many times its already important contribution to our food supply. Such a crisis must be foreseen to be prevented. Important, too, is an analysis of the contribution of irrigation to the world food shortage, is the type of food produced. Many of the crops are of a type on which production cannot be increased economically except by irrigation, and which occupy an important place in our needs. These foods will become increasingly critical as available supplies of grains are reduced by exports.

C. OTHER BENEFITS

It is probable that irrigation investment is one of the few ways, if not the only way, in which aid to Europe and to ourselves can be met without nonrecoverable grant from the Federal Government. The repayment nature of reclamation is well known. Not so well known is the indirect manner in which the Government is repaid many times through broadening the base for taxation. The secondary benefits of power, industrialization, and supporting communities, cannot be evaluated here, but studies show that they may far exceed direct repayments in returns through taxation. Flood control, soil conservation, recreation, and fish and wildlife benefits are likewise important. In short, the benefits that accrue from the normal reclamation program will be accelerated by an accelerated program.

While food—the primary requisite for success of the Marshall European recovery plan—is the first concrete benefit resulting from farms brought into production through reclamation construction, other benefits are substantial. Whenever reclamation projects are constructed new homes are built and new job opportunities are created; new villages and towns spring up, either on the projects or adjacent to them, with more homes and jobs. New industries and business come into being to serve the new population or to process and distribute its agricultural production. Already established industry and trade near the projects are stimulated.

In the West where the growth of population has been so much faster than the remainder of the country, this combination economic escape valve and spark plug resulting from reclamation projects is a benefit of great importance. Population pressure is reduced, and the possibility of social unrest and economic instability is alleviated.

Power, one of the specific benefits of irrigation projects, is included, where feasible, as a feature of the projects listed. Sufficient additional power will be developed to provide for irrigation pumping, rural use, and the many related demands that will result from irrigation development.

D. ADDITIONAL EXPENSE

The funds shown as required by fiscal years for each project in the accelerated plan are based on the latest estimates of costs at 1947 prices, assuming a normal construction schedule for each project. No attempt has been made to reestimate any project individually on the accelerated rate.

In expediting each project to the maximum practical limit, the amount by which its total cost would be increased cannot be foretold with any degree of accuracy. Undoubtedly, some of the wartime conditions would prevail, although shortages of material and manpower should not be acute. The principal factor increasing costs would be the resorting to speed-up methods of contracting, such as cost plus a fixed fee, which might be necessary in some cases, and to the use of untrained employees, assuming that material prices and wages do not materially increase. Otherwise, in high-speed construction, such as building a 4-year project in 2 years, there are many savings, principally in overhead and investment charges, that tend to offset increases. Taking all of these factors into consideration, it appears to be a reasonable assumption that increased costs would probably not exceed 25 percent of the normal expected cost of the project.

E. USE OF CRITICAL MATERIALS

Reclamation projects are ordinarily classed as heavy construction. That is, work involving massive masonry, earth-moving operations, and the like, as opposed to the light construction of buildings, homes, industrial plants, etc., that require relatively large amounts of processed material in their construction. In dam construction, earth- and rock-fill types predominate. Concrete dams use locally processed cement, which is not believed to be of significant export importance, and the aggregates are usually found at or near the site. Structures such as canals consist almost entirely of excavation.

A study made in the spring of 1946, in cooperation with the Civilian Production Administration, disclosed that the Bureau did not use significant amounts of building materials in relation to total national production. Items such as brick, wall board, structural tile, clay and cast-iron pipe, gypsum board, etc., are incidental. Lumber is used to a greater extent for concrete forms and for temporary buildings but is now considered critical in the western areas. A study of our requirements in connection with national resources and foreign aid by Secretary J. A. Krug, report dated October 9, 1947, indicates that some trouble might be expected in the following items:

(a) Reinforcing steel.

(b) Electrical materials.

(c) Construction equipment, especially automotive cars, trucks, tractors.

(d) Gates, valves, and other heavy machinery and control devices.

The extent to which our needs for the above items would conflict with other essential uses can only be estimated on their relation to the total production of such items. If it can be safely assumed that uses more essential than food will not absorb the entire production, then no serious problem would be presented.

In any discussion of production capacity it is well to bear in mind the specialized nature of reclamation work. That segment of the construction and manufacturing industries engaging in Bureau work generally do not compete with so-called consumer items. Contractors engaging in large earth-moving operations and their equipment are not readily adapted to light work. This is also true of manufacturers whose plant capacity for turning out large equipment units is not easily converted to other items, although both draw on the same sources of raw material.

RECLAMATION BY DRAINAGE

Any estimates of additional land that could be placed into production by the Bureau of Reclamation within the next few years would not be complete without reference to the desirability of reclaiming land by drainage. In many areas of the country, particularly in the south central and southeastern States, where rainfall is ample, there exist many thousands of acres of fertile land that can be placed into production in a short time by drainage projects. This land is now waterlogged and unproductive. In December of 1944, the Committee on Irrigation and Reclamation of the House of Representatives held hearings on H. R. 3787, which was a bill to amend the Reclamation Project Act of 1939 for the reclamation of lands by drainage and for other purposes. A number of years ago the Congress directed the Bureau of Reclamation to make a special study of this matter and considerable survey data exists as a result.

The States of Arkansas, Louisiana, Mississippi, and Florida are typical examples of States where tremendous possibilities exist for reclaiming waterlogged land and placing it to the production of food. The State of Louisiana is estimated to have in excess of 10,000,000 acres of excessively wet lands that might be reclaimed. The States of Arkansas and Mississippi probably have in excess of 5,000,000 acres each, and the State of Florida is estimated to have nearly 20,000,000 acres of such lands. These figures undoubtedly include land that, because of salt and other reasons, would not be practical for immediate development, but practically all of the States of the Union have some lands that could be reclaimed by drainage. The warm, humid belt extending from Louisiana to the east, with its fertile soils, appears to have the most attractive possibilities.

Drainage of lands in some sections of the country has been carried out in the past by private capital. However, it is clear that any extensive developments of this type must have Federal interest-free money to be successful. The work required in reclaiming lands by drainage is very similar to that of reclamation through irrigation. The Bureau of Reclamation has a nucleus of trained engineers and hydrologists that could be quickly expanded to undertake this work. As an agency of the Department of the Interior it has ready access to the technical skills of the Geological Survey and other agencies that would be required to construct such projects. Information is not available on which estimates of costs could be prepared at this time, but it appears certain that projects could be established involving many thousands of acres that would be economically feasible and would easily return all of the investment of the Federal Government in a reasonable period of years. We believe legislation should be enacted by the Congress that would enable the Bureau of Reclamation to make surveys and to prepare plans for such projects and authorize their construction upon a finding of feasibility in each instance. In a number of cases the principles of irrigation would be combined with drainage to provide ideal conditions for the production of certain important crops, of which rice is a typical example in the States of Arkansas and Louisiana. Plans for increased food production both in the present crisis and in later years should not overlook this tremendously fertile field of operations. In addition to repayment, all of the other benefits of reclamation by irrigation, such as increased taxation, decentralization, settlement opportunities for veterans, and others, would undoubtedly accrue were such drainage projects to be undertaken.

ASSUMPTIONS

That the reclamation program can be accelerated to the extent shown is based on a number of assumptions. Chief of these are that the necessary funds will be made available within the next few months; that existing restrictions on personnel, methods of contracting, force-account work, Denver office design work, and similar items will be lifted; and that an administrative organization will be permitted that can carry out such a program in an efficient and expeditious manner. It is assumed that the Congress, if it determines that the Bureau should embark on an accelerated program, will implement the necessary funds with legislation necessary for its accomplishment.

Sincerely yours,

MICHAEL W. STRAUS,
Commissioner.

Operating the American Merchant Marine

EXTENSION OF REMARKS
OF
HON. ALVIN F. WEICHEL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. WEICHEL. Mr. Speaker, there have been many opinions expressed covering the operation of the American merchant marine, including those of the National Federation of Shipping which have been given to the Members of Congress, and today Philip Murray has presented his views as president of the Congress of Industrial Organizations, which are as follows:

FACTS SUESTANTIATING THE CIO PROGRAM ON THE MERCHANT MARINE

1. In the recent months the active United States merchant marine has declined rapidly and American shipbuilding is virtually nonexistent. Today's merchant marine is less than half its wartime size. The total number of Maritime Commission vessels on active charter status on November 15 was 1,082, a decline of 372 vessels from July. Only 28 seagoing vessels of over 1,000 gross tons were on the ways as of October 1, 1947.

2. As a result, approximately 16,000 maritime jobs have disappeared since July. On December 1, 1947, private shipbuilding and ship repair employment was estimated at 105,700, of which only 31 percent, or less than 33,000 men, were employed on new construction. The wartime peak employment in ship construction in private yards was more than 42 percent times greater. There is serious and growing unemployment among seamen. Unemployment insurance payments to seamen were five times larger in October than in July. Employment in the allied maritime industries has declined as a result of the large lay-up of vessels.

3. The loss of jobs and the lay-up of vessels are the result of a combination of causes. An important cause is the rapid recovery of the European merchant marine brought about by large-scale transfers and loans of American vessels and by a large European construction program made possible by steel exports from this Nation.

4. The Paris report admits that as of mid-1947 the 16 European nations had 1,400,000 dead-weight tons more dry-cargo shipping of over 5,000 gross tons than before the war; a total fleet of large vessels of 20,000,000 dead-weight tons. In addition, as of December 1, 1947, there are in the United States laid-up fleet 1,339 vessels, nearly all of which are over 5,000 gross tons.

The European fleet has been increased materially by launching and by further transfers of United States-flag tonnage in recent months. Nationals of these European nations have, in addition to the 20,000,000 dead-weight tons, many hundreds of thousands of tons of shipping under Panamanian and other flags.

Nonetheless, according to the Harriman report, as of March 31, 1947, there were 69 vessels under construction in western Europe of type similar to those presently in the American laid-up fleet. Yet we are being requested by the 16 nations to transfer between 100 and 200 additional dry-cargo

vessels to them. Such transfer would mean a double blow to the American merchant marine; the loss of 100 to 200 vessels directly and the inevitable laying-up of another 100 to 200 vessels once the transferred vessels are placed into competitive service.

5. The Paris report of the 16-nation Committee of European Economic Cooperation, if brought into effect, will mean mass unemployment among American maritime workers. The report envisages United States-flag vessel carriage of about 20 percent of our foreign trade by 1951. We are asked to transfer additional vessels from our active fleet and from our reserve fleet to foreign flag. We are asked to export steel for shipbuilding, although our own shipbuilding program was brought to a standstill 2 years ago because of the scarcity of steel. Meanwhile, in the European nations, scarce resources and scarce manpower are being diverted from other production in order to build ships, which are in long supply.

An example of the European manpower shortages is contained in the November 12, 1947, issue of the Shipping World, which states:

"Lately there has been much discussion about the manning of the growing Norwegian merchant fleet. The Norwegian Shipowners' Association formed a committee to investigate the matter. The report of this committee shows that the manning situation will be one of the greatest, if not the greatest, problem for the shipping industry here in coming years. A serious shortage of qualified engineers is already felt."

6. Alleged dollar shipping costs are not sufficient to justify the strain on the United States economy and steel resources required for the European nations to further expand European fleets in the next 4 years.

As the Harriman report states:

"In considering the possibility of dollar freight savings through the transfer of additional American vessels to the sixteen nations, we should bear in mind that the gross dollar freight data are misleading. Even on the assumption that such transfers were to be outright grants-in-aid, a maximum of only 75 percent of the gross dollar freights would be saved by the participating nations. Since the vessels would presumably remain in the dollar trades, they would continue to disburse dollars for fuel, stores, and other items purchased in American ports. To the American taxpayer the dollar savings would be even less. On the transferred vessels we would lose income taxes now collected by the Treasury, charter hire now collected by the Maritime Commission, and earnings recaptured also collected by the Maritime Commission under the terms of the bareboat charter. Only the charter hire, which would probably exceed 15 percent of the gross freight, can be estimated with close accuracy, but it is safe to say that the net savings to American taxpayers would approximate 50 percent of the gross freights on any tramps transferred to the sixteen nations on an outright grant basis.

7. As of November 31, 1947, the Maritime Commission had approved the sale of 1,644 vessels under the Merchant Ship Sales Act of 1946. Nearly two-thirds, 1,090 vessels, were approved for foreign-flag operation. Only 554 were approved for American-flag operation. Thirteen hundred and forty vessels had already been turned over to purchasers; 951 went to foreign owners and 389 to United States-flag operators.

During hearings on the Ship Sales Act in 1944 and 1945, the CIO maritime committee supported the sale of vessels to our wartime allies on terms as favorable as those granted to our citizens. Our reasons were:

(a) A moral obligation to aid our allies regain their prewar position.

(b) A desire to prevent a wasteful shipbuilding race of duplicate tonnage.

We have more than met our moral obligation. Such shortages as do still exist are in small vessels for local European trades and in special types of vessels of which we have none. Unfortunately our desire to share our merchant fleet resources on an equitable basis with our allies has not provoked a similar response overseas. Shipbuilding is going on at a feverish pace in the 16 European nations.

8. Nearly 3 years ago President Roosevelt projected a "bold and daring" plan for the construction of 11 American passenger liners. Despite the desperate need for passenger-vessel construction in this country both from the viewpoint of the merchant marine and from the dire necessity of maintaining our shipbuilding industry, all major construction in American yards has been indefinitely postponed in an effort to save critical materials. Yet the British are building 10 major passenger liners with steel exports from this country.

There were 3,968,893 gross tons of merchant ships under construction on September 30, of which 2,112,669 gross tons, or 53 percent were being built in Great Britain and Ireland. Less than 5 percent was under construction in the United States. Sweden, France, Italy, and Holland were all building more tonnage than the United States. Less than 400,000 gross tons in British yards, or under 20 percent of the British construction, were tankers, yet tankers represent the major vessels in short supply.

The British contend that steel should be made available to them for shipbuilding on the grounds that shipbuilding is an export industry with them, which enables them to close the balance of payments gap. Yet of the 2.1 million gross tons under construction in British yards, nearly 75 percent is for the British Empire. The bulk of the remaining tonnage is being built for Norway, Portugal, France, and other European countries which cannot supply dollars.

9. What is the effect of the foreign demands for steel, aggravated by unnecessary shipbuilding, on the American economy?

The report of the Council of Economic Advisers on the Impact of Foreign Aid upon the Domestic Economy presented the following table for examining the effects of steel exports:

TABLE 8.—*Total production and exports of rolled-steel products, 1929–47*

1,000 short tons]

Period	Production			
	Total	For domestic use	For export	Percent exported
1929	45,998	43,790	2,208	4.8
1939	34,955	32,427	2,528	7.2
1946	53,073	48,273	4,800	9.0
1947, first half annual rate	62,344	55,786	6,558	10.5

Source: Department of Commerce.

The report also goes on to say:

"This table shows that the annual rate of export of rolled steel products was almost three times as great in the first half of 1947 as in 1929, and that the percent of total production exported was more than twice as great. Nonetheless, due to the great increase in domestic production, the amount available for domestic use was at an annual rate about 27 percent higher during the first half of 1947 than in 1929, and about 72 percent higher than in the last year before the war.

"While it is clear that we would have had more steel available for domestic use if we had exported less, the felt shortages of steel in this country to date have been due mainly to a lag in the steel industry's output compared with the present size and character of our national economy. This shortage in supply is aggravated by difficulties in domestic distribution.

"Turning to a consideration of the steel-supply problem in the near future, the most important factor to be considered is the large domestic demand. It is presently so great that large premiums are being paid for some items in a gray market. Public and private building projects are being shelved because it is known that steel is not available and these requirements do not even appear on the order books. The makers of essential railroad and industrial equipment, as well as automobiles, are operating below their capacity because they cannot get steel. While there are some offsetting influences, such as the declining rate of inventory accumulation, domestic demand is expected to continue strong if the general economy remains at high levels of operation.

"Superimposed upon this domestic demand for steel, though only a minor fraction of the total, is the foreign demand which, according to the estimates of the Paris Conference Report, will increase in the case of rough and finished steel, and also in the form of indirect demand for steel in industrial and transportation equipment.

"In the near future, there is little prospect that the supply of steel can be increased in amounts even approximating increasing domestic and foreign needs. Up to the present time, the steel industry has followed a conservative program of expansion. Even if the industry were now to make its plans upon the assumption of an economy continuing to operate at maximum general levels of employment and production, additional programs for enlargement in capacity and supply would be too late to affect the situation this year or in 1952, and the use of steel for that purpose would accentuate the current shortage.

"Furthermore, production is cramped by shortages of coke, scrap, pig iron, and transportation facilities. With respect to scrap, the shortage is so serious that sending scrap abroad as requested by the Paris conference is illogical.

"The inflationary threat in the steel situation is not, however, confined to the higher price of steel. The shortage of steel has the effect of creating supply shortages in the other steel-using industries. Such shortages create shortages of other products, as, for example, the shortage of freight cars and its effect on coal production. These various supply shortages, in the face of high demand, would cause upward price pressures at numerous points even if the price of steel had not increased. The foreign demand for equipment, though low in relation to total product, adds to these pressures."

10. Let us now examine the primary purpose of transportation (external transport) in an economy. Transportation is necessary as a means of bringing in supplies not otherwise available within a country. It is not necessary, except as such means, to the proper functioning of the internal economy of the country. That is, external transportation does not mine coal, does not produce steel, does not grow food, does not weave clothing. It brings to a country those articles which the country itself does not have, and which such country may require for the proper functioning of its internal economic processes. If the world is at peace it does not matter, except in the problem of balance of trade, which country owns, furnishes, and services external transport. In other words, if the goods are brought to the European countries by America, the fact that the goods are not brought in the nation's own ships will not adversely affect the in-

ternal condition of the nation, except in affecting the amount of the debt owed America and the amount of the European national's dollar balance, which we have shown is negligible.

It is very important always to be cognizant of the fact that external transport is the gilding of the lily. If the goods are brought, the people can eat—whether or not the goods are brought in the ships of one national to another.

Since steel is a terrific shortage item and since steel is the most important requirement for building external transport it would seem important that transport building might be postponed. This would not be possible if we did not have presently at our disposal the United States war-built emergency fleet. Since we do have this surplus dry cargo tonnage at our disposal, it is, in the final analysis, a wastage of steel for Europe to build cargo carrying ships when steel is short.

11. Tanker tonnage requirements for the 16 European nations alone will jump 50 percent by 1951, requiring an additional 6,100,000 dead-weight tons from mid-1947.

Our own country is now facing heavy gasoline and fuel oil shortages because of lack of tankers. Yet only 1 tanker is now being built in American yards.

12. Despite the availability of American ships and American seamen, the policy of our Government to date has been to misdirect scarce foreign resources and labor into work which America can perform at little expense to itself and at none to the rest of the world.

In defiance of the intent of Congress as expressed in Public Resolution 17, approved March 26, 1934, which states that cargoes resulting from United States Government loans should be carried in United States flag vessels; and as further expressed in the Merchant Marine Act of 1936, the State Department and the Army have been fostering the use of foreign flag vessels. Mr. Herbert Hoover proposed, and the Department of National Defense has endorsed, a revival of the merchant marines of Germany and Japan. Pending congressional action in this regard, the United States Military Government in Germany is now seeking to have British vessels carry all of the cargoes between the United States and Germany. The State Department has ordered Greek and Turkish vessels to be used in carrying cargoes between their respective nations and our country whenever they are available. In practice this has meant almost exclusive carriage in foreign flag vessels.

13. The percentage (by weight) of American exports and imports carried in the United States-flag vessels declined from a monthly average of 60.3 in 1946 to 50.1 in August 1947. The percentages by area varied from 63 in the Bayonne-Hamburg range, to 60 in the Mediterranean to 42 in the Baltic-Scandinavian area, down to 32 percent in the United States-United Kingdom trades.

14. The large "run-away" fleet trading under the colors of Panama and Honduras should be brought back under the true flags of its owners. The latest available tabulation, as of early 1947, shows 2,293,100 dead-weight tons under the Panamanian and Honduran flags, of which 1,008,800 dead-weight tons were American owned, and 1,184,300 dead-weight tons were owned by nationals of other countries. Virtually none of this fleet is owned by Panamanian and Honduran citizens.

The American-owned fleet under these flags does not employ Americans nor pay taxes to the United States Treasury.

The foreign-owned fleet under these flags (largely Greek, but a sizable proportion is British and Scandinavian) does not provide income for the devastated nations of Europe.

Tears Your Heart Away

EXTENSION OF REMARKS
OF

HON. E. L. BARTLETT

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. BARTLETT. Mr. Speaker, Secretary of the Interior Krug launched last spring a program in cooperation with the American Medical Association for study of the health conditions in Alaska and other areas representing acute problems under the jurisdiction of the Department of the Interior.

The American Medical Association team, composed of Drs. Harry Barnett, Jack Fields, George Milles, Joseph Silverstein, and Arthur Bernstein, completed an outstanding report on Alaska, and it is published in the American Medical Association Journal of October 25.

I simply want to footnote this learned, searching report with a human story that may make it more real to you—one "that tears your heart away," as the visiting nurse observed in her report of her visit to Tetlin, Alaska.

This story is in the letter from Assistant Secretary William E. Warne, of Interior, the memorandum of Dr. C. Earl Albrecht, Territorial commissioner of health, Juneau, Alaska, and the editorial of the San Francisco Call-Bulletin of November 10, which I include as a part of my remarks:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., December 16, 1947.

Hon. E. L. BARTLETT,
House of Representatives.

DEAR MR. BARTLETT: When you and I were discussing with Governor Gruening of Alaska the terrible situation revealed by the report of the American Medical Association team, I remembered that Dr. C. Earl Albrecht, Territorial Commissioner of Health, was due in Washington on official business in a day or two. I brought up the report in a discussion with him of this subject which is so important to every American who feels a responsibility to his country.

Dr. Albrecht told me again, as Mr. Don C. Foster, who represents the Indian Service and is head of the Alaskan Native Service, had told me previously, that we had found many more cases of tuberculosis than we could care for with facilities available to us. The report of Mrs. Naomi Talbitzer, itinerant public health nurse, who takes a mobile clinic over the few Alaskan highways, had just been received by Dr. Albrecht. I am attaching it for your information.

I hope that we are not now preparing just to "talk, talk, talk," as some of the Eskimos have appraised our past efforts.

Sincerely yours,

WILLIAM E. WARNE,
Assistant Secretary.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
DIVISION OF TERRITORIES
AND ISLAND POSSESSIONS,
Washington, D. C., December 11, 1947.

Memorandum.

To: Assistant Secretary Warne.

From: Dr. C. Earl Albrecht, Territorial Commissioner of Health, Juneau, Alaska.

Subject: Hospital situation in Alaska.

Today, I received from my office in Juneau the narrative report of Mrs. Naomi Talbitzer, itinerant public health nurse, who is working as a Department of Health and Alaska Native Service field nurse, both agencies equally sharing the cost of her services.

It is felt that the contents of this letter and report of Mrs. Talbitzer are pertinent, direct facts which indicate the tragic situation existing in many communities throughout Alaska with reference to the horrible effects of uncontrolled tuberculosis.

Mention must be made of the fact that the department of health, in the summer of 1946, did a case-finding study of the communities now being served by Mrs. Talbitzer, which gave the information as to who needed hospital care for tuberculosis. No patients have been hospitalized, because of the lack of funds in this and many other areas.

It is most discouraging for these people who are rightfully looking to the agencies responsible for some help from this plague that is killing them. The most recent report of our field physician visiting this same community this past summer reported: "I wish you could have seen the look in Andrew's face when he said, 'My three babies die, and now my boy sick. All we get is talk, talk, talk, no doctor no hospital.' It is very hard for us to offer any solution to these pitiful situations. If we don't act soon we won't have to worry about the people in Tetlin for they will all have died of just plain neglect."

These are the facts upon which the American Medical Association team of doctors, the United States Public Health Service, the Alaska Native Service, and department of health officials have been pleading for the establishment of sufficient beds for the treatment of tuberculosis without any further delay. It is the basis upon which I made the statement that I consider it the most immediate health measure to be taken by the Federal Government.

As substantiating evidence of the situation, here follow excerpts from the report of Mrs. Talbitzer, itinerant public-health nurse, who travels the highway system of Alaska—she has recently come to the Territory, so her observations are not colored, but are straightforward and factual:

"I spent a week in Tetlin. The Alaska Native Service teachers with their 4-month-old baby are the only white people there. The night before I arrived, a 3-year-old child died. If they could have sent a message, I could have gone in sooner as I was at Northway. It's questionable whether I could have done anything to save the child but at least it would have been a comfort to them to have had some help. When I called on the young mother she said to me, 'I lose my whole family, mother, father, three sisters and brothers. I am only one left. I sure hate to lose my kid.'

"The amount of illness and the death rate there is appalling. Since January 1947 there have been 10 deaths, 9 of which were children, and 2 births. Six of the deaths were in the first 3 months of the year, three of them on consecutive days.

"Mr. and Mrs. Matt, the ANS teachers, are doing a fine piece of work among the natives. The school enrollment is 16. Mrs. Matt has been giving excellent care in cases of illness and is interested in helping the women improve their bead and leather work. Mr. Matt has influenced the village to start having council meetings for the first time in several years. He also plans to help them dig a well.

"As far as food is concerned, the Tetlin natives are in deplorable condition. For the past two summers the river has been high and there have been very few fish. Only two families have fish dried for the winter. The council has passed a ruling that no liquor be allowed in the village and anyone bringing any in for his own or anyone else's consumption is liable to a fine of up to $50. It

is not unusual to go into one of the homes and have them point to the cupboard and say no grub and there actually is no grub. When you go into a home where there is a case of tuberculosis who is running a temperature of 103 and hear that statement, it's heart breaking. How can you, under circumstances like that, give advice concerning a nourishing diet? You feel ashamed to even mention food.

"Out of a population of 70, there are 10 diagnosed cases of tuberculosis and 7 suspected cases.

"In another home a boy with active tuberculosis, whose temperature varies from 102 to 104, has his own bunk, one of the two in the cabin. Also living there is his uncle, his old grandmother, his sister and a cousin, aged 6, who has tuberculosis. Both of these cases have been recommended for hospitalization. More than once when I was in the home, the only sign of food was some flour from which the grandmother made biscuits. She gets aid for dependent children but a little money will buy just so much food and no more.

"One man shook his head sadly and said, 'I lose three kids last year, 3 months in a row. This year I lose one. If I lose this kid,' pointing to a 16-year-old boy who is dying of tuberculosis, 'it tear my heart away.' In addition, to the boy he will lose, his family consists of a 14-year-old daughter with a diagnosis of moderately advanced tuberculosis, a 3-year-old boy with primary active tuberculosis, a 24-year-old daughter whose X-ray reports read only 'pleural changes' and a wife who sits tiredly on the floor sewing her bead work.

"It certainly tears your heart away."

Please use the material of this letter in any manner that you see fit which will bring about a solution to this tragic situation existing under the American flag.

A pertinent editorial from the Call-Bulletin of San Francisco is also attached.

C. EARL ALBRECHT, M. D.

[From the San Francisco Call-Bulletin of November 10, 1947]

PROBLEM IN ALASKA—MEDICAL COMMITTEE SURVEY SHOWS SERIOUS DEFECTS IN TERRITORY PUBLIC HEALTH, SANITATION

Recently a committee of the American Medical Association, serving the Department of the Interior in an advisory capacity, made a reasonably thorough inquiry into public health conditions in Alaska.

In surveying this area, strategically important, rich in resources, and one-fifth the area of the entire United States in size, members of the committee interviewed doctors, nurses, patients, and public officials; examined statistics; inspected hospitals, sanitation facilities, and such. In all, the group covered 4,500 miles.

Here are some of the things they found and on which they reported:

Deaths from tuberculosis, which the committee described as the most serious and urgent problem which faces the Territory at present, are nine times the TB death rate in the United States.

Threat of epidemics of communicable diseases has resulted in a situation which is potentially dangerous.

Sanitation is very poor throughout Alaska.

General hospitals are grossly inadequate to meet the current medical needs of Alaska, and, if a sudden emergency were to arise, the situation would be catastrophic.

There is an acute shortage of living quarters throughout the Territory.

In commenting on the tuberculosis problem in the Territory, the committee observed pertinently that Alaska is an important cog in the defense of the United States, but only if its people are healthy.

We have spent billions to ease the anguish of Europeans.

We have spent billions more to assuage the sufferings of Asiatics.

We have had bureaucrats in Washington whose hearts bled for the Hottentots.

Can't we use some of this money and compassion on our own people?

There is more to this problem than going mercifully to the rescue of some 100,000 people in what might seem to many the remote, bleak, vast, and desolate Far North.

Alaska is part of our own country—is, as a matter of fact, seeking actual statehood—and Alaskans are every bit as much American as Californians.

What is more, the Territory is of the utmost importance to our national defense, as military experts, noting its proximity to Soviet Russia, have been remarking with increasing frequency and emphasis.

Whether the Territory becomes a valuable part of our country and a sturdy bastion of national defense, or whether it becomes a Territorial sore spot and a weak point in our armor, depends upon whether it is intelligently cultivated, developed, and exploited, or ignored and neglected.

Science and the National Welfare

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "Science and the National Welfare," delivered by E. U. Condon, Director of the National Bureau of Standards, before the American Council of Commercial Laboratories, in Washington, on December 8, 1947. I had the privilege of hearing the address and commend it to the thoughtful consideration of every American citizen.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Society is at this moment at the threshold of an undreamed of mastery of our material environment, for science, which provides that mastery, is in its golden age.

In particular, achievements in nuclear physics promise incredible advances in the years ahead. Energy from atomic power plants has been much talked about, but even more important are the tools provided by nuclear physics for research in other fields. Radioactive isotopes, for example, will permit us to explore the structures and constitution of molecular aggregates, for such isotopes can be introduced into a system as scientific detectives. They will behave as the usual atoms of the particular element behave, but they can be traced and studied by means of the radiation they emit. Tracer studies of this kind will unravel secrets in biology, physiology, medicine, chemistry, and metallurgy.

The combined effect of tracer studies, of a variety of sources of radiation, of various sources of high-intensity, highly accelerated subatomic particles, and fundamental knowledge of the nucleus means that spectacular advances in many fields are at hand. The problem of curing fatal diseases will be successfully attacked; fundamental biological and physiological processes will be understood; new types of therapy will be developed in medicine; better control of intricate chemical manufacturing processes will be feasible; new products, like petroleum fuels and metals with unusual properties, will be possible; and even new forms of plant life can be created. The speed with which these possibilities are realized depends primarily on how much effort we put into such activities. For there is no question that the impetus of the new knowledge in nuclear physics, in conjunction with steady advances in other fields of science during the last 50 years, means a general efflorescence of the physical and life sciences.

But if we are to profit from this happy situation, there are major problems to be solved, and their solution will not wait. From one point of view life today is a race—a race between knowledge in the physical sciences which gives material mastery, and general ignorance which retards or rejects mastery of our environment. Rejection means no more and no less than destruction of civilization as we know and cherish it.

The problems confronting us, approaching them from the standpoint of the sciences, exist on several planes, two in particular, the specific problems of science as science and the question of these sciences in relation to the other activities of man.

PROBLEMS OF SCIENCE

The problems arising within the sciences themselves are extremely practical ones, and on the whole they are not complex. Several axioms are at once apparent. First, science is universal. Second, science is unlimited in its material. Third, the rate of scientific progress depends on the amount of effort put into science. These axioms are important: they mean that no individual and no nation has a monopoly in science, that science affords an inexhaustible mine of valuable knowledge and discoveries, and that we must be willing to support science appreciably if we expect to gain heavily and to maintain leadership.

THE STEELMAN REPORT

A comprehensive and cogent analysis of the problems of science is to be found in Dr. John R. Steelman's report to the President, Science and Public Policy. Taking into account the three major groups engaged in research and development activities—the universities, the industrial laboratories, and the Federal research agencies—Dr. Steelman points out that each of these groups is "especially adapted to the performance of a particular type of research and each can make a unique contribution to our total research and development effort," with university emphasis on basic research, industry on development, and Government laboratories engaged in both.

As a basis for our progress against poverty and disease and as the basis of national security, the Steelman report analyzes the present scope of our scientific effort, the deficiencies now present, and the needs in terms of a broad program. The main recommendations of the Steelman report are eight in number, and I would like to discuss them briefly.

1. It is recommended that expenditures for research and development be expanded as rapidly as facilities and trained manpower can be provided. A suggested goal is that by 1957 1 percent of the national income should be expended in research and development in university, industry, and Government laboratories.

The report shows that a little over 1.1 billions are being spent this year for research and development, excluding the social sciences. With a national income of $200,000,000,000, this is an expenditure of little more than ½ percent. Only about 110 millions, or less than 10 percent of the total, is spent for basic research. Almost half, that is 460 millions, enters into the development of military weapons and needs, not including the amount spent for atomic-bomb development now considered to be a civilian activity.

2. It is recommended that heavier emphasis be placed in the future on basic research and on medical research. More spe-

cifically, it is recommended that the total research and development budget be doubled, coincidentally quadrupling basic research activity and tripling research on health and medicine.

3. It is recommended that support for basic research be provided for the Federal Government at a progressively increasing rate, reaching an annual rate of 250 millions by 1957. The present rate of total expenditures for basic research is 110 millions while quadrupling would require 440 millions; so that this proposal leaves ample scope for large-scale and expanding support of basic research by private groups and State governments.

4. It is recommended that a National Science Foundation be established with a Director appointed by and responsible to the President to administer the program of grants in support of basic research. It is also recommended that the Director have a board of advisers half of whose members should come from Government laboratories in order to provide for proper correlation of the work with that of the Government laboratories.

5. It is recommended that a program of Federal scholarship aid to university students be developed in order to provide for the proper training of the increased number of scientists needed and that this program be a part of a general program of assistance to university students in all fields of interest.

6. It is recommended that suitable Federal assistance be given to colleges and universities in developing their scientific research facilities and that this should be administered as part of a broad program of aid to universities in all fields.

7. It is recommended that the work of the several Federal research establishments be better coordinated by the establishment of an Interdepartmental Science Committee, by a coordination of all scientific research programs through the Bureau of the Budget, and by the assignment of a member of the White House staff to devote himself to problems of liaison at the top policy level of the Federal Government.

8. Lastly, it is recommended that aid to the reconstruction of European scientific research be made part of our European recovery program. This recognizes, first, that science is universal in that its truths are part of the universe accessible to all investigators; second, that we gain as much by original discoveries made elsewhere as by those which we make; and, third, that the progress of other nations in science and technology is necessary if they are to become self-sufficient again.

The program outlined in the Steelman report is splendidly conceived, and every point is vital if we are to live up to the responsibilities with which we are confronted by our good fortune in natural resources and freedom from war devastation.

One of the great difficulties about a major program of expenditures on basic research is that it is so difficult to explain to an appropriations committee—and even to management in private business—precisely what the program will accomplish with that degree of definiteness expected and demanded in other fields. It is necessary to entrust funds for research programs on faith, on the competence of the leaders of such programs, and the trust must be maintained for a sustained period of time. It is characteristic of most fundamental research that several years are required for the completion of any work of importance and that the end result may be difficult to evaluate by anyone except specialists. What, for example, is the cash value of Einstein's discovery of the relation $E=mc^2$? No doubt it is an astronomically large value now. But what was its worth at the time of its formulation? And who was qualified to make the evaluation? The point simply is this: Pure knowledge cannot be evaluated in cold cash, and pure knowledge is independent of such evaluations.

Unfortunately, appreciation of this fact is not as widespread as it should be, which suggests the story of two partners who had long operated a chemical manufacturing business. They finally decided to employ a research chemist. Along about 11 a. m. of the first day of his employment one partner said to the other, "Shall we go see whether that research chap has discovered anything?" "No," replied his partner, "it's a little too soon. Let's wait until after lunch."

ZONES OF DANGER AND WEAKNESS

One of the dangers facing us in the present situation is overconfidence. The United States has led the world in technological progressiveness and in the techniques of mass production. We are, without question, the most powerful nation in the world. In these very facts lies the essential danger, for overconfidence is a product of precisely this set of circumstances. Illustrations of pride preceding fall fill the pages of history, and civilization after civilization has perished in this fashion. We need glance backward no farther than the recent war to see a once scientifically, sophisticated power lose leadership and initiative—Germany. For many years, during the latter half of the nineteenth century and the early twentieth, science in Germany was in a position of international prominence, and yet we now know how misguided and superficial were their efforts in the direction of atomic energy. I believe that two factors were at play here: First, the Nazi leaders eliminated the truly first-rate scientific leaders and installed second-rate party men in positions of scientific leadership. Second, there are obvious evidences of overconfidence on the part of the scientists as well as the nation in their scientific ability and achievement. Thus, after the revelation of our work in atomic energy, we had the spectacle of, first, the German refusal to believe that accomplishment, and second, childish attempts to pretend that they had not wanted to develop an atomic bomb but that they really had progressed in atomic research and that their researches were to be devoted to peacetime uses. The rationalizations would be merely amusing were they not also sardonic.

Again, we have the spectacle of England's dilemma in this century. Prior to the twentieth century, the English had led the world in technology, one of the consequences of their early industrialization. This leadership had lulled the British into accepting this preeminence almost as a law of nature, and progress in modernization of facilities and in mass-production technique was not pursued vigorously. The result was that England fell behind Germany and the United States. A reluctance to accept scientific advances, in the face of obsolescence, is thus dangerous.

The obvious lessons of the past, as far as science is concerned, indicate that competent leadership must be fostered in science—remember that for every thousand scientists adequate to contribute in a rather routine way there is only one with great and inspiring creative ability—and we must never take for granted future achievements on the basis of past performances. This thought leads to another danger confronting us: as a nation we have been outstanding in applying science; we have not been outstanding in basic scientific discoveries or theory. If we are to attain our goals, it is imperative that basic research be supported on a large scale.

In atomic energy, for example, we were essentially dependent upon the work of European scientists for our basic knowledge, and European scientists in this country contributed heavily to our success, in particular Fermi and Szilard. Again, during the first half of the war, we were dependent on British research and development in radar for our own program, and it was not until the latter portion of the war that we contributed in a basic way to this field. Then our contributions, particularly in microwaves, were significant.

SCIENCE AND MAN'S OTHER ACTIVITIES

Science does not function in a vacuum, divorced from everyday life. It is a preeminently practical thing, dealing with crucial problems affecting industry, business, the Nation, and the world. It costs money and it demands the efforts not only of scientists but every segment of our population. Too often science is pictured as an "ivory tower" affair with no or little relation to reality. On the contrary, it is concerned immediately with the nature of the universe. It is the cause of our industrial economy, and it operates within the full context of social existence, and it deals with practical problems as much if not more than with theoretical ones. One of the discouraging attitudes widely prevalent in the contemporary world is the high regard placed upon what is called "practical" and the low esteem granted the "theoretical." In point of fact, the two differ only in time, relative to applications; and pure, fundamental knowledge precedes applied knowledge.

The operations and progress of science can therefore be understood fully only in terms of the framework of our general society and in relation to the other activities of men. This context is particularly significant when we consider that science has now placed in our hands tools that are equally potent for good or evil. I have been talking for the most part about the good, but actually the potential evil is more important, because of what value is this growing potential of good if science is used to destroy the civilization from which it has sprung?

It is fashionable to cry down the so-called pessimist who suggests this dangerous possibility, partly because no one loves a pessimist, partly because man is largely a hopeful creature with a belief that at worst he will muddle through, and largely because the dangers are difficult to group and appraise as a consequence of the staggering difference in kind and degree of present dangers in the form of scientific warfare. It is sufficient to say for my purposes that science has presented us with several weapons, each of which unleashed can mean almost, if not total, destruction.

The question, then, is how to prevent such a situation. The answer is not to be found in the physical sciences. It is to be found in other realms of man's activity—in economics, in sociology, and in political science. Man's conduct in the physical sciences is rational; in these other fields it is largely arbitrary.

RESEARCH IN THE HUMAN SCIENCES

It is often said that irrationality is a consequence of the fact that economics, sociology, and political science are not sciences, that they are merely individual judgments and personal opinions. Now, this is palpably untrue, even at present, for much is known about cause and effect in their fields, and such statements are made only because habit, custom, tradition, and heritage tend to make us cling to whatever we know rather than to reexamine the data coolly and critically. So far no readily demonstrable experiments exist in what I shall call the humane sciences as exist in the physical sciences.

Admittedly, these humane sciences are younger than the physical sciences. Moreover, the variables to be accounted for are vastly greater than those we deal with in the physical sciences. But these are not adequate reasons for belittling the humane sciences and denying them support. On the contrary, these are compelling reasons for supporting them, and the present state of civilization demands that they receive this support. As a matter of fact, since the physical sciences have outstripped man's capacity for using them wisely, sanely, religiously, it is of the utmost urgency that we attempt to forge ahead in the humane sciences lest all be lost.

And this is the time for intensified activity in these fields, not only because of the urgency of our need but because now that physical sciences have two tremendous tools to contribute to the humane sciences, tools that will permit scientific analysis of data having a large number of variables.

The first of these tools is statistics which provides the theoretical, mathematical basis for analysis, the mathematical techniques for handling data, and the criteria for evaluating results. Mathematical statistics is now a substantial and well-developed discipline, and it does, in fact, offer these tools. Automatic electronic computing machines, on which many laboratories and companies are at work, constitute the second tool shortly to be available to the humane sciences. These machines will permit the handling and analysis of data rapidly and comprehensively. Until the present, one of the major problems in fields where vast amounts of data are obtained has been the handling and classifying of the data. Literally thousands of man-days are needed in even relatively simple problems. This means that research is expensive, and the humane sciences have not usually been able to afford such luxuries. As an example of the labor involved in handling data of this type consider a relatively simple problem. At the present time, a typical census problem involving 100,000 pairs of five-digit numbers, representing statistical data, takes approximately 12 working days exclusive of card handling and data punching. An electronic digital machine will handle the same sequence in 10 minutes at the most.

The Steelman report does not consider research in the economic, social, and political sciences. The study of the physical sciences in itself was a major effort, requiring five volumes of summary findings. It is to be hoped, however, that a similar analysis of the humane sciences will be made in the near future and that a program for these sciences will be mapped out and implemented.

RESEARCH IN THE MENTAL SCIENCES

Just as there is a disparity in the evaluation of research between the physical and the humane sciences, so too there appears to be an analogous disparity in the attitude of most people toward research between the medical and the mental sciences. Like the physical sciences, the medical sciences produce what are called tangible results—for example, new drugs, new clinical techniques, and so on. Like the humane sciences, the mental sciences do not appear to produce materialistic results, and have suffered similarly in the support granted them for research. This, too, is a situation that needs remedy. Psychology, psychiatry, and psychoanalysis are disciplines pertinent in the solution of current problems. Aside from the statistical fact that 3 out of every 7 beds in the hospitals of the United States are occupied by the mentally ill—a vast drain in terms of lost manpower and cost—and that untold numbers of borderline cases permeate the entire social structure, we need to know more about the workings of the mind. For there is little doubt but that nonevident factors affect human behavior profoundly, factors like frustrations and fears.

These factors affect every activity of man, his personal social, political, and even scientific life. From the standpoint of science, we can say not only that science affects individuals and nations but that these individuals and nations affect science. Even from this restricted approach, then, what has happened or happens to men's minds and spirits is of interest if we have scientific objectives in view. We have seen how entire nations have apparently succumbed to a schizophrenia that has led to the espousing of mad, undemocratic, bestial beliefs. We have seen at least one nation despoil its scientists as a result of such an abberation.

Compartmentalization in the sciences and in other fields is inimical to a coordinated attack on the problems of man. This compartmentalization is actually breaking down in the sciences. The distinction between chemistry and physics, for example, has almost vanished. Competent research in the social sciences now depends on mastery of mathematics, and on the utilization of the electronic tools. The complexity of modern life depends on specialization for progress in particular fields but, for over-all progress and for a solution to the dilemma of unbalances, integration and coordination are essential. In short, education of a comprehensive nature, embracing many fields, is needed for the survival of our civilization.

The sciences, like those other truth-seeking activities of man, require a free environment, an environment above all free of fear, petty arbitrariness, and tyranny. The pursuit of the sciences is fundamentally nothing more—or less—than the pursuit of truths. In the last analysis, all of man's activities are subservient to what happens to his spirit—to his spiritual welfare. "For what shall it profit a man, if he shall gain the whole world, and lose his own soul?"

You Are In Error, Mr. Secretary

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a letter received from Mr. W C. Mullendore, president, Southern California Edison Co., Ltd., in which he points out an incorrect statement made by Assistant Secretary of the Interior William E. Warne (then Assistant Secretary-designate) in the course of hearings before the Committee on Public Works on H. R. 3036. Page 186, hearings on H. R. 3036, records Assistant Secretary Warne as saying:

The Bureau of Power and Light of the City of Los Angeles, which is a municipally operated utility, alone made it possible to build the transmission line to Hoover Dam.

Mr. Mullendore, in his letter, points out that this statement is not correct. I regret that the Assistant Secretary misinformed the committee on this point, as it tends to cast a shadow upon all his testimony.

It is incumbent upon officials in the executive departments, and witnesses generally, to make completely truthful statements in their testimony before the committees of Congress. This is not the first instance where there has been a detour from the facts in testimony presented to the Committee on Public Works.

Mr. Mullendore's letter is as follows:

SOUTHERN CALIFORNIA EDISON CO., LTD.,
Los Angeles, Calif.

HON. GEORGE A. DONDERO,
Chairman, Committee on Public Works,
House of Representatives,
Washington, D.C.

DEAR MR. DONDERO: I have read the hearings of June 4 to July 7, 1947, inclusive, and particularly note the testimony of William E. Warne, Assistant Secretary of the Interior, page 186, in which he stated:

"The Bureau of Power and Light of the City of Los Angeles, which is a municipally operated utility, alone made it possible to build the transmission line to Hoover Dam."

This testimony of Mr. Warne neglects the important contribution that the Southern California Edison Co. and other citizen-owned, tax-paying public utilities made in the preliminary negotiations and toward the final support of this project.

In order that your committee may be fully informed and the record be correct, I beg leave to submit the following factual data:

On May 19, 1930, Secretary of the Interior Ray Lyman Wilbur, appearing before the subcommittee of the House Committee on Appropriations—hearings, second deficiency appropriation bill of 1930—in presenting the request for the first appropriation for construction of the Boulder Canyon project, stated (pp. 919–920):

"All conditions required by the Boulder Canyon Project Act to be performed prior to appropriation for such construction have been fulfilled. There are four such conditions, as follows (p. 919):

"4. As required by section 4 (b) of the Boulder Canyon Project Act, I have made provisions for revenues by contract in accordance with the provisions of the act, adequate, in my judgment, to insure payment of all expenses of operation and maintenance of the dam and power plant incurred by the United States, and the repayment within 50 years from the date of the completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of section 2 of the project act for such works, together with interest thereon made reimbursable under that act."

"CONTRACT FOR POWER PRIVILEGES, ELECTRICAL ENERGY AND WATER

(See pp. 1128–1153, 1205–1219)

"These contracts are two in number: (1) A contract for lease of power privilege executed severally by the city of Los Angeles and the Southern California Edison Co. Ltd.), and (2) a contract for electrical energy executed by the Metropolitan Water District of Southern California. In addition, under authority of section 5 of the act, I have executed with the Metropolitan Water District of Southern California a contract for the delivery of water to be stored in the Boulder Canyon Reservoir.

"True copies of the two power contracts required by section 4 (b) of the act, and of the contract for delivery of water, are submitted to the committee herewith" (p. 920).

Further testifying, Secretary Wilbur said (pp. 965–6):

"We had here the problem of constructing a very large enterprise and of doing it in such a way that it would return in 50 years to the Government all money advanced, with 4 percent interest, except a certain amount of flood-control money, $25,000,000, which could be delayed and for which interest has not as yet been determined. In order to do that, we thought we would take the greatest factor of safety possible, to see whether we could build the dam and return all the cost in 50 years with 64 percent of the power sold, so that we could practically set the Metropolitan Water District contract to one side and still make good with the Government. By agreements with the Southern California Edison and associated companies, and the city of Los Angeles, which operates its own power bureau, we have contracts that make it possible, and obligate them, to buy 64 percent of the power, which will return to the Government within 50 years all of its expenditure.

"Certain margins that are possible for payments to the States of Arizona and Nevada and for the Colorado River fund would not be met under those conditions if there should be a failure on the part of the Metropolitan Water District to fulfill its agreement. But the investment of the United States Govern-

ment would be repaid. Our contracts with the city of Los Angeles and the Southern California Edison Co. provide a sufficient obligation to meet the whole thing."

And further (pp. 981–982):

"May I make this statement in that connection, which, I think, will make clear the situation that formed the background of these contracts: The problem here was one largely of the allocation of the power among the applicants who were seeking it. The essential factor in the whole plan was the pouring of water on the California plains. If they were without the possibility of getting that water, we would have had no possibility of putting this dam project through, for they are making power in southern California at the present time at a lower figure than we have in our contracts for the sale of power. The Southern California Edison Co. only came into this largely because of a sense of community responsibility. They wanted to have a share in getting this water on to the plains.

"In working the thing out, my general conception was that, while that was a most essential and important thing, if we were to return this money, we must pay for it with power, and, therefore, that we must get obligations, as we did with the city of Los Angeles and the Southern California Edison Co. to take that power."

Secretary Wilbur on June 16, 1930, addressing a communication to the Committee on Appropriations, United States Senate, recommending an initial appropriation for $10,660,000 for construction on the Boulder Canyon project, said in part:

"As required by section 4 (b) of the Boulder Canyon Project Act, I have made provision for revenues by contract in accordance with the provisions of the act, adequate, in my judgment, to insure payment of all expenses of operation and maintenance of the dam and power plant incurred by the United States, and the repayment within 50 years from the date of the completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of section 2 of the project act for such works, together with interest thereon made reimbursable under that act.

"These contracts are two in number: (1) A contract for lease of power privilege executed severally by the city of Los Angeles and the Southern California Edison Co. (Ltd.), and (2) a contract for electrical energy executed by the Metropolitan Water District of Southern California. In addition, under authority of section 5 of the act, I have executed with the Metropolitan Water District of Southern California a contract for the delivery of water to be stored in the Boulder Canyon Reservoir.

"True copies of the two-power contracts required by section 4 (b) of the act, and of the contract for delivery of water, are submitted to the committee herewith.

"With particular reference to the power contracts, I wish to advise you that—

"(a) The power contracts between the United States and the Metropolitan Water District of Southern California, the city of Los Angeles, and the Southern California Edison Co. (Ltd.), are adequate in my judgment to insure payment of all expenses of operation and maintenance of the dam and power plant incurred by the United States and the repayment within 50 years from the date of the completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of section 2 of the project act for such works, together with interest thereon reimbursable under that act. This finding applies to the contracts both as originally drawn and amended as suggested before the House Committee on Appropriations."

I respectfully submit this information in the interest of keeping the record straight, and may I request that at a convenient opportunity this letter be included in the proceedings on H. R. 3036.

Very respectfully yours,

W. C. MULLENDORE,
President.

Fuel Oil Shortage In New England

EXTENSION OF REMARKS
OF
HON. JOHN W. HESELTON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. HESELTON. Mr. Speaker, in accordance with permission unanimously granted to me today to extend my remarks in the Appendix of the RECORD, I wish to report to the House, and particularly to the members of the New England delegation, the fourth recommendation made yesterday by the oil-industry committee in connection with our fuel-oil shortage in New England. It is as follows:

The military and other Government agencies should be requested to reduce their fuel-oil requirements during the next 3 months to the minimum levels necessary to maintain operations and to attain such desired stock levels as they may be aiming at, later on in the year. Notification by Government agencies of whatever they can do along this line should be given to contract suppliers of the Government so that they will know how much stock they formerly had allocated to Government agencies would be available for civilian consumption. In addition, the Government should release from present stocks, wherever possible, any excess quantities of oil they may have over current needs.

In the Appendix of the RECORD, pages A4764–A4765, will be found a copy of a telegram sent on Saturday, December 13, to the President with recommendations by the subcommittee from New England and the gentleman from Minnesota [Mr. O'HARA].

In view of the similarity of the recommendations and of the vital urgency for prompt and vigorous action, the New England subcommittee decided to send a further telegram to the President this morning. That telegram is as follows:

We are advised New England weather continuing cold and averaging 6 degrees colder than last year. Although governors and State agencies doing everything possible to meet the crisis, suppliers throughout New England are daily reporting their supplies of heating oil rapidly approaching exhaustion. In view of fourth recommendation of industry committee filed yesterday, we respectfully request your advice as to whether our suggestion in our telegram to you of December 13 met with your approval. We sincerely believe the emergency conditions confronting the industries and the people of New England require the interest of and most vigorous possible action by their Federal Government.

ANGIER L. GOODWIN,
ROBERT HALE,
JOHN W. HESELTON,
THOMAS J. LANE,
WILLIAM J. MILLER,
EDITH NOURSE ROGERS,
ANTONI N. SADLAK,
Members of Congress.

Interim Aid

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of December 19, 1947:

NOT EVEN GOOD POLITICS

The House of Representatives was not supposed to kill interim aid for France, Italy, and Austria, and it did not. But a majority of the House Members seem to have felt that if interim aid went through unscathed some of their dignity would be lost. They whittled $67,000,000 off the administration's estimates, which the Senate Republicans had accepted as substantially accurate. Then they added $60,000,000 for China, which up to that time had not been included in the present program. Then, when the appropriation stage was reached this week, they threw out their own proposal for aid to China, with the withering comment that it had not yet been justified. Next they deepened the cut by eliminating $58,000,000 which would have replaced funds used by France and Italy to balance debt payments. With China omitted, the appropriation bill emerged as $509,000,000. Then the House reduced the amount asked for occupation costs of our troops in Europe and the Orient by 53 percent. It did this just as the United States was arranging to take over British responsibilities in western Germany at an estimated extra expenditure of $400,000,000.

The House majority may have anticipated that the worst features of their amendments would be eliminated in conference. They certainly must have known that there would be no real saving in occupation costs—the bills would roll in and be met later. The most one can say is that they were performing a sort of sacred dance before the altar of what they took to be political expediency. They may not be correct in their assumption, for their gyrations were irresponsible, eccentric, and foolish.

Interim aid will now proceed. But the treatment it has had by the House Republicans stirs misgivings as to what will happen to the far more fundamental program of European recovery, which will be placed before Congress and the American public today by President Truman. Congress is going home for the holidays. The best hope is that its constituents, most of whom read newspapers and listen to the radio, will ding into its multiple head some of the economic facts of life. It may be that the show the House majority has been putting on is not the sort that will win votes next fall.

Veterans Economic Development Corporation Act

EXTENSION OF REMARKS
OF
HON. EDWIN C. JOHNSON
OF COLORADO
IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to

insert in the Appendix of the RECORD a letter addressed to me by Ray H. Brannaman, commander in chief of the Veterans of Foreign Wars, in the interest of early passage of Senate bill 1652. It is my firm conviction that the commander's views on this measure as stated in the letter are extremely important, and should be studied diligently by every Member of Congress, and by every one interested in the tremendous job of rehabilitating American veterans.

Ray H. Brannaman comes from my State, and is a man of sound judgment, courage, and vision, and he is devoted to the welfare of every veteran of this great country. I join him in his endorsement of Senate bill 1652.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D. C., December 19, 1947.

Senator EDWIN C. JOHNSON,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR JOHNSON: The recent national encampment of the Veterans of Foreign Wars of the United States accorded me the high honor and privilege of serving the organization for the ensuing year as commander in chief. It becomes my duty and responsibility to vigorously press for the accomplishment of the objectives of our organization in the interest of national security and the welfare of veterans and their dependents.

Of paramount importance in the current program of the Veterans of Foreign Wars is the enactment of S. 1652, the Veterans Economic Development Corporation Act, introduced by you and 18 other Senators as a bipartisan measure. It is my personal belief that this measure is one of the most constructive pieces of veteran legislation ever introduced in the Congress of the United States.

The Veterans Economic Development Corporation Act is intended not only to provide employment opportunities for our veterans but to expand our entire national economy and develop hitherto untapped natural resources and industrial activities which will benefit the entire Nation. In addition certain aspects of the bill will have a wholesome effect upon our foreign relations and our efforts to establish lasting peace because it will assist qualified veterans to engage in useful and profitable enterprises, services, professions, or trades in other countries, "thereby cultivating those countries to become increasingly our customers and friends."

The inventory we are taking in our 48 States and Territories reveals that there are many useful and worth-while projects which could be developed under this proposed legislation. In addition, the bill would provide gainful careers for our veterans and benefit our national economy. It is significant and important to note that, under the provisions of this legislation, no appropriations would be required and the Corporation would be operated without cost to the taxpayers of the United States.

I am hopeful that S. 1652, and its companion bill H R. 157, can be brought up for early and favorable consideration when the Congress reconvenes at the beginning of the second session in January 1948. The need for early action is urgent as there are no comparable private or Government agencies in existence to do the job proposed under this legislation. It is the one measure that I can think of which would provide any reasonable insurance against another depression and secure prosperity for the people of the United States.

Sincerely yours,
RAY H. BRANNAMAN,
Commander in Chief.

Food for a Hungry World

EXTENSION OF REMARKS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. CURTIS. Mr. Speaker, the most needed item in the world today is food. Food is one of the greatest factors in bringing about peace and an orderly world. The production achievements of American agriculture have never been equalled in the history of the world. Americans have had access to an abundance of food and millions of starving people outside of America have sustained life because of the accomplishments in production by the farmers of this country. We should be grateful to a Beneficent Providence for several years of extraordinary good crops, and we should be grateful for the patriotism, hard work, endurance, stick-to-itiveness, and intelligence of America's farm families.

At the present time the world needs food as it has never needed food before. This will be true for some time in the future. In order that this country might make the maximum contribution in food production, the Government of the United States should:

First. Curtail the export to foreign countries of steel, farm machinery, and fertilizer so that an adequate supply is available for the farmers of America.

Second. Promote a sound soil-conservation program.

Third. Provide the farms of America with the benefits of rural electrification.

Fourth. Speed the development of irrigation at the greatest rate possible. Thousands of acres of land are going out of production yearly and with our rapidly increasing population it is imperative that we increase our irrigated acres.

Fifth. Have in readiness a support-price program so that the farmers of America will know that a reasonable support price would prevent a sudden and disastrous slump in farm prices.

Hebrew Nation Versus Jewish State

EXTENSION OF REMARKS
OF
HON. DENNIS CHAVEZ
OF NEW MEXICO
IN THE SENATE OF THE UNITED STATES
Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. CHAVEZ. Mr. President, there seems to be quite a difference of opinion among Jewish organizations in the United States that are interested in Palestine.

A most lucid presentation of the distinction between Hebrew as a nationality and Jewish as a religion was published by the New York Post on December 17, 1947. Written by Peter H. Bergson, chairman of the Hebrew Committee of National Liberation, it shows us how we can avoid the dangers which an international Jewish set-up implies, and the way to secure the most beneficial results from the great opportunity which Palestine presents today.

I ask unanimous consent to have this article inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAVORS A HEBREW NATION RATHER THAN A JEWISH STATE

(By Peter Bergson, Hebrew Committee of National Liberation)

Much as we are concerned with the violence in Palestine, it must not be permitted to distort the issue nor obscure the full significance of the United Nations decision.

Irrespective of what our reactions to the partition plan may be, the decision of the United Nations is a compelling fact. It poses questions which can no longer be ignored.

What does a Jewish state mean? Will it be a religious, a theocratic state, as its very name implies?

Will the Jewish Government represent the Jews of the world?

Will all Jews eventually move to the Jewish State or will they belong to a special international nation? If not the Jewish nation, then to what nation does the new state belong?

We of the Hebrew Committee of National Liberation have been concerned primarily with defining the human boundaries of the new state.

EXERCISED SELF-DETERMINATION

This entire issue was raised to the level of an urgent international problem when the people involved—the Hebrews—began exercising their right of self-determination. The underground fighting in Palestine was a revolutionary expression of that right. By their heroic conduct the *Exodus* passengers also sought to affirm their right to Palestine.

The Hebrew committee opposes the design of a world Jewish nation which strives, through the Jewish agency, to establish a Jewish state in Palestine. We say that whatever the term "Jewish people" means, whatever may be its religious, cultural, or historic significance, it should not be defined as a political entity which has a state.

Since more than 10,000,000 Jews live outside of Palestine, not in DP camps or in danger but enjoying full citizenship in many lands, to insist upon a world Jewish nation is bound to ensnare millions of good Americans, Frenchmen, Englishmen, etc., who are Jews, in an unnecessarily difficult and confused situation.

MUST MAKE DISTINCTION

The Hebrew Committee proposes, therefore, that in carrying out the United Nations decisions on Palestine, a distinction should be made between the 3,000,000 Jews of Palestine, Europe, and the Middle East, who need Palestine to live in and want to belong to it, and the 10,000,000 Jews all over the world who do not intend to move there and who in a sense need Palestine in order to make sure they do not belong to it.

The reestablishment of Palestine after centuries of abnormal existence of the Jews all over the world cannot be accomplished without these guiding principles:

There must be applied the principle of separation between state and church. The term "Jewish" today denotes three things: a religious affiliation, an origin, and now also a nationality. We propose that these be separated and that the newly created nation be known not as Jewish but as Hebrew.

The term "Hebrew" will thus denote a nationality just as does the term American, Irish, or Dutch. The term "Jewish" will denote only a religious affiliation. Thus we propose the creation not of a Jewish state but of the Hebrew Republic of Palestine, in which Jewish, Christian, and Moslem citizens will have fullest equality and opportunity under the law of the land.

AMERICANS OF HEBREW DESCENT

Under this structure, a new emphasis will come to the Hebrew ancestry of American Jews who should be known as Americans of Hebrew descent and Jewish faith, just as there are Americans of Irish ancestry and Catholic faith or Americans of Dutch ancestry and of the Protestant faith. The relationship of the French-Americans to France or of Greek-Americans to Greece should be the pattern for the relationship.

The present abnormal situation in which Rabbi Silver and Dr. Neumann both appear as Jewish statesmen representing "the Jewish nation" vis-à-vis the American and other governments can now come to an end. The Hebrew nation must now be represented by its own citizens and not by Americans.

Hebrews and Jews are not synonymous. They describe two different elements. That is why two words are necessary to define them. We did not invent anything; we merely propose giving the reborn nation a name of its own and not one to which 10,000,000 people who are outside this nation also answer.

A PROBLEM OF STRUCTURE

It must be emphasized that this is not only a problem of semantics; it is a problem of basic structure. We want to forge, in these coming months, a normal, modern and liberal Hebrew republic, and not merely a religious, cultural, and political center for world Jewry called the Jewish State or Judea.

World anti-Semitism feeds mainly on the fact that the Jews are an unique entity. It was this fact that created Zionism. We are neither Zionists nor anti-Zionists; we are post-Zionists. We recognize the great merits of that movement in the past, and in a free Palestine monuments and highways will be named in its honor. But the Jewish agency has now become an archaic body which would perpetuate the Jews as an unique entity.

We propose immediate steps which would establish the unity of the Hebrew nation with Palestine and eliminate the present contention that Palestine is the national home of the Jews of the world:

1. The immediate establishment of a provisional government of the Hebrew Republic of Palestine. This government should request the United Nations Commission to recognize it under the United Nations plan.

2. All those regarding themselves as Hebrew nationals should have the right to apply immediately for Palestinian citizenship. The provisional government should make no restrictions or quota and should immediately dispatch special consular officials to issue Palestinian passports as an emergency naturalization procedure to all Hebrew DP's in former Axis countries.

3. The immediate appointment and dispatching of diplomatic emissaries of the Hebrew republic to the various capitals of the world who will assume de facto representation even prior to June 1, 1948, when the Hebrew republic will be formally recognized.

The State Department and Our Synthetic Rubber Program

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks, I wish to include a statement made by me before Subcommittee No. 3 of the Armed Services Committee of the House of Representatives on December 11, 1947. That statement is as follows:

Mr. Chairman and members of the committee, it is a distinct pleasure to appear before your committee to discuss a matter which is of deep concern to me and to explain some points that I fear may have been overlooked in past testimony.

I congratulated the members of this committee on the interest they have shown and the work they have done in order to prevent this country from a repetition of the near catastrophe of 6 years ago. The synthetic-rubber industry is a vital one. It has great potentialities and if properly handled may be one of the great industries of the country. My interest was demonstrated almost a year ago when I introduced a concurrent resolution to give it protection and to provide employment and benefit for the farmers and laborers of the country. Had that resolution been passed or had some similar bill or resolution been adopted, we would not find ourselves in the embarrassing position which is the reason for my appearance here today.

May I explain?

Our State Department has recently concluded a trade agreement involving a number of other countries. Among those countries was the United Kingdom. British controlled areas for many years supplied almost all the rubber consumed in the United States, England, along with the Netherlands, controlled the production of natural rubber and regulated world prices by limiting the amount that could be exported from the producing areas. When this combination was formed, the price of natural rubber rose in rapid steps from less than 3 cents to over 22 cents a pound. In prior years, before the Netherlands Indies became an important source and the British alone controlled the market, the price ranged from 20 cents to well over a dollar a pound.

During the negotiations preceding the pending trade agreement which, by the way, is expected to be signed within the next few days and made effective January 1, 1948, the United States made great and valuable concessions to the United Kingdom. These concessions consisted of reductions in duties and of binding or freezing of items on the free list. In return, the United States received some concessions from the United Kingdom. Those concessions may be best explained in the language of the State Department in its Analysis of General Agreement on Tariffs and Trade. On page 112 of that document, you will find the following statement:

"Of the items on which the United Kingdom made concessions approximately 274 tariff items, involving a larger number of individual products were of principal interest to the United States. On 111 of these concession items, duties and with few exceptions margins of preference, were reduced. On 10 items the margins of preference were completely eliminated."

Note here that on well over 100 items the margins of preference were reduced or eliminated. This was advertised as a great victory by our State Department. Now, how does this involve a program for the continuation of our very vital synthetic-rubber industry?

You have heard testimony from industry and from Government departments which points to the absolute necessity of maintaining a synthetic-rubber industry. You have heard that it is essential that the United States continue to use that synthetic rubber so that "know-how" may be maintained. The Interdepartmental Committee under Mr. Batt's direction sometime ago recommended a continuation of the use of one-third synthetic rubber to two-thirds natural rubber. You have heard testimony that a minimum consumption is vital to the welfare of this country.

When the United Nations published the trade agreement which is soon to go into effect, they did not include the following important information in the section listing the concessions made by the United States. You will find it buried in small print on pages 83–84 of schedule XIX, volume 4 of the General Agreement on Tariffs and Trade. I know of no other place that this information has been made available, but I quote to you from that document:

"2. The reductions of preference provided for in paragraph 1, above (those which I just mentioned as granted by the United Kingdom) shall come into effect at the earliest practicable date and in any event not later than December 31, 1949, but may be made inoperative during the whole of any calendar year which immediately succeeds a calendar year in which the quantity of general purpose synthetic rubber required to be consumed in the United States of America under internal quantitative regulations applied pursuant to paragraph 4 of article III of this agreement exceeds 25 percent of the total consumption in the United States of America of natural, synthetic, and reclaimed rubber."

Gentlemen, this means exactly what it says; namely, during any year, regardless of the emergency, regardless of how good our synthetic rubber is, regardless of how cheap it may be, we are not allowed to produce more than 25 percent of our total rubber consumption without giving the United Kingdom the prerogative of abolishing all the imperial preference concessions which our negotiators worked so hard to obtain.

Now, of course, we still have the privilege of producing some new type of general-purpose synthetic rubber and we are spending millions of dollars every year in research directed toward that end. Furthermore there is no law now in effect which says we cannot use more than certain proportions of our domestically produced rubber, but when we do so our exporters are to be penalized by the reapplication of restrictive measures on the part of one of our principal markets. It is probable, gentlemen, that your committee is cognizant of these embarrassing conditions and ramifications forced upon it by the agreements secretly negotiated by our State Department and that they have been taken into consideration in a study of permanent legislation. May I go to point No. 2?

One of the concessions made by the United States in the Geneva Agreement was the binding of natural rubber on the free list. Our Government is thereby estopped from putting a duty on imports of natural rubber. The protection of our synthetic rubber industry cannot be accomplished by means of a tariff unless we completely outlaw the agreement we have made with a number of other countries. I feel very strongly about this and it was over my strenuous objections

that the hands of Congress were thus tied by our negotiators from the State Department. Although this agreement has not yet been proclaimed by the President, it appears that some other means of protecting our synthetic rubber industry will have to be devised.

I have covered points 1 and 2 in my discussion because they are affected now by negotiations already consummated and I doubt whether this committee or Congress itself will be able to prevent the President from making the trade agreements effective on January 1, 1948. The other points, which I will discuss briefly, concern the proposed International Trade Organization which our State Department is now promulgating and which is in the process of being voted upon by some 60 nations in Habana, Cuba.

It is presumed, in fact assumed, by the State Department and the President that these negotiations will be successful and that the United States will be committed to a program of still lower tariff duties and still further restrictions on domestic free enterprise. The charter of the ITO, if agreed to at Habana, will be tentatively accepted by our delegates which include members of the House and the Senate. Representatives of the State Department testified before the Senate Finance Committee and the House Ways and Means Committee that this charter would be brought to Congress for adoption, ratification, or rejection. By that time the United States will have been committed by its negotiating officials and rejection by the Congress may prove to be very embarrassing.

While I do not agree that the adoption of the ITO is certain, I do wish to present to you some evidence that the State Department has already committed this country to a regimented program and that if the ITO is adopted any formula which this committee prescribes for the preservation of our synthetic rubber industry must conform to that so outlined or it will be outlawed by the ITO.

The ITO Charter is one of the most intricate and involved pieces of literature ever compiled by any individual or group of individuals. I have not read it through. I dare say none of you has read it through. I do not pretend to understand it in all its details. My point is that it affects any program that you may decide to adopt for our synthetic-rubber industry.

Article XX of the ITO Charter requires the general elimination of all quotas. Certain exceptions permit export quotas on products that are in short supply and there are certain exceptions for promoting the standards of quality in connection with price control. The use of a quota on imports of natural rubber may not have been given much serious consideration, but it is one of the possibilities, and I mention it here for the purpose of showing that the committee would be embarrassed if any part of its recommendations were to specify quotas on imports of crude rubber or of rubber products. May I designate this, then, as point No. 3, that even as a last resort quotas will not be permitted if the ITO is adopted.

Article XXV of the ITO Charter reads as follows:

"If any member grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, the member shall notify the Organization in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from the territory of the member and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interest of any other member is caused or threatened by any such subsidization, the member granting the subsidy shall, upon request, discuss with the other member or members concerned, or with the Organization, the possibility of limiting the subsidization."

This article does not specifically prohibit the use of a subsidy to keep our synthetic-rubber industry alive. A subsidy, however, would tend to "reduce imports" of natural rubber into the United States. According to this article, if this country does adopt a subsidy, it must "discuss" with the members affected the possibility of "limiting the subsidization." The United States, then, if it would adopt a subsidy, would need to get an O. K. from the United Kingdom and the rest of the nations of the world, or, in Mr. Clayton's words, "stand convicted of insincerity."

Articles 18 and 19 of the Charter restrict the use of internal taxation and regulation as a means of providing the equivalent of tariff protection. My bill H. R. 2704 is of this type. Protective devices which apply to imports but not to like domestic articles are absolutely prohibited. The testimony before this committee indicates the trend of thinking; both in industry and in Government agencies it is toward the use of internal regulative devices which would guarantee the continuation of the use of certain proportions of synthetic rubber in finished articles. If the ITO is adopted, will a regulation similar to R-1 be allowed? It is an important question. May I quote from the official and excellent analysis of the ITO Charter prepared by the United States Tariff Commission.

"The Charter would permit a regulation, such as the present R-1, requiring the use of specified percentages of synthetic rubber in making rubber articles in this country, but the regulation could not be more restrictive of the use of natural rubber than that which was in effect on April 10, 1947, and must be subject to negotiation for its relaxation. However, the provision of R-1 requiring imported rubber articles to contain percentages of synthetic rubber equal to those specified for domestic manufacturers could not be continued under the Charter. Although this provision was in force on April 10, 1947, it is not a measure of internal quantitative control permitted under article 18. Rather, it is a quantitative import restriction of a kind forbidden by article 20, and the Charter contains no exception to permit its continuance. It is a measure for the protection of domestic manufacturers, intended to offset the disadvantage of the requirement that they use a certain proportion of synthetic rubber. Being inconsistent with article 20, it could not be continued as an enforcement measure under article 43, paragraph I (d), discussed hereafter."

I understand that the negotiations in Geneva concerned the trade agreement as well as a revision of the ITO charter. During these negotiations the State Department and the War Department carried on a running exchange of cables and letters on the subject of rubber. We must admit that there was some attempt on the part of our negotiators to leave at least one loophole through which we might, in an emergency, salvage our synthetic-rubber program. Whether the attempt was successful and the United States will be able to continue the present regulation controlling the amount of natural rubber which may be used in a product is a matter of interpretation of the charter. It would take some time for me to read and to attempt to interpret article 18 which covers that subject. I might suggest that the committee read the article and obtain an official ruling as to its meaning. It was under that article that the State Department hoped to provide the one means by which our synthetic-rubber industry could be continued. Even if they were successful, it appears that the one method by which we may continue our synthetic-rubber industry is definitely outlined and prescribed by the Department of State and Congress has no alternative.

It is my understanding that it would be unconstitutional to directly force the manufacturers of rubber goods to use any proportion of synthetic rubber. The same result, however, has been accomplished in a constitutional manner by limiting the use of natural rubber. Under the ITO, the United States would not be permitted to require that imports of rubber articles contain a maximum percentage of natural rubber. In other words, R-1, which applies to domestic production, could not legally be applied to imports. Thus, domestic producers would be at a decided disadvantage if the American public preferred imported goods composed entirely of natural rubber. The attempt of the State Department to overcome this section was rather a feeble one. Referring back to the general trade agreement and not to the ITO, the State Department inserted a clause which would reserve to the United States the right to withdraw from the agreement the concessions which it made to the United Kingdom on most rubber articles. This, they maintained, would give the United States the right to revise tariffs on articles composed of natural or synthetic rubber. Such an impractical scheme may be better than nothing, but I do not wish to take the time of the committee to explain all the details that would be necessary in order to make use of this exception. It is only my purpose to call to the committee's attention one of the dubious loopholes through which the committee must plan this vital program. In conclusion, gentlemen, may I summarize:

1. If your program should at any time call for the use of general purpose synthetic rubber in excess of 25 percent of our total rubber consumption, this country stands to forfeit the concessions on imperial preference granted in the recent trade agreement.

2. A tariff on natural rubber has been made impractical, if not impossible, the same being true of any tax which would have the effect of a tariff.

3. Quotas are specifically prohibited in the ITO Charter and no exception exists by which the United States could promote a domestic industry by putting a quota on imports of natural rubber.

4. A subsidy of the synthetic rubber industry would be contrary to the ITO Charter and would have to be discussed with the other countries which were members of the Organization.

5. It is not possible to directly require domestic producers to use synthetic rubber.

6. The only possible method left is a continuation of the present limitation on the use of natural rubber.

7. That limitation could not be applied to imports even though the country is left free to devise tariffs which would effect those imports.

Gentlemen, it appears to me that almost any program you may devise for the continuation of our synthetic rubber program will be hampered, if not endangered by the pending trade agreement or the adoption of the ITO Charter. I wish it were not so. I do not pretend to know the answer. I merely wish to be sure that this committee is clearly aware of the intricacies of any program which will not be contrary to our foreign commitments.

When the People of the United States, Through Their Government, Give Billions of Dollars to Other Countries, We Have the Right To Fix the Terms on Which the Gift Is Made and How It Is Used by Those to Whom We Give It—Our People Do Not Wish To Use Their Money To Advance Communism in Europe or Anywhere

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EXTENSION OF REMARKS

OF

HON. JOHN JENNINGS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. JENNINGS. Mr. Speaker, the House on Thursday, December 11, after having rewritten, through amendments, House bill 4604, took from the Speaker's desk Senate bill 1774 and substituted the House bill for the Senate bill and passed the Senate bill as amended. The bill, as thus finally passed by the House, authorized the appropriation of $597,000,000 for the relief of the Austrian, French, and Italian Governments. Neither the bill as first passed by the Senate nor the bill as reported to the House by the House Committee on Foreign Affairs contained any provision requiring the President promptly to terminate and end all aid under this act to countries dominated by the Communist Party or by Russia.

The House on Wednesday, December 10, amended section 7 of the House bill by adding subsection C thereto, so that section 6 of the bill as passed by the House provided:

SEC. 6. The President shall promptly terminate the provision of aid under this act for any country whenever he determines that such country is not adhering to the terms of its agreement entered into in accordance with section 5 of this act; or (b) whenever he finds, by reason of changed conditions, that the provision of aid under this act is no longer necessary or desirable; or (c) whenever he finds that the government of such country is dominated by the Communist Party or by the Union of Soviet Socialist Republics.

This amendment requiring the President to end all aid to any country when he finds that the government of such country is dominated by the Communist Party or by the Union of Soviet Socialist Republics, that is, by Russia, was adopted by the House by a vote of 73 in favor of the amendment to 37 votes against it. After the bill was thus amended so as to require the President to stop the sending of aid to any of these countries when its government became dominated by the Communist Party or by Russia, I stated that I would vote in favor of the bill.

There being a difference between the bill as passed by the Senate and as finally passed by the House, the House requested a conference with the Senate, and the Speaker appointed as managers on the part of the House Representatives EATON, of New Jersey; VORYS, of Ohio; MUNDT, BLOOM, and KEE. The managers on the part of the Senate were Senators VANDENBERG, CAPPER, WHITE, CONNALLY, and GEORGE. These gentlemen agreed upon a conference report which in two vital respects changed the bill as passed by the House. First, by cutting out the House amendment requiring the President to terminate and stop all aid to any country when he finds that such country is dominated by the Communist Party or by Russia. Second, by requiring the President to see to it that not less than 150,000,000 bushels of wheat are kept in this country for the use of our own people to protect them against a shortage of wheat for bread and domestic uses and to prevent the further rise in the price of wheat, flour, and bread, unless the wheat crop in 1948 is estimated by the Department of Agriculture as of May 1, 1948, to be 700,000,000 bushels or more. This provision of the House bill with respect to carrying over 150,000,000 bushels of wheat for the protection of the people of this country was watered down and made less effective by the conferees of the Senate and the House in the bill which was finally passed.

On Monday, December 15, the bill as agreed upon by the representatives of the House and Senate was considered by the House, and when the membership of the House for the first time learned that the representatives of the Senate had prevailed over the representatives of the House with respect to the amendment providing for the carry-over of 150,000,000 bushels of wheat into 1948 to protect the people of this country against a shortage of wheat and further increases in the cost of flour and bread, the spokesman for the House conferees, Mr. VORYS, stated:

We did the best we could to carry out exactly the principle contained in the gentleman's amendment.

Mr. AUGUST H. ANDRESEN, the able representative from Minnesota, stated:

I am glad the conferees made that effort, because I should like to have the Congress and the country understand that in the event of a short crop of wheat next year the responsibility is on the President of the United States if he lets that carry-over fall below 150,000,000 bushels.

Then with respect to the action of the conferees in cutting out the provision of the bill as passed by the House requiring the President to stop furnishing aid to any country when he learns that its government is dominated by the Communist Party or Russia, the following occurred:

The gentleman from Ohio [Mr. VORYS] who was in charge of the Conference Report yielded to the distinguished and able Representative from Georgia, Judge E. E. COX, who then stated:

Mr. COX. Let me say to the gentleman that I was completely astounded when I learned that his committee had so easily yielded on the anti-Communist amendments to the bill. You make it possible that the aid you are extending be used as relief has heretofore been administered, that is doing something for the people whose war upon us makes necessary our doing something to resist.

In other words, with these amendments eliminated from the bill, it will change the entire character of the measure, because if this is not an anti-Communist move on the part of this body, then it is pretty much of a swindle and you give excuse and afford solid ground for votes against the bill.

Mr. VORYS. The conference report eliminates reference to the Communist Party and to the Soviet Union. The action on that was not unanimous. But let me point out that the Conference Committee labored hard to formulate appropriate words to refer to the Communist Party, which happens to be a lawful party in the United States, and happens to be the party which has the largest representation in the French Chamber of Deputies. We could not find such a formula. The conferees also felt that perhaps the only time when it is appropriate to refer in a hostile manner to a foreign nation by name is in a war resolution.

The following then occurred between myself and the distinguished gentleman from Ohio [Mr. VORYS].

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JENNINGS. Does this mean that when I vote for this aid bill, I am voting to hand over $590,000,000 of the money of the people of this country to a nation that is dominated by the Communist government or which has a Communist government or is dominated by Russia? That is what I want to [illegible].

Mr. VORYS. I think the history of the past year and the way we proceeded with reference to Poland and Hungary is an answer to the question of the gentleman.

Mr. JENNINGS. You have not answered my question.

Mr. VORYS. Of course, we are not going to write into law for the benefit of the Communists and their agents just when, or how, or why, or in what way then can stop us from carrying out our own foreign policy.

Mr. JENNINGS. But I cannot square that with my conscience, and I cannot square it with what has heretofore been said on the floor of this House with respect to stopping this aid whenever a country turns Communist or falls under the dominion of a Communist government. I do not see how anybody could do it.

Although I supported the bill as written by the House, when the representatives of the House and the representatives of the Senate struck out the provision requiring the President to promptly cease sending aid to any country whenever he finds that the government of such country is dominated by the Communist Party or by Russia, I could not in good conscience vote for the measure.

I supported the United Nations relief bill for the aid of European and Asiatic countries and the appropriation of almost $4,000,000,000 to carry out said relief. This is what became of billions of said funds: $248,366,000 furnished under UNRRA went to Russia, almost a quarter of a billion dollars. In addition to this vast sum turned over to Russia under UNRRA, Albania obtained $25,882,000; Czechoslovakia $261,553,000; Finland, the only European country that made an honest effort to pay us back what we loaned her during the First World War, only $2,422,000; Hungary $4,411,000; Poland $473,303,000; Yugoslavia $409,622,000. It is thus seen that

these Russian satellite countries obtained under UNRRA, most of which was advanced by this country, $2,618,028,000, and that Russia and these countries controlled by her obtained a grand total of $2,866,394,000.

It must be remembered that the funds authorized to be advanced to the Governments of Austria, France, and Italy will be turned over to them by the State Department. The relief goods consisting of food, clothing, farm machinery, gasoline, and fuel oil will not be given directly to the people of these countries. It will be turned over to the Governments of Austria, France, and Italy, which will in turn sell these relief goods to such of their people as are able to pay for them. When this relief measure was considered by the House, an effort was made to have these goods distributed to the peoples of these countries by the American Red Cross or by some religious organization. This effort was defeated. I am of the opinion that the only practical way to distribute this relief is through the governments of these countries. In this way, it is hoped, relief will be extended to the people and support will be given to the governments in their fights against Russian-inspired Communists.

Let it be remembered that this vast sum of $597,000,000 is not a loan. It is a gift. Not one cent of it will ever be repaid to the people of this country.

By an act of Congress it passes forever from the taxpayers of this country to the Governments of Austria, France, and Italy. They will use it within the next 90 days. But the American people will not be able to earn and pay this sum in the next 90 days. It will be added to the backbreaking debt of $250,000,000,000 that our Government owes its citizens, and which our taxpayers must pay if it is ever paid.

I felt then and I feel now that when we give millions to other countries we should have the right to fix the terms on which the gift is made. Certain it is our people do not want to finance communism in Europe or anywhere.

The House, therefore, spelled out its will that these funds should no longer be sent to either Austria, France, or Italy, if any one, any two, or all of them passed under the control of the Communist Party, or under Russian control. When the will of the House was defeated by the bill as finally written by the House and Senate conferees, I voted against it. I know it is not the desire of my people to support communism anywhere in the world.

American Ships Should Repatriate Hebrews to Palestine

EXTENSION OF REMARKS
OF
HON. ANDREW L. SOMERS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. SOMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a statement expressing the determination that the United States should repatriate Hebrew displaced persons in the American zone of occupation by providing for their transportation to Palestine, in support of House Resolutions 408 and 409.

In Public Resolution 73, Sixty-seventh Congress, second session, and Senate Concurrent Resolution 44, Seventy-ninth Congress, the Congress of the United States favored assistance for the rebuilding of Palestine under the terms of the League of Nations mandate. After many years of travail and slaughter the rights of the Hebrew people to sovereignty to Palestine has been recognized by the United Nations and at the same time the British Government has been called upon by the United Nations to evacuate a seaport in an appropriate area of Palestine not later than February 1, 1948, in order to facilitate the free entry of Hebrews into their country.

We know that there are some 250,000 Hebrews in the Allied zones of occupation in Germany, Austria, and Italy living under deplorable conditions. Considerations of humanity and justice dictate that these survivors of Nazi brutality, who lost 6,000,000 of their kin, should be assisted to resume a new and dignified life. The United Nations decision on Palestine now makes it possible to repatriate these survivors to that country. This can be done quickly and without much difficulty. The organizational genuis and efficiency of the United States Army succeeded in repatriating immediately after VE-day 7,000,000 European displaced persons to their countries of origin. It is reasonable to assume, therefore, that the United States Army could act likewise for the 250,000 Hebrews still in Europe. This normal procedure has long been advocated by the Hebrew Committee of National Liberation.

On October 4, the President of the United States publicly announced that preparations for this movement have already been made by the United States Government and that the Government is ready to lend its immediate assistance for the purpose of transporting displaced persons to Palestine. Such an evacuation of the Hebrew displaced persons from Europe would not only enable these people to build their lives anew in peace and in dignity but would have a beneficial effect on the stabilization of Europe which our Government now seeks to achieve. This, too, would constitute a tremendous financial saving to the occupation authorities. The expense of the continuing maintenance of these displaced persons in the European camps is far greater than the single cost of their repatriation to Palestine.

At present the 210,000 Hebrew DP's in the American occupation zone cost the United States $32,000,000 to maintain, not counting millions of dollars in private assistance. The cost per person to the United States was $153. Under my proposal the total cost of transporting all Hebrews in the American zone to Palestine would be less than $15,000,000. The experience of the International Refugee Organization indicates that it would take $70 to move a person from Europe to Palestine.

Mr. Speaker, I have given this problem a great deal of thought and have studied all of its ramifications and possible solutions. I have come to certain conclusions which I have today submitted to the House in the form of a resolution. I understand that my honorable colleague, Mr. HUGH D. SCOTT, JR., of Pennsylvania has introduced a similar resolution. We feel that the sense of these resolutions expresses the sentiments of a great number of the members of both political parties.

Every authoritative report indicates that Palestine has room for all the Hebrew DP's now. In 1935 the British registered 61,743 new settlers, not counting thousands of so-called illegal immigrants, all of whom were speedily absorbed. In the past 12 years the economic growth of the country has expanded and it can now absorb much larger numbers.

I feel compelled to sound a very serious warning. The recent United Nations decision will come to naught if the people arrive in driblets. The original mandate failed when Britain insured an admission policy of "too little and too late." The U. N. program will go the tragic way of the mandate if the people do not get in. Today the only way to secure Palestine against Arab aggression and bolster the U. N. decision is by reenforcing it with population. By so doing the United States would be clearly demonstrating that we are not only in favor of the Hebrews in principle, but that we are ready to back their right of self-determination with ships and facilities. This was proposed by President Truman on October 4, 1946, and was blocked by the British. Today only our own inertia can stop it.

The text of my resolution, House Resolution 409, follows:

Resolved, That it is the sense of the House of Representatives that the President—

(1) Should direct the appropriate agencies of the Government to take action to remove from the American Zones of Occupation in Europe all Hebrew displaced persons and to assist in their repatriation by transporting them to Palestine prior to October 1, 1948, in order that camps and settlements for Hebrew displaced persons in the American Zones of Occupation may be closed by such date;

(2) Should direct the proper authorities in the American Zones of Occupation to undertake immediately the program of repatriation of such Hebrew displaced persons in order to reduce the heavy financial burden on the United States occasioned by the maintenance of such camps; and

(3) Should authorize the employment of such facilities of the United States (including vessels and land-transport facilities) as may be necessary to accomplish such repatriation as expeditiously as possible.

Broadcasting and Drew Pearson

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. HOFFMAN. Mr. Speaker, when Hannegan was chairman of the Demo-

cratic National Committee, he read of various appointments to key government positions in the newspapers. The White House palace guard made the selections. McGrath, the new chairman, keeps posted by tuning in on Drew Pearson. This is the same Pearson that President Roosevelt labeled a chronic liar. Time was when appointments were made through the ranking national committee. That sort of thing is just a memory. After Pearson announced Coy's appointment to the FCC, and for good measure added that it was a splendid choice, the radio trade publication picked it up; and Carroll Reece, chairman of the Republican National Committee, issued a stinging statement in which he said:

It has been somewhat disturbing to note published reports that President Truman was considering the appointment of a man who has been closely associated with the left wing of the Democratic administration since its very inception and who is a graduate of the Indiana Democratic machine in the days of the notorious 2-percent Club. A man with that background might well experience difficulty in convincing the public that he would be an impartial administrator.

What part did Drew Pearson play in this appointment, you may well ask. Why this deep interest in appointments to the FCC? Could it be that his action ties in with his desire to take from Hearst the important station WBAL in Baltimore? Pearson is an applicant for these facilities and it surely would be worth his every effort to put this one over.

Pearson's accuracy as a reporter is reflected in a blistering speech on the floor of the other body on December 15, 1947, by a Member of that body, who branded the columnist as a liar and declared Pearson was a disgrace to his profession. His intense interest in appointments to the FCC will bear careful watching.

So that the President may know that we are watching very closely the developments down at the FCC, I am inserting in the RECORD some of the newspaper and editorial accounts of the mess down at the FCC:

[From the Washington (D. C.) Times-Herald of December 6, 1947]

INVESTIGATE THE FCC

(By Frank C. Waldrop)

For once in his life, Clifford Durr, of the Federal Communications Commission, has done a public service. Out in Chicago a few weeks ago he indicted the good faith of the Federal Bureau of Investigation and thereby stirred up enough people to cause a demand in the United States Senate for investigation of the FCC. Senator HOMER CAPEHART, Republican, of Indiana, who has a reputation of not starting a thing unless he intends to finish it, accuses Durr of being derelict of his duty and declares:

"I believe that Congress * * * should make a thorough investigation of the Durr affair, an appropriate committee should question all members of the FCC, Director J. Edgar Hoover of the FBI, and any other persons who may be able to give pertinent testimony."

It is the plain duty of Congress to do just that. The Federal Communications Commission is notoriously the most incompetent, quack-brained organization ever devised by the New Deal. From the time it was formed in 1934 down to this very day it has never been out of trouble and what is more, trouble of its own making.

This Durr performance is a typical example of what the taxpayers get for their money down at the FCC.

As everybody in official Washington knows, and anybody outside official Washington can easily imagine, the Federal Bureau of Investigation every day receives a flood of tips, rumors, information, and advice about what is going on all through the Government.

Some of that enormous stream directs the FBI toward violations of laws the FBI is supposed to enforce on its own. A tip that somebody is violating the Federal kidnaping law is an example.

The FBI evaluates such a tip, investigates it, and acts accordingly.

But, of course, also, the FBI gets an enormous amount of stuff about branches of the Government that are supposed to look out for certain things on their own. For instance, the FBI once during the recent war got an anonymous letter that a wartime major general in the Army Air Forces by the name of Bennett E. Meyers was a crook.

It is common sense and the lawful responsibility of the FBI to pass on any such tips to the agency concerned for it to evaluate and act on as it thinks fit.

In the Meyers case the FBI naturally sent the anonymous letter to the Army and the Army, being busy with a war, did not follow it up. Today, the Army wishes it had and so does everybody else.

Well, the FBI for years has been sending to the FCC whatever it happened to accumulate that might bear on the FCC's business.

And the FCC's business, its authorized business that is, couldn't be simpler. It is supposed to regulate interstate telephone and telegraph service and to license radio operations, according to "public interest, necessity and convenience."

As to telephone service, the FCC has little to do, for the American Telephone and Telegraph Co. gives the world's best service at the world's lowest cost and is unqualifiedly the world's best operated corporation.

The FCC has spent millions of dollars, taxpayers' dollars, trying to get something on the A. T. & T., but no luck. It hasn't been able to make any dent big enough to brag about in 13 years of trying.

In the matter of telegraphy, however, the FCC has accomplished something big. It managed to force a merger of Western Union and Postal Telegraph, with the result that today telegraphic service in the United States of America is worse than it was a generation ago.

Rates are up, employees are sore and talking about strikes, and beyond all, the customer takes a shoving around. Yes, the FCC has advanced telegraphy backward by at least 20 years.

But you don't get the full treatment until you get into radio. There the achievements of the FCC are truly notable for abuse of power in public office.

The FCC has managed to reduce the broadcasting phase of radio, for instance, to a multibillion-dollar idiocy. Broadcasters are so scared of the FCC that they crawl on their bellies for its favor and have long since abandoned any will to resist its dictatorship.

How has the FCC managed to domineer over the radio business? By menacing every station with the authority Congress gave it to withhold or withdraw licenses to broadcast.

Plainly, the FCC fully abuses the intent of Congress, which was merely that licenses should be granted to lawful American owners in such a way that one station would not conflict signals physically with another, and then let the broadcasters compete for public attention on their own.

Instead of doing that, the FCC has begun to meddle with the traffic, that is the content of programs, and definitely to play politics with licensing, as between qualified Americans.

That is how Durr has got it into trouble. For the FBI, in regular order of business has sent the FCC tips, leads, and information concerning applicants for broadcasting licenses.

The FCC has neglected to follow up those tips as it should have. And the files full of neglected work are getting heavy, dangerous, and explosive.

Durr, in Chicago, tried to intimidate the FBI from sending over any more tips by a slippery suggestion that the FBI had been making unsupported accusations of communistic activity by FCC employees and applicants for license.

Of course, the fact was as above outlined, merely that the FBI was passing on to the FCC leads for the FCC itself to evaluate. And the responsibility for nonaction was burning.

Durr hoped to frighten Hoover, but instead he exploded the FCC itself into openly repudiating him and inviting Hoover to continue sending on said tips.

He has also roused up congressional notice. That notice should not die. It should bring the whole conduct of the FCC from its beginning to the present into full congressional review and reform.

The FCC today is the most dangerous enemy of free speech in America next to the Communist organization, which said Communist organization is doing its best to break into the FCC for manipulation of radio to Communist ends.

Health Insurance

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. MURRAY. Mr. President, Lowell Mellett, the very able columnist, contributed a few days ago an interesting and informative article on the subject of national health insurance. The article appears in the Washington Evening Star of December 16, 1947. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE OTHER HAND—HEALTH INSURANCE ADVOCATES CITES PHYSICALLY FIT ORPHANAGE BOYS

(By Lowell Mellett)

Nearly everybody is familiar with the fact that 40 percent of the American men called up for service in the recent war had to be rejected because physically unfit. (There was about the same percentage of rejections of young women who applied for enlistment in the WACS and WAVES.) In some States the showing was much worse. The rejection rate in North Carolina, for example, was 56.8.

Yet, in that same Tarheel State it was also demonstrated how a high record of physical fitness could be achieved. The story is related in a book just published under the title, "140,000,000 Patients." The author is Carl Malmberg, formerly with the United States Public Health Service and the Senate Subcommittee on Health and Education.

CAME OUT AT HEARING

As Mr. Malmberg tells it, the story came out at a Senate committee hearing. It seems that five North Carolina orphanages became

curious concerning their graduates. Investigation revealed that out of a total of 1,138 former students called in the draft only 16 failed to qualify for military duty. The rejection rate was only 1.4 percent. Less than 1½ per hundred for the orphan boys, as against nearly 57 per hundred for the State as a whole.

The explanation given the committee by Dr. Clarence Poe of the North Carolina Hospital and Medical Care Commission was: "* * * these orphanages are supported by poor people and the boys are not coddled, are not given luxuries. They are given sound nutrition and reasonably adequate medical and hospital care."

The author proceeds: "When these children needed medical attention, they got it. Nothing fancy and nothing very costly. But whenever the doctor was needed, he was there. Like most other school children, these youngsters were given periodical physical examinations. But there was one important difference between the orphanage examinations and those given in most schools. When the orphanage doctors found remediable defects they corrected them. If teeth were decaying, they were filled.

"The child was not sent home with a card advising his parents to 'take him to see a dentist,' a recommendation which they might not be able to follow, or which they might neglect to follow even if they could afford to do so. If eyeglasses were needed they were provided. No notice to the mother suggesting that she take Johnny to an oculist or optometrist. If infected tonsils, or a mastoiditis, or a hernia, or a fever of mysterious origin was discovered, the child was sent to the hospital promptly, operated on if necessary, and cared for until fully recovered.

NINETY-EIGHT OF ONE HUNDRED MET TEST

"No surgeon's fee, no nursing charges, no hospital bill. And no serious consequences because of delay in getting proper treatment. In short, there was never any question of payment for medical care. * * * And when the time came for these youngsters to fulfill their duty as citizens, more than 98 out of every 100 met the test."

The book is worth the reading of every American citizen. It should be required reading for Members of the Senate and House, since it summarizes the information Congress will need in order to act intelligently on proposed national health legislation during the coming regular session.

Mr. Malmberg is a warm advocate of the bill introduced last May by Senators WAGNER, MURRAY, PEPPER, THOMAS of Utah, CHAVEZ, TAYLOR, and MCGRATH, and by Representative DINGELL, following a list of recommendations made earlier by President Truman. The essential feature of this bill is provision for a national health insurance plan, an extension of the Social Security System. The so-called Taft bill, sponsored by the American Medical Association, according to the author, would merely preserve the present state of affairs while appearing to do something constructive.

Economy in Government

EXTENSION OF REMARKS
OF
HON. NORRIS POULSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. POULSON. Mr. Speaker, I believe in giving credit where credit is due. Being one who believes in economy in government, I want to commend Mr. Fanning, the postmaster of Los Angeles, Calif. The enclosed office memorandum is at least evidence of Mr. Fanning's desire to stay within his allotted budget. I hope this will be an example to many of our other departmental heads whose intentions along that line I sometimes doubt.

All Agencies, United States Post Office and Court House; All Sections, Main Office:

The Fourth Assistant Postmaster General has notified us that our appropriation is so low that we are very much in danger of exceeding our allotted amounts for electricity and power.

He has requested us to make it each activity head's personal responsibility to see that the use of lights and electric fans is held to the absolute minimum in order that this economy program will be successful, and the necessity of asking for additional funds will be eliminated.

This is most imperative and your cooperation is urgently requested.

MICHAEL D. FANNING,
Postmaster-Custodian, Los Angeles, Calif.

Will Dollars Save the World?

EXTENSION OF REMARKS
OF
HON. ROBERT A. GRANT
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. GRANT of Indiana. Mr. Speaker, there has come to my desk a book by Mr. Henry Hazlitt entitled "Will Dollars Save the World?" It should be read by every American, and particularly by those of us in the Nation's Congress who will soon be called upon to consider additional billions of dollars for the world.

The following editorial appears in the current issue of the Ave Maria published at Notre Dame. It comments on the worth and the timeliness of Mr. Hazlitt's valuable book.

The editorial follows:

TEXTBOOK FOR AMERICANS

We hope every man and woman in America who understands direct English speech will read Mr. Henry Hazlitt's Will Dollars Save the World? The statement of the author's contacts and economic experience printed at the beginning of this booklet of 69 pages is a testament to his right to speak on the implications of the proposed American money loans to Europe. It is a book of facts, not of assumptions and special pleading. We cannot even begin to summarize what is so compact in reasoning, so thick-spaced with economic and political situations in European areas. Here are just a few points from Chapter X—Summary and Conclusions—by way of indicating the whats and wherefores of this fact-pursuing search book.

"As the United States produces only 12 percent of the world's food supply America cannot feed the whole world. * * * The need for help to restore Europe's capital structure has been greatly exaggerated. * * * Food relief and financial help from the United States will be futile, unless the country helped discontinues policies which discourage trade and prevent production. * * * The bulk of our past and prospective "loans" are thinly disguised gifts. * * * Making loans and gifts to Europe is not the most effective way to fight communism. * * * It is not true that the United States needs foreign loans to keep full production and employment at home. It is not true we get rich by giving our goods away."

Keep in mind that these are just samples from a list of discussed subjects. We know of no document which gives so much simplified economic spelling on America's money gifts to Europe from tax-groaning Americans.

Manufacture of Distilled Spirits Should Be Prohibited During Emergency

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. KEFAUVER. Mr. Speaker, Secretary of Agriculture Anderson has announced, after a conference with representatives of the various distillers, that he was unable to get them to agree to voluntarily desist from further manufacture of distilled spirits during the emergency. In view of the fact that grain is so badly needed for food at home and to prevent starvation abroad, its use for making distilled spirits cannot be justified. Ordinarily the distillers use 55,000,000 bushels of grain annually. During October, up to the shut-down on October 25, it was estimated that the distillers used 10,800,000 bushels to pile up more stocks in anticipation of the shutdown. The distillers are reported to have on hand a sufficient supply of spirits for domestic use until June 1950. Under these circumstances, inasmuch as it is impossible to get a voluntary agreement, Congress should give the President power to prohibit the use of grain for purposes of making spirits until the emergency is over.

I have introduced bill H. R. 4799 which would give the President this power. It is as follows:

A bill to amend the Second Decontrol Act of 1947

Be it enacted, etc., That the Second Decontrol Act of 1947, approved July 25, 1947, be amended by adding to section 3 hereof a new subsection 1501 (b) (1) (G) to read as follows:

"(G) Grain or grain products for the production of distilled spirits for beverage purposes which shall not be used for such purposes unless the President or the Congress by concurrent resolution shall find that the amount of grain available for more essential domestic uses and for export to carry out the foreign policy of the United States is such that grain can safely be made available for distilled spirits, in which event the President may authorize the use of grain from time to time for the production of distilled spirits for beverage purposes for limited, specified periods of time. In considering the relative essentiality of uses of grain, consideration shall be given to the availability of adequate supplies of distilled spirits."

I was very happy to note that the Senate in passing Senate Joint Resolution 167, the so-called stabilization bill, included provision which would enable the President to prevent the use of grain for spirits as long as the supply was short. If Senate Joint Resolution 167 is enacted, it will of course not be necessary to enact the bill which I have filed.

Stabilization of Commodity Prices

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. WALTER. Mr. Speaker, I am voting for this resolution primarily because it contains section 4 (b), which will give the President the power to deny any allocation of grain to the distillers for the month of January thereby insuring that the so-called voluntary shut-down which expires on Christmas Day will continue through the end of January. On the basis of figures which have been given the various committees of this Congress it is clear that the so-called distilling holiday will not have effected any actual savings of grain unless it is continued beyond Christmas Day. According to the official figures the distilling industry used 8,500,000 bushels of grain in the first 25 days of October as against a normal consumption for the industry of about 3,500,000 bushels per month. The plain indication from these figures is that the industry used in October its normal quota of grain for almost the entire last quarter of this year.

We should not, however, suppose that section 4 (b) of this act is adequate for dealing with the problem of the allocation of grain to the distilling industry. It is, to begin with, a provision which will expire within less than 30 days after the new session begins. We shall accordingly be faced with the necessity of enacting further legislation immediately after the first of the year. Section 4 (b) is defective, moreover, in that it fails to provide the clear and definite standards contained in H. R. 4626, which I introduced on December 2. The provisions of H. R. 4626 should be enacted at the new session so that the President may have clear and definite standards by which to exercise the authority he needs for controlling the allocation and use of grain by the distillers.

It is especially necessary that grain should be saved in view of the crop report released by the Crop Reporting Board of the Department of Agriculture on December 16. This report, the final estimates of the Department for the present crop year, reveals that the total grain crop for the country is 105,000,000 bushels less than was estimated on the 1st of November and casts very grave doubts upon our ability to meet the grain export goals set earlier this year by the President and his advisers as necessary for implementing our foreign policy.

The continuation of the distilling holiday through the month of January, which section 4 (b) of this act now insures, will make it possible for the President to save the 2½ to 3½ million bushels of grain which the Secretary of Agriculture has felt it necessary to offer to the distillers in his unsuccessful attempt to secure their agreement to some voluntary restriction of production. The savings of these 2½ to 3½ million bushels for the month of January are a very small part of the total savings which are now made doubly necessary on the basis of the December 1 crop report to which I have referred.

As I indicated in the statement I made at the time I introduced H. R. 4626, grain must be saved in the interest of both domestic and our foreign needs. Of all the consumers of grain, the distillers are best able to forego their consumption of the basic foodstuff needed both here and abroad. The information presented by the Secretary of Agriculture to the Senate Committee on the Judiciary to the effect that the distillers have now in stock several years supply of whisky and at least 6 months' supply of neutral spirits for blending purposes insures that grain can be spared by the distillers without any injury to themselves or the country. The refusal on the part of some distillers to cooperate with the Government in its efforts to conserve the supply of grain at this critical moment is very disturbing to those of us who are opposed to national prohibition. It was the same sort of conduct that brought prohibition before and may well result in its return. I am therefore voting for this anti-inflation bill because its passage, while not offering very much, does insure a saving of many bushels of precious foodstuff.

I include the following editorial from this morning's Washington Post:

WHISKY SPREE

The brusque rejection by distillers of the administration's proposal for a voluntary limitation on grain consumption is precisely what Secretary Anderson termed it—a mandate for compulsory controls. Plainly, this is a matter on which self-restraint is not enough. The figure suggested by Mr. Anderson of 2,500,000 bushels a month was generous in the extreme. The inability of distillers to agree to even this reduction—only half the representatives invited to Wednesday's meeting even voted—makes action by Congress imperative if a mockery is not to be made of our food-saving efforts. The Senate already has evidenced its support in the anti-inflation bill passed Thursday; it is now up to the House to follow suit.

How essential these formal limitations on grain usage are was made dramatically evident by Wednesday's crop report showing a further 105,000,000 bushels decline in the 1947 grain crop. Even with all the conservation measures at this country's command, the Nation will be hard put to meet its winter goal of 500,000,000 bushels of wheat for export; if a mandatory 150,000,000-bushel carry-over is voted, the goal will be all but impossible of attainment. These new complications lend additional merit to the Department of Agriculture's request for authority to purchase the entire wheat crop if necessary.

On anything more than superficial examination, the suggestion of one group of distillers for a 3,500,000-bushel monthly quota is a bad joke. Although this year's consumption of grain by distillers has averaged 4,600,000 bushels monthly, during September, the last normal month before the 60-day voluntary shut-down, use had declined to 3,000,000 bushels because of the excess of production of liquor over demand. With an estimated 6-year supply of liquor on hand, it is foolish of the distillers to talk of hardship, even of sacrifice, in agreeing with Secretary Anderson. Moreover, compliance with the voluntary shut-down has not been universal. Some distillers have refused to cooperate altogether; several are reported to have bought large quantities of grain in preparation for reopening. Obviously these factors, coupled with the effects of the 8,000,000-bushel binge immediately before suspension, threaten to wipe out the entire gain made under the voluntary program.

Senate action on the anti-inflation bill, including a provision giving the Secretary of Agriculture authority to allocate grain to distillers up to January 31, has paved the way for a similar timely response by the House today. This is one responsibility in which the House must not fail before it adjourns. To allow a whisky spree at the expense of our obligations to a hungry world would be to condone a kind of sabotage.

Fuel Oil Shortage

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

OFFICE OF COORDINATOR
OF INFORMATION,
HOUSE OF REPRESENTATIVES,
Washington, D. C., December 9, 1947.

Vice Adm. WILLIAM W. SMITH,
United States Navy, Retired,
Chairman, United States Maritime Commission, Washington, D. C.

DEAR ADMIRAL SMITH: A critical shortage of fuel oil appears to be developing in New England.

A meeting of the New England congressional delegation was held Friday, December 5, to determine possible measures to avert such an emergency shortage. The Honorable JOHN W. MCCORMACK, chairman of the Committee on Maritime Commission, in connection with this threatened oil shortage has requested the Coordinator of Information to get answers to the following questions:

1. How many tankers suitable for use in the threatened emergency are in operation under the American flag?

2. Does the Maritime Commission have authority to order these tankers to carry oil to New England ports in event of a declared emergency?

3. If not, why not?

4. What legislation, amendatory or otherwise, would be necessary to empower the Maritime Commission to procure cooperation of privately owned, United States documented tankers, to aid in such an emergency?

5. How many tankers have been sold to foreign nationals since VJ-day to date?

6. Are such tankers documented under the American flag?

7. Can the Maritime Commission impose as a condition of sale that these tankers shall, in event of a declared emergency, carry oil to New England ports?

8. If not, why not?

9. How many tankers, and of what type and capacity, are yet to be sold?

10. Could these tankers, if and when sold, be subject to conditions that they shall, under direction of the Maritime Commission, aid in carrying oil to New England ports in event of a declared emergency?

11. If not, why not?

12. Could such tankers as remain on the list of those to be sold be chartered to carry oil to New England ports in event of a declared emergency?

13. If not, why not?

14. What legislation would be necessary to make such conditional charters possible?

15. Are the tankers listed for sale presently seaworthy for the purposes contemplated in these inquiries?

16. If not, why not?

17. What legislation would be necessary to enable the Maritime Commission to make them seaworthy?

18. Could these tankers be made seaworthy in time to help avert the critical New England oil shortage this winter?

19. How many tankers are in lay-up?

20. What types among them would be suitable for the purposes contemplated herein?

21. Are these tankers seaworthy now?

22. If not, why not?

23. Could these tankers be broken out of lay-up, overhauled, and made fit in time to meet the threatened emergency herein referred to?

24. If not, why not?

25. What legislation, if any, would be necessary to enable the Maritime Commission to make these laid-up tankers fit, if they can be made fit, in time to meet the situation herein contemplated?

26. What subsidies or other payments would be necessary to enable the Maritime Commission to procure the services of as many tankers now in operation, pending sale, or lay-up, in time to avert the threatened critical oil shortage in New England?

27. What suggestions can the Maritime Commission offer to meet this threatened situation?

The request from Chairman MCCORMACK to the Coordinator was coupled with an urgent instruction that this information be procured for the House of Representatives as rapidly as possible. In view of that, I would very greatly appreciate it if you could advise me as to about how long it will take to get the answers to these questions, and also to give me the answers at the earliest possible moment.

It is my impression that it is very urgent that this information reach Mr. MCCORMACK and his committee considerably before the date set for the adjournment of the special session of the Congress.

Thanking you in advance for your cooperation in this matter, I am,

Very sincerely,

J. FREDERICK RICHARDSON,
Coordinator of Information.

UNITED STATES MARITIME COMMISSION,
Washington, D. C., December 17, 1947.

Mr. J. FREDERICK RICHARDSON,
Coordinator of Information,
Office of Coordinator of Information,
House of Representatives,
Washington, D. C.

DEAR MR. RICHARDSON: I have your letter of December 9, 1947, in which you refer to the concern of the New England congressional delegation over a prospective shortage of fuel oil in the New England States and list a considerable number of questions on this situation. Brief answers to these various questions are listed hereunder, the responses being numbered to accord with the listing of the questions shown in your letter:

1. As of November 30, 1947 there were approximately 345 operating tankers (of 1,000 gross tons or more) privately owned and registered under the American flag, practically all of which are suitable for use in domestic service. In addition, there are some 140 Commission-owned tankers now in operation, the great majority of which are already employed in United States North Atlantic service.

2. Only in the event of a national emergency declared by the proclamation of the President, pursuant to section 902 of the Merchant Marine Act, 1936.

3. The emergency declared May 27, 1941, was terminated so far as section 902 is concerned by Public Law 239, approved July 25, 1947.

4. See 2 above. No legislation would be necessary in the event of a declared emergency. In the absence of such a declaration, to empower the Commission to control or allocate the use of privately owned tankers, additional enabling legislation would be necessary such as making requisition authority effective without a declaration of emergency, or allocation or priority authority such as provided in wartime by the Ship Warrant Act of July 14, 1941 (55 Stat. 591), now repealed.

Attention is called to the naming by the Tobey subcommittee of the Senate Interstate and Foreign Commerce Committee of an oil industry committee to study the east coast fuel shortage with a view of attaining industry solution of the threatened oil shortage.

5. 133 T-2 and 7 T-1 tankers have been sold or allocated for sale to foreign governments or foreign nationals under the Ship Sales Act of 1946.

6. No.

7 and 8. The Merchant Ship Sales Act, section 4 (c), expressly prohibits the imposition of any restriction on the lawful or proper use or operation of the vessels sold. Vessels documented under foreign flag cannot be operated in the coastwise trade as private vessels.

9. All tankers of the Commission have been sold or earmarked for sale except a few T-2 type tankers which are seriously damaged, and 13 small (T-1) type tankers. Also available for sale are two special type tankers and a few small former naval auxiliaries.

10 and 11. See the answer to question 8. In connection with questions 7 and 8 and 10 and 11, it should be noted that if a national emergency should be declared by the President, the requisition power of the Maritime Commission could be invoked as a means of controlling the use of the citizen-owned tankers.

12. On the assumption that this question refers to general agency operations, such tankers (already allocated for sale) could be so operated if withheld from delivery to purchasers and put in suitable operating condition.

13 and 14. See answers to 9 and 12 above.

15 and 16. No; because of having been laid up for considerable periods of time, and requiring moderate to extensive repairs and reconditioning. Since virtually all of these tankers, except overage vessels and the small T-1 tankers, have been allocated for sale, it is to be presumed that the many vessels in process of sale will be withdrawn from the laid-up fleet and repaired for operation as quickly as possible by the purchasers.

17. No legislation necessary. (See, however, the reply to question 25.)

18. It is probable that a considerable number of the laid-up tankers recently sold will be repaired and put into operation in time to be of great help in relieving the prospective shortage of petroleum products in the New England area during the winter months.

19. There are 119 tankers (of more than 2,000 tons gross register) in lay-up or otherwise immobilized. Of this 119 vessels in lay-up, or immobilized in damaged condition, there are 56 of the large T-2 type, 37 ZET-1 (Liberty) type, 12 small T-1 type, 12 overage vessels, and 2 of special type.

20. All of the T-2 and Liberty types would be suitable for the purpose contemplated. However, it is to be noted that all such vessels which can be repaired or reconditioned for service within any reasonable period of time have already been sold.

21. No.

22. Because of having been laid-up in Reserve Fleet sites for considerable periods of time or because in damaged condition. (See answer to (16) also.)

23. See answer to 18.

24. See answer to 18.

25. See answer to 18. The Commission is proceeding as rapidly as possible to make these tankers available through the sales program, as it does not have sufficient funds otherwise to do it.

26. Since all vessels considered reasonably suitable for the transportation of bulk petroleum and its products to the New England area are either in operation or have been allocated for sale, it does not appear that any subsidy or other payments to or on the part of the Maritime Commission would aid in meeting the prospective critical oil shortage in New England. This for the reason that it may be assumed that the purchasers of those vessels not now in suitable condition for operation will promptly set about repairing and reconditioning such vessels so as to get them into operation at the earliest possible moment in their own interests.

27. The Commission believes that the prospective shortages of bulk petroleum and its products and of tanker-transportation facilities are industry problems and require solution by the industry itself, subject, of course, to such assistance as can be extended by this Commission and all other agencies of Government. As is mentioned in our response to question 4, above, we understand that Senator TOBEY'S subcommittee of the Senate Interstate and Foreign Commerce Committee has appointed an industry group to study and report back to the subcommittee as quickly as possible their recommendations for relief of this threatening situation. We believe this is a very important step in the right direction and trust that some means will be found, as a result of the recommendations of the industry group, to set up some temporary centralized organization which will be in a position to keep in touch day by day with the developments in the States most directly concerned with oil-shortage problems and can accordingly give interested agencies of Government their views as to the steps most necessary to take in meeting the situation.

All industry advice to date indicates that the only real and continuing relief in situations of this nature lies in getting into operation at the earliest possible moment tanker tonnage now idle. This objective is being quickly accomplished by the steps which have been and are being taken by this Commission, under its tanker-sales program, to get the ships out of lay-up, repaired and reconditioned, and into operation at the earliest possible time.

Sincerely yours,

RAYMOND S. MCKEOUGH,
Vice Chairman.

NAVY DEPARTMENT,
OFFICE, CHIEF OF NAVAL OPERATIONS,
Washington, D. C., December 10, 1947.

Hon. G. J. BATES,
House of Representatives.

DEAR CONGRESSMAN BATES: In confirmation of our telephone conversation today I am pleased to furnish the following information which indicates the substantial contribution which the Navy has made toward meeting the current critical situation with respect to tanker transportation for civilian requirements.

On October 1, 1947, the Navy Department was called into conference with certain other agencies of Government by Mr. Steelman to discuss the serious deficiencies in petroleum supplies for civilian consumers which threatened to develop during the approaching winter.

At that time the most effective and obvious action which could be taken to alleviate this situation was agreed to be the restoration to active service of all remaining large tankers in the Maritime Commission's laid-up fleet which were not committed to any sales program. The tankers potentially available in this category numbered 50 vessels of the T-2 type. Because of the cost of this undertaking, it was further agreed that only the Navy and Maritime Commission jointly could share this burden and that upon completion the tankers would be operated by the Navy to meet the world-

wide needs of the military services. These requirements considerably exceed the capabilities of the Navy's own tanker fleet of 36 vessels which are also employed for that purpose and generally average 45 tankers chartered monthly on a voyage basis from the Maritime Commission's active fleet.

The program of readying for service the 50 available large tankers in the Maritime Commission's laid-up fleet as of October 1, 1947, has been vigorously prosecuted. To date 6 of these have been completed and are on the point of sailing from loading ports. During December a total of 16 of these tankers is expected to be in operation. By late January or mid-February all 50 vessels should be completed. As these vessels go into service, an equivalent number are released from those which the Maritime Commission now allocates monthly from its active fleet for purely military purposes. The tankers so released are, of course, available for sale or for meeting the needs of the civilian economy.

In expectation of the readiness during December of 16 out of the 50 tankers abovementioned the Navy Department has already informed the Maritime Commission that the previously requested December allocation of 43 tankers on voyage charters for use of the military services can be reduced to 27. The Maritime Commission presumably will reallocate the 16 tankers so released for the use of private industry or sell them to United States purchasers from whom a large backlog of applications are now on file.

In answer to your specific inquiry as to whether any of the 50 tankers being readied for use of the military services might be employed initially for short periods to relieve the critical fuel situation in the New England States, I regret to advise that such a plan does not appear to be feasible. The reduced demand on Maritime Commission tankers for the current month (43 to 27) was made on an optimistic estimate that 16 replacement ships would be available from the 50 tankers being reconditioned. There is no positive assurance that this schedule can or will be met. It is much more probable that by late December or early January the Navy will encounter difficulty in meeting the tanker transportation needs of the three services with the ships under its control.

Assuring you of my desire to be of such further assistance in this matter as you may wish.

Sincerely,

W. M. CALLAGHAN,
Rear Admiral, U. S. N.,
Assistant CNO (Transportation).

NAVY DEPARTMENT,
OFFICE, CHIEF OF NAVAL OPERATIONS,
Washington, D. C., December 15, 1947.

Hon. G. J. BATES,
House of Representatives

DEAR CONGRESSMAN BATES: I regret that some of the information submitted to you in my letter of December 10, 1947, must now be revised in light of the unfortunate casualties sustained by two of the tankers which the Maritime Commisison is reconditioning for use of the military services Severe cracks in the welded structure of these two ships, the *Ponaganset* and the *Cahaba*, has necessitated the decision to strengthen all tankers of the 50-ship program before placing them in service. An exception has been made in this decision to permit the sailing of two tankers from the west coast which are otherwise completed and available for loading. These two tankers will be strengthened upon return from their initial voyages.

While reports from repair yards are not yet sufficiently complete to warrant precise estimates of the delays which will be involved in accomplishing the additional work on 48 of the 50 tankers, it is believed that all of these will be reconditioned and strengthened by February 15, 1948. The most adverse effect will be on the 16 tankers expected to be ready during the month of December. It is probable that not more than four or five will be completed during the current month.

Because of your vital interest in the New England supply situation, I realize that you are primarily concerned with what action the Navy had to take in requesting the reallocation of the 16 ships which were released to the Maritime Commission in expectation of the original reconditioning schedule being met. I am happy to advise in this connection that we have cut our requirements to the bare minimum and have asked the Maritime Commission for the return of only 7 of the 16 tankers previously released for the month of December. Only three of these tankers will be required from those available to the Maritime Commission in the Atlantic area.

In the hope that the foregoing information will be of assistance to you in keeping posted on the tanker situation,

Sincerely,

W. M. CALLAGHAN,
Rear Admiral, United States Navy,
Assistant CNO (Transportation).

COPY OF LETTER APPOINTING SPECIAL COMMITTEE TO PRODUCE RESULTS FROM THE OIL CONFERENCE HELD BY THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE OF THE SENATE ON DECEMBER 9, 1947

DEAR SIR: Yesterday, it was the privilege of our Subcommittee on the Oil and Coal Shortage to sit down with you and other leaders in your industry and discuss with you the shortage of fuel, particularly heating oil, and our discussion centered more or less on New England and the Eastern States where the distress seems to be the greatest.

While we did not cover all the ground we had hoped to, nevertheless a great amount of information was developed and I personally felt that the conference was a very satisfactory one. You heard about the shortage of oil in various localities, the problem of tankers, the problem of steel so that more wells might be drilled, of the difficulty the Federal Government itself is encountering in securing oil to heat its facilities throughout the country, and of the situation confronting fuel dealers who are unable to secure adequate supplies from their normal sources of supply. Transportation, apparently, is one of the keys to the situation.

The committee which I hereby appoint is as follows: R. G. Dunlop, president, Sun Oil Co., Philadelphia, Pa.; B. Brewster Jennings, president, Socony-Vacuum Oil Co., New York, N. Y.; M. J. Rathbone, president, Standard Oil Co. of New Jersey, New York, N. Y.; Clyde G. Morrill, executive director, Independent Oil Men's Association of New England, Boston, Mass.; Reid T. Westmoreland, Jr., Lampson Oil Co., Providence, R. I.; John W. Scott, Buckley & Scott Utilities, Watertown, Mass.; John P. Birmingham, president, White Fuel Corp., South Boston, Mass.; J. C. Richdale, Junior Vice President, Colonial Beacon Oil Co., Boston, Mass.; James P. Patterson, Pan-American Petroleum & Transport, New York, N Y.; Martin Ryan, Esq., Bridgeport, Conn.

You will note that I have not presumed to name a chairman, but leave the group to effect that themselves when they meet. I have, however, taken the liberty of asking Mr. M. J. Rathbone, president of Standard Oil Co. of New Jersey, the operating company, to take upon himself the responsibility of calling the committee together.

If I may suggest, it would seem to me in the scope of the matters to be considered and be reported on in view of the discussions yesterday, manifestly, these are some of the salients:

1. As to an ample supply being available.
2. Whether there is actually a supply now in storage at Gulf ports which only needs transportation to make it effective for relief.
3. The actual net situation regarding tankers which was somewhat blurred over in the confusing testimony and which should be made clear.
4. The possibility of blasting out some of the tankers and making them available and cutting red tape to that end.
5. Whether or not on the facts submitted yesterday, the Navy could not, with their own tankers manned by commercial crews as pointed out is being done, be used to transport this oil for a period of 60 to 90 days.
6. Evidence offered indicated that "spot buyers," so-called, cannot get oil at the present time through normal channels and their customers are left high and dry. Therefore it is obvious that the committee should give thought to providing ways and means whereby those customers can be taken care of. They are part of our wards also.
7. The needs of the New England district and New Jersey and Pennsylvania and New York were all stressed yesterday, where the situation is acute, so that your attention is particularly called to these areas.
8. The committee should, in its over-all findings, make a clean-cut presentation which the people of the shortage areas will understand and which will hold before them not only hope for betterment but steps which would effectuate betterment and allay present apprehension.

Let me assure you that the subcommittee of the Interstate and Foreign Commerce Committee of the Senate will be delighted to cooperate with you and advise with you if you care to counsel with us. This is only an offer and in no sense is it an obligation on your part.

In view of the seasonal situation and the urgency of the needs, I hope it is not asking too much to request that this committee meet in the near future and be able to formulate its remedies and have them in my hands in Washington not later than Thursday noon, December 18.

On behalf of the members of the subcommittee, I express my gratitude at your willingness to thus cooperate, at your presence yesterday, and I await your report with very real and sincere interest.

Sincerely yours,

CHAS. W. TOBEY,
Chairman, Subcommittee
on Oil and Coal Shortage.

A Program for More Production

EXTENSION OF REMARKS
OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks, I include herewith an address which I delivered on December 13 last, before a Know Your Government conference at the University of Illinois.

The sessions were sponosored jointly by the University of Illinois and the Junior Chamber of Commerce of that State.

The address follows:

Mr. Chairman and gentlemen; students of governmental affairs, like all American citizens, are, of course, constant readers of newspaper stories emanating from Washington. Presumably, these stories should give

the readers a working understanding of the prospects of future legislation. Many readers of these newspaper stories, however, do not stop to consider the separate role of the three branches of Government and, consequently, do not properly evaluate the content of the stories. You who are students of governmental affairs, as is the case with those of us who are in Government in Washington, do differentiate between predictions of legislation made by administrative officials and similar stories emanating from the Halls of Congress. In no field is this basis distinction of source more necessary than in the field of taxation.

The original constitutional source of tax levies is the House of Representatives of the Congress of the United States. This is a very important and a very jealously guarded power. Since the very beginning of history, individual freedom has been based upon the power of the purse in the hands of the people. The committee on which I have the honor to serve has been called the most powerful committee in the House of Representatives. It is sometimes called Congress' Constitutional Committee, that is, when toastmasters are introducing members of the committee.

Membership on that committee brings with it long and arduous hours of work. But with it all comes the opportunity to lend our feeble efforts to do something for a system of freemen and freewomen—living together and working together under a system of free competitive enterprise.

We, of the majority side, today find ourselves somewhat in the position of disciples. As such, however, we are not advocating, defending, or advancing any new or untried concepts. We very briefly are attempting only to preserve the one remaining example to the peoples of the world of the philosophy of individual liberty with its concomitant individual reward for services well done.

I need not explain to you that we are firmly convinced that taxation is the cornerstone of the American free enterprise system. If we are disciples, we are disciples not of a new era but of a return to the traditional American concept of free enterprise and individual reward which has made American productive economy the greatest and most efficient the world has ever known.

One of the most succinct statements in connection with this philosophy of free enterprise has been stated recently by the chairman of the Ways and Means Committee, the Honorable HAROLD KNUTSON, who is certainly one of the most influential architects of tax policy that can be found today. Chairman KNUTSON said:

"One of our most important concerns must be the maintenance of existing and the creating of new jobs and independent income. * * *

"May I remind you that it requires an investment of $8,000 to create a new job. The average person who receives a small income does not create the job through which he gets that income. Someone else has made that job possible through his decision to provide capital, assuming a business risk, or take on managerial responsibilities. Any plan of tax revision which does not give at least proportionate recognition to this basic reality of our economic system would be gravely deficient."

Since the beginning of the Eightieth Congress—11 months ago, we in Congress have been attempting to explore our American economy in an effort to find legislative determinations of basic policy, which would show the way to industry, labor, agriculture, and capital. We who serve on the Committee on Ways and Means have heard from nearly 500 witnesses, representatives of all segments of American life. We have received almost as many corrective suggestions respecting the present tax law.

The Secretary of the Treasury in Texas last Saturday night advised the Nation, through the headlines, that this administration desired revision of the corporate tax structure before individual income-tax reduction. I can assure you that the majority members of the Tax Committee of the House of Representatives heartily subscibe to Secretary Snyder's belief in the need for tax revision but we do not agree with his priority list. Further tax relief to corporations should not take precedence over individual income-tax relief.

Seventy-five percent of the taxes collected by the Federal Goverpment are received from corporate and individual income taxes. This percentage of collection exists today, nearly 3 years after the termination of the greatest war in history. There has never been a time in history when a nation prospered on high wartime tax rates carried over into peacetimes. In attempting this operation since 1945 this administration is gambling with the solvency and the productive capacity of the entire Nation. Incentives, and not penalties, should be the goal of our Federal system of taxation.

The Tax Adjustment Act of 1945 made cash quickly available to corporations for the purpose of continuing employment during the reconversion period, by means of cashing in their unused amortization allowances, their postwar refund bonds, and their estimated carry-back refunds. Under that tax law, the corporations of the United States have received at least $6,000,000,000 of benefits since the taxable year of 1945. They also have been relieved from the wartime excess profits' tax of 95 percent. The individual tax payer, on the contrary, has received only a 5 percent across-the-board reduction from the wartime peak tax. The majority of the Ways and Means Committee does not believe that the first thing to be done is to further reduce the corporate tax contribution. Inequities in the corporate tax structure do exist. They should, of course, be corrected. This revision is currently under way, but it will be months before the tremendous undertaking can be completed.

Accordingly, we believe that the first correction of the distorted tax collection picture must be made in the field of individual taxes. The twice-vetoed individual tax reduction bill, which the Congress passed last year, shows pretty clearly the method by which we in the majority hoped to achieve relief for the individual taxpayer. The arguments pro and con on this program of relief are familiar to all of you. We believe, therefore, unlike the Secretary of the Treasury, that before any additional relief is given to corporate taxpayers, relief must be given to some 50 million individuals. We believe that such a bill for individual income tax relief should contain the following provisions:

1. The exemption from taxable income for all taxpayers should be increased. The amount of increase which can be justified in the light of revenue needs is debatable, but no less than a 20-percent increase in exemption can be justified in the light of the increased cost of living since the exemption was enacted. This, of course, would mean a $100 increase in exemption, i. e., from $500 to $600. The Joint Committee on Internal Revenue estimates that the cost in revenue to the Government, by this provision, would be $1,600,000,000.

2. A percentage reduction, varying according to income brackets, should likewise be enacted. Although the percentage reduction of 30, 20, and 10 percent, provided for in the two vetoed bills, is the maximum amount that can safely be enacted, I certainly would subscribe to any reduction in the maximum which can be enacted, on the theory that half a loaf is better than none.

3. There also should be corrected, as promptly as possible, the glaring inequality between American taxpayers which results from the application of the theory of split income. The application of the principle of community property creates an inequality based entirely upon the geographic location of the domicile of American citizens. The collection of Federal income taxes should not vary between these taxpayers because of the accident of location. Accordingly, individual income-tax payers in non-community-property States should receive the same privilege of splitting their Federal income as is enjoyed by the residents of the community property States. That, of course, would carry with it the repeal of the 1942 amendments on estate and gift taxes that were aimed at residents of the community property States.

It is the belief of the majority of the tax committee of the House that these three minimum-relief measures should be promptly enacted for the benefit of individual taxpayers.

Assuming that the individual income-tax relief is enacted, the Ways and Means Committee also believes that basic revision of the corporate-tax structure is necessary if America is to secure greater productivity of wealth and a resultant increased standard of living. Greater productivity can be obtained in one of two ways, by involuntary servitude, or by incentive rewards for the creators of wealth, whether that be labor or management.

Incentives take different forms for different groups. Each group is but a spoke in the entire wheel. Providing proper incentives for one group without doing the same for others is a half-hearted attempt to solve a problem. There is no shortage of effort today to provide incentives for labor and for agriculture. Management is presently somewhat neglected.

Well-intentioned, but misguided, Government officials seem to believe that maximum production can be achieved with a lopsided wheel. These Government officials have attained some success toward their lopsided goal. Our tax laws are probably the best example of these successes. The individual income-tax returns are now, and, even if the majority's relief suggestions are adopted, will continue to be, at a level which was not even considered approachable by the Socialists 25 years ago. Other provisions of the Internal Revenue Code are either phrased or interpreted by the Bureau of Internal Revenue to have the effect of penalizing success.

This Socialist concept of the impact of taxation is firmly embedded in our laws and, in our opinion, must be routed out before any technically perfect revenue code can be enacted. In his address at Houston a week ago the Secretary of the Treasury said:

"One of the most effective steps we can take in Government toward fiscal soundness would be an equitable revision of our tax structure. * * *

"During the past years * * * adequate attention could not be given to consideration of equity and to the incentives which would be needed after the war for the expansion of American industry and trade."

It seems practical, therefore, to those of us who serve on Ways and Means to join forces with the Secretary of the Treasury, if his latest statement is his policy, to correct some of these concepts which penalize success before we attempt to enact a modern and technically perfect revenue code.

Everywhere, except in some government and labor circles, it is recognized that, in order that one factory worker may be employed, an average capital investment of $3,000 or more is required; that without capital investment factory workers will not be employed, and that without wage earners there will be no production, with the result that our present economy will cease to exist.

A peaceful revolution bringing about an alteration of the form and nature of our present economy seems to have been at least one of the objectives of those who are, and will be, the most resistant to any proposals to provide incentives to management. But these incentives are necessary, and, if they

are not provided, then those who pay only lip service to the profit system will truly succeed.

Though the situation would probably best be remedied by a complete revision of the income-tax laws in one fell swoop, considerable basic improvement would occur, in my opinion, if five major changes were made:

First, a substantial further reduction in the individual income-tax rates, for example, a reasonable ceiling on the amount of taxes to be collected from any individual taxpayer; second, postponement of the tax on the income received by the exercise of a stock option granted to an executive of a business; and, third, enactment of some sort of tax equalization on differing forms of doing business, familiarly called the "elimination of double taxation of dividends"; fourth, a thorough review of the excise-tax structure; and, fifth, a thoroughgoing liberalization of the depreciation provisions of the revenue law and the Treasury's regulations thereof.

The first would be an inducement for additional capital investment—risk capital, if you please—thus providing greater employment. It would also encourage greater efforts by business executives. There was a time when salary increases and bonuses were a sufficient inducement to spur on a good man to higher endeavors and to greater responsibilities. Not now. Here is an example: An executive with two dependents will pay, at present rates, a tax of $4,047 on a net income of $15,000. A $5,000 well-earned raise in salary will give him only about half that amount after the tax slice, since his total tax will jump to $6,934—the salary raise amounting to a net of only $2,653.

Another example is that of an executive receiving $30,000 who gets a raise to $40,000. The $10,000 increase in salary shrinks to $3,872 after paying the additional taxes.

Can an executive be expected to put forth his best efforts and to willfully assume greater responsibilities, with the attendant heavy burdens and headaches, when his reward amounts to little more than a whispered "Thank you"? Humans and human and all strive harder when the prize is considered worth while.

During the war the Congress adopted a "limitation of effective tax" theory in an effort to lighten the restrictive burden of the 95-percent excess profits tax rate. This limitation theory, already proved effective and capable of administration, should be applied now to the harmfully burdensome individual tax rates, particularly those in the higher brackets. It is from the individuals in those brackets that risk capital, or executive skills, are obtained, and, I believe, they can be obtained only if the reward is increased from its present "purely nominal" size. Such incentive would be appreciably increased in those relatively few instances, taxwise, where it is vitally needed to start the flow of either risk capital or additional assumption of responsibility. It can be done by assurances, written into the tax law, that the Federal Government will never take more than a given share of the proceeds from the risk as its fair share of the individual's reward for increasing production, employment, and profits. In short, it is my opinion that a sound "corrective-surgery technique" would be one that limited the amount of taxes collected by the Federal Government in peacetime to a definite maximum of, say, 60, or even 50, percent of the taxable income received by any individual.

The second essential change in the tax laws (postponement of the tax on income received through the exercise of executive stock options) would go far in providing permanent and continually increasing incentives to management. One of the best inducements for an executive to put forth his best efforts is to make it possible for him to acquire an interest in the business, to become one of the owners, and to provide for his family and himself when his own efficiency decreases.

To revert to the illustration of the $15,000-a-year executive, if the stock of the corporation which employs him has a market value of $25 per share and he is given an option to purchase 500 shares at $20 per share, the executive has (under existing law) an immediate additional taxable income of $2,500. The tax to him on this additional amount would be approximately $1,216. His tax bill would then amount to $5,263, leaving him a net "take-home pay" for the year of $9,736, instead of the $10,953 he would have had if he rejected the opportunity to obtain a stake in the enterprise. What inducement is there for an executive to work harder when his reward will result in less net income than he had before?

The third change which I believe would materially improve the basic tax policy on which the free enterprise system is dependent is that which would equalize the tax burden imposed on competitive forms of doing business. Today there is, obvious to all, one type of business enterprise, the cooperative, which enjoys an advantage over private enterprises in the freedom from income taxes on much of its corporate earnings. This inequity of burden must, and should, be corrected. It is particularly true when the failure to correct the burden stifles the growth or menaces the life of private enterprises either because of unfair competition, of a drying-up of sources of capital, or even an inability to secure executives, because of inability to meet the rewards offered by the cooperative.

I believe that the enactment of a policy of eliminating the present double tax on private enterprise's distributed earnings (dividends) would go far toward removing the inequality complained of by free enterprises. In addition to equalizing the burden, such elimination would not only increase the returns to executive (if the second basic change mentioned heretofore were successful) and make them more nearly commensurate to the benefits received by the whole economy, but also insure the investors of risk capital that their returns on the capital invested would be commensurate with the profits realized from that capital.

This suggestion would not, of course, wholly equalize the tax impact on differing forms of doing business, but it would enact the policy of equality of burden, and would result in increasing incentives to executives. These two results are both fundamental and necessary if we are to continue successfully to compete with other forms of government or economy. If the double taxation of corporate dividends is eliminated, the other corrections needed to fully equalize burdens between free enterprises and cooperatives are simple. They relate to the form in which earnings are distributed, and the amounts of earnings which may be accumulated without review by the Government.

Fourth, the need for a thorough review of the excise tax structure is, I am sure, apparent to all. During the war excise taxes were levied wherever and at such rates as would bring in the most revenue to the Government. In fact, some of them—called the Henderson taxes—were urged for the express purpose of diverting critical items away from the manufacture of articles then considered to be non-essential. Today, we need incentives, not penalties. Wherever excise taxes either interfere with production or create inequities, they must be decreased or eliminated.

The fifth essential step in the revision of the tax structure is that which would liberalize the present day provisions for depreciation.

On December 4, I introduced in the House of Representatives H. R. 4637 entitled "A bill to encourage increased production," and I believe it would do just that. This bill makes provision for a 5-year amortization of capital investments hereafter made.

We experienced that effect during the war when a 5-year amortization provision applied to needed production plants. In that short period more than $6,500,000,000 were invested in production facilities, which meant the difference between victory and defeat.

A similar result from this bill would mean the difference between inflation and possible collapse of the free-enterprise system and a strong, prosperous republic of freemen.

One of the most significant products of economic research in the past 20 years has been the definite demonstration of the relationship between new investment and business prosperity.

Fluctuation in expenditures of plant and equipment have been recognized as an important influence contributing to prosperous business conditions, as well as to major downswings in economic activity.

Capital outlays by private business provide a market for the savings of individuals and corporations, channeling an important component of the national income into uses which increase the efficiency of the business community as a whole.

In a period in which rising prices threaten the stability of many markets, this increased efficiency and the investment which creates it are of the utmost importance.

By such stabilization of industry and production we naturally stabilize employment.

We can fail to check today's soaring prices. Or we can smash right into the cause of inflation.

It is a simple matter to put the finger directly on what is causing the present crisis of inflation. Prices are out of hand because our factories and farms are not producing enough things to meet the demands of the people. Dollars are chasing goods. In a free market, prices will keep on rising until supply begins to match demand.

The solution, then, aside from a reasonable control on exports, depends on more production; more things for more people to buy.

This same program of accelerated amortization accomplished gigantic productive expansion for war; it can do the same in peacetime. But it can do even more—it can stop the fluctuation of industrial costs, thereby stabilizing production and employment for the future.

The aim of this bill is to meet the emergency by stimulating American industry to invest $10,000,000,000 in 2 years to increase production.

The immediate effect of this bill would reduce the Nation's corporate income tax for a limited period.

But further consideration of the over-all effect of the act on tax revenues is necessary in order to obtain a true picture of the situation created by the change in depreciation rates.

First, insofar as price increases are halted, revenue requirements are less than they would be were inflation to continue.

Second, because new investment activity tends to increase national income, increased yields of all taxes may be anticipated. Specifically, net income before taxes of business corporations will increase and therefore afford an offset to the decrease resulting from higher depreciation changes.

Roswell Magil, former Under Secretary of the Treasury, headed a committee of civilians appointed to assist the House Ways and Means Committee in current study of tax revisions. That committee said in its report on November 4, 1947:

"There is much futility and needless expense in controversies about depreciation, since in any event the taxpayer will only recover the cost of the asset; and if he takes too much or too little depreciation this year,

the overage or deficiency will necessarily be adjusted in future years."

An essential fact should be realized: If a taxpayer takes his full rate of amortization under this act, he merely hastens the time when he will not be permitted a tax deduction for depreciation. The Government is only postponing the tax in order to encourage plant expansions that otherwise would not be consummated at this crucial time.

It is my opinion that this bill offers the most concrete answer to shortages and rising prices; it is the greatest weapon at our command with which to defeat inflation and to forestall depression.

Shortages exist today in many industries because of the lack of production facilities to meet the demand. Steel shortages are hindering construction in many fields. Lack of box cars and other types of transportation equipment are threatening fuel shortages throughout the country this winter.

Expanded plants are needed to produce the materials necessary to a world that is rebuilding from a destructive war. More machinery is required with the expansion of the plants.

With amortization of both the factory and machinery over a 5-year period industry will have greater incentive to move toward expansion.

Billions of dollars, now being withheld from investment in capital assets because of the strain of heavy taxation against early operations of the plant, would be poured forth to meet world demands for American products.

This bill, in my opinion, offers the veteran and others their best chance of gaining a start in business, because in the 5-year amortization period the new businessman can meet the early hurdles of the enterprise by plowing the profits back into the business.

It would permit the amortization of new rental units to meet the tremendous demand by millions of families seeking shelter at reasonable prices.

This proposal is important not only to our domestic economy. It is, as well, important to America's position in world affairs.

Over and over again we hear it said that the forces of communism in the world are awaiting the day when deflation and another great depression might strike the United States. Then it would be that communism would try to strike the final and fatal blow at free competitive enterprise.

Production and more production is the crying need of the hour. If only we could send out to the world the message that the construction of new businesses, the expansion of existing concerns, and the construction of rental homes and apartments had taken a big upswing in America, we would knock the props from under the arguments of the Communists. Furthermore, we would tremendously strengthen America's position in foreign affairs.

Great production—and expanding, virile economy—like great military strength—is the kind of language that dictatorships understand.

In conclusion, may I sum up the eight points hereinbefore urged:

1. An increase in personal exemptions.
2. A reduction now in individual rates.
3. Enactment of the principle of split income.
4. A percentage ceiling on the amount of taxes an individual must pay.
5. Postponement of the tax on the income received by the exercise of a stock option.
6. Elimination of double taxation of dividends.
7. Revision of excise taxes, and
8. Provision for accelerated depreciation.

All of these point toward only one goal—production and more production—more jobs and increasingly greater productivity per worker. Incentives and not penalties must become the theme of America's internal-revenue laws.

Speech of Hon. William F. Knowland, of California

EXTENSION OF REMARKS
OF
HON. ERNEST K. BRAMBLETT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. BRAMBLETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech given before the California State Chamber of Commerce by the Honorable WILLIAM F. KNOWLAND, Senator from California:

Mr. Chairman and fellow Californians, for a month and a half, I have visited a number of key nations both outside of and within the iron curtain. In some of these nations in Europe, I had served while a member of our Army during World War II. Some of these countries and others in the Middle East I had visited in January 1946 during a 30,000-mile trip by air around the world investigating the disposal of Army and Navy surplus property overseas. In these I had some basis for comparison between conditions then and now. Other countries I visited for the first time.

Today, I want to give you impressions of what I have seen. I traveled from nation to nation and twice across the Atlantic by air to make full use of my time. However, I wish to make crystal clear that I do not, as a result, claim to be an expert returning with pat solutions to complex problems, nor do I intend to write a book!

But what I observed and heard caused me to have great concern regarding the peace of the world and the security of this Nation. I have crossed the continent to outline the picture as I see it to this representative gathering of citizens of the State I represent and I do so on my responsibility as a member of the Senate of the United States.

European style capitalism presently appears to be sinking into a coma except a few cases of secondary importance. Today in most of Europe, the $64 question is, "Will it be socialism under parliamentary government or communism under a police state?"

Private enterprise has done an outstanding job in helping to create, develop, and advance the standard of living in the United States. Unfortunately, in Europe, much of industry has been private but not enterprising. Part of this condition grows out of monopolistic trade practices. In cartelizing industry and building gigantic monopolies, European style capitalism built the gallows for its own execution. Its lack of economic statesmanship has made difficult, if not impossible, the functioning of free institutions as we know them.

As President Grover Cleveland once said, "A condition and not a theory confronts us." Nations I visited have turned their backs on a European style capitalism, largely, in my opinion, because many of those in responsible positions did not seem to comprehend that no system can survive which does not recognize the basic fact that both economic and political systems, if they are to be successful and enduring, must exist for the purpose of serving the people as a whole. When they do not discharge this responsibility, they give way to other systems, even though the cure may sometimes turn out to be worse than the disease.

I found the western European nations, even though they have turned to socialism of varying degrees, still have a strong desire to maintain human freedom and parliamentary institutions. As long as this holds true, there always remains the opportunity for the people to follow new paths when they become convinced that the particular program that the government at the moment is following no longer holds a hope for a brighter future. For this reason, I believe that we should make a mighty effort to prevent western Europe from going behind the iron curtain. Once a communistic police state is permitted to be imposed upon these nations, the people no longer will have a free choice.

The great export out of Russia today is fear. The execution of Petkov in Bulgaria, the sentence to life imprisonment of Maniu in Rumania, the flight of Mikolajczyk from Poland are all part of the same pattern. The Communist program is to strike down or drive out those who dare to hold to the doctrine that the state is a servant and not the master of the people.

I have heard men in nations which are in the unenviable position of having the hot breath of the bear blowing down their neck say to me, "Senator, it will be small consolation and little help to have your government send a 'strong note,' as in the Petkov case, when we are hanging from the gallows."

The peace is not yet lost, but the sands of time are rapidly running out. I returned from Europe with a deep conviction that our people must have the facts upon which to base judgments of far-reaching importance to this and future generations of Americans. Yes, peace can yet be saved, but not without sacrificing, not without risk, and not without courage on the part of the people. It is definitely not the type of a situation that can be met by hysteria or by squirrel-cage thinking. What we need is the same type of keen, cool, intelligent determination that gave us the Declaration of Independence and the Constitution of the United States and the will to preserve our Nation whenever it was threatened from within or without.

If we follow the road that leads to and from Munich, war is almost inevitable. I am convinced that the peace cannot be saved by appeasement. It is essential for all the law-abiding nations of the world to make it clear now and not next year that the threat to territorial integrity and independence of small nations anywhere is a threat to the territorial integrity and independence of all nations everywhere.

Just so there will be no misunderstanding in the minds of my listeners today, at home or abroad, I want to emphasize that I have specific reference to Greece, Turkey, and Iran, as well as to any other nation that may be threatened by an overt attack from a neighboring power.

Those in charge of the Kremlin today are following the same system of international blackmail that was followed by Nazi Germany. Sacrificing the rights of small nations as a tribute to such extortionists will not buy peace any more than the sacrifice of Ethiopia to Fascist Italy, Manchuria to militaristic Japan, or Austria and Czechoslovakia to Nazi Germany brought peace a few short years ago. To the contrary, it merely increases the scope of demands by such aggressors.

The problems which face us are of such a grave nature that I hope neither the administration nor the Congress will approach solutions in any narrow partisan sense or to gain any party advantage. If we are to achieve bipartisan support for American foreign policy, there must be full consultation between the President and the Congress. This consultation is not adequately discharged by merely calling Members of Congress to the White House and giving them a short preview of what is already a determined policy.

From both the short- and long-term point of view, the United Nations must be strengthened and supported. Our ultimate aim must be a system of international law and order that both the strong and the weak nations will respect. Only by the ultimate development of a system of collective security will

it be possible to build a satisfactory and lasting peace.

Freedom for the individual and sovereignty for nations cannot be saved for the people of Europe by the United States alone. These are not items that can be delivered like two cans of soup from a grocery shelf. There must be a vigorous, indigenous determination to preserve such liberties by the people themselves. They must be willing to risk their lives if need be in reaching their objective. I found such a determination in many of the countries I visited.

The first measure before the Congress deals with emergency aid for Austria, Italy, and France. For this reason, I shall discuss these countries first and then within the limited time we have, go on to give you some observations of other nations.

Austria was the first victim of Nazi aggression. It is a small nation, having approximately 7,000,000 people. As Germany neared defeat, Austria was first occupied by the Russians. Later, lines of demarcation were established with the Russians occupying the East, and England, France, and the United States the western part. The Soviet zone has about 40 percent of the population, with most of the industrial economic wealth. The American, British, and French zones have about 60 percent of the population and very little industrial capacity. When the Russians first occupied the country, they set up a Communist-dominated government. With a great feeling of confidence and after some considerable prodding by the other allied powers, they allowed elections to be held in the fall of 1945. These elections were a shock and a disappointment to the Russian authorities, for they gave the People's Party 55 percent of the vote, the Socialists 40 percent, and the Communists 5 percent. The Parliament elected at that time and still in being contains 171 non-Communists and 4 Communists.

Not being able to dominate the government, and not being able to coerce the Ministers, the Russians have endeavored to disrupt the economic recovery of the nation. Taking advantage of a loosely-worded section of the Potsdam Agreement which allowed the Russians to take reparations from German assets as such, the Soviet authorities have enlarged their interpretation to make it cover Austrian assets which had been temporarily taken over by the Nazis during the German occupation. In no sense were these German assets, unless one is willing to consider that property taken at a gun point is a legal transfer to and a rightful asset of the bandit.

To date, the Austrian Parliament has refused to give legal sanction to the taking over of these basic industries in the eastern section of the country. To protect Austrian interest, the government has nationalized all such properties. However, with Russian troops in the eastern part of the country and without a peace treaty, Austria is in no position at the moment to exert its authority over these plants.

The leadership in Austria is excellent. Both the Peoples Party and the Socialist Party are working together to preserve the independence and sovereignty of their nation. They are facing the problem with courage and with ability. The nation is in the unfortunate position of having its capital city, Vienna, as an island in the Russian sea of territory which surrounds it.

These people are hard working, courageous and have a fine tradition of democratic ideals. They are entitled to assistance in helping to overcome the hurdles which are in their path as they seek to gain and then maintain complete economic and political independence.

The conditions in Italy are not good. With a population of 45,800,000, this country has a large and active Communist Fifth Column who are apparently determined to try to undermine the legal government and to disrupt the shaky economy. Italy has limited foreign exchange resources and will need immediate assistance as the small resources they have will run out before the first of the year.

While Italy did not suffer the same type of destruction visited upon Germany, there was enough destruction of key power and industrial plants and transportation facilities to make difficult the full rehabilitation of the nation's economy.

In addition to the other problems, Italy, as is the case of most European countries, is faced with a serious inflation. The lira, when I was in Rome, had an official rate of 461 to the dollar and an open-market rate that varied between 575 and 600 to the dollar. It is one of the few currencies that has improved its standing in relation to the dollar during the last 6 months. In Rome, the stores are filled with consumer goods and food, but the prices are high even by American standards and the wages are far lower than those in our country. Conditions outside of Rome, both in northern and southern Italy, are reported as being far more acute. I drove by automobile from Rome to Anzio and then to Naples. Along that particular route, there was a great deal of farm land that was not put into productive use this year because of the damage that had been done to the farmhouses by the fighting. In almost every instance, however, the farmers were busily engaged rebuilding their homes and there is every reason to expect that they will be prepared to plant and harvest their crop next year. In several of the smaller cities we passed through on the way to Naples, Communist meetings, of considerable size, were being held in the public square and the Red flag of communism with its hammer and sickle was flying from the headquarters building.

There are definite indications, however, that communism has reached its high-water mark in Italy and is now receding. The recent municipal elections tend to confirm this and it probably accounts for the desperate attempt of the Communists to upset the government by illegal means prior to the elections next year that will probably confirm the fact that they are losing rather than gaining strength.

If Italy is saved from communism, it will be largely due to the help the United States has already given the unhappy country and to the increase in Italian morale that has come from the emergency aid and long-term rehabilitation program which is now before the American Congress.

France is facing, in addition to everything else, a serious parliamentary crisis growing out of the division of strength between the De Gaulle forces on the right, the moderates in the center and the Communists on the left. Because of the strains and stresses, the Ramadier Ministry fell and former Premier Leon Blum was unable to form a government because he lacked nine votes of having the parliamentary majority. The present Schuman government under existing conditions can be considered to be merely a caretaker government until changes are made in the French constitution or new parliamentary elections can be held.

As in Italy, the French Communist Party appears determined to undermine the legal government and to wreck the nation's faltering economy. I am inclined to believe, however, that with the help that has been rendered and the prospects for the future, that a substantial majority of the French people will not willingly allow themselves to be taken behind the iron curtain. Whether they can prevent it by constitutional parliamentary means, without France having to go through the fires of a bitter civil war, is something that only time will tell.

Germany is a major factor in the economic recovery of western Europe. The Potsdam agreement contemplated that Germany would be treated as an economic unit. The Russian Government has consistently and persistently blocked the efforts to carry out this policy, while at the same time claiming the benefits of reparation payments which they secured under that same Potsdam agreement.

It is my very strong belief that when Russia first showed its resistance to carrying out the terms of the agreement, that we and the other western powers should have immediately stopped shipping plants as reparations into the Russian area. It just does not make sense to continue to deliver to them under one section of the agreement, while permitting them to ignore other sections that place some obligation upon them.

Until you have been to Germany, it is difficult to grasp the tremendous dislocations that have taken place. I served in that country during the war. I was back there again in 1946 and on my return this time, I could see some improvement but not enough to yet make the country a going concern.

In all of the perimeter nations, I had the question raised as to whether or not in rebuilding the economy of Germany, this country wasn't contributing to her military potentialities.

My answer to the Poles, Czechs, Frenchmen, Austrians and others who have raised the question, was this: "Twice within a quarter of a century the United States had to send its men and resources to help defeat first the Imperial Germany of the Kaiser and secondly the Nazi Germany of Hitler. It is my belief that neither the United States Government nor the people of this country desire or intend to place Germany in a position where she can again threaten the peace of the world. If in order to make certain that Germany will not convert from a peacetime to a wartime economy, it is necessary for the western powers, including the United States, to keep a constabulary force together with a group of industrial engineers and accounting experts who can check on what is being done, then we should be prepared to do so for a period of 20, 30, or 40 years."

I did make clear to them, however, that Germany could not remain an economic vacuum. If it were allowed to completely collapse, it would not only be a cancerous growth in the heart of Europe, but it would be a focal point out of which communism might spread into other sections.

There is a general agreement among economists and political leaders in various parts of Europe that Germany must be allowed to once again become a self-supporting nation and to earn the respect of the world. It must also be allowed and encouraged to make a contribution to the economic rehabilitation of western Europe.

There has been very little visible construction in many of the bombed-out cities of Germany. There is a considerable amount of minor repair, but people are still living in the basements of destroyed buildings and in crowded bunkers and air raid shelters. I was personally disappointed that more work had not been done in the cleaning away of rubble and the rebuilding of some of the cities.

Part of the reason for this is the shortage of food with its effect upon the energy of the people. Part of it is due to the shortage of labor and the necessity for working elsewhere. However, I cannot help but believe that with more prompting on the part of the occupation authorities and more energy on the part of German municipal officials that much greater progress could have been made. From a psychological point of view, as well as from the necessity for the housing that could be furnished, I believe that it would be a value to clear away the rubble and the ruins as rapidly as possible and it would give the people a considerable lift in morale to see such work being done.

While I was in the Ruhr area inspecting both operating and nonoperating steel plants, coal mines and other industries, I found almost without exception that the lack of adequate food was considered the number one problem. It is not the only problem by any means. The lack of sufficient fuel, labor, and transportation have been major contributing factors in holding back the productivity that is so desperately needed. In addition, there has been the important factor of a lack of a stabilized currency, which is one of the problems found everywhere in Europe, but which reaches fantastic proportions in Germany.

As an example, when I was checking up on the rate of absenteeism among workers, I found in one plant that a survey had been made as to the reasons for employees being absent. One particular worker in question earned 10 marks a day or 60 marks for a 6-day week. Upon checking up, it was found that he worked 2 days a week in order to get his heavy-worker ration card and was absent from his job 4 days a week. This particular worker owned a hen. The hen laid five eggs a week and the worker ate one egg in order to augment his meager diet. The remaining four eggs he traded for five cigarettes each, which gave him 20 cigarettes. The 20 cigarettes he in turn sold for 8 marks apiece, which gave him 160 marks. Thus his hen was earning more than two and a half times as much per week as he could earn by working 6 days. Hence, he only worked long enough to get his heavy-worker ration card. Then the remaining days he went out into the country where he traded his labor to farmers in exchange for feed for his hen and potatoes for himself.

Under the circumstances, it is not difficult to understand in a "cigarette economy" of this kind why it is most difficult to have the rehabilitation which is so desperately needed. The price-control system in operation does permit the worker, even with his low wages, to buy his limited legal ration and to that extent the mark has a real value. But once he has purchased his legal ration and desires to go out and augment his diet, the mark has very little value in getting him the things that he would like to buy.

This, of course, is one of the reasons why the farmer is not enthusiastic about selling his crop for marks. If he accumulates marks, even at black-market prices, there are limited amounts of consumer goods that the farmer and his wife can purchase when they go into town. As a result, the farmer is more inclined to barter with city dwellers who come out into the country with various household necessities and luxuries to trade for food.

Coal is the key to the industrial recovery of western Europe and in order to get sufficient coal, it will be necessary for both the British and the German miners to greatly augment their present production. In the Ruhr area of Germany various incentive plans are now being tried to encourage the increase of productivity of the individual miner and of the entire industry. These incentives include the feeding of one hot meal and one sandwich meal to the miners at the pit head. I am told that it is the usual practice for the miner to eat the hot meal but instead of taking the sandwich meal below ground, he sends them home by one of his youngsters. These children can be seen in great numbers around the distributing point when food is being given out.

The Council of Foreign Ministers is now meeting, and until that body adjourns it will not be possible to tell whether there can be an agreement on the German peace treaty. However, I am convinced that basic decisions will have to be made promptly by the British, French, or ourselves whether there is a final German peace treaty at this time or not.

Since this Government is going to have to supply substantially all of the funds to "prime the German pump," we are the ones who must make the major decisions. These policies will include currency reform, new incentive plans for both labor and management, and a clear understanding that we will stay to see the job properly done.

With regard to reparation payments, I wish to make it clear that, so far as war plants are concerned, I am in thorough accord that they should be removed from the German economy. Frankly, I also feel that within limitations there is considerable equity for Germany to replace plants in France, Belgium, England, Holland, and Luxemburg that her bombers destroyed. If Russia had lived up to the terms of the Potsdam Agreement and treated Germany as an economic unit there would have also been an obligation growing out of that agreement to supply Russia and some of the eastern countries with reparations in kind. I do feel, however, that in view of the Russian violation of the Potsdam Agreement further shipping of plants to that nation should not take place.

Whatever the policy of the governments of the western areas is to be, it should be carried out forthwith and the indecision ended. It is very difficult to encourage increased production when management and labor have over their heads the fear that their plant and their job may be summarily taken out from under them.

My trip into Poland was my first look behind the "iron curtain" and the first time that I had been into that country. I was greatly impressed by the energy of the Polish people and their intense feeling to be a truly independent and sovereign power. Over the centuries, the Poles have been in the unhappy position of being sandwiched between Russia on the east and Germany on the west. On numerous occasions they have been overrun by first one of these countries and then the other. Through the entire period, however, they have retained a strong national spirit and have proven to be as indigestible to the Russians as they have been to the Germans.

The Government is largely Communist dominated and at the time I was there, I felt that the "iron curtain' had already descended about 75 percent of the way, but was not yet all the way to the ground. Since I left, the opposition leader, Mikolajczyk and other members of his party have found it necessary to flee the country and some of them have been arrested. This destroys the only opposition party that remained. I feel certain that Poland is in for an unhappy period. However, both the religion of the people and the large rural population make Poland an unfertile field, in my opinion, for communism to take any deep and lasting hold upon the masses of the Poles.

There are still an estimated 100,000 Russian soldiers within Poland and as long as they remain, it may be difficult for the spirit of free Poland to reassert itself. Some day they will have to leave and when they do, I feel certain that a free Poland will once again reassert itself and will call to account those who have abused their power and sought to fasten a police state upon a people who overwhelmingly want no part of it.

Regardless of party, I found the Poles generally felt that they were entitled to compensation in the west for what Russia had unilaterally taken from them in the east. Personally, I believe that the Polish nation is entitled to this consideration, regardless of the fact that we may not approve of the policies of the government which is temporarily in power.

Czechoslovakia has retained more freedom of action than any of the other nations within the Rusisa orbit. The Czechs have a good background of democracy. There are at the present time no Russian troops stationed in their country. They do, however, border on Russia and her satellite countries, which places them in an unfortunate geographic position, to say the least.

The people of Czechoslovakia are hard working and have an intelligent and practical outlook on today's world problems.

While the Poles have nationalized all industries with more than 50 employees, the Czechs have limited themselves to nationalizing their public utilities, together with industries having more than 500 employees. Many Czechs in responsible positions recognize that they have probably bitten off more than they can conveniently chew. One of their major problems, of course, is getting a sufficient number of trained people for management in order to efficiently operate the industries which have been taken over. There is also a recognition that without proper incentives for management and labor, productivity will suffer.

You may recall that when the Marshall plan was first proposed, the Government agreed to attend the Paris Conference. It was not until after the Soviet Union voiced its displeasure, in no uncertain terms, that the Government which had unanimously (including the Communist Ministers) voted to go to the Paris Conference, then unanimously revoked its prior decision. It was at least a clear indication that both the non-Communists and the Communists in the Czechoslovakian Government recognized the fact that the economic stability of Czechoslovakia depends, to no small extent, upon trade with the West.

Freedom of the press is still maintained in Czechoslovakia and opposition political parties are active and not hesitant about expressing their views when they disagree with the government in power.

Elections are scheduled for next spring and if the Czechs have a free voice at that time, the returns will probably indicate that communism is on the downgrade, rather than the upgrade in that country.

When one considers the fact that the wetern European powers joined in sacrificing part of Czechoslovakia to Nazi Germany at Munich in the forlorn hope that such action might bring "peace in our time," it seems to me that we should take a sympathetic attitude toward the working out of the difficult problems confronting the Czechoslovakian people.

Greece suffered greatly from the Italian and German occupation as well as by internal civil war. The Greeks are still handicapped by the active armed opposition which exists in various parts of the Nation and it will be most difficult to bring about the economic rehabilitation of the country until law and order is reestablished. It does not do much good to rebuild railroads or highways, bridges, or other public works if they are apt to be blown up within a week or two of completion.

There has been some considerable evidence of lack of efficiency in some of the Greek Ministries and our Appropriations Committee was shocked at finding large quantities of UNRRA supplies which had been in depots for a year, or in some cases 18 months, without having been distributed to the Greek people. Part of this was due to the UNRRA organization, but a large part of responsibility must also be shared by those who were then occupying positions of responsibility in the Greek Government.

I personally went out and inspected several depots and saw plows, tractors, harrows, butter churns, Diesel engines and pumps, shovels, pitchforks, refrigerators, and fishing boats that had not as yet been distributed and many of these supplies had been greatly damaged by lack of proper care.

Turkey has shown tremendous progress during the last quarter of the century. Unlike the Greeks, the Turks do not have any internal disturbances to divide them. I am convinced that the Turks will fight to maintain their independence, whether they get any help from the rest of the world or not. I am also convinced that these people are entitled to the support of the law-abiding nations of this world in maintaining their

territorial integrity and their independence as a nation.

Iran was occupied during the war by Russians, British, and American troops. With the end of the war, these powers agreed to withdraw their forces. The British and American troops were withdrawn but the Russians delayed and attempted to stir up strife in the Province of Azerbaijan. They attempted to force an oil concession from the people of Iran. The week before I arrived in Tehran, the capital, the Majlis or Iranian Parliament, by a vote of 102 to 2 rejected the proposed agreement.

These people also have a determination to maintain their independence and I believe that they have the same claim for the support of the law-abiding nations of the world as does Greece and Turkey.

The last country that I shall discuss today is Great Britain. I had some first-hand knowledge of what the British people went through with the air raids and V bombs and wartime shortages. It looked to me as though the British people had more food restrictions now than they had then and while the air-raid warnings have ceased, the austerity program goes on. Under the government of the day, Great Britain has a regimented economy. Most of the wartime controls are there and a few more besides.

Personally, I have grave doubts as to whether or not Great Britain can solve her problems by following out her present policy. It is, I believe, not without significance that the steel industry and the shipbuilding industry, neither of which is nationalized, are both showing much higher productivity than the activities which have been taken over by the government.

As I have already pointed out, coal production is undoubtedly the key to the recovery of Europe. In the prewar year of 1939, Britain exported 40,000,000 tons of coal. This compares with 80,000,000 tons of exports in 1913. Today, coal is being sent from the United States to Great Britain. It is the unfortunate fact that it is now necesssary to "carry coal to Newcastle."

Historically, conditions in the British mines have not been good by our standards. The change from private ownership to public ownership has not greatly improved the lot of the miner. He gets 4 pounds 10 shillings a week as an above-ground worker or 5 pounds a week under ground. The men who work at the face of the coal vein operate on a piecework basis and some of them earn approximately 8 pounds a week. While the official rate gives a pound value of slightly over $4, the actual value of the pound is nearer $2.59.

To show what has happened to Britain's coal production, you will be interested to know that prewar production amounted to approximately 240,000,000 tons a year. The lowest level of production was reached in 1945, when it dropped to 180,000,000. In 1946 there was an increase to 186,000,000 and the responsible officials hope to get the 1947 production up to 192,000,000 tons. The drop in production is due to a number of factors, but probably the most important was the loss of manpower. A large number of the most productive men were taken into the army. With the wages paid, the work is not so attractive as to make them want to go back to mining.

When the labor government came to power there was a move toward the 40-hour week where formerly they had been on a 48-hour week. Now the responsible Ministers in the labor government recognize that production is the key to meeting Britain's current problems. In the coal mines they have changed from a 5-day week to a 5½-day week and in the steel industry they are operating on a 7-day week. In addition, the original hopes held out by the government for a vast construction program has had to be sharply curtailed. This applies to that which was being publicly financed and that which was being privately financed. They have found it necessary to cut their capital investment by £200,000,000.

The British have also put into effect what is known as the control of engagement order. All men between the ages of 18 and 50 must register and all women between 18 and 45. Individuals can only be hired under this order through the employment services and the government has the power to determine that a business is nonessential to close it up and to reassign the workers to essential industries.

The Achilles heel of the policies of the government will be, I believe, the lack of incentive to both labor and management. Many things can be done during wartime, when the people recognize a need of winning the war, that cannot be carried on year after year during peacetime.

If the British worker, after having labored a long day in the mines, on the railroad trains, or in the factories and offices, is to be denied the relaxation that came from attending a moving-picture show, joining his fellow workers at the local pub for a glass of beer, or having a few cigarettes, I believe that it will be difficult to gain and sustain the productivity without which there is little chance for Britain to meet the shortages and expand exports which are essential to economic recovery.

Yet with it all the British are stout allies and they deserve our understanding and constructive assistance. Though we may violently disagree with the economic policies being followed today, I have no doubt in my own mind that those in charge of the British labor government are as determined to defend human freedom and parliamentary government as is any person within the sound of my voice.

Western Europe is faced with as grave a threat as she has confronted in modern times. Whether human freedom and parliamentary institutions survive will largely depend upon the course of events during the months immediately ahead.

I firmly believe that it is in the best interests of world peace and the security of our own Nation to have the rehabilitation of their war-torn economy. This should take place under governments that will permit the people to exercise a free choice in determining who their officials will be and what policies will be followed. If western Europe goes behind the iron curtain that free choice will be denied them and the whole productive potential of that section of the world will fall into the Russian orbit and be at the disposal of those who run the Kremlin.

If such a thing should happen the repercussions upon our own domestic economy would be so terrific that there should be no doubt in anyone's mind as to the necessity and desirability of extending every reasonable assistance now that would prevent a general economic collapse in western Europe. It is generally recognized now that peace is indivisible and when war or the threat of war develops any place it must be of concern to every law-abiding and peace-loving nation on the face of the earth.

The realization is also growing, I believe, that human freedom is also indivisible. When our Nation was younger than it is today, and prior to the development of airplanes or nuclear science, Abraham Lincoln clearly saw the picture. He said: "Fellow citizens, we cannot escape history * * * the fiery trial through which we pass will light us down in honor or dishonor to the latest generation. * * * We, even we here, have the power and bear the responsibility * * * in giving freedom to the slave we assure freedom to the free. * * * We shall nobly save or we shall meanly lose this last best hope of earth."

Interim Aid to Europe

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. WOLVERTON. Mr. Speaker, today we complete congressional action with respect to interim aid to Europe. The bill that appropriates over half a billion dollars for relief of France, Italy, Austria, and China is unmistakable evidence that the heart of America is sympathetic toward those who are hungry and cold. I am glad to give my support to the measures designed to make it effective.

However, the time is fast approaching, and, in the opinion of many, is now here, when our Nation, no matter how charitably inclined it may be, must give serious and careful consideration to the extent of our resources and how much longer we can afford to continue to give away our resources. After all, there is a limit even to Uncle Sam's resources and ability to give away to others. There are some who do not seem to believe this, nor are they willing to consider even the possibility of there being a limit. Furthermore, there is a limit to the amount and the period of time that American taxpayers should be taxed to carry on foreign governments.

We must not overlook the necessity of maintaining the strength and stability of our own American economy. If America fails, then the whole world will collapse. We owe it to ourselves and the rest of the world to keep America strong. To accomplish this we must use all our resources with due regard to maintaining the strength of our own American economy, as well as rehabilitating the economy of other nations. World peace needs a strong America. A weak America endangers world peace. Let us keep America strong.

Rent Control

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. KEATING. Mr. Speaker, communications which I have received tend to indicate that abuses exist, either as a result of the provisions of the Housing and Rent Act of 1947, Public Law 129 of the Eightieth Congress, or interpretations which have been accorded its provisions by those charged with the responsibility of administration.

These facts, I feel, should be brought to the attention of the Committee on Banking and Currency for their consideration when they face the problem of the extension of rent control, now expiring by law on March 31, 1948.

In Section 202 of the law as enacted, additional housing accommodations, which were created by conversion of existing structures after February 1, 1947, were exempted from the operation of the rent-control law. In other words, if a man made a two-family house out of a single dwelling after this date, he could charge for the resulting housing whatever the traffic would bear, and was not subject to any control whatever in fixing his rental.

One constituent has written me about what was done in the apartment house where she lives. In the first place, she says, the landlord, upon recent acquisition of the property, applied to raise all of the rents—in her case, from $47 to $85 per month. He was granted permission only to make small raises of from $2 to $8 per month.

Thereupon, in April, the tenants received notice that the semidetached dwelling with 8 housing units was being converted into one with 24 apartments of 3 rooms each, under a contention that this would give additional housing which is so badly needed.

When one of the tenants went to the rent-control office to inquire about the matter, my constituent relates, he was told that the owner had represented that the new housing accommodations would have 90 rooms, whereas the fact was that there would be 62 rooms, including small attic rooms. When the head of the office was asked why an investigation and inspection of some kind was not made in order to verify the statement of the landlord the reply was: "Wait until it is finished and we will attend to it." With irony, my constituent adds, "Some efficiency!"

She then goes on to point out that four of the completed apartments have been rented to well-to-do widows and a fifth to a spinster, all of whom are able to pay whatever rent the landlord sees fit to charge. She points out that 38 tenants have been evicted, among whom are 14 ex-servicemen.

She states that the number of people housed in the new accommodations after they are completed will not exceed and may be less than the number who were accommodated before this conversion took place.

Of course the motive actuating Congress at the last session in providing an exemption from control for newly converted living quarters was to make greater housing accommodations available and to encourage construction and conversion of old buildings for that purpose. Apparently, however, it has been possible, perhaps because of administrative laxity, for this objective to be thwarted and for landlords to take advantage of this provision of the law in order to obtain unconscionable increases in rentals without any corresponding benefits to the general housing situation by providing greater accommodations.

It is suggested, therefore, that, either by amendment of section 202 (c) (3), or otherwise, if this exemption of newly converted dwellings is to be continued, some limitation should be imposed to require that substantially more people be housed by the reconversion or other appropriate steps be taken to put an end to such abuses as have here been pointed out.

My attention has been called to another inequity in the provisions of the law or its administration. Under section 204 (b), if a landlord and tenant voluntarily entered into a written lease expiring on or after December 31, 1948, they could agree to an increase in existing rental of 15 percent or less, which must be recognized by the Housing Expediter. Once this arrangement has been entered into, the premises covered by it are no longer subject to control at any time.

Thus, if rent control should be extended, we would be presented with this anomalous situation. Apartment A would be occupied by a tenant who had agreed to—let us say—a 15 percent increase in his rent and apartment B by a tenant who had been unwilling to enter into such an agreement. After December 31, 1948, unless the provisions of this law, or at least its administrative interpretation is changed, Apartment A would be completely free from control and the landlord permitted to charge any amount, while right beside it duplicate apartment B would still be subject to a controlled rent.

This is an obvious injustice which it seems to me should also be the subject of careful study by the Committee on Banking and Currency when they start hearings in the next session regarding possible changes in the rent-control law.

Plight of Small Businessman

EXTENSION OF REMARKS

OF

HON. ELLSWORTH B. FOOTE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. FOOTE. Mr. Speaker, the high cost of living is the burning issue of the day. Shortage of production is primarily the cause of it. Today we have scarcity, not much competition, not enough production, laws, rules, regulations, and bureaus which cause a general stranglehold on small business. We have uncertainty, high taxes, frequent warnings of probable scarcity of items to come, which in turn make scarcity of those items and lend color to the return of the old OPA, and give a general lack of confidence in the future. Big business can get along but even it is continually raising prices. It is truly a vicious cycle. The common man and the small businessman has not much chance to improve. Everyone who analyzes the situation knows that we do not need more controls. We do not need freezes. Price fixing does not increase production. When prices are fixed legitimate producers run into difficulties making ends meet and naturally take no risk of expansion. Hence, the products become more and more scarce and find their way by resale into black markets. Economy in government will help, but that alone is not enough.

We do not need to fall back on the Government to prime the pump forever. We must straighten this mess out by standing on our own feet. Eminent economists and leaders of labor and industry say we need more production. It is true that increased production is inflationary until such time as it reaches the point of meeting the demand. But we should think of creating production in terms of also creating competition, which, as surely as the sun rises, will lower present price levels. Small business can produce, if given a chance, as well as big business. Small business was absorbed by big business during the war, as statistics so prove. The Small Business Committee of the House has done much to aid, assist, and inspire the small businessman. However, it is true today that any small corporation or business group desiring to expand or to engage in new business is hesitant to do so because of the uncertainty of the future. With an opportunity for all legitimate enterprises to expand and produce, it would almost surely follow that every legitimate company would advance and produce more in order to meet competition, and thus bring prices of commodities down.

Character is the basis of credit. It has been demonstrated that in the long run a businessman of good character and integrity is a better financial risk than one who may have more financial backing but lacks those qualifications. If it is proven that the small corporation has men in control of it who are of high character and business integrity, and the project a legitimate one, then they should be able to obtain funds to finance the same without the cold legal restrictions now placed upon them by the Securities Exchange Act and other Federal regulations.

It has been recommended by Secretary of Commerce Harriman and leaders of both parties that the temporary suspension of the antitrust law would be beneficial and would permit industry in this emergency to enter into voluntary agreements for joint action. Governor Bradford, of the great Commonwealth of Massachusetts, in appearing before a congressional committee the other day, stated that such action would help very much to solve the fuel shortage that now exists in the New England area, and which it is indicated may grow more severe as the winter progresses. By so doing, it would authorize oil distributors to pool their information and supplies, just as they did during the war without any violation of the antitrust law. By the same token, a suspension of the rigid requirements of the Securities Exchange Act would be beneficial and permit risk capital and the small corporation controlled by worthy individuals to produce and compete, thereby bringing down prices of commodities. By this suggested suspension of the Securities Act so that the small, legitimate business can get new capital for plant and labor through a stock issue under a simplified manner, I do not mean that it should be done without supervision. A truly bipartisan board might be created in each State, which would pass on all applications for stock issues on the sole ground of whether or not the petitioners are men of good,

moral character and have legitimate aims. The banks are loaded with money of depositors for investment purposes if this situation could be arranged. In addition thereto, we should change the tax laws so small business as well as big business would have an incentive to expand. If these changes could be brought about, they would create more production, more competition, lower prices, confidence in business and in our present and future economy. I expect to introduce a bill at the opening of the second session of the Eightieth Congress which will carry out these proposals.

Inflation and High Cost of Living

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. WOLVERTON. Mr. Speaker, there is no question of a domestic character that calls more strongly for solution than the present high and inflated cost of living.

I gave my support to the legislation proposed by the House Committee on Banking and Currency. I voted for the bill reported by that committee when it was before the House. I did so, however, not because I believed it to be a cure-all for our present difficulties, but, because it was all that the House had before it at that time. I thought at that time, and, continue to think, that the legislation should have been much more comprehensive.

Today, we have before us the Senate bill dealing with the same subject. It likewise falls far short of what is necessary to be done. In my opinion it would not be even as effectual as the House bill would have been. This is very unfortunate. The most that can be said for it is that it is a step toward solution. Even that is doubted by some. With its passage, however, Congress may be said to have at least started to do something to solve the problem.

When Congress convenes on January 6, next, immediate consideration should, and must, be given to finding a remedy that will deal with the problem in a broad and comprehensive way. To delay action will add to the difficulty of solution.

Joel Chandler Harris

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. DAVIS of Georgia. Mr. Speaker, 1948 will mark the one hundredth anniversary of an outstanding American, a gentle and beloved character, who was one of the gifted writers of all times, whose literary creations will live and be popular as long as there are children in the world. I refer to Joel Chandler Harris, creator of Uncle Remus and his characters, Br'er Rabbit, Br'er Fox, Br'er B'ar, and all the other Uncle Remus characters which have delighted not only the children of the world, but men and women of all ages in every country. So popular are the Uncle Remus characters and stories, that they have been re-created in motion pictures, and comic strips based on Uncle Remus stories are carried daily in many newspapers which depict the humorous sayings and antics of the Uncle Remus characters.

Joel Chandler Harris was born and lived in Georgia. However, his fame and popularity, and his lovable, gentle character, have made him a citizen beloved not only in the State of Georgia, not only in the United States, but throughout the world. His stories have been translated in nearly every language of the world, and great men and women from practically every country have made pilgrimages to the Wrens Nest in Atlanta, to pay homage to him while he lived, and to his memory since he has passed away.

It will be a most fitting recognition of the genius of this great American to issue an Uncle Remus Memorial Stamp in 1948. In the Atlanta Journal of December 14, 1947, there appeared an editorial urging that such action be taken. I join wholeheartedly in this proposal, and pursuant to leave previously granted, I insert the Atlanta Journal editorial herewith:

UNCLE REMUS STAMPS

What could be more fitting than an Uncle Remus postage stamp next year in observance of the one hundredth anniversary of the birth of the great Georgia writer? We think there should be a complete series of them adorning the various denominations. Not only should there be a portrait of the beloved author, but there should also be shown Uncle Remus himself and the Little Boy and all the critters, to say nothing of Mis' Meaders an' the Gals.

They are part of the lore of all the world now. Br'er Rabbit's adventures with Br'er Fox, Br'er B'ar and the Tar Baby are known to the Russians, the Germans, and the French almost as well as to us Americans. A series of stamps depicting Joel Chandler Harris and the creatures into whom his genius breathed the breath of life would be something of a force for international understanding and amity.

Sound Money Is First Requisite for World Peace and Economic Recovery

EXTENSION OF REMARKS
OF
HON. JOHN SANBORN
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. SANBORN. Mr. Speaker, I ask unanimous consent to extend my remarks by having printed in the Appendix of the RECORD an article from the Spokane Chronicle of Spokane, Wash., and a letter from John McBride:

[From the Spokane (Wash.) Chronicle of December 10, 1947]

BOOK INTERESTING TO MINE LEADERS

Mining industry leaders will be interested in a 250-page book, Money Makes the Mare Go, written by John McBride, clerk of the House Committee on Coinage, Weights, and Measures, and published by the United States Government Printing Office. The treatise now is being distributed.

An outspoken advocate for return to bimetallism, McBride pulls no punches in criticizing the debauchers of currency. A rapid perusal of his book shows he has no love for managed currency and the men who argue for a planned economy based on paper money.

"Karl Marx said, and Lenin demonstrated, that the surest way to overturn the social order is to debauch the currency, because this action enlists all economic laws on the side of destruction and does it in such a way that not one man in a million will see," he asserts. "The truth of this has been proven right here, where, for 13 years, the debauching of our currency has been carried on to such an extent that our dollar and all fixed dollar value securities have lost 63 percent of their value.

"The technique of debauching the currency is quite simple. It has been resorted to by dictators from time immemorial. When a government wishes to embark on a spending spree it first must deprive the people of the right of redemption of its currency at face value, on demand."

His solution, whether his readers will agree or not, is right down the mining men's alley.

"The remedy lies in restoring to the people the right of redemption of currency at face value, on demand," he argues. "And since there is not enough gold to supply an adequate monetary reserve, silver must be joined with gold in return to bimetallism, the legally established monetary policy of the United States."

Hon. JOHN SANBORN,
House Office Building,
Washington, D. C.

DEAR MR. SANBORN: The present vicious cycle of rising prices with the resultant demand for higher wages was precipitated when Public Law 84 (1945) permitted monetary reserves to be reduced from 40 percent to 25 percent or less. This depreciated the dollar 37½ percent and caused commodity prices to advance 60 percent.

Theoretically, this situation could be corrected by restoring monetary reserves to 40 percent and this apparently was the objective of House Joint Resolution 273, which was introduced on December 10, 1947. But once the dollar has been unhinged from value it becomes much like the fabled broken egg in the nursery rhyme and "all the king's horses and all the king's men couldn't put Humpty Dumpty together again." To arbitrarily restore reserves to 40 percent would be fine for those who have large bank deposits because it would increase the value of such deposits 60 percent, but it would be disastrous for those who have assumed mortgages or other indebtedness during the past 2 years, for it would increase these debts 60 percent. For example, veterans who have bought homes during this 2-year period and assumed mortgages of $5,000 or $10,000 would, in effect, have their $5,000 mortgages increased to $8,000 and $10,000 mortgages increased to $16,000.

To attempt to stop inflation or bring economic recovery to Europe is a waste of effort until a sound monetary policy is adopted. You cannot mess around with stopgap legislation; you must decide on the value at which the dollar is to be fixed, and then permanently peg it there. This is a relatively simple matter, but great care must be exercised in fixing this value. To attempt to restore the dollar to its 1933 value, or even its 1944 value, would cause dangerous repercussions to our economy. Based on the present purchasing power of the dollar, the price of gold should be $56 per ounce, and since there is not enough gold in the world to supply an adequate, redeemable monetary reserve, silver will have to be joined with gold at a

proper ratio (14 to 1) which would necessitate the pegging of silver at $4 per ounce. Probably the most equitable plan would be to peg the price of gold at $50 per ounce and silver at $3.50 per ounce. This would lower commodity prices 11 percent and increase the purchasing power of the dollar 18½ percent. However, before any decision is made, there should be full and complete hearings before appropriate committees of the Congress; but, in the interval, all gold and silver owned by the Treasury should be frozen. To permit any gold or silver to be sold at present monetized prices constitutes a betrayal of the American people.

It may surprise many to know that both the Republican and Democratic Parties carried the following planks in their 1892 platforms; and that the following legislation is still on our statute books and is a part of the United States Code Annotated:

"SOUND-MONEY PLANK IN REPUBLICAN PLATFORM

"The American people, from tradition and interest, favor bimetallism, and the Republican Party demands the use of both gold and silver as standard money, with restrictions and under such provisions to be determined by legislation as will secure maintenance of the parity of values of the two metals, so that the purchasing and the debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal.

"The interest of the producers of the country, its farmers and its workingmen, demand that every dollar, paper or coin, issued by the Government shall be as good as any other.

"We commend the wise and patriotic steps already taken by our Government to secure an international conference to adopt such measures as will insure a parity of value between gold and silver for use as money throughout the world.

"SOUND-MONEY PLANK IN DEMOCRATIC PLATFORM

"We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the market and in payment of debt; and we demand that all paper currency shall be kept at par with and redeemable in such coin.

"We insist upon this policy as especially necessary for the protection of the farmers and the laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

"POLICY OF THE UNITED STATES AS TO BIMETALLISM

"The Congress carried out these party pledges by enacting, on November 1, 1893, the following legislation, which is still in effect and a part of the United States Code Annotated (ch. 8, 28 Stat. 4):

"'SEC. 311. Policy of the United States as to bimetallism. It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchange value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts.'"

England's refusal to go along with us is the only reason that bimetallism was not put in operation at that time. This tragic decision is responsible for the depressions and wars that have afflicted the world since that time. Have we had enough?

Sincerely yours,

JOHN MCBRIDE.

WASHINGTON, D. C.

Poland in the Postwar World

EXTENSION OF REMARKS
OF
HON. GEORGE G. SADOWSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. SADOWSKI. Mr. Speaker, I have just read the following address by Jozef Winiewicz, Ambassador of Poland, delivered on December 12, 1947, at the City Club of Portland, Oreg. Here are expressed Polish hopes and Polish fears. I believe that it should be read by every Member of Congress:

Thousands of miles separate Poland from the Northwest territories of the United States. Your history and the history of my country followed entirely different paths. It is not strange, therefore, as Ambassador of Poland, I come here with the best intention to most faithfully present to you in my talk the joys and cares of my nation. I promise to give you a true picture of Poland, and I shall endeavor to fulfill my task in such a manner, that after my departure from Oregon there will be more friendship for my country than there was before my arrival.

I am in Oregon for the first time. I cannot arouse your sympathy by belonging to that group of persons, who were able to climb to the beautiful summit of Mount Hood, which towers above your magnificently developing city. I cannot boast of owning a home in Council Crest. I have, however, read in a book, that "Oregon is the land of man sized men and happy homes.

"It is the absolute truth that no one ever heard an Oregonian speak evil of another Oregonian."

It is my great hope that this characterization of the citizens of Oregon may also embrace Poland and that it will be possible for me to so explain the problems of my country that no one here will ever speak evil of the Polish people.

Before the war, Poland was a country with a population of 35,000,000 within an area of 150,000 square miles. Since the war Poland has only 120,000 square miles and 24,000,000 inhabitants, the decrease in population being due to the fact that during almost 6 years of occupation, the Germans murdered 6,000,000 persons. I repeat—6,000,000 persons, the majority of whom died in concentration camps, by poisoning in gas chambers. The gas for the murder of millions of Polish people was furnished by the great German chemical trust, the IG Farbenindustrie, the directors of which are now being tried in Nuremberg, as war criminals. In accordance with the Yalta and Potsdam decisions the boundaries of Poland have been changed. Sixty-nine thousand square miles of the eastern territory of Poland, inhabited before the war by national minorities of Ukranians and White Russians were ceded to the Soviet Union. In the west, however, Poland came into possession of 39,000 square miles of territory, which before the war belonged to Germany.

The Potsdam agreement mentions that Poland has received these territories as compensation for those ceded in the east. However, every Pole will tell you, that the areas obtained in Potsdam are regarded by Poles as regained western territories. In the past they were part of the Polish state, which happens to exist already for a thousand years. A few hundred years ago Poland had the same boundary on the Oder and the Niesse Rivers, as she has at present. I may add here, that not only the Polish Government but every man of the street in Poland, regards this boundary decision as an accomplished fact. We cannot agree to any changes of our present western boundaries. The territory obtained in the west has been settled by Polish citizens, there are no more Germans and its economic life is pulsating fully, motivated by Polish effort.

Poland, the first country to oppose German Nazi aggression, Poland, in whose defense other countries belonging to the United Nations took up arms, is today a smaller country than before the war. However, I wish to assure you that, despite this, none of us Poles considers that our historical common responsibility toward the questions of peace has in any way diminished. The Polish nation and the Polish Government are aware that, together with other nations, they are responsible for the future of the world.

At the end of hostilities in 1945, the first task which faced Poland within the sphere of foreign politics, of which I wish first to speak, was the normalization of diplomatic relations with other countries. Poland joined the United Nations Organization and from that time on the existence and meaning of the United Nations Charter for the cause of peace has become a part of the basic program of the foreign policy of the Polish Government. We also belong to nearly all international agencies which form an organizationally healthy complement to the U. N. O. Permit me to add that Poland is a member of many such organizations in which the Soviet Union takes no part—International Bank, FAO, and ILO, for instance.

Another principle followed by the Polish Government in the field of foreign policy is the maintenance of especially good and friendly relations with the great powers, whose contribution toward the defeat of the common enemy in the last war was the greatest. We desire cooperation and friendship with the United States and my government has so declared many times. The circumstance that we often do not share all political actions or opinions of the United States does not lessen this fact. We regard this as a difference of views among friends. Even among friends there can be disagreements which in no way alter the principle on which friendship is based. Poland, for instance, does not share American policy in respect to the so-called Marshall plan. However, this does not mean that Poland is against the United States. The Marshall plan is at present the subject of discussion of your Congress and is now a question of your internal legislation. As an ambassador of a foreign state, I do not wish, in view of this fact, to discuss this question. I therefore stop at my basic statement: We desire close and friendly relations with your country. These same remarks relate also to Great Britain and to France. With both these countries we have definite trade agreements. In addition, Poland a few months ago concluded a cultural treaty with France, thanks to which there exists between our two countries an exchange of scientists, scholars, artists, and thoughts. We do not have a similar treaty with Great Britain, nevertheless English art is widely propagated in Poland. Our theaters lately arranged a great Shakespearean competition. We were also visited by an English ballet, British musicians, and other artists.

In the Marshall plan 16 western and north European states are taking part. With 14 of these Poland has normal diplomatic relations, as well as duly concluded trade agreements and the exchange of trade between us continues in an uninterrupted stream. We desire to maintain these relations.

A great problem of Polish foreign policy after the last war was the implementing of best possible relations with the Soviet Union. The Soviet Union is our largest and closest neighbor. Our boundary with the Soviet Union is the longest sector of the Polish land frontier. For centuries a constant feud existed between our two neighboring countries. We therefore consider, that the greatest achievement of Polish policy in the first years following the second World War, was the establishment of friendly Polish-Soviet relations. We believe it to be an important foundation for European peace. If such good relations did not exist, uneasiness and tension would prevail as was the case after the first World War, when we had a bloody war against the Soviets. With your kind permission I shall cite a historical example which I trust you will fully understand. Mexico was for some time at war with the United States. There were serious territorial disputes between Mexico and your country. One could not consider a continuation of a state of enmity between the United States and Mexico as a normal situation. Just as the other American countries are satisfied with and proud of their good relations with the United States, so Poland believes that it serves the cause of world peace—to have her relations with the Soviet Union based on a good-neighbor policy.

Germany has been and is our western neighbor. The German problem is for us of particular importance and I desire to devote one or two arguments to it—especially since the German problem is being discussed at present in London by the Foreign Ministers Council.

Our interest arises from two sources: Firstly, during the last few centuries the growth of Prussian power, and later of the power of a united Germany, continuously menaced our independence. It threatened not only the independence of the Polish state but also menaced the existence of Poles as a separate nation. Every aggression and invasion coincided with the attempt of Germany to germanize the masses of the Polish people, and to destroy those who did not submit to germanization. Secondly, Germany in the last war caused such great destruction in Poland that only a peace enduring for several generations, and not only for 20 years, as was the peace following 1918, can allow us to make up our losses.

During the last century Germany has provoked several wars in Europe, all of which were dictated by the imperialistic aims of territorial, political, and economic expansion of power. In order to cause these five wars the leaders ruling Germany at the given time always had the absolute support of wide masses of the German population. I do not wish here to enter deeper into the ideological premises of this statement. May I only mention in short that the entire philosophy and all political literature of Germany during these last 100 years was built upon the conviction of the natural superiority of the German nation over all other nations. It is equally a historical truth that the standpoint of German thinkers as well as politicians, always based the method of ruling Germany not only on the principle of Herrenvolk but also on the glorification of the powerful and autocratic authority of a totalitarian state.

I would like to support my statements by several quotations from American literature touching this subject, not because I lack any arguments of my own. It is, however, asserted in many circles that the Poles are not objective judges of German problems because they approach them too emotionally—with hatred. Let me assure you that, despite all the great suffering caused by Germany, the Poles are able to think of the solution of the German problem objectively and without emotional stress.

During the last war in 1943, the United States Government Printing Office in Washington issued an official publication on National Socialism. This publication gives the following characteristic of German aims: "the glorification of the (Volk) nation, the adulation of the strong leader, and the tendency to concentrate power in an autocratic totalitarian state led naturally to the imperialistic foreign policy (of Germany) which was vigorously pursued after the establishment of the Empire."

James W. Gerard, the former United States Ambassador in Berlin, who served there during the first World War, appraised the German people as follows: "All Germans as a matter of fact through pride of conquest and great industrial success, had to come to believe themselves to be supermen, delegated by Heaven to win the world. Treitschke and Nietsche were simply affected in their writings by the universal poison of overweening vanity."

I ask myself, however, what is being done today in order to do away with the spirit of the past. The information we Poles have from Germany indicates, that a new underground movement is working there, which is based ideologically on the same principles, which led Germany to aggressive wars in the past. Articles—in the French press—confirm these observations. A most remarkable observation to the same effect has been made by a most reliable American newspaper correspondent and eminent author, William Shirer, when he stated: "The German people blamed the Nazis not for starting this incredibly destrutive war, but merely for having lost it. As a German woman, kept saying: 'If only Hitler had let the generals run the war; if only we hadn't attacked Russia, or, if after we had, you Americans had not come in to help them, we might have won and been spared this.' The German people, I fear, have not—by a hell of a long way—learned the lessons of this terrible war. They have no sense of guilt and are sorry only that they were beaten and must now suffer the consequences. They are sorry only for themselves; not at all for those they murdered and tortured and tried to wipe off this earth."

We in Poland know this and we are concerned about our own peace; we know this and we are alarmed for fear that the rebirth of the aggressive German spirit will lead to a new world war. For we must agree with the opinion of one of the leading American political writers, Walter Lippmann, who once asserted "that the behavior of nations over a long period of time is the most reliable, though not the only, index of their national interests. * * * We can most nearly judge what a nation will probably want by seeing what over a fairly long period of time it has wanted; we can most nearly predict what it will do by knowing what it has usually done."

These pertinent remarks should warn the world to observe the greatest caution with relation to a nation which started five wars during the past 100 years. One war in 1864 against peaceful Denmark, with the purpose of appropriating for itself Schleswig and Holstein; another war in 1866 to humiliate and break the power of Austria, which stood in the way of Prussia, in her attempts to form a second German empire under Prussian leadership; the third war in 1870, in order to enlarge the area of Germany in the west by robbing France of the rich provinces of Alsace and Lorraine; then the war of 1914, entered into with the aim of securing political and economic supremacy over all of Europe, and finally the war of 1939, whose aim was to create out of Hitlerite Germany a great power, capable of dictating, together with imperialistic Japan, terms to the entire world.

The lesson of the past indicates that Germany is not dangerous so long as there exists against her a united and closed front of all peace-loving nations. Thanks to the close coalition of the United Nations, Germany was defeated in the last war. The first principle then, which should be observed in order that the German aggression cannot be repeated, is unity of action of the United Nations, and especially close cooperation of the great powers, whose enormous war effort was the most essential foundation of the victory in 1945. As long as harmonious friendly cooperation of the United States, the Soviet Union, and Great Britain exists no German politician and no German can dream of the rebirth of German imperialism. One of the principles of Bismarck, creator of German power in the nineteenth century, was never to permit a simultaneous political action by Germany against both its eastern and western neighbors. For he knew very well that with the east and the west politically united the imperialistic aims of Germany could not be realized. This principle was forgotten in 1914 by William II. It was also disregarded by Hitler—and both lost their ways.

It is for these reasons that Poland looks with some anxiety at the present state of relations between the great powers. In their unity we see the guaranty of peace, in their unity we also see our own safety. Let us all trust that the unity of the great powers and the unity of the United Nations, which endured through the last war with such fruitful results, will be preserved. No one in this world desires war. The only sinister forces who seem to be plotting for a new war are certain German circles, who are impelled by the hope that German imperialism could again make profit out of the disunity of the great alliance of the last war.

Obviously, someone may realistically answer me at this point, that Germany is at present defeated, destroyed, and weakened. I reply with the greatest emphasis that the same situation existed after 1918. The organization of the German State fell apart. The German Empire gave place to the Weimar Republic. Inflation in Germany undermined the foundations of her economic life. And despite this, in 1939 Germany again undertook another adventure, which—if it were not for the unity of the efforts of the great powers—would have given Germany sway over the entire world. Already in 1926 there were 8,000,000 people in Germany, belonging to diverse paramilitary organizations, preparing themselves for military revenge. Already in 1928 Germany had an economic boom and German exports had reached the enormous figure of 15,000,000,000 marks, which figure was never attained afterwards. At that time Germany, instead of exporting, began to lay aside supplies for the coming war. In 1918, as today, no one thought that Germany would have the power to fight another war. And everyone knows what happened some 20 years later.

The restoration of German imperialism after 1918 became possible due to two circumstances. After 1918 the political unity of those great powers which brought about the November defeat of Germany ceased to exist. Great Britain began a diplomatic struggle (maintaining every outward appearance of good relations) with its wartime ally, but also its competitor on the continent—France. The United States withdrew from European interests. The Soviet Union was isolated. Germany started her intrigues among the disunited members of the former anti-German coalition. The Germans today are also speculating on the disagreements among their former enemies. Nothing would give them more pleasure, than an open break among the great powers,

a rift among the United Nations. Nothing would suit Germany better, than a separate peace concluded between the western German zones and the western Allies, which some impatient people are advocating. I dare to call them impatient, because only patience and mutual understanding can result in a right solution of the German problem, a most complicated problem the solution of which needs time.

The second circumstance which after 1918 favored the restoration of German aggressiveness and which by comparison could favor the restoration of German aggression at the present moment, is strictly economic. After 1918 assistance began to be given the economic life of Germany by numerous credits from abroad because of the principle that the Germans also must live. This rendered possible the rapid rebuilding of German industry, control of inflation difficulties, which I spoke of above and the renewed establishment of Germany as an economically powerful central European state.

Germany is not a country rich in raw materials. The only raw material Germany has in abundance is coal. Iron ore must be imported, there is a lack of colored metals. Germany also is not and was not in 1939 an agriculturally self-sufficient country, the best proof of which were the large grain and meat imports from the Western Hemisphere, going yearly to the great German ports of Hamburg and Bremen, as well as the great food imports from Poland and other eastern European countries. Nevertheless Germany was able to expand into a great economic power. In 1871, as a result of the victory, Germany deprived France of its entire supply of gold and all its wealth by imposing such high reparations that no one expected that France would be able to survive. On the basis of this wealth taken from France, German industry was built. During the 25 years preceding the first world war, the production of German steel rose by 1,335 percent. Within the same time steel production in the United States increased only ninefold, and in England by 154 percent.

After 1918, despite its defeat, the development of Germany was not halted. Poor Germany received credits from the United States and was successful in having her industry before 1939 become the most modern industry in the whole of Europe, competitively threatening the exports of the very United States, from where all her credits came. Prewar Germany, occupying 9 percent of the area of Europe (with the exclusion of the Soviet Union) having 20 percent of Europe's population and 9 percent of iron ore production, was already producing the following percentage of Europe's entire production: 49 percent of pig iron; 48 percent of steel; 50 percent of automobiles and trucks; 64 percent of machinery; 35 percent of electric energy; 54 percent of azotate fertilizers.

Germany, at the same time, gained economic preponderance over other European countries, especially those of eastern and southeastern Europe. Such countries as Hungary, Rumania, Bulgaria, and Greece, were before 1939 economically almost entirely dependent on Germany. Economic supremacy over these countries made it possible for Germany to obtain political supremacy. Dependence of other European countries on Germany was not so great but still considerable. Belgium and the Netherlands were economically dependent on German transit, Poland had to purchase machinery from Germany. These facts must not repeat themselves. Therefore Poland and many other nations look with such anxiety upon certain moves of the western powers, who are again strengthening Germany with economic aid and again endeavor, as after 1918, too quickly to reconstruct German industry. Our prescription is different.

There should be no haste in the rebuilding of German industry. Germany must not have priority in economic reconstruction before other nations, before those who were the victims of German aggression. And in our opinion, haste in rebuilding German industry is not at all necessary to reestablish European economy.

Accept, please, my critical remarks on the policy of the western allies in Germany as an objective criticism, dictated solely by a true interest in peace and the interests of my country. I would wish that this criticism be accepted in the same sincere and friendly spirit, as moved me in its utterance. The United States and even Great Britain do not have the long experience which Poles and other Europeans have gone through with Germany. It would be well, if a part of our experience, an experience which should not be slighted, would be taken under advisement when your plans in relation to Germany are being worked out. And the Polish fears are not the only fears. Archbishop of York, Dr. Garbett, a prominent leader of the Church of England lately visited Czechoslovakia. Upon his return he spoke of the attitude of the Czechoslovak people concerning the German problem as follows: "One of the things that struck me most is the great fear of a German revival. All of us in Great Britain feel, I think, that for a very large number of years we have nothing to fear from Germany. In Czechoslovakia I found myself in a totally different atmosphere. It is not hatred of the German people, but fear." I could not find a better expression also for the attitude of the Polish nation.

Another reservation which I wish to make is the remark that neither the Polish people nor the Polish Government want Germany to starve. We had the opportunity of formulating our standpoint in this matter at the January London Conference of Deputy Ministers of Foreign Affairs of the Great Powers, where the Polish representative declared, that it is the aim of the Polish Government to cooperate economically in the future with Germany. In this year, for instance, we concluded trade agreements with western occupation zones of Germany. We intend to export potatoes there. The German nation, if it is willing to have good relations with Poland, will not have to starve. Germany was our natural market for agricultural products. As soon as Poland can rebuild its agricultural production, damaged by the war, she shall as formerly export to Germany. I do not say that Germany must be ruined economically, but I stress that Germany should not be reconstructed sooner than other countries of Europe, she should not be given privileges in the economic reconstruction of Europe. Because these privileges are deserved first of all by those nations who were the victims of German aggression.

The Germans abuse the assistance which they now receive from the west. In the United States and in Great Britain people are worried that the "poor Germans" are starving. In the meanwhile, on the German black market everything which one desires is obtainable. Lately the correspondent of the American weekly, World Report, stated that "the German farmer is the worst waster of food in Germany * * * much food hoarded for black markets spoils before it reaches the consumer." The already quoted writer, Walter Lippmann, who shortly returned from a trip around Germany, stated that a great part of the food Germany receives from Great Britain is lost on the black market. Polish observers assert that every dollar which at this time is spent by the occupation authorities for feeding Germany is a total loss as long as the German black market is not done away with, as there seems to be enough food there to feed western Germany without greater aid from outside. There is further the problem how to get the Germans to work hard. All Europe is working hard on a much more meager diet than the Germans. However, we read in the papers only about the discontent of German workers with their food. Who ever worries whether the Polish worker has enough bread?

Poland received after the war a great deal of aid, mostly through UNRRA, and the Poles knew that 72 percent of the whole contribution to UNRRA came from the United States of America, from the American taxpayer. We have endeavored to utilize this aid in the best way, so as to restore our war damages as quickly as possible. We wanted simply to get on our feet economically at the earliest moment, as we fully realize that our economic power is the best guaranty of our independence. You can no doubt realize how a country whose material losses exceeded $50,000,000,000, and who lost 6,000,000 of its citizens, appeared at the close of the war. You may imagine what psychological wounds Poland suffered through the terrible experience of this war if you keep in mind that from one crematorium only, near the building occupied by the Gestapo in Warsaw, 20 tons of human ashes were taken, proving that in this place almost 40,000 persons were murdered. The energy and vitality of our nation, however, enabled us to quickly overcome our difficulties.

The most important problem which Poland had to overcome in the first few months of 1945 was to rebuild our State administration, which during the war years was entirely destroyed by the Germans, who imposed on us their own German administration. Then we approached the problem of building the political structure of our State. The constitutional structure of Poland is built on the principles of the old democratic constitution of 1921. It was on these principles that elections were held in Poland in January of this year, in which the one-chambered Polish parliament was elected, with seven political parties. Our parliament consisting of various parties, as in France, is different from your Congress and from the British Parliament, which are dominated by two parties only. Four of our parties have created a coalition government, which is at present in power and which I have the honor to represent. The first act of the new parliament was to declare an amnesty, which put an end to the underground movement aiming at overthrowing the Government by force. The second important move of the new parliament was to enact the declaration of citizen liberties. They include: Equality before the law, regardless of nationality, race, creed, sex, origin, social status and education; liberty of person, life and property; freedom of conscience and of worship; freedom of scientific research; freedom of press, speech, association, assembly, public meetings, and demonstrations; the right of instituting court actions; protection of family life; relief in case of unemployment and incapacitation; etc.

The Polish economic structure was built on the correlative existence of the nationalized heavy industry, of commercial cooperatives, and free enterprise mainly in the field of retail trade and in smaller manufacturing. Agricultural property is in the private possession of the peasantry, and it is our aim to build the agricultural structure of Poland on the pattern of Danish agriculture, in which private property is united by a widely developed network of agricultural cooperatives. We do not have in Poland anything like the Soviet system. There is instead the endeavor to build our State on socialistic principles, but in accordance with our own Polish standards. I believe it was your Senator MORSE who gave utterance to

the following saying, which can be used to emphasize the Polish attitude: "I will not wear another man's collar."

During the time following the end of hostilities, we continuously were increasing the area under agricultural cultivation. It did not, however, protect us from a large deficit of grain, which for the crop-year from July 1947 to July 1948 will amount to 850,000 tons, as confirmed by the FAO mission which came to Poland at the invitation of the Polish Government. In 1945 we produced 27,000,000 tons of coal. In the current year we will produce 60,000,000, and in 1949 we count on the production of 78,000,000 tons. The prewar production of the Polish mining district amounted to 69,000,000 tons; therefore, we have now nearly reached the prewar level of production. And in 1949 we shall exceed it. This year Poland exported 20,000,000 tons of coal; in 1951 we want to export 35,000,000 tons. Two-thirds of our export goes to Scandinavia, France, Italy, Austria, and other western European countries. Our industrial production has already exceeded 90 percent of our prewar production. No such results have been achieved in Germany, in spite of millions of dollars spent for occupation costs.

The example of Poland shows that by helping the countries who were the victims of German aggression, one can better, more efficiently, and more rapidly assist the economic reconstruction of Europe than by giving excessive help to Germany. And it is also assistance for the preservation of peace.

There is at the present time in this world a great deal of ill will and much intrigue, the victims of which, unfortunately, are always the weak and the innocent. Poland is only too often the subject of slanderous propaganda. This anti-Polish propaganda unfortunately is active against us also in the United States. We Poles have no possibility or means each time to correct the untruths of this propaganda, although our nation, contending with great economic and political difficulties, is in need of as much friendliness and sympathy as possible. I appeal to you for this sympathy and friendliness.

The United States have in Poland a good friend, a friend, who cherishes the principles which enabled the United Nations to defeat nazism, fascism and the savage imperialism of Japan. I want the American people to understand and realize this. Remember that in Poland, whenever we discuss problems of international life, we always strive to discover those principles which unite people, and ideas which bring them together; we seek to forget the differences which tend to divide. Possibly, it is due to this fact, that we are optimists as regards the future of the world, which is said to be passing at present through the atomic phase of its development. We, Poles, visualize this atomic phase of world development as a long period of peace and prosperity, in which atomic energy will be of service to humanity, and will not be a means of destruction.

In order to show you the spirit which animates Poland, I will close by repeating the words of the President of the Republic of Poland addressed to an American journalist: "We want only the right to live; we do not want to rule any other nation; we want no colonies or dominions, but we insist upon independence. By this we do not mean illusory independence, but effective independence with a sound economic basis." Such is the spirit of Poland. Would you then ask me, according to your Oregon custom, to give you a 12-word slogan, to be put on ballot about Poland. I recommend the following:

"Poland. Many sufferings. Friend of America. Great peace lover. Devoted to independence."

I do not offer you a slogan about your speaker for today. It is up to you to say what you think about Mr. Winiewicz.

Britain Sabotages United Nations Decision in Palestine

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. CELLER. Mr. Speaker, it is absolutely imperative that the Security Council of the United Nations take action to prevent the British from sabotaging the United Nations decision for the partition of Palestine.

Britain seeks to do by indirection what she could not do directly. Obviously siding with the machinations of Arab riot leaders, Britain is belieing her own statement that she will be responsible for the maintenance of law and order in Palestine until withdrawal. Adequate police protection is not afforded the Jews and permission is denied the Jews to use defensive weapons of their own. Haganah has been penalized for attempting defense against riots, while there is no instance of Arabs being arrested or fired upon by British police for participation in such riots or for carrying arms. Haganah is being punished for doing the work Britain pledged herself to do, that is, keep peace and order in Palestine until she gets out.

The British Colonial Secretary, Mr. Arthur Creach Jones, under the thumb of Ernest Bevin, has stated that it would be undesirable for the United Commission on Palestine to get to Palestine until a short time before the mandate ends. That would most certainly impede the setting up of the proper administrative machinery, and stymie the work of the Commission. It is obvious that Mr. Bevin is still smarting under the defeat he suffered at Lake Success.

In the meantime the road between Jerusalem and Tel-Aviv is not open to peaceful travel. Jewish convoys are still proceeding unescorted, and revolver licenses refused, although Arab attacks continue. Last week Arab Legionnaires actively attacked transports in Yazur. The other day attacks took place at Beth Nabala Camp and on the road to Ben Shamen. Yet the Colonial Office refuses either to protect the Jews or to permit them to protect themselves. There are numerous cases of British police intervening on the Arab side in the exchange of shots between Arab attackers and Jewish defenders.

There is no question that Britain is seeking to exploit the current situation in Palestine to solve her own problems in the Middle East. Britain is attempting to aid the Arabs in defeating partition and maintaining the status quo in Palestine. Conversations between Brigadier Clayton, of Britain, and Sir Charles Smart have been reported, as well as discussions with the criminal ex-Mufti of Jerusalem.

It is of immediate importance that the Security Council recognize the tactics employed by Britain to sabotage its decision. The United States must take the same initiative and forceful leadership within the Security Council as she did in the General Assembly. Britain must not be permitted to continue her behavior in defiance of the United Nations decision.

Need of Spur to Housing Held Urgent

EXTENSION OF REMARKS

OF

HON. WILLIS W. BRADLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. BRADLEY. Mr. Speaker, a day or two ago the House passed legislation increasing the authorized guarantees under title VI of the Federal Housing Act so as to permit a continuation of building homes under FHA. In view of this, and to indicate the soundness of the action taken by the House, I include here an article from the Long Beach Press-Telegram of Long Beach, Calif., which was published on December 2, 1947.

NEED OF SPUR TO HOUSING HELD URGENT—GAIN OF 100 PERCENT REQUIRED TO MEET POPULATION RISE

A nearly 100 percent boost in construction rate of dwelling units is needed in Long Beach if enough housing is to be erected within the next 5 years to accommodate a population of 300,000.

That was revealed today in a report filed with the Chamber of Commerce construction industries committee by Earl B. Miller, chairman.

It is necessary to build 6,677 dwelling units a year for 5 years to care for approximately 40,000 new residents by 1952, and some 56,000 old residents who will need new housing by that time due to obsolescence of existing units.

NOW AT 260,000

The current population is about 260,000, according to the report, which quotes the regional county planning commission figure of 257,925.

At present new dwelling units are being constructed in Long Beach at the rate of 3,430 a year. This is 3,247 fewer than is needed each year for the next 5 if the anticipated influx of new population is to be housed satisfactorily, the report said.

It was also disclosed that 86,374 units of existing private housing fall short of present requirements. At a prewar standard of 2.81 persons a unit, as prevailed in 1940, the present facilities can house only 242,710.

ADDITIONAL ALLOWANCE

In addition, allowance must be made for needed replacement of 6,980 units of temporary housing, about 9,305 units of older substandard dwellings, and a minimum of 3 percent normal vacancy factor of 3,691 units, the report says.

In conclusion, the report stated: "It seems reasonable to assume that at least 50 percent of all units built between 1900 and 1919 or earlier are now substandard and should be replaced, along with trailers and all Government housing, to avoid development of slum areas. The county assessor's replacement schedule for frame buildings is 33 years, and for brick and masonry construction 37½ years."

Unification Politics?

EXTENSION OF REMARKS
OF
HON. HENRY J. LATHAM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. LATHAM. Mr. Speaker, this morning I read with deep concern a newspaper article in the Washington Post, stating that the Navy choice for Vice Chief of Naval Operations is Vice Adm. Arthur W. Radford, but that he may not be appointed because he had testified before the House Committee on Expenditures in Executive Departments giving his personal views on the unification bill when it was under consideration.

Admiral Radford was not opposed to unification of the armed services, but his views were in some respects at variance with the compromise plan agreed upon by the Secretaries of the Army and the Navy.

Admiral Radford is the leading exponent of naval aviation, and has been largely responsible for building our great naval air striking force, which in my opinion, more than any other branch of the service, contributed toward winning the war in the Pacific. Admiral Radford has the full confidence and support of naval aviators and is most representative of that great fighting group.

I want to say that it is to Admiral Radford's everlasting credit and honor that he alone, when the unification bill was being considered, had the courage to come to Congress and tell what he thought was best for naval aviation and for the defense of his country, in spite of the fact that everyone knew that the "wraps had been put on."

Mr. Speaker, it will be a sad day for the people of the United States when military leaders of our country cannot come before the people's chosen representatives and express their honest opinions concerning the defenses of our country without fear of reprisal.

It will be a sad day for our armed services and the defenses of our country when courage and honesty in our military become a detriment to advancement.

Unification was intended to eliminate jealousies and reprisals in the armed services and between the various branches of the services.

This is a direct challenge to the Commander in Chief of the Armed Services, the President of the United States.

The Republican Plan To Do Nothing

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MULTER. Mr. Speaker, as one of the newer Members of this body I had sincerely hoped to be able to cast my vote at least once during this special session in favor of a bill, or bills, directed at curbing inflation. I even dared to hope to be able to vote in favor of extension of rent controls—and I mean rent controls that limit rents—and in favor of a bill that would at least curb the runaway prices of the necessities of life, if the bill did not actually roll the prices back so as to put foodstuffs within the buying power of the low-income groups of our country.

Unfortunately, however, those matters of such tremendous importance to our country are not to be treated on the basis of what is good for the country, but rather on the basis of what the majority of this House should do in order to elect a Member of their party as the next President of our country.

Apparently even as to matters concerning which there is little or no disagreement, those in control of this Congress are insistent on keeping them from enactment lest President Truman be given credit therefor.

Although it seems to me that a majority of both Houses of Congress are in favor of extension of rent controls, and in favor of extension of export controls, and in favor of extension of the provisions for the allocation of transportation facilities, these matters are not to be presented by bills permitting them to be separately enacted.

Instead, rent controls for this session are definitely thrown into the discard. Tenants, who are being bludgeoned into signing "voluntary" rent increases (thereby losing the benefits of the present law) are to take solace from the promise of a Republican Presidential hopeful that the housing situation will not improve for at least 3 years, and that next year we may expect extension of rent controls for another year. Price curbs are not to be considered at all. Consumer credit controls likewise are not to be considered.

Export controls and allocation of transportation facilities and Federal Reserve requirements may be had, but at a price. That price is that we take the Republican proposals in those respects exactly as submitted without adequate explanation or discussion, and without any possibility of amendment, coupled with a fantastic scheme to lift all restrictions against monopolistic practices now condemned by law. Of course, our Republican friends urge that the restrictions of the antitrust laws, the restrictions of the Robinson-Patman Act, the protections that have been written into our laws after hard-fought battles to protect cooperatives and the small independent merchants cannot be waived unless the President approves the proposed agreements.

Obviously, their plan is to try to pass the bill and then say to the President, if he does not approve an agreement, that inflation was not curbed because of his lack of approval. On the other hand, if he should be entrapped into approving an unfortunate agreement, the same people would then blame him for countenancing violations of these laws.

No hearings have been conducted by any committee, so far as I know, to determine the impact, if any, such a bill would have upon our economy or upon the persons who would be most affected by the lifting of the prohibitions now on our law books. The bill as submitted on a "take it or leave it" basis is so bad that it must be rejected.

If and when this bill comes before the House under a rule permitting full discussion and amendment it may be enacted with the bad parts thereof eliminated.

I repeat, however, that each of the various items of this bill should be the separate subject matter of an independent bill, as should also each of the other items by which inflation is sought to be curbed.

There is no cure-all and there can be no all-inclusive bill that will effect a complete cure. Each of the various elements are in and of themselves sufficiently important to warrant separate treatment.

Until so presented, the Congress is justified in refusing to consider this bill.

The Calhoun Lane GI-Housing Project

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MANSFIELD. Mr. Speaker, I am inserting in the Appendix of the RECORD the story of the Calhoun Lane GI-housing project in Billings, Mont. I feel that this material should be considered by the Congress and the proper Government agencies so that this problem can be settled in the most equitable manner as quickly as possible.

Mr. Speaker, under unanimous consent granted to me I am inserting various news letters and letters pertaining to this project:

HELENA, MONT., *November 8, 1947.*

The Gorman investigating committee of the Billings Veterans of Foreign Wars held another public meeting in their hall Thursday night, October 6. The purpose of this meeting was to review the evidence uncovered by the committee's investigation of the business troubles of the Calhoun Lane GI's. A large delegation of GI's and their wives were present and approved the following resolution adopted at this meeting:

"RESOLUTION ASKING NATIONAL VA OFFICIALS TO TAKE OVER

"Whereas that 21 GI's bought homes in the Calhoun Lane subdivision in Billings, Mont., from real-estate promoters for a contract price of $8,000, which had been raised from $6,150 to $8,000, presumably covering all improvements. Certain contracts stated as much, and all of the GI's were assured by the real-estate promoters that the contract price covered all improvements. Later the GI purchasers discovered that the county was assessing them for the improvements in addition to the regular taxes on the $8,000 taxes.

"Whereas the GI's asked the promoters and the Security Bank, who financed the loans, to explain the additional taxes, and they replied that the procedure was legal and nothing could be done about it. They then appealed to the State offices of the VA and

the FHA, which appeal was completely ignored. Later this situation came to the attention of the VFW, who proceeded with investigations. The VFW investigating committee tried repeatedly to have the State VA and FHA offices meet with the loaning agency, the real-estate promoters, the bank, and the purchasers to see if the differences could be straightened out. The four groups concerned made various vague excuses why they could not meet openly with the GI's to discuss the problem.

"Whereas on October 6, 1947, the VFW investigating committee asked that a Federal investigation be made of the operations of the Montana VA and FHA agencies; also, the State and district offices of the VFW concurred with the local VFW investigating committee to continue pressing the investigation.

"Whereas a Mr. Hoffman, Chief of the Loan Division at Seattle, Wash., of the VA, made a complete investigation of the case and discovered that the double charge on the improvements were in his opinion correct, but the legal minds who drew the contracts, financed the loans—including the approval of the State VA and FHA—informed him it was all legal and proper. Mr. Hoffman suggested a remedy. He stated that 'If I could get Federal permission, the contracts would be refinanced a 100-percent GI loan.' In this suggestion the double charge would be absorbed in a longer term and at a lower rate of interest. Naturally, this was not acceptable by the GI's or the VFW committee.

"Whereas the VFW committee asked Mr. Hoffman, of the VA, that his department withdraw the Government guaranty on the VA portion of the loan, to which Mr. Hoffman replied, 'It is not my opinion nor within my power to do so.' Stating further that 'Future GI loans would be jeopardized if the Government took this action.'

"Therefore, be it further resolved that this VFW investigating committee ask Mr. A. W. King, Chief of the Federal Loan Division of the VA, to withdraw the Federal guaranty on their portion, inasmuch as future loans for GI's would be definitely jeopardized with this sort of promotion running free and being sanctioned by State VA and FHA agencies.

"And, furthermore, copies of this resolution be sent to Gen. Omar C. Bradley, Chief of the VA, and the National Chief of the FHA; also, the two Representatives and two Senators from the State of Montana and to Mr. Tom Clark, Attorney General; also, all VFW posts and newspapers in Montana. The Gorman committee would appreciate a copy of any paper commenting on this GI problem.

"FRANK J. GORMAN,
Chairman,
"W. W. WESTWOOD,
"G. SANDSMARK,
"A. R. MEYER,
"B. W. POEHLS,
"Investigating Committee, Post, No. 1634, VFW."

The above resolution was unanimously approved by the GI's who attended the VFW investigating committee meeting held Thursday, November 6, 1947.

BILLINGS POST NO. 1634,
VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
Billings, Mont., November 26, 1947.

Hon. MIKE MANSFIELD,
United States Representative,
Washington, D. C.

Hon. Representative MANSFIELD: The Gorman VFW investigating committee were handed a letter signed by all the GI's and their wives in the Calhoun Lane subdivision with the request that this committee seek the proper authorities in Washington, D. C., to thoroughly investigate that which appears to be discrepancies in the purchase price of their homes.

I have enclosed their letter of November 15, 1947, with Mr. Mitchell's letter which shows the action of the Gorman VFW investigating committee on November 22, 1947.

The VFW committee appreciate the many big problems that are constantly before you and are thankful for the interest you are taking and the opportunity you have in vital assistance to our GI problem in Billings.

Local newspaper publicity does not exist. However, two dailies and several weeklies throughout the State are regularly carrying the Mitchell news letter.

To further publicize this case would it be possible for you to have inserted in the CONGRESSIONAL RECORD a copy of the GI's story of the Calhoun Lane project, together with appropriate remarks you might make?

I personally believe that publicity will finally break this case.

Thanking you for your considerate interest, I am

Respectfully yours,
FRANK J. GORMAN,
Chairman, VFW Investigating Committee.

HELENA, MONT., *November 22, 1947.*

ASKS CONGRESS TO DEMAND INVESTIGATION OF BILLINGS CALHOUN LANE DEALS

The following statement from the Gorman VFW investigating committee is directed and sent primarily to Senators Murray and Ecton and Representatives Mansfield and D'Ewart, and to United States Attorney General Tom Clark, so that they can demand an immediate investigation of the operations of the VA and FHA in Montana.

"The Gorman VFW committee in investigating the Calhoun Lane subdivision disclosed serious discrepancies where certain charges have been made after contracts were signed and down payments accepted. These discrepancies were pointed out to Hartwig and Tingle, the promoters and contractors, to the Security Trust and Savings Bank, the loaning agency, and the FHA and VA at Helena, Mont., who guaranteed the payment of mortgages from Government funds. The FHA being represented by Ben S. Hill and the VA by John McLaughlin.

"It has been over 8 weeks since these VFW investigations started and the only attempt to offer a remedy came from Mr. Hoffman, Chief of Loans of the Seattle division of the VA, who suggested that the 21 GI's absorb the double charge in a long term through a straight GI loan, which of course, was not acceptable to the GI's nor the VFW committee.

"The FHA, the Security Bank, and Hartwig and Tingle, the promoters, have offered no remedy; all are satisfied that the deal is legal and proper but the 21 GI's by their statement of November 15, 1927 are not satisfied.

"There must be a thorough Federal investigation. GI's must not be victims where Federal agencies are supposed to be their safeguards. If the laws are inadequate, let us change them. If the administrators are derelict let's remove them.

"This practice must not go on unchecked. There must be some law makers and some administrators who believe in fair play.

"The un-American activities referred to in the press each day must not and will not be allowed, however, if the 14,000,000 GI's are given the same treatment and disregard of their rights as the 21 GI's in the Calhoun Lane subdivision in Billings, Mont., have been given, a perfect ground work will have been laid in disillusionment, disregard and disrespect for the principles those boys fought to preserve.

"Copies of the Mitchell news letters issued weekly and covering Calhoun Lane deals have been sent regularly to Senators Murray and Ecton, Representatives Mansfield and D'Ewart, United States Attorney General Tom Clark, and the heads of the national VA and FHA agencies.

"FRANK J. GORMAN, *Chairman,*
"G. SANDSMARK,
"B. W. POEHLS,
"FRED L. PENROD."

This action of the Gorman VFW committee is endorsed by committees from Yellowstone Trades and Labor assembly, the AMVETS, and the GI's of Calhoun Lane.

The Billings VFW Post-assisted by other VFW Montana Posts, the Yellowstone Trades and Labor Assembly, Billings AMVET Post, Eagles, and several individuals have financed this special news letter and the mailing list includes all VFW Posts and newspapers in Montana, and a number of American Legion Posts.

HELENA, MONT., *November 15, 1947.*

The parties whose signatures are hereto attached have handed this letter to the Gorman Veterans of Foreign Wars investigating committee with the request that they forward a copy to the proper authorities in Washington, D. C.:

"THE GI'S STORY OF THE CALHOUN LANE PROJECT

"We, the undersigned veterans and home owners in the Calhoun subdivision of Billings, Mont., do hereby request that the National Federal Housing Authority, Washington, D. C., make an immediate investigation of the situation now confronting us, described herewith.

"In returning from the armed forces of these United States and finding no space available contacted the Hartwig & Tingle real-estate promoters to purchase one of the newly constructed homes of Calhoun Lane.

"Upon contacting Hartwig & Tingle we were advised that the entire project was being handled and financed by the Security Trust & Savings Bank of Billings. All homes in this subdivision to be purchased through this bank only. Contacting this bank, we were advised that we could move in should we fulfill the credit standards required in obtaining a FHA and VA loan and have the $500 to $1,000 down payments. Unpaid balance to be financed by an 80-percent FHA mortgage and a 20-percent VA mortgage. Taxes, as stated by both parties, Hartwig & Tingle and the Security Trust & Savings to be about $60 per year, increasing somewhat if we were taken into the city limits of Billings.

"As presented in individual affidavits, taken by and now on file with the VA, and appearing in some of the contracts between Hartwig & Tingle and the purchaser, these also being in the hands of the VA, it was so stated by Hartwig & Tingle and the Security Trust & Savings Bank and understood by the purchasers that the $8,000 included all improvements, viz, streets, sewer and water, with no outstanding taxes.

"In financing these homes under the FHA guaranty the purchaser's ability to pay was thoroughly investigated, using the monthly payments then set up on the unpaid balance as the basis, these payments running from $54 per month, not exceeding $60 per month, varying according to cash paid down.

"On or about September 5, 1947, some time after the last home was contracted for, we were informed indirectly that a special improvement tax assessment of $883 per home had been levied against this subdivision, same to be paid over a period of 10 years at 6-percent interest. We immediately contacted the bank, requesting their reason for not possessing this information, and were told it was news to them. The bank is withholding $5 monthly in a trust fund to cover our taxes, which now amount to $235 yearly.

"This was then taken to the VFW, American Legion, Americ. 1 Vets, and Yellowstone

Trades Union, which formed a committee to investigate. At once it was disclosed that though none of the homes were completed the FHA had made the final approval of these loans. It was also disclosed that faulty materials had been used, and in checking we find that three (3) inspections were required and were to have been made by the FHA. To our knowledge, no inspection has been made of these homes, which are still not completed.

"With these facts disclosed Mr. Ben S. Hill, State FHA director, has been repeatedly asked to meet with us and iron out these problems. His only reply is that his office is taking no definite action in this matter, though he has stated that he is of the opinion that these taxes should not be paid by us.

"In view of Mr. Hill's attitude, we are again requesting that your office make an immediate and thorough investigation of this case.

"Mr. and Mrs. I. F. Hutchins, 116 Arden Avenue; Mr. and Mrs. LeRoy D. Jensen, 110 Arden Avenue; Mr. and Mrs. J. H. Nickerson, 114 Arden Avenue; Mr. and Mrs. Charles Kuhne, 122 Arden Avenue; Mr. and Mrs. Leonard W. Noyes, 126 Arden Avenue; Mr. and Mrs. Leonard Apps, 125 Arden Avenue; Mr. and Mrs. E. R. Bahn, 121 Bruce Avenue; Mr. and Mrs. John C. Wade, 120 Bruce Avenue; Mr. and Mrs. Roy W. Hodge, 123 Bruce Avenue; Mr. Mrs. Roy H. Watne, 118 Bruce Avenue; Mr. and Mrs. Louis Studer, 119 Bruce Avenue; Mr. and Mrs. Merle R. Price, 118 Arden Avenue; Mr. and Mrs. H. A. Potter, 114 Bruce Avenue; Mr. and Mrs. H. A. Walter, 115 Bruce Avenue; Mr. and Mrs. R. M. Stearns, 120 Arden Avenue; Mr. and Mrs. J. R. Derden, 113 Bruce venue; Mr and Mrs. F. J. Newman, 117 Bruce Avenue; Mr. and Mrs. A. R. Marquardt, 122 Bruce Avenue; Mr. and Mrs. Gene Elery, 110 Bruce Avenue; Mr. and Mrs. R. R. Bailey, 116 Bruce Avenue; Mr. and Mrs. Anderson, 112 Arden Avenue; Mr. and Mrs. R. B. McGinnis, 124 Bruce Avenue; Mr. and Mrs. R. J. Gardner, 127 Bruce Avenue."

The Gorman VFW committee would like to know why the Montana FHA and VA stand by their guaranty of Federal funds, when it is a known fact that the $883 improvement tax per home was included in a contract price of $8,000? How can the Federal FHA and VA reconcile the agreed payments per month at the time the contracts were signed with the suggested increase of $883 on those homes? These are some of the questions the VFW committee would like answered. The VFW investigating committee against is asking that the proper Federal authorities be instructed to make a thorough investigation of the Montana FHA and VA agencies.

HELENA, MONT., *November 22, 1947.*

ASKS CONGRESS TO DEMAND INVESTIGATION OF BILLINGS CALHOUN LANE DEALS

The following statement from the Gorman VFW investigating committee is directed and sent primarily to Senators MURRAY and ECTON and Representatives MANSFIELD and D'EWART, and to United States Attorney General Tom Clark, so that they can demand an immediate investigation of the operations of the VA and FHA in Montana.

"The Gorman VFW committee in investigating the Calhoun Lane subdivision disclosed serious discrepancies where certain charges have been made after contracts were signed and down payments accepted. These discrepancies were pointed out to Hartwig and Tingle, the promoters and contractors, to the Security Trust & Savings Bank, the loaning agency, and the FHA and VA at Helena, Mont., who guaranteed the payment of mortgages from Government funds. The FHA being represented by Ben S. Hill and the VA by John McLaughlin.

"It has been over 8 weeks since these VFW investigations started and the only attempt to offer a remedy came from Mr. Hoffman, chief of loans, of the Seattle division of the VA, who suggested that the 21 GI's absorb the double charge in a long term through a straight GI loan, which, of course, was not acceptable to the GI's nor the VFW committee.

"The FHA, the Security Bank, and Hartwig & Tingle, the promoters, have offered no remedy; all are satisfied that the deal is legal and proper but the 21 GI's by their statement of November 15, 1947, are not satisfied.

"There must be a thorough Federal investigation. GI's must not be victims where Federal agencies are supposed to be their safeguards. If the laws are inadequate; let's change them. If the administrators are derelict, let's remove them.

"This practice must not go on unchecked. There must be some lawmakers and some administrators who believe in fair play.

"The un-American activities referred to in the press each day must not and will not be allowed, however, if the 14,000,000 GI's are given the same treatment and disregard of their rights as the 21 GI's in the Calhoun Lane subdivision in Billings, Mont., have been given, a perfect ground work will have been laid in disillusionment, disregard, and disrespect for the principals those boys fought to preserve.

"Copies of the Mitchell news letters issued weekly and covering Calhoun Lane deals have been sent regularly to Senators MURRAY and ECTON, Representatives MANSFIELD and D'EWART, United States Attorney General Tom Clark, and the heads of the National VA and FHA agencies.

"FRANK J. GORMAN, *Chairman.*
"G. SANDSMARK.
"B. W. POEHLS.
"FRED L. PENROD."

This action of the Gorman VFW committee is endorsed by committees from Yellowstone Trades and Labor Assembly, the AMVETS, and the GI's of Calhoun Lane.

The Billings VFW Post, assisted by other VFW Montana posts, the Yellowstone Trades and Labor Assembly, Billings AMVET Post, Eagles, and several individuals have financed this special news letter and the mailing list includes all VFW posts and newspapers in Montana, and a number of American Legion posts.

NOVEMBER 25, 1947.

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR MR. MANSFIELD: Your letter of November 17, 1947, relative to a situation which has developed in connection with homes purchased by a group of veterans in Billings, Mont., and the resolutions which were adopted by Post No. 1634, Veterans of Foreign Wars, Billings, with regard thereto, has our consideration.

For several weeks our loan guaranty officer at the Fort Harrison, Mont., regional office and investigators from our Seattle branch office have been assembling the facts in the case and trying to accomplish an adjustment of an unfortunate situation. At this writing an equitable solution is not in sight and we have so advised commander of the department of Montana, VFW, John W. Bonner, of Helena, who has been in contact with this office with respect to the matter. For your information we enclose a copy of a letter which the director of the loan guaranty service addressed to Mr. Bonner on November 19, 1947.

Briefly, the facts in this case are that the veterans who purchased homes in the Hartwig-Tingle housing project at Billings claim that they were promised by the builders that the prices which they paid for the houses purchased would include installation of public sewers, street paving, and curbing. However, special assessments have been laid against each property for a proportionate part of the cost of the aforesaid three improvement items by the county, and the builder refuses to pay the costs thereof and denies that any agreement was made to do so. The final solution may have to be determined by court action as the parties are adamant in their viewpoints. The Veterans' Administration guaranteed second-mortgage loans under section 505 (a) of the Servicemen's Readjustment Act in these cases, the primary mortgage loans having been insured by the Federal Housing Administration.

As our letter to Mr. Bonner indicates, we are still studying the question of whether or not the lender has lost his right to guaranty of the secondary loans by any failure to adhere to the act and regulations, but any action by the Administration toward voiding the guaranties would not provide the relief which the veterans seek, namely, elimination of the liens for street and sewer improvements.

Very truly yours,

F. W. KELSEY,
Assistant Administrator for Finance.

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., December 17, 1947.

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MANSFIELD: Further reference is made to your letter of December 2 pertaining to an investigation being conducted by the Gorman committee of the Billings Veterans of Foreign Wars relative to 21 GI's who purchased homes in the Calhoun Lane subdivision in Billings.

A report on this matter has been secured from Mr. Ben S. Hill, State director for the Federal Housing Administration in Montana. Mr. Hill's particular attention was invited to that part of the News Letter which stated in effect that appeals to the State office of the Federal Housing Administration to meet with representatives of the veteran purchases to discuss this matter were completely ignored, and he was requested to comment on this phase of the release, as well as other remarks. In reply, Mr. Hill stated that he had been asked to attend a public meeting to be held in Billings, September 28, 1947. This invitation was extended to him by Mr. Gorman, chairman of the investigating committee, on September 24. The following day Mr. Hill, by letter, declined because of a prior commitment to be present at the annual meeting of the Montana Building and Loan League at Havre on the same day but mentioned that he had been in close contact with the situation through some of the interested parties and had taken steps to arrange a meeting so that the difficulties existing in connection with the properties might be composed.

Subsequently, at Mr. Hill's suggestion, a meeting was held in Billings on October 6. The entire matter was discussed and the sponsors agreed that they would finish the uncompleted items and a later meeting would be scheduled to ascertain whether a satisfactory solution of the entire problem could be worked out.

On October 29 the meeting decided upon at the conference of October 6 was held in Billings and the matter of the special assessments, the crux of the whole dispute, was discussed. All interested parties, as well as an attorney representing the veteran purchasers, were present.

The records of the Montana office of the FHA disclose that Hartwig and Tingle originally filed applications requesting priority assistance to construct homes in Billings. Then the Security Trust and Savings Bank

submitted applications for mortgage insurance on 27 houses which were then partially constructed. The information accompanying the applications for insurance, as well as prior data submitted, did not indicate that any special assessments would be levied against the properties. It was not until 23 cases had been insured by this Administration that Mr. Hill was informed by the mortgagee, who had heard through one of the recent purchasers, that a special improvement district had been created and special improvement bonds amounting to $1,400 per dwelling unit covering sewer, water, streets, gutters, and curbing had been sold and were about to be assessed against the individual properties. The only items not previously covered in submissions to the office were gutters and sewers. Apparently, no one other than Hartwig and Tingle had any knowledge of the establishment of the special assessment district.

At the meeting of October 29 when this matter was again discussed, the attorney for the builder would agree to no concessions whatsoever and, in fact, advised that his clients had no legal responsibilities. It was then proposed that an effort be made to recall the recent bond issue dealing with the special assessment for the purpose of establishing a larger improvement district and issuing bonds for 20 years at 3 percent rather than 10 at 6 percent which had been done. The adoption of such an approach would have reduced materially the amount of the special assessment on each dwelling recognizing, of course, the improvements resulting from the installation of curbs and gutters. The attorney representing the veteran purchasers stated that he would recommend acceptance of this proposal.

You may be assured that Mr. Hill is continuing his efforts to effect a solution to this problem which will be satisfactory to all concerned.

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

GI Subsistence Allowances

EXTENSION OF REMARKS
OF
HON. A. S. MIKE MONRONEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, December 17, 1947

Mr. MONRONEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to have printed a telegram from the combined veterans' organizations from the University of Oklahoma regarding the urgent need for an increase in subsistence allowance for GI students attending school:

NORMAN, OKLA., *December 6, 1947.*
Congressman MIKE MONRONEY,
House Office Building,
Washington, D. C.

THE HONORABLE MIKE MONRONEY: I am the duly elected and endorsed delegate of the majority of veterans of the four main campuses of the State of Oklahoma, to the National Council of Veteran Trainees that is to be held in Washington on the 19th and 20th of this month. The purpose of said conference is to secure the passage of legislation that will increase the subsistence allowance for veterans attending school.

The program is outlined as follows:

Each delegate is to determine the attitude of the Congressmen from his State toward the legislation desired by the veterans in that particular State. In Washington the State program will be coordinated and we hope to come out with a unified, reasonable, and over-all program that will fit the needs of all of the veterans in school. The final step, of course, will depend on you in Congress during the next session. By extensive surveys taken here in Oklahoma on the various campuses it has been determined that the present subsistence allowance is very inadequate, and we feel that unless some action is taken immediately many students under the present program will be forced to drop out of school for financial reasons.

We in Oklahoma feel that since the people through their Government have shown such an interest in the veterans as to devise a program whereby from $5,000 to $7,000 will be used to educate a veteran, that failure to provide a very small amount in addition and thereby save the principal investment is bad business. Certainly, if the veteran cannot complete his education the amount of money spent toward that end is a bad investment. We feel that by adding a little more the profits to the people as a whole will be much greater.

On the other hand, we do not feel that the subsistence should be increased so much as to allow the veteran to turn the campus into a country club. Therefore we recommend the passage of S. 1394 that increases the single veteran's allowance $10 or to $75, and increases the married veteran's allowance $15 or to $105, and an additional allowance of $15 for more than one dependent. This we do not feel is unreasonable nor unjustified.

It is realized that at this time you are very busy with important world affairs, but since time is short for us, we would greatly appreciate your immediate action upon this matter. To briefly state the action required, we would like to have a letter from you stating the above-mentioned program, quoting the figures listed and your atitude toward same. We would like to have the letter as soon as possible due to the fact that I am to leave for Washington the 17th of this month.

JOHN WHEATLEY,
Oklahoma Delegate to National Council of Veteran Trainees, University of Oklahoma.

Danger in Conferring Authority To Regulate Exports on a Price Basis

EXTENSION OF REMARKS
OF
HON. HOMER R. JONES
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. JONES of Washington. Mr. Speaker, it would be a serious mistake for this body to consider the merits of this legislation—Senate Joint Resolution 167—without calling attention to one of its provisions. I refer to that portion of the bill granting the Secretary of Commerce authority to regulate exports on a price basis. It is not my intention to defend practices of certain elements in the foreign trade field. I have no doubt that some have taken full advantage of the world situation; have charged all the traffic could bear at a time when commodities are scarce and foreign demand is tremendous.

But I am concerned with what this authority, placed in the hands of an administrative body, will mean to thousands of our small businessmen. It is my concern, and should be yours, to know what effect this price fixing power will mean to the many hundreds of ex-servicemen who today are struggling to establish a business in the export field and, under present policies and regulations, already find themselves fighting a desperate battle.

Big business already enjoys a near monopoly in the export trade. Under existing policy, so-called traditional shippers, comprising mainly the large manufacturers, mills, and producers, are granted 85 percent of our foreign trade by Commerce Department policy. The thousands of small exporters, many of them with little or no historical background in the export field and many of them former servicemen who have entered business since the war, scramble desperately for the remaining 15 percent. That, also, is the policy of the Commerce Department. Mr. Speaker, it is obviously a vicious, arbitrary policy which furthers big-business monopoly to the detriment of the small exporter.

There is a serious question in my mind that authority to place price controls in the export field will not finally and conclusively smash the small businessman in this field. And this, of course, means the former GI's who are gambling their savings and their futures in an effort to establish their own enterprises.

If you will investigate, I think you will find the Department of Commerce and its Office of International Trade are already in bad repute with the vast majority of small exporters. The small businessman finds himself limited to a few, pitiful crumbs while his big competitor exercises a virtual monopoly. And the small man collects the crumbs only with the greatest difficulty and by wading through a maze of conflicting, senseless and arbitrary red tape.

What happens to the small businessman if you now give to the Commerce Department this additional powerful and dangerously restrictive authority?

Frankly, he does not know. But he suspects and fears, as I do, that it will ruin him. He believes it will afford the big operator, big manufacturer, and big producer to clamp down entirely on his meager supply sources. He knows he cannot buy from that same big producer, ship his commodities overseas and sell it at the same price level as his big competitor.

It is my personal conviction that Congress would do well to look into this whole matter of our export trade. It is also my conviction that we should consider cautiously the granting of authority which could, and I am convinced probably would, destroy thousands of our small businessmen.

And I question the wisdom of singling out one small segment of our economy and inflicting on it price regulations, when we are unwilling to assume the same burden and restrictions for everyone. It seems to me the small exporter, in this instance, is being made the whipping boy.

Small business is the lifeblood of our national economy. We profess to have its interests at heart.

We should reflect on the grave import of this action before we grant powers, the implications of which are all too clear.

Rat Holes in Europe

EXTENSION OF REMARKS
OF
HON. HUBERT S. ELLIS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. ELLIS. Mr. Speaker, under leave to extend my remarks, I include an article by Samuel B. Pettengill, a Democrat and former Member of this House:

INSIDE YOUR CONGRESS

(By Samuel B. Pettengill)

THE RAT HOLE OF ZLIN

Let's measure the Marshall plan with a yardstick we can understand. Let's apply it to what was once the largest shoe factory in the world—the Bata plant in Czechoslovakia. This plant was founded by a poor shoemaker's son in the tiny village of Zlin. He started with a capital of 800 florins. But he had something else. He had elbow grease and freedom. His plant grew until its 12,000 employees, making 75,000 shoes a day, had a world-wide market.

Last year, the Socialist government of Czechoslovakia took over the Bata plant. In 10 months, cash reserves of 1,000,000 crowns were wasted. Its debt was increased 300,000,000 crowns. Its directors, superintendents and foremen—2,000 men with the "know-how"—were kicked out. Shoe prices were raised out of reach. The morale of the workingmen was destroyed. It now takes four men to produce what one man had done.

Is General Marshall to pour his money and ours down that rat hole? Are American shoemakers to be taxed to make good the ruin caused not by the war, but by Socialist politicians?

MISERY COMING BACK

Jan Bata, a descendant of the shoemaker's son, wrote the Socialist Minister of Finance: "What we gathered in 52 years, the government has wasted in 10 months. * * * Your government is now asking for a loan from the United States of America to be able to meet the nationalization losses. * * * We built up the factory to chase misery and hunger from Zlin and country. * * * Now I see misery and hunger coming back to Zlin and its people. * * * I feel almost a physical pain as I watch the waste. I am still a son of the people."

How many American dollars will it take to stuff that rat hole? And keep it stuffed?

No one can understand $18,000,000,000. No one can understand Europe with its 25 nations, its 400,000,000 people who have hated and killed each other for centuries. But everyone can understand the rat hole at Zlin. It is only one of thousands. How do you help these 12,000 Bata families? How do you keep them fed as long as they have to live under the same government that ruined them?

Yet our State Department says we must not ask these Socialist governments to get off their people's backs as a condition for our aid. We might offend them, they say.

So, while these governments continue to redistribute the jobs to their armies of political retainers, are we to stuff the rat holes as fast as they dig them? (The increase in the number of bureaucrats under Attlee in England is one-third the number of her coal miners.) Are we to rebuild the trains blown up by their strikers? Fill their coal bins as they reduce their working hours?

WHAT IS PROSPERITY?

What does our prosperity consist of? Is it our automobiles, bathtubs, gadgets and dollars? No. These are only yardsticks. But these things are not the cause of our prosperity. They are the effect. The source of our prosperity is something far different. It is the American spirit, our initiative, our risk-taking, private property, and our Constitution which protected from confiscation those who have sweated and saved during 150 years. If all the gadgets were burned, the American spirit, if we retain it, could rebuild them in a few brief years.

Europe could rebuild, too, if it had the American spirit. Without it—fill in the answer yourself.

Are we to fill rat holes in Europe, and go socialist at home?

Universal Military Training

EXTENSION OF REMARKS
OF
HON. GEORGIA L. LUSK
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mrs. LUSK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following petition received from the American Legion post in Ruidoso, N. Mex., concerning legislation to establish a system of universal military training.

PETITION

Hon. GEORGIA LEE LUSK,
House of Representatives,
Washington, D. C.

Peace is worth striving for. Therefore we, citizens of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Cy Leland, Ida H. Bloodworth, Lloyd P. Bloodworth, O. L. Walsh, Jr., Claude Webb, M. S. Cole, O. W. Samelson, Ray Throckmorton, L. E. Throckmorton, Buford Fisher, Jim Pickering, Fred Guderson, E. F. Strachan, Gladys Strachan, Bert Norke, Ray Faust, Dolores Faust, Manuel B. Baddlo, George Westall, Iva Coleman, R. T. McDaniels, Ruidoso, N. Mex.; E. G. Blaylock, Alamogordo, N. Mex.; R. H. Hedgecoke, Ruidoso, N. Mex.; D. B. Morgan, Jr., Alamogordo, N. Mex.; Mack Jones, M. W. Munro, Alfred Hale, Ernest Burgess, Mrs. Fred Riley, Fred Riley, L. B. Autry, L. A. Farrar, Ruidoso, N. Mex.; W. L. Benton, Berino, N. Mex.; T. J. Short, J. J. Wallace, E. W. Wade, J. H. Cornelius, Fred Montoya, J. W. Gill, R. A. Burnett, R. O. Whitted, Ruidoso, N. Mex.; Asher Flouer, Lois Thompson, Bob Thompson, K. V. Smith, Loretta Smith, Hollywood, N. Mex.; H. C. Brown, Ruidoso, N. Mex.; S. W. Stout, Green Tree, N. Mex.; Cleo Beavers, Hollywood, N. Mex.; C. L. Campbell, Mrs. Lena Campbell, Bill Marler, Ruidoso, N. Mex.; Frank Hale, Green Tree, N. Mex.; Jas. T. Bingham, Roswell, N. Mex.; Ernest McDaniel, Ruidoso, N. Mex; Marion J. Fuchs, A. J. Fuchs, Green Tree, N. Mex.; Ed Asher, R. G. Bok, Mrs. R. G. Bok, Hollywood, N. Mex.; A. C. Eckert, Mrs. A. C. Eckert, Jake B. Salas, Green Tree, N. Mex.; O. B. Shook, Alto, N. Mex.; Julian Gill, Glencoe, N. Mex.; Frank Ivy, Violet Hastings, Clarence Perry, Ruidoso, N. Mex.; Hazel Hale, Green Tree, N. Mex.; Alice Hale, Glencoe, N. Mex.; Willie Hale, Green Tree, N. Mex.; C. A. Culver, L. F. Dryden, E. M. Clarke, Mrs. H. O'Hair, H. O'Hair, Olan Scott, Mrs. Olan Scott, A. L. Ferguson, Mrs. Marge Ferguson, W. A. Hart, Ruidoso, N. Mex.; Minton R. Hart, Alamogordo, N. Mex.

Inflation and High Prices

EXTENSION OF REMARKS
OF
HON. KATHARINE ST. GEORGE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by my distinguished colleague, Hon. HOWARD BUFFETT:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., December 18, 1947.

Mr. EARL BUNTING,
President, O'Sullivan Rubber Co.,
Winchester, Va.

DEAR MR. BUNTING: I have read with interest the advertisements published by the National Association of Manufacturers concerning the No. 1 national problem—inflation and high prices.

Your ad is good reading, and it includes many constructive suggestions that should receive careful congressional attention in the months ahead.

But—and in the minds of the Members of Congress, this is a big "but"—the people of America are crying for action on spiraling prices right now.

In other words, the heat is on Congress—and unless something is done soon to lessen the pressure on the inflation accelerator, you can expect that OPA, with or without trimmings, will be back around the neck of business in 6 months or perhaps much sooner. At least, that's the way it looks from here now.

But, Mr. Bunting, there is one step your group can take that would almost surely prevent this calamity, and here it is:

Let the National Association of Manufacturers vigorously record itself in favor of postponing action on the so-called Marshall plan until our own financial house is in order.

Your manufacturers know better than anyone else how gigantic exports are sparking the rise in prices. If your group would take the lead in urging a postponement of the Marshall plan, you may find that by that act you have saved yourselves and the free-enterprise system of America from destruction.

If American business—tempted by the prospect of export profits—is committed to do the impossible—then business is behind the eight-ball. And the inflationary Marshall plan puts you in exactly that spot.

Don't you see the position business (and Congress) is in? If gigantic exports continue prices will stay high or even go higher. If this happens, the millions of average Americans who are taking the beating from high prices are going to become frantic—if they aren't already. When the American people get that way, Congress can easily be stampeded—and when I say stampeded—I mean back into a peacetime OPA.

But if the word went out to the country that the Marshall plan was going on the shelf until our domestic economy was stabilized, well—I'll bet you a new hat that commodity prices would start to skid before tomorrow's sundown. And if a good settling back in prices takes place, all this OPA talk would evaporate—and business would have a chance to give customers—both domestic and foreign, full value for their money.

Very truly yours,

HOWARD BUFFETT.

A National Institute of Industrial Training for Negro Youth

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MILLER of Nebraska. Mr. Speaker, World War II brought forcibly to our attention the dearth of trade and industrial training among young people in the United States. This is particularly true of Negro youth most of whom, because of the lack of adequate training, are in the lower wage brackets. To increase the earning power of the Negro and make him a more valuable economic asset to the Nation, the Booker T. Washington Birthplace Memorial is establishing a National Institute of Industrial Training for Negro youth. The headquarters for agricultural and industrial training will be at Booker Washington Birthplace, Va., but field services will be extended to other parts of the United States where there is a substantial Negro population.

It is planned to establish a school for the training of hotel employees and kindred services in Washington, D. C., and to secure buildings for this industrial training school, the following bill has been introduced by me:

H. R. 4664

A bill to provide for a National Institute of Industrial Training of Negro Youth

Be it enacted, etc., That the Commissioner of the Public Housing Administration and the Defense Homes Corporation is authorized and directed to convey Slowe and Carver Halls, defense housing projects, in Washington, D. C., to the Booker T. Washington Birthplace Memorial, to be utilized exclusively by them as a National Institute of Industrial Training for Negro Youth, including Negro veterans of World War II, who, because of limited education, are not eligible for college training under the GI bill of rights. Upon transfer of this property, the Government shall be relieved of all maintenances and other expenses in connection with this property which will be assumed and paid by the Booker T. Washington Birthplace Memorial. No Government appropriations are to be authorized to carry out the provisions of this act.

Mr. Speaker, incidentally, it might be added, the Government will be indirectly reimbursed for these buildings since the net profit to the United States Treasury on the 5,000,000 Booker T. Washington Memorial half dollars will be $1,619,394. This is possible because the silver used to mint these coins cost the Treasury only 47 cents per ounce and is bringing the Treasury a return of $1.38 per ounce.

The Booker T. Washington Birthplace Memorial is fortunate in having for its President, Dr. S. J. Phillips, who has dedicated himself to the perpetuation of the ideals and teachings of Booker T. Washington. Dr. Phillips believes that the problems of the Negro are largely economic and that they can be solved by making available trade and industrial training for the Negro youth of America.

Appended is a brief outline of the plans and objectives of the Booker T. Washington Birthplace Memorial:

A PROPOSAL TO USE SLOWE AND CARVER HALLS AS A NATIONAL INSTITUTE OF INDUSTRIAL TRAINING WHICH SHALL CONSTITUTE A UNIT OF THE FIELD SERVICES OF THE BOOKER T. WASHINGTON BIRTHPLACE MEMORIAL IN ITS PROGRAM OF TRAINING WORKERS OF LOW EDUCATIONAL STATUS FOR SERVICE AND INDUSTRIAL OCCUPATIONS

"Let us make ourselves reliable in our method of labor; if we do not, the time will come when people with another skin and another religion will take from us the great blessing we now enjoy." (Booker T. Washington.)

(By Booker T. Washington Birthplace Memorial, Rocky Mount, Va.)

I. INTRODUCTION

Millions of America's people, especially Negroes, are of low educational status. Service occupations offer large fields of work for this group of citizens. These occupations make a direct contribution to the smooth, efficient running of our national machinery. Because this is true, opportunities should be provided for making of these fields scientifically guided areas in which training and organization will play a greater part than our present educational set-up permits, in bringing about results mutually beneficial to employer, employees, and the general public.

We believe that greater and better service will be rendered, and greater good will be engendered in the fields of service occupations, if the following principles are observed:

(a) If more thorough training is made possible to workers who plan to enter the service field, thereby making possible to them a greater amount of respect for the jobs they fill, and a higher wage for the efficient service they render.

(b) If workers, through a training program, can be taught to appreciate clean, wholesome environment, healthy bodies, and high ideals of service.

(c) If the entire field of service occupations can be raised to a level in keeping with the strides that have been made by other branches of labor—through a well-planned program of the type advocated herein by the Booker T. Washington Birthplace Memorial.

We believe, too, that these provisions will help to insure intelligent service, more efficient labor, better personal relationship, and wholesome loyalty in service occupations. We further believe that this committee has the opportunity to help make all of these things possible by making available Slowe and Carver Halls to be used as a national institute of Industrial Training which shall constitute a unit of field services of the Booker T. Washington Birthplace Memorial in its program of training workers of low educational status for service and industrial occupations.

"We have doctors, lawyers, and professional men, but I want to say that your success depends upon the success and prosperity of the hard-working, laboring class of our men and women; when they fall you fall in the professional and business careers of life." (Booker T. Washington.)

II. THE BOOKER T. WASHINGTON BIRTHPLACE MEMORIAL

In the words of Booker T. Washington, "Ignorance is more costly to any State than education, and the highest education is that which fits an individual to live successfully in the community where his life is thrown."

Believing that millions of Negroes of low educational status can be given trade and industrial training to the extent that they can live more successfully in the various communities where their lives are thrown, and also make large contributions to local, State, and national welfare, more than 2 years ago the Booker T. Washington Birthplace Memorial was brought into existence. This is an organization made up of a number of outstanding white and Negro leaders of America. Its objectives are:

(1) To establish a service memorial at the birthplace of Booker T. Washington in Franklin County, Va.

(2) To make this service memorial serve as headquarters for a national program of trade and industrial training for Negroes below high-school level.

This program is based on the same fundamental teachings of Booker T. Washington and has been endorsed by the 48 Governors and the Seventy-ninth Congress of the United States. It covers a field of training for which very little provision has been made in our present national educational set-up. The recent war indicated the grave need for such a program.

Field service

As planned, the Booker T. Washington Birthplace Memorial program will reach Negroes over the country by means of a field service which will operate in the various towns and cities of America. This proposal is an appeal to give us the opportunity to acquire Slowe and Carver Halls to be used as a unit of field service in this gravely needed program.

III. NEED FOR NATIONAL INSTITUTE OF INDUSTRIAL TRAINING

"One should learn to do the common things in an uncommon way." (Booker T. Washington.)

1. Low educational status of the masses of Negroes: According to figures compiled by the Bureau of the Census, more than 90 percent of America's more than 13,000,000 Negroes are below fifth-grade level. Other groups have a lower percentage, but in the main there are millions of people in our country who are of low educational status. This vast group must be given the opportunity to earn a living in keeping with the American standard if our country is to continue in its role of world leadership. Further, this group must also accomplish enough to make its contribution to national welfare. In order to achieve both of these ends, this large number of American citizens should be given opportunities for training so that they might be able to make the most of all of their potentialities.

2. Negroes employed in service occupations: The last census listed nearly 6,000,000 Negroes gainfully employed in the United States. Of this number, approximately 50 percent were engaged in domestic services—a larger percent than any other field of employment except agriculture. While these percentages run abnormally high for the Negro, it is a fact that domestic and service occupations offer a large outlet for the services of unskilled labor in all groups.

3. Common occupations neglected in educational planning: The large number of American citizens who have to depend upon domestic and service occupations for a living, as well as the millions of Americans whose larger functioning in national life depend upon a well-fed, clean-housed and smooth-running domestic machinery, more than justifies the need for giving attention to the field of training in industrial arts—a field which has been, to date, sadly neglected in our educational planning.

4. Negro workers are untrained: Provisions for such training for the Negro worker especially are at present practically nil. He learns by experience if he learns at all. The public suffers while the untrained worker is learning by the hit and miss method, and thousands of dollars in time, food, and material are being wasted. Such conditions

could be remedied, particularly in the Nation's Capital, if Slowe and Carver Halls could be used as a National Institute of Industrial Training for workers in industry and domestic service—with emphasis upon hotel and restaurant workers especially.

"Industrial education teaches the Negro how not to drudge in his work." (Booker T. Washington.)

IV. HOW THE FACILITIES OF SLOWE AND CARVER HALLS COULD BE USED TO ADVANTAGE AS A NATIONAL INSTITUTE OF INDUSTRIAL TRAINING

1. Use of present physical plant: Any program of industrial training includes housing quarters up to the American standard; a sanitary, convenient kitchen and pantry set-up; modern dining-room facilities, bath rooms; lounges; rest rooms; recreational parlors, etc. All of these are established in Slowe and Carver Halls and could be used to great advantage in a training program. There is, too, ample room for units of instruction since recreational rooms could do double duty as classrooms as well as serve as practice laboratories for training.

2. Maintenance of high living standards: The intelligence and living standards of the Negro population of Washington are, in the main, above the average of that of Negroes over the country. This standard should be a goal toward which the Negro population of America should work. To this end standards of living, of behavior, of personal appearance, of public actions, of Christian morale—of students and inmates of the National Institute of Industrial Training will be kept exceptionally high. Students and workers who cannot or will not measure up to the established standards will not be permitted to remain in the institute.

At least 85 percent of the present personnel of Slowe and Carver Halls will be retained if this request is granted. This will make it easily possible for present standards to be maintained. Ideals of behavior, of cleanliness, of thrift, of service, of living, etc., advocated by Booker T. Washington will be firmly implanted in the minds of both personnel and student body.

"Nothing ever comes to one, that is worth having, except as a result of hard work." (Booker T. Washington.)

V. GENERAL METHODS OF OPERATION

1. Student service: Recently the Booker T. Washington Birthplace Memorial made a limited survey to ascertain how many adult learners would be interested in enrolling in training classes designed to prepare a better class of labor for industry's needs. As a result of this survey, we have on file more than 6,000 applicants who are eager to enter such classes. A large number of these are people who wish to qualify to work in hotels, restaurants, laundries, and other service occupations. A similar survey will be made in the district area. Applicants from these two sources will serve as an immediate student list.

2. Number of students and types of instruction: The facilities available in the buildings under discussion would make possible training quarters for 300 students at a time. These will be kept in training for 3 months. During this time the following qualities and subjects will be taught:

(a) Efficiency in those branches of service required of waiters and other hotel and restaurant employees;

(b) Personal cleanliness, courtesy, and the right attitude toward work;

(c) Promptness, regularity, accuracy and dependability;

(d) The high ideals of service, of thrift, and citizenship as stressed by Booker T. Washington.

3. A safeguard to public health: The question of health will be particularly stressed in this program. Disease germs are no respecter of class or color. Millions of service workers—cooks, waiters, laundresses, maids, bellhops, etc., daily prepare food, wash dishes, clothes and other materials, used by those for whom they serve. If these workers are not clean and healthy—particularly free of social diseases; if they are not taught to live under sanitary conditions themselves, the disastrous effect upon the public whom they serve will be inevitable. This particular service alone is of sufficient importance to the health of our Nation to justify a training center at the Nation's Capital of the type that Slowe and Carver Halls can make possible.

4. Intern work—Washington hotels and restaurants: The hotels and restaurants of Washington will be asked to cooperate in this movement to train a more efficient labor supply for service occupations. After students have been trained at the National Institute of Industrial Training, they will serve their interneship in hotels and restaurants in Washington and neighboring areas. Hotel managers and those responsible for the supervision of these workers will file with the National Institute of Industrial Training any complaints, lack of efficiency, or shortcomings that these trainees may have. These will be taken up with the workers personally with the view of making them highly desirable workers in every respect for hotel and restaurant service throughout the country. As time goes on, larger areas will be serviced by workers from the National Institute of Industrial Training. Thus will this unit gradually render a national service for hotels, restaurants, laundries, and other service occupations and the American home.

5. A program of service for the National Capital: Under such a set-up, the hotel and restaurant service in the Nation's Capital will become the best in the country. This is as it should be. Those who are responsible for the running of the world's greatest Nation should surely have smooth-running, efficient headquarters in which to live. Making possible the establishment of this National Institute of Industrial Training in Slowe and Carver Halls will insure the existence of such conditions. In addition, hotels, restaurants, and homes over the Nation will also be benefitted by giving us the opportunity to acquire the buildings under discussion.

6. Better workers' institutes: At given intervals better workers' institutes will be held as a part of the program of the National Institute of Industrial Training. These will consist of a series of short courses designed to give the worker on the job a larger vision of the importance of industry in general and of his own job in particular. These institutes will serve, too, as a measuring rod by which workers may judge their own efficiency. Attendance at these institutes will be stimulated by awards of merit for good work and newspaper publicity for outstanding services. A trip to the Nation's Capital by the ordinary workingman will, in itself, be a stimulant to greater and better service.

7. Sanitation institutes: The Sanitation Research Foundation of Louisville, Ky., has accumulated a wealth of experience and material that can be made to contribute in a large way toward national health and industrial efficiency. This foundation has agreed to cooperate with the Booker T. Washington Birthplace Memorial in its field services. Sanitation institutes will play an important part in the program of the National Institute of Industrial Training.

8. Certificates of attendance: Workers attending the National Institute of Industrial Training, and measuring up to given standards, will be awarded certificates of attendance at the close of their training periods.

"I believe that when one can grow to the point where he loves his work, this gives him a kind of strength that is most valuable." (Booker T. Washington.)

VI. FACULTY AND PERSONNEL

All persons serving as faculty or personnel members will be expertly trained for the jobs which they are selected to fill. In addition to this, they must be in thorough sympathy with the workingman's problems, must have first-hand knowledge of labor routine, and must have a respect for the ideas of "glorifying and dignifying labor and putting brains and skill into the common occupations of life." Like Booker T. Washington, they must be sincere in their efforts to help the man farthest down.

"There is nothing so trying and discouraging to any man who has control of any business or who is responsible for anything as to be surrounded by a number of persons who are continually giving excuses instead of service." (Booker T. Washington.)

VII. OVER-ALL CONTRIBUTION THAT THIS PROGRAM CAN AND WILL MAKE TO NATIONAL EFFICIENCY AND WELFARE

1. Effect upon the Negro: At least 95 percent of America's adult Negro population must sell its labor in order to earn a living. If this labor is to command a price sufficient to earn a livelihood in keeping with the American standard, it must be trained. Under our present educationa set-up, but little consideration is given to offering training to workers of low educational status. The program of the Booker T. Washington Birthplace Memorial is designed especially for workers of this type. The use of Slowe and Carver Halls as a national institute of industrial training will, by making training opportunities possible to thousands of these people, help them to sell their labor to the best possible advantage. These, in turn, will be better fitted to bear their share of local, State, and National responsibility.

2. Effect upon industry: Food-serving industries, service occupations, manufacturers, and similar industries use a large percent of unskilled labor. If a better supply of labor can be supplied for these industries, the effect will be both profitable and far-reaching. The Federal Government, in helping to make possible facilities to train a better trained supply of workers along lines indicated, will contribute to the well-being of these industries and through them to the Nation in general.

3. Dining-car service: Thousands of Negroes are employed in this occupation. Each summer thousands of young Negro boys work in this service to earn money to attend school. If these workers can be given short, intensive courses in the National Institute of Industrial Training, the traveling public will be better served, food waste will be cut down, and the public health more closely safeguarded.

4. Pullman service: Transportation systems of the country take care of a large number of workers in their Pullman services. A large percent of the people who use such services are important—that is, they are business men and women, lawmakers, professional people, etc. These people are of sufficient value to the country to be given the benefit of efficient service. The training offered at the National Institute of Industrial Training would give to this industry a large supply of better trained workers.

"There is little hope in this world or in the other world for any people until the people of this world have learned the disgrace of idleness and the dignity and beauty of all kinds of labor." (Booker T. Washington.)

VIII. THE INSPIRATIONAL AND MORAL EFFECT OF THIS UNDERTAKING

Lucy Diggs Slowe, in whose honor Slowe Hall was named, and George Washington Carver, world-famed scientist, whose name Carver Hall bears, were both untiring workers who believed firmly in Booker T. Washington's idea of glorifying and dignifying labor. To use these buildings to carry out Booker T. Washington's idea of helping the masses of Negroes to help themselves to the extent that they can be proud and make their race and Nation proud of them will be an

inspiration to Negroes everywhere. Humble workers who can come to the Nation's Capital and get the spirit of these two fine Americans will go back home fired to the extent that they can pass on to the people of their villages and towns a profound and abiding interest in our National Government and its interest in the welfare of its humble working people.

"The average person going to work becomes a regular machine, never giving the matter of improving the methods of his work a thought." (Booker T. Washington.)

IX. SOURCE OF SUPPORT FOR NATIONAL INSTITUTE OF INDUSTRIAL TRAINING

1. Industry: Because the program of the National Institute of Industrial Training is one that specifically meets today's needs in many occupations that affect thousands of people, there is no doubt of the support that will be given it. Hotel organizations, transportation services, owners and operators of service occupations, and industry in general will support this movement in proportion to the facilities that are made available to help in the doing of this job.

2. Permanent and transient guests: Revenue from permanent and transient guests in the buildings will be another source of support. The buildings under discussion have room space to accommodate 300 guests with sufficient space remaining to be converted into housing quarters for 300 or more students.

3. Scholarship: Since the work of the National Institute of Industrial Training will affect such a large and varied field, many individuals can be induced to give scholarships as a source of support.

4. Fraternal organizations: J. Finley Wilson, grand exalted ruler of the I. B. P. O. E. of W.; Ligon Wilson, deputy grand master of Negro Masons; the grand chancelor of the Knights of Pythias, are all members of the board of trustees of the Booker T. Washington Birthplace Memorial. All of these are deeply interested in this project and will give their support and that of their organizations to this undertaking.

5. Religious groups: Dr. D. V. Jemison, president of the 4,000,000 members of the National Baptist Convention; Dr. Henry Allen Boyd, secretary of the National Baptist Publishing Board; Dr. G. Lake Imes, field representative for the Presbyterian Church and Christian Missions, are all members of our board of trustees. The bishops council of the Methodist Church is deeply interested in the undertaking.

6. The Booker T. Washington memorial half dollar: The Seventy-ninth Congress authorized the coinage of 5,000,000 Booker T. Washington memorial half dollars to be sold at a premium to help in the program of the Booker T. Washington Birthplace Memorial. Through the establishment of the National Institute of Industrial Training, which will affect such a large segment of the American people, the sale of the memorial half dollars will be stimulated, a greater number will be disposed of, and thus greater income assured.

7. General solicitation campaign: On the basis of the number of people affected by this program, the general public will be called upon for its support.

8. Campaigns in special fields: Because of the nature of the work done in the National Institute of Industrial Training, both employers and employees will contribute.

9. Negro industrial training fund: A fund will be established to make possible: (1) an endowment fund; (2) a maintenance fund.

10. Wills and bequests: Many worth-while causes are included in wills and bequests. This program will work toward being so included.

11. Foundations: Efforts will be made to secure the support of both national and private foundations.

12. Federal and State aid: Since this program will contribute to both State and national welfare, Federal and State aid will be sought in connection with this undertaking.

"The world is looking for the person who is thoughtful, who will say at the close of work hours, 'Is there not something else I can do for you? Can I not stay a little later, and help you?'" (Booker T. Washington.)

Inflation

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mrs. DOUGLAS. Mr. Speaker, Walter P. Reuther, president of the UAW-CIO, speaking yesterday at the National Press Club, charged that both Congress and industry are failing to meet their responsibilities for halting inflation and failing to get the production needed by our own and other peoples.

Noting striking parallels between the needs in the present crisis and the pre-Pearl Harbor days of 1941, when industry insisted on being let alone and doing business as usual and reaping profits as usual, Mr. Reuther warned that to wait for another economic, political Pearl Harbor at this time might mean that we will be forever too late with too little.

He challenged both the NAM, which recently held its own private congress of American industry, and the Congress elected by the American people to act even at this late hour to get the raging fever of inflation out of the economic system and to apply the allocations, price control and expansion of production facilities that are essential to production.

Speaking of profits, which I discussed yesterday in my remarks, Mr. Reuther pointed out that:

During the first half of 1947, corporation profits before taxes were running at an annual rate of $29,200,000,000.

In the same period, wages and salaries ran at the rate of $77,500,000,000.

If corporations had raised their wages and salaries 18 percent, they would still have had profits before taxes of $14,100,000,000. This would have left them with profits after taxes of $8,500,000,000.

Such profits are equal to the most profitable prewar (1929) and are more than double their profits in the years 1935–39, which the excess-profits law treats as normal profits.

Applying this record of profits to price reduction, Mr. Reuther stated that, if, instead of raising wages, corporations had applied half their profits before taxes to cutting prices, they would, on the average, have cut the cost of all goods and services to consumers by $14,000,000,000 a year. This would have been a price cut of 8 percent.

Amendment to Title VI of the National Housing Act

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. MULTER. Mr. Speaker, ordinarily I would not take time to speak in support of a measure which has been unanimously reported out of the committee of which I am proud to be a member, and the passage of which bill seems assured. I do so, however, in this instance for reasons which will at once become apparent. The bill will permit the continuance of the present program, which is making available some housing facilities. It by no means will relieve the housing situation entirely.

I believe that the early enactment of the Taft-Ellender-Wagner bill will aid considerably in accomplishing that end. That, too, however, will be but one more step in the desired direction. Unless and until substantially more building materials, at substantially lesser prices, become available, no real progress can be made in relieving the housing shortage.

At this moment it seems unlikely that any legislation to that end will be accomplished at this session. The enactment of such legislation, coupled with legislation implementing the program as outlined by the President, should be made the first order of business when Congress reconvenes in 1948.

While voicing my support of this bill, I believe it imperative that the attention of the authorities be directed to the fact that complaints are increasing from all quarters that houses are being sold to veterans at greatly inflated prices, and that already these houses are showing the effects of bad materials and sloppy workmanship. Increased costs of new houses has been blamed by many upon increased wages. The fact is, however, that the percentage of increased costs of materials since the end of the war has been almost three times that of labor costs.

Unless there is stricter supervision and inspection of these houses, and more stringent appraisals, we may find many of these houses reverting to the mortgagees within the next 3 or 4 years.

Accidental Death Rate in Connecticut

EXTENSION OF REMARKS

OF

HON. ANTONI N. SADLAK

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. SADLAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article which appeared in the Hartford (Conn.) Daily Courant

on Sunday, December 14, 1947, concerning the death rate in Connecticut. I want to call your attention to the fact that on January 21, 1947, I had inserted in the RECORD an editorial from the Hartford Daily Courant entitled "Infant Mortality," which indicated, according to the records of the United States Public Health Service, that infant mortality in the United States had declined 38.3, the lowest in history, and was bettered only by Australia with 29.4 and Sweden 29.6. Connecticut's record was far superior to most sections of the country with an infant mortality rate of 29.9. This excerpt shows that Connecticut is not only an excellent State to be born in, but it is a good State to live in, as it leads all the States, according to the report filed with the State highway safety commission by the National Safety Council, in that it has the lowest rate for all accidental deaths, in spite of the fact it has substantially increased in population since the last decennial census.

The article follows.

STATE HOLDS LOWEST ROAD DEATH RATE—RATIO OF 48.3 PERCENT WELL UNDER 70.5 FOR UNITED STATES, SAYS COMMISSION

Connecticut continues to lead the country in lowest rate for all accidental-death experience, according to a report filed Saturday with the State highway safety commission by the National Safety Council.

The Connecticut rate of 48.3 violent deaths per 100,000 population just shades the rate of 48.4 for Massachusetts. The national rate is 70.5, emphasizing the comparatively low rate recorded by Connecticut. Out of 40 States reporting all types of violent fatalities to the National Safety Council, only Connecticut and Massachusetts registered a rate below 50 deaths per 100,000 population.

INCLUDES ALL FATALITIES

The report includes all fatalities caused by violent experience in any form in any place in the State. Connecticut reported 732 such deaths for the first 9 months of this year compared with 750 cases for the same period last year. The decrease of 18 cases is slightly less than a 3-percent drop. The National Safety Council reports an estimated 9-month violent-death toll for the country of 75,800 as compared with 72,800 for the same period last year—an increase of 4 percent.

It looks like a record-breaking year for Connecticut, according to William M. Greene, director of the highway safety commission, who says that information from the bureau of vital statistics, State department of health, gives reason to believe that the 1947 total of violent deaths in Connecticut may be less than 1,000, which would be a new low total for the State.

Constitution of AMVETS

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following constitution of AMVETS—the only World War II veterans' group chartered by Congress—as amended October 2, 1947:

CONSTITUTION OF AMVETS (AMERICAN VETERANS OF WORLD WAR II)

PREAMBLE

We, the American veterans of World War II, fully realize our responsibility to our community, to our State, and to our Nation, associate ourselves for the following purposes: To uphold and defend the Constitution of the United States; to safeguard the principles of freedom, liberty, and justice for all; to promote the cause of peace and good will among nations; to maintain inviolate the freedom of our country; to preserve the fundamentals of democracy; to perpetuate the friendship and associations of the Second World War; and to dedicate ourselves to the cause of mutual assistance, this by the grace of God.

ARTICLE I—NAME

The name of this organization shall be AMVETS (American Veterans of World War II), and it shall be hereinafter referred to as AMVETS.

ARTICLE II—AIMS

The aims and purposes of this organization are as follows:

1. To serve our country in peace as in war; to build and maintain the welfare of the United States of America toward lasting prosperity and peace for all its inhabitants.

2. To encourage, in keeping with the policies of our Government, the establishment of a concrete plan to secure permanent international peace and to assist in the maintenance of international peace.

3. To inspire in our membership a sense of responsibility, and to develop leadership for the preservation of our American democratic way of life.

4. To help unify divergent groups in the over-all interest of American democracy.

5. To train our youth to become purposeful citizens in a democracy with full knowledge of the responsibilities as well as the privileges of citizenship.

6. To cooperate with all duly recognized existing veteran organizations in the furtherance of the aims of World War II veterans.

7. To insure the orderly return of the veteran to civilian life by protecting his rights as an individual while he is still in uniform.

8. To expedite and assist in the rehabilitation of the veteran by maintenance of employment services, sponsoring educational opportunities, and providing counsel on insurance, housing, recreation, personal problems, hospitalization, and veterans' benefits.

9. To act as a liaison agent between the veteran and the Government.

10. To provide an organization to encourage fellowship among all veterans of World War II.

11. To keep the public forever reminded that the veterans of World War II fought or served to preserve peace, liberty, and democracy for their Nation.

ARTICLE III—ORGANIZATION

SECTION 1. AMVETS shall be organized with a national headquarters, located at Washington, D. C., and a department in the District of Columbia and in each State and Territory of the United States. Local posts shall be formed within such departments, and intermediate administrative groups may be created by the national executive committee and the department executive committees, to function within their respective jurisdictions, where such action is deemed advisable.

SEC. 2. The national headquarters shall be composed of the national officers, both elective and appointive, and the members of the national executive committee. It shall be the duty of the national officers to advance the cause of AMVETS, to carry out its aims and purposes and to provide the machinery for realization of the plans and policies established by the mandates of the national convention.

SEC. 3. The United States is divided into the following districts:

District I: Maine, Vermont, New Hampshire, New York, Rhode Island, Massachusetts, Connecticut, New Jersey; subdistrict A: Maine, Vermont, New Hampshire, New York; subdistrict B: Massachusetts, Connecticut, Rhode Island, New Jersey; subdistrict home offices: New York City and Boston.

District II: Pennsylvania, Maryland, Delaware, West Virginia, Virginia, North Carolina, Kentucky, Tennessee, District of Columbia; subdistrict A: Pennsylvania, Maryland, Delaware, West Virginia, Washington, D. C.; subdistrict B: Virginia, North Carolina, Kentucky, Tennessee; subdistrict home offices: Harrisburg, Pa., and Arlington, Va.

District III: South Carolina, Georgia, Florida, Alabama, Oklahoma, Mississippi, Louisiana, Arkansas; subdistrict A: South Carolina, Georgia, Florida, Alabama; subdistrict B: Mississippi, Louisiana, Arkansas, Oklahoma; subdistrict home offices: Miami, Fla., and New Orleans, La.

District IV: Ohio, Indiana, Illinois, Missouri, Iowa, Michigan, Minnesota, Wisconsin; subdistrict A: Ohio, Indiana, Illinois, Missouri; subdistrict B: Iowa, Minnesota, Wisconsin, Michigan; subdistrict home offices: Chicago, Ill., and Detroit, Mich.

District V: Kansas, Nebraska, South Dakota, North Dakota, Wyoming, Colorado, Montana; subdistrict A: Kansas, Nebraska, South Dakota, North Dakota; subdistrict B: Colorado, Wyoming, Montana; subdistrict home offices: Omaha, Nebr., and Denver, Colo.

District VI: Texas, New Mexico, Arizona, Utah, Nevada, Idaho, Oregon, Washington, California; subdistrict A: Texas, New Mexico, Arizona, Utah; subdistrict B: California, Nevada, Idaho, Oregon, Washington; subdistrict home offices: Dallas, Tex., and San Francisco, Calif.

ARTICLE IV—MEMBERSHIP

SECTION 1. Any person who served in the armed forces of the United States of America, or any American citizen who served in the armed forces of an allied nation of the United States, on or after September 16, 1940, and before December 31, 1946, is eligible for regular membership in AMVETS, provided such service when terminated by discharge or release from active duty be by honorable discharge or separation. No person who is a member of, or who advocates the principles of, any organization believing in, or working for, the overthrow of the United States Government by force, and no person who refuses to uphold and defend the Constitution of the United States, shall be privileged to become, or continue to be, a member of this organization. The right of membership is reserved to those members in good standing, who entered the service after December 31, 1946.

SEC. 2. Honorary memberships shall not be granted after the adoption of this amendment. In lieu thereof, certificates of merit may be awarded by a suitably inscribed award given to those rendering distinct service to the community and to veterans of World War II. Such awards may be made by posts, internal administrative groups, State departments, the national executive committee, or national conventions. Awards by posts and internal administrative groups must be approved by department executive committees.

ARTICLE V—NATIONAL CONVENTION

SECTION 1. A national convention shall be held annually, prior to October 1, at a time and place fixed by the previous convention,

and shall constitute the legislative body of AMVETS.

SEC. 2. The national convention shall comprise the following delegates:

(a) Each local post shall elect one delegate and one alternate.

(b) Each department shall choose one delegate and alternate at its convention, to be held at least 30 days prior to the national convention.

(c) Each member of the national executive committee shall be entitled to one vote at the national convention, but the national commander shall vote only in case of a tie.

SEC. 3. Each delegate shall be entitled to one vote. Alternates shall have all the rights and privileges of their delegates, except they shall vote only in their delegate's absence.

SEC. 4. No post or department delegates shall be seated at the national convention unless the respective posts or departments which they represent shall be fully paid up in all their accounts with the national headquarters, and their accounts duly audited and membership certified 30 days prior to the national convention.

SEC. 5. Two hundred of the voting delegates registered at the national convention shall constitute a quorum.

SEC. 6. This article shall not become effective as amendatory of the original constitution prior to the adjournment of the national convention at which it is adopted. Pending such adjournment, article V of the original constitution shall have full force and effect.

ARTICLE VI—NATIONAL OFFICERS

SECTION 1. The national convention shall elect a national commander, one vice commander at large who shall be a woman, finance officer, provost marshal, judge advocate, surgeon general, and a national chaplain. At the convention, the delegates from each district shall elect a national vice commander from each district. No elected commander or vice commander shall succeed himself or herself in office.

SEC. 2. All the elective national officers shall be members of the national executive committee, but the national commander shall vote only in case of a tie.

SEC 3. The national commander, with the consent and approval of the national executive committee, shall appoint a service director, a legislative director, a public-relations director, an inspector general, a national historian, a membership director, and an executive director, whenever vacancies occur in such offices.

SEC. 4. (a) No appointed officer or employee may be discharged or reduced in salary without the approval of the personnel committee which shall be composed of the national commander, the two immediate past national commanders and two members chosen by the national executive committee at the first meeting of the committee following the annual national convention.

(b) The national commander shall have power to suspend any appointed officer or employee for cause and to appoint an acting officer or employee to perform the duties of the suspended officer or employee until the next meeting of the personnel committee. At the time of such suspension the national commander shall set forth in writing the cause for such suspension and shall forward this to members of the personnel committee and the suspended officer or employee. Such written cause shall constitute the complaint upon which the personnel committee shall pass in determining whether the suspended officer or employee shall be removed from office. An appointed officer or employee shall not receive salary during the period he is suspended from the performance of his duties.

(c) An elective officer may be removed from office only by a two-thirds vote of the national executive committee after written charges against such officer shall have been preferred and furnished by registered mail to the officer concerned and to the members of the national executive committee. A full hearing shall be held by the national executive committee on charges preferred by an elected national officer or by three members of the national executive committee. Such hearing shall be held within 30 days after the charges are preferred and mailed.

(d) Procedure for removal from office of elected officers shall be prescribed by the national executive committee upon recommendation of the national judge advocate.

SEC. 5. A candidate for public office shall resign his national elective office. A national officer in AMVETS shall not hold any paid public office. National officers elected at a national convention shall be installed in office at the same session at which they are elected.

SEC. 6. The national executive committee shall, at its initial meeting following each national convention, establish the line of succession to the post of national commander in the event of a vacancy in that office, from among the national vice commanders.

ARTICLE VII—NATIONAL EXECUTIVE COMMITTEE

SECTION 1. The administrative power between national conventions shall be vested in the national executive committee, which shall be composed of the national commander, the retiring past national commander, the seven vice commanders, all other national elective officers, and one national executive committeeman from each State and Territory, to be elected by the respective departments in annual convention. An alternate shall be elected by each department to serve in the absence or disability of the department committeeman. Each of the above members shall be entitled to one vote, and in case of his absence or disability to participate in the proceedings of the committee, the duly elected alternate may cast his vote.

SEC. 2. Each national executive committeeman shall take office upon the adjournment of the department convention at which he is elected, and serve until his successor is duly elected and qualified. "Each such national executive committeeman shall serve for a term of 2 years, one-half of the departments electing committeemen each year."

SEC. 3. Members of the national executive committee shall be delegates to the national convention, each entitled to one vote.

ARTICLE VIII—NATIONAL ADMINISTRATIVE COMMITTEE

SECTION 1. At its first meeting the national executive committee shall elect from its membership seven executive committeemen to serve on an interim committee to be known as the national administrative committee, of which the national commander shall be chairman ex officio. The members of this committee, by their assent to serve, obligate themselves to attend substantially all of the meetings of the committee and participate actively in its work. Seven alternates shall also be elected and in the event of the inability of one of the delegates to attend, his alternate shall do so. Five members present shall constitute a quorum.

SEC. 2. The national administrative committee shall carry out to the best of its ability all the powers and functions delegated to it by the national executive committee and assume the general responsibility of the executive committee to pronounce AMVET policy on questions of current interest and in cases of emergency arising between meetings of the national executive committee.

SEC. 3. No powers specially delegated to the executive committee by this constitution or the bylaws shall be assumed by the national administrative committee without the specific delegation thereof by the executive committee. A stated meeting of the national administrative committee shall be held at least once in every 60 days, and the office of any member of this committee who shall be absent from two successive meetings thereof may be declared vacant and a successor be elected by the executive committee from its membership.

ARTICLE IX—DEPARTMENTAL ORGANIZATION

SECTION 1. Each State or Territorial area of the United States shall constitute a department which shall be organized in a manner similar to the national organization. New departments shall be chartered by the national commander upon the approval of the national executive committee. Each department shall submit a copy of its department constitution and bylaws to the national judge advocate for approval and any amendments to such constitution and bylaws shall likewise be submitted to the national judge advocate at each national convention. The recommendations of the national judge advocate shall be submitted to the national executive committee for its approval. Each department shall conduct its own convention, to be held not less than 30 days before the annual national convention, at which time it shall elect a department executive committee, and delegates to the national convention and the national executive committee.

SEC. 2. It shall be the duty of each department to aid in the organization of local posts, and to carry out the plans and policies delegated to it by the national headquarters in adherence to the provisions of this constitution.

ARTICLE X—POST ORGANIZATION

SECTION 1. Local posts may be formed by 10 eligible individuals by making application to their department, and if there be no organized department, by making application directly to the national headquarters. If the department approves, the application shall be forwarded to the national headquarters and a charter shall be issued.

SEC. 2. Posts shall be governed locally by their own officers chosen according to their own constitution and bylaws. They shall be subject and subordinate, however, to the jurisdiction of the national and department headquarters; and any provision of a department or post constitution found to be in conflict or contrary to the provisions of this constitution, shall be null and void.

ARTICLE XI—FINANCES

SECTION 1. All national finances of AMVETS shall be under the control of the national executive committee, which shall delegate sufficient general and specific authority to the finance committee to carry out the usual duties of the office. The finance committee shall make periodic reports at all stated meetings of the national executive committee, and an annual report at the national convention. Revenue shall be derived from annual dues and other sources approved by the executive committee. The regulation of annual dues shall be set out in the bylaws.

SEC. 2. An annual budget shall be submitted for approval at the first annual meeting of the executive committee. It shall be prepared by the retiring finance committee, who shall have received proposed budgets from the retiring heads of national departments, and shall have consolidated the same. In the event that the budget is not approved, a finance committee shall be appointed, consisting of three members of the executive committee, by the new national commander, to prepare such budget for presentation to the executive committee.

SEC. 3. The finance committee shall consist of three members, one of whom shall be

appointed by the new national commander, one by the retiring national commander, and the finance officer. The finance officer shall be the chairman of the committee.

ARTICLE XII—DISCIPLINE

SECTION 1. Disciplinary rules relative to local posts shall be prescribed by the departments.

SEC. 2. The national executive committee, after notice and hearing before a subcommittee, may cancel, suspend, or revoke the charter of any department for good and sufficient cause to it appearing. Procedure for such action shall be prescribed by the national judge advocate. In the event of the cancellation, suspension, or revocation of any charter of any department, the suspended body shall have the right of appeal to the next national convention.

SEC. 3. In the event of such action, the national executive committee is empowered to take over the operation of the department whose charter is suspended or revoked until the next department convention, but is bound by the constitution and bylaws thereof. At the next department convention, new department officers must be selected to carry on the work of the department.

ARTICLE XIII—POST TRANSFERS

SECTION 1. Any member in good standing may change his post or department, and may join a new post without repaying the current annual dues.

ARTICLE XIV—AUXILIARIES

SECTION 1. AMVETS recognizes a subsidiary organization known as the AMVETS auxiliary.

SEC. 2. Membership in the auxiliary is limited to mothers, wives, daughters, and sisters of regular members of AMVETS; and mothers, widows, daughters, and sisters of deceased veterans who would have been eligible to join AMVETS. The term mother shall be construed so as to include any female member of the family of or any female guardian of such person or deceased veteran who has or is exercising the care and responsibility for the rearing of such person or deceased veteran.

SEC. 3. The auxiliary shall be governed in each department by such rules and regulations as may be prescribed by the said department and approved by the national executive committee.

SEC. 4. (a) Every auxiliary shall be affiliated with an AMVETS post, and carry the corresponding number of that post.

(b) No auxiliary shall be formed when no post exists.

(c) Wherever auxiliaries presently exist where there are no posts they shall proceed to organize posts as one of their present objectives.

(d) At the time of the next convention, if auxiliaries still exist where there are no posts, they shall be established as branches of an auxiliary to a post, and entitled to representation through that auxiliary so there will be no more delegates from the department than the number of AMVETS posts which have accredited auxiliaries.

ARTICLE XV—SAD SACKS

SECTION 1. AMVETS recognizes a subsidiary organization known as AMVETS Sad Sacks of American Veterans of World War II.

SEC. 2. Membership in Sad Sacks shall be limited to members in good standing of AMVETS.

SEC. 3. Sad Sacks shall be governed by a constitution and bylaws approved by the national executive committee.

ARTICLE XVI—PUBLICATIONS

SECTION 1. All publications bearing the name AMVETS, published by the national organization, State departments, posts, auxiliaries, Sad Sacks, or any other branch or affiliate of AMVETS shall be under the supervision of the national executive committee, which shall delegate sufficient general and specific authority to the publications committee to carry out the necessary duties.

SEC. 2. The publications committee shall consist of three members, one of whom shall be appointed by the new national commander, one by the retiring national commander, and one elected by the national executive committee. The new national commander shall designate the chairman.

ARTICLE XVII—AMENDMENTS

SECTION 1. This constitution may be amended by a two-thirds vote of the total authorized delegates present at any AMVET national convention. Proposed amendments for action of a national convention must be submitted by a department convention, department executive committee, or the national executive committee to the national commander, and by him to the several departments and members of the national executive committee, by mail, at least 30 days prior to the convening of the next national convention. This constitution may, however, be amended at any national convention without notice, by unanimous vote.

BYLAWS OF AMVETS

ARTICLE I—NATIONAL EXECUTIVE COMMITTEE

SECTION 1. In case of death, resignation, or removal by his respective department of any national executive committeeman, or alternate, the successor shall be selected as such department shall determine and shall serve for the remainder of such unexpired term.

SEC. 2. Stated meetings of the national executive committee shall be held (1) within 24 hours after the adjournment of the national convention, (2) at least once on a date approximately midway between national conventions, and (3) within 36 hours before the next national convention. Special meetings may be held upon reasonable notice at the call of the national commander. The national commander shall call a meeting of the national executive committee upon the written request of the national executive committeemen from at least 25 percent of the organized departments.

SEC. 3. A majority of the members shall constitute a quorum of the national executive committee.

SEC. 4. The national commander shall name such committees as he shall deem advisable, subject to ratification by the national executive committee at its next meeting succeeding the appointment, or by the national administrative committee, if such powers are delegated to it by the national executive committee. Such committees shall serve during the pleasure of the administration appointing them, and shall terminate upon the inauguration of a new national commander. No provision of this article shall be construed to prejudice the reappointment of the national executive committee.

SEC. 5. The national finance committee shall be charged with the preparation of the annual budget, and the handling of funds, subject to the approval of the national executive committee.

SEC. 6. The national executive committee shall approve the appointment and employment of proper officers and employees for the administration of the affairs of AMVETS and prescribe their duties and compensation.

SEC. 7. Any national officer may receive compensation for his authorized activities on behalf of the organization, such compensation to be fixed in amount by the vote of the national executive committee.

SEC. 8. All questions affecting the eligibility for office and conduct of national officers shall be referred to and determined by the national executive committee. All questions affecting the eligibility for office and conduct of the national executive committeemen, department officers, or members of department executive committees may be referred to and determined by the executive committee of the department involved.

ARTICLE II—DUTIES OF OFFICERS

SECTION 1. National commander: The national commander shall be the executive head of AMVETS, with full power to enforce the provisions of the national constitution, the national bylaws, and the will of the national convention. He shall be the chairman of the national convention and the national executive committee. He shall appoint all necessary committees, subject to the ratification of the national executive committee, and shall perform such other duties as are usually incident to the office.

SEC. 2. National vice commanders: The national vice commanders shall act as representatives of the national commander in all matters referred to them by him, and shall upon his request preside over the meetings of the national convention or national executive committee, and perform such other duties as are usually incident to the office.

SEC. 3. National executive director: The national executive director shall be charged with the administration of the policies and mandates of the national convention, the national executive committee, and the national commander. He shall supervise the activities of all divisions at national headquarters, issue such directives as may be necessary to departments and posts, act for the national commander during his absence from national headquarters, and perform such other duties as are usually incident to the office. He shall serve at the pleasure of the national commander and the national executive committee.

SEC. 4. The national finance officer: The national finance officer shall be custodian of the funds of the national organization. All checks disbursing the funds of the national organization shall be signed by two or more persons as designated by the national executive committee, and the finance officer shall make reports of the condition of the national treasury when called for by the national commander or national executive committee. The national finance officer shall furnish a surety bond as hereinafter prescribed. He shall perform such other duties as are usually incident to the office.

SEC. 5. National judge advocate: The national judge advocate shall advise the national officers and the national executive committee and national administrative committee on all legal matters, including the construction and interpretation of the national constitution and bylaws, and shall perform such other duties as are usually incident to the office.

SEC. 6. National service director: The national service director shall be the service and welfare officer of the national organization. He shall be responsible for the proper handling of claims of veterans, and their dependents or survivors, before the Veterans Administration; employment problems; prosecution of rights under the Servicemen's Readjustment Act and Selective Training and Service Act; civil-service questions and other legislation concerning veterans' affairs; and the answering of individual requests for assistance or information from members, posts, and departments. It will be the duty of the national service director to formulate a rehabilitation program and to direct the activities of staff members charged with implementing the program. A part of this program will be the formation of a staff of trained national service officers and their assignment to the various regional offices of the Veterans Administration.

SEC. 7. National legislative director: The national legislative director shall be responsible for preparing the national legislative program in accordance with the mandates of the national convention, the national executive committee, national administrative committee, and the national legislative committee. It is his further responsibility to draft the necessary bills in connection therewith and to cause such bills to be introduced in Congress and actively urge the consideration of legislation thus proposed. He shall at all times be fully informed when hearings are to be held on bills in which AMVETS is interested and be prepared to present testimony before the committee or committees handling such bills. It shall be his duty to maintain close liaison with Members of the House and Senate in order to secure the enactment of the AMVET program. He will make every effort to cooperate fully with other groups favoring proposed legislation which is supported by AMVETS, and it shall be his responsibility to maintain adequate legislative information when requested by individual members, posts, or departments of AMVETS. He shall serve at the pleasure of the national commander and the national executive committee.

SEC. 8. National public relations director: The national public relations director, under the direction of the national commander, shall be responsible for the planning, formulation, and development of a public relations program, including publicity, organizational publications, etc. He shall be responsible for efficient and proper liaison with all public relations media—press, radio, newsreels, periodicals—and all forms of advertising. He will be kept currently informed by the other national officers of all matters affecting his department and keep the public constantly advised of declared and established AMVET policy and activities. He shall serve at the pleasure of the national commander and the national executive committee.

SEC. 9. National chaplain: The national chaplain shall perform such divine and nonsectarian services as may be necessary, adhering to the appropriate ceremonial rituals, and discharge the other duties incident to the office.

SEC. 10. National historian: The national historian shall compile from year to year all records of historical value and interest for the national headquarters of the AMVETS. He shall also assist department and post historians so as to coordinate and unify the work of these officials, and perform such other duties as the national commander and the national executive committee shall prescribe. He shall serve at the pleasure of the national commander and the national executive committee.

SEC. 11. National provost marshal: The national provost marshal shall maintain order at all meetings and conventions. He shall perform such other duties as may be requested by the national commander.

SEC. 12. The surgeon general shall perform such special duties as are assigned by the national commander, as well as the usual duties incident to the office.

ARTICLE III—CHARTERS

SECTION 1. A department executive committee may suspend, cancel, or revoke a post charter and such action shall be final and conclusive, unless an appeal is taken to the national executive committee within 30 days from the date of said suspension, cancellation, or revocation. Action taken by the national executive committee upon appeal shall be binding, pending appeal to the next national convention.

A post charter which has been thus suspended may be reinstated by action of the department executive committee if the post purge itself of the offense within 60 days of its suspension. If the delinquency is not cleared to the satisfaction of the department executive committee within 60 days, appropriate action shall be taken by that committee to effect revocation or cancellation of the charter.

In the event that a department fails or refuses to discipline a post after the national commander has requested such action, it is violating the rules of the constitution and bylaws. After demand has been made upon said department for action, the national commander may suspend the charter of such post by notice, accompanied by written notice, a copy of which shall be forwarded to the department and to the national executive committee. The determination of whether the charter shall be cancelled shall be considered at the next meeting of the national executive committee.

SEC. 2. Any post failing to meet the obligations imposed upon it by the constitution and bylaws, or ceasing to function for 6 months as a post of the AMVETS or voluntarily ceasing to function as a post, or merging with one or more other posts, or refusing or failing to pay the department and national per capita dues within 60 days after collection by the post shall, upon order of the department executive committee, surrender its charter.

SEC. 3. Upon revocation, cancellation, or suspension of the charter of a post in any department of AMVETS, said post shall immediately cease operation, and upon revocation or cancellation shall turn over its charter and assets to its department commander or department executive committee. The department executive committee is authorized, empowered, and directed by and through its duly authorized agent to take possession, custody, and control of all records, property, and assets of said post. So much of the said assets as are required for the purpose shall be applied to any indebtedness of the said post: *Provided, however*, That nothing herein contained shall be construed as requiring any department to take over or to assume any financial responsibility of such post. Said department executive committee may provide for the transfer of the members in said post to other posts of their choice, subject to the approval of such other posts.

SEC. 4. The national executive committee shall provide a uniform code of procedure to be followed in the revocation, cancellation, or suspension of post charters, and a method of appeal to the national executive committee.

ARTICLE IV—DISCIPLINE OF POSTS AND POST MEMBERS

SECTION 1. Each post of the AMVETS shall be the judge of its own membership, subject to the provisions of the constitutions and bylaws of the national and department organizations.

SEC. 2. Members may be suspended or expelled by a post, upon a proper showing of cause. Written charges shall be based upon disloyalty, neglect of duty, dishonesty, and conduct unbecoming a member of AMVETS.

SEC. 3. Any member who has been suspended or expelled has the right of appeal to his department executive committee, according to the provisions in the bylaws of such department. The decision of the committee shall be final with the right of appeal to the department convention.

SEC. 4. A member whose dues for the fiscal year have not been paid by January 1 shall be classed as delinquent. If his dues are paid on or before April 1, he shall be automatically reinstated. If he is still delinquent after April 1, his membership in AMVETS shall be forfeited.

SEC. 5. Nothing contained in this article shall be construed to limit in any way the powers conferred by section 1 of article III of the bylaws.

ARTICLE V—MEMBERSHIP

SECTION 1. Membership in AMVETS constitutes membership in the national organization of AMVETS through post affiliation. Hereafter all AMVETS shall, prior to their acceptance as members, pledge allegiance to the United States of America and its Constitution, and certify that they have read, or have had read to them, the AMVETS declaration of principles, and that they accept and subscribe to the same, and they shall not advocate or belong to any group or organization advocating the overthrow of the United States Government by force.

ARTICLE VI—MONEYS AND COLLECTIONS

SECTION 1. All national, department, and post officials handling AMVETS funds, shall be properly bonded with a good and solvent bonding and surety company, acceptable to the United States Treasury, as surety to cover the average amount of AMVETS funds handled by such individuals in a single year. In case of delinquencies in the payment of amounts due department or national headquarters, action shall be taken at once by the proper officials to bring about an immediate and complete settlement. The bonds provided by national officials shall be approved by the national executive committee, and those provided by department and post officials shall be approved by the department executive committee.

SEC. 2. No contracts involving expenditure in excess of $1,000 of national AMVETS funds shall be negotiated without inviting a reasonable number of competitive written bids, and where the required products are of equal quality the contract shall be awarded to the lowest bidder.

SEC. 3. Any contract for solicitation of donations where the amount involved is in excess of $500 shall be subject to approval by the department executive committee and national executive committee or national administrative committee.

SEC. 4. All posts and department accounts shall be kept in accordance with a uniform accounting system established by national headquarters. The accounting system forms are to be provided by national headquarters to the posts and departments at a nominal cost.

SEC. 5. The minimum annual membership dues shall be $4, payable to the post, of which $2 shall be forwarded to the national headquarters, $1 forwarded to the department headquarters, and the remainder retained by the post. University and college posts may be formed on the campus, with dues of $1.50 per year, payable to the post, of which 50 cents shall go to the national headquarters, 50 cents to the department headquarters, and the remainder retained by the post. Any veteran who is eligible to join AMVETS and who is in full-time attendance at a university, college or trade or technical school under the Servicemen's Readjustment Act (GI bill of rights) and Public Law No. 16 of the Seventy-eighth Congress may join any post for the $1.50 membership fee per year. The method of forwarding dues to national and department headquarters shall be prescribed by the national convention or the national executive committee.

ARTICLE VII—DEFINITIONS

SECTION 1. The word "he" wherever it shall appear in either the constitution or bylaws of the AMVETS, shall be construed as referring to both sexes.

ARTICLE VIII—RESTRICTED USE OF ORGANIZATION

SECTION 1. AMVETS, or any component part thereof, shall not be used to promote

the interest of any individual who is a candidate for public office, or to promote otherwise, any individual, organization, political party, faction, or product. Any violation of this provision shall be sufficient cause for disciplinary action against the offending post or department.

ARTICLE IX—MEETINGS

SECTION 1. All business meetings of this organization shall be conducted under Robert's Rules of Order.

ARTICLE X—NATIONAL FLOWER

SECTION 1. The national flower shall be the four-leaf white clover, meaning "think of me."

ARTICLE XI—DIVISION OF INTERNATIONAL AFFAIRS

SECTION 1. There is hereby created a Division of International Affairs of AMVETS. The division shall be composed of three directors, one of whom shall be the executive director and the other two shall be associate directors. The directors shall be appointed by the national commander with the consent of the national executive committee.

SEC. 2. The directors shall serve at the pleasure of the national commander and the national executive committee.

SEC. 3. It shall be the duty of the directors to be informed on matters of international affairs, perform research and investigation in such affairs, inform the national executive committee and the membership of the organization of all matters found to affect the peace, and make recommendations thereon, and provide representation at any peace conference, subject to the approval of the national executive committee. Funds shall be provided upon approval of the executive committee for the operation of this division.

ARTICLE XII—ACCOUNTING FOR MONEYS

SECTION 1. All moneys received by this organization shall be strictly and accurately accounted for, and a report shall be made available annually to all members, showing the sources of all such income and the expenditure thereof. All posts, department, and national accounts shall be kept in accordance with a uniform accounting system as established by national headquarters.

ARTICLE XIII—POLICY

SECTION 1. The policy of AMVETS shall be fixed (a) by the national convention as reflected in the resolutions adopted, and (b) by the compilation of the result of periodical polls of posts on current issues. Departments, posts, subsidiaries and auxiliaries shall be notified by national headquarters of policy so fixed.

SEC. 2. No member of AMVETS shall represent or purport to represent any department, post, auxiliary, or subsidiary of AMVETS in opposition to, or other than in complete consonance with policy so determined and notified.

ARTICLE XIV—AMENDMENTS

SECTION 1. These bylaws may be amended at any national convention by a majority vote of the total authorized representation thereat, provided that the proposed amendment shall have been submitted through the national executive committee by mailing or delivering the same to it at least 30 days prior to the convening of the next national convention. The said bylaws may also be amended by a two-thirds majority vote of any national convention without prior notice.

SEC. 2. No proposed amendment shall be submitted through the national executive committee or considered by the national convention, as provided in section 1 of this article, unless said proposed amendment shall have been first submitted by a department convention, department executive committee or national executive committee.

TVA

EXTENSION OF REMARKS
OF
HON. ROBERT E. JONES, JR.
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. JONES of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

STATE OF ALABAMA,
COOPERATIVE EXTENSION WORK IN
AGRICULTURE AND HOME ECONOMICS,
Auburn, Ala., November 29, 1947.

Hon. GEORGE D. AIKEN,
Senate Committee on Agriculture,
Washington, D. C.

MY DEAR SENATOR AIKEN: This is to state some facts regarding the cooperative work of the Tennessee Valley Authority in agriculture and rural life in the Tennessee Valley area of Alabama, which includes 14 of the 67 counties in this State.

In that area the Alabama Extension Service, the Tennessee Valley Authority, farmers, and others have one agricultural program for all farmers. It is, therefore, a cooperative program, so created and so administered.

So the Tennessee Valley Authority has no agricultural program of its own. Their work, as defined by Congress in creating the Tennessee Valley Authority, requires research, education, and action in agriculture. Instead of performing these services the usual bureaucratic way the Tennessee Valley Authority works in cooperation with county and State institutions. It is, therefore, cooperative rather than competitive.

Their agricultural research work and their agricultural extension work in Alabama is done respectively through the experiment station and the extension service of the Alabama Polytechnic Institute which is the land-grant college for Alabama.

Stated differently, the Tennessee Valley Authority pools its contributions with the land-grant college and works on a team through the democratic processes of cooperation rather than going direct from Washington to individual farmers on their farms. In this way the Tennessee Valley Authority employs a public institution instead of individuals. This, I believe, is a departure in government.

A very important fact about the Tennessee Valley Authority is that farmers and others in that area are overwhelmingly in favor of it. Seldom, if ever, do we hear anyone in that area speak critically of the Tennessee Valley Authority.

The secret of their success is the fact that they're working with local and State agencies rather than in competition with them.

And greater progess in soil and water conservation and use, plus agricultural improvement as a whole, has been made in that area than elsewhere in Alabama. And the cost in attaining these outstanding results has been very low compared to the competitive way; that is, by each agency working independently and competitively.

Congress required that the Tennessee Valley Authority do certain work with fertilizer. This includes development of new processes in the manufacture of fertilizer and also improvements of its use on farms.

At the outset the Authority began experiment to produce improved fertilizer, doing this research work with the colleges at the plant at Muscle Shoals, which was erected during the First World War for the production of explosives.

In this cooperative program the unit test demonstration farms (UTD farm) were established. Neighbors select their UTD demonstrators, who in turn were furnished limited amounts of phosphate fertilizer to use in testing this fertilizer; and also to make the information known to their neighbors and others.

Each UTD farmer pays freight, handling charges, keeps accurate records, and makes available his farm for demonstration and other uses. The number of UTD farmers averages around 1 percent of the farms in a county which, of course, is a very small number; and each one receives only a limited amount of fertilizer, or just enough for testing purposes, including demonstrations. So it is not "free fertilizer."

When this work was started fertilizer people felt that TVA was going into fertilizer production to "give it away," which, of course, was erroneous. Instead, it was for better fertilizer, better use, more of it.

An impressive fact as to the effectiveness of this procedure is that from 1937 to 1945 the use of commercial fertilizer in these 14 valley counties increased 48 percent. During the same period the increase in fertilizer use in the other 53 counties of Alabama was only 18.5 percent. Another convincing fact as to the effectiveness of this procedure is the increase in winter legumes. Acreage planted in winter legumes in 1936 was 76,930; in 1945, 323,713 acres in the 13 counties, or an acreage increase of 325 percent.

In that area, therefore, where a relatively small amount of fertilizer was used for testing and demonstrating the increase in use was almost thrice that of all other counties of Alabama as an average. I believe that every UTD farmer in Alabama is now buying far more commercial fertilizer than he was prior to becoming a UTD farmer. Most of them are buying two or three times as much.

This proves conclusively that the type of fertilizer program in which TVA is engaged does not hurt anybody but helps everybody. The whole industry is better and farming is better, much better.

In this cooperative program there is no dictator. We all work together. It's true that the Extension Service employs personnel in the counties to engage in the cooperative program, but we have never tried to dictate to TVA and they have the same constructive feeling toward us. There is mutual understanding, cooperation, teamwork.

This avoids competition, duplication, confusion, delay.

Our workers in that area name other advantages to this procedure. They are:

1. Farmers have a big voice in the program. Each county has its soil conservation association with its active officers. This takes the program back to the land and the people on it. It gets active participation and cooperation.

2. It takes the results of our experiment station immediately to the farmers for their use; first, on these UTD farms and immediately thereafter on the farms of their neighbors. This is revealed by the fertilizer figures used above. The experiment station, therefore, becomes a vital matter immediately and not something that is still far distant from the farmers.

3. It recognizes that the first and foremost need of farmers is a bigger income in cash while, at the same time, the land is being improved. Therefore, it combines better land use with wise conservation of land so that land serves farmers better while they're serving it.

4. It has resulted in more diversification in farming. An illustration of this in one county is that each of the farms is now growing alfalfa, none of which was growing alfalfa at the beginning of the program. Cotton production in that area, as another illustration, is now more than it was before TVA, but the amount of land in cotton is far less, about half. This has enabled farmers to add livestock in a big way. Many have added seed crops and are increasing their income sub-

stantially this way. Corn and all other crops and livestock have improved.

5. Farmers like this cooperative program because it is close to them. They feel that they are a part of it. Their voice is always audible and is recognized.

6. It makes the county agent the dean of agriculture in his county. He is in no sense a dictator but a leader for all the people of his county. This is proper since the county agent is a part of a State institution (land-grant college) with a research program to guide its extension workers in their teachings; and the county agent is also a county employee.

7. The cost of this cooperative program is much less. I don't have figures for comparison but I'm sure that one man working in this cooperative program as an assistant to the county agent accomplishes far more than is accomplished otherwise, or by an agency working independently. I believe that there is evidence to show that $1 this way will accomplish as much as three or four dollars the other way.

Often, both verbally and in writing, I've said that the No. 1 demonstration of the Tennessee Valley Authority is not with fertilizer, as great as this is; nor is it with electricity, or with flood control. It is in democracy in government. TVA is a democracy; not a bureaucracy.

This is illustrated by what happened within the Authority itself soon after their work started. At Muscle Shoals the number of children in school increased beyond local buildings and facilities because of TVA work.

One member of the Authority wanted the Authority to build a school and operate it. Another member insisted that instead of building and operating a school they should assist the local school boards in building a school and in operating it, being sure that it was a local school, not a TVA school. The third member of the Authority agreed on the latter procedure, which proved to be an historical decision and a very wise decision.

The same procedure is used in agriculture. I believe that the same procedure, if followed by all public agencies in agriculture, would eliminate confusion, duplication, conflict, excess costs, and other evils.

I, therefore, recommend this TVA pattern to you for your careful consideration.

I have found it very easy to work with TVA. I believe they would say the same about the Alabama extension service, as well as other land-grant college connections in the Tennessee Valley area.

Sincerely yours,

P. O. DAVIS, *Director.*

Family of Four

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post:

FAMILY OF FOUR

No family head who has been struggling to pay for 85-cent eggs or children's shoes at $7 a pair needs statistics to convince him that living costs have soared through the roof. What he knows from his personal experience is only confirmed by the testimony of Ewan Clague, Commissioner of Labor Statistics, before a congressional subcommittee Tuesday, showing that the cost of a modest budget for a family of four in Washington had risen from $2,985 in March 1946, to $3,458 in June of this year. The chief value of these statistics is that they afford Congress concrete examples of what inflation is doing to moderate-income families—most of whose incomes have by no means kept pace with living costs.

It is no consolation to residents of this area that for a family of four Washington is the most expensive city in the country, running 2 percent above Seattle and 4 percent above Boston. The chief factor explaining this situation is the outlandish cost of housing in Washington. Housing here costs 9 percent more than in the next most expensive city, Chicago, and 35 percent more than in New Orleans. Aside from these more obvious differentials, however, the most remarkable thing about the 34-city survey made by the Bureau of Labor Statistics is the similarity it discloses in the general cost increases. Whereas the modest budget rose $473 in Washington during the 15-month interval, it also rose $431 in New Orleans, the least expensive city surveyed. In other words, the inflationary pressure is almost the same in all large urban centers. Moreover, it is continuing; costs have jumped an additional 3 percent since June, according to Bureau of Labor Statistics estimate.

Lest anyone think that the $3,458 figure for Washington represents a luxury budget, it is important to point out that it makes provision for a new overcoat for the head of the family only once in 7 years and allows a movie only once every 3 weeks for three members of the family. The people the study is talking about are the people who already have foregone dollar butter and 79-cent bacon. While the budget is not precisely spartan in that it provides adequate standards for diet and health, neither is it generous. As Mr. Clague observed, "As the prices rise more, without offsetting increases in incomes or methods of reducing the costs of the budget, the hardships are greater because the greatest concentration of budget-level families of four is probably in the $3,000–$4,000 income group, even now—at 1947 prices." Until the political parties stop political buck-passing and take concrete action to salt run-away inflation, the family standard of living will continue to be subjected to a tighter and tighter squeeze.

Stabilization of Commodity Prices

EXTENSION OF REMARKS

OF

HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. CLEVENGER. Mr. Speaker, painfully we are finding that "we cannot give our cake away and have it, too." To halt rising prices and restrain inflation, we stop inflationary practice. We cannot feed the fires of inflation with all our food and fiber, all our money and credit, and escape the pains of inflation.

We need less expenditure, more production, and restoration of financial sanity in America. Senate Joint Resolution 167 can accomplish none of these things, but under section 7 opens the doors to hundreds of millions of expenditures by the Commodity Credit Corporation all over the world. I cannot add my support to another wild scheme of theirs. With no limitations imposed, the cure can be worse than the disease.

Loyalty Cases

EXTENSION OF REMARKS

OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to revise and extend my remarks in the RECORD, I include the following article from the Washington Post of Thursday, December 18, 1947:

LOYALTY CASES

A COMMUNICATION

(EDITOR'S NOTE.—The following communication is identical to one submitted to the New York Herald Tribune by the author, Mr. Benjamin V. Cohen. Mr. Cohen sent a copy to the Washington Post because of its interest in the loyalty cases.)

The New York Herald Tribune is to be congratulated upon the fine service rendered by its correspondent, Mr. Bert Andrews, in his reporting of the recent Government loyalty cases. Mr. Andrews' stories were also published in the Washington Post.

There is still danger, however, in the thought which seems widespread that all the difficult problems presented by the loyalty cases can readily be solved by the provision for fair hearings before a loyalty board or a loyalty review board. Too little attention has been given to the question of how the requirements of the Government for security and the requirements of the individuals concerned for fair play can in practice be reconciled. It is important to avoid confusing the two separate but related problems which are involved in these loyalty cases. One is the problem of protecting the integrity of the Government services where the security of the United States may be affected; the other is the determination of individual guilt or shortcoming.

Where the security of the United States is really concerned, any reasonable doubt ought to be resolved in a way that will protect the integrity of the Government service. While it should not be possible to drive an official from public service simply by spreading rumors that he is a Communist or an associate of a Communist, there may be cases even where the responsible head of a department or the department's loyalty board is convinced of the trustworthiness of an individual and still the cloud of substantial suspicion that hovers about the individual makes it highly inexpedient to continue that individual in a strategic security position.

On the other hand, no individual should be stigmatized as disloyal or even as a poor security risk if there is any reasonable doubt as to his culpability. The branding of an individual as disloyal or a poor security risk may affect his life and livelihood no less seriously than his conviction for a serious crime.

A fair hearing in itself provides no easy way of reconciling the vital interests of the Government and the vital interests of the individual. We must deliberately seek to develop procedure which will make it possible to protect the integrity of the service without stigmatizing individuals as disloyal or untrustworthy or even as being reasonably suspected of disloyalty or untrustworthiness.

The branding or punishment of individuals for disloyalty or breach of trust should be left for the court where the accused, in accordance with our common-law traditions, can be given the benefit of a jury trial and of every reasonable doubt.

Any individual in the Government service who is satisfactorily performing his duties

ought to have the right to resign without prejudice unless the evidence of disloyalty is such as to warrant prosecution by the Department of Justice. The duty of responsible administrative officials is to protect the integrity of the Government service, not to punish guilt or to proclaim suspicion.

If the responsible administrative head of a department or agency receives evidence of the disloyalty or untrustworthiness of an employee in a strategic position—that is, an employee who has power to make or influence decisions or has access to information which may affect the security of the United States—he should, of course, before taking final action, fully inform the employee of the charges against him and give him the opportunity to be heard with an appeal to a review board if the employee wishes it. But such proceedings, like grand-jury proceedings, should be secret.

If the individual under suspicion is able to satisfy the administrative head that the charges against him are unfounded and that his continuance in the service would not be inimical to the best interests of the service, that should, of course, settle the matter. But if the individual under suspicion cannot meet this obviously onerous burden and the evidence against him is not such as to warrant prosecution by the Department of Justice, he should be given the right to resign without prejudice. If he does not do so, he should be transferred to a clearly nonstrategic position or his employment should be terminated without prejudice.

Unless some such procedure is adopted, it will be difficult to protect adequately the security of the United States and at the same time protect adequately the traditional rights of the individual.

The Government employees in strategic security positions may be fairly large in absolute numbers and they may range through segments of quite a number of departments and agencies, yet they are a relatively small part of the total Government personnel. Individual investigation of the loyalty and trustworthiness of employees in strategic security positions is not only warranted, but is necessary. It is extremely difficult, however, to see the need for individual loyalty investigations of the myriads of other Government employees who clearly do not fall within that category. The annulment of Civil Service Rule I, adopted in 1884, forbidding inquiry into the political opinions or affiliations of applicants is regrettable.

Every Government employee now takes an oath of loyalty. If he swears falsely he can or should be subject to prosecution for perjury. Dragnet efforts to determine by administrative process individual loyalty offends the spirit if not the letter of the Bill of Rights.

The present oath of loyalty requires disavowal of membership in any organization which advocates the overthrow of the Government of the United States by force or violence. No express disavowal of membership in the Communist Party is required, and there may be some doubt whether a member of the Communist Party would be adjudged guilty of perjury in taking the oath. If the Congress is willing to leave that issue to the courts, well and good. But if the Congress insists on going further and intends to make membership in the Communist Party or knowing and active participation in its work an absolute bar to Government employment, it should require an express disavowal of such membership or activities in the loyalty oath. In any event, violation of the oath should be judicially and not administratively determined. No administrative tribunal should be given the right to adjudge an American citizen disloyal to his country.

We must see that those to whom matters vitally affecting the security of the United States are entrusted are unquestionably loyal and trustworthy. But let us take care that in the name of security we do not walk roughshod over the Bill of Rights and exclude or drive from Government those with inquiring, nonconforming minds. In these critical days we need in Government men and women who are not only loyal and trustworthy but who are alert and resourceful. Let us not wholly ignore the wise admonition of Thomas Jefferson, even though in his day he might have been accused of evil associations: "If there be any among us who would wish to dissolve this Union or change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is free to combat it."

BENJAMIN V. COHEN.

WASHINGTON.

Universal Military Training

EXTENSION OF REMARKS

OF

HON. GEORGIA L. LUSK

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. LUSK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following petition received from Mr. Neil E. Jones, adjutant of the Tatum, N. Mex., American Legion Post, concerning proposed legislation to establish a system of universal military training:

PETITION

Mrs. GEORGIA L. LUSK,

United States House of Representatives, Washington, D. C.:

Peace is worth striving for. Therefore we, citizens of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Barron-Beadle, Neil E. Jones, V. R. Burnes, Mrs. V. R. Burnes, J. C. Clay, Mrs. J. C. Clay, Lyle Coppersmith, Mrs. Lyle Coppersmith, W. P. Whitley, Mrs. W. P. Whitley, H. D. Cooper, Mrs. H. D. Cooper, Henry Rutherford, Mrs. Henry Rutherford, Mrs. O. Frier, Mrs. T. J. James, Mrs. H. F. Whitley, H. F. Whitley, Adrian L. Fox, Mrs. Adrian L. Fox, Mrs. W. B. Baum, W. B. Baum, Mrs. Zach Jones, Jack Jones, V. N. Six, Mrs. V. N. Six, Bill Whitney, D. W. Pulture, Mrs. Ethel Hagan, Bill Holt, Dick Taylor, Gary Benfield, Mrs. Bennie Craig, Mrs. Roy Peveler, Mrs. Leroy Peveler, Ernest Gilman, Walter Moorpoise, Billie Patterson, Wade Travis, W. S. Townsend, Alta M. Tutt, Mrs. Edd Rackley, Mrs. J. E. Wildman, Mrs. W. S. Townsend, Mrs. H. D. Cooper, Ben Ed Epperson, Mrs. M. Johnson, Jr., Mrs. J. W. Peveler, G. E. Edwards, F. W. Peveler.

Mrs. A. F. Hight, Jr., Mrs. Cecil Nickell, Mrs. J. W. Rosenburg, Mrs. Virginia Duhl, Carrie B. Travis, Escola Travis, M. R. Anderson, Mrs. Bill Holt, Raymond Patterson, Mrs. Zack Taylor, Mrs. B. R. Young, Charles R. Rathroi, M. E. Wall, Frank J. Carrell, Mrs. Raymond Patterson, D. Sudduth, Mrs. James Simpson, Mrs. Jesse Richardson, Zack Taylor, Mrs. Dick Taylor, Bill Rutherford, R. L. Harris, P. H. Harris, C. E. Goodwin, Mrs. W. D. Dunlap, Jr., Mrs. J. B. Selmas, W. O. Dunlap, Jr., W. D. Caster, C. D. D. Coff, P. D. Caudle, C. B. Markham, Jr., J. P. Nordon, D. W. Patton, L. Z. Whismant, A. C. Whismant, Frank Wyckoff, Rev. J. W. Riley, L. A. Greenfield, H. G. West, M. F. Toliver, Mrs. E. T. Gilman, H. L. McWhorter, L. L. Derrick, Mrs. Lula Simpson, C. F. Boyer, C. L. Emison, M. R. Biss, E. M. Green, Mrs. E. M. Green, T. J. James, D. P. James, Neta E. James, A. J. Chilton, Mrs. G. J. Williams, Mrs. Brick Roark, Mr. Clem Brechoa, J. B. Selman.

John Peter Altgeld

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to revise and extend my remarks, I feel it fitting to insert in the RECORD an editorial appearing in the December 15, 1947, issue of the East St. Louis (Ill.) Journal. This editorial is a fitting tribute to John Peter Altgeld, first Democratic Governor of Illinois (1893–97) after the War Between the States. Altgeld did much to foster the true spirit of democracy. I personally have always felt he contributed far more than people realize to our great American freedom, and I think it commendable that his memory will now be honored and revered, as it should be. The editorial follows:

FORGOTTEN EAGLE REMEMBERED

A Justice of the United States Supreme Court will be the principal speaker at a banquet in Chicago on December 30 commemorating the one hundredth anniversary of a man who 50 years ago was scorned and abused as the "foreign born" governor of Illinois who "freed" the haymarket "anarchists."

John Peter Altgeld was born in Germany He came to the United States when a boy and worked at any job to be had to win a law education. He became successful as a lawyer and real-estate operator in Chicago and in 1892 was elected Governor of Illinois. During his term of office he initiated many reforms and was a particular friend of the University of Illinois.

But he doomed his public career by pardoning three men who had been sent to prison following conviction of complicity in the May 4, 1886, rioting in Haymarket Square, Chicago, during which several policemen were killed by the explosion of a bomb thrown by parties yet unknown. Of the eight men convicted of the Haymarket killings, four were hanged and another took his own life in prison. Altgeld knew exactly what he was doing when he pardoned the other three. He died, practically penniless and with few friends, in 1902.

Poet Vachel Lindsay, who lived next door to the executive mansion in Springfield, reminded his fellow Americans of Altgeld's courageous fight for tolerance in the poem "The Eagle That Is Forgotten" and in recent years several books have told the true story of the Haymarket affair, the travesty on justice that was the "trial" of the suspects, and Governor Altgeld's deep interest in the case.

A relatively few Illinoisans will attend the December 30 banquet in Chicago. All residents of the State—or any State—who prefer truth to prejudice, even if a half century late, can pay tribute to the memory of "The Eagle That Is Forgotten" by reading an objective account of what really happened in Haymarket Square and of the even more shameful proceedings in a court of law.

President's Policies Responsible for High Cost of Living

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. VURSELL. Mr. Speaker, in representing the people of my district for the past 5 years, I have always tried to tell them the truth. If the people return me to Congress in the new twenty-fourth district, I shall resolutely follow the same course. I believe the people are entitled to the truth at all times on legislation coming before us. Today I want to give to the Congress and the people some true facts that have brought about the high cost of living.

Mr. Speaker, while the President tries to blame the high cost of living on the Republicans for taking off OPA controls in 1946, the facts prove that the action of the President and his policies of urging wage raises and exporting so much of everything out of the country are the real causes of present high prices.

If the administration had permitted the OPA Act to be amended with a slight raise in certain prices that would have offset advances in costs and brought about greater production, which the Republican Congress passed, and he vetoed, price controls at that time, in 1946, would probably have maintained for another year. He vetoed the bill and all controls were off for over 30 days. He insisted on another bill which the Congress passed and he signed. If the President had appointed men of ability and common sense who would have administered the act with some respect for the people instead of using gestapo tactics, the people would have endured further price controls. Their bad enforcement really killed the act.

You will recall that producers and farmers had become so enraged that we had meatless days almost 6 days a week throughout the country. This last OPA bill gave the President the power to take off controls whenever supplies justified such action.

This was in the election year 1946 and the people were tired of OPA. The majority leader, Congressman McCORMACK, and Mayor Kelly, of Chicago, when they later saw that an enraged people were going to defeat the Democratic Party, rushed down to the White House along with National Committeeman Hannegan, and urged the President to throw the OPA ballast out of the political ship before it sank. The President, politically minded then, as he is now with another election approaching, began rapidly to take off controls. But it was too late to fool the people. His party was voted out of power. Before the Congress met he decontrolled everything to beat a Republican Congress to the draw.

Mr. Speaker, then what happened? His party leaders realized that to fasten the blame on a Republican Congress the cost of living should go up. The shipment of food and commodities of every kind to Europe and the other nations was the answer. The Commodity Credit Corporation stepped into the market and began buying up countless millions of dollars worth of grain and foodstuffs. Ships were chartered on every hand and during this year 611,000,000 bushels of grain and food were shipped out of this country, most of it given away to the European countries. In fact, since VJ-day in Europe this administration has shipped and given away in loans and grants to other countries, $21,000,000,000 mostly for food, oil, steel and practically every commodity in this country whether or not it was in short supply. The result is that with the expenditure of over $20,000,000,000 since VJ-day, they have now brought about a shortage of food and other items the people want to buy, to the extent that the cost of living is indeed very high today and we are in a period of the greatest inflation ever experienced in this country.

Mr. Speaker, in the face of these facts, the President, time and again, has told the American people, that the shipping and giving away of these billions of dollars worth of foodstuffs has had little or no effect in causing the price of living to rise. There is hardly a schoolboy, laboring man, farmer, or a businessman in the Nation who does not know that the shipping out of this country this vast amount of foods and materials, is the reason for the dangerous and high prices that are now disturbing and alarming the people.

Mr. Speaker, to get a better idea of how much 611,000,000 bushels of grain and food is, let me put it this way: It took 480,000 American boxcars to haul that food to the seaports for loading into ships. If those 480,000 boxcars of food had been broken down into trains of 52 cars each, with 90,000 pounds in each car, there would have been nearly 10,000 trainloads of grain and food with 52 cars in every train. By putting those 480,000 boxcars into one train we would have a train 3,861 miles long that would reach from Washington to Paris and part of the way back. Yet the President says these huge shipments in 1 year have little effect on raising the cost of living.

In the face of these facts, which are only a part of the story, the President and his political leaders still insist that the Republican Congress is to blame for the high cost of living. The President now threatens to bring back OPA with all of the agony of controls, regimentation and black markets that will follow.

"Plow 'Em Under" Henry Wallace, who killed the pigs under a former administration, and plowed under every other row, has really become a piker in history compared with the manipulations of the present administration.

Mr. Speaker, they smile with satisfaction, however, in these most serious times with this high cost of living and dangerous inflation, in the belief that with their 23,000 paid propagandists here in Washington, they can make the people believe that the Republican Congress is responsible for the high cost of living right up until the election next fall and continue themselves in power.

I do not believe they have fooled the people. I place a higher value on the people's intelligence, common sense, and good judgment. I feel certain that the American people know that you cannot ship out of this country 40 percent of the wheat, and other billions of dollars' worth of food and merchandise, bringing about a scarcity of these commodities here, without causing the price of living to go higher, higher, and higher.

Mr. Speaker, and this is not all. Through the Commodity Credit Corporation, they have gone into the market and bought millions of bushels of wheat at critical times forcing the market up. About the time the Luckman committee was appointed, 3 months ago, the Commodity Credit Corporation stepped into the market and in just a few days bought 55,000,000 bushels of wheat when it already had millions of bushels on hand. What happened to the price? Wheat rose in a few weeks from $2.50 per bushel to over $3.20 per bushel. Government buying forced the price up.

Mr. Speaker, not only wheat, they bought potatoes by the millions of bushels and took them off the market, dumped them, burned them or left them in the fields to rot at a time when they were shipping wheat and foodstuffs of all kinds and giving it away to Europe and other countries. They have kept the prices of potatoes so high that the poor people here in America could not buy them. They have bought and now have in storage, 1,800,000 cases of eggs. They have bought food through the Commodity Credit Corporation in everything from peanuts to prunes, much of it deteriorating and being held off of the market with prices going higher and higher.

Mr. Speaker, then their experts figure out the next move. In order to give the people a first-class show the bright boys who believe in the philosophy of spending and taxing, recommended to the President that the people should be made self-conscious through the medium of the press and the radio toward the saving of food. They launched the European crisis. A great publicity and radio campaign would soften the people up and get them ready for the 20-billion-dollar Marshall plan of further spending.

To do this job they got a young man in his thirties of soap-opera fame, Charley Luckman, to sell our people meatless, eggless, and poultryless days. Mr. Luckman was just the type of man who could rub elbows with the ordinary and unsuspecting decent American folks. He knew what sacrifice and hunger meant because at this early age his salary at the head of the great Lever world soap and fat combine, with head offices in London, was only $300,000 a year.

Now, Chuck Luckman spent several hundred thousand dollars of the taxpayers' money to put on his meatless, eggless, and poultryless days. The whole thing turned out to be just the farce any sensible person knew it would be. No results obtained, but the campaign was very successful, as usual, in the waste of several hundred thousand dollars to the taxpayers and annoyance to the hard-working farmers who struggle long hours

without too much complaining to produce the eggs and poultry so much needed to feed the people. The facts are the only egg saved was the egg that Chuck Luckman laid on the White House doorstep just before he suddenly gave up the campaign and rushed back to Boston to sell soap at a salary of $300,000 a year.

Mr. Speaker, the campaign was doomed to failure because the President picked someone who knew nothing about agriculture, who did not even know the difference between a rooster and a capon. He selected a person whose only experience with chickens was the gained when he ordered chicken at the corner restaurant. He was not nearly so competent by past experience as "Plow 'Em Under" Henry Wallace when he started out on his crusade to raise the cost of living by killing off the chickens, pigs, cattle, and so forth. Henry knew that to kill them off would make scarcity.

With a meat shortage predicted for next year, Luckman and the administration put on the same sort of a program of scarcity to raise less chickens and thereby less eggs. They said we must do this to save grain to be shipped to Europe. It was a determined effort against the interest of the farmers and the people in the cities who need the food and to bring about a shortage of poultry and eggs which would further raise the cost of living to our own people. Fortunately the program was so silly that it did not do too much harm and the campaign blew up.

Mr. Speaker, as cheerful Chuck laid the "Eggless day program" on the White House doorstep and went back to selling soap, the unmindful hens, according to the Agriculture Department, are pouring out more eggs than ever. One is led to believe when you see the figures from the Department of Agriculture which say that in October egg production was 3,457,000,000 or about 8 percent above the figures of a year ago, that the faithful hens of America knew more about the business than Chuck knew, and, if left alone and not controlled, they will do more toward feeding the American people and bringing down the high cost of eggs to the housewives than the efforts of cheerful Chuck and the thousands of dollars of the taxpayers' money the administration has spent.

Mr. Speaker, if Luckman is called in by the Administration to put an another egg and poultry campaign, he will most likely then tell the people they should have double egg days instead of no eggs; that they should be happy to eat eggs instead of meat which will be in short supply next year according to present Government estimates. The shipping of grain and food out of this country has raised the price of corn, oats, and wheat so high, there will be less pork and beef for 1948. We will then be glad that Chuck's program to reduce poultry production failed.

Mr. Luckman's English firm and American subsidiaries, like the Procter & Gamble Co., almost have a world monopoly on soap, fats, and oils. During the 3 months' reign of the Crown Prince Luckman to save grain, soaps, fats, and oils went up 150 percent. While this $300,000-a-year man was raising the big noise about saving wheat, pushing the hens around and trying to muffle the crowing roosters, the products his company deals in did pretty well in their advancement in price. A raise in soaps, fats, and oils of $3,000,000 a day, in cost to the consumer and a like amount in profit to someone was not bad.

Mr. Speaker, a man by the name of Pauley came into the news in the last week or so and a little comment on him in connection with the rise of cost of grain might not be amiss. You will remember Pauley was the oil man of California who, in the last campaign was treasurer and the fund raiser of the Democratic National Committee.

You will remember that shortly after the campaign, President Truman appointed him as Assistant Secretary of the Navy. Some question arose when he came before the Senate for confirmation and Harold L. Ickes, then a member of the Cabinet, appeared before the Senate and gave very damaging evidence against him in which he alleged that Mr. Pauley sought to make a deal that would be very advantageous financially to him in securing control of the tidelands for oil on the west coast. Mr. Ickes in substance testified before the committee to that effect, and the committee did not confirm him. The President finally had to withdraw his name. Later on, he was appointed to some high Federal job and spent quite a bit of time in China, Japan, Manchuria, and in Europe looking into reparation matters for the administration. Last September he was appointed to the position of Special Assistant to the Secretary of the Army. You know the Army buys many millions of bushels of grain and food.

Mr. Speaker, recently the President sought to lay the blame for the high cost of living to a considerable extent on what he termed "the greedy speculators in the grain markets." Following this charge by the President the news leaked out somehow that Mr. Pauley was a heavy buyer on the grain market.

Mr. Pauley was called before the Senate committee and admitted he held about $1,000,000 worth of grain and commodities when he took the Army position. He told the Senators that he did rather well in commodity trading during this year 1947. He admitted that at one time he held 500,000 bushels of grain. That is a lot of wheat for an official to hold when it is scarce. Mr. Truman referred to the greedy speculators in his speech against the grain operators and now we find, in this key position, Mr. Pauley, who admits that he was one of those speculators and who says he has no intention of resigning his position.

To show the lack of sincerity of this administration in attempting to reduce the price of living and the type of showmen they bring in to mislead the people, I want to point out that recently, after Chuck Luckman closed his program of meatless and eggless days he gave a dinner at the Statler Hotel here in Washington a few days ago that for its lavishness has probably not been exceeded since the spending days of Harry Hopkins.

Mr. Speaker, Mr. Luckman entertained 100 guests, members of the great Lever Bros. combination, with a few of his administration friends also invited. It must have been a big check that cheerful Chuck picked up at the close of the festivities.

The party was preceded with a happy hour of cocktails mixed from the choicest beverages to sharpen their appetites for the feast to follow. And you will note from the menu following there were two kinds of meat in addition to fish and fowl. Certainly Chuck had forgotten the great campaign he had just tried to put across to save food.

The following is the menu which I believe will be of interest to the good, solid, honest American people who the propagandists in Washington, over the air, and through the press are constantly trying to influence and at times try to deceive: Shrimp cocktail, fried oysters, crabs, shrimp and lobster gumbo, curried chicken, roast turkey, baked ham, roast beef, string beans au gratin, fried apple rings, pickled walnuts, celery, olives, pickles, rye rolls, assorted ice cream, assorted finger rolls, coffee.

Mr. Speaker, this is only one page of current history that the administration continues to unfold in Washington week after week. Their policy of crisis after crisis, their policy of propagandizing the people in an effort to control their thinking is a continuous performance. I still have confidence that the sound, solid honest American people have the intelligence to see through the mist of fog and confusion and to separate the truth and facts from fiction and falsehoods. Such people have builded and preserved our proud Nation to date. Their immediate responsibility and for the future is to be alert, watchful, and on guard in an effort to help preserve our Government and direct its course in the best interest of all our people.

"Insiders" Charged in Stassen's Doylestown, Pa., Address

EXTENSION OF REMARKS

OF

HON. GEORGE MacKINNON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. MACKINNON. Mr. Speaker, on December 10, 1947, former Gov. Harold E. Stassen of Minnesota delivered an address at Doylestown, Bucks County, Pa., in which he charged "insiders" in the present administration with "profiteering in food." Edwin W. Pauley, special assistant to the Secretary of the Army, was specifically named. Subsequent disclosures have proved the truth of the charges made with respect to the special assistant to the Secretary of the Army, and this House today designated a special committee under the chairmanship of Representative AUGUST H. ANDRESEN to further investigate the charges.

Because of the Nation-wide repercussions which followed the Doylestown speech, I include the full text thereof,

under leave to extend my remarks. I also include the full text of a bill I have this day introduced to make it a criminal offense for persons having access to "inside" information on governmental purchases to speculate in commodity futures:

ADDRESS OF HON. HAROLD E. STASSEN, OF MINNESOTA

Mr. Chairman, fellow citizens, the No. 1 problem in America today is the "too high prices of the necessities of everyday life. Prices are already out of reasonable reach for millions of people and cause difficulty in almost every home in the Nation.

Postwar world-wide shortages of food and clothing and materials inevitably cause a problem of high prices. But prices are unnecessarily higher than they should be, due to six major derelictions and mistakes of the present national administration.

I charge that the national administration has failed to use its power of export controls to safeguard American prices and permitted needless extreme competition for scarce American food.

I charge that insiders in the national administration have engaged in profiteering in food which has raised the price of food to the American people.

I charge that the departments of Government have been guilty of hoarding scarce commodities in a manner that has increased prices.

I charge that the administration has carried on its own purchasing program under a method which has placed extra pressure on prices.

I charge that the President by his veto of the first OPA extension law ended controls too quickly and too suddenly.

I charge that the President misled American labor in his postwar addresses claiming that wages could be raised without higher prices and thereby set off a heavy round of strikes with vital loss of production and increased inflation.

I know that this is strong language, but frankly I have become disgusted with the petty political tactics of the administration in trying to shift the blame to the Republican Party for the current high prices.

I have today written to the majority leader in the House of Representatives of the Congress, the Honorable CHARLES HALLECK, urging that a major public investigation be conducted by the appropriate committee of Congress of the actions of the administration and of officials and insiders of the administration in the price situation to bring out all the facts as a basis for corrective legislation.

It is necessary that there be an official investigation with power of subpena as we cannot otherwise get at the exact facts. In support of the necessity of an investigation to bring out the facts, I quote to you an exchange of telegrams which I have had with Edwin W. Pauley, an assistant to the Secretary of War and the former treasurer of the Democratic National Committee.

On November 17, 1947, I wired Mr. Pauley as follows:

"I have received persistent reports that you have made substantial purchases of wheat, substantial sales of wheat, substantial purchases of other food commodities, and heavy sales of other food commodities during the year 1947. I request a telegraphic reply, collect to me, at my St. Paul, Minn., office, 707 Pioneer Building, as to whether or not any one of these four reports is true and including any other comment which you wish to make up to 1,000 words in length."

On November 20, 1947, he replied as follows:

"Following telegram bearing your signature received at my office Tuesday: 'Personal; I have received persistent reports that you have made substantial purchases of wheat substantial sales of wheat, substantial purchase of other food commodities, and heavy sales of other food commodities during the year 1947. I request a telegraphic reply, collect to me, at my St. Paul, Minn., office, 707 Pioneer Building, as to whether or not any one of these four reports is true and including any other comment which you wish to make up to 1,000 words in length.' Please wire whether this was sent by you and, if so, in what capacity and why.

"EDWIN W. PAULEY."

On November 21, 1947, I responded as follows:

"In reply to your telegram of November 20 and in response to your questions, I did send the telegram which you quote. I sent it in my capacity as a citizen to you as a prominent official in the Government for the purpose of ascertaining the truth. Will you send me your answers by telegraph, collect to my St. Paul, Minn., office, 707 Pioneer Building."

And to this hour I have received no answer.

Let me emphasize the importance of this investigation upon American prices by reporting to you a few instances of the manner in which governmental action has affected prices.

On February 13 the Department of Agriculture suddenly overnight granted Great Britain a special allocation of 1,200,000 hundredweight of flour for the second quarter of 1947. Futures of wheat advanced 3½ cents a bushel the next day, and the advance was soon reflected in the cost of flour.

On March 1, 1947, before the market opened, the President, in a meeting of the Cabinet Committee on Food, issued a report calling for maximum grain and flour shipments in the months of May and June, and the March futures that day advanced 7 cents.

On September 8, 1947, an official of the Commodity Credit Corporation was quoted as saying that Government officials handling the export program were resigned to $4 wheat in the spring of 1948, and the next day the market advanced 8¾ cents.

In nearly all instances these inflationary statements were preceded by an unusual amount of speculation buying. When this occurs, the prices are pushed up an additional and unnecessary amount.

I am confident that we can level off and bring down prices if these steps are taken:

1. A prompt thorough investigation of all food market operations of the Government and of all officials and insiders of the Government.

2. The enactment of a law prohibiting the buying and selling of commodities for their personal account by any official or employee of the State, War, Commerce, or Executive Departments, and providing for penalties for its violation.

3. The extension of export controls and placing them in the hands of a new American agency for the handling of the entire Marshall plan.

4. A new inventory control power to be given to the Government to use against hoarding and profiteering and monopolies of scarce items, and requiring the return of excess inventories held by Government or by private companies to the market place.

5. The reinstatement of consumer credit controls to slow up installment and credit buying.

6. Temporary restrictions on the commodity exchanges.

7. Encouragement of buyer resistance, conservation, and savings.

America should not make the mistake of dislocating our economy and upsetting our excellent production by enacting the overall price and wage and rationing controls recommended by the President.

A bill to prohibit certain officers and employees of the United States from engaging in transactions involving contracts of sale of commodities for future delivery

Be it enacted, etc., That no officer or employee of the Executive Office of the President, the National Military Establishment, the Department of State, the Department of Agriculture, and no member of the military or naval forces of the United States shall directly, or indirectly, through an organized commodity exchange, engage in any activity involving any contract of sale of any commodity for future delivery unless such activity is incident to the disposition of commodities grown or produced on land owned, rented, or leased, by such officer or employee. As used in this section, the terms "contract of sale," "commodity," and "future delivery" shall have the same meaning as when used in the Commodity Exchange Act, as amended.

SEC. 2. Whoever violates the first section of this act shall, upon conviction thereof, be punished by imprisonment for not more than 3 years or by a fine of not more than $10,000, or by both such imprisonment and fine.

SEC. 3. This act shall take effect on the thirtieth day after the date of its enactment.

Radio Address to My Constituents

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address:

Dear friends of the Triple Cities and my congressional district, thanks, everybody, for all the letters you've been writing me lately, expressing your feelings about these heavy questions Congress votes on now and then. They help no end, because you give me the thoughts of the folks back home. I can do a much better job if I am fortified with the knowledge of what you think.

So keep those letters coming.

I am sorry to have to tell you that apparently not enough people in Congress are interested in joining me in the battle against inflation. At least not enough voted last week to pass the price-control bill which was offered.

You are aware, of course, that I was the first, the very first, to call for positive action against inflation and high prices. You recall that my demand that Congress come back into session as early as last fall was based on my worry over what might happen if those prices continued unchecked.

I have continually, both on the House floor and on this program, called attention to the necessity for immediate action by Congress to bring prices down. Therefore, I repeat, I am sorry to have to tell you that there just weren't enough votes cast this week to bring the action on prices which everybody had so urgently hoped for so long.

While I am depressed over the failure of Congress to do anything to lick inflation this session, my own conscience is perfectly clear. I have lobbied, I have agitated, I have coaxed,

and I have warned what dire peril the country is now approaching. Sadly enough, my pleas and protests have fallen on deaf ears.

The bill which the majority leadership wanted to put through was a step in the right direction. It was positive action. It was the beginning of a war against inflation.

I am not going to quarrel over whether or not it contained all the power the President asked for. I'm not going to argue over the fact that some of the President's requests were in it, because they were.

But when Congress voted the anti-inflation bill down this week, the door was closed to all attempts to fight the high prices which are impoverishing the Nation about as fast as anything possibly can.

When a bill comes up in Congress I may not see eye to eye with all of it. But if some of the things I want are contained in it, I vote to consider the entire bill, because there is always a chance to improve any legislation.

Unfortunately, the House turned thumbs down on the whole works, so that no action can be taken until Congress comes back next month.

As your representative, I want you to know that I brought all the influence I could to bear. The high cost of living is the foremost issue in the country today and we cannot deny it. Only it goes a lot farther than some would have you believe.

Yes, it goes a lot farther, and I am terribly afraid if the prices we are forced to pay go much higher our great American system is going to suffer thereby.

While the responsibility rests upon the shoulders of us all, it should rest most heavily on the consciences of those who have deliberately allowed the prices of food, clothing, and other necessities to go away out of sight.

The situation is so serious that plenty of families in America are going without the vital things they must have to live. They cannot buy enough to eat and wear, because they just haven't the money to pay the price.

How long can we tolerate a condition which creates poverty and want in the Garden of Eden and brings sorrow and despair to millions of Americans who have every right to expect happiness under our form of government.

I say to those responsible for the high prices we Americans are compelled to pay, it is up to you. Your stake in this country is as much as ours. Your profit could not be made under any other system. Let patriotism prevail over greed. Let your love for this country cause you to forget the passion for power and love of money and save America.

The Communists are on the sidelines watching. They gloat over every fresh inflationary trend. They laugh with satisfaction whenever butter jumps another nickel, meat goes higher, whenever the prices of clothing and other commodities make another gain.

So I direct my warning tonight to you men who make the wheels go around, you who control the finance, the business, the enterprise of this mighty Nation. We are all dependent upon your will in this matter.

If you want to keep our American system, if you want to preserve freedom, if you want to see other isms stamped out, then in heaven's name come forward and volunteer.

Volunteer to thrust aside all thought of high profits. Volunteer to do away with all factors that make for inflation. Volunteer to knock down the prices of things our people need to live.

Do not allow this vicious cycle to spiral skyward any longer. Do not, like blind Samsons, pull down the walls of the temple upon your own heads and upon the heads of us all.

Thank you.

Stabilization of Commodity Prices

EXTENSION OF REMARKS
OF
HON. JOHN F. KENNEDY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. KENNEDY. Mr. Speaker, I voted against this Republican bill because it sends a boy to do a man's job.

Its effect on high prices will be negligible.

The Congress must pass a worth-while anti-inflation bill that will contain the important powers requested by the President.

State Asks Easing of Couples' Taxes

EXTENSION OF REMARKS
OF
HON. RALPH A. GAMBLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. GAMBLE. Mr. Speaker, yesterday the House granted permission for the insertion in the CONGRESSIONAL RECORD an article in the New York Times of Sunday, December 14, 1947 under the headline "State asks easing of couples' taxes" and quoting Governor Dewey as stating he will act in 1949 unless the joint property law is extended by the Congress. I introduced a bill which proposes that married couples in non-community-property States divide their income for Federal income tax purposes: H. R. 4416.

I am delighted to know that my Governor favors the enactment of this proposal.

The article referred to follows:

STATE ASKS EASING OF COUPLE'S TAXES—DEWEY SAYS HE WILL ACT IN 1949 UNLESS JOINT-PROPERTY LAW IS EXTENDED BY UNITED STATES

ALBANY, December 13.—Governor Dewey announced today that unless Congress and President Truman acted in 1948 to permit married couples in New York and other non-community-property States to divide their income for Federal income-tax purposes the State would be "forced to modify its laws to protect its citizens as best it can from the present discriminatory situation."

The Governor opened the door to adoption in New York State of an admittedly undesirable community-property law in making public a report by Alger B. Chapman, president of the State Tax Commission, on whether such a statute would be advisable.

Both Governor Dewey and Commissioner Chapman frowned upon such a state law, but the latter declared in his report that New York should not permit a continuation of the "existing discrimination" in the Federal income-tax law, even if its elimination required the prompt adoption of the community-property system for the State in 1949.

Commissioner Chapman estimated that married couples in New York State were paying $170,000,000 additional income tax annually as a result of the differential in favor of community-property taxpayers.

Commenting on the report, the Governor said he would like to point out that:

"1. The existing discrimination against married couples in non-community-property States is an indefensible defect in the Federal income-tax law which should and, I earnestly hope, will be corrected at the next session of the Congress.

"2. Adoption of a community-property statute in New York would not only disrupt the whole foundation of our legal system, but would also involve questions of constitutionality which might severely limit the adequacy of such a statute.

"3. If the Congress and the President fail to take action in the coming year, the State will be forced to modify its laws to protect its citizens as best it can from the present discriminatory situation."

New York is one of 35 States which do not have community-property laws. Married couples in the 13 States which have such laws save millions of dollars annually by dividing their income for income-tax purposes.

Commissioner Chapman estimated that if married couples in all the States were permitted, by amendment of the Federal income-tax laws, to divide their incomes the saving to them would be from $700,000,000 to more than a billion dollars a year.

He said there were strong indications that the Federal law would be so amended at the 1948 session of Congress, adding:

"In view of the real probability that the existing tax discrimination will be eliminated in 1948 by Federal legislation and the near-catastrophic disturbance of property rights that would result from adoption of a community-property-law system, New York State should not adopt a community-property law at the present time.

"New York should, by all appropriate means, urge upon Congress and the President that the existing discrimination against New York State taxpayers be eliminated in 1948 by a correction of the Federal income-tax law.

"New York State should not permit a continuation of the existing discrimination, even if its elimination requires the prompt adoption of the community-property system for the State in 1949, if the Federal Government does not end such discrimination in 1948.

"In contemplation of the possibility that such action may become necessary a committee of experts should be appointed to prepare in advance an adequate community-property law, so that at least some of the serious complications that other recent community-property States have experienced may be avoided.

"Such a committee would, of course, have to give serious consideration to the hazards created by the Pennsylvania supreme court's decision in the Wilcox case which held the Pennsylvania community law invalid."

Commissioner Chapman mentioned, as an example of discrimination between States having community-property laws and those lacking such laws, the case of a husband earning $5,000 whose wife had no income.

In a common-law State, such as New York, the husband would pay a Federal tax on his income and his wife would pay nothing. In a community-property State his income would be split with his wife, each reporting $2,500 and thus receiving the benefit of lower surtax rates.

The New York couple would pay $798 Federal income tax, while the community-property State couple would pay $760. The difference in tax on a $10,000 income is $342 and on a $15,000 income $893.

"The discrimination starts with incomes in excess of $3,000," Mr. Chapman said, "and in the higher income-tax brackets the tax difference broadens rapidly until in some cases the tax of non-community-property taxpayers exceeds that the community-prop-

erty taxpayers having the same income by over 40 percent."

"The high Federal surtax structure of recent years has accentuated the tax differential in favor of community-property taxpayers until it is now estimated that from $700,000,000 to a billion or more of additional tax is paid annually by the taxpayers of the common-law States. In New York alone the additional tax is estimated at $170,000,000. Discrimination of such a substantial character in a tax imposed on all citizens and residents at the national level, supposedly on the ability to pay, cannot be tolerated by the common-law States."

The report emphasized the State's desire for a correction of the Federal law rather than for a community-property law.

"The second alternative, to adopt the community-property system," it stated, "represents a step to be taken only in desperation to avoid an intolerable tax discrimination resulting from a failure to solve the problem properly.

"Nevertheless, the fact remains that the Federal tax law has not yet been corrected and the annual cost to New York taxpayers thus goes on. Certain States have recently shifted to community property as a matter of self-defense."

The report described defects of the community-property system and the effect adoption of such a system would have on New York State.

The commissioner said it was impossible to point to a single existing community-property system which might be safely adopted substantially "as is" by New York. He added that it would be a mistake to assume that, of all the plans, a community-property system necessarily would produce the most favorable result; that the community-property system magnified the record-keeping burden of taxpayers, and that there would be the danger of running into constitutional objections, as with the 1947 community-property law enacted in Pennsylvania.

"If tax considerations were excluded," he continued "it is clear that a shift to the community-property system would not be seriously considered in New York. It is so alien to the common-law heritage of the State and so complex in nature that it could not be established except at the prohibitive cost of a very long and painful period of readjustment. The difficulties encountered would inevitably be enormous.

"This has been and is the experience of the several common-law States which have recently enacted community-property legislation. In at least one of these States a repeal is being considered, even though the tax discrimination is not eliminated by Federal law, and Pennsylvania's new community-property law has recently been declared unconstitutional by the State supreme court."

You Can't Fight a Conflagration With a Bucket Brigade

EXTENSION OF REMARKS

OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. KLEIN. Mr. Speaker, when an oil well catches fire a blast of nitroglycerin is used to snuff the roaring flames. The oilmen do not throw a handful of sand on that roaring inferno and pretend they are blowing it out.

This bill, which apparently represents the high mark of Republican assumption of responsibility for the public interest in halting inflation, reminds me of another fire-fighting story which is very apropos.

A guest in a small hotel telephoned the desk for a glass of water. He asked the bellboy to bring him another glass of water at once, then another and another.

Finally the bellboy said, "Excuse me, mister, but you are just about the thirstiest man I ever saw. How can you drink so many glasses of water?"

"Oh, I'm not drinking it," the guest replied. "The room is on fire and I'm trying to put the fire out."

INFLATION IS HERE NOW

Mr. Speaker, that is what the majority leadership is trying to do with this bill—put out a roaring fire with a few glasses of water.

Inflation is not something that may happen in the future. Inflation is something real and deadly which is here right now. This is not a partisan political issue. It is not a straw man to be beaten down with feathers. It is a clear and present danger to the American way of life.

And what does the Republican leadership do to meet this emergency? It fans the flames with words, while tossing in a few glasses of water to make the fire sizzle.

"FREE" PRICES HAVE SHOT UP

By any scale of measurement, your "free" or uncontrolled prices have shot up since the end of price controls in June 1946.

Individual incomes have crawled painfully after them.

Mr. Speaker, I ask you to consider what has happened to the cost of living and to workers' incomes in the last 18 months. You must bear in mind that the individual incomes of wage-earners and of salary earners, and of the people who live on annuities or insurance and retirement benefits, or on investments in securities, are under control. They are controlled by those who pay them their wages, or by union contracts, or by the terms of their insurance policies or the stated interest rates on their bonds. The salaries of Federal employees are controlled by laws which we make here. Furthermore, even the collective bargaining efforts of organized labor have been placed under partial controls by the Taft-Hartley Act, which encourages employers to hold out against wage increases—or even to cut wages, as was done in the shoe industry this very week.

NO CONTROL ON PRICES

But prices are free; the manufacturers of the commodities which people must have to live are controlled only by the limits which people will pay, and apparently these manufacturers are trying to find how wide that limit is.

Workers must eat, every day; manufacturers can, if necessary, stop making goods for a time. Already, to sustain the high prices, production in some lines has been reduced.

In the first 12 months without price controls, from June 1946 to June 1947, statistics show that, taking June 1946 as 100, average weekly earnings in manufacturing industries equaled 117 per sent; but the prices on 28 spot commodities—those which enter into every housekeeping budget—equaled 170 percent. The prices on 12 key foodstuffs equaled 186 percent.

WILL VOTE FOR BILL

Mr. Speaker, I am going to vote for this bill before us because a little is better than nothing, and because it contains the irreducible minimum of the President's requests on controlling inflation. I voted a few minutes ago against the rule and for recommitment because I should rather have had a chance to vote on a measure with teeth in it.

To return to my earlier figure of speech, I wanted a chance to vote for a modern trained fire department to fight this conflagration of inflation, and not for four glasses of water to splash on the edges of the fire.

FIFTY WEEKS, 40 HOURS A WEEK, AT $1.75 AN HOUR TO SUPPORT A FAMILY

Today butter is selling in the stores in my congressional district in New York at $1 a pound.

This very week the Commissioner of Labor Statistics gave the Committee on the Economic Report the results of a study of living costs. Those figures showed that in New York City a family composed of a man and his wife and two children had to have an annual income of $3,347 to live in minimum comfort and decency—an increase of $527 in the preceding 12 months. To earn that amount the man would have to work 40 hours a week 50 weeks a year at $1.57 an hour. The national average of hourly earnings in the manufacturing industries is $1.25 an hour.

The same man would have to earn $1.75 an hour to support the same family here in Washington.

Mr. Speaker, by jamming through this inadequate legislation the Republican leadership may have exhibited political cunning, but it has certainly failed in its responsibility to the Nation, and the people know it. I do not think that this Republican majority will be here in the next Congress.

United States Is Losing Out on International Trade Organization Board Plan

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. KNUTSON. Mr. Speaker, the efforts of our State Department to trade away our industries and to establish free trade have been partially successful. However, the United States delegation to the United Nations Conference on trade and employment now in session in

Havana is discovering that other countries are not too anxious to become enmeshed in a free-trade system unless they are allowed the privilege of protecting their young and struggling industries. The United States is being outvoted on every major issue.

Very few people know what is likely to happen to our country if this ITO should be adopted. The smaller countries are more aware of its potentialities and are rightfully fearful that if they are not allowed to protect their infant industries they will continue to be economically subservient to the more powerful nations. I am not too sure that the Charter in its present form would not tend to do that.

It may cheer some of the less developed countries to know that many Members of the Congress of the United States are opposed to any international organization that would even make it possible for larger nations to dictate in any way what might be done with the vital industries of any country. The spirit and acumen of the delegates from some of these small neighbors of ours is to be commended.

The following article taken from the New York Times of December 18 shows that the free-trade efforts of certain delegations are not meeting with too much success:

UNITED STATES IS LOSING OUT ON INTERNATIONAL TRADE ORGANIZATION BOARD PLAN—SMALLER NATIONS FIGHT SPECIAL PLACE ON THE EXECUTIVE, A FACTOR IN VOTE PLAN DEAL

(By Russell Porter)

HABANA, DECEMBER 17.—The United States delegation to the United Nations Conference on Trade and Employment today seemed to be losing its fight on the method to be used in determining the composition of the executive board of the proposed International Trade Organization.

When the United States accepted the one-country-one-vote plan of the smaller countries and abandoned the struggle for an International Trade Organization voting system weighted in proportion to the comparative economic strength of the member nations, which would have given the United States heavy voting strength, this concession was made conditional on prevalence for our ideas on the executive board and some other major issues. However, at today's meeting of the organization committee it was announced that of 44 delegations that have spoken in the debate on the executive board only 7 support the proposal favored by the United States.

This is one of the issues left unsolved by the Geneva Conference of the 18-nation preparatory committee which submitted the draft charter for the approval of the 58 delegations here with 3 possible courses on the composition of the executive board.

EIGHT MEMBERS NAMED

The first proposal specifically names the United States and seven other nations of major economic importance among the 18 board members, assuring 8 countries of permanent seats. It also assigns certain seats to geographic areas—Latin America, the Arab states, and Scandinavia. Only three delegations have spoken for this plan.

The second course merely says that holders of 7 of 15 seats shall be eligible for immediate reelection, the remainder of the seats rotating, but it does not assure the United States or any other country of a permanent place. Twenty-seven countries have spoken in favor of this.

The third proposal, supported by the United States, says that eight states of chief economic importance, as determined by the conference, shall be entitled to membership on a board of 17.

Although the United States delegation feels that it is inconceivable that a permanent seat would be denied to this country even if the second course were adopted, the possibility is foreseen that the small and undeveloped countries, which are in a numerical majority, might deny executive seats to other larger and more industrialized nations.

Since the undeveloped countries are insistent on the right to use import quotas, other quantitative restrictions and preferential tariffs to protect their new and infant industries against competition from more highly industrialized countries, it is feared in some quarters that the second course might enable them to nullify the charter objectives for the gradual elimination or reduction of barriers against international trade.

Canada and Brazil, which desire permanent executive board seats on the basis of their economic importance, supported the United States at the economic development committee meeting today against the joint attack of Argentina, Chile, and Venezuela.

J. J. Brignoli, of Argentina, argues against so much power in ITO, saying that it should be able to make recommendations only. Otherwise, he said, nations would have to give up the conduct of their economic life, "one of the vital elements of sovereignty" to a "supranational body."

Dana L. Wilgress, for Canada, said that the Argentine proposal would violate the most-favored-nation principle regarded as one of the vital elements of the charter. He said that prior approval was necessary to weigh the advantages that preferences might bring to some countries against injuries to others, which might include certain undeveloped countries themselves.

The general committee, after a 3-hour debate tonight adopted a resolution directing subcommittee chairmen to make full and informative statements to the press after each private subcommittee meeting in collaboration with the United Nations Department of Public Information. The resolution was moved by Clair Wilcox, of the United States. Ten voted for it, one against, and there were four abstentions and three absentees. The negative vote was cast by Cuba.

Control of Consumer Installment Credit

EXTENSION OF REMARKS
OF
HON. E. WALLACE CHADWICK
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. CHADWICK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

PHILADELPHIA, PA., *December 17, 1947.*

Hon. E. WALLACE CHADWICK,
House of Representatives,
Washington, D. C.

DEAR MR. CHADWICK: This letter is written on the assumption that you would welcome an expression of opinion relative to the move to have Federal controls again imposed on consumer installment credit as a means of checking inflation. I think I am in position to speak in a disinterested manner since I have nothing to do with granting credit.

Since a good deal of my work throughout Pennsylvania is done on behalf of so-called necessitous borrowers, I ask the privilege of speaking for low-income families who must occasionally seek cash credit to meet emergencies. You can readily see that the money they borrow has little or no influence toward inflation, and that to further restrict their sources of credit would be to impose an injustice.

When loans granted annually by State-licensed and regulated lenders in Pennsylvania are classified according to the major purpose for which the money is obtained, the largest grouping is headed, "Medical, dental, and hospital bills," and includes between 15 and 20 percent of the total. The class next to the top is "For consolidating overdue bills," and includes another 15 percent of the total. Other classifications are "Funeral expenses," "Fuel," "Moving expenses," "Mortgage payments and interest," "Insurance." It is reliably estimated that more than 70 percent of all credit granted by licensed small loan companies in the United States is for such purposes.

It need not be pointed out to you that for more than 30 years the Pennsylvania Small Loan Act has limited such loans to $300 and says the borrower shall have 18 months to repay if he needs that much time. Regulation W cut the loan period to 12 months. That meant that often the money needed to tide over a crisis could not be granted because the family income would not allow for the installment payments. The average loan in Pennsylvania last year, under regulation W and the Pennsylvania small loan law, was less than $175, and the average balance December 31 was only $143. But the number of loans granted indicates that more than one out of every five families in Pennsylvania required help of such nature during the year. Even if this type of credit were inflationary in character, the total national volume would be of insignificant importance.

The small-loan law was originally adopted to make it possible for honorable businessmen to provide adequate and legitimate credit for low-income groups. As a result, there are today over 500 such small business establishments serving Pennsylvania communities in that capacity. The secretary of banking bears testimony that they are keeping faith with the public. The Honorable D. Emmert Brumbaugh, speaking in Philadelphia on November 12, 1947, said that not one complaint had been registered with the department against a licensee since he had been in office. Why subject them again to double policing?

It is of these hundreds of small business people and their thousands of humble customers that I request you to think when you are urged to help reimpose Federal controls over consumer installment credit.

Respectfully yours,

CURTIS A. WILLIAMS.

Fuel Oil Shortage

EXTENSION OF REMARKS
OF
HON. MARGARET CHASE SMITH
OF MAINE
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. SMITH of Maine. Mr. Speaker, war machines run on oil. Oil is the war fuel. Consequently, the most intensive search for oil in history is under way, reaching into almost every part of the world. In this international race for scarce petroleum, drilling rigs are boring for oil in at least 45 countries. In the few areas where oil lands are still untouched, governments and private companies are competing for the right to exploit new fields.

In my recent trip I saw the American oil operations in Saudi Arabia. United

States firms are exploring for oil in Panama, Ecuador, Saudi Arabia, Italy, and Denmark. New oil discoveries have been made in Alaska, Chile, Sweden, Japan, Austria, and Morocco. International exploration is being conducted in Canada, the Bahamas, Venezuela, Britain, the Netherlands, Egypt, New Guinea, the Middle East, and Australia. Government exploration is predominant in countries in which oil is nationalized—Mexico, Brazil, Argentina, Turkey, and Russia. Fortunately for us, Americans are far in the lead in this world-wide search for a vital fuel.

The subject of oil is of great current interest to New Englanders, especially those of Maine, who are faced with a shortage of fuel oil during the cold winter season. Like all of the rest of the New England delegation, I have been working very hard on this matter which seems to center in getting more oil tankers assigned to this area. I have taken the matter up with the Maritime Commission and the major oil companies. In addition to this my Armed Services Committee is making an investigation and bringing pressure for action. Some encouraging results have been obtained as the Maritime Commission announced on December 15 that it had completed arrangements for putting into operation all of its idle tankers which are commercially usable. However, Maritime Commissioner Raymond S. McKeough stated the next day to the House Commerce Committee that the Maritime Commission has no tankers that could be used to ease fuel shortages on the east coast. It appears that the real reasons for this lack of oil tankers for the east coast are: First, that too many of them have already been sold to foreign countries; and second, that the United States oil companies simply will not assign more of their tankers to carry oil to the east coast.

The assistant to the President of the Standard Oil Co. of New Jersey states that there is no shortage in Maine at present. The Bureau of Mines reports that Maine will use approximately 1,590,000 barrels of heating oil for approximately 44,500 units during the current year. With these conflicting reports, I am convinced all the more that the best authorities as to whether a fuel oil shortage actually exists in Maine are the Maine people themselves.

Under unanimous consent, I include with my remarks an editorial from the Portland Press Herald, December 18, concerning "surplus" tankers:

MORE BLUNDERING

The Maritime Commission has announced that it has no surplus tankers to put into the oil supply service along the eastern seaboard. All its tankers have been sold, it says, to domestic and foreign buyers, or promised for delivery. No fewer than 83 of the ships have gone abroad and there would be breach of contracts and so forth were the United States to renege on the transactions.

But the Commission also says that the last of these 83 tankers was sold last Friday—surely an amazing admission when everybody has known and has been talking for weeks about the current and growing scarcity of oil along the east coast particularly, where tanker service is accepted as the answer to supply problems. That seems to argue either indifference to the situation or so complete a lack of knowledge of it as to impeach either the integrity or the intelligence of this Government agency.

But it is not the Maritime Commission alone which is to blame: It says that the 83 tankers were sold abroad upon specific recommendation of the President and Cabinet. That plainly fastens responsibility upon the administration which is convicted of blundering.

Why it blundered is probably clear enough; it was willing to pour out American resources (and for a song) to aid Europe to get back on its feet, and it did aid Europe in this case with a burst of emotional bigheartedness, having no thought for the realities of the domestic situation. That would be more of the fuzzy thinking that has too often characterized the formation and execution of recent American policy. No doubt it was pleasing to the Wallaces, but it is not good for the country.

More and more, sentiment seems to be crystallizing in Washington and elsewhere that we have a duty to keep America strong; not only a duty to ourselves, but a duty to the democratic world which looks to us for protection, and even for life. The Congress, which proposes to pare some $88,000,000 off the stopgap aid appropriation, seems more than likely to whittle down the Marshall plan proposals themselves when they come up next January. It is possible that considerable reduction in the suggested appropriations can and will be made, not because of reasons of stinginess, or lack of sympathy, or even disregard of the necessity of building strength abroad to restore economic security under freedom, but to maintain the full power of the United States without essential impairment.

That, many people will think, is a proper motive, provided the Congress does not fall into the error of offering too little too late—of sending a boy to do a man's work; and it is a reasonable prophecy that common sense will prevent that kind of congressional shortsightedness.

At any rate, sale of the entire tanker fleet by the Maritime Commission is an instance of erratic planning of which it is necessary now to repent. A cold America is a less strong America. Representative FRANK FELLOWS of Maine's Third District said in Washington the other day that the number of oil burners in Maine increased 29.4 percent in 1946. Presumably a similar additional percentage of installations has been made this year; yet fuel is to be 20 percent or more short for the long, hard winter ahead. If the country had those 83 tankers or even a fraction of them it would not be shivering in apprehension of shivering in actuality during the months ahead.

We seem to get in Washington one blunder after another. Could the reason be what the United States News reports—that the Presidential advisers shoo away good and able men from Mr. Truman, and keep him more or less uninformed about affairs?

Brief History of "The Builders"

EXTENSION OF REMARKS

OF

HON. CHARLES K. FLETCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. FLETCHER. Mr. Speaker, it is my honor and privilege to call to the attention of the Members of Congress and to insert into the Appendix of the RECORD a brief history of The Builders, a Masonic corps of officers composed of Masonic employees of the district headquarters, public works department, Eleventh Naval District, San Diego, Calif.:

A meeting of John D. Spreckels Lodge, F. and A. M., No. 657, was convened early in February 1946 for the purpose of conferring the third degree of Masonry upon Walter Nowak, an employee of the Navy District Headquarters Public Works Department, San Diego, Calif. Joseph M. Kendall and Theodore R. Miller, each a Past Master of South West Lodge No. 283, and employees of the Navy Public Works Department, were invited to sit in the East and West, respectively, at the conferring of this degree. Immediately following the closing of the meeting, at a small gathering of visiting Masons, all employees of the Public Works Department, it was urged that a degree team or Masonic Corps of Officers be formed by the Public Works Masonic personnel for the purpose of conferring degrees and to afford local residents belonging to distant lodges as well as local Masonic Public Works employees an opportunity to learn Masonic degree work, confer degrees, and to individually and collectively participate in the work of Masonry in general.

A meeting was called for the purpose of organization on the 14th day of February 1946, there being present approximately 25 Public Works employees and also the Senior Inspector of the 110th Masonic District of the State of California, J. Bertrum McLees. After considerable discussion as to the purposes of the proposed organization, authority to proceed was granted by the Senior Inspector.

Since that date and immediately after close of work each Thursday afternoon these employees have convened at the San Diego Masonic Temple for rehearsal purposes. None, other than the two Past Masters, had previously had experience in the various stations nor held office in any Masonic lodge. Starting from scratch, under the coaching of the two Past Masters, the ritual of the third degree was soon mastered and, on invitation, was conferred by the Builders at East San Diego Lodge No. 561, the candidate being William H. Moser, employee of the Public Works Department. As of this writing The Builders have raised approximately 50 candidates to the Sublime Degree of Master Mason, thus assisting not only the lodges where they have officiated, each of which has been unusually active these past several years, but also assisting Masonry in general and the members of The Builders in particular. Today after 20 months of sincere study, rehearsals in the lodge room and evening meetings at the residences of various members, supported by the fine cooperation on the part of each individual, a majority of the members can on a moment's notice fill any station in the lodge as required for conferring the third degree, including the stations of the three principal offices, the lecture and the charge.

Arlo Thomas suggested that the name of "The Builders" be adopted as the name by which this Masonic Corps of officers should be known. Joseph M. Kendall, then acting secretary, was requested to set forth in writing the reasons therefor and on completion of this writing titled it "The Builders Creed". Thus the thoughts and practices of the members became in fact their creed.

Provisional bylaws have been adopted for the guidance of the organization including the omission of the payment of dues. Because of this omission no member need feel that he is delinquent nor be absent from meetings due to being in arrears. When funds are required for assistance to others or for general expenses, the "box" is passed and the required amounts are thus obtained, no member knowing the amount contributed by

the others. In this manner all financial requirements have been met.

On several Saturdays, there being no work at the Public Works Department, The Builders have conferred 5 third degrees in the one day, starting at 13:30 and completing the work for that day at approximately 22:30. On these occasions all stations are filled by The Builders, no member duplicating in the same station during the entire session. This is mentioned to emphasize how thoroughly the various members have learned the ritual of the many stations.

Members having held or now holding office in "The Builders" are as follows:

First year: Theodore R. Miller, president; Russell Lumley, first vice president; Ernest W. Holzhey, second vice president; Wilson D. Lorenzen, secretary; Joseph M. Kendall (during organization), acting secretary, director.

Present, second year: Joseph M. Kendall, president; Russell Lumley, first vice president; William Elkins, second vice president; Ernest W. Holzhey, secretary; Theodore R. Miller, acting secretary, director.

It is the keen desire of the members that in the not too distant future a way may be found through proper Masonic channels to establish additional chapters of "The Builders" in those districts where naval public-works departments are to be found in order that Government Masonic civilian employees may meet upon a common ground, perfect themselves in Masonic ritual, promote loyalty to their Government, and enhance enthusiasm and faithfulness to their daily governmental occupations.

November 7, 1947.

JOSEPH M. KENDALL,
President.

SAN DIEGO, CALIF.

Also, Mr. Speaker, I include in the Appendix of the RECORD, "The Builder's Creed," which, if taken to the hearts of men and adhered to in our daily lives, would make this a far better world in which to live:

THE BUILDER'S CREED

We, a Masonic corps of officers, employees of the public works department of the eleventh naval district headquarters, San Diego, Calif., duly organized this 14th day of February 1946 under authority granted by the senior inspector of the one hundred and tenth Masonic district of California do hereby adopt as the name by which this organization shall be known, that of The Builders.

Among the many departments of the United States Navy, the public works department, staffed by officers of the Civil Engineer Corps, is responsible for the fabrication of structures ashore necessary for the operation and preservation of our great Nation. It is theirs to convert the raw materials of nature into structures of strength, service, and beauty.

We therefore deem it appropriate that we, as Masonic employees of the public works department, influenced by the objectives of our employers and in pattern of that great ancient architect and master builder, should, in commemoration of his example, commit ourselves to the noble and glorious purpose of building character among mankind, founded upon these noble virtues of brotherly love, relief, and truth.

To this end we do hereby pledge ourselves, knowing that by so doing the great moral benefits thus derived will directly and indirectly be distributed among ourselves, our homes, our State, and our Nation.

Signed this 14th day of February 1946.

THE BUILDERS,
THEODORE R. MILLER,
Past Master.
JOSEPH M. KENDALL,
Past Master.

Detroit Citizens Plead for Loans, Credits, and Relief for Poland

EXTENSION OF REMARKS
OF
HON. GEORGE G. SADOWSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. SADOWSKI. Mr. Speaker, I have received the following resolution, together with a petition, signed by prominent citizens of the city of Detroit in professions and business, and actively engaged as civic leaders, addressed to you and requesting that I submit it to you and to the Members of the House.

As I understand it, this petition comes not as the result of any pressure by any organized group, but comes spontaneously from these citizens as patriotic Americans of Polish extraction, requesting that the Polish Nation and the Polish people receive a square deal. They cannot understand why billions of dollars are being appropriated as outright gifts to nations and people who have been our enemies, and the Polish Nation and the Polish people, who have always been on our side in every struggle, are being ignored and discriminated against. They request specifically that the Polish Nation and the Polish people receive loans and credits on a business basis, and some relief aid for the needy and destitute.

We must not drop the iron curtain on the Polish people who have always been our loyal friends. We should not shunt them aside and deny them even commercial loans that they desperately need in their struggle for reconstruction. Poland today has trade agreements with practically every nation in Europe. Today two-thirds of Polish coal export is going to Scandinavian countries, France, Italy, Austria, and other western Europe nations. Poland is making a real contribution to the recovery of Europe. Polish needs should not be ignored.

The resolution and the petition which are addressed to you, Mr. Speaker, I am herewith including as a part of my remarks:

President Truman by proclamation has called Congress to meet in special session on November 17 to appropriate funds for emergency relief to Europe. Congress will be asked by the President to act immediately on emergency aid for Europe before taking up equally important domestic questions confronting the American people.

We are of the opinion that Poland is in dire need of economic aid and should be considered for a loan and relief.

Our reasons for making this appeal on behalf of the Polish Nation and its people are as follows:

First. As the first nation to fall victim to the terrible attacks of the German aggressors in 1939 Poland suffered untold spiritual and material damage over a period of 6 years. No other country underwent such an ordeal—invasion, a long period of occupation, and, finally, methodical destruction by the retreating German armies.

Second. Polish coal, exported on a steadily increasing scale, has become a very important factor in the reconstruction of the countries of Europe. The number of economic agreements between Poland and other European countries serves as an example of the sincere economic cooperation in existence. But, new and modern mining equipment is needed in the near future if Poland is to continue to contribute to her own swift recovery and that of Europe. Certainly a loan would contribute significantly in this respect.

As Americans of Polish descent, we are in favor of this special session of Congress also considering the merits of a loan to Poland as an essential and most necessary part of the proposal to aid European recovery. The Polish people are deserving of the most careful consideration of this matter.

We know that the American people have humanitarian and warm feelings for the Polish people. We know that a loan to Poland will receive the overwhelming support of the people of this country.

Therefore, we urge you to make this appeal heard upon the floor of Congress, and that your fullest cooperation be given toward this most urgent matter.

Hon. JOSEPH MARTIN,
Speaker of the House of Representatives, Washington, D. C.

HONORABLE SIR: The enclosed memorandum expresses the views of the undersigned on the vital need for an American loan and relief to Poland as an essential part of the program to aid European recovery.

We urge you to give this memorandum your kind consideration and support.

Jacob P. Sumeracki, Wayne County auditor, John M. Sobieski, Sophia C. Waluk, Janina Horbaszewska-Hoska, Steve Sydlowski, Sylvia B. Falk, Helen Tarzen, Dorothy Zamajski, Detroit; Alexandra Zdybicki, Dearborn; Stella C. Pasko, Frank Protasiewicz, Detroit; Stephen S. Skrzycki, M. D., mayor of Hamtramck, Stephen Malicki, Stanley J. Draganski, Hamtramck; Wanda Gitari, Joseph Charnoske, Lillian Durda, Margaret Schmalzin, Peter Melwer, Sylvester A. Czerwinski, Frank Schen, Roman A. Kescinski, Stanley Kabocinski, Detroit; Chris Dombroski, Dearborn; Chester A. Kozdroj, John J. Poleski, Mary Ann Wojcik, Frank Novak, Sabina Bialkowska, John Mankowski, Elsie Plonka, Martin W. Baginski, John Dysarz, Boleslaw Olszowy, Andrew A. Osborn, Genowefa Mionczynski, Frank Gorczyca, Mae Wojcinski, Detroit; Mary Lesniak, Dearborn; Zofia Nowakowska, Zofia Terski-Nuck, Irena Nowakowska, Detroit; Helen Roslonski, Utica; Irena A. Nowakowski, Frank Kaye, Frank Chmielek, Detroit; Wm. A. Mazankowski, Hamtramck; Bessie Wilczynski, Peter R. Spiewak, Andrew Grab, Mrs. E. Przbysz, Carl Brzostek, Zofia Kozlowski, Margaret Strzeszewski, Felix Zablocki, John Marcinkowski, Theresa Nowicki, Boleslaw Paradowicz, Feliksa Paradowicz, B. F. Domzalski, Frank M. Lemke, Leo J. Mondziel, Watson Walkiewicz, B. F. Chamski, Ben Burczyk, Detroit; V. Targonski, Wyandotte; Con. S. Gryczka, Frank S. Sieter, Henry C. Pytell, S. Charles Nowak, Grosse Pointe; Stan J. Mirus, Stanley F. Kaczor, Walter A. Stempien, Arthur Cyrowski, Dr. W. T. Osowski, Theo. F. Zemla, Nicholas J. Lubinski, Max J. Witkowski, Bruno Ustarbowski, S. J. Siwka, M. D., F. A. Osowski, M. D., Francis D. Balicki, Anthony J.

Slowick, Stanley J. Grzankowski, attorney, John H. Perkowski, A. J. Rathnaw, Stanley J. Dixon, C. B. Piekarski, Joseph J. Jagiowicz, Peter Maliszewski, Leonard A. Jurkiewicz, Anthony Hass, Frank Szelejak, Andrew Minewski, G. M. Przybylski, Filip Jewiarz, Henry J. Zakrzewski, Frank Skrzycki, Walter Skrzycki, Theresa D. Jurkiewicz, Stephen Sadowski, Dr. E. P. Koneczny, Joseph M. Smolenski, J. Pawlowski, C. W. Pawlikowski, Karol Jakubiszyn, Cass Baldegay, Ed. O. Stell, Detroit; A. Borzym, F. J. Jankiewicz, Joseph Kasprowicz, Stanislaw Cislo, Robt. J. Wojcinski, M. Andrew Sapala, M. D.; Wladislaw Kucharski, Detroit.

Long-Range Agricultural Program

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. TEAGUE. Mr. Speaker, the Agricultural and Mechanical College of Texas has played a very important part in training agriculturists for Texas and for the world. This land-grant institution has been instrumental in improving farm conditions and increasing efficiency in farming. Thousands of young men trained at Texas A. & M. are actively engaged in farming operations or in training others to utilize better agricultural methods.

The House Committee on Agriculture conducted hearings in Texas on the long-range agricultural program on November 1, 1947, and I was very interested in the report submitted by D. W. Williams, vice president for agriculture, A. & M. College of Texas. With the present food shortage existing in the world today, better methods of farming will have to be practiced not only in this country but in all other countries throughout the world.

Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the report of D. W. Williams on the long-range agricultural program which is now being considered by the House Committee on Agriculture:

LONG-RANGE AGRICULTURAL PROGRAM

(By D. W. Williams)

The Agricultural and Mechanical College of Texas, the land-grant institution for Texas, appreciates the invitation from the Committee on Agriculture of the House of Representatives to have members of its staff attend this regional hearing and participate in the discussion centering on a long-range program for American agriculture.

AGRICULTURAL-NONAGRICULTURAL INTERDEPENDENCE

A basic principle of a long-range program for agriculture is the close relationship of agricultural and nonagricultural industries in our economic system. Farm problems cannot be solved in agriculture alone. Neither can industry be prosperous without satisfactory conditions in agriculture. If agriculture is to continue to produce an abundance of food, fiber, and materials for the whole economy, a continued high level of production and employment for nonagricultural industry is imperative. Consumers must earn if they purchase the food and other goods and services which they need and want. To earn they must be productively employed. A high level of industrial employment becomes increasingly important as improved technological developments make it possible for fewer and fewer people to produce our agricultural requirements.

PRODUCTION POLICIES

Efficiency in production: A better standard of living for all is dependent upon a constantly increasing efficiency in farming, in terms of greater output per man engaged in farming, and improved quality of the products.

A continuing and essential rise in efficiency through technological developments in farm equipment, improvements in crops and livestock, control of diseases and insects, and improvements in other farm management practices can best be provided through broader and more intensive research and educational programs.

Production adjustments: In the long run we should try to eliminate man-made scarcity on both the agricultural and industrial fronts. Scarcity hurts the consumer and curtails employment.

Full use of all resources, without exploitation, is the only way to provide the higher level of living we wish to attain. We need to remind ourselves often that limiting output makes us poorer, not richer. Restricted production should be employed only as a last resort and recognized as a temporary expedient.

Soil and water conservation: The best foundation for continued prosperity and independence is that of building and maintaining a productive soil and developing an adequate water supply.

Soil and water conservation are not something apart from good farm-management practices. They are not an end, but a means to an end. They are an essential consideration of wise land use aimed at better long-time profits from the farm business and more security in the homes of the Nation.

In this connection, we need more information about surface and underground waters. We need to know much more about the factors affecting water supplies and their effect upon the welfare of the people. We need to know more about the dynamic processes in the management of soils.

Farm forests: The United States is rich in potential forest resources. Year by year through research, we are learning how to maintain commercial timber areas, how to restore the cut-over lands, and how to use many species of wood that were first thought unsuited for commercial purposes. Our aim is continuous forest production on all potentially productive forest land.

Working together, producers, processors, and the public institutions and agencies need to develop still better cutting practices, utilization of the harvested timber, protection of the forest against fire and other destructive agents, improved methods of forest land taxation, and better land-use classification.

FAMILY LIVING POLICIES

Tenure: A satisfactory long-range program for agriculture should include provision for a more effective system of tenure. Among the more important objectives of such a program are stability of tenure, improved landlord-tenant relationships, conservation of farm resources, and a greater opportunity to achieve ownership.

Living at home: Whether in prosperity or depression, we urge that emphasis continue to be placed on living at home. By the very nature of farm living, families need to utilize the land in their farmsteads for adapted fruit, vegetables, and livestock products. Farm families will continue to need educational assistance in the arts and crafts necessary to care for their farm and home facilities.

Level of consumption: Agricultural surpluses should be handled, insofar as possible, by encouraging consumption rather than by restricting production.

Should the situation become so acute as to require financial aid, we suggest subsidizing the expansion of food consumption, and aiding producers in making needed production adjustments rather than destroying agricultural commodities or restricting their production.

Substantial progress has been made and is being made in educating people as to proper dietary requirements. We must continue our attack on inadequate diets so that all people may enjoy the health which scientific findings are showing us how to attain.

DISTRIBUTION POLICIES

The market: A great amount of research and extension work with reference to the present distribution system is needed. We need to correlate more effectively through the distribution system the needs of consumers on the one hand and the output of producers on the other.

Attention should be focused on both the distribution of agricultural commodities and the distribution of supplies and services agriculture needs for efficient production and good family living.

Further refinement in market news and in standardization, closer grading and inspection of products, some regulation of trade practices, and open competition in the distributive channels are necessary if farmers are to receive their rightful share of what the consumer pays.

Cooperatives: True agricultural cooperatives provide one of the basic ways of doing business in a free enterprise, capitalistic system. These business units are tremendously important to farm people. They are helping farm families raise their standard of living. They are giving them a voice in the selling of their products, and in the buying of their supplies. They provide a means of increased responsibility and participation in the distribution system. In view of these facts greater encouragement should be given farmers to help themselves through cooperative effort.

International trade: American farmers, as do all American people, have a big stake in the role our country plays in international relations. The international market affects some agricultural enterprises, such as wool directly, and others indirectly through the degree of industrial prosperity we may have in this country.

In view of the security measures being imposed by most countries and the different levels of industrialization found, it is not realistic to expect the world to embark upon free trade immediately. Yet, with intelligent cooperation of business and government, we can aim at selling commodities which we produce to advantage and buying from other countries those products which they produce to an advantage.

It is still true that exports over a long-time period can be paid for only with imports. Grants and loans and allied financial arrangements only delay the ultimate recognition of this fact.

FINANCIAL POLICIES

Prices: Governmental determination and artificial stimulation or contraction of agricultural prices are inferior substitutes for strong consumer markets in a long-range program.

It does not follow, however, that the Government should not step in during temporary emergencies to exert its influence upon such conditions as serious inflationary tendencies or desirable major shifts in production in particular enterprises. For the most part, Government policies can be more effective if directed toward the improvement of the competitive marketing of farm products rather than the attempt to adjust supply-demand conditions on the market.

The use of a parity concept is sound as a means of adjusting the relationships between agriculture and other segments of the economy, however, the present formula needs considerable revision. There is no reason to restrict our study of this problem to price parity. The concept of parity income needs careful consideration.

We do not believe that a return to price ceilings in the transition years ahead will solve the high-price problem between agriculture and other segments of the economy. America has a tremendously complicated economic machine and as a result it is almost impossible to fairly reflect the many price-cost relationships that have to be considered in a price-control program. As an alternative, we suggest that the Government be more aggressive in securing larger farm and industrial production, in helping to secure better distribution of present supplies of food and other goods, and in using its present fiscal and monetary powers to this end.

Credit and finance: Commodity loans, farm real estate and operating credit, crop insurance, assistance in rural housing, rural electrification, and the like, should continue to be encouraged by the Government as part of its national policy. The role Government has played in Federal housing should be fitted more closely to rural housing projects. We need to encourage better homes by providing credit terms in accordance with the make-up of their farming system.

Farmers who have maintained their property well and practiced good husbandry in the face of serious price declines and other misfortunes beyond their control should be protected against loss of their farms.

Health, recreation, and service facilities: Extensions of rual electrification, rural telephones, and farm-to-market roads are still needed. Local roads are often limiting factors in agriculture production and farm living. Furthermore, aditional recreational and health facilities are needed in rural areas and should receive the support of adequate funds at the county, State, and Federal levels.

FEDERAL-STATE RELATIONS

American farm families have the right to demand that the land-grant colleges and other agricultural agencies seek full cooperation of all persons and groups, private or public, who have contributions to make to agriculture.

Increased responsibility has been placed in the land-grant college system through increasing appropriations during the past 50 years. We hope to merit a continuation and expansion of this confidence and support.

Congress and the State legislatures are supporting many agencies now working on the agricultural front. We question the wisdom of creating overlapping agencies with the resultant duplication of effort and overhead and the confusion among the farmers served as to the function of each agency. We earnestly recommend that all Federal agricultural agencies be coordinated by the United State Department of Agriculture and that they be channeled through existing State agencies. This will result in a simplification of administration, greatly reduce overhead expense, eliminate overlapping agencies, and avoid the confusion now existing among farmers as to the functions of each agency. It is important that the return to more State responsibility be made as soon as possible.

Our farm people recently have gone through two very trying experiences; the severe depression of the early thirties and the devastating World War II just ended. What our people want now above everything else is an opportunity to build a more satisfactory and secure life. Our farm people want more permanence, stability, security, and dependability in their agriculture. To this end there is real need for increased unity of purpose and effort among rural people and in all agencies working with agriculture.

Views of International Association of Machinists on Marshall Plan and Inflation Control

EXTENSION OF REMARKS
OF
HON. BRIEN McMAHON
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. McMAHON. Mr. President, the International Association of Machinists has a reputation among workingmen of being one of the soundest and most progressive trade-unions in the country. With its membership of more than 600,000 working in every State and Territory in the Nation, this union's views on the Marshall plan and the President's program for inflation controls will be of interest to every Member of Congress. The IAM attitude on these vital questions is expressed in an editorial published this week in the Machinist, the union's official weekly newspaper. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MARSHALL PLAN FOR AMERICA, TOO

The principal political question in the world today is whether the working people of Europe are going to support communism or democracy. We believe that communism, like fascism, is a philosophy of despair. It only attracts working people when they have given up hope of feeding and clothing their families under a free, democratic system.

To rebuild democracy in western Europe, the working people need food, clothing, and tools. Without these minimum essentials, they can have no hope of rebuilding a free system.

If we can, through the Marshall plan, give hope to the long-suffering peoples of western Europe, there is no question that they will support a democratic system under which they are free to develop their own labor organizations, independent of government domination and control.

On these grounds we endorse the Marshall plan wholeheartedly and urge its enactment by Congress.

We do not believe, however, that the United States can undertake such a gigantic project of European aid without placing certain safeguards on our own economy at home. We can afford to rush the necessary aid to Europe only if we are prepared, at the same time, to protect our own people from the deprivation and suffering that a runaway price inflation is sure to bring.

Mindful of this danger, the President of the United States has asked for the power to restore price controls and rationing wherever and whenever such drastic measures are required to protect our own citizens from the consequences of an inflation that already has reached the danger stage. Already, the third round of postwar price increases is well advanced, despite the fact that third round wage increases have not yet been proposed.

The only alternative to price control and rationing, we believe, is a system of profit control through the reimposition of excess-profit taxes on business, in this way to remove some of the incentives for excessively high prices. We urge that Congress consider the reenactment of excess-profits taxes, such as those in effect during the war.

The Marshall plan cannot succeed unless adequate safeguards are placed on our own economy. If Congress votes for the Marshall plan on the one hand, and refuses to vote an American plan at the same time, it will be guilty of gross neglect of its first duty—looking after the welfare of Americans.

We believe that Congress must vote both the Marshall plan and inflation controls or neither.

Summary of Legislation of the Session

EXTENSION OF REMARKS
OF
HON. WALLACE H. WHITE, JR.
OF MAINE
IN THE SENATE OF THE UNITED STATES

Friday, December 19 (legislative day of Thursday, December 4), 1947

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a summary, which has been prepared by the senior Senator from Ohio [Mr. TAFT], of legislation passed by the Congress during the special session of the Eightieth Congress.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

SENATOR TAFT'S STATEMENT ON ACCOMPLISHMENTS OF THE NOVEMBER-DECEMBER CONTINUATION OF THE EIGHTIETH CONGRESS, FIRST SESSION

Congress reconvened November 17, 1947, on call of the President to consider the immediate need for the relief of foreign countries and to deal with domestic inflation.

By general agreement, matters not immediately concerned with the President's program were deferred until the regular session. Prompt consideration was given by committees and by Congress to the proposal for increased aid to provide essential food, fuel, and other commodities to the people of Austria, China, France, and Italy suffering from short crops and a reduced production of coal. Authorizations and appropriations were provided for all immediate needs.

The problem of high prices and other points contained in the program submitted by the President were considered by numerous committees of the House and Senate.

The question of the restoration of wartime controls was postponed for consideration at the regular session.

Various matters considered by the committees, however, were consolidated in a bill which (a) extended export controls for another year, (b) extended control of transportation facilities for another year, (c) authorized a campaign for the conservation of food and feed, (d) authorized the stimulation of production of food in foreign countries, and (e) authorized the President to approve the

making of voluntary agreements in various industries providing for priority allocation and limitation of inventories.

In the field of the operation of distilleries, where industry agreement had proved to be impossible, the bill authorized the Secretary of Agriculture to impose limitations on the use of grain in distilling.

The Senate considered and agreed to the ratification of the Inter-American Treaty of Reciprocal Assistance for the Common Defense of the American Republics. This treaty, providing a definition of aggression and eliminating the veto power, was recognized as the most important step ever taken to preserve the security and peace of the Western Hemisphere, and set an example which the world may follow.

FOREIGN AID ACT OF 1947

(Public Law 389, 80th Cong., 1st sess.)

This act provides immediate aid urgently needed by Austria, China, France, and Italy. Food, medical supplies, fibers, fuel, petroleum, and petroleum products, fertilizer, and seed, will be delivered in the recipient countries. Appropriations of $597,000,000 are authorized. Each country receiving aid shall first agree to give full publicity to the source and amount of commodities received and to make such commodities available to the people at reasonable prices.

INCREASED AID FOR RESIDENTIAL CONSTRUCTION

(Public Law 394, 80th Cong., 1st sess.)

Amends the National Housing Act by authorizing the Federal Housing Administrator to immediately increase by $250,000,000 the amount of insurance available for new residential construction. An additional $500,000,000 may be made available at the discretion of the President.

ECONOMIC STABILIZATION

(Public Law 395, 80th Cong., 1st sess.)

The President is authorized to continue export controls, to allocate transportation facilities, to encourage the greater production and conservation of food and agricultural commodities, and to encourage the making of voluntary agreements in industry, business, and agriculture for the purpose of stabilizing the economy of the United States.

COMMODITY EXCHANGE ACT AMENDMENT OF 1947

(Public Law 392, 80th Cong., 1st sess.)

Amends section 8 of the Commodity Exchange Act to authorize the Secretary of Agriculture to make public the names of traders on the boards of trade on the commodity markets and to direct them to supply such names to congressional committees upon request.

COMMISSION ON REORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

(Public Law 391, 80th Cong., 1st sess.)

Relieves disabilities of law preventing the employment of experts and specialists required in the work of the Commission on the Reorganization of the Executive Branch of the Government.

INTER-AMERICAN TREATY OF RECIPROCAL AID

(Executive II, 80th Cong., 1st sess.)

This treaty provides for positive and unified action in the event of armed attack against any American state; consultation and the machinery for consultation is provided, not only with respect to armed attack but also when any situation might arise to endanger peace. A special hemisphere security area is defined as well as political, economic, and military measures to be employed against an aggressor. Provision is included for effective integration of inter-American peace machinery into the United Nations.

Notes on a Trip to Europe

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. WOODRUFF. Mr. Speaker, I have been privileged to read Notes on a Trip to Europe, by Ernest T. Weir, chairman of National Steel Corp., Pittsburgh, Pa. Mr. Weir is one of the most brilliant and sound businessmen of this country. For years he has kept constantly in touch with conditions in foreign countries. He returned from a trip to Europe on September 9, 1947, and has submitted his observations while there by notes dictated recently. They contain not only his impressions of the countries visited but also some conclusions which were arrived at "only after careful thought and study." The notes follow:

NOTES ON A TRIP TO EUROPE

(By Ernest T. Weir, chairman of National Steel Corp., Pittsburgh, Pa.)

On a trip abroad, starting August 1 and ending in New York on September 9, 1947, I spent 1 week in London, 5 days in Switzerland, and the balance of the time in France. My purpose in making the trip was to compare present conditions in the countries visited with my recollection of conditions in the same countries on previous visits before the war and to check by personal observation the impressions I have gained on international matters from my reading of newspapers, magazines, and books. No one, of course, can make a thorough study of wide areas in 1 month's time. There are, however, certain general aspects which become immediately apparent and lead to conclusions which would not be changed materially by any amount of time and study. It is such aspects, in the main, that these notes deal.

In addition to numerous informal contacts with people of all sorts I had extensive interviews with a group of outstanding men in industry and finance in the countries visited. These men are all important, practical business leaders whose observations were based on an intimate knowledge of the conditions applying in Europe generally as well as in their respective countries. In all cases their discussions with me were without reserve. They spoke freely and frankly on all questions raised. Although the opinions of these men are represented in these notes, I am not at liberty to identify them because it was understood that our discussions were in confidence.

For convenience and simplicity my impressions of each country are presented separately.

FRANCE

Basically the country looks good, with the exception of the cities and districts in Normandy, which suffered heavy war destruction. The country districts have been well cultivated and appear just about the same as the last time I was in France.

In Paris there is no outward evidence of distress. The city is well kept and looks the same as before the war, there being no destruction in the Paris district. The streets were full of people, stores seemed normal, and people dressed about the same as I have always seen them in Paris, with no surface evidence of malnutrition. In restaurants the food is up to the normal standard and plentiful, and this also applies in the hotels.

Businessmen are very critical of the Government and apparently have no confidence in it, considering it without leadership and entirely political. Too many people are employed by the Government and the budget is out of balance. The rank and file of people with whom I talked—all types—feel the same as businessmen regarding their Government and have the same lack of confidence.

The most serious thing in France is the black market in money. The Government maintains an official rate for the franc of 125 to the dollar, or eight-tenths of a cent. The actual value in the black market is 250 francs to the dollar, or four-tenths of a cent. The black market is universal. You can buy this money in hotels and from certain headquarters. There are runners on the streets who will tell you the headquarters to go to. There is really no reason for any visitor paying the official rate for francs, except that on passports and any purchases you may want to take out of France a check is made as to where the money comes from. Consequently, you do have to buy a limited amount of francs at the official rate.

All Government employees—which constitute a great number—and the workers in many plants are paid on the basis of the official rate. As against this, the cost of practically everything now has gone away up on account of the black-market value of the franc, so that the working people are poorly paid in relation to the real purchasing power of their wages and, consequently, are in a bad condition. The important food products are rationed, which creates a further black market in food. If the Government would meet the situation fairly and squarely and devalue the franc, say, to the basis of 250 to the dollar, it would be a great factor in improving conditions in France and helping the mass of workers; also, it would stimulate buying on the part of Americans who visit France and would improve the country's dollar supply. Why the Government does not take this course is hard to understand.

I find the businessmen mentioned, above all, apparently have great confidence in the French people and believe that they would work their way out of this difficulty if they could get leadership and better government which would establish conditions providing adequate incentives. As it is now, the people, in general, work only 40 hours per week and make no special effort to sustain production.

They are, of course, short of coal because they are not able to import from England and the Ruhr production is away below normal.

Taking it as a whole, the great problems in France are bad government, encouragement of the people to believe that they can live without working, and the consequent failure of the people generally to produce.

Businessmen believe that France must work out its own solution by correction of the above weaknesses, and that if the United States continues to feed money into France under the present conditions it will not be helpful to them and will actually delay the return to normalcy in production.

France has the advantage over England in being able to produce practically sufficient food to support the Nation, and this, of course, is of basic importance.

It is the opinion of businessmen that the influence of communism is definitely declining, and certainly this opinion is shared by many of the rank and file of people with whom I talked.

SWITZERLAND

This country is in marvelous condition. People are working actively; it is clean, well kept, and well cultivated; and I have never seen greater order in any country. It is evident that there is great contentment among the people. Swiss money is at a premium

as against that of the United States—this being the only place in the world where this applies.

ENGLAND

The country looks well and this applies to both the rural districts and the cities. Where bombing has taken place, as in London and other districts, the debris has all been cleaned up and in the cities brick walls have been run along the pavements which hide the destruction to a considerable extent. People go about their business, paying no attention to this condition, apparently having become accustomed to it.

In London the streets are full of people, dressed about the same as I have seen them in the past, with no evidence whatsoever of being inadequately fed. Stores are all open and have a good appearance. The theaters have capacity audiences all the time; in fact, it is said that they are having the greatest theatrical season in the history of London. Restaurants are full and the hotels are well patronized. We had no trouble securing ample food, although the variety is not very great, but England has never been noted for good food, as is France.

There is an absolute lack of confidence in the Labor-Socialist government. Every businessman I talked with endorsed this thinking. The men in charge of government, mainly labor leaders and impractical thinkers, are considered incompetent as individuals and inefficient as a group, and this is borne out by the record of ineffective governmental operation thus far.

These businessmen were a unit in saying that England must work out its own salvation. Better government and more work must be had to bring about the necessary greater production. They say that the United States cannot solve their problems by pouring more money into England and, in fact, that this would be harmful. The loan of almost $4,000,000,000 has been largely wasted, and there is no doubt that if this large amount of money had not been available, England would have faced her problems much earlier. As it is, they have drifted along and wasted both time and money. In the Government as it exists today there is a battle between the radical side and the more conservative group, and this situation does not, of course, improve their efficiency. The same lack of confidence exists among the rank and file of people, outside of the workers who are in labor unions. The latter are so pampered and encouraged by the leadership that they think they are better off, and are not worrying about the general conditions. Outside of this particular group, I would say there is no faith whatsoever in the British Government today.

There is no black market in England in money such as there is in France, but there is a black market in the day-by-day goods needed by people, which is natural considering the Government's restrictions and controls. As an example of restrictions and controls, the manager of a fair-sized, middle-class restaurant in Richmond told me they had to struggle with 1,227 orders and regulations and they did not know how long they could keep going. All business is handicapped in every way through this type of control.

There is no apparent evidence anywhere confirming the statement, reiterated in our administration's propaganda, that there is danger of a crisis and collapse—and just what is meant by collapse I have never been able to understand. The problem in England is the same as in France—the need for better government, more hard work, and greater production. What England needs basically is more coal, and yet they are producing much less than before the war. The prewar production of coal was about 240,000,000 tons a year, which gave the country an ample domestic supply and allowed a surplus for export. Compared with this, they will probably produce only about 180,000,000 tons of usable coal this year. This Government, like others of the same type, completely misrepresents the true situation when it puts out statistics. For instance, they publish estimates of 200,000,000 tons of coal this year, but do not show that this figure contains 10 percent waste, which would have to be deducted to put the 1947 output on the same basis as production before the war, which was after this 10 percent deduction. England has ample reserves of coal, and although their mines are not all modernized yet, there is no reason—if they work sufficiently hard—why their production should not come up to what it was before the war, at least. The additional coal tonnage would enable them to increase their own general production and also furnish coal to other countries in Europe, including France, bringing in a large revenue from this source. But now the miners work only 5 days a week as against 6 before the war. The recent coal strike, which was a severe blow to their over-all production, I consider the result of bad management and poor thinking on the part of the Government, which now, of course, owns and operates the mines.

In England there is still a great amount of wealth, business ability, technical knowledge, and producing property. With intelligent support on the part of the leaders of the people all of this could be used effectively to bring England back to where it can again take care of itself.

GERMANY

There is universal agreement on the part of English businessmen that Germany must be rehabilitated and a great increase in production brought about by allowing the German people full liberty in the reconstruction of their country. I do not believe we can ever have a going Europe until this is started. The Morgenthau plan as applied in Germany by our country was one of the great crimes of history.

The report of Mr. Hoover, which was endorsed by the group of American businessmen that was sent to Germany, showed plainly what must be done. The administration in Washington stated some time ago that they were putting this into effect. This is a complete misrepresentation to the people of this country because nothing has been done, so far as I can find. The slightly amended Morgenthau plan is still in control. This is one thing that Congress must take steps to accomplish—that is, a proper program for the rehabilitation of Germany. We, of course, will have to advance money to Germany to bring that about, but I believe it is one of the safest places in Europe to put funds for reconstruction under a proper plan.

GENERAL

I am fully convinced that the United States must discontinue at once the practice of loaning or giving money to foreign countries without the most critical investigation of their program for the use of the money. This investigation must not be left in the hands of regular officials of our Government, whether from the State Department or others. On the contrary, it should be put in the hands of industrialists and other practical men—according to the problem involved—who can make intelligent decisions, based on experience, and free from political or diplomatic pressures.

I came back fully convinced that in France and England there is not the slightest danger of communism. I am also convinced there is no danger of ultimate communism in the United States. In my opinion, communism, as exemplified by Russia, can only be applied in a country such as Russia, where people are of low standard as a result of centuries of mistreatment. In England, France, and the United States people are very individualistic, and they will never stand for any government which destroys their individual freedom and keeps the iron heel of control on their necks. In my opinion, the bugaboo put out by our administration, namely, that unless we finance countries they will go communistic, is without the slightest justification. People who will stand for communism will go in that direction, irrespective of what we may do to the contrary. I think Greece is an outstanding example of a waste of our money without in any way bringing into that country peace and stability.

I am more convinced than ever that this country must keep itself strong and active, with high production, improving standards of living for all the people, and a normal prosperity that will be a great example to the balance of the world as to the values of our type of government. Nobody can visit European countries with problems resulting directly from their form of government and low production without coming back to the United States with a deep appreciation of its fundamental values and of the great things it has done to improve the standards of living of all of the people.

In England this has not been the case in the past, nor in France—in fact, none of the European countries has offered opportunities for better living such as we have here.

The conservative government that controlled England practically up to the time of the last war operated on the old-fashioned basis of wealth for a comparative few. At the end of the Victorian period, England was a great power and the richest country in the world. Wealth from all sections of the world flowed into England. But productive enterprises of all kinds were largely controlled by rich families and, unfortunately, the younger generations of these families lost interest in work. In the main, they were interested only in the income of the properties left to them, such as coal mines, steel works, textile plants, and others, and made no effort to maintain and improve them. As a result, English industry as a whole is not modern.

In England the cartel system controlled industry. That is, manufacturers would get together, establish uniform prices, and then submit them to the Government for approval. The result was uniform prices that were high enough to allow the most inefficient operations to make good profits. These profits were largely paid out in dividends and very little was put back into the properties. This is the principal reason why England's coal mines, steel works, and other operations are to a considerable extent antiquated as compared with similar operations in the United States. Our standards have been constantly improved as a result of extreme competition which has forced the reinvestment of a great part of the earnings as well as new money. A competitive economy is the only one that can bring progress in any country, in my opinion, and this has not applied in England or in France but must apply if they are to progress in the future. Even today in both England and France, corporations are having large earnings and paying out large dividends, in both cases greater than we do in this country. In fact, some bankers and businessmen admitted to me that industry was making more money than it was actually entitled to.

In Europe generally friendly relationships between countries are made extremely difficult by the rigid customs methods. You are carefully checked when you go into these countries by the customs officials and also when you leave. There is an atmosphere of

suspicion and criticism which certainly does not promote good feeling. How anybody could ever expect a one-world situation with these critical checks at the borders of each country is beyond me.

The net result of all this is that, interested as the United States is and must be in the conditions of foreign countries, the ultimate solution must be in their own hands and not in ours, and the quicker we realize this as a country the better off we will all be, both here and abroad. We have put great sums of money into China over the past 10 years and yet the recent report of General Wedemeyer shows that China is still being operated on the same old basis with bad government, graft, starvation, and a growing strength of communism.

I recommend the reading of an article by David Lawrence in the September 12 issue of the United States News, and also the statement by Henry Hazlitt, How Can America Rescue the World? which has just been completed. I think both of these strongly support the conclusions I have outlined above.

I am convinced that socialistic governments such as exist in England today, and in France to a considerable extent, can never succeed in bringing about prosperity and in giving the people higher standards of living. Invariably in this type of government authority is exercised by too many impractical and inexperienced people. One control leads to another until the whole economy is in a state of confusion. This failure to succeed brings about increasing discord within the government organization.

For relations with foreign countries—outside of the field of formal diplomacy—we must bring into government practical and trained men of affairs who will earnestly and honestly give their time and best efforts to building up good organizations, putting in effective methods and systems, and freeing producing elements within the country from the multiplicity of government controls. In other words, we must restore freedom of thought and action to the people, both within government and without.

Our so-called diplomats in foreign countries are now being put in charge of matters involving practical production for which they are in no way trained. Their reports on situations are not to be depended upon as a result. Too much propaganda is used within government to support theories that come out of the discussions in which these diplomats sit in authority.

The great necessity here in the United States is that Congress and the people get the real facts, based on practical, thorough, and time-taking investigations by men who know, and not simply the opinions of theoreticians.

The situation in Europe is highly complex and, naturally, there is no one simple answer to the problems of the various countries. My definite impression, however, is that Europe is by no means doing all that it can do to help itself. The various countries have great resources and manpower, and the margin between the present and the potential utilization of these advantages would far surpass any conceivable help that the United States can extend. Whatever help we give can do no more than palliate. The genuine recovery of Europe will start on the day that the people there roll up their sleeves and go to work—and not before. The great bulk of their needs can be filled only through their own production. In view of the statements of the English and French Governments that their countries are in a serious condition, it bewilders the visitor to see those countries operating on the basis of a 40-hour week and numerous holidays. Why don't they adopt a 6-day week, which, of course, would greatly increase the production of all materials? Given the right kind of leadership and adequate incentives, there is no question in the minds of persons with whom I talked that the peoples of Europe would work harder and more productively. Certainly, if there is an emergency, a 6-day week will harm no one.

Hon. Charles L. Gifford

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. HOBBS. Mr. Speaker, 9 months ago Hon. Charles L. Gifford was presiding as Speaker of the House when I had the privilege of making these remarks as a tribute to two outstanding departed Members of our body, Representatives Foss and Treadway:

Mr. HOBBS. Mr. Speaker, this occasion should not pass without an expression of tributes that rise today from every heart to the stricken State of Massachusetts and its sorrowing delegation. Ever since the Boston Tea Party, America has looked to Massachusetts for leadership, and has uniformly found it.

Two of such leaders, who served so long and so well in this body, we mourn upon this occasion because of their passing to higher service. We join those two bereaved families in their tears, tinged with pride and gratitude because these two great Americans kept the faith. Thank God we looked to them, and not in vain. Thank God that the proud tradition of leadership and ability and dedication to the public service still obtains. So we from every other State join our worthy colleagues from Massachusetts, bow to pay tribute to both past and present of Massachusetts.

Speaking as an humble Member of this House to the present distinguished Speaker of this body, until recently the minority leader, and to the distinguished minority whip now, formerly the majority leader, we remember again, as we did through the years when they were protagonists in leadership par excellence, that whenever a Member of the House referred to either he said, "The gentleman from Massachusetts." With those gentlemen from Massachusetts, the distinguished dean of the Massachusetts delegation who is just now presiding, and with every other Member from that great State, all of us join in paying this tribute of love, admiration, and respect to the memory of these two great servants of mankind, and of their great State, and of this great Nation.

Now the grim reaper has knocked at his door and he has joined the galaxy of stars that compose the constellation shining in the sky of service representing Massachusetts.

None of us who had the privilege of serving with him has ever failed to appreciate the high quality of his service, the pungency of his humor, his devotion to his constituents, his State and Nation, nor who has failed to form an affectionate regard for him, both as man and public servant.

The universal sorrow pervading this Chamber by reason of his passing has erased the center aisle.

Packages Are Helping Europeans Save Themselves

EXTENSION OF REMARKS

OF

HON. HOWARD H. BUFFETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. BUFFETT. Mr. Speaker, several Members of the House and Senate have introduced bills providing temporary exemption from postage on relief parcels to Europe.

I want to raise my voice in support of this proposal. I believe it would be a most constructive step in helping the people of Europe.

It has long been my conviction that successful relief and charity must be either individual or, if collective, under the auspices of private or church organizations. All recent experiences in this field seem to support this view.

Recently the Thanksgiving message to America from Rev. Martin Niemoeller gave striking testimony on the results and on the importance of individual parcels. The following is quoted from his letter:

You know that I have met with considerable criticism by recommending to you that you might give your helping hand by establishing in the first line, personal contacts instead of by organizing a general relief work.

Today I am absolutely convinced that this way is not only the right one, but the only one to get real results and to soften unhappy and hardened souls. * * *

During the last months again and again I have been visited by people who had received a letter or a parcel or both from some unknown friend in America, and it seemed to me that those people in some way had come back to human life again. To be sure, a package from abroad does not mean very much for a long period. It may do for just 1 week, and yet people feel rich as they experience that there are other people who think of them, and suddenly are willing again to share with others what they personally have been presented with.

I think that this sort of individual help outweighs many bad and hardening influences * * * that people are made better by it and, so to speak, more human. * * *

Mr. Speaker, if the heavy postal charges on relief packages to Europe were eliminated, that action would stimulate this voluntary outpouring of help by Christians to their brethren in Europe.

Aside from saving lives and souls, gifts from American people to individuals in Europe are the most potent antidote to poison spread from the east.

St. Paul once wrote to his brethren at Corinth:

And though I bestow all my goods to feed the poor * * * and have not charity, it profiteth me nothing. (I Corinthians: ch. 13, verse 3.)

Mr. Speaker, voluntary package and parcel relief to Europe is the best contribution America can make toward saving Christian civilization in Europe. Congress might well encourage that movement by providing temporary postage exemption for this charity.

Anti-Inflation Bill

EXTENSION OF REMARKS
OF
HON. JOHN A. CARROLL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. CARROLL. Mr. Speaker, passage of the improperly labeled anti-inflation bill does not in any way accomplish the purpose for which the Congress was called into special session by President Truman.

To meet the present emergency as an anti-inflation measure this bill is a fraud and sham, and it is commonly regarded in the Halls of Congress as a political hoax. It will neither fix prices at their present level nor prevent the continuing increase in the cost of living, which in a few months undoubtedly will reach even more serious proportions.

The bill, however, does give power to the President to continue some control over exports, transportation facilities, and the allocation of grain for distilling purposes. It also provides for the use of the old political expedient, often used but never successful—voluntary cooperation of industry.

I voted for the bill because I believe the continuation of these powers given to the President is necessary. It has been said that half a loaf is better than none, but I am afraid the Republican leadership has provided only a thin slice of a real program against inflation.

Republican leaders have stated that, if this legislation does not prove effective in curbing prices, they will set up more rigid controls. In my judgment, the cost of living will continue to increase, and our time is running out in the battle against inflation. Continuous debate should have been given this tremendously important subject, if necessary, through the entire holiday season.

President Truman has pointed out that, even if Congress should act now in accordance with his wishes, a reasonable time must elapse before he can set up the necessary machinery to act should the situation become more desperate.

I stated publicly on many occasions in 1946 that premature removal of price controls would be gambling with our economy. That unfortunate gamble has resulted in the loss of billions of dollars to consumers of the Nation to date. A continuation of that type of desperate gambling, as evidenced by actions of the Republican leadership during this session, will bring further suffering and hardship to the people, and may very well lead to the catastrophic collapse of our present economy.

Present Conditions in France

EXTENSION OF REMARKS
OF
HON. GEORGE MacKINNON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MACKINNON. Mr. Speaker, under leave to extend my remarks, I include a letter from a citizen of France to his sister in this country, which I am sure will be helpful in bringing about an understanding of conditions in that country. The letter, with identifying features eliminated, as translated, reads:

NOVEMBER 16, 1947.

MY DEAR ———: Your letter of October 25 gave us great pleasure and we understood it perfectly * * *, because we are making great progress in English. Your letters are the best teachers for us.

* * * I am going to try to give you some information on our economic and political situation. The economic information I have been able to gather myself—it is not a question of more or less exact official statistics. But before beginning the details it is, I believe, necessary to go back several years in order to understand the situation of France the day after the defeat of June 1940:

Our country seemed then definitely crushed, the Government had accepted the treaty with the Germans which imposed on us very heavy burdens of the armistice, much too heavy for us to carry out. This was, moreover, a great mistake on the part of Hitler. We found ourselves thus apparently alone before the colossal, inhuman German, and all hope seemed to us useless. Even old Marshal Petain preached resignation to us. But a voice made itself heard on the waves of our radios. A general, unknown to many French people, spoke to us from London and told us not to despair. He, De Gaulle, announced to us already in June 1940 that some day quite soon the great democracy of the United States of America would be with England and us to repulse the German invader from our soil. And it is thanks to him that, little by little during our terrible years of occupation, resistance against the Germans was organized. And from that moment it is necessary to understand the sacrifices that we had to agree to each day. In order to destroy the enemy, to hinder him from making our country a base of operations against Great Britain, the French were obliged to destroy themselves the assets which constituted a great part of our national wealth (railroads, power and electric plants, steel factories, etc.). In every part of the country the duty of the French was to break the Germans. The nearer the hour of the Allied invasion approached the more numerous these destructions, and often we had to destroy inestimable wealth. But never did we ask ourselves how we could ever rebuild. In acting thus the French knew that they were contributing powerfully to the final and common victory. The Germans at that point were so thwarted by our actions that they tried every means of combating them. Over 30,000 patriots were shot and innumerable others were deported, of which number many never returned. The American chiefs, and especially Eisenhower, realized how very useful the French "Forces of the Interior" were to the actions of the Allied troops.

To all these voluntary destructions one must add those occasioned by the Allied bombardments during the entire war, certainly necessary bombardments and against which we never protested, since we recognized the necessity of them. But it is none the less true that with us the destructions accumulated and ruins covered our country—and war returning again on our territory in 1944 caused ruin of entire regions. The Germans in their flight spared us no desolation—St. Dié is a typical example of this. That is why the day after victory, exhausted France found herself in a state of complete collapse.

Our railroads, which we didn't want to give to the Germans, were cut, our bridges blown up, our locomotives destroyed, thousands of cars out of commission, our canals dry because it had been necessary to do that in blowing up their banks. Today all our bridges are rebuilt, our railroads and canals all in good condition. The trains whistle again in the countryside, not as numerous as before the war because we lack coal. The restrictions on traffic pertain only to passenger trains, because the movement of freight trains is intense and the number of loaded cars exceeds sometimes that of prewar days. Here are some examples of work of reconstruction completed these past years.

Near Paris the great viaduct of Nogent-sur-Marne, over which passes the Paris-Mulhouse Railroad, had been destroyed. At first it was temporarily repaired. Now it is definitely repaired and open to travel.

Between St. Dié and St. Marie-aux-Mines is a tunnel which the Germans had transformed into a subterranean factory to manufacture V1's and V2's Before their surrender they blew up this tunnel, destroying everything. Now all is repaired and the trains pass through it again, connecting les Vosges and Alsace. The same is true of the tunnel from Saales to Provencheres, which was destroyed in 1944, and is entirely rebuilt.

Right now our Bureau of Bridges and Roads is rebuilding the bridges over the Rhine. As we lack material we are using the scrap material in the temporary parts which in Normandy were used in the Allied landings. In a little while the bridge of Neuf-Brisach (near Colmar) can be used again. It will not be beautiful, but very solid and useful.

In the regions of the battle grounds (Lorraine, Alsace, Nord) our mines were flooded and our surface installations destroyed. Today the output has returned to the regular rhythm of prewar days, but our equipment is worn out because during the war no repairs could be made. It was necessary after liberation to repair it hastily with the best means at hand.

In the mining region of Mulhouse the potassium mines were the theater for bloody and destructive combats. During some months work was impossible, but today it has begun again and production will soon reach prewar standards. In that same region numerous textile factories were greatly damaged by war, but are now in full production. I can cite:

Dolfuss & Noack: Felt and technical cloth factory—500 workers. The factory was in 1944-45 for several weeks on the line of fire between French and German troops. Two hundred millions in destruction; buildings and machines entirely destroyed. Today new buildings rise in the place of walls blackened by fire, and work has begun in the temporary locations.

Gluck & Co.: Manufacturers of combed wool material. Destroyed by Allied bombardments—500 workers. Material and buildings 90 percent destroyed. The new buildings will be finished in a month or two and for over a year work has been going on in some repaired buildings with the means at hand.

Schaeffer & Co.: Large factory of cloth printing and dyeing—1,500 workers. More than six hundred million lost in destruction. For 2 years work has been going on in locations half in ruins. Production 70 percent of that in 1938. This firm has been able to carry on again its exports of dyed and printed materials.

Machine manufacturing of Haut-Rhin: Big business of construction equipment—1,000 workers; two hundred and fifty millions in destruction. In full line of fire November-December 1944. Received more than 500 bombs of all kinds. Has functioned since March 1945 and taken up the manufacture of machines, tools, etc. I knew this firm especially well, whose board of directors named me as expert.

Loos Printing Co. at St. Dié: Medium-sized business—entirely burned by the Germans. * * * The present business surpasses that of prewar days. It was on that press that the book was printed which you must have, St. Dié Terre Brulée. My cousin was, moreover, deported to Germany. Happily he came back.

Kembs Factory-Electric Power Co. of the Rhine: A very important factory on the Rhine producing electricity. Its eight generators were destroyed by the Germans. I visited the factory one and one-half years ago. Three generators were already functioning. Now the eight are in operation.

Those are a few exact cases, but I suppose that in America people are not ignorant of the fact that our large ports (Le Havre, Bordeaux, Marseilles), which suffered so much from the war, have taken up their activities again.

It is not an exaggeration to say that the French have begun to aid themselves. They have even done a little more. But while from 1940–44 all the countries were able to work actively for their war effort, increasing their efficiency, it must not be forgotten that ours was paralyzed by the Germans and that our duty was to sabotage before working. We had to destroy our industrial resources in order that they could not serve the designs of the enemy. If all the resources of France and French industry had been at the service of Germany, it is certain that victory would have been still more difficult to achieve. We have, therefore, a great delay in rehabilitation, and I ask myself if people understand us well on this point. The aid that we are asking should permit us to take up again, little by little, our place in the court of great nations, and our country, taking up its former activities, will surely be an excellent customer for trade.

As to the political question, it is also very difficult to understand. In June 1940 many Frenchmen thought, and justly, that the situation was lost definitely. It was not easy to believe that England would resist Hitler, because the United States was not yet on its side. Only De Gaulle gave us a ray of hope, but we asked ourselves truly where he got his hope. With untiring patience, he organized from London the French resistance. Certain ones reproached him for a while for not having earned distinction as a resistance leader and for clearly understanding all the great Communist movement. He could very well believe that the latter had ceased to take orders from Moscow, before the current danger in France, and had decided to return to the bosom of the nation. If one cares to recall, he could not have done otherwise, because a single danger absorbed him at the moment—the danger of Germany. But, after the liberation, the Communists took up again their old habits and more than ever were at the command of the Soviets, and it is these who now say that De Gaulle is a Fascist. If he were a Fascist, he would have been able so easily to keep the power in 1944–45. No one could have risen against him. You are lucky in the United States to have only two great parties whose methods of government are not so different. On the other hand, the President of the United States has some real power which hinders abuses, while with us the parties commit themselves to a bargain purely demagogic, losing sight of the best interests of the country because they see only the interests of the party. They make all kinds of promises to their electors, promising them the moon and stars, leisure without end, and almost without work. With us the word "democratic" has lost its meaning and has become the synonym for "let slide," "lack of discipline," etc. The word "liberty" has lost its meaning and become a synonym for disorder. The French have felt that a change was necessary, that the situation could not last, and they turned to De Gaulle once more. * * * which had a socialistic municipal government because it is a city entirely of working men, voted an overwhelming majority for De Gaulle. We want order and that is the explanation for the last municipal election; there is no other. We have seen too much of fascism here to desire it. According to his statements, De Gaulle would like a constitution like the United States. Do you think that is the idea of a Fascist? Are they Fascist ideas which wish to keep our country from falling under the yoke of Moscow? I am sure, no; De Gaulle wishes direct cooperation with the United States of America because he feels that in the past France has been as far from the Russian conceptions as much as the United States itself, and, after all, what difference is there between Russian communism and German Hitlerism? I wish you could read in the French communistic newspapers everything that is said against the United States of America, where even the shipments of American wheat, which is so indispensable to us, are criticized. If America sends us 10 boatloads of wheat, it is nothing but a desire to take over our country, while if Russia sends us a single sack, it is magnificent and we all must thank the great Stalin. We are certainly going to assist with the formation of several governments here which, with different methods, will try to get us out of the ruts where we find ourselves. Partisan spirit will prevent, I believe, all constructive possibility and the day will come when, in the face of their impotence, our miserable governments will turn toward De Gaulle, to whom they will leave a wretched France. The day cannot come too soon.

My letter is long, but I would be happy, dear Mary, if it is able to give you an appreciation of our situation. I think France deserves that because I am sure that her mission in the world is not ended.

Jacques.

Hon. Raymond S. Springer

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. HOBBS. Mr. Speaker, a truly great servant of the Republic he loved has passed to his reward in the full tide of his power. As private citizen, in the practice of his profession, as jurist, soldier, statesman, he set an example for all who would live to serve and to bless their fellow man.

The love we had for him unified us, and permitted no partisan division.

Many other Members have spoken of his career, the richness of his endowment, of his devotion to duty in peace and in war, as lawyer, judge, and statesman. No further attempt to praise is in order. But as a member of a different party from his, who served with him on the Judiciary Committee, one cannot refrain from voicing a simple tribute to his faithfulness and to his service which rose above partisanship and contributed so splendidly to the causes and the general welfare of the Nation he loved.

Georgia Apologizes to Hon. Joe Hendricks, of Florida, for Jail Incident

EXTENSION OF REMARKS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. HENDRICKS. Mr. Speaker, I am inserting a news story from the Orlando Morning Sentinel, Thursday, December 18, 1947, which is a clear explanation of the incident which occurred at Darien, Ga., on my way home in October. The reason I insert this article is because the press reports were so very brief that they did not actually explain the situation. I was almost compelled to explain this matter 15 to 20 times a day. Therefore, in order that the Members of the House may be able to know exactly what happened I am inserting this article:

GEORGIA APOLOGIZES TO HENDRICKS FOR JAIL INCIDENT—GOVERNOR SORRY ABOUT INCONVENIENCE

(By W. S. (Preacher) Allen, city editor, Orlando Morning Sentinel)

Gov. M. E. Thompson and Deputy Sheriff Thomas H. Poppell, of McIntosh County, Ga., have apologized to Congressman JOE HENDRICKS for the inconvenience caused Florida's Fifth District Representative as a result of an arrest for speeding near Darien, Ga.

The two apologies were in reply to HENDRICKS' charges that gestapo methods were used by Poppell in holding him for several hours in a cell in the McIntosh County jail October 23, after he (HENDRICKS) had posted $15 bond on the speeding charge.

The apologies were received by HENDRICKS after he had informed Thompson that if an apology was not forthcoming from Poppell, he intended legally to attempt "to obtain redress for false arrest, violation of my civil liberties, mental pain and suffering, physical pain and suffering, and humiliation."

HENDRICKS said yesterday, in revealing correspondence between Thompson, Poppell, and himself, that "I do not publicize the incident for the purpose of embarrassing officials in Darien, or anyone else, but simply because I know there are many citizens not as well informed in regard to the law as I am.

"My only hope is that this publicity will inform those who might have had or who might in the future have such an incident occur, of their rights."

In a letter to Thompson, HENDRICKS said he had not denied charges of exceeding the Georgia speed limit because he did not know how fast he was traveling nor was he protesting against a speed trap, but did resent the rough treatment at the hands of the Darien officer and the fact that he was held in jail without charge after settling the speeding charge.

HENDRICKS said his second arrest followed a remark he made as he started to leave the jail after posting bond. HENDRICKS quoted himself as "jokingly and facetiously" saying, "I think it is a dirty trick to drive a patrol car without identification."

HENDRICKS said the second arrest was made by Poppell, who was lounging in the jail. He said he had not previously spoken to Poppell and the officer did not identify himself in any manner.

He did not resist when Poppell "seized me by the arm and began pushing me and shoving and forcing me violently without reason. He shoved me up two flights of stairs to a cell.

"All the time I was entreating him to wait and let us discuss the matter," HENDRICKS

continued. "He was so violently angry and without reason, that he kept shoving and yelling incoherently until we reached the cell."

HENDRICKS said he attempted to show Poppell his card identifying him as a Member of Congress, but the officer "did not want to see anything" and after locking the cell remarked, "You will stay in there until you know you have been in Georgia."

HENDRICKS then quoted the deputy as yelling downstairs, "File another charge against him."

Later, when the deputy appeared with food for a prisoner, HENDRICKS said he asked for a lawyer and a doctor, the latter because of a stomach ailment. The deputy promised to send both, but neither appeared.

Still later, HENDRICKS said, he was taken downstairs where he was questioned by another officer, apparently a county or State road patrolman, who appeared surprised when told about the speeding charge and posting of bond.

However, the patrolman, after hearing HENDRICKS' explanation, said, "I don't want to hear any more about it," and left the room.

HENDRICKS said he inquired of Poppell what charges the officer intended to make, and upon being informed that several charges could be made, he (HENDRICKS) inquired about additional bond.

HENDRICKS said he was informed that it would be $100, but Poppell "made no move to file a charge nor any move to release me. Two or three times I insisted on his making a charge or releasing me and he neither charged me nor did he give consent for me to leave."

A few minutes later, a Mrs. A. D. Poppell informed him that she was a deputy sheriff and told him to leave, HENDRICKS said, adding that he replied that, "Mr. Poppell had put me in jail and I wanted him to say what he was going to do."

At that point, HENDRICKS said, "Mrs. Poppell began shoving me toward the door and shoved me out, handed me the keys to my car and told me to get in it and leave.

"I left without ever being informed of why I was arrested and jailed and without having been charged with anything, but speeding and that was settled before I was jailed."

In his reply of apology, Thompson chided HENDRICKS about the matter, reminding the Congressman that he made the first mistake, but that the second mistake was made "when young Poppell being offended and subsequently embarrassed because of your charges, further precipitated the matter.

"I do not know that there is anything that can be done by the Governor," Thompson said. "Certainly, I deplore the incident and apologize to you for the inconvenience and trouble while visiting our State.

"I know the members of the Poppell family personally and know that they are extremely fine people and I am sure they join me in regretting this unpleasant incident.

"Recently, at the Southern Governors' Conference in Asheville, N. C., I delivered an address on the State's responsibility in reducing traffic accidents and specifically called attention to the State's responsibility in eliminating speed traps and other undesirable and unnecessary delays and embarrassment to the traveling public."

DAYTONA BEACH, FLA.,
November 21, 1947.

Mr. THOMAS H. POPPELL,
Deputy Sheriff, Darien, Ga.

DEAR MR. POPPELL: I am enclosing a copy of a letter which I have today addressed to Hon. M. E. Thompson, Governor of the State of Georgia, in reply to a letter which I received from him and also enclosing a copy of a letter which I addressed to him on October 30 in regard to the very unpleasant and unnecessary incident which occurred when you lost complete control of your judgment and put me in jail in Darien for no good reason.

Governor Thompson, even though chiding me, apologizes for your actions and goes on to state that he is sure that you join him in regretting this unpleasant incident and further that he hopes that this matter may be satisfactorily adjusted. You will note from my letter that I informed the Governor that if you did join him then you could take concrete steps to settle the matter by writing me a letter of apology. This is no demand because I do not use such methods. It has been my job to protect people's rights and not to violate them. However, I will say that if I receive a letter of apology within 10 days, I will consider the incident settled. Otherwise I expect to file suit against the office of the sheriff and against you personally for damages for false arrest in a substantial sum. I have discussed this matter with two Georgia attorneys and one Florida attorney and the three of them advise me that I have a clear case against you for false arrest.

In conclusion, I want to assure you that if such an incident happens to you in my State, I shall be glad personally to defend you to see that your rights are not violated. For the sake of the general public as well as for my own protection, I cannot let this incident pass.

Very sincerely yours,

JOE HENDRICKS,
Member of Congress.

[Enclosure.]

Poppell wrote HENDRICKS, "I have read your comments to the Governor on the matter of the incident at Darien a short time ago when you were placed in jail.

"I want you to know that I regret this incident very much and on any of your future trips through this county I will extend to you every courtesy my office will permit."

Anti-Inflation Bill

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MILLER of California. Mr. Speaker, I am opposed to this resolution. I shall vote against it. This is a meaningless thing that those in control of the Congress would foist on the American people.

When President Truman called the Congress back in special session he asked it to do two things: First, that it pass a bill providing for stopgap aid to the war-stricken countries of the world and, second that it pass the necessary stopgap legislation to put the brakes on the runaway inflation that is demoralizing the American people.

We acceded to the President's request for foreign relief. The Congress made available about $522,000,000 or in excess of 87 percent of the sum he recommended. We were generous—and rightfully so—in caring for the unfortunate in other parts of the world. This was our plain Christian charity.

Is this resolution the answer to the relief we propose on the domestic front? Is this wishy-washy meaningless thing the relief we offer the American people against high prices that are sapping up their savings and driving them to cashing the War bonds they so patriotically purchased?

This is not stopgap aid, this is "sopgap" aid. It is a sop thrown out to the people in the hope that they will accept it and go meekly on their way.

The President recommended a 10-point program to halt inflation. It was a well-thought-out program—a bold program. It would have required sacrifices of the American people—sacrifices they realize are necessary in the grim fight to maintain the American way of life and sacrifices they are prepared and willing to make. The people know there is no easy way out of our difficulties—they want constructive action not pious phrases and this Senate joint resolution, coming to us with the blessing of the leader of the majority party in that body, is just a conglomeration of pious, meaningless phrases that would lull the people to sleep and win the favor of the big-money boys that profit by the exploitation of the American people.

We are asked to pass this resolution under a gag rule. A parliamentary situation is deliberately created whereby it is impossible to offer amendments to this bill. It is a case of take it or leave it.

Those of us who want a real piece of legislation to meet a real situation—Mr. Speaker, if you think the present inflated prices are not real just ask any housewife who tries to make ends meet—are jockied into the position of take it or leave it. We have been told this by no less than the distinguished Republican floor leader. If those of us who cannot stomach this wretched proposal vote against it we will be charged with voting against controls. I, for one, Mr. Speaker, am ready to meet this challenge head on and take full responsibility for my action.

I will willingly face my constituents on this issue. It gives them no relief from the sorry plight into which they have been unwillingly plunged.

What does this bill do for those who work for a living? It offers nothing to the white-collar workers, the skilled mechanic, or unskilled worker. It does nothing to soften the shock for the elderly people on pensions. How can they live on $35.99 a month and that is the national average; incidentally, there is a discharge petition at the Clerk's desk that would bring H. R. 16 to the floor of the House. This is the Business, Employment, and Security Insurance Act. It needs about a hundred signatures. It would materially assist the honored aged.

What of the GI? Can a veteran continue his or her education on $65 a month? What of the veterans who made the big sacrifice—those who were wounded or physically handicapped? And what of the widows and orphans of veterans with fixed meagerly allowances? This resolution does nothing for them. It leaves them sunk in the black pit of economic despair. I want none of this. It leaves the farmer and the small independent businessman with no assurance that the future will be brighter than today and today neither of them is making money. They are both caught in the nutcracker of high prices.

Most Members coming to the House for the first time are prone to resent the rules that have been worked out for its guidance; they seem undemocratic. Then the old-timers tell them this truism: That whenever a majority of the Members of the House wants to work its will there is no rule or combination of rules that can stop it. New Members soon learn to recognize this is a true statement of fact. The majority can work its will.

Mr. Speaker, the party in power has a substantial majority in this House. It can work its will—if it chooses to do so. It must, therefore, take full responsibility for this piece of deceit handed the American people.

This proposed resolution is a quibbling mockery that denies to the "little people" of America redress to which they are entitled.

I will not be a party to it.

Will Old "Oregon" Ever Come Home?

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. ANGELL. Mr. Speaker, the old battleship *Oregon*, which performed so gallantly in the Spanish-American War, bearing the name of my State, has come to a rather ignominious end and is rusting away in the far Pacific.

The old battleship was given into the loving care and protection of the State of Oregon when she was decommissioned and the State and her people made her a shrine for patriotism and loyalty to our country. Hundreds of thousands of school children, veterans, and other loyal Americans visited the old ship during her stay in the Portland harbor. During the last war the Federal Government took the old ship away on the theory that the scrap metal in the ship was needed in the prosecution of the war. However, this apparently was a hoax, and the ship was turned over for junk but, for the most part, never contributed to the carrying on of the war. The hull is now rusting in the far Pacific.

I include as part of my remarks an article by Marilla R. Whitmore, which appeared in the Oregon Journal of Sunday, December 7, 1947, as follows:

WILL OLD "OREGON" EVER COME HOME?

(By Marilla R. Whitmore)

On December 7, 1942, the famous battleship *Oregon* was taken over by the Navy. In February 1943 it was sold at Kalama, Wash., to Edwin M. Ricker & Co. Before it was towed away, the old battleship was stripped.

The contents of the famous museum were placed at Failing School, which was allotted for that purpose. The school is so far from the center of things that the museum seldom has visitors. Mrs. Cora Thompson, for many years curator and administrative secretary of the commission, passed away this year.

The engines of the old ship were used by the Russians. The dismantled hull lies somewhere near Guam. Not so long ago, the Navy Department submitted a plan to restore the *Oregon* and bring it back to Portland. The superstructure would be reproduced and the two lower decks used for museum space.

But all schemes and plans to return her to Portland seem to die a-borning—at least no one has given the go-ahead signal.

The battleship *Oregon* made history in the days when there was no radio, wireless, or huge air fleets.

Dubbed the Pacific Fleet of the Navy, she patrolled the Pacific coast until the beginning of 1898. The news of the sinking of the *Maine* in the harbor of Habana brought her commander, Capt. Alexander McCormick, orders to sail.

Captain McCormick was very ill and ordered to the hospital. His place was taken by Capt. Charles Clark from the monitor *Monterey*.

On March 18, 1898, the *Oregon* sailed from what had been her home port and where she had been christened to steam away on a renowned cruise.

The *Oregon* covered a distance of 14,500 miles from Bremerton, Wash., to Jupiter Inlet, Fla., using 4,000 tons of coal and maintaining an average speed of 11.6 knots per hour.

She reached Santiago on the morning of June 1.

On the Sunday morning of July 3 the ships lay at anchor in waters as calm as an inland lake. Officers and men alike, clad in spotless white, were ready for the general muster to listen to the reading of the Articles of War, a customary rule in the Navy on the first Sunday of every month.

Suddenly there was a clanging of gongs and men and officers alike rushed for their stations.

Shouts and cheers rang out. "There they are. There they are." Caps were waved and shouts rose higher as the *Maria Theresa*, one of the most powerful battleships in the world at that time, led the Spanish fleet through the narrow channel and swept majestically from the harbor of Santiago.

Cervera's fleet was making for the open sea when Commodore Schley, on the *Brooklyn*, ordered the Atlantic squadron to close in. The first ship had scarcely cleared the harbor when a shot was made from one of the *Oregon's* 6-pounders, fired by Private O'Shay, of the gun crew.

The *Oregon* had been ready and waiting for this time to come. Chief Engineer Milligan had sufficient steam up to give the vessel a speed of 10 knots, while the other ships started from 5 or 6.

Full speed ahead went the old *Oregon*. She ranged up near the *Maria Theresa*, which was already afire from bursting shells of the *Indiana* and *Iowa*, and raked the Spanish ship until she ran ashore on the rocks, 6 miles from Santiago.

Then the *Oregon* charged after the *Almirante Oquindo*, which beached in a mass of flames 10 minutes after the Spanish flagship had run on the rocks.

By now the *Oregon* had worked her speed up to 16 knots and when about 3,000 yards from the *Viscaya*, which had swung off shore and headed across the *Oregon's* bow, launched a furious broadside. On fire, she, too, headed for shore 10 miles from Morro Castle.

Commodore Schley of the *Brooklyn* signaled, "*Oregon*, well done." The only one of the Spanish fleet that had escaped from the harbor was the *Colon*. The *Brooklyn* and *Oregon* shortened the 6-mile lead in short order. From the *Oregon's* 13-pounder, shells struck under the *Colon's* stern. And the last shot of July 3 had been fired.

The commander of the *Colon* dropped her colors at the foot of the flagstaff. A boat from the *Brooklyn* was sent, under cover of the guns of the *Oregon*, to receive the surrender of the *Colon*. Bugles sounded "Cease firing."

The thunder of the heavy guns stopped. The band on the deck played the Star-Spangled Banner and followed it by There's a Hot Time.

The crew of the *Oregon*, 500 strong, bare to the waist, begrimed with powder and coal dust, danced and cheered with joy. They cheered their captain rousingly. The *Brooklyn* signaled: "Congratulations upon a glorious victory."

On the following morning the *Oregon* sailed back over the route of the victory to see what was left of the pride and glory of Spain piled in burning wreckage for miles along the Cuban coast.

The reception given on that Fourth of July to the *Oregon* will never be forgotten. Commodore Schley's greeting signal of "Welcome back, brave *Oregon*," will be remembered as long as there is a history to record the events of those days.

Captain Clark, who had undergone a terrific strain, was ordered to a hospital. Capt. A. S. Barker was again given command of his old ship on August 7 and later the *Oregon* was assigned to the eastern raiding squadron.

For the following 2 years the ship remained in and around the waters of the Philippines.

The *Oregon* was returned to the United States in 1906 and was out of commission for 3 years. On October 27, 1911, she was again placed in commission with Capt. Charles Owens in command and joined the Pacific Fleet which was cruising home waters.

In 1916 the old ship was chosen as reviewing ship for the entire Pacific Fleet at the San Francisco Exposition.

Then came World War I and the *Oregon* was ordered to the Bremerton Navy Yard to be overhauled and remodeled at a cost of $1,000,000. She was then used as a coast-defense boat and as a training ship for officers and men leaving the west coast for the war zone.

At the close of World War I, under the disarmament treaty, the *Oregon* was scheduled to be used as a target for modern ships.

Cries of protest arose from patriotic organizations of the entire Nation. United voices were raised against such an outrage.

The State of Oregon petitioned the Navy Department to have the ship preserved as a memorial and placed in the harbor at Portland, Oreg.

The petition was granted by the Navy Department, with the proviso that the State of Oregon create an acceptance fund to keep the ship conditioned for visitors coming aboard.

Flying the old homeward-bound pennant, she was berthed at the east end of the Broadway Bridge in Portland. Then she was officially accepted from the Navy Department on July 3, 1925, the anniversary of the Battle of Santiago, July 3, 1898.

A National War Museum was established aboard, with Mrs. Cora A. Thompson in charge of the work. It was through Mrs. Thompson's untiring efforts that the museum grew into the pride of the community. Although it was difficult to go aboard when the ship was anchored at the Broadway Bridge, thousands visited her.

Four or five thousand visitors a month was no novelty aboard the historic ship.

With the coming of World War II, the old *Oregon* was offered to the Navy by the Governor of Oregon to be used for coast defense or in any capacity deemed best.

What really happened to the ship was an anticlimax and she now lies bobbing around on a faraway ocean of use to no one.

War hysteria, or call it what you will, suffered Portland to lose one of her historic landmarks. How much more fitting it would have been if the grand old ship had been taken out and sunk as so many of her sister ships were—it is hard to think of the storms and high seas beating at what remains of the old *Oregon*.

An Honest Inflation Control Program Is Necessary

EXTENSION OF REMARKS
OF
HON. JOHN A. BLATNIK
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. BLATNIK. Mr. Speaker, public opinion polls show that the chief concern of the people today is the present high and inflated cost of living. The present inflationary situation—with its spiraling prices and living costs—is most certainly cause for alarm. Since the OPA program was destroyed in June 1946, the cost of living has increased by about 30 percent; retail food prices have gone up by 50 percent; clothing prices have risen by one-third; and fuel costs 13 percent more today than it did a year ago.

President Truman summed up the situation in his November 17 message to Congress when he said:

> The housewife who goes to buy food today must spend $10 to buy what $7 bought a year and a half ago.

To make matters worse, the cost of living is still rising at a rate of 16 percent a year, as increased wholesale prices are translated into higher retail prices. Dun & Bradstreet predict that this inflationary trend will continue for some months to come.

INFLATION HITS EVERYONE

The impact of this inflationary spiral upon our economy is clear. Its effect is felt by workers, farmers, and small businessmen alike. The real wages of the worker were reduced as the value of the 1939 dollar fell to about 50 cents in 1947. Although farm prices are high, the real income of the average farmer is lower today than it was a year ago. Small businessmen are being squeezed by rising costs.

The over-all effect of inflation, which was set off by the scuttling of price control, has been a general lowering of the living standards of the American people. People are consuming less because their shrunken dollars will not buy more, and as high prices turn essential items into luxury items. Millions of people are being forced to spend their wartime savings, or resort to credit buying because their pay checks will not purchase the necessities of life.

To make the picture still darker, the inflationary trend is paving the way toward business depression and economic collapse. Every inflationary period of the past has been followed by a sharp deflation, and experience tells us that this inflationary boom will be followed by a bust in which prices will crash downward so fast that businessmen will be ruined, workers will be unemployed, and farmers will lose their farms. This is what happened in 1929, and this is what will happen again unless prices are stabilized in the very near future.

THE $64 QUESTION

The American people are beginning to ask the question: Who is responsible for this inflationary situation? They have a right to the answer to this question.

There can be no doubt as to the identity of the guilty. Responsibility for inflation rests squarely upon the shoulders of those who destroyed price controls—the National Association of Manufacturers and other selfish lobby groups, and those Members of Congress who yielded to their pressure in June 1946. We must not forget the NAM campaign against the OPA during 1946, in which that organization spent about $3,000,000 for full-page newspaper advertisements to convince the public that if price controls were removed, then free competition would bring prices down.

Everyone knows that the NAM misled the people; that the ending of price control has meant higher prices and not lower ones. This is proof that the NAM campaign against OPA was one of the greatest frauds in the Nation's history—the National Association of Manufacturers sacrificed the living standards of the people on the altar of corporate profits.

Now, the same forces who destroyed price control in 1946 have the effrontery to come forward with this so-called inflation-control measure—Senate Joint Resolution 167—which will be of no value whatsoever in checking inflation. Instead of adopting President Truman's sound anti-inflation program, the Republican leadership offers this measure containing four very weak provisions which will be meaningless in practice.

GOP PROGRAM MEANINGLESS

Just what does Senate Joint Resolution 167 propose? It provides for the extension of export controls and the allocation of transport facilities, two provisions which are meaningless at this time because such controls are already in effect. This act merely extends them from February 29, 1948, to February 28, 1949. Another provision provides limited control over credit, and will have no immediate effect upon prices.

The most important provision of this joint resolution is the relaxation of the antitrust laws to permit the President to enter into agreements with big business for the purpose of allocating transport facilities and other scarce commodities. The President is also authorized to put into effect a voluntary food-saving program.

Mr. Speaker, this measure—Senate Joint Resolution 167—is a fraud and a hoax on the American people. I am opposed to it and am going to vote against it for two major reasons:

In the first place, I am against this measure because it will not accomplish one thing toward the solution of the inflation problem—its provisions are too weak and anemic to check further price rises. I am not in favor of hoodwinking the public, and I refuse to support this measure which is designed to fool the public into believing that something constructive has been accomplished in solving this major problem which is uppermost in their minds.

ANTITRUST LAWS THREATENED

My second objection to this measure is its provisions to relax the antitrust laws to permit Big Business to get together and work out agreements to allocate scare commodities on a voluntary basis. This provision is bound to have a most serious effect upon the future of small business. As the report of the Kefauver committee points out, the most serious threat to small business in America has been the long continued growth of monopoly power. This trend toward the concentration of economic power in the hands of fewer and larger corporations has reached the point where 250 large corporations now control over two-thirds of the Nation's manufacturing facilities, and 8 Wall Street banking houses control about half of these same 250 corporations.

The report also points out that these monopolies and chain stores are slowly destroying small-business enterprise in America. Some 500,000 small-business firms folded up during Warld War II, and there are some 160,000 fewer small firms in operation today than there were in 1941. According to a Wall Street journal, the rate of bankruptcy for small business is rapidly increasing, and this rate is expected to increase still more in 1948.

In my opinion, small business is the foundation of free capitalist enterprise. Since I am very much concerned over the future of small business, I object to the Republican effort to weaken the antitrust laws and thus strip the small businessman of his last protection against the rapacity and greed of monopoly interest.

Mr. Speaker, I protest against the enactment of this do-nothing resolution, which will have no effect on the present skyrocketing cost of living. The adoption of this measure will amount to only an empty gesture on the part of Congress, and a confession of failure to cope with the problem of rising prices. I maintain that only a strong price-control law will achieve that objective, and insist that Congress should remain in session until such a bill is enacted into law.

Foreign-Aid Bill

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, December 18, 1947

Mr. SHORT. Mr. Speaker, it is most regrettable that I caused my friend from North Carolina [Mr. COOLEY] any worry over the stand that I have taken on the foreign-aid bill. I do not mind causing strong men worry, but it is very dangerous to little minds. With his narrow outlook and partisan training, it is no wonder that he is amazed at the position I have taken. In all the years that I have served with him, he has never been worrried by his own inconsistencies or by the irreconcilable contradictions of the New Deal. Little boys in glass houses should not throw rocks.

The one thing that is annoying and irritating to all of us is that, having visited years ago, and seen most of these countries many different times at our

own expense, is to have some recent prophet at a late date come forth trying to tell us what to do.

Mr. Speaker, for many years some of us have been fighting communism—both in and out of our country, and it would be amusing if it were not tragic to hear some of these Johnny-Come-Lately converts come forth to tell us the solution of the world's problems. At long last they have decided that it is a bad thing to have Communists in our own Government. Is that not a marvelous discovery—after some of us have been preaching it for the past 14 years?

A noble confession is good for the soul." I confess, Mr. Speaker, that I do not possess the oracular wisdom and that I cannot speak with the air of dogmatic finality that some Members of this House do. Frankly, I am still confused and bewildered and do not have the answer to all the world's problems. One must turn to the gentleman from North Carolina, the foreign-born, foreign-decorated, and foreign-minded Henry Luce, and the simon-pure international, know-it-all newspaper, the New York Herald Tribune for these answers. At least my views are not influenced by advertisers with vast holdings and investments abroad.

All that I have to say is what I once said to a former Member from Kentucky: "I have been farther back under the barn hunting for eggs than some of you peckerwoods have been away from home."

Mr. Speaker, for many years I studied in colleges and universities in different sections of this country, before I ever saw Europe. Afterward I studied, traveled, and observed some things that were going on in Europe, but I never acquired an Oxford accent and I never forgot America. I do not have to be lectured, talked and preached to, about my responsibility. Perhaps I give more of my own personal earnings according to my ability, to help the poor and distressed in this and other countries than all my critics combined. These world uplifters and do-gooders would not be so generous with their own money as they are with the taxpayers'. It is easy to give away other people's substance.

Members of Congress, I shall ask only a few questions and I would like each one definitely and specifically answered.

Is our vote for this stopgap aid or interim relief to be construed as committing us to the so-called Marshall plan? Is this the prelude to a long-range program? Is this but the first installment of a seventeen to twenty-two billion dollar aid to Europe over a 5-year period?

The bill specifically states that it is not, but this is merely a sop to get votes. All the news commentators, all the testimony in the hearings, and all the speeches on this floor indicate that this is merely the beginning. We let the camel's nose under the tent by this vote and soon he will be running around the ring in full-fledged style. I predict that within the next fortnight we shall be called upon by the administration to vote billions of dollars for aid to other nations which have repeatedly repudiated their debts to us—and at a time that we can least afford it.

Mr. Speaker, are there any assurances that these funds will be justly, equitably, and efficiently spent? We do not have a Herbert Hoover to dispense this aid in a fair, equitable, and impartial manner, as was the aid we voted following the First World War. Billions were then spent without the ugly finger of suspicion ever being raised about its honest and equitable distribution. Judging from our past sad experience through the bungling of Lehman and LaGuardia in UNRRA, we can reasonably expect that many of these funds and supplies will be diverted into dangerous channels and that the aid we send abroad will be used as a whetstone to sharpen the knife to cut our own throat.

This so-called relief is not to feed the hungry, clothe the naked, and help the needy of Europe, but is to play power politics in foreign affairs. Just as the old WPA was used in a vicious and ignoble attempt to purge good Americans from office.

In 1936 the late but not lamented, Harry Hopkins, who wanted "to tax and tax, spend and spend, elect and elect," put 4,500 idle miners in my district on the pay roll 3 weeks before the election, and the third day after the election he cut them all off. He tried to purge me, but did not. This administration, like the previous one, is trying to continue the same thing—get back to office under the cry of emergency. The people are tired of it and Republicans should get wise.

Of course, everyone knows that the New Deal has lived on emergencies for 16 long years. It feeds and fattens on them. Truman's first emergency was the Greek-Turkish loan, or gift, last spring. His second emergency is the stopgap aid bill now before us. It would be safe to bet that when these funds soon run out, there will be a third emergency next spring, and then the big fourth emergency will come about the first of next October, a month before the election when it will be argued that the American people dare not "swap horses in the middle of the stream"—the same old bait dangled before the people by F. D. R.

Mr. Speaker, only a small part of the money called for in this measure will be spent for relief. Much of it will be spent for fertilizer, farm machinery, weapons of war, and in administrative expenses. There is no limit in this bill placed upon the number of personnel, the salaries and expenses paid to them, by the President. A whole army of political parasites can be set up to sap the funds only to work for the reelection of those in power. There is nothing bipartisan about it, though we have a Republican Congress. Read section 3 of the bill. Those of us who want to help the starving abroad cannot under that cry vote to feed the greedy politicians at home.

May I ask, sir, if continued and increased export of short American materials will not increase the cost of all these articles and materials to our people at home? How can I ship something I want and that I need to some other country without having to pay more for it here? I want fertilizer, but it has been shipped to France. I want a tractor, but it has been shipped to Italy. I want electrical appliances, but they have gone to Austria. I want grain with which to feed my family and livestock, but it has been sent to 16 different countries in Europe and to 2 or 3 in Asia. Many of these countries carry on their experiments in socialism, and I must finance their plan.

O, Mr. Speaker, it does not make sense. Do I love them? Yes. Do I want to help them? Of course. But I still feel that I must take care of my own first, and I do not like for them to sneer or laugh at my stupidity.

Mr. Speaker, you cannot continue to export commodities in short supply from America to Europe without raising the price at home. You ship from our shores things that we need and you will put our people here in greater need.

It is noble to share our wealth with others, but not when they go on strike against their own government. During the past 3 or 4 days France has lost three times as much by strikes as will be given her under the provisions of this measure. If they do not work, why should we help them? This should apply to our own country as well as to others. The trouble is, we have gone screwball in this whirling dervish of Washington.

Finally, Mr. Speaker, it has been made clear during the debate on this particular bill that if we are to carry out its provisions and especially the long-range Marshall plan, it will be necessary once more to saddle controls upon the American people. Before taking this last trip to Europe, the Near East, and north Africa, I stated that after our return from abroad each Member should be required to go over his own State and district to find out the desires and needs of his own people. That, I have done—though altogether too hurriedly. Immediately after my return from abroad I felt that we should do everything in our power to help suffering humanity from the pangs of hunger and cold. Between the times I spoke on the floor of the House on November 25, and again on December 10, I read the full hearings before the House Committee on Foreign Affairs, I read the particular provisions of this specific bill, which was not available when I first spoke, and I have listened with interest, and I trust with some profit, to practically all the debate.

I said in the beginning, and I repeat now, that if this interim or stopgap aid—which I want to favor—is to be used as an excuse, first, to commit us to the long-range Marshall plan, which, in my opinion, would lead us to bankruptcy; and, second, to clamp bureaucratic governmental controls once more upon us, it would reduce production, destroy our economy, and lead inevitably to the loss of our freedom; I could not, and would not, support it. For these reasons I shall, with reluctance, vote against this measure—not because I do not love the people of Europe but because I love the people in the United States of America more. America is still God's last chance to make a world. If we sap our strength and go under, all is gone.

Mr. Speaker, under leave heretofore granted, I include the following recent editorial from the Joplin (Mo.) Globe, in my congressional district:

SPEAKING OF RABBLE ROUSING

Henry Luce's news magazine, Time, prints a picture of rabble-rousing Representative DEWEY SHORT, of this district, and lambasts him editorially for rising in the House of Representatives at Washington one day recently to exclaim: "There are times when one must be cruel to be kind. * * * The more you give people the more they will curse you for not giving them more. Instead of bleeding ourselves white we had better keep ourselves strong."

It may surprise Mr. Luce—though it probably won't—to learn that very few of Representative SHORT's constituents back in Missouri consider there was anything reprehensible in the statement quoted. Mr. Luce, who was born in China of American parents and who has a Legion of Honor decoration from the French Government, is a thirty-third degree internationalist. He has a right to be, of course. But there are a good many million Americans who don't share his conviction that Uncle Sam is able and should be glad of the opportunity to hand out such largesse to other nations as no sane person a few years back would have dreamed of doing.

Concerning the remark made by Representative SHORT, Time slyly seeks to make capital out of his statement that "sometimes one must be cruel." But cruelty that has kindness as an objective is not cruelty at all, and that is the kind of cruelty Mr. SHORT was talking about. As for the remainder, we are simpletons indeed if we think mere charity can buy real friendship, and what American patriot is going to resent a common-sense warning that if we give away our substance to the point of weakening ourselves we may live to regret it most desperately?

Down in this part of the United States we agree that generous help should be extended to the hungry and cold of Europe. But we also have a distinct impression that unless there is some restraining talk and influence on the job at Washington, Congress could make a colossal fool of itself—and of us. There is nothing criminal about realism, practicality, and common sense. Some of the most pretentious rabble-rousing just now is being conducted by the 100-percent internationalists.

Mr. Speaker, under leave to include a second newspaper article I include the recent editorial from the Washington News, because it simply, but pointedly states that if the Marshall plan is carried out without our receiving much needed supply in return, we will face disaster in another world war.

Why should we continue to give away to other countries the things we need most here at home? Let our internationalists ponder this brief but timely editorial:

OUR WORST SHORTAGE

Our Government is falling down on the program for stock-piling strategic materials. Unless the Defense Department, the Munitions Board, and Congress put more energy into this preparedness measure we will not be able to win a war if one is forced upon us.

The present paper program is not being carried out. We are supposed to be buying up these short supplies at a rate of $360,000,000 a year for 5 years. The actual total during the last 2 years has been less than $275,000,000, instead of $720,000,000.

Even if we reached present quotas, we still would be short. Some of the experts, including Bureau of Mines officials, estimate that about $6,000,000,000 worth of strategic materials would be required for another war lasting as long as World War II. That would mean a stock pile three times as large as the current blueprint, and almost tenfold the present acquisition rate.

Our need extends to 67 different minerals and materials. Most of them are produced by countries seeking Marshall plan aid or by their colonies. Certainly those countries should repay us in these materials to the limit of their capacity.

But not even that prospect is excuse for further months of delay. If we buy all we can as soon as we can, with this late start it will be virtually impossible to build adequate stock piles within the next few years.

Mr. Speaker, late in July of this year, just before the last regular session of Congress adjourned, both Houses of Congress, by an overwhelming majority, passed a bill to stimulate exploration, development, and production from domestic mines by private enterprise. That bill, H. R. 1602, provided for $70,000,000 in premium payments on copper, lead, manganese, and zinc over a 2-year period. President Truman vetoed that measure, which is one reason for the shortages in our stock pile today. It would seem that the President is unwilling to help the miners in my district and other sections of the United States but is perfectly willing to give almost $600,000,000 to the people in France, Italy, and Austria, to be followed by billions of dollars more to other countries in Europe.

Many of us are gravely concerned over the present state of affairs. While this administration asks for billions with which to combat communism it continues to ship to Russia oil, steel, tools, and heavy machinery, just as the previous Roosevelt administration shipped petroleum and scrap iron to Japan, which was hurled back at us at Pearl Harbor. Mr. Truman has had the wartime powers, and still has them, to stop these shipments of strategic materials and supplies to Russia, but he has not done it. Why he has not, I do not know, but I think the voters of America are entitled to and will demand an answer before next November.

Mr. Speaker, in order for my own people to get the full story and a true picture of Europe's condition and of this legislation, I am having not only this speech reprinted but also the ones I delivered on the floor of the House on November 25, 1947, and on December 10, 1947.

B'nai B'rith Lodges of Alameda County, Calif., Commemorate One Hundred and Sixtieth Anniversary of the Formation of United States Constitution

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. MILLER of California. Mr. Speaker, on September 4, 1947, I was privileged to attend a dinner given by the three B'nai B'rith lodges, Berkeley-Eden-Oakland, of Alameda County, Calif., commemorating the one hundred and sixtieth anniversary of the formation of the Constitution of the United States. The Honorable Monroe Friedman, P. G. P., acted as chairman of the evening.

At this dinner citations were presented to Gen. Mark Wayne Clark, United States Army; Dr. Robert Gordon Sproul, president of the University of California; and to the Honorable Phil Sheridan Gibson, chief justice, Supreme Court of California.

The address of the evening was delivered by the beloved Dr. Monroe E. Deutsch, former vice president and provost of the University of California.

Because I know that all thinking men are interested in what a great man had to say on an occasion at which other great men were honored, I ask unanimous consent to extend my remarks and to include Mr. Friedman's introduction and the inspiring address of Dr. Deutsch:

Mr. FRIEDMAN. Many years ago, when I first entered the University of California, I took a course in Latin. My instructor was more than a good scholar, he was a fine man. I don't know if I learned much Latin, but I learned a lot of other valuable things just by being around him. Later, that Latin instructor became the vice president and provost of the University of California, a position which he held until his retirement last month. He is a member of the board of governors of the Commonwealth Club of California. He is a trustee of Mills College. He is the president of the board of trustees for the Rosenberg Foundation. He is the president of the northern California branch of the American Association for the United Nations. He is president of the World Affairs Council of Northern California, an organization devoted to fostering good will and understanding among nations and nationalities.

Little men need long introductions. For a really big man, a short introduction suffices. It is with the greatest of pleasure that I now present as the speaker of the evening a man of our own religious faith, a great scholar, a fine character, loved and respected by all of us—Dr. Monroe E. Deutsch.

[Entire assembly arose and applauded.]

Dr. MONROE E. DEUTSCH. On September 17, 1787, the Constitution under which we have happily lived since our Government was established, was signed by 39 members of the 42 present at the Constitutional Convention and it was sent to the States for ratification. This is therefore, as has been set forth, the one hundred and sixtieth anniversary of the document which, whatever its imperfections, is not wholly undeserving of the tribute paid to it by the English statesman, William Ewart Gladstone: "The American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man." When one considers the circumstances under which it was drafted, he can only marvel that a Constitution drawn up 160 years ago for a population totaling 4,000,000 persons and residing along a narrow strip of coast by the Atlantic, should have been capable of governing this broad continent stretching from Atlantic to Pacific, containing 140,000,000 individuals, and in a wholly different form of society. It has been modified by amendment to meet changed conditions but in its essence it is unchanged. It is indeed the bulwark of protection for the rights of the inhabitants of this land of ours. Well it is that we should pause at this time briefly to recall the blessings that are ours in this Nation under the shield of the Constitution.

How many millions throughout the world yearn to come to this land, and how deeply would they treasure what is ours. The desperate poverty in which the masses of the world's population are now living, the misery of the hundreds of thousands of displaced persons, the manifold restrictions under which so many nations are confined—all these make American citizenship the pearl of great price, the great jewel for which multitudes across the seas would make the utmost of sacrifices.

We have all of us been given privileges—privileges so great that it is hard to put them into a few brief words—not the vote nor the passport, nor even the opportunity to secure such work as may be open only to citizens—but the very greatest blessing that mankind can be given—freedom; freedom to go where we will, to read what we will, to say what we will, to choose those who shall govern us, to have public—not secret—trial, to assemble as we will, and to worship God as our heart impels. Here are no dictators (no Führer or Duce), no secret police, no State our master—we are freemen, with heads erect, bodies our own, and minds and consciences under our control and that of the God above us—a God who has named no people as warlike bearers of superior culture.

Remember, too, that when once a man or a woman has attained our citizenship, he is, in the fullest sense of the term, an American, regardless of his ancestry, his color, his creed, or his place of birth. We are a people mingled from the most diverse strains, and I, for one, am proud that to the making of our national character so many stocks have contributed. What is an American name? I reply that it is the name of any American, be it Byrnes or Baruch, Krueger or Vandenberg, Sarnoff or Marshall. Assuredly, in all our wars we have seen how men of different racial stocks, ancestries, and births have fought side by side in our Nation's cause and have laid down their lives for their country. Go through the cemeteries in which our war dead lie, and you will see there names which sprang from every quarter of the globe—but each (regardless of the land from which his ancestors came) revealed himself a loyal American by making the supreme sacrifice for the land which had granted him citizenship. And nothing prevented men from giving their lives for their country, whether their skins were dark or yellow, whether their ancestors came from China, the Philippines, or even Japan. This was the acid test of patriotism, and many a man whose forebears came from remote lands faced that test with heroism.

We are Americans, proud of what our Nation has given us. But every privilege brings with it responsibilities great. First of all, we must remember that a democracy cannot exist unless it rests upon an intelligent citizenry. This requires that we should each of us be keenly alert to all the problems facing us as a nation, as well as locally. Our representatives are always rightly influenced by the thinking of people they represent. In the second place, we must without fail, use the right given us and vote at each and every election. Learn what the issues are, who the various candidates are, and then vote, actuated solely by the best interest of the Nation, the State, and the community. In the third place, if at any time our country summons any of us to serve it in time of war (which we pray will not come to pass), remember that to answer this call is a solemn duty owed the Nation, and indeed, that acceptance of citizenship pledges one to this service. Then, too, as I have already urged, treat every American with equal fairness and friendship, for we are citizens of a democracy. Cast aside prejudices of all kinds, and work side by side with your fellow American (be he Catholic, Protestant, or Jew, be he of Irish, Italian, or Chinese ancestry, be he colored or white), to make this a more perfect democracy.

We realize that, much as has been accomplished in this land, there is still much to be done before we attain our goal as a people. Proper housing for all is certainly something we all agree is essential; slums do not afford the opportunities which Americans have a right to expect. Men and women, and above all, children cannot live their best lives in such surroundings. We must, too, seek to make our democracy more perfect by breaking down every vestige of prejudice and discrimination. The Declaration of Independence (you will recall) stated: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." Our first independent utterance was, therefore, a declaration of human equality. To attain that goal means not only the vote throughout our land for all qualified American citizens, but treatment in the fullest sense as an equal, in offices and on trains, in schools and in factories. Discrimination in any form is the enemy of democracy, and he who preaches it against those of another color, creed, or ancestry is a traitor to the ideals of our Nation and its great leaders. Read again Lincoln's Gettysburg Address. You will find that the theme that runs through it is liberty and equality. In his very opening sentence, he speaks of our "Nation conceived in liberty and dedicated to the proposition that all men are created equal." I bid you be good Americans by letting your acts show that you believe in the words of the Declaration of Independence, those of Abraham Lincoln, and, indeed, of all the great leaders of our democracy. And think what a glorious thing it would be if every person in our land were given the opportunity to live up to the fullness of his capacity. It would mean that our national life would be enriched by the contributions to it that many a citizen cannot make today, through some form of prejudice directed against him. We may be depriving ourselves of who knows what important advances in our national life by closing doors that should be left open to every man of talent and ability.

We must never forget, however, that we are not merely a part of the world, but today the most important part of it. This means that we have special responsibilities which we cannot ignore. In Europe, as a result of the havoc of war, there are now 1,000,000 individuals bearing the name "displaced person." Of this number, some 300,000 are Jews; the remainder come from various lands and are of different faiths. All in common are unable to return to their former homes or dread the thought of a return. For more than 2 years they have lived forsaken by the world, unable to begin to live normal lives, to establish homes, to make a living, to rear their children properly. It is one of the greatest disgraces of our time that mankind has not had either the wisdom or the humanity to solve this problem. It is not exclusively the problem of any one nation, but is a world problem. And I firmly believe that it is the duty of every nation to accept its appropriate share of those who through no fault of their own, have suffered so dreadfully as the result of this World War. I am not now discussing the solution of the Palestine problem; whether the most recent recommendations will be put into effect, we do not yet know. In any event if they are, it is not likely that all the displaced Jews will be able to gain entrance to Palestine for 2 years at the earliest, and if free choice were offered them, doubtless some would prefer to go to other lands. And besides this, the 700,000 displaced persons who are not Jews will not be aided one whit through opening the doors of Palestine. And as human beings, our sympathy goes out to all, regardless of creed.

President Truman has urged Congress to support the Stratton bill pending before it which would open our doors to 100,000 displaced persons a year for 4 years. It has been pointed out this total of 400,000 is far less than one-half of the unused immigration quota during the years of the war. In other words, if the number of immigrants permitted by law had come in each year during the war, there would have been admitted 800,000 persons—and many more—in addition to those who actually entered. To put it somewhat differently, the acceptance of these 400,000 would still mean than the admission quota during the years of the war had been far from filled. And what we should do, all other nations should likewise do. If we are not willing to do this, we should tear down the Statue of Liberty and cast it in the sea. Perhaps most of you recall the words carved on its base; they are written by Emma Lazarus and read as follows:

"Not like the brazen giant of Greek fame,
With conquering limbs astride from land to land;
Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame
Is the imprisoned Lightning, and her name
Mother of Exiles. From her beacon-hand
Glows world-wide welcome; her mild eyes command
The air-bridged harbor that twin cities frame.
'Keep, ancient lands, your storied pomp!' cries she
With silent lips. 'Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send those, the homeless, tempest-tossed to me,
I lift the lamp beside the golden door.'"

Can we imagine any folk more deserving of the words—"exiles, tired, poor, huddled masses yearning to breathe free, homeless, tempest-tossed"? Assuredly, unless we play our part in granting shelter to our fair share of these unfortunates, we are faithless to our heritage. At the time of the fiftieth anniversary of the Statue of Liberty in 1935, President Franklin D. Roosevelt said these striking words: "I like to think of the men and women who, with the break of dawn off Sandy Hook, have strained their eyes to the west for the first glimpse of the New World. They came to us speaking many tongues—but a single language, the universal language of human aspiration. How well their hopes were justified is proved by the record of what they achieved. They not only found freedom in the New World, but by their effort and devotion, they made the New World's freedom safer, richer, more far-reaching, more capable of growth." You and I can take pride in those words, for he was speaking of our parents and our grandparents who made their way to this land and who became loyal citizens, contributing to its well-being and its prosperity.

If any should claim, however, that those who might come to us now, are different from the earlier immigrants, I should like to call his attention to a book entitled Refugees in America by M. R. Davie. You will find there not only the fact that America gained 12 Nobel prize winners in the group that has already come to us, as well as great authors and musicians, but that the proportions of Americans among the employees of "refugee business enterprises" is over two-thirds. In other words, through these refugees large numbers of native Americans have found it possible to secure employment. And, Mr. Davie asks: "Can the United States justly urge other nations of the world to accept refugees unless it accepts a share of the burden itself?" Assuredly if the United States is true to its ideals, it will not lock its doors against these unfortunates.

You have, each one of you, studied the Constitution of these United States. The preamble of that document sets forth the purposes with which it was written, and, indeed, the aims with which our Government came into being. It states clearly what the duties of each of us are. First of all was the aim "to form a more perfect Union;" this calls upon all of us to stand steadfast against every effort to break up that Union, to split our Nation into two or more parts. We are pledged to that Union, and dedicated to defend it against any who may seek to destroy it. Next is the purpose to "establish justice." We are committed to fair dealing with all our fellow Americans: no selfish advantage should ever lead us to treat anyone unjustly. Nor should we tolerate the continuance in office of one who breaks his oath and perjures himself by selling verdicts or yielding to pressure in despite of justice. The Constitution then seeks to "insure domestic tranquillity." You who are pledged to its support must stand firmly against those seeking to overthrow it by force or revolt; they are faithless to their duty as citizens and are using the freedom which has been so generously granted them to bring about its destruction. Guard this democracy of ours with fidelity; its overthrow would indisputably result in the loss of the freedom which we prize. We are then asked to "provide for the common defense," and assuredly our Government has the right to call upon every citizen to spring to its defense, should it be assailed from without or within. This is a keystone in the temple of democracy; if its citizens do not willingly protect it, our Government cannot possibly endure. We rejoice that our people, a truly peace-loving folk, has never hesitated to take up arms at our Nation's call. And this spirit must be maintained, or aggressors would easily seize possession of this land of ours. There follows the aim "to promote the general welfare." Note that our Government was not established for the benefit of any one State or region, for any one class, but to "promote the general welfare." And in everything you do strive to recall that aim of our Government—let your acts seek the good and well-being of all, not of any community or class—but of these United States as a whole.

Finally, comes the aim which is the climax—"to secure the blessings of liberty to ourselves and our posterity." The freedom which is ours and which we prize has been earned by the blood and tears of the generations that have preceded us. We think of those who first settled in this land, who had to contend with the forces of nature and the natives residing on our shores. Again and again did brave and bold men and women push out to the frontier, ever moving farther West. And among the courageous pioneers were those who crossed the interminable plains to make their way to this Pacific coast. We must, too, not forget those who fought in the Revolutionary War, the various succeeding wars, that between the States (which securely forged our Union), and the two World Wars. Liberty must be won repeatedly; it is not secured once for all. To all those we are indebted for the land and liberty which we enjoy. We must ever be on the alert to defend it for "our posterity" (as the Constitution states). We have inherited this great treasure; we must guard it so that our descendants on into the distant future may also enjoy it.

It is a great honor to participate in this banquet at which we join in paying tribute to three of our distinguished fellow citizens who in different fields have alike maintained and defended our Constitution. Gen. Mark Clark deserves well of this Nation for the services he rendered as commander of our forces in Italy in the struggle which freed mankind from the horrors of German nazism and Italian fascism. And General Clark showed himself a true humanitarian in his attitude toward the refugees whom the tides of war swept in his path. Chief Justice Phil Gibson has held office as California's director of finance, as associate justice, and now chief justice of the supreme court. He has not only served the State well on its highest judicial tribunal, but has proved himself a liberal in the truest sense of the term. The third whom you have honored, Robert Gordon Sproul, is a man with whom I have been most closely associated in an official capacity for 17 years, and who has been my friend for a full four decades. I might speak at length of Dr. Sproul as an administrator, but I prefer to stress the fact that he has always opposed intolerance and discrimination. He has proved himself a true democrat (with a small d), and as proof of it I offer myself as exhibit A. The B'nai B'rith lodges of this county do well in honoring three men who have contributed so ably to our State and our Nation.

I have spoken of those who built up and protected this Nation of ours. We have a debt to them. In addition, each of us has a debt to our own ancestors or it may even be our own parents, who came to this land and gave us this great boon of American citizenship. They, too, were men and women of courage. They cut themselves off from their old homes in lands across the seas; they tore up their lives by the roots and turned their faces toward a new and untried country. Usually, even the language was unknown to them. They came in tiny vessels, often in the steerage, to make a home for themselves and their children in this new land. They wanted a chance—a chance to go to a land where people could breathe freely, where poverty would not bar their children from going as far as their capacities permitted—mainly they sought escape, escape from meager economic opportunities, from persecution, from tyranny. They took the chances and, through them, we have been given our chances. We owe a great debt to them, and we can repay it by keeping the doors of opportunity open for the generations still to come. For the great lift which we have received, with all the opportunities that this land offers, we are called upon to make a return—to render ourselves faithful, intelligent searchers for the best solution of our National and State problems, resolved to make the wisest selection of persons to receive public office, determined to requite our country by thinking solely of its good—the good of all—not of selfish advantage to ourselves or any other person or group, ever loyal to this Nation and its form of government, resolute to defend it with body, with heart, and with soul.

This is a land of freemen. For that freedom we must be ready to give our Nation the protection that she has given us. If any among you fled from tyranny and persecution in foreign lands, you understand so well what the blessed air of freedom is because you have seen the spiritual black-out in other lands, a black-out infinitely worse than the physical. We should ever be grateful for that which has come to us with so little effort on our part—membership in this democracy of ours, a share in the freedom and opportunity that America offers. And in return I charge each of you that to this land and that for which it stands you ever be faithful, be loyal, be true. For it is upon our loyalty, our good faith, our unselfishness, and our wisdom, that our national future depends.

[Assembly arose with loud and prolonged applause.]

Mr. FRIEDMAN. Thank you, Dr. Deutsch, for your splendid address. Thank you, General Clark, Dr. Sproul, and Mr. Justice Gibson. Mr. Jones will now lead us in the singing of God Bless America.

[The assembly arose and sang God Bless America.]

Please remain standing while Father Hammond gives the benediction, after which the meeting will be adjourned.

Rt. Rev. RICHARD H. HAMMOND. We give Thee thanks almighty and eternal God, giver of all good gifts, for all the benefits and favors Thou hast bestowed upon us this night. We beg of Thee, O heavenly Father, to protect and preserve this, our Nation, that was founded under Thee, and dedicated to defend liberty and equality, and the rights of man. We beseech You to shower upon our fellow citizens Your every blessing; especially the blessing of love and understanding, that through these graces, we may be enabled to live in unity, in harmony, and in that peace which the world cannot give. Your ways are the ways of love; Your path is the path to peace. "Lord, God of hosts, be with us yet, lest we forget, lest we forget."

Mr. FRIEDMAN. The meeting is adjourned.

Third Party Handicaps

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. ANGELL. Mr. Speaker, I include as an extension of my remarks the following editorial from the Oregonian, which appeared December 19, 1947, as follows:

THIRD PARTY HANDICAPS

The supporters of Henry Wallace for President are split on campaign strategy. One element wants him to head a third party; another element wants him to try, first at least, for the Democratic nomination, but probably with the background idea that defeat there, which is generally forecast, would be preliminary to a third-party movement.

In California, among Progressive Citizens of America, whose national executive committee proposes that Wallace be invited to lead a third party, a national vice president is opposed to Wallace. Another Californian, Robert A. Kenny, national cochairman of PAC, again declares his support of Wallace but talks confidently of Wallace's ability to corral the Democratic convention delegates in California and other States of the West. He names Oregon as one of them. And there is a newly formed Independent Progressive Party in California boosting Wallace.

The foregoing is offered as prelude to a discussion of the handicaps that Oregon election laws set up against election of Presidential candidates by newly formed third parties. Oregon laws, moreover, are said to be more liberal in that regard than are laws of some other States.

In Oregon, Presidential electors presumably may be nominated under the provisions of a law permitting nominations for office by an assembly of 250 voters. But thus nominated they could go on the ballot only as independents or nonpartisans. To obtain for them a political-party label it would be necessary to organize a new party by petition of voters constituting 5 percent of the number of votes cast for Members of Congress in the last election. The number of names required is 16,734. The new party's label could not embrace the word Democratic or Republican.

But there remains an unexplored phase of Oregon election law. It forbids a candidate for nomination who has lost out in the primary of his party to become the candidate of any other party in the ensuing general election, or to run therein as an independent. Whether this inhibition applies to a candidate who has sought a party's preferential vote for President is a question that

has never been raised. It is one with plausible arguments pro and con.

It poses the question as to whether, should Wallace enter the Democratic preferential primary and be defeated, he could thereafter get on the general-election ballot as the Presidential candidate of a third party or as an independent. It is true that we do not vote directly for President, but vote for a number of Presidential electors equal to our representation in the House and Senate who thereafter cast their votes for their party's Presidential candidate. But the election laws also provide that the names of a party's candidates for President and Vice President shall be printed on the official ballot preceding the names of its candidates for elector.

This phase will be considered by the local Wallace supporters if they are wise, and if a national third party be organized it better be careful, if it wants to get on the Oregon ballot, not to call itself "Liberal Democratic" party or otherwise make any title use of the name of the old party.

Opinions of the Folks at Home

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. MILLER of Nebraska. Mr. Speaker, since I have the greatest confidence in the judgment of the people in my district I am asking them for an expression of their views on matters of the utmost importance that will come before the second session of the Eightieth Congress. This is the letter I am writing them:

DEAR FRIEND: You have many times, no doubt, felt like writing your Congressman to express your opinion on matters of importance to our country. Here is your opportunity to do so without much trouble.

It has always been my opinion that the folks at home are far enough away from Washington and the confusion here to think through and to form solid opinions on vital questions that come before the Congress. Today, the Congress is besieged by highly organized minorities to pass legislation for their own particular benefit. Indeed, the most persistent one is the Government lobby. The bureaus pour out propaganda and emotional appeals for support of their own particular bureau or for the administration as a whole, which far surpasses in volume that put out by all other lobbies. The purpose, of course, is to insure the continuance of a huge Federal bureaucracy.

Here are some of the questions Congress will be called upon to answer. I know you will have been thinking about them. I will appreciate the help you can give me by indicating your reaction to them. Please check and return this card with any comments you may want to make. I will publish the results of this poll.

1. Should there be tax reduction for all groups? Yes —. No —.
2. Are you for the Marshall plan? Yes —. No —.
3. Are you for compulsory military training? Yes —. No —.
4. Are you for Federal aid to education? Yes —. No —.
5. Do you want to return to rationing and price control? Yes —. No —.
6. Your occupation ----------
Comments ----------

Americans By and Large Did Not Want Government Controls Restored

EXTENSION OF REMARKS
OF
HON. HUBERT S. ELLIS
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. ELLIS. Mr. Speaker, I submit to the House for its consideration an editorial by Mr. H. R. Pinckard, editor of the Herald-Advertiser, published in Huntington, W. Va. I believe you will find it to be an interesting observation on a very timely subject.

The editorial follows:

COMPULSORY CONTROLS NEVER HAD A CHANCE

It was a foregone conclusion that Congress would adjourn its special session without giving the President authority to reimpose rationing or wage-and-price controls. Effectiveness of the alternative plan adopted by Congress, for self-disciplinary agreements in business, industry, and agriculture, remains to be proved, but the compulsory controls requested by Mr. Truman never had a chance.

Americans, by and large, did not want Government controls restored. They are by nature suspicious of such devices and figured that in a Presidential-election year they might be used where they would be politically effective regardless of their economic usefulness.

Specifically, there was widespread resentment over the Government's crack-down on the American distilling industry, which was high-pressured into a 60-day shut-down for grain conservation, while Canadian and British distilleries continued to run full blast. Workers in the industry were indignant when they learned that foreign distillers had rejected a United States Department of State request to join in the 2-month holiday.

Most people figure that merchandise at inflated prices is preferable to no merchandise at controlled prices. As long as shelves are well stocked, they can at least look their fill and buy at their own discretion.

This, of course, is a reflection of the self-confidence in the American character. Your typical United States citizen may not do an expert job on his personal budget, but he doesn't take kindly to Government intervention, even though it is for his own good. Besides, he points out, where frugal budgets are concerned, how can the Government pose as an authority?

Food Conservation

EXTENSION OF REMARKS
OF
HON. AUGUST H. ANDRESEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. AUGUST H. ANDRESEN. Mr. Speaker, every American has interested himself of late in the matter of sharing our abundant food supply with hungry nations abroad. It is commendable when entire industries commit themselves to vigorous food conservation at home and to encouraging aid to less-favored countries.

The following extracts from a statement made by Howard F. Dugan, president of the American Hotel Association, contains suggestions that every American will find practical:

A SPECIAL MESSAGE TO THE AMERICAN HOTEL ASSOCIATION

(By Howard F. Dugan)

I have something to discuss with you that is close to my heart; something which, after you have heard me through, I hope you too will take close to your heart; something that I believe is vital to all of us Americans.

I think that we, as individuals and as an association, should adopt a more realistic attitude on the question of food conservation. Up to this point we have been too complacent; too willing to let the other fellow carry our share of the load—and probably he is doing the same thing.

And what can we, as hotel men, do to protect the future of our free America?

The leaders of industry, our Government, and the powerful media of press, radio, magazines, films, and outdoor displays, have pooled their forces and objectives into a well-planned and well-thought-out campaign to fight hunger. And we and our industry cannot afford to not join forces in this three-pronged campaign which is to (1) save wheat; (2) save meat; and (3) save the peace.

This, of course, means that we as an industry must help to achieve the conservation objectives of the campaign. It means using eggs and egg dishes in moderation and it means using less expensive kinds of meat such as chuck, ribs, spareribs, rump, shoulder, breast, flank, brisket, bottom round, shank, sausage, frankfurters, shank end of ham, and canned meats.

To save wheat, hotel kitchens can make a tremendous contribution by doing less making of foods in which flour is the main ingredient—just for one example—one-crust pies should be given preference. And let's plan to use dry bread wherever possible as an ingredient in main dishes and desserts, such as cheese fondue, bread pudding, casserole dishes, and as crumbs in scalloped dishes. There are many other things we can do which I need not cover in this discussion.

And to be realistic and practical about it—we cannot talk to our customers about eating less. We know, too, that our customers are tiring of meatless days and eggless days. Failure of the public to cooperate in observing these days becomes more apparent all the time. We can, however, use foods that are in plentiful supply and above all we can watch and eliminate waste.

So let's save that extra roll, match the portions served with the appetite of the guest, watch the plates coming back from the dining rooms, and if need be, cut down the portions. Let's encourage our employees to give the guest only what he wants and no more, let's forget some of the standard practices of so many slices of bread per guest, or so many rolls per guest—and here's what I have in mind. When I travel I usually have breakfast in my room. I like one slice of toast for breakfast—or more preferable, a half slice of toast. When I telephone room service, one of two things always happens—I am either told "Yes, you can have one slice of toast"—or I get an explanation that the standard portion is two or three slices of toast. When the breakfast reaches my room, there is never any doubt as to what happens—I usually get the standard portion, the result being that one or two slices of toast are wasted. And as a general rule, the crust trimmed from the slice of toast is wasted in the kitchen.

This is only one small example. There are many other examples which might be cited. Banquets provide a wonderful opportunity for saving food. Take an hour off and watch the shocking amount of food that must go into your garbage cans as the plates are brought back from the tables.

And now, what can we do as individuals? One way is to interest ourselves in the organization called the Cooperative American Remittance to Europe—more commonly known as CARE. For a relatively small sum they will send a package of food to anyone you may designate, or to a worthy person if you do not specify a particular person. They have branches in most cities. You can secure forms for sending CARE packages from your local bank, Western Union offices, YWCA's, the Red Cross, American Railway Express agencies, etc. If blanks are not available, write your order on a piece of paper and send it to CARE, 50 Broad Street, New York, N. Y.

And we can interest ourselves in the overseas work being done by American Red Cross or similar organizations. We can encourage our employees to do likewise; and by all means remind—and make it easy—for our guests to buy packages for these organizations to send abroad. We can stir up interest in our city and encourage others to do likewise. Notice the tremendous response received by the food trains and how people are willing to cooperate, once the need is driven home to them. Take an example from the town of Dunkirk, N. Y., where they have raised huge sums to help overseas cities.

I think our position as individuals, the position of our industry, can best be summed up in the recent statement of Secretary of State Marshall on the food program, when he said: "The connection between the individual American and world affairs is unmistakably clear—our foreign policy has entered the American home and taken a seat at the family table."

Let us welcome that guest—our silent guest.

Stop Communism Now

EXTENSION OF REMARKS

OF

HON. HUBERT S. ELLIS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. ELLIS. Mr. Speaker, today I submit for the consideration of my colleagues excerpts from an address by Mrs. E. Wyatt Payne on the subject of national defense before the West Virginia DAR conference.

Mrs. Payne is a gifted speaker and by experience and training is well qualified to discuss the subject she so ably handles in this statement. I am quite sure you will find her remarks forthright and interesting.

The excerpts from Mrs. Payne's address follow:

EXCERPTS FROM THE TALK ON NATIONAL DEFENSE, WEST VIRGINIA DAR CONFERENCE, HUNTINGTON, OCTOBER 11, 1947, BY MRS. E. WYATT PAYNE, HUNTINGTON, W. VA.

Do you remember "way back when" everybody was happy because they were Americans? Somehow we just took it for granted that we lived in a wonderful country and quietly set out to make the most of the greatest opportunities provided. Before the modern propaganda technique was so generally used on people and things American was "first" in the hearts of her countrymen, and it wouldn't have occurred to us in a million years to question the foresight and wisdom of the founding fathers, much less take their honored name and good works in vain. This state of mind, individually and collectively, might seem naive to the modern "pinks," but we became the greatest Nation under its beneficient influence and we must get back to this fundamental Americanism.

With this in mind may I speak to you about a phase of national defense which is rarely discussed and seldom considered in these hectic days. One of the most serious problems confronting the American people today is the obvious and rapid disappearance of real patriotism, and it's high time we found out what happened to "the Spirit of '76" because without it we cannot save our great Republic. Where shall we turn to recapture this lost element which made us "one Nation, indivisable"? Right where we lost it—in the public schools and universities. We won't solve the problem by being shocked by this statement, we will solve it by a thorough investigation, and reinstating in the public schools the values which made and kept us a Nation. Please do not misinterpret my meaning, most of our teachers are good Americans and deserve all honor for their great work, however, in spite of these good teachers, something is happening in and to the American schools.

We must remember when Hitler wanted to establish a new philosophy he immediately took over the schools and changed the textbooks to meet his need. Russia did the same thing. Do we have a parallel in this country? Yes! Communism got a dignified start in some of our larger universities and spread to our land's remotest border, even to the Little Red Schoolhouse. I have sat as student or auditor in many of the great schools from coast to coast and I know this is true. I saw the symbols of Americanism disappear—patriotic pictures, songs, the pledge, the flag in each classroom. This was the beginning. Now let's see how it works. Communists do not knock on your front door or appear on the lecture platforms with their fellow traveler insignia, oh, no; they have far more subtle and effective devices. With an ever-increasing crescendo of sentences, paragraphs, radio scripts, movies, and columnists, they have tried to unsell us on our way of life.

We find race trouble here and other trouble there, and trouble, trouble everywhere—all signs of the divide and conquer campaign.

Let's take one example. We hear it over and over again that disaster, slums, and insecurity breed communism. This is not so. For over 150 years this Nation continued its progress toward the goal of the greatest good for the greatest number. During these years we experienced the whole gamut of human vicissitudes—fire, drought, floods, and depressions, but it didn't even occur to us to turn to communism for solace. Why? Because Americans have always been equipped with two impervious armors, faith in God and faith in our country with its freedom and opportunity; two factors by the way unknown to Russia or her satellites. We did not turn to communism because every American under the Stars and Stripes had his own ladder of opportunity; some were short and some were tall, "according to his several abilities," in the parable of the talents, but the ladder was his and it had a top; he was free to scale it.

Another danger signal: Under the guise of social progress the older American histories which inculcated in us the love of country, the flag, and things American, have been replaced by new books dealing with the objective, comparative, and scientific approach. Some of them imply that in comparison with other countries our system of government has failed and point with pride to the 5-year plan in Russia. Even more damage is done to the national morale and patriotism through books on social problems and political science, some of which present a conglomerate group of case studies and data which prove nothing and leaves the student in a state of confusion worse confounded. Whether the teacher realizes it or not, this is just where the Communists want him. Then, adding fuel to the fire, progressive education comes along and advises us to leave the children alone; don't cramp their style by telling them right from wrong. Just leave them alone and they'll come home, wagging their confusion behind them!

Perhaps you are wondering how you as a parent can tell when your children are being indoctrinated—the answer is easy—if your child comes home from school or college questioning the success of our form of government and "debunking" our glorious history—if he is confused about everything in general and the American way in particular, you may be sure he has had the wrong teacher, textbook, or both.

What practical steps can we as parents and teachers take to stop communism now? First of all, let's apportion the proper work to the proper authorities; let's leave the treaty making and foreign policy to the statesmen; let's leave the atom bomb and its future to the physicists then let's get busy on our own job of cleaning up the home front. We must learn to recognize the "symptoms" of communism and teach our children the difference in their philosophy and ours. One doesn't have to be a Communist to aid and abet their growth and prestige, we can by default lose our way of life. The point is that the Communist minority which is trying to undermine our form of government is guilty of the sin of commission but the far greater danger is that the majority of us are guilty of the sin of omission. We have failed to stop their insidious propaganda in the homes, the schools, and the churches. History records that as long as we loved and lived our American heritage, individually and collectively, we prospered as a people and became the greatest nation; when we began to doubt the wisdom of the American way we started the downward trek toward state socialism and communism.

We must teach our children to love their country as they love their family.

If the schools are to continue to preserve our liberties and freedom (and who said this was not their basic function) they must teach and practice Americanism—the unadulterated kind which sends that intangible elixir of national unity up our individual spines when the Stars and Stripes appear. Let's don't be fooled by the silly propaganda that being better Americans will make us isolationists. Does loving and protecting one's own family first keep us from helping the community and the world? It is axiomatic that "The light that shines farthest shines brightest at home." If our school authorities think this patriotic pedagogy is old-fashioned we'd better look twice because this indictment is one of the Communists' most successful techniques. What will it profit the child to gain all knowledge and lose the opportunity to say with Paul "I was free-born."

Fathers and mothers should have the old-fashioned courage to fight this communistic trend in their own community. Let's demand that our schools again become the citadel of American liberty; let's demand that every school put back the symbols; let's demand that textbooks and teachers emphasize what is right about America, thus giving students faith in the future and courage to correct what is wrong; let's demand that American history be taught with reverance because its unfoldment in the hearts and minds of every child is the only safeguard against serfdom. Keep America American. There's only one way to do this, elect school officials and hire teachers who believe in this philosophy themselves.

The Freedom Train running all over the country is a poor substitute for that self-sacrificing patriotism which flowed in the veins of our forefathers.

Whether we call it a priori reasoning or horse sense, let's be practical. Just as we do not outgrow the Sermon on the Mount or the Ten Commandments in our spiritual progress, we cannot continue to demonstrate the American standard of freedom and free enterprise unless and until we are

continually renewed in our gratitude for and adherence to the Constitution and the Bill of Rights. These principles should be taught in the schools. Progress lies in both directions and the most progress the Prodigal Son ever made was when he decided (because of failure, disillusion, and disaster) to go back to his father. There is a lesson here for Americans everywhere. What shall we do about it, parents and teachers? It's our job.

May we remember at all times that our greatest contribution to the world is to keep the light of liberty and freedom burning in America. If we fail here, the light of the whole world dies. "Lord God of Hosts be with us yet, lest we forget."

Eightieth Congress, During Its Special Session, Added Major Accomplishments to Its Constructive, Forward-Looking Record

EXTENSION OF REMARKS
OF
HON. CHARLES A. HALLECK
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, December 19, 1947

Mr. HALLECK. Mr. Speaker, the Eightieth Congress, during its special session that ended December 19, 1947, chalked up major accomplishments.

Passed were measures to:

First. Combat high prices through Government-approved voluntary agreements to allocate scarce materials fairly for necessary purposes and to control inventories; through statutory authority for the Government to regulate speculative trading on the commodity exchanges; through extension of export and transportation controls; through voluntary conservation efforts, and through temporary authority to limit the use of grain for production of distilled spirits.

Second. Provide $522,000,000 for relief from distress in France, Italy, and Austria, plus $13,000,000 for China and funds for areas in Germany occupied by our forces and under joint allied control.

Third. Increase the Federal Housing Administrations' mortgage insurance fund by $250,000,000, and give discretionary authority to add $500,000,000 more to the fund. This will help maintain the momentum in the home-construction field.

Fourth. Provide supplemental funds totaling $31,939,000 for far western reclamation projects; $650,000 for relief to needy Navajo and Hopi Indians, and $176,000 for the Seward, Alaska, sanatorium for tubercular patients.

The House of Representatives created a special committee to investigate causes of high prices, including ill-timed and reckless buying by the Government from our country's short supplies for export to other countries. Other House committees and committees of the Senate are also in motion on the matter of high prices.

At the beginning of the session on November 17, President Truman presented recommendations for combatting high prices of commodities and for aid to Europe.

True to the record of the present administration, his recommendations were in general terms and lacked the spadework that the country should expect and has a right to expect from the executive branch of the Government.

The lack of coordination and focus by the administration can be properly charged to an overwhelming desire to play politics with the high cost of living that the years of New Deal-Democrat misrule have generated.

The American people witnessed abundant evidence of the confusion and utter incompetence of the Truman administration through the conflicting testimony of the highest administration officials before congressional committees.

The Eightieth Congress, in line with the record made during its first session, made gallant efforts to chase the will-o'-the-wisp proposals on prices that popped out of the administration branch. In an effort to force a focusing on important details, we asked the administration to reduce its vague proposals to bill form.

And these bills were still pouring into the hoppers of Congress after congressional leaders had met with the President at the White House and it was agreed that the session should end on December 19.

Only 4 days before adjournment, on December 15, we received an omnibus recommendation in bill form signed by the Secretaries of Agriculture, Commerce, Interior, and Labor Departments.

Of course, the Republican majority in the Congress and the country knew by this time that the Truman administration was floundering and simply talking about high prices, and had no comprehensive plan, except to seek broad, generalized power to regiment the American people.

The people demanded action, constructive action such as was taken by the Eightieth Congress during its first session. And the Republican majority, despite hamstringing tactics by the President's own party members on Capitol Hill, did act and cause to pass a bill that will, if properly administered, do much to adjust unduly high prices.

An exhibition of obstruction tactics on the subject of prices was given by the Democrat Members of the House of Representatives on December 15. Although it was well known that the adjournment date had been set for December 19, the Democrat Members present unanimously, and with the urging of their leaders, prevented passage of the Republican-backed anti-inflation bill.

Four days later most of these Democrat Members "ate crow" and voted for passage of the Senate-approved measure, which was substantially the same as the bill that had been presented by the House Republican majority—the Wolcott bill—on December 15.

In doing so, some of the Democrat speakers showed their politics-filled hand by scoffing at the bill and by all but urging the people not to join wholeheartedly in making it do the job intended.

The administration, in presenting the so-called Marshall plan, describes it as a program of American aid "to help Europe help itself" prevent its own economic and political collapse. There is much talk by administration spokesmen about "cooperative enterprise" abroad. Its essence, we are told, is voluntary action.

We in America, too, are afflicted by high prices. The President tells us that we are threatened by an economic catastrophe. There has been a ring of defeatism in the President's proposals for preventing such a disaster. He appears to have lost faith in the American voluntary way of life.

The American people have not lost faith in voluntary self-help. They have faith and confidence in our historic American way—the way of competitive enterprise—the way that has produced the goods for which the world pleads, and which the President is so eager to give away for years to come, with its resulting impact upon prices and taxes that our people have to pay.

As I write this the President has not yet signed the anti-inflation bill passed by the special session of the Congress. I anticipate that he will sign it into law. Already industries are preparing to give their cooperation to the Government.

We do not want the philosophy of Marx, Lenin, and Stalin. We know that the OPA was a tragic failure after the war. We know that it stifled production and brought us black markets.

And yet Democrat leaders in the Senate and House of Representatives offered amendments to the Republican-backed Anti-Inflation Act that would have given the President absolute power to order all or any of the businessmen and farmers to do what the act says shall be done voluntarily.

Let us be frank about it. In those amendments was the road to regimentation, control by busybody bureaucrats, shortages, and black markets.

It was never asserted by the supporters of the Anti-Inflation Act passed at the special session of the Congress that it was a complete remedy for high prices.

Everyone must now know, in spite of administration propaganda to the contrary, that one of the major causes of high prices is the enormous amount of goods that is being exported to foreign countries.

Much of the goods we are giving away is going to countries said to be in dire need and it is said that by doing this we shall restrain communistic aggression.

Large amounts of goods also have been going to other countries that have been permitted to draw upon our extremely short supplies, even though the administration has had authority to curtail these exports.

Much of the tremendous shipments of goods to foreign countries is the direct result of failures of the New Deal administration in the conduct of our foreign affairs.

And in the equally disastrous loose fiscal policies of the administration is a basic cause of currently high prices.

Thus, failures of the administration abroad and incompetence on domestic affairs have fired the boilers of inflation and definitely fixed responsibility for

high prices upon the New Deal Democrat administration.

The Congress, during its session beginning January 6, 1948, will add to the mosaic of solid foundations for prosperity. The work so well advanced during the first session of the Eightieth Congress in reducing the outrageously high cost of government will continue.

The American people at long last are entitled to tax reduction. Taxes comprise a large part of the cost of everything we buy. Lower taxes for people in the smaller income brackets is absolutely necessary. Lower taxes mean more take-home pay. Lower taxes will encourage investment in productive enterprises.

The country knows from the record of the Eightieth Congress that it is not a "rubber stamp" Congress like those we had during the New Deal era. We shall give the Marshall plan a thorough examination just as we did the interim-aid recommendations of the Truman administration. We know our country's resources are limited.

We shall do all we can prudently to help other friendly countries, and in so doing we shall undertake to see that our assistance is consistent with our own self-interests to the end that our own economic stability is not jeopardized.

The American people in the 1946 congressional elections said they had enough of New Deal radicalism. Every Republican House vacancy that has been filled since 1946 has been filled by a Republican. That means the people approve the sound, forward-looking record of the Eightieth Congress.

This issue in 1946 was radical New Dealism and government regimentation as opposed to the American way of competitive enterprise under just laws fairly administered.

That is the paramount issue today. It will be the over-all issue in the 1948 elections, when the people will elect a Republican President who will cooperate with a Repubican Congress in carrying out the program so well advanced by the Eightieth Congress during 1947.

During the special session of the Eightieth Congress we continued our relentless pressure to drive Communists and other disloyal persons out of the Executive branch of the Government. We are busy exposing Communists wherever they may be in our country.

One of the first actions of the House of Representatives during the special session was to cite for contempt of the Congress 10 men connected with the film industry, because of their refusal to state whether they were Communists.

The American people know well that it has been the Republican Party through the years that has been vigilant in scotching Communists and communism. During the next session of the Congress we shall continue this patriotic program.

While President Truman assails communistic aggression abroad, his administration coddles radical New Dealers at home.

The accomplishments of the Eightieth Congress are like a beacon to the whole world. I do not have the slightest doubt of the support of the American people for this kind of government during the dawning New Year and the years to come.

Down a Rat Hole

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. HOFFMAN. Mr. Speaker, "pouring it down a rat hole" is a terse statement that money is being wasted. "You can't have your cake and eat it, too" is just another way of saying that a dollar or a tool cannot be used in two places at the same time. We cannot send a dollar abroad and use it to buy food here.

Long ago, it was said that a house built upon the sand cannot endure. Then there was the question, "And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?"

We were frightened into the First World War by propaganda based on the assumption that, war being destructive, we should end all war by winning that one. It did not turn out that way. It did cost the lives of thousands of young Americans; gave us a huge national debt, an enormous pension bill and many, many maimed and crippled young men.

Warmongers and international financiers, after failing to frighten us into the Second World War by telling us that our national existence depended upon the British Navy and British arms, dragged us into the war while distracting our attention by propaganda which attempted to convince us that, unless we went to Britain's aid, she would be destroyed, Hitler would overrun America and the black night of the Dark Ages would descend upon us.

That war saved the wasters, the planners, the New Dealers, by creating a false prosperity which may, in spite of all our efforts—and in my humble judgment will, unless we change our ways—be followed by a depression as disastrous as any we ever suffered through.

It was not enough that our resources and the fighting, enduring courage of our youth won the war. Immediately we were threatened with a third world war. We are told that, after our arms were the deciding factor in the defeat of Hitler and after, during the war, we built up Russia, communism, and Stalin, it is necessary, in order to prevent Russia and her communism from taking over the world, including our Nation, we continue to pour billions of dollars and tons of natural resources into war-torn Europe.

Well, although the fighting against the Japs ended on August 14, 1945, and the Germans surrendered on May 6, 1945, we have been doing just that. Instead of giving war-torn Europe essential help and telling her to go to work, we have been wet-nursing the whole outfit.

The New Dealers' old dodge of using relief money to buy votes here at home through the WPA has developed into a world-wide WPA, where your living costs are hiked by using your tax dollars to compete against you in the home markets; pay a horde of Federal employees, who, it is hoped, in the 1948 elections will support the administration; and to curry the favor and approbation of kings, queens, princelings, and industrialists and multimillionaires both here and abroad.

We have been pouring our money and our resources down a rat hole. We put millions upon millions into China to keep the Communists out. Marshall went over, came back, and in effect, said the task was hopeless. The Wedemeyer report, which is denied the public, will show the money was wasted. The money we sent to Europe has been used to fatten the pocketbooks of the speculators and the officials in many countries.

Our ships carrying food, coal, and other necessities to France are tied up in their harbors because of strikes. The people of England, of France, and of other countries just will not work. Many are on strike. They will not dig coal. They ask us to ship it to them. The American taxpayer is asked to dig in, provide the common people in those countries with the necessities—yes; the comforts—of life, and the upper ruling class with luxuries.

Many of the countries to which our aid is going have a political philosophy in which we have no confidence. Their governments are built upon "sand"—communism, socialism, the police state, planned economy. It matters not what kind of a superstructure our dollars and materials build upon that kind of a foundation. It cannot endure.

While we are yelling about stopping communism abroad it has been eating into the very heart of America, and with the tacit approval of the Roosevelt outfit. The time is long past when we should think exclusively of reforming the world. It is time that we consider the beam that is in our own eye instead of looking for the mote in the foreign eye. It is time that we set our own house in order.

The President asks for rationing, for price control, for regimentation. Under disguising words he asks to be made a dictator, while, at the same time, insisting that we weaken ourselves, perhaps fatally, by aiding little dictators abroad, who, we are told, are fighting the schemes and the plots of the big dictator, Stalin.

This brings the conclusion that—my country claims, to it I owe, my first allegiance. Extend necessary aid to the suffering? Yes. But I will not, under the guise of aiding the people of Europe to defeat communism, either speak or act for, or go along with, the drive to establish a dictatorship—price control and rationing—here.